KEA Holding I ApS

Annual report 2022

The annual report has been presented and approved at the Company's annual general meeting on 14 July 2023

Jan Paulsen
Chairman

CVR no. 37 45 96 74
Gyngemose Parkvej 50, 2860 Søborg

Contents

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of KEA Holding I ApS for the financial year 1 January – 31 December 2022.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in my opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

I recommend that the annual report be approved at the annual general meeting.

Søborg, 14 July 2023

Executive Board:

Knud Erik Andersen

Board of Directors:

Knud Erik Andersen	Anette Meldgaard Andersen	August Gunnar Meldgaard Andersen

Independent auditors' report

To the shareholder of KEA Holding I ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of KEA Holding I ApS for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company financial statements

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

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

Independent auditors' report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditors' report

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 14 July 2023

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Wilson Beck
State Authorised Public Accountant
MNE No. mne32169

Kenn Wolff Hansen
State Authorised Public Accountant
MNE No. mne30154

Management's review

Company details

KEA Holding I ApS
Gyngemose Parkvej 50
DK-2860 Søborg

CVR no.: 37 45 96 74
Established: 1 January 2016
Registered office: Gladsaxe
Financial year: 1 January – 31 December

Executive Board

Knud Erik Andersen

Board of Directors

Knud Erik Andersen
Anette Meldgaard Andersen
August Gunnar Meldgaard Andersen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Group structure (directly owned companies)

Name	Country of place of business	Ownership 31/12 2022	Group structure
KEA Holding I ApS	DK		Parent
European Energy Holding ApS	DK	100,0%	Subsidiary (subgroup)
KEA II Holding ApS	DK	100,0%	Subsidiary (subgroup)
InnoVent Brake GmbH & Co. KG	DE	35,0%	Associated
European Wind Farms Invest No. 2 A/S	DK	5,74% (+indirect ownership)	Associated
EWF Fünf Zwei GmbH & Co. KG	DE	50%	Associated

Management's review

EUR'000	2022	2021	2020	2019	2018*
Key figures					
Revenue	438,106	328,757	207,310	239,239	96,439
Direct costs	-276,217	-226,514	-133,168	-190,905	-60,589
Gross profit	161,889	102,243	74,142	48,334	35,850
Operating profit	103,748	62,376	53,843	35,985	25,654
Net financial income and expense	6,003	261	-16,278	1,857	346
Profit for the year	**94,481**	**57,544**	**29,464**	**37,370**	**22,574**
Non-controlling interests' share of profit for the year	-29,589	-14,464	-11,531	-14,300	-6,498
The Group's share of profit for the year	**64,892**	**43,079**	**17,933**	**23,070**	**16,077**
Total assets	1,760,647	1,178,179	744,690	609,108	445,391
Equity	**412,802**	**362,155**	**239,318**	**141,590**	**104,829**
Cash flows from operating activities	-375,248	-123,280	-35,677	12,277	-150,083
Net cash flows from investing activities	-16,520	-55,703	-23,470	-3,167	-490
Portion relating to investment in property, plant and equipment, net	-9,104	-46,022	-4,317	28,307	-12,576
Cash flows from financing activities	381,861	283,359	66,961	36,821	160,764
Total cash flows	**-9,907**	**104,377**	**7,814**	**55,843**	**10,191**
Financial ratios					
Gross margin	37.0%	31.1%	35.8%	20.2%	37.2%
Operating margin	23.7%	19.0%	26.0%	15.5%	26.6%
Equity ratio	23.4%	30.7%	32.1%	23.2%	23.5%
Return on equity	24.4%	19.1%	15.5%	30.3%	23.4%
Average number of full-time employees	432	266	169	117	95

*IFRS 16, Leases, was implemented as of 1 January 2019. Comparative figures for 2018 have not been restated.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Gross margin $\frac{\text{Gross profit x 100}}{\text{Revenue}}$

Operating margin $\frac{\text{Operating profit x 100}}{\text{Revenue}}$

Equity ratio $\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$

Return on equity $\frac{\text{Profit after tax x 100}}{\text{Average equity}}$

Management's review

Management Report for KEA Holding I ApS

The Company's Main Activities
The main focus of the KEA Holding I 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.

Development of Operations
The most significant part of the activities in the Group are related to European Energy A/S, that is consolidated in the subgroup European Energy Holding ApS. Furthermore, the Group has activities in the subgroup KEA II Holding ApS relating to solar parks in Denmark and wind parks in Germany.
The company has on the top of the activities in the subsidiary European Energy A/S only minor other balance sheet items in the Group related to non-current assets (Other receivables), current assets (deferred tax asset) and to liabilities (Other payables).

Business model
Since 2004, European Energy A/S has acquired considerable know-how in all stages of the wind and solar power value chain. This expertise ranges from identifying new sites and securing financing to managing the actual construction process and ensuring the reliable operation of assets.
European Energy has three main business areas:

- development, construction and divestment
- sale of electricity from operational assets
- asset management

Reference is made to the Annual Report of European Energy A/S for a comprehensive description of the business model etc. of the European Energy A/S Group.

Group structure
KEA Holding I ApS is a holding company for two subsidiaries, hereof two subgroups.

The subgroup European Energy Holding ApS includes European Energy A/S. Description of the group structure below is primarily based on the description of Group structure in European Energy A/S financial statement 2022, as this subgroup has the most significant part of the activities in the Group.

European Energy A/S is the parent company of the subgroup and owns several subsidiaries, associates and joint-venture companies, which in turn own additional subsidiaries, associates or joint-venture companies.

The number of companies is relatively high because many of European Energy's wind and solar farms are held by special purpose vehicles (SPV). The sole purpose of an SPV is the acquisition, financing and construction of particular wind and solar farms. The SPV usually has an asset/liability structure and legal status that makes its obligations secure even if the parent company becomes insolvent. Financing is obtained through the SPV, and, together with equity provided by its owners, this is how the SPV obtains funds to construct the assets.

Management's review

Since the SPV owns the assets, which are provided as collateral for external financing, the risk for the parent company is limited; however, European Energy may, in some cases, provide guarantees for an SPV’s debt during the construction phase. The SPVs take the form of either a limited company or a tax-transparent company.

Another advantage of using an SPV is when providing debt to the SPV, the financing bank evaluates the SPV’s assets and corresponding collateral, and does not need to evaluate the parent company or take into account any debt other than that of the SPV. This reduces the funding cost. The SPV structure also has the benefit of facilitating the divestment of wind and solar farms, since the projects can be sold as single, separate legal entities.

The subgroup KEA II Holding ApS includes one subsidiary, which own additional subsidiaries.

Financial performance

Description of the financial performance is based on the description in European Energy A/S financial statement 2022, as this is the most significant part of the activities in the Group.

Parent company

The Parent company has a profit after tax of EUR 64.9m (2021: EUR 43.1m). The increase is related to improved profit from subsidiaries. The total Assets at the end of 2022 is EUR 188.1m (2021: EUR 153.9m) and equity increased to EUR 187.0m (2021: EUR 153.6m).

Income statement

Revenue

In 2022, revenue increased to EUR 438.1m, corresponding to an increase of EUR 109.4m or 33% (2021: EUR 328.8m).

The increase was driven by expanded activities for all reportable segments, where sale of energy farms and projects increased by EUR 57.0m, corresponding to a 21% increase, up to EUR 325.1m in 2022 (2021: EUR 268.1m). This increase reflects interest and activity from investors in acquiring operational assets. A general increase and a future expected increase in power price levels positively impacted the enterprise values of operational parks however partly counterbalanced by the effects from increasing interest rates.

Sale of energy contributed a revenue increase of EUR 50.1m, or 90%, up to EUR 105.5m in 2022 (2021: EUR 55.5m). The increase mainly reflects the impact of higher power prices, but also an increase in renewable energy capacity under our ownership.

The revenue from external customers in our Asset management segment rose to EUR 7.5m in 2022 (2021: EUR 5.2m). The increase was due to an increasing base of energy farms and projects sold with an asset management service agreement with European Energy.

Gross profit

Gross profit amounted to EUR 161.9m, an increase of EUR 59,7m or 58% (2021: EUR 102.2m.) Of this, 2022 sales of energy farms and projects totalled EUR 69.3m (2021: EUR 47.5m) and power sales EUR 107.1m (2021: EUR 54.4m).

The 2022 results from investments associates are a net income of EUR 16.3m (2021: EUR 1.3m), an increase of EUR 15.0m net of taxable income. This increase is primarily related to increasing power prices and an EUR 4.3m revaluation of a net equity interest following a change in control of an associate.

EBITDA
EBITDA for 2022 totalled EUR 134.5m (2021: EUR 81.1m), with a significant increase of EUR 53.3m, or 66%, stemming mainly from sale of energy. Sale of energy constitutes 74% of 2022 EBITDA, up from 50% in 2021, while sale of energy farms and projects constitutes 21%, down from 46%. The high EBITDA share from sale of energy is a consequence of the high power prices experienced in 2022.

In addition, EBITDA is impacted by increasing staff expenses, up by EUR 10.5m to EUR 22.4m (2021: EUR 12.0m).The increase in staff costs is a natural consequence of the increase in new hires following our higher activity level.

Finally, other external costs increased to EUR 24.2m (2021: EUR 11.3m). The increase in other external costs should be seen in the context of the Group’s continued expansion, e.g. costs related to entering new markets, higher number of employees and new development projects. Other external expenses were impacted by EUR 3.1m in one-off advisory fees.

The realised EBITDA margin for 2022 was 31% (2021: 25%). The main reason for the margin increase is a larger ratio of relatively high-margin sale of energy and a smaller ratio of relatively lower-margin sale of energy farms and projects.

Profit before tax
Profit before tax totalled EUR 109.8m (2021: 62.7m), an increase of EUR 47.1m, or 75%. This increase is a result of the increases in revenue, gross profit and EBITDA, but also lower depreciation and impairment. The latter totalled EUR 14.3m (2021: EUR 17.4m), corresponding to a decrease of EUR 3.1m. This development is a result of a stable asset base, combined with a reversal of a prior year impairment of wind assets.

Net financial expenses were EUR 10.3m (2021: EUR 1.0m), an increase of EUR 9.3m. This increase in net financial expenses is due to the recognition of a loan modification gain in 2021 in connection with the senior bond refinancing in September 2021. Furthermore, during 2022 we recognised an ineffectiveness of our hedge portfolio as well as made changes to the functional currencies for a range of our entities in the Group. This has generally increased the currency translation risk and for 2022 resulted in currency losses.

Tax on the profit for the year amounted to EUR 15.3m in 2022 (2021: EUR 5.1m). The effective tax rate for 2022 landed at 14%, compared to 8% for 2021.

The balance sheet

Goodwill
Acquired goodwill in 2022 relates to the Ammongas acquisition, which contributed goodwill of EUR 6.4m. In 2021, goodwill related to the acquisition of REIntegrate amounted to EUR 4.5m.

Property, plants & equipment
At end-2022, the book value of property, plant and equipment was EUR 167,6m (2021: EUR 167,7m). This decrease is the result of depreciation being partly offset by reversals of earlier impairments.

Management's review

Inventories
Inventories at 31 December 2022 amounted to EUR 1,051.0m (2021: EUR 524.8m), an increase of EUR 526.2m. EUR 431,4m (2021: EUR 215.5m) of the inventories were energy farms in operation. These energy farms are power producing and contribute to Group power sales. Often, the Group keeps operating plants for a shorter period of time after COD, to document plant performance and to achieve a better valuation on divestment. As the plants are intended to be sold, they are recorded as inventories.

The value of energy farms under construction decreased to EUR 150,2m at year-end 2022 (2021: EUR 197.5m). The large increase is a result of our successful efforts expanding our project pipeline, which is now materialising as a significantly increase in assets under construction.

European Energy reviews and evaluates the likelihood of a project's success on an ongoing basis with the aim of making impairments if needed. There is special focus on projects in their early development stages (before construction). At the end of 2022, the value of projects in the pre-construction phases had increased to EUR 469,5m (2021: EUR 111.8m). In 2022, EE recognised an impairment loss on inventories of EUR 8.1m (2021: EUR 13.2m). Write-offs during the year were related to projects not materialising and totalled EUR 1.0m. In total end of 2022 impairment for inventories was EUR 32.6m (2021: EUR 24.5m).

Equity
At the end of 2022, equity totalled EUR 412.8m (2021: EUR 362.2m) up by EUR 50.6m. The increase is a result of significant earnings, partly offset by mark-to-market value losses on hedging instruments.

The non-controlling interests increased by EUR 17.2m to EUR 75,8m (2021: EUR 58.6m). The increase was related mainly to an acquired subsidiary, which was previously accounted for as an associated entity, thereby gaining a minority interest.

During 2022, the value adjustments from hedging of power prices, currencies and interest rates resulted in a net loss of EUR 25.8m (2021: EUR 6.3 m), with a corresponding tax asset of EUR 10.6m (2021: tax liability of EUR 1.3m).

The 2022 value adjustments deriving from power hedging agreements (PPAs) contributed a loss of EUR 28.9m (due to higher power prices), while currency hedges contributed a net loss of EUR 22.7m and interest rate hedges contributed a gain of EUR 7.0m.

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

Bond financing
At end-2022, the book value of outstanding senior bonds totalled EUR 363.7m (2021: EUR 285.4m), an increase of EUR 78.3m. This increase stems mainly from the issuance in September 2022 of a new EUR 75m senior bond with maturity in 2026.

Management's review

Project financing
Project financing (current and non-current) increased to EUR 723.8m (2021: EUR 347.0m) up by EUR 376.8m as a result of the increase in construction activity noted under inventories. We are cooperating with several financial institutions on project financing, depending on the geographical area of the construction site, and the size of the project and of any co-investors.

During 2022 the combined value of financed project assets – primarily PPE and inventories – rose by EUR 524.6m. The remainder of the project asset investments were financed by the proceeds from the increased senior bond, hybrid capital and operating results

Cash flow statement

Cash flow from operating activities
Cash flow from operating activities ended at a negative EUR 375.3m (2021: EUR -123.3m), a decrease of EUR 252.0m.

The main driver of the negative operating cash flow was the net increase in inventories of EUR 479m (2021: EUR 188.7m), an increase of EUR 290.3m. The significant increase in investments in inventories are a result of our growing efforts increasing the development pipeline as well as the increasing construction activities of energy farms and projects.

