

European Energy Holding ApS

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 25 62 56 76

**Annual report for the period
1 January to 31 December 2023
(23rd Financial year)**

Adopted at the annual general
meeting on 10 July 2024

Jan Paulsen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of European Energy Holding ApS for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Søborg, 10 July 2024

Executive board

Knud Erik Andersen
Director

Independent auditor's report

To the shareholder of European Energy Holding ApS

Opinion

We have audited the financial statements of European Energy Holding ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Independent auditor's report

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

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 10 July 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen
statsaut. revisor
MNE no. mne30154

Company details

The company

European Energy Holding ApS
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 25 62 56 76

Reporting period: 1 January - 31 December 2023

Incorporated: 30 August 2000

Domicile: Gladsaxe

Executive board

Knud Erik Andersen, director

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København

Consolidated financial statements

The company is reflected in the group report for the ultimate parent company KEA Holding III ApS

The group report of KEA Holding III ApS can be obtained at the following address:

Gyngemose Parkvej 50
DK-2860 Søborg
Denmark

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021	2020	2019
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Gross profit	-15	-23	-4	-4	130
Net financials	50.228	64.907	43.893	12.823	20.238
Profit/loss for the year	50.189	64.862	43.877	12.804	20.270
Balance sheet					
Balance sheet total	198.097	176.098	142.997	104.062	93.863
Equity	196.959	174.245	141.566	102.604	92.356
Financial ratios					
Solvency ratio	99,4%	98,9%	99,0%	98,6%	98,4%
Return on equity	27,0%	41,1%	35,9%	13,1%	25,1%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Management's review

Business review

The main focus of the European Energy Holding Group is developing and constructing wind turbines and solar parks. Another focus of the Group is purchasing existing renewable energy parks and the financing of these for either disposal or operation.

The most significant part of the activities in the Group are related to the subsidiary European Energy A/S.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any significant uncertainties.

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of TEUR 50.189, and the balance sheet at 31 December 2023 shows equity of TEUR 196.959.

Management's review

Significant events occurring after the end of the financial year

The shareholders of European Energy A/S signed in the beginning of 2024 an agreement with Mitsubishi HC Capital inc. to acquire 20% ownership in European Energy A/S.

Below is the European Energy A/S company announcement 2/2024 of 19 January 2024:

"Today, European Energy A/S (European Energy) has signed an investment agreement with Mitsubishi HC Capital Inc. (Mitsubishi HC Capital), a Japanese company listed on the Tokyo and Nagoya Stock Exchanges.

Pursuant to the investment agreement, Mitsubishi HC Capital will subscribe for around 72 million ordinary new shares and purchase, in aggregate, around 3 million ordinary shares from the three major shareholders in European Energy ultimately controlled by Knud Erik Andersen, Mikael D. Pedersen and Jens-Peter Zink. As a result, Mitsubishi HC Capital will at closing of the transaction hold 20% of the outstanding shares and voting rights in European Energy.

Through the transaction, European Energy will raise gross proceeds of approximately EUR 700 million. The capital raise will strengthen European Energy's balance sheet and will be used to contribute to the continued growth of European Energy.

As part of the transaction, Mitsubishi HC Capital will actively collaborate towards the value creation and strategic growth of European Energy, including through representation on the Board of Directors of European Energy.

Closing of the transaction was subject to fulfilment of certain customary closing conditions, including regulatory approvals and was finalised in H1 of 2024."

Apart from above, Management is not aware of any subsequent matters that could be of material importance to European Energy Group's financial position.

Management's review

Expected development of the company, including specific prerequisites and uncertainties

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

In European Energy A/S, the expectation for 2024 is EBITDA of EUR 230m, equivalent to growth of approximately 30% over realised EBITDA in 2023. We expect that the result will fluctuate over the quarters as usual, depending upon the timing of larger divestment of energy parks.

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

As a result of this, the expectation for European Energy Holding ApS is a profit before tax of EUR 70m-90m.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

Reference is given to the descriptions in the Management's Review section in the Annual Report for 2023 for the subsidiary European Energy A/S. The information given here also applies for European Energy Holding ApS.

Research and development activities in or for the company

Reference is given to the descriptions in the Management's Review section in the Annual Report for 2023 for the subsidiary European Energy A/S. The information given here also applies for European Energy Holding ApS.

Profit/(loss) for the year relative to the expectations most recently expressed

In European Energy A/S, the expectation for 2023 was announced on 28 February 2023. The expectations were EBITDA and Profit before tax of EUR 180m and EUR 140m respectively, with a risk margin of +/- 20%. With final EBITDA for the year was EUR 178m and the profit before tax was EUR 124m, the expectations were achieved.

