

KEA Holding III ApS

Annual report 2023

The annual report has been presented
and approved at the Company's annual
general meeting on 10 July 2024

Jan Paulsen
Chairman

CVR no. 44 51 03 59
Gyngemose Parkvej 50, 2860 Søborg

Contents

| | |
|--|----|
| Statement by the Executive Board | 2 |
| Independent auditor's report | 3 |
| Management's review | 6 |
| Company details | 6 |
| Key figures | 7 |
| Management's Review for KEA Holding III ApS | 8 |
| Consolidated financial statements and parent company financial statements for the period 1 January – 31 December | |
| Income statement | 23 |
| Balance sheet | 24 |
| Equity | 27 |
| Cash flow statement | 28 |
| Notes | 29 |

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of KEA Holding III ApS for the financial year 1 January – 31 December 2023.

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 2023 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 2023.

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, 10 July 2024

Executive Board:

Knud Erik Andersen

Independent auditor's report

To the shareholder of KEA Holding III ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of KEA Holding III ApS for the financial year 1 January – 31 December 2023 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 2023 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 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 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 auditor's 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 auditor's 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, 10 July 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen

State Authorised Public Accountant
MNE No. mne30154

Management's review

Company details

KEA Holding III ApS
Gyngemose Parkvej 50
DK-2860 Søborg

CVR no.: 44 51 03 59
Established: 18 December 2023 with effect from 1 January 2023
Registered office: Gladsaxe
Financial year: 1 January – 31 December
First accounting period: 1 January 2023 - 31 December 2023

Executive Board

Knud Erik Andersen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 10 July 2024.

Management's review

| | |
|---------|-------|
| EUR'000 | 2023* |
|---------|-------|

Key figures

| | |
|--|---------------|
| Revenue | 420,241 |
| Direct costs | -251,041 |
| Gross profit | 169,200 |
| Operating profit | 103,287 |
| Net financial income and expenses | -17,772 |
| Profit for the year | 72,793 |
| Non-controlling interests' share of profit for the year | -37,737 |
| The Group's share of profit for the year | 35,056 |

| | |
|---------------|----------------|
| Total assets | 2,011,273 |
| Equity | 411,822 |

| | |
|---|----------------|
| Cash flow from operating activities | -281,470 |
| Net cash flow from investing activities | -6,027 |
| Portion relating to investment in property, plant and equipment, net | -3,712 |
| Cash flow from financing activities | 193,334 |
| Total cash flow | -94,164 |

Financial ratios

| | |
|------------------|-------|
| Gross margin | 40.3% |
| Operating margin | 24.6% |
| Equity ratio | 20.5% |
| Return on equity | 35.4% |

| | |
|---------------------------------------|-----|
| Average number of full-time employees | 615 |
|---------------------------------------|-----|

*The company was founded on 18 January 2023 with accounting effect from 1 January 2023, therefore no comparative figures has been included.

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".

The financial ratios have been calculated as follows:

| | |
|------------------|--|
| Gross margin | $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$ |
| Operating margin | $\frac{\text{Operating profit} \times 100}{\text{Revenue}}$ |
| Equity ratio | $\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$ |
| Return on equity | $\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$ |

Management's review

The Company's Main Activities

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

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

Business model

Since 2004, European Energy 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.

Development of operations

The company has on the top of the activities in the subsidiary European Energy A/S only a few other balance sheet items in the Group related to non-current assets (Other receivables), current assets (deferred tax asset) and to liabilities (Other payables).

Management's review

Group structure of KEA Holding III

KEA Holding III ApS is the parent company of the KEA Holding III Group and owns several subsidiaries and associates. The most significant part of the activities in the Group are related to the subsidiary European Energy A/S.

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. 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.

Management's review

Financial performance

Parent company

The Parent company has a profit after tax of EUR 35.1m (2023 is the first accounting year for the Parent company). The total Assets at the end of 2023 is EUR 151.3m and equity is EUR 148.0m.

Group

Income statement

Revenue

In 2023, revenue was EUR 420,2m.

Sale of energy parks and projects totalled EUR 299.7m in 2023. The total capacity of divested energy parks in 2023 amounted to 1,120 MW.

Seven out of the ten sold parks were sold at the ready-to- build stage, hereof six solar parks and one wind park, except the combined operating 304 MW solar park/50 MW Power- to-X Kassø plant under construction.

Sale of energy totalled EUR 113.6m in 2023.

Revenues from asset management segment totalled EUR 7.0m.

Gross profit

Gross profit amounted to EUR 169.2m. Of this, 2023 gross profit from sales of energy parks and projects totalled EUR 83.7m and gross profits from power sales EUR 82.5m.

Other income

Other income totalled EUR 19m. Other income is primarily related to compensation received from a supplier related to performance issues for two wind parks in Sweden.

Depreciation

Depreciation and impairment totalled EUR 23.9m in 2023.

Results from investments in associates

The result from investments in joint ventures and associated companies was a gain of EUR 10.8m in 2023. In September 2023, the 49% divestment of Kassø solar park and Power-to-X plant to Mitsui resulted in the company being reclassified to associated company with effect from Q4 2023.

Net financials

Net financial expenses were EUR 28.6m, driven by a high number of operating parks, where financial expense are expensed and not capitalized, a general high interest base rate partly counterbalanced by net currency gains on especially PLN of EUR 12m.

Management's review

Profit before tax

Profit before tax totalled EUR 85.5m.

Tax

Tax on the profit for the year amounted to EUR 12.7m in 2023. The effective tax rate for 2023 landed at 15%.

The balance sheet

Goodwill and other intangible assets

Goodwill relates to the Ammongas and REIntegrate acquisition with a carrying amount of EUR 10.7m. The purchase price allocation of Ammongas was finalized in 2023 and an other intangible asset were recognised with a carrying amount EUR 4.4m.

Property, plants & equipment

At end of 2023, the book value of property, plant and equipment was EUR 177.9m. In addition to this, the value of lease assets was EUR 9.3m.

Inventories

Inventories at 31 December 2023 amounted to EUR 1,324.5m. The Group has completed the construction of a number of energy parks, increasing the value of operational parks in the inventory to EUR 899.0m.

This operational parks forms the basis for continued income from sales of energy parks and projects in the quarters to come and in the interim period, a recurring income from power sales. As the parks are intended to be sold, they are recorded as inventories.

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 2023, the value of projects in development phases was EUR 193.2m.

In 2023, European Energy recognised an impairment loss on inventories of EUR 0.6m. Write-offs during the year were related to projects not materialising and totalled EUR 1.5m. End of 2023, impairment of inventories totalled EUR 34.0m.

Equity

At the end of 2023, equity totalled EUR 411.8m

During 2023, European Energy issued EUR 115m of new hybrid capital with maturity in 3023 and redeemed the EUR 150m hybrid bond with maturity in 3020 (at its first call in September 2023) resulting in a net redemption of EUR 36.1m of hybrid capital.

The non-controlling interests was EUR 148.9m.

Bond financing

At end of 2023, the book value of outstanding senior bonds totalled EUR 441.2m.

Project financing

Project financing (current and non-current) increased to EUR 890.3m due to more projects under construction or in operation. We are cooperating with several financial institutions on

Management's review

project financing, depending on the geographical area of the construction site, the size of the project and of any co-investors.