Excluding changes to inventories, cash flow from operating activities ended at EUR 103.8m (2021: EUR 65.4m), an increase of EUR 38.4m or 58%. The increase in cash flows mainly stems from the increasing profits from sale of energy as well as energy farms and projects

Cash flow from investing activities
Cash flow from investing activities was negative at EUR -16.5m (2021: EUR -55.7m). During 2021, we acquired an European wind asset portfolio for EUR 46.0m. Acquisitions in 2022 of EUR 9.6m primarily concerned power producing assets and Ammongas, together with a small portion of minority interests.

Cash flow from financing activities
Cash flow from financing activities ended with a significant cash inflow of EUR 381.9m (2021: EUR 283.4m), an increase of EUR 98.4m.

This was mainly stemming from an increase in net proceeds from project financing of EUR 210.6m partly counterbalanced by lower net proceeds from issuance of hybrid and senior bond in European Energy A/S of EUR 94.3m.

Project financing was obtained for all projects entering the construction phase and is spread across several European countries, primarily Lithuania, Denmark, Sweden, Germany and the UK, as well as Brazil.

During 2022, coupon payments to hybrid bond holders amounted to EUR 9.2m. The coupon payments are considered to be dividend, rather than interest.

Total cash flow
During the year, cash and cash equivalents decreased by EUR 9.9m (2021: an increase of EUR 104.4m) and resulted in a cash position of EUR 217.9m (including cash with restrictions), compared to EUR 227.8m at the end of 2021.

Management's review

Capital management

The Group operates a two-layered capital structure. European Energy A/S constitutes the top-layer of the capital structure, which includes funding that is unsecured and structurally subordinated to project-level financing at the bottom.

The latter is predominantly secured bank financing of renewable energy projects either under construction or in operation.

The Group's financial policy is defined by a set of financial maintenance covenants included in the terms and conditions of the senior unsecured bonds issued by the parent company. These are:

1. A minimum parent company equity to total assets (excl. cash) of 25%

2. A maximum group project financing to group project assets (PPE and Inventories) of 75%

In short, these financial covenants stipulate that
1. parent capitalisation must be 1 times equity to 3 times debt, and;

2. that parent company on an aggregate basis should contribute with a minimum 25% equity to the project-level layer.

The debt funding of the parent company is based entirely through Nasdaq Copenhagen listed bonds with "Nordic"-style documentation and issued under the company's green financing framework:

1. Hybrid capital securities: EUR 150m with stated maturity in 3020, a fixed coupon of 6.125% p.a. until First Call Date on September 22 2023, after which the coupon is 3Y EUR swap rate + 11.585%. None of the issued nominal amount has been swapped to floating interest rate. For purpose of financial covenant calculation, 50% of outstanding nominal amount of hybrid capital can be included as Equity. The bond is subordinated to all other senior debt like the senior unsecured bonds and the RCF, cf below. Coupon payments may be deferred at the discretion of European Energy A/S and ultimately any deferred coupons outstanding in 3020 will be cancelled. However, deferred coupon payments become payable if European Energy A/S decides to pay dividends to share-holders or makes payment in respect of any Subordinated Shareholder Funding.

2. Senior unsecured bonds: EUR 300m with maturity in September 2025 and a coupon of EURIBOR 3M plus a margin of 3.75% and EUR 75m with maturity in September 2026 and a coupon of EURIBOR 3M plus a margin of 5.75%. None of the issued nominal amount has been swapped to fixed interest rate. For the duration of the bonds, European Energy must comply with a set of general undertakings stating among other that no dividends can be paid out by the parent company until after an IPO. In addition to the financial covenants stated above, the parent company is also subject to a liquidity covenant requiring the company to hold liquidity corresponding to the next 3 quarters' expected interest payment on the bond.

For full terms and conditions of the above bonds and details of the green financing framework:
https://europeanenergy.com/en/green-financing

In January 2023, we launched a tender offer for outstanding green hybrid bonds with maturity in 3020 and combined issuance of EUR 100m new green hybrid bonds with maturity in 3023 and tap issuance of EUR 75m new green senior bonds with maturity in 2026.

For liquidity management purposes, the parent company also has a EUR 45m revolving credit facility maturing at the latest in 2026 with three major Nordic relationship banks. The terms largely mirror those of the senior unsecured bond. As part of the January 2023 bond transaction, European Energy also entered into an increased green revolving credit facility of EUR 75m with our three Nordic relationship banks up from the abovementioned EUR 45m.

The project level financing consists of construction (while under construction) or project (when project is in operation) financing primarily with Danish and international banks but also with infrastructure debt asset managers. Construction financing can be with time-limited recourse to the parent company. Project financing related to operating assets can include covenants e.g., related to Debt Service Covenant Ratios (DSCR) and/or require the existence of restricted cash accounts to cover debt/interest service for a predefined period. Project financing is predominantly done on a project-by project basis but portfolio-based construction financing with cross-collateralization is emerging. European Energy has a Green Finance Framework aligned with the Green Bond Principles published by the International Capital Markets Association (ICMA) in 2021 and the Green Loan Principles published by the Loan Market Association (LMA) in 2021. Our framework includes Green Bonds as well as Green Loans and other types of debt instruments which are used to finance, or re-finance, Eligible Assets. Instruments issued in accordance with this framework are all ‘use-of-proceeds’. For the avoidance of doubt, this refers to 100% Green proceeds for bonds. However, other instruments may be subject to a 90% threshold on EBITDA of the European Energy Group, in which case that will be specified in the final instrument documentation. The Framework is intended to be aligned with the Climate Delegated Acts of the EU Taxonomy (“EU Taxonomy”), published in April 2021.

European Energy runs on a continuous basis, financial planning on short- and mediumterm basis alike with the aim of securing:

- Adequate short-term liquidity to fund planned projects with parent equity and project debt
- Adequate capitalisation of the parent company to fund medium-term project pipelines and the timely refinancing of existing outstanding debt
- Quarterly compliance with financial covenants in senior secured bonds issued by the parent company and any project level debt covenants

Annually, in connection with approval of the Budget, the Board of Directors reviews and approves the funding plan of budgeted activities for the coming year.

At the end of 2022 the free cash was EUR 173.3 m (2021: EUR 174.1m). The Management and the Board of Directors evaluate that the group has sufficient available cash to meet the group’s short-term liabilities.

Management's review

Uncertainty with regard to recognition and measurement

When preparing the consolidated financial statements of the Group, Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Group's assets and liabilities are based.

The following provides information about assumptions and estimation uncertainties with a significant risk of resulting in a material adjustment in the year ending 31 December 2022:

Revenue measurement

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

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

Business combination

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

The purchase price of property, plant and equipment includes estimates on future capacity of generating cash flow by the wind and solar farms.

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

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

Inventories

Inventories, comprising projects under development, under construction and completed projects are initially measured at cost.

An impairment test is performed on the carrying amount.

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

Management's review

Provisions

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

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

Measurement of Power Purchase Agreements

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

Tax

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

Management's review

Outlook

Achieving 2022 targets

We announced the financial outlook for 2022 on 22 February 2022. EBITDA and profit before tax were expected to be EUR 135m and EUR 100m, respectively. With a final EBITDA for the year of EUR 135m and a profit before tax of EUR 110m, the targets for the year were achieved and also exceeded once again. This is the fourth consecutive year that European Energy has reached or exceeded our financial guidance.

Outlook for 2023

Once again we expect significant growth in our financial results for 2023, compared to 2022, as a consequence of the continued significant growth in European Energy’s activity level.

In 2022, we increased our GW under construction from 0.8 GW at the beginning of the year to 1.3 GW at year-end, and expect this figure to increase even further towards 2 GW during 2023.

Our outlook is based on a balanced set of assumptions, although there are factors associated with developing and constructing solar and wind projects which could meaningfully impact our realised results.

On the risk side, during the last 12-18 months we have seen significant increases in financial market volatility, impacting power prices and interest rates, which can have adverse impacts on power sales and project sales. The effects of regulatory responses to the extreme power prices experienced during parts of 2022 in terms of windfall taxes, and the potential revision of the power market pricing regime, could also have adverse impacts on our financial performance.

Other factors that could have negative impacts on the Group’s ability to meet its goals are the success in obtaining relevant permits, delay in grid connection upgrade works or the supply chain, negative events in the power markets or delays in the timing of asset divestments.

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 aforementioned increased risks and volatility could impact realised results by a margin of +/- 20% compared to outlook.

Management's review

Significant events after the reporting period

Hybrid bond

In January 2023, European Energy launched a tender offer to repurchase the outstanding green hybrid bonds with maturity in 3020 at par, and issued EUR 100m new green hybrid bonds with maturity in 3023 and a coupon of 10.75%. EUR 92.5 million of the existing hybrid bond holders accepted the tender, and after the tender the outstanding nominal of the 3020 hybrid bonds is therefore now EUR 57.5 million. The 92.5m of 3020 hybrid bonds repurchased by European Energy have not been cancelled and legally remain in existence. European Energy can redeem the remaining outstanding 3020 hybrid bonds at par at the first call date on September 22, 2023. The 3023 hybrid bonds constitute compound instruments with a liability component of essentially €nil, and an equity component of €100m. The repurchase transaction will be accounted for in equity, with no impact on the profit or loss.

As part of the January 2023 bond transaction, European Energy also entered into an increased green revolving credit facility of EUR 75m up from EUR 45 m at year end 2022.

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

Risk management

As a global wind and solar developer and asset manager of renewable energy projects, we are exposed to a variety of risks inherent in our day-to-day business operations and value creation. European Energy's risk management is intended to continuously identify, assess and manage business and financial risks, to reduce and ensure an acceptable level of impact on financial results, the company's value, and financial covenants in financing arrangements. While these risks can take on different forms and dimensions, they can, broadly speaking, be divided into market risk, operational risk, political, regulatory, legal risk, and financial risks. Financial risk consists of funding risk, foreign currency risk and interest rate risk. The primary risks and associated risk management measures are addressed below, in line with these risk categories.

Market risks

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

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

Management's review

Operational risks

European Energy develops greenfield projects, acquires pre-developed renewable energy projects at varying stages of their development cycle, and participates in repowering projects.

To be able to continuously realise profitable new projects, European Energy relies on a broad project development pipeline, ensuring cross-border market intelligence, agility and responsiveness if conditions change in individual markets. European Energy limits its risk exposure to specific projects or countries by selectively entering partnerships, and ensuring that development risks are appropriately shared between European Energy and its partners, which, for example, can be the original project developers.

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

Once development projects enter the construction phase, European Energy faces construction risk, such as potential delays due to unfavourable weather conditions or supply chain issues, cost overruns or quality issues (design, components or construction). European Energy reduces these risks via conservative construction planning and budgeting, to make provision for contingencies. Furthermore, it builds on established and proven relationships with top-tier technology providers and experienced subcontractors, to ensure best-in-class quality.

Financial risks

Funding risks

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

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

In addition, particularly at project level, European Energy reduces funding risk related to construction activities via preagreed payment schedules and milestone payments, and by securing construction financing from renowned and trusted banks as early as possible.

Management's review

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

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

Interest rate risks
At both Group and individual project level, European Energy relies on interest-bearing debt financing, which exposes it to interest rate risk. European Energy counters this risk by balancing its portfolio of fixed and variable rate loans and borrowings. Particularly at project level for long term financing, interest rate risk is often avoided altogether by engaging in interest rate hedges that cover the full maturity of project-related loans.

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

Reputational, regulatory and legal risks

In addition to our ordinary business risks, we are exposed to risks which have a very small probability of occurring, but which could potentially impact our reputation. These risks include HSQE-issues in connection with the construction of our parks, lack of supply chain transparency especially inside the PV supply chain and local resistance against the development of our parks.

As it appears in our sustainability report these issues becomes a more integrated part of our business. To ensure we continue to deliver on our sustainability priorities and to mitigate potential reputational risks, we need to continue to strengthen our efforts to integrate sustainability into our business model.

The successful development of renewable energy projects is dependent on the political and regulatory environment, even though renewable energy development can be undertaken on a fully commercial basis today and is far less dependent on state subsidies than just a few years ago. To reduce European Energy's exposure to country-specific changes in government policies and subsidy-related regulation, we pursue a geographical and technological diversification strategy. In 2022, European Energy was developing actively in 19 different countries across the world. To reduce its political risk in relatively higher risk countries outside Europe, European Energy strives for joint venture development projects in collaboration with local partners. European Energy has a high concentration of risk to the EU and is therefore exposed to its decision to implement windfall taxes locally on extraordinary high profits realised from power production and sales in periods with extraordinary high power prices.

The plans to potentially change the power market's pricing model may result in uncertainty and have unintended consequence for the attractiveness of investing in the green power transition. To reduce the risk of this happening, European Energy seeks to share its knowledge of the functioning of the power market with policy makers either directly or through business organisations.

Management's review

Responsibilities and compliance

Responsibility

A review of European Energy’s position on corporate social responsibility according to section 99a and section 99b of the Danish Financial Statements Act is available at European Energy’s website:
https://europeanenergy.com/en/financial-reports

Management diversity

A disclosure of European Energy’s diversity policy, targets and current performance is available at European Energy’s website:
https://europeanenergy.com/en/financial-reports

Corporate governance

A description of the internal control and risk management system relating to section 107b of the Danish Financial Statements Act is available in European Energy’s Annual Report for 2022, page 35 on European Energy’s website:
https://europeanenergy.com/en/financial-reports

Managerial positions

A complete list of Management positions at Group companies, Equity companies, and other companies is included in note 4.9 of the financial statements for European Energy A/S.