Management's review

Statutory corporate social responsibility report

The main focus of European Energy Holding is developing and constructing wind turbines and solar parks. Another focus of the Group is purchasing existing renewable energy parks and the financing of these for either disposal or operation. The most significant part of the activities in the Group are related to the subsidiary European Energy A/S.

At present, European Energy Holding ApS does not have established Corporate Social Responsibility policies due to the limited scope and financial nature of our company and our activities and since most of our impacts on the E, S and G are placed at the subsidiary European Energy A/S. As our operations evolve, we will reassess the need for CSR initiatives and policies within the company. However, we can refer to the Group's CSR report, which provides comprehensive information on CSR initiatives and commitments undertaken by the entire group: <https://europeanenergy.com/ir-material/>

Policies on the underrepresented gender

Other management levels

Information on exempt from providing information on target figures of underrepresented gender for other management levels due to the number of employees

The Executive Board only consists of one member, why the target figures according to Section 99B of The Danish Financial Statements Act is not relevant.

European Energy Holding have no employees, therefore with reference to Section 99B, 4, the company has under 50 employees.

Overview according to Section 99B, 1:

	2023
Supreme Governing Body	
Total number of members	1
Other management levels	
Total number of members	0

Management's review

Statement of policy for data ethics

Description of the disclosing of statement of policy for data ethics is not given, but is given on consolidated level

At present European Energy Holding ApS does not have a formal Data Ethics policy due to the limited scope and financial nature of our activities, which do not involve extensive handling or processing of data. However, we can refer to the Group's statement of policy for data ethics, since the most significant part of the activities in the Group are related to the subsidiary European Energy A/S:

Link to statement of policy for data ethics

<https://europeanenergy.com/ir-material/>

Accounting policies

The annual report of European Energy Holding ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in TEUR

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Accounting policies

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of European Energy Holding ApS is adopted are not taken to the net revaluation reserve.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is tested annually for impairment.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries relative to the cost.

Accounting policies

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to the fair value reserve under 'Equity'. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Financial Highlights

Definitions of financial ratios.

Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement
1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> TEUR	<u>2022</u> TEUR
Revenue		0	0
Other external expenses		<u>-15</u>	<u>-23</u>
Gross profit		-15	-23
Income from investments in subsidiaries	2	50.106	64.821
Financial income	3	190	149
Financial costs	4	<u>-68</u>	<u>-63</u>
Profit/loss before tax		50.213	64.884
Tax on profit/loss for the year		<u>-24</u>	<u>-22</u>
Profit/loss for the year		<u>50.189</u>	<u>64.862</u>
Distribution of profit	5		

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> TEUR	<u>2022</u> TEUR
Assets			
Investments in subsidiaries	6	190.137	165.741
Other receivables		<u>7.469</u>	<u>7.524</u>
Fixed asset investments		<u>197.606</u>	<u>173.265</u>
Total non-current assets		<u>197.606</u>	<u>173.265</u>
Receivables from related parties		396	0
Prepayments	7	<u>84</u>	<u>96</u>
Receivables		<u>480</u>	<u>96</u>
Cash at bank and in hand		<u>11</u>	<u>2.737</u>
Total current assets		<u>491</u>	<u>2.833</u>
Total assets		<u><u>198.097</u></u>	<u><u>176.098</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> TEUR	<u>2022</u> TEUR
Equity and liabilities			
Share capital		17	17
Reserve for net revaluation under the equity method		188.788	164.392
Retained earnings		8.154	8.071
Proposed dividend for the year		0	1.765
Equity	8	<u>196.959</u>	<u>174.245</u>
Payables to subsidiaries		529	480
Total non-current liabilities	9	<u>529</u>	<u>480</u>
Trade payables		235	234
Payables to associates		0	724
Corporation tax		24	15
Deferred income	10	350	400
Total current liabilities		<u>609</u>	<u>1.373</u>
Total liabilities		<u>1.138</u>	<u>1.853</u>
Total equity and liabilities		<u><u>198.097</u></u>	<u><u>176.098</u></u>
Significant events occurring after the end of the financial year	11		
Contingent liabilities	12		
Related parties and ownership structure	13		
Fee to auditors appointed at the general meeting	14		

Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January	17	164.392	8.071	1.765	174.245
Ordinary dividend paid	0	0	0	-1.765	-1.765
Fair value adjustment of hedging instruments	0	-23.457	0	0	-23.457
Other equity movements	0	-2.253	0	0	-2.253
Net profit/loss for the year	0	50.106	83	0	50.189
Equity at 31 December	17	188.788	8.154	0	196.959

