

**EE Lithuania Emerald ApS**

**Gyngemose Parkvej 50  
2860 Søborg**

**CVR no. 42 33 83 46**

**Annual report for 2023**

**(3rd Financial year)**

Adopted at the annual general  
meeting on 4 July 2024

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Jan Paulsen  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of EE Lithuania Emerald ApS for the financial year 1 January - 31 December 2023.

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

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

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

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

Søborg, 4 July 2024

### **Executive board**

Knud Erik Andersen  
Director

Jens-Peter Zink  
Director

## **Independent auditor's report**

### ***To the Shareholder of EE Lithuania Emerald ApS***

#### **Opinion**

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

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

#### **Basis for Opinion**

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

#### **Management's responsibilities for the financial statements**

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

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

## **Independent auditor's report**

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

## **Independent auditor's report**

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

### **Statement on management's review**

Management is responsible for management's review.

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

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

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

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

Copenhagen, 4 July 2024

KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Kenn Wolff Hansen  
statsaut. revisor  
MNE no. mne30154

## Company details

### **The company**

EE Lithuania Emerald ApS  
Gyngemose Parkvej 50  
2860 Søborg

CVR no.: 42 33 83 46

Reporting period: 1 January - 31 December 2023

Domicile: Gladsaxe

### **Executive board**

Knud Erik Andersen, director  
Jens-Peter Zink

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## Financial highlights

Seen over a 2-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022
	TDKK	TDKK
<b>Key figures</b>		
<b>Profit/loss</b>		
Gross profit/loss	-277	-72
Net financials	16.762	10.234
Profit/loss for the year	16.604	10.929
<b>Balance sheet</b>		
Balance sheet total	228.413	168.464
Equity	30.686	14.101
<b>Financial ratios</b>		
Return on assets	-0,1%	-0,1%
Solvency ratio	13,4%	8,4%
Return on equity	74,1%	155,0%

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



## **Management's review**

### **Business review**

The purpose of the company is, directly or through investments in other companies associated with the energy industry, to develop, finance, operate and sell renewable energy.

### **Recognition and measurement uncertainties**

We refer to the description in note 1 regarding uncertainty in relation to recognition and measurement.

### **Financial review**

The company's income statement for the year ended 31 December 2023 shows a profit of EUR 16.603.548, and the balance sheet at 31 December 2023 shows equity of EUR 30.686.126.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Expected development of the company, including specific prerequisites and uncertainties**

Besides what is described in note 10 there is no significant uncertainty regarding the company's expected development.

### **The company's knowledge resources**

The company does not have any employees. European Energy A/S have previously and will continue to provide them necessary staff available.

## **Accounting policies**

The annual report of EE Lithuania Emerald ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities.

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

The annual report for 2023 is presented in EUR

### **Basis of recognition and measurement**

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

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

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

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

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

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

## **Accounting policies**

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less costs of other external expenses.

#### **Financial income and expenses**

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

#### **Income from investments in subsidiaries**

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

The company sells projects in various stages of development that are organized as subsidiaries. Upon divestment of the projects, the company sells the shares in the subsidiary and gains / losses from these are recognized correspondingly in this accounting item.

#### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation.

The company's parent company is the administration company for the joint taxation and as a result settles all payments of corporation tax with the tax authorities.

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

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

## **Accounting policies**

### **Balance sheet**

#### **Investments in subsidiaries**

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

#### **Receivables**

Receivables, which consists of receivables from group entities, trade receivables and other receivables are measured at amortised cost.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

#### **Equity**

#### **Dividends**

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

#### **Provisions**

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

#### **Income tax and deferred tax**

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

## **Accounting policies**

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

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

## **Liabilities**

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

## **Foreign currency translation**

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

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

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

## **Cash flow statement**

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

**Accounting policies****Financial Highlights**

Definitions of financial ratios.

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

**Income statement 1 January - 31 December**

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
<b>Gross profit</b>		<b>-276.819</b>	<b>-72.107</b>
Income from investments in subsidiaries	2,5	17.254.646	13.676.118
Financial income	3	15.846.439	2.793.597
Financial costs	4	<u>-16.339.006</u>	<u>-6.235.517</u>
<b>Profit/loss before tax</b>		<b>16.485.260</b>	<b>10.162.091</b>
Tax on profit/loss for the year		<u>118.288</u>	<u>766.809</u>
<b>Profit/loss for the year</b>		<b><u>16.603.548</u></b>	<b><u>10.928.900</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Reserve for net revaluation under the equity method		5.408.166	0
Retained earnings		<u>11.195.382</u>	<u>10.928.900</u>
		<b><u>16.603.548</u></b>	<b><u>10.928.900</u></b>

**Balance sheet 31 December**

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
<b>Assets</b>			
Investments in subsidiaries	5	6.224.816	0
Receivables from group entities	6	<u>162.069.225</u>	<u>103.878.510</u>
<b>Fixed asset investments</b>		<b><u>168.294.041</u></b>	<b><u>103.878.510</u></b>
<b>Total non-current assets</b>		<b><u>168.294.041</u></b>	<b><u>103.878.510</u></b>
Trade receivables		47.448.000	39.010.223
Other receivables		0	35.846
Deferred tax asset		<u>413.751</u>	<u>822.942</u>
<b>Receivables</b>		<b><u>47.861.751</u></b>	<b><u>39.869.011</u></b>
<b>Cash at bank and in hand</b>	7	<b><u>12.257.039</u></b>	<b><u>24.716.458</u></b>
<b>Total current assets</b>		<b><u>60.118.790</u></b>	<b><u>64.585.469</u></b>
<b>Total assets</b>		<b><u>228.412.831</u></b>	<b><u>168.463.979</u></b>