Cash flow statement

Cash flow from operating activities

Cash flow from operating activities ended at a negative EUR -281.5m.

The main part of the negative operating cash flow was inventories which resulted in a cash outflow of EUR 342.4m in 2023. The change in inventories in 2023 is the result of the deconsolidation of Kassø following the 49% divestment to Mitsui in 2023 and a low construction activity in 2023 due to difficult market conditions.

Excluding changes to inventories, cash flow from operating activities ended at EUR 61.0m.

Cash flow from investing activities

Cash flow from investing activities was negative at EUR -6.0m. The negative impact was caused by capital increases in several of the groups joint ventures and associates in Germany and Denmark.

Cash flow from financing activities

Cash flow from financing activities ended with a cash inflow of EUR 193.3m, stemming from net proceeds from project financing of EUR 106.1m, but also from a high amount of repayment of project financing of EUR 63.6m, including deconsolidation of project debt in Kassø solar park and Power-to-X as well as net-redemption of hybrid capital of EUR 36.1m.

Project financing was obtained for all projects in the construction and operating phases and is spread across several European countries primarily Denmark, Germany, Lithuania, Sweden, Poland and the UK.

During 2023, coupon payments to hybrid bond holders amounted to EUR 4.8m. The coupon payments are considered to be dividend, rather than interest costs.

Total cash flow

During the year, cash and cash equivalents resulted in a cash position of EUR 123.4m (including cash with restrictions).

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:

Management's review

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 European Energy A/S 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 115m with stated maturity in 3023, a fixed coupon of 10.75% p.a. until First Call Date on January 26 2027, after which the coupon is 4Y EUR swap rate plus margin step up of 5.0% increasing the margin to 12.955%. 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 revolving credit facility (RCF), cf below. Coupon payments may be deferred at the discretion of European Energy and ultimately any deferred coupons outstanding in 3023 will be cancelled. However, deferred coupon payments become payable if the parent company decides to pay dividends to shareholders 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 150m with maturity in September 2026 and a coupon of EURIBOR 3M plus a margin of 5.75%. 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.

For full terms and conditions of the above bonds and details of the green financing framework:

<https://europeanenergy.com/en/green-financing>

For liquidity management purposes, European Energy also has a revolving credit facility (RCF) maturing at the latest in 2026 with four major Nordic relationship banks. The terms largely mirror those of the senior unsecured bond. As part of the January 2023 bond transaction, European Energy increased its RCF by EUR 30m to EUR 75m and later in the year secured additional EUR 25m concluding total RCF of EUR 100m at year end.

In January 2024, European Energy A/S has entered into an agreement with Mitsubishi HC Capital Inc., in which Mitsubishi HC Capital Inc. will acquire a 20% stake in European Energy A/S mainly through acquiring newly issued shares resulting in gross proceeds for European Energy A/S of approximately EUR 700m, cf the section "Event after balance sheet day".

The project level financing consists of construction or project 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

Management's review

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 has emerged.

In 2023, European Energy has secured five year EUR 150m Green Portfolio financing with SEB and DNB allowing European Energy to simultaneously finance construction of a group of yet unnamed projects.

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 refinance, 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.

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 2023:

Revenue

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

Management's review

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 inherent 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.

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.

Management's review

Determination of fair value

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 governance

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 2023 targets

As this is the first accounting year of the parent company KEA Holding III ApS, no 2023 targets were set, but overall, the development in the year was as expected.

Outlook for 2024

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

Our outlook is based on a balanced set of assumptions, although there are factors associated with developing and constructing solar, wind and Power-to-X projects that could meaningfully impact our achieved results. On the risk side, we have seen significant increases in financial market volatility, impacting power prices, inflation and interest rates, and adversely affecting power sales and project sales during 2023.

Market volatility and inflation declined during 2023 and inflation appears to be under control. On the back of declining inflation, long-term interest rates have also fallen. If any of these development trends is detrimentally reversed, new adverse financial impacts might be experienced. Other factors that could have negative impacts on the Group's ability to meet its goals are the success in obtaining relevant permits, a delay in grid connection upgrade works, the supply chain, negative events in the power markets, regulatory changes or delays in the timing of asset divestments.

Based on the above, we expect EBITDA of EUR 230m for 2024, equivalent to growth of approximately 30% over realised EBITDA in 2023. We expect that the result will fluctuate over the quarters as usual, depending upon the timing of larger divestment of energy parks.

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

Management's review

Significant events after the reporting period

In January 2024 European Energy A/S signed an agreement with Mitsubishi HC Capital inc. to acquire 20% ownership in European Energy A/S.

Company announcement 2/2024 (19.01.2024)

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

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

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

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

Closing of the transaction is subject to fulfilment of certain customary closing conditions, including regulatory approvals and is expected to take place in H1 of 2024.”

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

Risk management

European Energy's risk management is intended to continuously identify, assess and manage business and financial risks, and to reduce and ensure an acceptable level of impact on financial results, the company's values, and financial covenants in financing arrangements.

While these risks can take different forms and dimensions, they can, broadly speaking, be divided into market risk, operational risk, political, regulatory and legal risk, and financial risk. 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.

As a continuing and natural element of the company's overall growth strategy, an Enterprise Risk Management framework was developed and agreed on in Q4 2023. The aim of Enterprise Risk Management (ERM) is to manage risks, support our operational and strategic goals, ensure risk awareness, and protect and balance risk against reward. The framework provides a holistic and transparent view of our operational risk position, with the aim of continuously assessing and adjusting our overall risk exposure.

Management's review

Our risk management and reporting framework is linked to our organisational structure, whereby all parts of the organisation engage in risk management as a natural element of their day-to-day operations. Appointed risk champions serve as the primary reporting line to Group Risk Management, and coordinate mitigation of identified and allocated risks across the organisation. The Risk Committee challenges, discusses and executes on risk mitigation and allocates accountability for risks to risk owners.

Market risks

Developing, constructing and operating 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 across primarily low-risk OECD countries ensures that electricity market price risk is spread across multiple electricity markets.

Another uncertainty, as well as opportunity, in European Energy's market is the ongoing development of solar and wind energy production technologies, which calls for 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 risk by contracting with various first-tier technology suppliers across different projects.

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 a 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.

Management's review

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 equity capital (normally provided by the parent company, European Energy A/S) and debt capital (normally provided by a bank through construction financing facilities, which are subsequently refinanced with long term, 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 protect us from key business risks, or whether new sources need to be identified and developed.

In addition, particularly at project level, European Energy reduces the funding risk related to construction activities via pre-agreed payment schedules and milestone payments, and by securing construction financing from renowned and trusted banks (minimum A-credit rating) as early as possible.

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, AUD 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 financial risk management 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 borrowing. Particularly for long-term project financing, interest rate and power risk are matched as far as possible in terms of duration, as well as variability, e.g. the larger the share of fixed-price power offtake, the higher the share of fixed-rate financing.

Inflation risks

An increase in inflation can impact the construction costs for new energy farms. To mitigate this, the Group enters into fixed-price procurement agreements for most of the capital

Management's review

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 Quality, Health, Safety and Environment (QHSE) issues in connection with the construction of our parks, lack of supply chain transparency, especially inside the PV supply chain, and local resistance to the development of our parks.