Data ethics

A description of the Data Ethics guidelines is available in European Energy’s ESG report for 2022 on European Energy’s website:
https://europeanenergy.com/en/financial-reports

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Income statement

		Consolidated		Parent company	
EUR'000	Note	2022	2021	2022	2021
Revenue	2	438,106	328,757	0	0
Direct costs		-276,217	-226,514	-1	-3
Gross profit		161,889	102,243	-1	-3
Other income		2,788	995	0	0
Staff costs	3	-22,437	-12,105	0	0
Other external costs	4	-24,174	-11,332	-32	-6
Depreciation		-14,318	-17,425	0	0
Operating profit/loss		103,748	62,376	-34	-9
Profit from subsidiaries		0	0	64,855	43,173
Profit from associates		16,298	1,275	52	0
Financial income	5	16,254	12,973	38	77
Financial expenses	6	-26,549	-13,987	-22	-147
Profit before tax		109,750	62,637	64,890	43,094
Tax	7	-15,269	-5,093	2	-15
Profit for the year	8	94,481	57,544	64,892	43,079

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Balance sheet

EUR'000	Note	Consolidated 2022	Consolidated 2021	Parent company 2022	Parent company 2021
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		10,856	4,528	0	0
		10,856	4,528	0	0
Property, plant and equipment					
Land and buildings	9	6,405	6,112	0	495
Wind power generating assets	9	136,146	138,036	0	0
Solar power generating assets	9	10,106	11,711	0	0
Tools and equipment	9	3,099	1,919	0	0
Lease assets		11,831	9,875	0	0
		167,590	167,653	0	495
Investments					
Investments in subsidiaries	10	0	0	174,798	150,126
Investments in associates	11	47,288	31,226	1,935	179
Other investments	12	13,471	8,492	222	222
Receivables from subsidiaries	13	0	0	125	1,321
Receivables from associates	13	39,605	59,160	5,463	1,179
Trade receivables and contract assets	14	4,699	10,731	0	0
Derivatives		6,904	0	0	0
Other receivables	15	16,811	3,447	229	0
Corporation tax receivable		413	163	0	0
		129,191	113,219	182,772	153,027
Total non-current assets		307,637	285,400	182,772	153,522
Current assets					
Inventories	16	1,051,000	524,830	0	0
Receivables					
Trade receivables and contract assets		80,001	56,845	0	0
Deferred tax asset	17	13,811	6,425	2	3
Derivatives		8,905	0	0	0
Other receivables		58,744	31,072	291	67
Corporation tax receivable		0	0	0	112
Prepayments	18	22,664	45,815	0	2
		184,125	140,157	293	184
Cash and cash equivalents		217,885	227,792	5,004	175
Total current assets		1,453,010	892,779	5,297	359
TOTAL ASSETS		1,760,647	1,178,179	188,069	153,881

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Balance sheet

EUR'000	Note	Consolidated 2022	Consolidated 2021	Parent company 2022	Parent company 2021
EQUITY AND LIABILITIES					
Equity					
Share capital	19	84	84	84	84
Reserve for net revaluation according to the equity method		0	0	173,481	148,786
Proposed dividend for the year		0	0	0	11
Retained earnings		186,922	153,524	13,441	4,727
Equity attributable to the shareholder of the Company		187,006	153,608	187,006	153,608
Hybrid capital	20	150,000	150,000	0	0
Non-controlling interests		75,796	58,547	0	0
Total equity		412,802	362,155	187,006	153,608
Provisions					
Other provisions	21	40,212	23,868	0	0
Deferred tax	17	19,670	12,378	0	0
Total provisions		59,882	36,246	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions	22				
Bond loan		363,683	285,383	0	0
Credit institutions, project financing		668,669	301,409	0	0
Amount owed to share holder		788	3	834	3
Amount owed to subsidiaries		0	0	0	117
Derivatives		31,783	0	0	0
Other payables		5,133	12,377	0	153
Lease liabilities		10,996	9,220	0	0
		1,081,051	608,413	834	272

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Balance sheet

EUR'000	Note	Consolidated 2022	Consolidated 2021	Parent company 2022	Parent company 2021
Current liabilities other than provisions					
Credit institutions, project financing	22	55,090	45,589	0	0
Lease liabilities	22	3,282	2,123	0	0
Trade payables		77,711	62,774	10	0
Payables to associates		1,014	3,677	0	0
Derivatives		3,432	0	0	0
Corporation tax		8,335	9,766	182	0
Provisions		2,950	4,254	0	0
Contract liabilities		9,347	4,239	0	0
Other payables		45,751	38,963	37	0
		206,912	171,385	228	0
Total liabilities other than provisions		1,287,963	779,777	1,062	273
TOTAL EQUITY AND LIABILITIES		1,760,647	1,178,179	188,069	153,881

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Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Equity

Consolidated EUR'000	Share capital	Retained earnings	Total	Hybrid capital	Non-controlling interests	Total equity
Equity at 1 January 2021	84	114,232	114,316	75,000	50,002	239,318
Profit for the year	0	43,079	43,079	0	14,464	57,543
Value adjustments of hedging instruments	0	-4,772	-4,772	0	-1,581	-6,353
Other adjustments	0	984	984	0	84	1,068
Transactions with NCI	0	0	0	0	-1,398	-1,398
Additions	0	0	0	0	3,243	3,243
Disposals	0	0	0	0	-6,267	-6,267
Issue of hybrid capital	0	0	0	75,000	0	75,000
Equity at 31 December 2021	84	153,524	153,608	150,000	58,547	362,154
Equity at 1 January 2022	84	153,524	153,608	150,000	58,547	362,154
Profit for the year	0	64,892	64,892	0	29,589	94,481
Value adjustments of hedging instruments	0	-19,122	-19,122	0	-6,652	-25,774
Other adjustments	0	-12,372	-12,372	0	-2,606	-14,978
Additions	0	0	0	0	7,027	7,027
Disposals	0	0	0	0	-10,108	-10,108
Equity at 31 December 2022	84	186,922	187,006	150,000	75,796	412,802

Parent company EUR'000	Share capital	Reserve for net revaluation according to the equity method	Proposed dividend	Retained earnings	Total
Equity at 1 January 2021	84	110,336	11	3,885	114,316
Paid dividend	0	0	-11	0	-11
Profit for the year	0	43,173	11	-104	43,079
Value adjustments of hedging instruments	0	-4,771	0	0	-4,771
Other adjustments	0	998	0	-4	994
Transactions with NCI	0	-950	0	950	0
Equity at 31 December 2021	84	148,786	11	4,727	153,608
Equity at 1 January 2022	84	148,786	11	4,727	153,608
Paid dividend	0	0	-11	0	-11
Profit for the year	0	64,907	0	-14	64,892
Value adjustments of hedging instruments	0	-27,357	0	0	-27,357
Other adjustments	0	-4,126	0	0	-4,126
Dividends	0	-8,728	0	8,728	0
Equity at 31 December 2022	84	173,481	0	13,441	187,006

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Cash flow statement

	Consolidated	
EUR'000	2022	2021
Profit/Loss before tax	109,747	62,623
Adjustments for:		
Financial income	-16,253	-12,973
Financial expenses	26,549	13,987
Depreciations	14,318	17,425
Profit from equity-accounted companies	-16,247	-1,275
Change in net working capital	281	138
Change in inventories	-479,039	-188,724
Interest paid on lease liabilities	-464	-401
Dividends	5,526	107
Other non-cash items	230	-337
Cash generated from operation before financial items and tax	-355,352	-109,416
Taxes paid	-7,014	-4,374
Interest paid and realised currency losses	-24,832	-14,240
Interest received and realised currency gains	11,950	4,750
Cash flow from operating activities	-375,247	-123,280
Purchase/disposal of Property, plant and equipment	-9,104	-46,022
Proceeds from disposal of equity-accounted investments	9,770	19
Purchase/disposal of other investments	-8,120	0
Acquisition of enterprises	-4,670	-35
Cash and cash equivalents related to acquired companies	1,540	-1,331
Investment/loans in equity-accounted investments	-7,431	3,788
Loans to related parties	1,490	-12,122
Cash flow from investing activities	-16,520	-55,703
Proceeds from issue of bonds	74,411	297,750
Repayment of bonds	0	-205,035
Proceeds from borrowings	505,829	232,302
Repayment of borrowings	-169,631	-106,725
Repayment of lease liabilities	-2,346	-1,516
Changes in payables to associates	-10,510	30
Capital increase	365	130
Purchase of treasury shares	-140	-21
Cash from issue of hybrid capital	0	75,967
Coupon payment, hybrid capital	-9,188	-6,608
Transactions with non-controlling interests	-6,929	-2,915
Cash flow from financing activities	381,861	283,359
Change in cash and cash equivalents	-9,907	104,376
Cash and cash equivalents at beginning of period	227,792	123,416
Cash and cash equivalents end of period	217,885	227,792
Of which restricted cash and cash equivalents	-44,541	-53,643
Non-restricted cash and cash equivalents end of year	173,344	174,149

The cash flow statement cannot be directly derived from the other components of the consolidated and parent company financial statements.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes

1 Accounting policies

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

The annual report is presented in EUR, and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated. Each amount is rounded individually, and therefore minor differences between total amounts and the sum of underlying amounts may occur. At 31 December 2022, the EUR/DKK rate was 7,4365 (31 December 2021: 7,4365).

The accounting policies remain unchanged compared to the annual report for the year ended 31 December 2021.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the interim financial statements that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Equally, costs incurred to generate the period's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

Functional currency

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

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

On recognition of entities with a functional currency other than the presentation currency, the income statement and statement of cash flows are translated at the exchange rates at the transaction date, and the statement of financial position items are translated at the exchange rates at the reporting date. Foreign exchange differences arising on translation of the opening balance of equity, and of the income statement on the reporting date, are recognised in other comprehensive income and attributed to a separate translation reserve in equity. Foreign exchange differences arising on the translation of the proportionate share of associates and joint ventures are likewise recognised in other comprehensive income. Foreign exchange adjustment of balances with entities that are considered part of the investment in the entity is recognised in other comprehensive income. Correspondingly, foreign exchange gains and losses on the part of loans and derivative financial instruments that are designated as hedges of investments in foreign entities, and that effectively hedge against corresponding foreign exchange gains and losses on the investment in the entity, are also recognised in other comprehensive income and attributed to a separate translation reserve in equity.

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

Presentation currency

The consolidated financial statements are presented in Euro (EUR).

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes

Derivative and hedge accounting

We apply hedge accounting to our power, currency and interest rate hedges. To any extent possible we use hedge instruments which hedge the desired risk, thereby aiming at establishing a very dependant economic relationship between the hedged item and the hedging instrument. Thus, creating no significant hedge ineffectiveness.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk). Effectiveness is monitored by comparing the change in the value of the future flow hedged to the change in the value of the derivative.

When we enter a hedging transaction, we assess whether the hedged exposure and the hedging instrument are still financially correlated. If the hedged exposure has changed, we adjust the hedge to obtain desired correlation again. If the exposure no longer is expected to be realised, the accumulated hedge effect is transferred to income statement for the year.

The recognition and classification in the balance sheet follows the fair value and the maturity of the contract similarly whether fair value of the hedging instrument is positive (asset) or negative (liability).

Changes in the fair value of derivative financial instruments designated as a hedge of a recognised asset or liability are recognised in equity. Changes in the fair value of derivative financial instruments that are not designated as a hedge are recognised as finance income or finance costs in the consolidated statement of profit or loss.

The effective portion of the change in fair value of derivative financial instruments, accounted for as hedging of projected future transactions is recognised in equity and presented in the cash flow hedge reserve in equity. Any amounts deferred in equity are transferred to the consolidated statement of profit or loss in the period when the hedged item affects the consolidated statement of profit or loss. Any ineffective portion of the fair value change is recognised immediately in the consolidated statement of profit or loss as finance costs. If the hedging instrument expires, is sold or revoked, any cumulative gain or loss previously recognised in equity remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Business combination

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

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

The cost of a business combination comprises the fair value of the consideration agreed upon, including deferred and contingent consideration.

Subsequent changes to contingent considerations are recognised in the income statement

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

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

Basis of consolidation

The consolidated financial statements comprise the parent company, European Energy Holding A/S, and subsidiaries over which European Energy Holding A/S exercises control.

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

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of Group.

All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

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

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

Use of judgements and estimates

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

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

Judgements

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

Revenue recognition

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

Assessment of classification – whether the group has control, significant influence or joint control)

To have control over an investee, the Company must have all of the following:

a. Power over the investee;

b. Exposure, or rights, to variable returns from its involvement with the investee; and

c The ability to use its power to affect the amount of its returns.

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

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

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

Accounting judgement regarding classification of power producing assets

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

Management is regularly judging this portfolio and reassessing the divestment opportunities. Management has judged that the current asset portfolio in operation is expected to be divested in the near future, and as such classified as inventories. Power generating assets that are not classified as inventory are classified an non-current assets.

Accounting judgement upon initial classification of hybrid capital

Classification of the hybrid capital is subject to significant accounting judgement.

The issued EUR 150m callable subordinated green capital securities due 3020 are accounted for as a hybrid capital reserve in equity. The classification is based on the special characteristics of the hybrid bond, where the bond holders are subordinate to other creditors and European Energy A/S may defer and ultimately decide not to pay the coupons.

As the principal of the securities ultimately falls due in 3020, its discounted fair value at initial recognition is nil due to the terms of the hybrid bond, and therefore a liability of nil has been recognised in the balance sheet, and the full amount of the proceeds have been recognised as equity. Coupon payments are recognised in the statement of cash flows in the same way as dividend payments within financing activities.

Power Purchase Agreements

When determining the accounting treatment of purchase price agreement (PPA's) management performs a range of judgments. Management has judged that PPA's entered with energy traders and or utility companies regarding physical offtake and where the counterparty can offtake physical delivery of the power from the meter point in the grid is considered physical contract and will be recognized accordingly. Other PPA's entered with corporates or counterparties which cannot physically offtake the power from the grid even though the contract entered is physical in nature is recognized as financial derivates in accordance with IFRS 9

Assumptions and estimation uncertainties

When preparing the consolidated financial statements of the Group, Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Group's assets and liabilities are based. The following provides information about assumptions and estimation uncertainties with a significant risk of resulting in a material adjustment in the year ending 31 December 2022:

Revenue measurement

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

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

Business combination

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

The purchase price of property, plant and equipment includes estimates on future capacity of generating cash flow by the wind and solar farms.

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

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

Inventories

Inventories, comprising projects under development, under construction and completed projects are initially measured at cost.

An impairment test is performed on the carrying amount.

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The impairment test is based on assumptions regarding strategy, market conditions, discount rates and budgets etc., after the project has been completed and production commenced. If market-related assumptions etc. are

changed, projects may have to be written down. Management examines and assesses the underlying assumptions when determining whether the carrying amount should be written down.

Provisions
Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain.
When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings, etc.

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

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

Income statement

Revenue

The Group has the following income-generating activities:

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

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

The following further explains revenue recognition for the Group's revenue streams:

Sale of solar and wind energy farms and projects

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

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

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

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

The revenue from sale of power generating assets in joint ventures or associates is measured as the net profit from the sale of the shares in the SPVs, and no direct costs related (a net transaction). The transaction price is normally agreed in one or more milestone payments.

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

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

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

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

Sale of energy

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

Government grants comprise subsidies for sale of electricity. Subsidies for sale of electricity are intended as a compensation for the price of power. Government grants in 2022 primarily relates to subsidies received related to sale of electricity in Germany, Italy and Denmark. Government grants account for 17% (2020: 50%) of total electricity revenues. The decrease in the share of electricity revenues compared to 2020 is due to multiple factors including increasing power prices across all of Europe and our newer PV parks are subsidy free. This has a direct impact on the subsidies received.