Notes

	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
1 Staff costs		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
<p>According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.</p>		
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	<u>50.106</u>	<u>64.821</u>
	<u>50.106</u>	<u>64.821</u>
3 Financial income		
Interest received from subsidiaries	50	0
Other financial income	<u>140</u>	<u>149</u>
	<u>190</u>	<u>149</u>
4 Financial costs		
Financial expenses, group entities	49	39
Other financial costs	<u>19</u>	<u>24</u>
	<u>68</u>	<u>63</u>
	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
5 Distribution of profit		
Proposed dividend for the year	0	1.765
Reserve for net revaluation under the equity method	50.106	64.821
Retained earnings	<u>83</u>	<u>-1.724</u>
	<u>50.189</u>	<u>64.862</u>

Notes

	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
6 Investments in subsidiaries		
Cost at 1 January	1.349	1.372
Additions for the year	0	0
Disposals for the year	<u>0</u>	<u>-23</u>
Cost at 31 December	<u>1.349</u>	<u>1.349</u>
Revaluations at 1 January	164.392	140.802
Disposals for the year	0	-2.339
Net profit/loss for the year	50.106	64.821
Fair value adjustment of hedging instruments for the year	-23.457	-27.357
Other equity movements, net	<u>-2.253</u>	<u>-11.535</u>
Revaluations at 31 December	<u>188.788</u>	<u>164.392</u>
Carrying amount at 31 December	<u>190.137</u>	<u>165.741</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
European Energy A/S	Søborg, Denmark	74,16%

7 Prepayments

Prepayments recognised as assets comprise primarily of prepaid expenses for guarantee provisions and are measured at cost.

Notes

8 Equity

The share capital consists of 125 shares of a nominal value of TEUR 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

9 Long term debt

	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
Payables to subsidiaries	480	529	0	0
	480	529	0	0

10 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years primarily related to guarantee provisions.

Notes

11 Significant events occurring after the end of the financial year

The shareholders of European Energy A/S signed in the beginning of 2024 an agreement with Mitsubishi HC Capital inc. to acquire 20% ownership in European Energy A/S.

Below is the European Energy A/S company announcement 2/2024 of 19 January 2024:

"Today, European Energy A/S (European Energy) has signed an investment agreement with Mitsubishi HC Capital Inc. (Mitsubishi HC Capital), a Japanese company listed on the Tokyo and Nagoya Stock Exchanges.

Pursuant to the investment agreement, Mitsubishi HC Capital will subscribe for around 72 million ordinary new shares and purchase, in aggregate, around 3 million ordinary shares from the three major shareholders in European Energy ultimately controlled by Knud Erik Andersen, Mikael D. Pedersen and Jens-Peter Zink. As a result, Mitsubishi HC Capital will at closing of the transaction hold 20% of the outstanding shares and voting rights in European Energy.

Through the transaction, European Energy will raise gross proceeds of approximately EUR 700 million. The capital raise will strengthen European Energy's balance sheet and will be used to contribute to the continued growth of European Energy.

As part of the transaction, Mitsubishi HC Capital will actively collaborate towards the value creation and strategic growth of European Energy, including through representation on the Board of Directors of European Energy.

Closing of the transaction was subject to fulfilment of certain customary closing conditions, including regulatory approvals and was finalised in H1 of 2024."

Apart from above, Management is not aware of any subsequent matters that could be of material importance to European Energy Group's financial position.

Notes

12 Contingent liabilities

The company is jointly taxed with its parent company, KEA Holding III ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

Contingent liabilities related to group enterprises

Recourse and non-recourse guarantee commitments

European Energy Holding ApS has provided guarantee towards European Energy Heating A/S, subsidiary of European Energy Group, as coverage for European Energy Heating A/S' debt toward banks. The company's outstanding debt amounts to EUR 0 per the balance date.

13 Related parties and ownership structure

Controlling interest

The shareholder Knud Erik Andersen has the controlling interest of the company through:

- KEA Holding I ApS, Gyngemose Parkvej 50, 2860 Søborg

Other related parties

Related parties in European Energy Holding ApS include the following:

- Subsidiaries in European Energy Holding ApS
- Subsidiaries and associates in European Energy Group
- Subsidiaries and associates in KEA Holding III Group
- Board members in European Energy A/S

Transactions

Transactions with related parties:

Costs paid to group entities: TEUR 8 (2022: TEUR 8)
Interest income from related parties: TEUR 50 (2022: TEUR 0)
Interest expenses from group entities: TEUR 49 (2022: TEUR 39)
Receivables from related parties: TEUR 396 (2022: TEUR 0)
Payables to related parties: TEUR 529 (2022: TEUR 1.204)

Notes

13 Related parties and ownership structure (continued)

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

KEA Holding I ApS, Gyngemose Parkvej 50, DK-2860 Søborg

Consolidated financial statements

The company is reflected in the group report for the ultimate parent company KEA Holding III ApS

The group report of KEA Holding III ApS can be obtained at the following address:

Gyngemose Parkvej 50
DK-2860 Søborg
Denmark

14 Fee to auditors appointed at the general meeting

Reference is given to the consolidated financial statements for 2023 for KEA Holding III ApS.