As our sustainability report states, these issues are becoming a more integrated aspect of our business. To ensure that 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 2023, European Energy was developing actively in 23 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.

Responsibilities and compliance

Statutory corporate social responsibility report

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

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

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

Management's review

Policies on the underrepresented gender

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

KEA Holding III ApS have no employees, therefore with reference to Section 99B, 4, the company has under 50 employees.

Statutory overview according to Section 99B, 1:

| | 2023 |
|--------------------------------|------|
| Supreme Management Body | |
| Total number of members | 1 |
| Other Management Levels | |
| Total number of members | 0 |

Statement of policy for data ethics

At present KEA Holding III ApS does not have a formal Data Ethics policy due to the limited scope and financial nature of our activities, which do not involve extensive handling or processing of data.

However, we can refer to the Group's statement of policy for data ethics, since the most significant part of the activities in the Group are related to the subsidiary European Energy A/S:

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

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>

Managerial positions

A complete list of Management positions at Group companies, Equity companies, and other companies is included in note 7.6 of the financial statements for European Energy A/S.

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

Income statement

| EUR'000 | Note | Consolidated | Parent company |
|----------------------------|------|---------------|----------------|
| | | 2023 | 2023 |
| Revenue | 2 | 420,241 | 0 |
| Direct costs | | -251,041 | 0 |
| Gross profit | | 169,200 | 0 |
| Other income | | 19,032 | 0 |
| Other costs | | -1,244 | |
| Staff costs | 3 | -32,278 | 0 |
| Other external costs | 4 | -27,500 | -7 |
| Depreciation | | -23,923 | 0 |
| Operating profit | | 103,287 | -7 |
| Profit from subsidiaries | | 0 | 35,066 |
| Profit from associates | | 10,785 | 0 |
| Financial income | 5 | 27,929 | 1 |
| Financial expenses | 6 | -56,486 | -4 |
| Profit before tax | | 85,515 | 35,056 |
| Tax | 7 | -12,722 | 0 |
| Profit for the year | 8 | <u>72,793</u> | <u>35,056</u> |

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

Balance sheet

| EUR'000 | Note | Consolidated 2023 | Parent company 2023 |
|---------------------------------------|------|-------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | | | |
| Goodwill | 9 | 10,652 | 0 |
| Other intangible assets | 9 | 4,430 | |
| | | <u>15,082</u> | <u>0</u> |
| Property, plant and equipment | | | |
| Land and buildings | 10 | 35,092 | 0 |
| Wind power generating assets | 10 | 129,412 | 0 |
| Solar power generating assets | 10 | 9,713 | 0 |
| Tools and equipment | 10 | 3,636 | 0 |
| Lease assets | | 9,251 | 0 |
| | | <u>187,104</u> | <u>0</u> |
| Investments | | | |
| Investments in subsidiaries | 11 | 0 | 140,014 |
| Investments in associates | 12 | 86,939 | 0 |
| Other investments | 13 | 11,276 | 0 |
| Loans to related parties | 14 | 51,547 | 7,017 |
| Receivables from associates | 14 | 0 | 0 |
| Trade receivables and contract assets | 15 | 2,542 | 0 |
| Derivatives | | 5,842 | 0 |
| Other receivables | 16 | 15,518 | 0 |
| Corporation tax receivable | | 783 | 0 |
| | | <u>174,447</u> | <u>147,031</u> |
| Total non-current assets | | <u>376,633</u> | <u>147,031</u> |
| Current assets | | | |
| Inventories | 17 | <u>1,324,516</u> | <u>0</u> |
| Receivables | | | |
| Trade receivables and contract assets | | 112,757 | 0 |
| Derivatives | | 262 | 0 |
| Deferred tax asset | 18 | 33,178 | 0 |
| Other receivables | | 33,526 | 0 |
| Prepayments | 19 | 6,997 | 0 |
| | | <u>186,720</u> | <u>0</u> |
| Cash and cash equivalents | | 97,714 | 4,350 |
| Restricted cash | | 25,690 | 0 |
| Total current assets | | <u>1,634,640</u> | <u>4,350</u> |
| TOTAL ASSETS | | <u><u>2,011,273</u></u> | <u><u>151,381</u></u> |

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

Balance sheet

| EUR'000 | Note | Consolidated <u>2023</u> | Parent company <u>2023</u> |
|--|------|-----------------------------|-------------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 5 | 5 |
| Reserve for net revaluation | | | |
| according to the equity method | | 0 | 130,277 |
| Dividend | | 0 | 0 |
| Retained earnings | | <u>147,954</u> | <u>17,677</u> |
| Equity attributable to the shareholder of the Company | | <u>147,959</u> | <u>147,959</u> |
| Hybrid capital | 20 | 115,000 | 0 |
| Non-controlling interest | | <u>148,863</u> | <u>0</u> |
| Total equity | | <u>411,822</u> | <u>147,959</u> |
| Provisions | | | |
| Other provisions | 21 | 42,586 | 0 |
| Deferred tax | 18 | <u>15,988</u> | <u>0</u> |
| Total provisions | | <u>58,574</u> | <u>0</u> |
| Liabilities other than provisions | | | |
| Non-current liabilities other than provisions | | | |
| Bond loan | 22 | 441,190 | 0 |
| Credit institutions, project financing | | 652,750 | 0 |
| Loans from related parties | | 0 | 0 |
| Other payables | | 8,134 | 3,414 |
| Derivatives | | 66,652 | 0 |
| Lease liabilities | | <u>13,572</u> | <u>0</u> |
| | | <u>1,182,298</u> | <u>3,414</u> |

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

Balance sheet

| EUR'000 | Note | Consolidated <u>2023</u> | Parent company <u>2023</u> |
|--|------|-----------------------------|-------------------------------|
| EQUITY AND LIABILITIES | | | |
| (CONTINUED) | | | |
| Current liabilities other than provisions | | | |
| Credit institutions, project financing | 22 | 237,600 | 0 |
| Lease liabilities | 22 | 3,505 | 0 |
| Trade payables | | 48,235 | 8 |
| Payables to associates | | 187 | 0 |
| Corporation tax | | 20,268 | 0 |
| Derivatives | 22 | 1,070 | 0 |
| Contract liabilities | | 3,474 | 0 |
| Other payables | | 44,240 | 0 |
| | | <u>358,579</u> | <u>8</u> |
| Total liabilities other than provisions | | <u>1,540,876</u> | <u>3,422</u> |
| TOTAL EQUITY AND LIABILITIES | | | |
| | | <u>2,011,273</u> | <u>151,381</u> |
| Derivative financial instruments | 23 | | |
| Mortgages and collateral | 24 | | |
| Contractual obligations and contingencies | 25 | | |
| Related party disclosures | 26 | | |