Sale of services

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

Government grants

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

Direct costs

Direct costs comprise costs incurred in generating the revenue for the year.

On disposal of energy farms and projects, direct costs comprise the construction costs plus costs directly related to the disposal.

Direct costs also comprise operating costs related to wind and solar power generating assets.

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Other income

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

Staff costs

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

Share-based payment

The fair value of warrants at grant date is recognized as an expense in the income statement over the vesting period. Subsequently, the fair value is not re measured. Such compensation expenses represent calculated values of warrants granted and do not represent actual cash expenditures. A corresponding amount is recognized in shareholders' equity as the warrant program is designated as equity-settled share-based payment transaction.

Other external costs

Other external costs comprise administrative expenses.

Depreciation and amortisation

Depreciation and amortisation comprise depreciation on property, plant and equipment as well as gains and losses on the disposal of other non-current assets than energy projects and wind and solar energy farms.

Financial income and expenses

Finance income and expenses comprise interest income and expense, gains and losses on other investments, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc. Capitalised interests on inventories are calculated at a rate of 3-8% where the interest rate level is dependent on whether it is interest on construction financing or shareholder loans. The interest on shareholder loans is a weighted cost of funds principle, based on the outstanding senior and hybrid bonds of the parent company plus a mark-up.

Tax

The parent company and its Danish subsidiaries are subject to the Danish rules on joint taxation.

Current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax loss carry forwards receive joint taxation contributions from companies that have used these losses to reduce their own taxable profits (full absorption). Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority. Tax for the period is recognised in the income statement including the effect of coupon payments on the hybrid capital.

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

Balance sheet

Goodwill

Goodwill arising from business acquisitions is recognised in the financial statements. Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the expected useful life of the goodwill. The expected useful life is 10 years.

Depreciation is provided over the useful life of the investment in the subsidiary based on the business case determined at the time of the acquisition.

Property, plant and equipment

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

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

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

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

Wind power-generating plant (Wind farms)	25-30 years
Solar power-generating plant (Solar farms)	40 years
Fixtures and fittings, tools and equipment	3-5 years
Land	No depreciation
Buildings	25-50 years

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

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

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

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

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

Lease assets and liabilities

Lease

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

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

The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cann ot be determined, an appropriate incremental European Energy borrowing rate is used from 1.7%- 6.0% depending on the borrowing rate used in the country specific project.

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

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

The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract. Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Investments in subsidiaries and associates

Income statement

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's income statement after the full elimination of intra-group gains/losses and less amortisation of goodwill.

The proportionate share of the individual associates' profit/loss after tax is recognised in the income statement after elimination of the proportionate share of intra-group profits/losses.

Balance sheet

Subsidiaries and associates are measured at the proportionate share of the entities' net asset values calculated according to the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated according to acquisition method.

Subsidiaries and associates with negative net asset values are measured at EUR 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value if the amount owed is deemed irrecoverable. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the subsidiary´s deficit.

Net revaluation of investments in subsidiaries and associates is transferred to the reserve for net revaluation in equity according to the equity method to the extent that the carrying amount exceeds cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

On disposal of subsidiaries and associates containing energy projects or wind and solar farms, the net selling price of the equity investments is recognised in the income statement as revenue, and the carrying amount of the equity investments is recognised in the income statement as direct costs.

Gains or losses on disposal of other subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus anticipated disposal costs. These gains and losses are recognised as a separate line item in the income statement.

Other investments

Other investments recognised under non-current assets are measured at fair value with value adjustments recognised in the income statement.

Other investments are recognised at cost if the fair value cannot be determined reliably. If cost exceeds the net realisable value, write-down is made to this lower value.

Impairment of assets

The carrying amount of property, plant and equipment and investments is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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When there is an indication of impairment, each asset or a group of assets is impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net income from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

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

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

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

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

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

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

The net write-down for the year amounted to EUR 8.1m (2021: EUR 13.2m.). The decrease in write downs mainly relates to large one-off write-downs in 2021. Management finds the impairment appropriate.

Projects under development comprise projects for which construction has not yet been commenced. Cost comprises direct and indirect costs incurred in respect of development of projects, including interest in the project period.

Projects under construction comprise projects for which construction has begun but has not yet been completed. Cost comprises costs incurred in the development phase (projects under development) and costs in relation to the construction phase, which comprises direct and indirect costs for Subcontractors, project management and financing as well as interest in the construction period.

Operating projects for the purpose of sale comprise projects for which construction has completed. Cost comprises costs incurred in the development phase and in the construction phase.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses at the net realisable value.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

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Equity – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Reserve for net revaluation according to the equity method
Net revaluation of investments in subsidiaries and associates is recognized under Shareholders' equity in the Revaluation reserve according to the equity method. The reserve is reduced by payments of dividends to the parent company and adjusted to reflect other changes in the equity of subsidiaries.

Hybrid capital

Hybrid capital is treated in accordance with the rules on compound financial instruments based on the special characteristics of the bonds. The notional amount, which constitutes a liability, is initially recognised at present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability (fair value). The part of the hybrid capital that is accounted for as a liability is measured at amortised cost. The carrying amount of the liability component amount to nil on initial recognition and due to the 1,000-year term of the hybrid capital, amortisation charges will only have an impact on profit or loss for the years towards the end of the 1,000-year term.

Coupon payments are accounted for as dividends and are recognized directly in equity when the obligation to pay arises. The obligation to pay coupon payments is at the discretion of European Energy A/S and any outstanding deferred coupon payments will be automatically cancelled upon maturity of the hybrid capital. Coupon payments are recognised in the statement of cash flows in the same way as dividend payments within financing activities.

Payments of interest on the hybrid bond (treated as dividend) is according to current tax legislation deductible for income tax purposes. The tax effect is recorded in the income statement as this is considered distribution of earnings and not in equity where the effect of the dividends paid is recorded.

On redemption of the hybrid capital, the payment will be distributed between liability and equity, applying the same principles as used when the hybrid capital was issued. The difference between the payment on redemption and the net proceeds received on issue is recognized directly in equity as the debt portion of the existing hybrid issues will be nil during the first part of the life of the hybrid capital.

On the date when European Energy A/S decides to exercise an option to redeem the hybrid capital, the part of the hybrid capital that will be redeemed will be reclassified from equity to bond loans. The reclassification will be made at market value of the hybrid capital at the date the decision is made. Following the reclassification, coupon payments will be recognised in profit or loss as financial expenses

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are determined by discounting expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Corporation tax and deferred tax

In accordance with the Danish joint taxation rules, the administration company assumes the liability for payment to the tax authorities of the Group's corporation taxes as the joint taxation contributions are received.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Notes

Deferred tax is measured at the tax rates expected to apply in the year when the asset is realised or the liability is settled on the basis of the tax rates (and tax legislation) in force at the date of the statement of financial position.

Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Cash flow statement

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

Cash flows from operating activities are determined using the indirect method and stated as the consolidated profit before tax adjusted for non-cash operating items, including depreciations and impairment losses, provisions and changes in working capital, interest received and paid and corporate tax paid.

Other non-cash items primarily comprise reversal of gain from disposing non-current assets, reversal of value adjustments made in relation to other investment assets and reversal of recognised income from bargain purchase related to acquisition of companies and reversal of share of profit (loss) from equity-accounted investments.

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

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

Cash flows from financing activities include proceeds from bond issues, drawdowns, new project loans, payments from non-controlling interests and repayments on borrowings from credit institutions.

Loans in disposed companies within the group are recognised as repaid loans in the cash flow statement.

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

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2 Segment information

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

2022	Consolidated					
EUR'000	Wind	Solar	Other	Total before elim.	Elim.	Total
Sale of energy farms and projects	47,605	266,435	11,024	325,064	0	325,04
Sale of energy	91,122	14,460	0	105,582	0	105,582
Asset management and other fees	3,709	3,701	75	7,485	-25	7,460
Revenue	142,436	284,596	11,099	438,131	-25	438,106

2021				Consolidated		
EUR'000	Wind	Solar	Other	Total before elim.	Elim.	Total
Sale of energy farms and projects	175,565	92,520	0	268,085	0	268,085
Sale of electricity	37,646	17,882	0	55,528	0	55,528
Asset management	2,995	1,996	162	5,153	-30	5,123
Other fees	7	15	0	21	0	21
Revenue to external customers	216,213	112,413	162	328,788	-30	328,757
Inter-segment revenue	4,887	3,993	0	8,880	-8,880	0
Revenue	221,100	116,406	162	337,668	-8,910	328,757

Geographical information

	Consolidated	
EUR'000	2022	2021
Denmark	152,142	119,848
Northern/central Europe	27,478	175,329
South America	78,751	17,726
Southern Europe (incl. Maldives)	179,735	15,854
Total revenue	438,106	328,757

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EUR'000	Consolidated 2022	Consolidated 2021
3 Staff costs		
Wages, salaries and remuneration	46,817	30,628
Share-based compensation	2,356	1,030
Pensions	295	73
Other social security costs	1,486	733
Other staff costs	2,454	1,347
Capitalised salaries on inventories	-30,972	-21,704
	22,437	12,105
Average number of employees	432	266
Number of full-time employees end of period	551	344

Pursuant to section 98b(3)(ii) of the Danish Financial Statements Act, information on remuneration of the Executive Board has been omitted.

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Share-based payment

Warrant program

European Energy A/S has granted warrants to management, board members and individual selected staff members based on years of employment and profession.

The warrant program runs up to 10 years, and the total number of shares in the program equals up to 10 % of the company capital base, equal to 30 million shares.

The annual granting includes up to 1% of the company capital or 3 million warrants.

The scheme is based on issuance of warrants that give the right to apply for new shares in European Energy in the future.

The board has approved to issue approx. 3 million warrants in 2023. Hereafter the outstanding amount of warrants to be allocated under the program is approx. 12 million.

Subscription for new shares by exercise of issued warrants must be made by paying cash contribution to European Energy A/S.

Vested warrants may be exercised in two annual exercise periods that run for 21 days from and including the day after the ordinary general meeting where the annual report is adopted.

Weighted average remaining contractual life for outstanding warrants at year-end is 5 years.

For exercised warrants in 2022 the weighted average share price during the period amounted to DKK 8,45 (2021: DKK 5,21).

Outstanding warrants at the end of 2022 may be exercised at a price that increase by 5% per year, i.e. at the range of DKK 20,16 – 24,96.

Valuation assumptions for warrants granted

Based on a weighted average fair value per warrant of DKK 7.84 (2021: DKK 3.67) the total fair value of warrants granted in 2022 amounted to EUR 2.8m (2021: EUR 1.3m), of which EUR 2.0m is recognized in the income statement at 31 December 2022 (2021: EUR 0.9m).

The fair value of warrants granted is calculated using the Binomial model. The Binomial pricing model requires the input of subjective assumptions such as:

a) The estimated share price of European Energy (unlisted shares).
b) Volatility, based on historical volatility for a peer group.
c) Risk-free rate, based on Danish government bond.
d) Expected life of warrants, which is based on vesting terms, exercise price and exercise periods.

These assumptions can vary over time and can change the fair value of future warrants granted.

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EUR'000	Note	Consolidated 2022	Consolidated 2021	Parent company 2022	Parent company 2021
4 Audit fees					
Fee relating to the statutory audit		411	332	4	4
Assurance other than audit		8	24	0	0
Tax advice		1	0	0	0
Non-audit services		44	62	0	0
		464	418	4	4
5 Financial income					
Interest income, financial assets measured at amortised costs		601	896	36	0
Interest income, group enterprises and associates		682	1,755	0	55
Modification gain		0	6,640	0	0
Dividends		896	341	0	0
Currency gains		6,867	3,572	3	22
Hedge ineffectiveness		6,691	0	0	0
Financial income that have been capitalised on inventories		-1,780	-230	0	0
		16,254	12,973	39	77
6 Financial expenses					
Interest on bonds		13,419	10,578	0	0
Interest expense, bank		15,263	6,941	18	1
Interest expense, shareholder		1	1	0	0
Interest expense, subsidiaries and associates		6	140	0	101
Financial expenses that have been capitalised on inventories		-29,548	-12,830	0	0
Amortisation of debt issue costs		2,934	4,034	0	0
Amortisation of modification gain		2,233	1,020	0	0
Other financial expenses		6,608	2,677	4	45
Currency losses		12,613	1,425	0	0
		26,549	13,987	22	147
7 Tax on profit for the year					
Tax on profit for the year		7,935	3,673	0	0
Change in deferred tax		5,430	-160	1	37
Adjustment in deferred tax regarding prior years		1,504	-328	0	0
Adjustment to tax relating to previous years		400	1,909	-4	-22
		15,269	5,093	-2	15

Notes

EUR'000	Consolidated 2022	Consolidated 2021	Parent company 2022	Parent company 2021

8 Proposed profit appropriation

Reserve for net revaluation according to the equity method	0	0	64,907	43,173
Non-controlling interests' share of profit for the year	29,589	14,464	0	0
Proposed dividend for the year	0	0	0	11
Retained earnings	64,892	43,079	-14	-105
	94,481	57,544	64,892	43,079

9 Property, plant and equipment

Consolidated

EUR'000	Land and Buildings	Wind power generating assets	Solar power generating assets	Tools and equipment	Total
Cost at 1 January 2022	6,118	168,726	13,098	3,880	191,822
Exchange rate adjustments	-2	-1,114	-584	0	-1,700
Additions	90	8,146	0	1,487	9,723
Consolidated acquired	0	0	0	524	524
Transfer from inventory	1,000	1,595	0	0	2,595
Disposals	-495	-737	0	0	-1,232
Cost at 31 December 2022	6,711	176,616	12,514	5,891	201,732
Depreciation and impairment losses at 1 January 2022	-6	-30,690	-1,387	-1,961	-34,044
Depreciation	-44	-13,290	-750	-833	-14,917
Deconsolidation	0	408	129	2	539
Impairment	0	2,713	-400	0	2,313
Transfer/reclassification	-256	0	0	0	-256
Disposals	0	389	0	0	389
Depreciation and impairment losses at 31 December 2022	-306	-40,470	-2,408	-2,792	-45,976
Carrying amount at 31 December 2022	6,405	136,146	10,106	3,099	155,756
Depreciated over	25-50 years*	25-30 years	40 years	3-5 years	

*Buildings only

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Impairment test of property, plant and equipment and sensitivity analysis

During 2022, Management performed impairment assessments on the carrying amount of property, plant and equipment. The group assesses at each reporting date whether there is an indication that an asset in operation should be impaired. The impairment test performed in 2022 shows mostly excess values for the Danish and German wind farms, though a few German wind parks and one German solar park have been impaired.