**Balance sheet 31 December**

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
<b>Equity and liabilities</b>			
Share capital		5.500	5.500
Reserve for net revaluation under the equity method		5.408.166	0
Reserve for current value adjustments of currency gains		0	18.802
Retained earnings		<u>25.272.460</u>	<u>14.077.078</u>
<b>Equity</b>		<b><u>30.686.126</u></b>	<b><u>14.101.380</u></b>
Other provisions	8	<u>494.724</u>	<u>894.111</u>
<b>Total provisions</b>		<b><u>494.724</u></b>	<b><u>894.111</u></b>
Mortgage loans		87.202.360	54.124.225
Payables to parent company		<u>77.154.869</u>	<u>68.828.269</u>
<b>Total non-current liabilities</b>	9	<b><u>164.357.229</u></b>	<b><u>122.952.494</u></b>
Trade payables		514.718	474.440
Payables to affiliates		<u>32.360.034</u>	<u>30.041.554</u>
<b>Total current liabilities</b>		<b><u>32.874.752</u></b>	<b><u>30.515.994</u></b>
<b>Total liabilities</b>		<b><u>197.231.981</u></b>	<b><u>153.468.488</u></b>
<b>Total equity and liabilities</b>		<b><u>228.412.831</u></b>	<b><u>168.463.979</u></b>
Uncertainty in the recognition and measurement	10		
Contingent liabilities	11		
Related parties and ownership structure	12		

## Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Reserve for current value adjustments of currency gains	Retained earnings	Total
Equity at 1 January	5.500	0	18.802	14.077.078	14.101.380
Fair value adjustment of hedging instruments	0	0	-18.802	0	-18.802
Net profit/loss for the year	0	5.408.166	0	11.195.382	16.603.548
<b>Equity at 31 December</b>	<b>5.500</b>	<b>5.408.166</b>	<b>0</b>	<b>25.272.460</b>	<b>30.686.126</b>

**Notes**

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>1 Staff costs</b>		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
<p>The company has entered into an administration agreement with European Energy A/S. This includes a smaller share of management remuneration, as the company's management does not receive salary or other remuneration.</p>		
<b>2 Income from investments in subsidiaries</b>		
Share of profits of subsidiaries	8.816.869	-3.005.882
Gain on disposal of subsidiaries	<u>8.437.777</u>	<u>16.682.000</u>
	<b><u>17.254.646</u></b>	<b><u>13.676.118</u></b>
<b>3 Financial income</b>		
Interest received from group entities	15.843.962	2.793.442
Other financial income	2.472	11
Exchange gains	<u>5</u>	<u>144</u>
	<b><u>15.846.439</u></b>	<b><u>2.793.597</u></b>
<b>4 Financial costs</b>		
Financial expenses, group entities	9.354.601	3.517.278
Other financial costs	6.984.403	2.718.101
Exchange adjustments costs	<u>2</u>	<u>138</u>
	<b><u>16.339.006</u></b>	<b><u>6.235.517</u></b>

## Notes

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>5 Investments in subsidiaries</b>		
Cost at 1 January	271.740	0
Additions for the year	<u>544.910</u>	<u>271.740</u>
Cost at 31 December	<u>816.650</u>	<u>271.740</u>
Revaluations at 1 January	-271.740	0
Net profit/loss for the year	8.816.869	-3.005.882
Equity investments with negative net asset value set-off against receivables	<u>-3.136.963</u>	<u>2.734.142</u>
Revaluations at 31 December	<u>5.408.166</u>	<u>-271.740</u>
<b>Carrying amount at 31 December</b>	<b><u>6.224.816</u></b>	<b><u>0</u></b>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
EE Telsiai Holding UAB	Lithuania	100%
EE Telsiai II Holding UAB	Lithuania	100%



## Notes

### 9 Long term debt

	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
Mortgage loans	54.124.225	87.202.360	0	0
Payables to parent company	68.828.269	77.154.869	0	0
	<b><u>122.952.494</u></b>	<b><u>164.357.229</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

### 10 Uncertainty in the recognition and measurement

The transaction price from sale of shares in subsidiaries recognized in 2021 comprised both a fixed and a variable element. The variable element has been re-evaluated in 2023 which have affected the income statement positively by EUR 8.4 Million. The positive adjustment is mainly caused by a significant increases in electricity prices, which is partly off-set by increases in costs. The variable element in the underlying Lithuanian projects is expected to be finally settled during 2024. Depending on the outcome, development in electricity prices etc., further significant adjustments in 2024 may occur.

### 11 Contingent liabilities

The company is part of joint taxation with the ultimate parent company KEA Holding III ApS (management company in the joint taxation circle) as well as with other Danish affiliated companies. The company is unlimitedly and jointly and severally liable for Danish corporation taxes, etc. within the joint taxation circle.

## Notes

### 12 Related parties and ownership structure

#### Transactions

Transactions with related parties have been conducted on market terms.

Expenses from group entities 2023: 8 tEUR (2022: 8 tEUR)

Financial income from group entities 2023: 15.844 tEUR (2022: 2.793 tEUR)

Financial expenses from group entities 2023: 9.355 tEUR (2022: 3.517 tEUR)

Receivables from group entities 2023: 162.211 tEUR (2022: 106.613 tEUR)

Payables to group entities 2023: 109.515 tEUR (2022: 98.870 tEUR)

#### Consolidated financial statements

The company is reflected in the group report as the parent company European Energy A/S

The consolidated report for European Energy A/S can be requested on the following website:  
[www.europeanenergy.com](http://www.europeanenergy.com)