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

Equity

| Consolidated EUR'000 | Share capital | Retained earnings | Dividend | Total | Hybrid capital | Non- controlling interests | Total equity |
|---|------------------|----------------------|----------|----------------|-------------------|----------------------------------|-----------------|
| Equity at 1 January 2023 | 5 | 131,167 | 0 | 131,172 | 150,000 | 129,808 | 410,980 |
| Profit for the year | 0 | 30,247 | 0 | 30,247 | 4,809 | 37,737 | 72,793 |
| Transactions with NCI | 0 | 0 | 0 | 0 | 0 | -5,274 | -5,274 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Value adjustments of hedging instruments | 0 | -16,420 | 0 | -16,420 | 0 | -19,746 | -36,166 |
| Other adjustments | 0 | -1,849 | 0 | -1,849 | 0 | 904 | -945 |
| Issue of hybrid capital | 0 | 0 | 0 | 0 | 115,000 | 0 | 115,000 |
| Coupon payments, hybrid capital | 0 | 4,809 | 0 | 4,809 | -4,809 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 | 0 | 5,130 | 5,130 |
| Disposals | 0 | 0 | 0 | 0 | -150,000 | 304 | -149,696 |
| Equity at 31 December 2023 | 5 | 147,954 | 0 | 147,959 | 115,000 | 148,863 | 411,822 |

Equity

| Parent company EUR'000 | Share capital | Reserve for net revaluation according to the equity method | Dividend | Retained earnings | Total |
|---|------------------|--|----------|----------------------|----------------|
| Equity at 1 January 2023 | 5 | 121,436 | 0 | 9,731 | 131,172 |
| Profit for the year | 0 | 35,066 | 0 | -10 | 35,056 |
| Dividend | 0 | -7,956 | 0 | 7,956 | 0 |
| Value adjustments of hedging instruments | 0 | -16,420 | 0 | 0 | -16,420 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Other adjustments | 0 | -1,849 | 0 | 0 | -1,849 |
| Equity at 31 December 2023 | 5 | 130,277 | 0 | 17,677 | 147,959 |

The share capital consists of nom. 40,000 shares of DKK 1 each, corresponding to EUR 5 thousand.

The share capital has remained unchanged since the establishment.

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

Cash flow statement

| EUR'000 | Consolidated |
|--|-----------------|
| | 2023 |
| Profit/Loss before tax | 85,515 |
| Adjustments for: | |
| Financial income | -27,929 |
| Financial expenses | 56,486 |
| Depreciations | 23,923 |
| Profit from equity-accounted companies | -10,875 |
| Change in net working capital | -20,160 |
| Changes in inventory | -342,427 |
| Interest paid on lease liabilities | -604 |
| Dividends | -9,874 |
| Other non-cash items | 12,515 |
| Cash generated from operation before financial items and tax | -233,431 |
| Taxes paid | -8,207 |
| Interest paid and realised currency losses | -50,717 |
| Interest received and realised currency gains | 10,884 |
| Cash flow from operating activities | -281,470 |
| Purchase of Property, plant and equipment | -3,712 |
| Proceeds from disposal of subsidiaries, equity-accounted investments | 452 |
| Acquisition of subsidiaries | -2,806 |
| Dividends | 10,105 |
| Investment/loans in equity-accounted investments | -11,958 |
| Purchase/disposal of other investments | 5,952 |
| Loans to related parties | -4,060 |
| Cash flow from investing activities | -6,027 |
| Proceeds from issue of bonds | 74,703 |
| Repayment of hybrid capital | -150,000 |
| Proceeds from borrowings | 399,776 |
| Repayment of borrowings | -233,190 |
| Repayment of lease liabilities | -3,264 |
| Changes in payables to associates | -1,843 |
| Capital increase | 175 |
| Purchase of treasury shares | -280 |
| Proceeds from issue of hybrid capital | 113,930 |
| Coupon payment, hybrid capital | -4,809 |
| NCI' share of capital increase or disposal of subsidiaries | -1,864 |
| Cash flow from financing activities | 193,334 |
| Change in cash and cash equivalents | -94,164 |
| Cash and cash equivalents at beginning of period | 217,568 |
| Cash and cash equivalents end of period | 123,404 |
| Of which restricted cash and cash equivalents | -25,690 |
| Non-restricted cash and cash equivalents end of year | 97,714 |

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 KEA Holding III 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 2023, the EUR/DKK rate was 7,4529.

There is no comparative figures, as 2023 is the first accounting year for KEA Holding III ApS and therefore also the first year of the consolidated group accounts.

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 equity 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 equity. Foreign exchange adjustment of balances with entities that are considered part of the investment in the entity is recognised in equity. 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 equity 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 equity 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.

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

Presentation currency

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

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, KEA Holding III ApS, and subsidiaries over which KEA Holding III ApS 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

Profit or loss and each component of equity 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.

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

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 as 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 115m 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 derivatives 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 2023:

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 inherent 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

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

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.

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.

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

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 2023 primarily relates to subsidies received related to sale of electricity in Germany, Italy and Denmark. Government grants account for 17% (2022: 50%) of total electricity revenues. The decrease in the share of electricity revenues compared to 2022 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.

Other income

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

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

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. The company is administration company in the 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 equity or directly in equity, in which case the tax is recognised in equity 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.

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

Other intangible assets

Other intangible assets comprises customer relations.

Customer relations are acquisition-related and recognised at fair value at the acquisition date. Subsequently customer relations are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which is five years.

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 cannot be determined, an

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

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.

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

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.

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 applied. 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.

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.

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

Cash and restricted cash

Cash and restricted cash comprise deposits at banks..

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.

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

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.

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.

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

Notes

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.

| 2023 | Consolidated | | | | | |
|--------------------------------------|----------------|----------------|---------------|-----------------------|------------|----------------|
| | Wind | Solar | Other | Total before elim. | Elim. | Total |
| EUR'000 | | | | | | |
| Sale of energy farms and projects | 50,308 | 226,350 | 22,994 | 299,652 | 0 | 299,652 |
| Sale of energy | 88,509 | 25,042 | 0 | 113,551 | 0 | 113,551 |
| Asset management and other fees | 3,101 | 3,822 | 129 | 7,052 | -14 | 7,038 |
| Revenue to external customers | 141,918 | 255,214 | 23,123 | 420,255 | -14 | 420,241 |
| Inter-segment revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Revenue | 141,918 | 255,214 | 23,123 | 420,255 | -14 | 420,241 |

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

Notes

| | Consolidated |
|---|----------------|
| EUR'000 | 2023 |
| 2 Geographical information | |
| Denmark | 212,116 |
| Northern Europe | 70,353 |
| Central Europe | 90,079 |
| North and South America | 15,978 |
| Southern Europe | 31,715 |
| Total revenue | <u>420,241</u> |
| 3 Staff costs | |
| Wages, salaries and remuneration | 66,113 |
| Share-based compensation | 2,992 |
| Pensions | 438 |
| Other social security costs | 2,846 |
| Other staff costs | 3,643 |
| Capitalised salaries on inventories | <u>-43,753</u> |
| Total staff costs | <u>32,278</u> |
| Average number of full-time employees | <u>615</u> |
| Number of full-time employees end of period | <u>713</u> |

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

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

Notes

3 Staff costs (continued)

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. 2.6 million warrants in 2024. Hereafter the outstanding amount of warrants to be allocated under the program is approx. 9.4 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 4 years.

For exercised warrants in 2023 the weighted average share price during the period amounted to DKK 8,11.

Outstanding warrants at the end of 2023 may be exercised at a price that increase by 5% per year, i.e. at the range of DKK 32.55 – 38.75.

Valuation assumptions for warrants granted

Based on a weighted average fair value per warrant of DKK 9.77 the total fair value of warrants granted in 2023 amounted to EUR 3.2m, of which EUR 2.2m is recognized in the income statement at 31 December 2023.