The book value of the solar farms amounts to 6% (2021: 7%) of the total book value of property, plant and equipment. The book value of wind farms in Germany and Denmark amounts to 75% (2021: 88%) of the total book value.

For the purpose of impairment testing of the wind farms, Management has made the following key assumptions in estimating the value in use, with its comments regarding WACC below:

Impairment test assumptions are generally affected by changes in the economic situation in the countries, where the group is present and has development activities.

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

Until now, the group has seen that the overall effect of the development is an increase in the expected sales prices for projects and in the sales already recorded.

Discount rate after tax (WACC) used for Danish and German wind farms is 5,35-5,81% (2021: 4.0-5.0%).

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

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

For 2022 the impairment tests show that a few assets need to be impaired, since the recoverable amount is less than the carrying amount. Other assets show that earlier impairments have to be reversed due to an increase in the recoverable amount. The total impairment booked in 2022 therefore amounts to a net reversal of EUR 2.3m (2021: EUR 3.7m impairment loss).

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

The wind farms in AEZ Group and Driftsselskabet Heidelberg were all recognised at fair value after being consolidated for the first time in 2019 and 2020. After that, the values have been depreciated over the remaining lifetime of the assets. In 2022 some of these assets have been written down due to identified impairment losses. Therefore, at year end, any increase in WACC for Germany will result in further impairment losses regarding the German wind farm portfolio.

For the Danish wind farms in Property, Plant and Equipment the first impairment indication is identified at a WACC of 10,2% at an individual level.

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10 Investments in subsidiaries

EUR'000	Parent company 2022	Parent company 2021
Cost at 1 January	1,340	1,357
Disposals for the year	0	-17
Cost at 31 December	1,340	1,340
Value adjustments at 1 January	148,786	94,812
Share of profit for the year	64,855	43,173
Hedges, net of tax	-27,357	-4,771
Dividends received	-8,700	-950
Other value adjustments	-4,126	998
Value adjustments at 31 December	173,458	148,786
Carrying amount at 31 December	174,798	150,126

Business combination, acquisition of Ammongas A/S

The Group has obtained control of the company Ammongas A/S as per July 1, 2022. Ammongas is located in Denmark and the investment underlines the Group's strong focus on the important new sustainable technology Power-to-X where Ammongas is a key contributor, as Ammongas is working with upgrades of the biogas facilities and carbon capture. The acquisition supports the development of Biogas in Denmark generally and thereby utilizes Ammongas' experience and technologies in present and future Power-to-X projects.

The acquisition ensures access to strong competencies in CO2 capture and processing which is in clear synergy with the Group's growing Power-to-X business.

The preliminary purchase price allocation has yet not been fully completed and is expected to be finalised during H1 2023. The identifiable assets acquired and liabilities transferred are based on the initial recognition of the preliminary fair values.

These can be adjusted up until 12 months after the acquisition date. It has been decided not to recognize and measure goodwill on the non-controlling interests.

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Ownership shares:

Investments in subsidiaries, directly as well as indirectly, at 31 December 2022 comprise:

Name	Country of place of business	Ownership 31/12 2022
European Energy Holding ApS	DK	100,0%
KEA II Holding ApS	DK	100,0%
Meldgaard Architechts & Development A/S	DK	100,0%
Vores Sol A/S	DK	50,0%
Nor Power ApS	DK	33,33%
Komplementarselskabet Vores Sol ApS	DK	50,0%
Cocamba Stage One Holding Pty Ltd	AU	84,0%
Cocamba Stage One Project Pty Ltd	AU	84,0%
EE Australia Pty Ltd	AU	100,0%
Gatton Solar Farm Holding Pty Ltd	AU	100,0%
Gatton Solar Farm Pty Ltd	AU	100,0%
QSF Holding Pty Ltd	AU	80,0%
Quandong Solar Farm Pty Ltd	AU	80,0%
EE Krassen EOOD	BG	100,0%
EE Real Estate EOOD	BG	100,0%
Barreiras II Energias Renovaveis Ltda.	BR	100,0%
Boa Hora 4 Geradora de Energia Solar S.A.	BR	80,0%
Boa Hora 5 Geradora de Energia Solar S.A.	BR	80,0%
Boa Hora 6 Geradora de Energia Solar S.A.	BR	80,0%
Boa Hora 7 Geradora de Energia Solar S.A.	BR	80,0%
Boa Hora 8 Geradora de Energia Solar S.A.	BR	80,0%
Boa Hora 9 Geradora de Energia Solar S.A.	BR	80,0%
European Energy do Brasil Servicos Especializados LTDA	BR	100,0%
EDN Energias Renovaveis S.A.	BR	100,0%
Eolica Ouro Branco 1 S.A	BR	99,3%
Eolica Ouro Branco 2 S.A	BR	99,4%
Eolica Quatro Ventos S.A	BR	99,4%

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Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Barreiras ApS	DK	100,0%
Blåhøj Wind Park ApS	DK	73,5%
Branco Vind ApS	DK	100,0%
Driftsselskabet Heidelberg ApS	DK	100,0%
European Energy Byg Lithuania ApS	DK	100,0%
European Energy Byg Poland ApS	DK	100,0%
European Energy Byg Sweden ApS	DK	100,0%
EE Cocamba ApS	DK	100,0%
EE Construction DK ApS	DK	100,0%
EE Croatia ApS	DK	100,0%
EE Dupp ApS	DK	100,0%
EE Ejendomme ApS	DK	100,0%
EE Finland Holding ApS	DK	100,0%
EE France ApS	DK	100,0%
EE Guldborgsund ApS	DK	73,5%
European Energy Lillebælt ApS	DK	100,0%
EE Lithuania Emerald ApS	DK	100,0%
EE Lithuania Holding ApS	DK	100,0%
EE Lithuania Hybrid ApS	DK	100,0%
EE MSF ApS	DK	100,0%
EE Netherlands ApS	DK	100,0%
EE Nordic Holding 1 ApS	DK	100,0%
EE Nordic Holding 2 ApS	DK	100,0%
EE Nordic Holding 3 ApS	DK	100,0%
EE Polska ApS	DK	100,0%
EE Pommerania ApS	DK	50,0%
EE PV Holding ApS	DK	100,0%
EE Romania ApS	DK	100,0%
EE Sprogø OWF ApS	DK	100,0%
EE Suomi ApS	DK	100,0%
EE Sweden Holding ApS	DK	100,0%
EE Vacaresti ApS	DK	100,0%
EE Verwaltung ApS	DK	100,0%
EEC DK ApS	DK	100,0%
Ejendomsselskabet Kappel ApS	DK	67,0%
Enerteq ApS	DK	100,0%
European Energy Byg ApS	DK	100,0%
European Energy Byg II ApS	DK	100,0%
European Energy Global Offshore ApS	DK	100,0%
European Energy Offshore A/S	DK	72,0%
European Energy Trading A/S	DK	100,0%
European Solar Farms Greece ApS	DK	100,0%

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Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
European Solar Farms Italy ApS	DK	100,0%
European Solar Farms Spain ApS	DK	100,0%
European Wind Farms Bulgaria ApS	DK	100,0%
European Wind Farms Denmark A/S	DK	100,0%
European Wind Farms Greece ApS	DK	100,0%
European Wind Farms Italy ApS	DK	100,0%
Floating PV Solutions ApS	DK	100,0%
Frederikshavn OWF ApS	DK	100,0%
FWE Windpark TIS K/S	DK	100,0%
FWE Windpark Wittstedt K/S	DK	100,0%
FWE Windpark Wulfshagen K/S	DK	100,0%
FWE Windpark 3 Standorte K/S	DK	100,0%
FWE Windpark Kranenburg K/S	DK	100,0%
FWE Windpark Scheddebrock K/S	DK	100,0%
FWE Windpark Westerberg K/S	DK	100,0%
Gaardbogaard Wind Park ApS	DK	50,0%
Greenfield Brazil ApS	DK	100,0%
Guldborgsund Energi ApS	DK	44,1%
H&R Wind Parks ApS	DK	100,0%
Hanstholmvej Ejendomsselskab ApS	DK	100,0%
Hanstholmvej Holding ApS	DK	100,0%
Holmen II Holding ApS	DK	67,0%
Holmen II V90 ApS	DK	67,0%
Holmen II Vindkraft I/S	DK	37,3%
Holsted Solar Park ApS	DK	100,0%
Jammerland Bay Nearshore A/S	DK	72,0%
K/S Solkraftværket GPI Mando 29	DK	80,0%
Kassø MidCo ApS	DK	100,0%
Komplementarselskabet Sprogø OWF ApS	DK	44,8%
Komplementarselskabet Heidelberg ApS	DK	100,0%
Komplementarselskabet Solkraftværket GPI Mando 29 ApS	DK	80,0%
Komplementarselskabet Vindtestcenter Måde ApS	DK	100,0%
Lidegaard ApS	DK	100,0%
Måde Wind Park ApS	DK	100,0%
Måde WTG 1-2 K/S	DK	100,0%
Næssundvej Ejendomsselskab ApS	DK	100,0%
Næssundvej Holding ApS	DK	100,0%
North America Holding ApS	DK	100,0%
Omnia Vind ApS	DK	67,0%
Omø South Nearshore A/S	DK	72,0%
PSH 1 Holdings DK ApS	DK	100,0%
REP I Toftlundvej 7 DK KS	DK	100,0%

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10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Rødby Fjord Vindkraft Mølle 3 I/S	DK	33,6%
Rødkilde PV Holding ApS	DK	100,0%
SF Ibiza ApS	DK	100,0%
SF La Pobla ApS	DK	100,0%
Solar Park Agersted ApS	DK	89,0%
Solar Park Barmosen ApS	DK	100,0%
Solar Park DK 1 ApS	DK	100,0%
Solar Park DK 2 ApS	DK	100,0%
Solar Park DK 3 ApS	DK	100,0%
Solar Park DK 4 ApS	DK	100,0%
Solar Park DK 5 ApS	DK	100,0%
Solar Park Evetofte ApS	DK	100,0%
Solar Park Freerslev ApS	DK	100,0%
Solar Park Gindeskovgård ApS	DK	100,0%
Solar Park Holmen II ApS	DK	80,1%
Solar Park Kallerup Grusgrav ApS	DK	100,0%
Solar Park Kassø ApS	DK	100,0%
Solar Park Kildevad ApS	DK	100,0%
Solar Park Kvosted ApS	DK	84,0%
Solar Park Lidsø ApS	DK	90,0%
Solar Park Milbakken ApS	DK	100,0%
Solar Park Ravsted ApS	DK	100,0%
Solar Park Skodsebølle ApS	DK	100,0%
Solar Park Stouby ApS	DK	100,0%
Solar Park Svejlund ApS	DK	100,0%
Sprogø OWF K/S	DK	44,8%
Svindbæk Holding ApS	DK	67,0%
Tacaimbo 2 ApS	DK	100,0%
Thor Holding 1 ApS	DK	100,0%
Tolstrup Wind Park ApS	DK	73,5%
Vindtestcenter Måde K/S	DK	100,0%
Vinge Wind Park ApS	DK	73,5%
Windenergie Rauschenberg A/S	DK	87,0%
European Energia Estonia OU	EST	100,0%
Sablokesto OU	EST	100,0%
EE Finland OY	FI	100,0%
Lakkikeidas PV Oy	FI	100,0%
Allier Agrisolaire SAS	FR	100,0%
EE Agrisolaire 03 SAS	FR	100,0%
EE Agrisolaire 04 SAS	FR	100,0%
EE Agrisolaire 05 SAS	FR	85,0%
EE Agrisolaire 05 SAS	FR	85,0%

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Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
EE Agrisolaire 07 SAS	FR	85,0%
EE Agrisolaire 09 SAS	FR	100,0%
EE Agrisolaire 10 SAS	FR	100,0%
EE Agrisolaire 11 SAS	FR	100,0%
EE Fanais SAS	FR	100,0%
European Energy France SAS	FR	100,0%
EE Green Energy 01 SAS	FR	85,0%
EE Green Energy 02 SAS	FR	100,0%
EE Solest 01 SAS	FR	100,0%
EE Solest 02 SAS	FR	100,0%
EE Solest 03 SAS	FR	100,0%
EE Solest 04 SAS	FR	100,0%
EE Solsud 01 SAS	FR	100,0%
EE Valsolaire SAS	FR	100,0%
Les Chalindrés SAS	FR	100,0%
Nievre Agrisolaire SAS	FR	100,0%
AEZ Dienstleistungs GmbH	DE	100,0%
AEZ Planungs GmbH & Co KG	DE	100,0%
AEZ Verwaltung GmbH	DE	100,0%
AN Wind GmbH & Co. KG	DE	100,0%
E&U GmbH & Co. KabelZeitz KG	DE	50,6%
e.n.o. Kabeltrasse GbR Grosstreben	DE	75,0%
EE Beesem GmbH & Co. KG	DE	100,0%
EE Bloosballich GmbH & Co. KG	DE	100,0%
EE Bonde GmbH & Co. KG	DE	100,0%
EE Construction Germany GmbH & Co. KG	DE	100,0%
EE Deinste Hagen ApS & Co. KG	DE	100,0%
EE Drei Hugel GmbH & Co. KG	DE	100,0%
EE Fuhne ApS & Co. KG	DE	100,0%
EE Görnsee ApS & Co. KG	DE	100,0%
EE Grüner Strom Nalbach GmbH & Co. KG	DE	100,0%
EE Grünhof GmbH	DE	100,0%
EE Hava ApS & Co. KG	DE	100,0%
EE Keiko ApS & Co. KG	DE	100,0%
EE Lieberose ApS & Co. KG	DE	100,0%
EE Malk Gohren GmbH & Co. KG	DE	100,0%
EE Nautschketal GmbH & Co. KG	DE	100,0%
EE Oderwald GmbH & Co. KG	DE	70,0%
EE Oderwald Verwaltungs GmbH	DE	70,0%
EE Pommern GmbH	DE	50,0%
EE Projekte Deutschland GmbH	DE	100,0%
EE Projekte Teuchern Gmbh	DE	100,0%

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10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
EE Ravi ApS & Co. KG	DE	100,0%
EE Ribbendorf ApS & Co. KG	DE	100,0%
EE Rosche GmbH & Co. KG	DE	100,0%
EE Sarna ApS & CO. KG	DE	100,0%
EE Scheid ApS & Co. KG	DE	75,0%
EE Schelm GmbH & Co. KG	DE	100,0%
EE Schnaudertal GmbH & Co. KG	DE	100,0%
EE Schönelinde ApS & Co. KG	DE	100,0%
EE Sinningen ApS & Co. KG	DE	100,0%
EE Solar Cottbus Nord GmbH	DE	100,0%
EE Sommersdorf GmbH & Co. KG	DE	100,0%
EE Teuchern GmbH & Co. KG	DE	100,0%
EE Urja ApS & Co. KG	DE	100,0%
EE Windpark Sonnblick GmbH & Co. KG	DE	76,9%
EE Wuggelmühle ApS & Co. KG	DE	100,0%
EE Zwackelmann GmbH & Co. KG	DE	100,0%
ESF Spanien 01 GmbH	DE	100,0%
ESF Spanien 09 GmbH	DE	100,0%
European Energy Hamburg GmbH	DE	100,0%
European Wind Farms Komp GmbH	DE	100,0%
European Wind Farms Verwaltungsgesellschaft mbH	DE	100,0%
EWF Eins Funf GmbH & Co. KG	DE	100,0%
EWF Fünf Eins ApS & Co. KG	DE	75,0%
EWF Fünf Null GmbH & Co. KG	DE	100,0%
EWF Vier Sechs GmbH & Co. KG	DE	100,0%
Infrastrukturgesellschaft Windfeld 19/24 GmbH & Co. KG	DE	94,4%
Infrastrukturgesellschaft Windfeld 19/24 Verwaltungs-GmbH	DE	94,4%
Mando Solarkraftwerke Nr. 29 GmbH & Co. KG	DE	76,0%
Netzanbindung Tewel OHG	DE	75,3%
SB Wind GmbH & Co. KG	DE	100,0%
Windpark Liesten GmbH & Co. 2. Betriebs KG	DE	100,0%
Windpark Liesten GmbH & Co. 4. Betriebs KG	DE	100,0%
Windpark Liesten GmbH & Co. 5. Betriebs KG	DE	100,0%
Windpark Prittitz GmbH & Co. KG	DE	100,0%
Windpark Prittitz Verwaltungsgesellschaft mbH	DE	100,0%
WP Sachsen-Anhalt Süd Zwölf GmbH & Co. KG	DE	100,0%
WP Sachsen-Anhalt Süd Dreizehn GmbH & Co. KG	DE	100,0%
WP Sachsen-Anhalt Süd Dreiundzwanzig GmbH & Co. KG	DE	100,0%
WP Sachsen-Anhalt Süd Vierundzwanzig GmbH & Co. KG	DE	100,0%
WP Sachsen-Anhalt Süd Sechs GmbH & Co. KG	DE	100,0%
Doras Paragogi Ilektrikis Energias Apo Ananeosimes Piges Energias EPE –	GR	97,0%
EE Alexandroupolis Wind Single Member P.C.	GR	100,0%

Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
EE Florina PV Single Member P.C.	GR	100,0%
European Energy Greece SMPC	GR	100,0%
EE Grevena PV Single Member P.C.	GR	100,0%
EE Kilkis PV Single Member P.C.	GR	100,0%
EE Kozani PV Single Member P.C.	GR	100,0%
EE Real Estate Greece Single Member P.C.	GR	100,0%
EE Rodopi-Evros Wind Single Member P.C.	GR	100,0%
EE Trikala PV Single Member P.C.	GR	100,0%
EE Tsoukes Wind Single Member P.C.	GR	100,0%
European Wind Farms Energy Hellas EPE	GR	97,0%
Gadir Energiaki EPE	GR	100,0%
Iridanos Paragogi Ilektrikis Energias Apo Ananeosimes Piges Energias EPE	GR	97,0%
Kallinikis Single Member P.C.	GR	100,0%
Kipheus Paragogi Ilektrikis Energias Apo Ananeosimes Piges Energias EPE	GR	97,0%
Nafsinikos Single Member P.C.	GR	100,0%
Onuba Energeiaki EPE	GR	100,0%
Mazar Wind S.r.l	IT	100,0%
Cerano Energreen S.r.l.	IT	51,0%
EE Italy Greenfield PV S.r.l.	IT	100,0%
EEA Italy Wind s.r.l.	IT	93,0%
Energetica Campidano S.r.l	IT	100,0%
Energetica Iglesiente S.r.l	IT	100,0%
European Energy Italia S.r.l.	IT	100,0%
European Energy Italy PV Holding S.r.l.	IT	100,0%
European Green Solar S.r.l.	IT	100,0%
Is Concias Energetica S.r.l	IT	100,0%
Italy Energy Holding S.r.l.	IT	100,0%
Mineo Energia S.r.l.	IT	100,0%
Montalto Energy S.r.l.	IT	100,0%
Palo Holding S.r.l.	IT	100,0%
Piscinas Energetica S.r.l	IT	100,0%
Ramacca Energia S.r.l.	IT	100,0%
Ringo JV S.r.l.	IT	100,0%
Shardana Energetica S.r.l	IT	100,0%
Sicily Green Power S.R.L.	IT	100,0%
Sulcis Energetica S.r.l	IT	100,0%
Sun Project S.r.l.	IT	51,0%
Tanaga Wind S.r.l.	IT	51,0%
Vizzini Holding S.r.l.	IT	100,0%
Baltazar SIA	LV	100,0%
Blua Fulmo SIA	LV	100,0%
Eta Stelo SIA	LV	100,0%

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Monta Spico SIA	LV	100,0%
Monteto Verdo SIA	LV	100,0%
Pluvarbaro SIA	LV	100,0%
Smeralda Floro SIA	LV	100,0%
Stelo Orienta SIA	LV	100,0%
Rivereto SIA	LV	100,0%
Tenante SIA	LV	100,0%
Venko Lago SIA	LV	100,0%
Virga Tero SIA	LV	100,0%
European Energy Lithuania UAB	LT	100,0%
EE Telsiai Holding UAB	LT	100,0%
UAB Anyksciai PV	LT	100,0%
UAB Anyksciai Renew	LT	100,0%
UAB Aukstaitija Energy	LT	100,0%
UAB Degaiciy Vejas	LT	100,0%
UAB LTU Renewable	LT	100,0%
UAB LTU Sustainable	LT	100,0%
UAB Rasveja	LT	100,0%
UAB Skuodas Renew	LT	100,0%
UAB Vakaris Wind	LT	100,0%
UAB VEVP	LT	100,0%
EE Korita d.o.o.	ME	100,0%
B.V. Windpark De Bjirmen	NL	100,0%
European Energy Nederland B.V.	NL	100,0%
HiNerg B.V.	NL	100,0%
Landgoed Colusdijk B.V.	NL	100,0%
Solar Park De Bjirmen B.V.	NL	100,0%
Windpark Enkhuizen B.V.	NL	100,0%
European Energy Norge AS	NO	100,0%
Contino Bialogard sp. z o. o.	PL	100,0%
Contino Delta sp. z o.o.	PL	100,0%
EE Boleszkowice sp. z o.o.	PL	100,0%
EE Bonin Sp. z.o.o.	PL	100,0%
EE Brod sp. z o.o.	PL	100,0%
EE Debnica Kaszubska sp. z o.o.	PL	100,0%
EE Development Sp. z o.o.	PL	100,0%
EE Dystrybucja sp. z o. o.	PL	100,0%
EE GC Projects Holding sp. z o.o	PL	100,0%
EE Green 1 sp. z o.o.	PL	100,0%
EE Green 2 sp. z o.o.	PL	100,0%
EE Green 3 sp. z o.o.	PL	100,0%
EE Green 4 Sp. z o.o.	PL	100,0%

Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
EE Green 6 Sp. z o.o.	PL	100,0%
EE Green 7 sp. z o.o.	PL	100,0%
EE Green 8 sp. z o.o.	PL	100,0%
EE Green 9 sp. z o.o.	PL	100,0%
EE Jelonki sp. z o.o..	PL	100,0%
EE Krzecin sp. z o.o.	PL	100,0%
EE Liskowo Sp. z.o.o.	PL	100,0%
EE Lobez sp. z o.o.	PL	100,0%
EE Michalow Sp.z.o.o.	PL	100,0%
EE Pomorze Sp. z o.o.	PL	50,0%
EE Skarszów sp. z o.o.	PL	100,0%
EE Projekt III sp. z o.o.	PL	100,0%
EE Projekt Sp. z.o.o.	PL	100,0%
EE Real Estate sp. z o.o.	PL	100,0%
EE Ronica sp. z o.o.	PL	100,0%
EE Sulimierz sp. z o.o.	PL	100,0%
EE Sunvalley Sp. z.o.o.	PL	100,0%
EE Trzebnice Sp.z.o.o.	PL	100,0%
EE Tucze sp. z o.o.	PL	100,0%
EE Zarnowiec Sp. z.o.o.	PL	100,0%
European Energy Polska Sp. z o.o.	PL	100,0%
European Wind Farms Polska Sp. z o.o.	PL	50,0%
European Wind Farms Polska Sp. z o.o. Bialogard Sp. k	PL	50,0%
European Wind Farms Polska Sp. z o.o. Grzmiaca Sp. k	PL	50,0%
Farma Wiatrowa Drawsko II sp.z.o.o.	PL	50,0%
Farma Wiatrowa Drawsko Sp. z o.o.	PL	100,0%
Farma Wiatrowa Kolobrzeg sp. z o.o	PL	50,0%
Farma Wiatrowa SIEMYŚL sp. z o.o.	PL	50,0%
PV East II Sp. z o.o.	PL	100,0%
Atom Energy Ventures Dragalina SRL	RO	100,0%
Atom Energy Ventures Segarcea SRL	RO	100,0%
CIC Green Energy Beta S.R.L.	RO	100,0%
EE Agri Solar Development Two S.R.L.	RO	100,0%
EE Beresti Wind S.R.L.	RO	100,0%
EE Agri Solar Development One S.R.L.	RO	100,0%
European Energy Romania Development SRL	RO	100,0%
Sun Energy Green Complet S.R.L.	RO	100,0%
Sun Pro Beta S.R.L.	RO	100,0%
Sun Pro PV PP 2 S.R.L.	RO	100,0%
Blue Viking Alexandra S.L	ES	100,0%
Blue Viking Ayora S.L.	ES	100,0%
Blue Viking Barbara S.L.	ES	100,0%

Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Blue Viking Clara S.L.	ES	100,0%
Blue Viking Cristina S.L.	ES	100,0%
Blue Viking Diana S.L.U.	ES	100,0%
Blue Viking Eden S.L.	ES	100,0%
Blue Viking Elena S.L.U.	ES	100,0%
Blue Viking Elizabeth S.L.	ES	100,0%
Blue Viking Emilia S.L.	ES	100,0%
Blue Viking Esther S.L.	ES	100,0%
Blue Viking Fernanda S.L.U.	ES	100,0%
Blue Viking Gabriela S.L.	ES	100,0%
Blue Viking Glenda S.L.	ES	100,0%
Blue Viking Gretchen S.L.	ES	100,0%
Blue Viking Hildur S.L.	ES	100,0%
Blue Viking Indira S.L.	ES	100,0%
Blue Viking Isabella S.L.	ES	100,0%
Blue Viking Julia S.L.	ES	100,0%
Blue Viking Kira S.L.	ES	100,0%
Blue Viking Laura S.L.	ES	100,0%
Blue Viking Linda S.L.	ES	100,0%
Blue Viking Lindsey S.L.	ES	100,0%
Blue Viking Linea S.L.	ES	100,0%
Blue Viking Lisa S.L.	ES	100,0%
Blue Viking Lya S.L.	ES	100,0%
Blue Viking Maria S.L.	ES	100,0%
Blue Viking Matias S.L.	ES	100,0%
Blue Viking Matilda S.L.	ES	100,0%
Blue Viking Mikael S.L.	ES	100,0%
Blue Viking Nieves S.L.	ES	100,0%
Blue Viking Pili S.L.	ES	100,0%
Blue Viking Raquel S.L.	ES	100,0%
Blue Viking Rosa S.L.	ES	100,0%
Blue Viking Samara S.L.	ES	100,0%
Blue Viking Sandra S.L.	ES	100,0%
Blue Viking Santiago S.L.	ES	100,0%
Blue Viking Sarah S.L.	ES	100,0%
Blue Viking Sofia S.L.	ES	100,0%
Blue Viking Solar S.L.	ES	100,0%
Blue Viking Tara S.L.	ES	100,0%
Blue Viking Ventures S.L.U.	ES	100,0%
Blue Viking Violeta S.L.	ES	100,0%
ESF Spanien 0423 S.L.U.	ES	100,0%
ESF Spanien 0428 S.L.U.	ES	100,0%

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10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Solar Power 7 Islas S.L.U.	ES	100,0%
Solcon Terrenos 2006 S.L.U.	ES	100,0%
European Energy Floda-Sund PV AB	SE	100,0%
EE Grevekulla PV AB	SE	100,0%
European Energy Hästhagsmossen PV AB	SE	100,0%
EE Myren PV AB	SE	100,0%
EE Skaramala PV AB	SE	100,0%
European Energy Sverige AB	SE	100,0%
EE Trojemala PV AB	SE	100,0%
European Energy Svedberga AB	SE	100,0%
European Wind Farms Kåre 1 AB	SE	100,0%
Skåramålar Vind AB	SE	100,0%
Skedemosse PV AB	SE	100,0%
Svedberga PV AB	SE	100,0%
Västanby Vindbruksgrupp i Fjelie 2 AB	SE	100,0%
Vindkraft I Grevekulla AB	SE	100,0%
Yttersavne PV AB	SE	100,0%
Bubney Energy Centre Limited	UK	50,0%
Chads Farm Energy Centre Limited	UK	50,0%
Church Farm Energy Centre Limited	UK	50,0%
Drinkstone Energy Centre Limited	UK	50,0%
European Energy Heating (UK) Limited	UK	68,0%
European Energy Development Limited	UK	100,0%
European Energy Construction Limited	UK	100,0%
European Energy UK Holdco One Ltd	UK	100,0%
European Energy UK Yield Group Ltd	UK	100,0%
European Energy UK Yieldco One Ltd	UK	100,0%
European Energy Yieldco Ltd	UK	100,0%
Great House Energy Centre Limited	UK	50,0%
Halesfield Energy Centre Limited	UK	50,0%
Rempstone Hill Solar Farm Limited	UK	100,0%
IQ Energy Centre Limited	UK	50,0%
North Woods Hill Solar Farm Limited	UK	100,0%
Moor Isles Farm Energy Storage Limited	UK	100,0%
Kincraig Energy Centre Limited	UK	50,0%
Lowfield Energy Centre Limited	UK	50,0%
Maisemore Court Farm Energy Centre Limited	UK	50,0%
Mannington Energy Centre Limited	UK	50,0%
Manor Farm Energy Centre Limited	UK	50,0%
Marksbury Energy Centre Limited	UK	50,0%
Mathurst Farm Energy Centre Ltd	UK	50,0%
Melksham Energy Centre One Limited	UK	50,0%