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.

4 Audit fees

| EUR'000 | Consolidated |
|---|--------------|
| | 2023 |
| Statutory audit | 460 |
| Assurance other than audit | 25 |
| Tax advice | 32 |
| Other non-audit services | 50 |
| Total to the auditors appointed by the Annual General Meeting | 567 |

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

Notes

| | Consolidated | Parent company |
|--|----------------|----------------|
| EUR'000 | 2023 | 2023 |
| 5 Financial income | | |
| Interest income, financial assets measured at amortised costs | 1,830 | 0 |
| Interest income, group enterprises and associates | 1,631 | 1 |
| Interest income, banks | 2,805 | 0 |
| Dividends | 346 | 0 |
| Currency gains | 15,905 | 0 |
| Hedge ineffectiveness | 5,824 | 0 |
| Financial income that have been capitalised on inventories | -413 | 0 |
| | <u>27,929</u> | <u>1</u> |
| 6 Financial expenses | | |
| Interest on bonds | 34,198 | 0 |
| Interest expense, bank | 43,637 | 0 |
| Interest expense, subsidiaries and associates | 58 | 4 |
| Financial expenses that have been capitalised on inventories | -47,483 | 0 |
| Amortisation of debt issue costs | 3,864 | 0 |
| Amortisation of modification gain | 2,232 | 0 |
| Other financial expenses | 13,423 | 0 |
| Hedge ineffectiveness | 3,798 | 0 |
| Interest on lease liabilities | 578 | 0 |
| Currency losses | 2,181 | 0 |
| | <u>54,486</u> | <u>4</u> |
| 7 Tax | | |
| Tax on profit for the year | -23,305 | 0 |
| Change in deferred tax | 15,747 | 0 |
| Adjustment in deferred tax regarding prior years | -4,867 | 0 |
| Adjustment to tax relating to previous years | -297 | 0 |
| | <u>-12,722</u> | <u>0</u> |

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

Notes

| | Consolidated | Parent company |
|--|---------------|----------------|
| EUR'000 | 2023 | 2023 |
| 8 Proposed profit appropriation | | |
| Reserve for net revaluation according to the equity method | 0 | 35,066 |
| Hybrid capital owners | 4,809 | |
| Non-controlling interests' share of profit for the year | 37,737 | 0 |
| Proposed dividend for the year | 0 | 0 |
| Retained earnings | 30,247 | -10 |
| | <u>72,793</u> | <u>35,056</u> |

9 Intangible assets

Consolidated

| EUR'000 | Goodwill | Other intangible assets* | Total |
|--|---------------|--------------------------|---------------|
| Cost at 1 January 2023 | 10,662 | 6,328 | 16,990 |
| Exchange rate adjustments | -10 | 0 | -10 |
| Additions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| Transfer | 0 | 0 | 0 |
| Cost at 31 December 2023 | <u>10,652</u> | <u>6,328</u> | <u>16,980</u> |
| Depreciation and impairment losses at 1 January 2023 | 0 | -633 | -633 |
| Exchange rate adjustments | 0 | 0 | 0 |
| Impairment | 0 | 0 | 0 |
| Depreciation | 0 | -1,265 | -1,265 |
| Disposals | 0 | 0 | 0 |
| Depreciation and impairment losses at 31 December 2023 | <u>0</u> | <u>-1,898</u> | <u>-1,898</u> |
| Carrying amount at 31 December 2023 | <u>10,652</u> | <u>4,430</u> | <u>15,082</u> |
| Depreciated over | 10 years | 5 years | |

*Customer relations are acquisition-related and recognised at fair value at the acquisition date. Subsequently customer relations are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which is five years.

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

Notes

10 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 2023 | 6,711 | 176,616 | 12,514 | 5,891 | 201,732 |
| Exchange rate adjustments | -137 | 1,582 | 211 | -1 | 1,655 |
| Additions | 6,883 | 1,751 | 0 | 2,021 | 10,655 |
| Disposals | -700 | -18,110 | -630 | 0 | -19,440 |
| Transfer | 22,731 | 14,680 | 0 | 0 | 37,411 |
| Cost at 31 December 2023 | 35,488 | 176,519 | 12,095 | 7,911 | 232,013 |
| Depreciation and impairment losses at 1 January 2023 | -306 | -40,470 | -2,408 | -2,792 | -45,976 |
| Exchange rate adjustments | 2 | -569 | -37 | 0 | -604 |
| Impairment | 0 | -4,560 | 0 | 0 | -4,560 |
| Depreciation | -130 | -13,958 | 54 | -1,483 | -15,517 |
| Disposals | 38 | 12,450 | 9 | 0 | 12,497 |
| Depreciation and impairment losses at 31 December 2023 | -396 | -47,107 | -2,382 | -4,275 | -54,160 |
| Carrying amount at 31 December 2023 | 35,092 | 129,412 | 9,713 | 3,636 | 170,853 |
| Depreciated over | 25-50 years* | 25-30 years | 40 years | 3-5 years | |

*Buildings only

Impairment test of property, plant and equipment and sensitivity analysis

During 2023, 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 2023 shows mostly excess values for the Danish and German wind farms, though a few German wind parks have been impaired.

The book value of the solar parks amounts to 5% of the total book value of property, plant and equipment. The book value of wind parks in Germany and Denmark amounts to 57% of the total book value. In 2023 there has been a large increase in land & building as well as operational wind parks in Poland and the Netherlands.

For the purpose of impairment testing of the wind parks, 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 park projects, the required rate of return from investors as well as the expectations for future electricity prices.

Discount rate after tax (WACC) used for Danish and German wind parks is 5.5%.

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

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

Notes

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 2023 the impairment tests show that a few assets need to be impaired, since the recoverable amount is less than the carrying amount. The total impairment booked in 2023 therefore amounts to net EUR 4.6m.

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

11 Investments in subsidiaries

| | Parent company |
|---------------------------------------|----------------|
| EUR'000 | 2023 |
| Cost at 1 January | 9,737 |
| Disposals for the year | 0 |
| Cost at 31 December | 9,737 |
| Value adjustments at 1 January | 121,437 |
| Share of profit for the year | 35,066 |
| Hedges, net of tax | -16,420 |
| Dividends received | -7,956 |
| Other value adjustments | -1,849 |
| Value adjustments at 31 December | 130,277 |
| Carrying amount at 31 December | 140,014 |

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

Notes

Ownership shares:

Ownership shares in subsidiaries, directly as well as indirectly, can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| European Energy A/S | DK | 51,9% |
| European Energy Holding ApS | DK | 70,0% |
| KEA Holding I ApS | DK | 70,0% |
| EWf Fünf Zwei GmbH & Co. KG | DE | 38,5% |
| Austrom Hydrogen Pty Ltd | AU | 60,0% |
| EE Australia Pty Ltd | AU | 100,0% |
| EE Solar 5 Holdings Pty Ltd | AU | 100,0% |
| EE Solar 5 Pty Ltd | AU | 100,0% |
| EE Solar 6 Holdings Pty Ltd | AU | 100,0% |
| EE Solar 6 Pty Ltd | AU | 100,0% |
| EE Solar 6 Finance Pty Ltd | AU | 100,0% |
| EE Solar 7 Holdings Pty Ltd | AU | 100,0% |
| EE Solar 7 Pty Ltd | AU | 100,0% |
| EE Solar 8 Holdings Pty Ltd | AU | 100,0% |
| EE Solar 8 Pty Ltd | AU | 100,0% |
| EE Solar 9 Holdings Pty Ltd | AU | 100,0% |
| EE Solar 9 Pty Ltd | AU | 100,0% |
| EE Wind 1 Holdings Pty Ltd | AU | 100,0% |
| EE Wind 1 Pty Ltd | AU | 100,0% |
| EE Wind 2 Holdings Pty Ltd | AU | 100,0% |
| EE Wind 2 Pty Ltd | AU | 100,0% |
| EE Solar 2 Holdings Pty Ltd | AU | 100,0% |
| EE Solar 2 Pty Ltd | AU | 100,0% |
| EE Australia Land Management Pty Ltd | AU | 100,0% |
| EE Australia EPC Pty Ltd | AU | 100,0% |
| Gatton Solar Farm Holding Pty Ltd | AU | 100,0% |
| Gatton Solar Farm Pty Ltd | AU | 100,0% |
| Lightsource Australia SPV 1 Pty Ltd | AU | 100,0% |
| PSH 1 Holdings Pty Ltd | AU | 100,0% |
| PSH 1 Pty Ltd | AU | 100,0% |
| PSH 1 Finance Pty Ltd | AU | 100,0% |
| QSF Holding Pty Ltd | AU | 80,0% |
| Quandong Solar Farm Pty Ltd | AU | 80,0% |
| Barreiras II Energias Renováveis 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 Ltda. | BR | 80,0% |
| Boa Hora 8 Geradora de Energia Solar Ltda. | BR | 80,0% |
| Boa Hora 9 Geradora de Energia Solar Ltda. | BR | 80,0% |
| EE Metanol do Brasil Ltda. | BR | 100,0% |
| European Energy do Brasil Servicos Tecnicos Especializados LTDA | BR | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| EDN Energias Renováveis 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% |
| Greenfield Brasil Servicos de Gerenciamento Intermediação e Desenvolvimento de Projetos de Energia S | BR | 100,0% |
| UFV Missagra I Energias Renováveis S.A | BR | 100,0% |
| UFV Missagra II Energias Renováveis S.A. | BR | 100,0% |
| UFV Missagra III Energias Renováveis S.A | BR | 100,0% |
| UFV Orquídea I Energias Renováveis S.A | BR | 100,0% |
| UFV Orquídea II Energias Renováveis S.A | BR | 100,0% |
| UFV Orquídea III Energias Renováveis S.A | BR | 100,0% |
| UFV Orquídea IV Energias Renováveis S.A | BR | 100,0% |
| UFV Orquídea V Energias Renováveis S.A | BR | 100,0% |
| UFV Orquídea VI Energias Renováveis S.A | BR | 100,0% |
| EE Abrit EOOD | BG | 100,0% |
| EE Bulgaria EOOD | BG | 100,0% |
| EE Dyulevo EOOD | BG | 100,0% |
| EE Krassen EOOD | BG | 100,0% |
| EE Lozenets EOOD | BG | 100,0% |
| EE Real Estate EOOD | BG | 100,0% |
| Chielo Klara d.o.o. | HR | 100,0% |
| European Energy Balkans d.o.o. | HR | 100,0% |
| EE Czechia s.r.o. | CZ | 100,0% |
| Barreiras ApS | DK | 100,0% |
| Blåhøj Wind Park ApS | DK | 67,0% |
| Branco Vind ApS | DK | 100,0% |
| Brønderslev PtX 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% |
| European Energy Offshore Wind ApS | DK | 100,0% |
| European Energy Offshore Wind Denmark ApS | DK | 100,0% |
| European Energy Offshore Wind Finland ApS | DK | 100,0% |
| European Energy PF 1 Holding ApS | DK | 100,0% |
| EE Cocamba ApS | DK | 100,0% |
| EE Construction DK ApS | DK | 100,0% |
| EE Croatia ApS | DK | 100,0% |
| EE Czesko Holding ApS | DK | 100,0% |
| EE Dupp ApS | DK | 100,0% |
| EE Ejendomme ApS | DK | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| 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 Offshore Wind DK Nearshore Holding 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 Global Offshore ApS | DK | 100,0% |
| European Energy Offshore A/S | DK | 72,0% |
| European Energy Offshore Wind Baltics ApS | DK | 100,0% |
| European Energy Offshore Wind Sweden ApS | DK | 100,0% |
| European Energy Trading A/S | DK | 100,0% |
| European Solar Farms Greece ApS | DK | 100,0% |
| 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% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| 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% |
| 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 | 94,0% |
| Jammerland Bay Nearshore A/S | DK | 72,0% |
| K/S Solkraftværket GPI Mando 29 | DK | 80,0% |
| Kassø PtX Expansion 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% |
| Nakskov PtX ApS | 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% |
| Padborg PtX ApS | DK | 100,0% |
| PSH 1 Holdings DK ApS | DK | 100,0% |
| REP i Toftlundvej 7 DK K/S | DK | 100,0% |
| 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% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|----------------------------------|------------------------------------|---------------------------|
| Solar Park DK 5 ApS | DK | 100,0% |
| EE Projects Eve 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 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 | 73,5% |
| 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% |
| Svindebæk Holding ApS | DK | 67,0% |
| Tacaimbó 2 ApS | DK | 100,0% |
| Thor Holding 1 ApS | DK | 100,0% |
| Vindtestcenter Måde K/S | DK | 100,0% |
| Vinge Wind Park ApS | DK | 73,5% |
| Windenergie Rauschenberg A/S | DK | 87,0% |
| EEE Potenco OÜ | EST | 100,0% |
| EEE Sunlumo OÜ | EST | 100,0% |
| EEE Transiro OÜ | EST | 100,0% |
| EEE Verda OÜ | EST | 100,0% |
| European Energy Estonia OÜ | EST | 100,0% |
| Sablokesto OÜ | EST | 100,0% |
| Taglumo OÜ | EST | 100,0% |
| EE Finland OY | FI | 100,0% |
| EE PV 1 Oy | FI | 100,0% |
| EE PV 2 Oy | FI | 100,0% |
| EE PV 3 Oy | FI | 100,0% |
| European Energy Suomi 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 08 SAS | FR | 85,0% |
| EE Agrisolaire 05 SAS | FR | 85,0% |
| EE Agrisolaire 06 SAS | FR | 85,0% |
| EE Agrisolaire 07 SAS | FR | 85,0% |
| EE Agrisolaire 09 SAS | FR | 100,0% |
| EE Agrisolaire 10 SAS | FR | 85,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---------------------------------------|------------------------------------|---------------------------|
| EE Agrisolaire 11 SAS | FR | 85,0% |
| EE Agrisolaire 13 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% |
| Nièvre 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.n.o. Kabeltrasse Grosstreben GbR | DE | 75,0% |
| EE Beesem ApS & Co. KG | DE | 100,0% |
| EE Bonde GmbH & Co. KG | DE | 100,0% |
| EE Construction Germany GmbH & Co. KG | DE | 100,0% |
| EE Dahme ApS & Co. KG | DE | 100,0% |
| EE Deinste Hagen ApS & Co. KG | DE | 100,0% |
| EE Drei Hügel GmbH & Co. KG | DE | 100,0% |
| EE Dubje ApS & Co. KG | DE | 100,0% |
| EE Faha ApS & 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 Hombruch ApS & Co. KG | DE | 100,0% |
| EE Keiko ApS & Co. KG | DE | 100,0% |
| EE Lieberose ApS & Co. KG | DE | 100,0% |
| EE Luckau 43 ApS & Co. KG | DE | 100,0% |
| EE Malk Göhren ApS & Co. KG | DE | 100,0% |
| EE Nautschketal GmbH & Co. KG | DE | 100,0% |
| EE Nordwalde ApS & Co. KG | DE | 100,0% |
| EE Oderwald GmbH & Co. KG | DE | 70,0% |
| EE Oderwald Verwaltungs GmbH | DE | 70,0% |
| EE Ostenfelde ApS & Co. KG | DE | 63,8% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| EE Osterholz GmbH & Co. KG | DE | 100,0% |
| EE Pommern GmbH | DE | 50,0% |
| EE Projekte Deutschland GmbH | DE | 100,0% |
| EE Projekte Teuchern GmbH | DE | 100,0% |
| EE Rapshagen ApS & Co. KG | DE | 86,0% |
| EE Ravi GmbH & Co. KG | DE | 100,0% |
| EE Ribbensdorf 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 Schönerlinde 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 Tuuli ApS & Co. KG | DE | 100,0% |
| EE Urja ApS & Co. KG | DE | 100,0% |
| EE Vindur ApS & Co. KG | DE | 100,0% |
| EE Windpark Sonnblick GmbH & Co. KG | DE | 76,9% |
| EE Wintersteinchen Aps & Co. KG | DE | 100,0% |
| 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 Deutschland GmbH | DE | 100,0% |
| European Wind Farms Komp GmbH | DE | 100,0% |