Notes

10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Montreathmont Energy Centre Limited	UK	50,0%
North Crawley Energy Centre Limited	UK	50,0%
Northington Energy Centre Limited	UK	50,0%
Old Hall Energy Centre Limited	UK	50,0%
Parc Cynog Wind Farm Limited	UK	100,0%
Pendine Wind Farm Limited	UK	100,0%
Twelve Month Hill Solar Farm Limited	UK	100,0%
Selms Muir Energy Centre Limited	UK	50,0%
Shireoaks Energy Centre Ltd	UK	50,0%
South Park Energy Centre Limited	UK	50,0%
Stocking Pelham Energy Centre Limited	UK	50,0%
Strathruddie Energy Centre Limited	UK	50,0%
Teindland Wind Farm Limited	UK	80,0%
Treading Energy Centre Limited	UK	50,0%
Vicarage Drove Energy Centre Limited	UK	50,0%
East Coast Solar LLC	US	55,0%
EE NA Land Holdings LLC	US	100,0%
EE North America LLC	US	100,0%
EE US DevCo LLC	US	100,0%
EE US HoldCo LLC	US	100,0%
Gila Bend Solar LLC	US	60,0%
La Osa Solar LLC	US	60,0%
Lennig Road Solar LLC	US	55,0%
Meadowbrook Road LLC	US	55,0%
Mountain Gap Road LLC	US	55,0%
Prospect Road Solar LLC	US	55,0%
Puddledock Road LLC	US	55,0%
Pumping Hill Road Solar LLC	US	55,0%
Route 34 Solar LLC	US	55,0%
EE US ProjectCo LLC	US	100,0%
Yellow Viking Development One, LLC	US	100,0%
Yellow Viking Development Two, LLC	US	100,0%
Ammongas A/S	DK	54,9%
EE Estonia ApS	DK	100,0%
European Energy Heating A/S	DK	92,9%
European Energy Heating Holding ApS	DK	92,9%
EE Latvia ApS	DK	100,0%
European Eenergy Latvia SIA	LT	100,0%
EE Lithuania Holding UAB	LT	100,0%
European Energy Spain PTX, S.L.	ES	95,0%
European Energy Giga Storage A/S	DK	100,0%
European Energy Systems II ApS	DK	100,0%

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10 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

Name	Country of place of business	Ownership % 31/12 2022
Greenfield Brasil Servicos de Gerenciamento Intermediacão e Desenvolvimento de Projetos de Energia S	BR	100,0%
EE Abrit EOOD	BG	100,0%
EE Bulgaria EOOD	BG	100,0%
Chielo Klara d.o.o	HR	100,0%
European Energy Balkans d.o.o.	HR	100,0%
European Solar Farms Greece ApS	DK	100,0%
REP I Toftlundvej 7 DK KS	DK	100,0%
EE Agrisolaire 06 SAS	FR	85,0%
EE Rapshagen ApS & Co. KG	DE	86,0%
EE Alexandroupolis Wind Single Member P.C.	GR	100,0%
Lago Malgrada SIA	LV	100,0%
EE Green 5 Sp. z o.o.	PL	100,0%
Blue Viking Beatrice S.L.	ES	100,0%
ESF Spanien 05 S.L.U.	ES	100,0%
Melksham Energy Centre Two Limited	UK	50,0%
European Solar Farms A/S	DK	100,0%
European Wind Farms A/S	DK	100,0%
REintegrate ApS	DK	100,0%
REintegrate Skive ApS	DK	100,0%
Renewables Insight ApS	DK	100,0%
Tacaimbo 1 ApS	DK	100,0%

11 Investments in associates

	Consolidated		Parent company	
EUR'000	2022	2021	2022	2021
Cost at 1 January	21,091	17,425	179	120
Additions for the year	9,807	4,482	1,732	59
Disposals for the year	-358	-184	0	0
Transfer	-2,493	-632	0	0
Cost at 31 December	28,046	21,091	1,911	179
Value adjustments at 1 January	-352	1,380	0	0
Profit for the year	16,298	1,275	52	0
Transfer	2,834	-608	0	0
Dividends and other adjustments	-5,473	362	-28	0
Value adjustments at 31 December	13,307	-352	24	0
Carrying amount at 31 December	41,353	20,739	1,935	179
Investment in associates	47,288	31,226	1,935	179
Set-off against receivables from associates	-5,935	-10,488	0	0
Total	41,353	20,739	1,935	179

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

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11 Investments in associates (continued)

Ownership shares in associates can be specified as follows:

Name	Country of place of business	Ownership 31/12 2022
Ejendomsanpartsselskabet Håndværkervej 3, Frederikshavn	DK	50,0%
European Wind Farms Polen ApS	DK	50,0%
GWE Contractors K/S*)	DK	50,0%
Komplementarselskabet GWE Contractors ApS	DK	50,0%
Kronborg Solpark ApS	DK	50,0%
Lillebaelt Vind A/S	DK	50,0%
NPP Brazil I K/S	DK	51,0%
NPP Brazil II K/S	DK	51,0%
Rødkilde Komplementarselskab ApS	DK	50,0%
Soft & Teknik A/S	DK	50,0%
Solar Park Rødkilde 1 P/S	DK	50,0%
Solarpark Vandel Services ApS	DK	50,0%
Süstedt Komplementar ApS	DK	50,0%
Greenwatt Ahvenneva Oy AB	FI	50,0%
Greenwatt Honkakangas Oy AB	FI	50,0%
EE Barbassee ApS & Co. KG	DE	50,0%
EE Haseloff Aps & Co. KG	DE	50,0%
EE Sieben Null GmbH & Co. KG	DE	50,0%
EE Sieben Zwei GmbH & Co. KG	DE	50,0%
EE Süstedt ApS & Co. KG	DE	50,0%
EEA Verwaltungs GmbH	DE	50,0%
EWF Eins Sieben GmbH & Co. KG	DE	50,0%
EWF Fünf Vier GmbH & Co. KG, Wittstock	DE	50,0%
Repowering Gunthersdorf Trebitz GmbH & Co. KG	DE	50,0%
Vergil ApS & Co. KG	DE	50,0%
Windpark Hellberge GmbH & CO KG	DE	50,0%
Windpark Losheim Nr. 30 ApS & Co. KG	DE	25,0%
WP Repowering Wernikow EE-DW GmbH & Co. KG	DE	50,0%
Elios 102 S.r.l.	IT	50,0%
European Energy Italy Holding S.r.l.	IT	50,0%
Limes 20 S.r.l	IT	100,0%
Limes 24 S.r.l	IT	50,0%
Limes 25 S.r.l	IT	50,0%
Parco Fotovoltaico Fauglia s.r.l.	IT	50,0%
NPP Maldives Private Ltd.	MV	51,0%
Zonnepark Nederweert B.V.	NL	50,0%
European Wind Farms Polska Sp. z o.o. Rabino Sp. k	PL	50,0%
PES 12 Sp.zoo	PL	50,0%
PES 13 Sp.zoo	PL	50,0%
PES 20 Sp. z o.o.	PL	0,0%
PES 21 Sp. z o.o.	PL	50,0%
PES 30 Sp.zoo	PL	50,0%
PES 32 Sp.zoo	PL	50,0%
PES 33 Sp.zoo	PL	0,0%
PES 34 Sp.zoo	PL	50,0%
PES 35 Sp.zoo	PL	50,0%
PES 36 Sp.zoo	PL	50,0%
PES 40 Sp.zoo	PL	50,0%

Notes

11 Investments in associates (continued)

Name	Country of place of business	Ownership % 31/12 2022
Mythop Renewables Limited	UK	50,0%
EEA Swepol A/S	DK	50,0%
EEGW Persano ApS	DK	50,0%
Komplementarselskabet EEAR ApS	DK	50,0%
Nordic Power Partners P/S	DK	51,0%
NPP Komplementar ApS	DK	51,0%
Coremas I Geracao de Energia SPE LTDA.	BR	43,7%
Coremas II Geracao de Energia SPE LTDA.	BR	43,7%
Coremas III Geracao de Energia SPE LTDA.	BR	43,7%
Fundo de Investimento em participacoes conjunto Coremas - Multiestrategia	BR	43,7%
Wind Energy OOD	BG	49,0%
Wind Power 2 OOD	BG	49,0%
Wind Stream OOD	BG	49,0%
Wind Systems OOD	BG	49,0%
EEAR Olleria II ApS*	DK	45,0%
European Wind Farms Invest No.2 A/S	DK	36,6%
GW Energi A/S *)	DK	25,0%
GWE Holding af 14. November 2011 ApS *)	DK	25,0%
K/S Losheim *)	DK	25,0%
Komplementarselskabet Losheim ApS	DK	25,0%
Nøjsomheds Odde WTG 2-3 ApS	DK	33,5%
Renewable Energy Partnership I GP ApS	DK	33,3%
Renewable Energy Partnership Management GP ApS	DK	33,3%
Renewable Energy Partnership P/S	DK	33,3%
Vindpark Straldja ApS	DK	25,0%
EE Dosse GmbH & Co. KG	DE	25,1%
EWF Fünf Fünf GmbH & Co. KG	DE	34,5%
GWE Verwaltungs GmbH	DE	25,0%
Umspannwerk Westerberg GmbH & Co OHG	DE	45,0%
UW Gilmerdingen GmbH & C. KG	DE	40,0%
UW Lohkamp ApS & Co. KG	DE	40,0%
UW Nessa GmbH & Co KG	DE	22,9%
UW Nessa II GmbH & Co. KG	DE	50,0%
UW Nessa Verwaltungs-GmbH	DE	22,9%
Vento Erste Windparkbeteiligungsgesellschaft mbH & Co. KG	DE	47,4%
Windkraft Gommern GmbH & Co. KG	DE	33,4%
Windkraft Ottenhausen GmbH & Co. KG	DE	39,4%
Windpark Emskirchen GmbH & Co KG	DE	25,0%
Windpark Prignitz GmbH & Co. KG	DE	25,0%
Windpark Scheibe-Trattendorf GmbH & Co. KG	DE	33,7%
WP Vormark Generalunternehmer GmbH & Co. KG	DE	12,5%
WP Vormark GmbH	DE	12,5%
WP Vormark Infrastruktur GbR	DE	12,5%
WP Vormark UW GmbH & Co. KG	DE	5,6%
WP Vormark WEA 1 GmbH & Co. KG	DE	12,5%
WP Vormark WEA 2 GmbH & Co. KG	DE	25,0%
Limes 1 S.r.l	IT	49,0%

Notes

11 Investments in associates (continued)

Name	Country of place of business	Ownership % 31/12 2022
PES 41 Sp.zoo	PL	50,0%
PES 42 Sp.zoo	PL	50,0%
Windcom Sp. z o.o.	PL	80,0%
European Wind Farms Sverige AB	SE	50,0%
Trinity Solar Farm Limited	UK	50,0%
EEA Renewables A/S	DK	50,0%
EEA Stormy ApS	DK	50,0%
Limes 2 S.r.l	IT	49,0%
Parco Eolico Carpinaccio Srl	IT	26,3%
UAB Anyksciai hybrid	LT	20,0%
UAB Jonava hybrid	LT	20,0%
UAB Rokiskis hybrid	LT	20,0%
UAB Telsiai1 hybrid	LT	20,0%
UAB Telsiai2 hybrid	LT	20,0%
UAB Taupi energija	LT	20,0%
ESF Spanien 0427 S.L.	ES	45,0%
EWF Fünf Zwei GmbH & Co. KG	DE	50,0%
InnoVent Brake GmbH & Co. KG	DE	35,0%

12 Other investments

	Consolidated		Parent company	
EUR'000	2022	2022	2022	2021
Cost at 1 January	3,024	3,024	222	222
Additions for the year	4,673	4,673	0	0
Cost at 31 December	7,697	7,697	222	222
Value adjustments at 1 January	5,468	5,468	0	0
Value adjustments during the year	306	306	0	0
Value adjustments at 31 December	5,774	5,774	0	0
Carrying amount at 31 December	13,471	13,471	222	222

13 Loans to related parties

Non-current receivables has no specific repayment terms. The loans are established as a part of the financing of wind and solar farms, and will typically be repaid when a project is sold.

14 Trade receivables and contract assets

Out of non-current trade receivables EUR 1.5m (2021: EUR 1.7m) is expected to be recovered more than 5 years after the balance sheet date.

Notes

15 Other receivables

	Consolidated		Parent company	
EUR'000	2022	2021	2022	2021
Interest-bearing loan to Vores Sol Nakskov I-VI K/S	454	522	0	0
Interest-bearing loan to JPZ Assistance ApS	7,282	0	229	0
Interest-bearing loan to business partner for the acquisition of energy farms	9,076	2,925	0	0
Total other receivables (non-current assets)	16,811	3,447	229	0

Notes

16 Inventories

	Consolidated	
EUR'000	2022	2021
Cost at 1 January	549,310	337,676
Additions for the year	767,406	410,834
Transferred to/from Property, Plant and Equipment	-2,234	2,988
Disposals for the year (recognised as direct cost)	-226,488	-200,443
Deconsolidated entities	-3,487	0
Write offs of the year	-915	-1,745
Cost at 31 December	1,083,592	549,310
Write-downs at 1 January	-24,480	-11,849
Write-downs for the year, addition	-8,125	-13,213
Disposal of the year	13	582
Write-downs at 31 December	-32,592	-24,480
Carrying amount at 31 December	1,051,000	524,830

Inventory at 31 December comprises:

Operating	431,358	215,521
Under development	469,453	111,820
Under construction	150,189	197,489
Total inventory at 31 December	1,051,000	524,830
Total wind farms	621,912	171,861
Total solar farms	429,088	352,969
Total inventory at 31 December	1,051,000	524,830

Notes

17 Deferred tax

	Consolidated		Parent company	
EUR'000	2022	2021	2022	2021
Deferred tax at 1 January	-5,953	-6,810	3	41
Change in deferred tax recognised in income statement	-6,934	614	-1	-37
Deferred tax on changes in equity	9,876	-256	0	0
Adjustment relating to the disposal of subsidiaries, etc.	401	514	0	0
Transferred to joint taxation contribution, etc.	0	-138	0	0
Other equity regulation / joint taxation	-3,159	123	0	0
	-5,859	-5,953	2	3
Deferred tax is recognised as follows:				
Deferred tax asset	13,811	6,425	2	3
Deferred tax liability	-19,670	-12,378	0	0
	-5,859	-5,953	2	3

The recognition of deferred tax assets is based on an analysis of future income in the next three to five years. The analysis is based on an expectation of steady development and, in general, reasonable assumptions.