| European Wind Farms Verwaltungsgesellschaft mbH | DE | 100,0% |
| EWf Eins Fünf 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% |
| LEJ Wind GmbH & Co. KG | DE | 100,0% |
| 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 Prititz GmbH & Co. KG | DE | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|--|------------------------------------|---------------------------|
| Windpark Prititz Verwaltungsgesellschaft mbH | DE | 100,0% |
| WP Altenautal Erweiterung GmbH & Co. KG | 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% |
| Aetos Wind Single Member Private Company | GR | 100,0% |
| Aliki Energy Single Member Private Company | GR | 100,0% |
| EE Alexandroupolis Wind Single Member P.C. | GR | 100,0% |
| 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% |
| Hellas Aioliki Energiaki Single Member Private Company | GR | 100,0% |
| Kallinikis Single Member P.C. | GR | 100,0% |
| Nafsinikos Single Member P.C. | GR | 100,0% |
| Niki Wind Power Single Member Private Company | GR | 100,0% |
| Olympia Wind Energy Single Member Private Company | GR | 100,0% |
| Wind Power Hellas Single Member Private Company | GR | 100,0% |
| Renewable Projects Development (Ireland) Limited | IE | 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 Engineering s.r.l. | IT | 47,4% |
| EEA Italy Wind s.r.l. | IT | 93,0% |
| Energetica Campidano S.r.l. | IT | 100,0% |
| Energetica Iglesias 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% |
| Centumcellae Wind S.r.l. | IT | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|-----------------------------------|------------------------------------|---------------------------|
| Palo Holding S.r.l. | IT | 100,0% |
| Parco Fotovoltaico Oviglio S.r.l. | IT | 100,0% |
| Piscinas Energetica S.r.l. | IT | 100,0% |
| Ringo JV S.r.l. | IT | 100,0% |
| Shardana Energetica S.r.l. | IT | 100,0% |
| Sulcis Energetica S.r.l. | IT | 100,0% |
| Sun Project S.r.l. | IT | 100,0% |
| Tanaga Wind S.r.l. | IT | 51,0% |
| Vizzini Holding S.r.l. | IT | 100,0% |
| Aizkraukle-A | LV | 100,0% |
| Baltazar SIA | LV | 100,0% |
| Blua Fulmo SIA | LV | 100,0% |
| Eta Stelo SIA | LV | 100,0% |
| Florlando SIA | LV | 100,0% |
| Impona SIA | LV | 100,0% |
| Lago Malgrada SIA | LV | 100,0% |
| Lumurbo SIA | LV | 100,0% |
| Lunlumo SIA | LV | 100,0% |
| Monta Spico SIA | LV | 100,0% |
| Monteto Verdo SIA | LV | 100,0% |
| Pluvarbaro SIA | LV | 100,0% |
| Poteno SIA | LV | 100,0% |
| Progresigo SIA | LV | 100,0% |
| Prosperon SIA | LV | 100,0% |
| Smeralda Floro SIA | LV | 100,0% |
| Stelo Orienta SIA | LV | 100,0% |
| Supren SIA | LV | 100,0% |
| Rivereto SIA | LV | 100,0% |
| Tera Agado SIA | LV | 100,0% |
| Tenante SIA | LV | 100,0% |
| Venko Lago SIA | LV | 100,0% |
| Verda Transiro SIA | LV | 100,0% |
| Virga Tero SIA | LV | 100,0% |
| European Energy Lithuania UAB | LT | 100,0% |
| EE Telšiai Holding UAB | LT | 100,0% |
| EE Telšiai II Holding UAB | LT | 100,0% |
| UAB Anykščiai PV | LT | 100,0% |
| UAB Anykščiai Renew | LT | 100,0% |
| UAB Aukštaitija Energy | LT | 100,0% |
| UAB Bariūnai renew | LT | 100,0% |
| UAB Degaičių Vėjas | LT | 100,0% |
| UAB LTU Renewable | LT | 100,0% |
| UAB LTU Sustainable | LT | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|-----------------------------------|------------------------------------|---------------------------|
| UAB Perkūnas hydrogen | LT | 100,0% |
| UAB Rasvėja | LT | 100,0% |
| UAB Skuodas Renew | LT | 100,0% |
| UAB Taupi energija | LT | 55,0% |
| 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% |
| European Energy Ontwikkeling 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% |
| Zonnepark Nederweert 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 Bród Sp. z.o.o. | PL | 100,0% |
| EE Construction Poland Sp. z o.o. | PL | 100,0% |
| EE Debnica Kaszubska sp. z o.o. | PL | 100,0% |
| EE Development Sp. z o.o. | PL | 99,0% |
| 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% |
| EE Green 5 Sp. z o.o. | PL | 100,0% |
| EE Green 6 Sp. z o.o. | PL | 100,0% |
| EE Green 7 sp. z o.o. | PL | 99,0% |
| EE Green 8 sp. z o.o. | PL | 99,0% |
| EE Green 9 sp. z o.o. | PL | 99,0% |
| 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 Michalów 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% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|--|------------------------------------|---------------------------|
| 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% |
| Windcom Sp. z o.o. | PL | 80,0% |
| Atom Energy Ventures Dragalina SRL | RO | 100,0% |
| Atom Energy Ventures Segarcea SRL | RO | 100,0% |
| Betula Wind S.R.L. | RO | 100,0% |
| Castanea Wind S.R.L. | 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% |
| EE Jordbank SRL | RO | 100,0% |
| EE Sun Pro Alpha SRL | RO | 100,0% |
| EE Sun Pro Delta SRL | RO | 100,0% |
| EE Sun Pro Epsilon SRL | RO | 100,0% |
| EE Sun Pro Gamma SRL | RO | 100,0% |
| EE Sun Pro Iota SRL | RO | 100,0% |
| EE Sun Pro Kappa SRL | RO | 100,0% |
| EE Sun Pro Lambda SRL | RO | 100,0% |
| EE Sun Pro Sigma SRL | RO | 100,0% |
| EE Sun Pro Theta SRL | RO | 100,0% |
| EE Sun Pro Zeta SRL | RO | 100,0% |
| European Energy Construction Romania SRL | RO | 100,0% |
| European Energy Romania Development S.R.L. | 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% |
| EE Slovakia s.r.o. | SK | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|-----------------------------|------------------------------------|---------------------------|
| Astendong S.L.U. | ES | 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% |
| Blue Viking Beatrice S.L. | ES | 100,0% |
| 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% |
| European Energy España S.L. | ES | 100,0% |
| Blue Viking Tara S.L. | ES | 100,0% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| Blue Viking Ventures S.L.U. | ES | 100,0% |
| Blue Viking Violeta S.L. | ES | 100,0% |
| Desarrollos Renovables A Caniza Sociedad Limitada | ES | 100,0% |
| ESF Spanien 0423 S.L.U. | ES | 100,0% |
| ESF Spanien 0428 S.L.U. | ES | 100,0% |
| ESF Spanien 05 S.L.U. | ES | 100,0% |
| 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% |
| European Energy Grevekulla PV AB | SE | 100,0% |
| European Energy Hästhagsmossen PV AB | SE | 100,0% |
| European Energy Myren PV AB | SE | 100,0% |
| European Energy Skåramåla PV AB | SE | 100,0% |
| European Energy Sverige AB | SE | 100,0% |
| European Energy Tröjemåla PV AB | SE | 100,0% |
| European Energy Construction Sweden AB | SE | 100,0% |
| European Energy Svedberga AB | SE | 100,0% |
| European Wind Farms Kåre 1 AB | SE | 100,0% |
| Persbol PV 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 Fjellie 2 AB | SE | 100,0% |
| Vindkraft I Grevekulla AB | SE | 100,0% |
| Yttersävne PV AB | SE | 100,0% |
| Chads Farm Energy Centre Limited | UK | 50,0% |
| Church Farm Energy Centre Ltd | UK | 50,0% |
| Drinkstone Energy Centre Ltd | 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 Development Services Limited | UK | 100,0% |
| European Energy UK EPC Limited | UK | 100,0% |
| European Energy UK Management 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% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|--|------------------------------------|---------------------------|
| Moor Isles Farm Energy Storage Limited | UK | 100,0% |
| Kincraig Energy Centre Ltd | 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 Limited | UK | 50,0% |
| Melksham Energy Centre One Limited | UK | 50,0% |
| Melksham Energy Centre Two 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% |
| Sealand Manor Energy Centre Limited | UK | 50,0% |
| Selms Muir Energy Centre Ltd | UK | 50,0% |
| Shireoaks Energy Centre Limited | UK | 50,0% |
| South Park Energy Centre Limited | UK | 50,0% |
| Stocking Pelham 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% |
| Ammongas LLC | US | 100,0% |
| 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% |
| Gila Bend Solar 2 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% |
| Sand Dune Solar LLC | US | 50,1% |
| Sandy Hill Solar LLC | US | 50,1% |