Deferred tax assets are substantially attributable to tax losses carried forward.

Deferred tax assets not recognised in the group balance sheet amounts to EUR 2.0 mio. (2021: EUR 1.8 mio.).

Deferred tax liabilities are substantially attributable to temporary differences on wind and solar power generating assets.

18 Prepayments

Prepayments recognised as assets comprise primarily of prepaid expenses for wind turbines and solar parks as well as prepayments related to land lease agreements and are measured at cost.

19 Share capital

The share capital consists of nom. 625,000 shares of DKK 1 each, corresponding to EUR 84 thousand. The share capital is divided in nom. 62,500 A-shares of DKK 1 each and nom. 562,500 B-shares of DKK 1 each.

Every A-share of nom. DKK 1 equals one vote in the Genenral Assembly. B-shares have no voting rights.

The sixe of the share capital has remained unchanged since foundation of the company 1 January 2017.

Notes

20 Hybrid capital

Terms and conditions
Hybrid capital comprise issued green bonds from 22 September 2020 of EUR 75m and a subsequent tap of EUR 75m on 15 April 2021, all which is subordinated to other creditors but preceded by the share capital.

In Q3 2022 coupon payments were paid. The payments amount to EUR 9.2m and is accounted for as dividends.

The hybrid capital rank in priority only to any loans made after the first issue date by any major shareholder (Subordinated Shareholder Funding).

The hybrid security bears an initial coupon of 6.125% until the first call date on 22 September 2023, after which the coupon resets to the 3-year EUR swap rate prevailing at that time plus a margin of 11.585%, which is the sum of initial margin 6.585% and step-up margin of 5.0%. It has a final maturity on 22 September 3020.

In January 2023, European Energy launched a tender offer at par for the outstanding green hybrid bonds with maturity in 3020 and issued EUR 100m
new green hybrid bonds with maturity in 3023 and a coupon of 10.75%. EUR 92.5 million of the existing hybrid bond holders tendered and after the
tender the outstanding nominal is therefore EUR 57.5 million. European Energy can redeem the remaining outstanding 3020 hybrid bonds at par
at the first call date on September 22, 2023.

Coupon payments may be deferred at the discretion of European Energy A/S and ultimately any deferred coupons outstanding in 3020 will be cancelled. However, deferred coupon payments become payable if European Energy A/S decides to pay dividends to shareholders or makes payment in respect of any Subordinated Shareholder Funding.
As a consequence of the terms of the hybrid security the net proceed is initially recognised directly in equity. Coupon payments are also recognised in equity.

Fair value disclosures
As the principal of the hybrid bond ultimately falls due in 3020, its discounted fair value is nil due to the terms of the securities, and therefore a liability of nil has been recognised in the balance sheet.

Subsequently, the liability part is measured at amortised costs and will only impact profit or loss for the year towards the end of the 1,000-year term of the hybrid capital.

When a formal decision on redemption has been made European Energy has a contractual obligation to repay the principal, and thus the hybrid bond is reclassified from equity to financial liability.

On the date of reclassification, the financial liability is measured at market value of the hybrid capital. The hybrid bond is listed at NASDAQ, Copenhagen, and traded at market value.

21 Other provisions

Demolition costs liabilities
The provision relates to expected demolition costs to dismantle and remove wind and solar farms. These provisions are recognised when the group has a legal and constructive obligation at the date of the statement of financial position and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions that are expected to be settled more than a year from the date of the statement of financial position are measured at net realisable value. The value of the dismantling costs is recognised in the value of non-current assets and is depreciated together with the relevant assets. The financial statements include a provision for future costs arising from the demolition costs and removal of wind and solar farms. Based upon Management's expectations for the maturity of the provisions, the provision is recognised as a non-current liability.

Contingent consideration on acquired projects
The provision relates to contingent consideration regarding projects acquired from developers, where the consideration to the seller is depending on certain future events (earn-out). The fair value of purchase liabilities (earn-

out) is recognised as provision when it is probable that the projects will be realised. Based upon Management's expectations for the maturity of the provisions, the provision is recognised as a non-current liability.

The contingent consideration transfers from provision to other payables when the future events that trigger payment of purchase liabilities (earn-out) occur.

Other provisions
Other provisions include provisions made for estimated warranty costs in respect of sold power generating assets and projects. Based upon Management's expectations for the maturity of the provisions, the provision is recognised as a non-current liability.

In addition, provision is made for a warranty claim regarding a sale of a power generating asset. Management has no reason to believe that the final payment will exceed the provision. Based upon Management's expectations for the maturity of this provision, the provision is recognised as current liabilities.

The Danish Authorities have assessed that the parent company does not have the right to fully deduct VAT on external costs, as VAT related to expenses from sale of shares are not deductible. There is a provision for VAT adjustment from previous years included in Other provisions in 2021. The VAT adjustments for previous years have been settled with the Danish Authorities during 2022, and remaining provision has been reversed.

22 Financial liabilities

Consolidated EUR'000	Debt at 1/1 2022	Total debt at 31/12 2022	Current portion	Non-current portion	Outstanding debt after 5 years
Issued bonds	285,383	363,683	0	363,683	0
Project financing	346,998	723,759	55,090	668,669	284,480
Amount owed to share holder	3	788	0	788	0
Derivatives	0	35,215	3,432	31,783	31,783
Other debt	12,377	5,133	0	5,133	0
Lease liabilities	11,343	14,278	3,282	10,996	8,177
	656,105	1,107,643	58,372	1,081,051	324,450

In September 2022, the parent company issued a new EUR 75m senior unsecured bond under the Green Finance Framework with a framework amount of up to EUR 200m. This entailed a total of EUR 375m outstanding unsecured senior bonds in the Nordic unrated high yield market of which EUR 300 million matures in 2025 and EUR 75 million in 2026.

Parent Company EUR'000	Debt at 1/1 2022	Total debt at 31/12 2022	Current portion	Non-current portion	Outstanding debt after 5 years
Amount owed to share holder	3	837	0	834	0
Amount owed to subsidiaries	117	0	0	0	0
	120	837	0	834	0

No specific conditions for repayment of outstanding balances with subsidiaries have been agreed.

Notes

23 Derivative financial instruments

Interest rate swaps

EUR'000	Consolidated	
	2022	2021
Fair value liability, included in Project financing	-6,923	38
Change in fair value recognized in Equity	6,961	147

Forward currency exchange contracts

Average hedged rate per 1 EUR	5.5 BRL	6.6 BRL
Maturity less than 1 year	61,144	30,579
Average hedged rate per 1 EUR	1.0 USD	1.1 USD
Maturity less than 1 year	59,309	94,881
Fair value asset, included in Other receivables	2,215	4,713
Fair value liability, included in Other payables	-20,239	-677
Change in fair value recognized in Equity	0	4,743
Change in fair value recognized in profit or loss	-18,025	-1,938

European Energy A/S has hedged currency risk related to Brazilian investments in Joint Ventures and subsidiaries and has hedged purchase orders from suppliers

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23 Derivative financial instruments, continued

Other financial instruments

EUR'000	Consolidated	
	2022	2021
Fair value 1 January	-2,870	2,812
Value adjustments of hedging instruments recognized in equity during the year, unrealised	-23,726	-5,683
Value adjustments of hedging instruments recognized in equity during the year, realised	-5,187	0
Value adjustments of hedging instruments recognized in P/L during the year	6,691	0
Total fair value	-25,092	-2,870

Value adjustment is recognized in Equity, as the relevant criteria for hedge accounting are met.
During 2022 there were recognised a net amount corresponding to EUR 3.7m as ineffectivity deriving from our PPA portfolio. The amounts are recognised as EUR 6.7m as income under financial items and EUR 3.0 as costs under financial items.

Other financial instruments comprise both contract for difference derivatives (CFD's) related to long-term power purchase agreements and other power purchase agreements. Power purchase agreements have a duration of up to 15 years.

The fair value of CFD derivatives is measured on the basis of Levels 1 and 3 within the fair value hierarchy. We have entered contracts where a market quoted price is available. When assessing and calculating the fair value of the contracts where no quoted market prices are available the used valuation technique is the discounted cash flow.

24 Mortgages and collateral

Contingent Liabilities and Other Financial Liabilities

EUR million	Consolidated	
	2022	2021
Warranties regarding potential acquisition of new projects	35	20
Grid connection guarantees	186	101
Warranties regarding Power Purchase Agreements	38	55
Warranties regarding divestment of energy parks	52	53
Claims regarding divested energy parks	12	8
	323	236

24 Mortgages and collateral, continued

Leases

Leases that substantially transfer all risks and rewards incidental to ownership of the asset to the Group are finance leases. All other leases are operating leases. Lease payments under operating leases are recognised in the income statement as an expense on a straight-line basis over the term of the lease. The Group has only leases classified as operating leases.

The European Energy Group transitioned to IFRS 16 as per 1 January 2019 in accordance with the modified retrospective approach. The prior-year figures were not adjusted.

Security for debt

Pledges and guarantees related to financing agreements
End of 2022 total outstanding debt at the parent level equalled EUR 364m (2021: EUR 285m), while total debt on project level amounted to EUR 724m (2021: EUR 347m) 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 2022 the total outstanding project level financing with pledged assets or shares amounted to EUR 723m (2021: EUR 278m). The corresponding carrying amount of the pledged assets or shares amounted to EUR 985m (2021: EUR 468m).

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 2022 the total recourse debt at the project levels amounted to EUR 429m (2021: EUR 121m).

25 Contractual obligations and contingencies

Contingent liabilities

Guarantees, warranties and other liabilities related to divestments
When selling subsidiaries, the Group provides customary warranties and guarantees to the purchaser, including warranties and guarantees related to the corporate status of the subsidiary, taxes, environmental matters, rights and permits of the project concerned etc. The warranties and guarantees are often provided for a period of two to five years. Such customary warranties and guarantees can be provided by the selling entity or by the parent company.

The Group may also provide a buyer with specific indemnities that relate to project specific issues that can only be clarified after the divestment is completed.

Guarantees, warranties and specific indemnities are included as contingent liability below if they relate to circumstances that the Group either cannot control or is unaware of or where the company knows that an obligation exists, but its amount is unknown.

Earn-outs included in sales agreements that relate, e.g., to the performance of a park are not treated as contingent liabilities but affect the valuation of the corresponding contract asset.

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Contractual obligations
The parent company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxation have joint and unlimited liability for Danish corporation taxes, etc. The statement of jointly taxed Danish income for 2022 shows a negative taxable income. Consequently, no Danish corporate tax liability will arise for 2022 (2021: EUR 1.3m).

Warranties regarding potential acquisition of new projects
Contingent liabilities arising from potential acquisition of new projects are related to the purchase of Brownfield projects for solar or wind energy, for which it is not probable that an outflow of resources will be required to settle the obligation. The amounts are not recognised but disclosed with indication of uncertainties relating to amounts and timing involved.

Grid connection guarantees
European Energy is often required to provide financial guarantees when entering the necessary grid connection agreement with the grid company. The guarantees usually run from acceptance of grid application until grid connection of the power plant. The guarantees are meant to remove the financial risk of the grid company, for the case where the grid company has started their works related to the grid connection, and the developer (European Energy) for some reason should choose to abandon the specific project after having entered the grid connection agreement. In 2022 no issued grid guarantees have been drawn.

Guarantees regarding Power Purchase Agreements
European Energy Group is entering Power Purchase Agreements (PPA's) which are mainly long-term contracts with the purpose of securing the revenue from our power production. In addition to the delivery of power European Energy are often also delivering green certificates of origin (GOs).

European Energy are in some cases, depending on the requirement of the off taker, providing the counterpart with a financial guarantee to cover the performance obligations set out in the PPA. As long as European Energy are delivering the power and transferring any relevant amount of GOs in accordance with the PPA's there will be no payment commitments for the Group. The lifetime of the guarantee usually match the maturity of the PPA.

Warranties regarding divestment of energy parks
For the energy parks which European Energy have divested European Energy have in most cases provided warranties as part of the SPA. The group does not expect to incur any material costs and actual payment commitments related to our divestment of energy parks, and the total amount included in the warranties is listed below.

Claims regarding pending disputes in divested energy parks
The group is a party in minor pending disputes and lawsuits with claims where EUR 3m is currently provided for as part of the provision and further EUR 12.2m (2021: EUR 7.7m) is currently also reported as contingent liabilities. In Management's opinion, the outcome of the dispute will not affect the group's financial position to any significant extent other than that already recognised in the assets and liabilities in the group's balance sheet at the end of the period.

Contingent assets
On 5 December 2018, European Solar Farms A/S ("ESF"), a company within the Group, filed a request for arbitration against the Kingdom of Spain. The procedure is still pending. This concerns 101 solar farms located in Spain, with a combined capacity of 9.7 MW. ESF invested more than EUR 57m in these projects in reliance on Spain´s express guarantees that the plants would receive a feed-in tariff for the entire operating lives of the plants. However, these feed-in tariffs were discontinued due to certain changes to the relevant Spanish energy regulations starting 2010. ESF has made claims for compensation against the Kingdom of Spain based on these changes to the incentive scheme regimes. If ESF succeed, this would have a net positive impact on the group in the range of EUR 20-30m in total.

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26 Related party disclosures

Related parties

Related parties in KEA Holding I ApS include the following:

- Subsidiaries and associates in KEA Holding I
- Board members in European Energy A/S

Related party transactions

The transactions with related parties for the year are set out as below.

	Consolidated		Parent company	
EUR'000	2022	2021	2022	2021
Related party transactions				
Cost of services from affiliates	0	0	-15	-12
Interest income from affiliates	0	0	43	38
Interest expenses to affiliates	-1	-1	-3	-30
Sale of shares to affiliates	0	26	9	9
Sale of Land & Buildings to affiliates	495	0	495	0
Loans to related parties				
Loans to affiliates, carrying amount	3,499	2,319	1,507	2,201
Loans from related parties				
Loans from affiliates and shareholder, carrying amount	972	206	834	120

Controlling interest

The following shareholder has controlling interest:

- Knud Erik Andersen, Peter Rørdams Vej 30, 2800 Kgs. Lyngby