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

Notes

11 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|-------------------------------------|------------------------------------|---------------------------|
| Rain Lily Solar One LLC | US | 100,0% |
| Ammongas A/S | DK | 100,0% |
| 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 Energy Latvia SIA | LV | 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% |
| 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% |
| Tacaimbó 1 ApS | DK | 100,0% |

12 Investments in associates

| | Consolidated |
|--|---------------|
| EUR'000 | 2023 |
| Cost at 1 January | 28,046 |
| Additions for the year | 11,959 |
| Disposals for the year | -401 |
| Transfer | 24,308 |
| Cost at 31 December | 63,912 |
| Value adjustments at 1 January | 13,307 |
| Profit for the year | 10,785 |
| Reversed value adjustments on disposals and transfers | 64 |
| Transfer | -1,736 |
| Dividend and other value adjustments | -2,315 |
| Value adjustments at 31 December | 20,105 |
| Carrying amount at 31 December | 84,017 |
| Investment in associates | 86,939 |
| Set-off against receivables from associates | -2,107 |
| Investments with negative equity reported as a liability | -815 |
| Total | 84,017 |

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

Notes

12 Investments in associates (continued)

Ownership shares in associates can be specified as follows:

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| Ejendomsanpartsselskabet Håndværkervej 3, Frederikshavn | DK | 50,0% |
| European Wind Farms Polen ApS | DK | 50,0% |
| Gaardbogaard Wind Park ApS | DK | 50,0% |
| GWE Contractors K/S*) | DK | 50,0% |
| Kassø MidCo ApS | DK | 51,0% |
| 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 Kassø ApS | DK | 51,0% |
| 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 Alfhausen ApS & Co. KG | DE | 50,0% |
| EE Barbassee 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 24 S.r.l | IT | 50,0% |
| Limes 25 S.r.l | IT | 50,0% |
| Mineo Energia S.r.l. | IT | 50,0% |
| Parco Fotovoltaico Fauglia s.r.l. | IT | 50,0% |
| NPP Maldives Private Ltd. | MV | 51,5% |
| 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 21 Sp. z o.o. | PL | 50,0% |
| PES 30 Sp.zoo | PL | 50,0% |
| PES 32 Sp.zoo | PL | 50,0% |
| 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% |
| PES 41 Sp.zoo | PL | 50,0% |
| PES 42 Sp.zoo | PL | 50,0% |
| 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% |
| EEA Swepol A/S | DK | 50,0% |

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

Notes

12 Investments in associates (continued)

| Name | Country of place of business | Ownership % 31/12 2023 |
|---|------------------------------------|---------------------------|
| 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% |
| Agriculture Holding K/S | DK | 20,0% |
| Agriculture Holding Komplementar ApS | DK | 20,0% |
| 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% |
| Edel Offshore Wind OÜ | EST | 20,0% |
| EE Dosse GmbH & Co. KG | DE | 25,1% |
| EE Papenbruch ApS & Co. KG | DE | 35,1% |
| EE Haseloff Aps & Co. KG | DE | 45,0% |
| EWf Fünf Fünf GmbH & Co. KG | DE | 34,5% |
| GWE Verwaltungs GmbH | DE | 25,0% |
| Umspannwerk Westerberg GmbH & Co OHG | DE | 45,0% |
| UW Eichow GmbH & Co. KG | DE | 26,7% |
| 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% |
| Windpark Wittstock-Papenbruch GbR | DE | 28,2% |
| 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% |
| Limes 2 S.r.l | IT | 49,0% |
| Parco Eolico Carpinaccio Srl | IT | 26,3% |
| UAB Anyksčiai hybrid | LT | 20,0% |
| UAB Jonava hybrid | LT | 20,0% |
| UAB Rokiskis hybrid | LT | 20,0% |

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

Notes

12 Investments in associates (continued)

| Name | Country of place of business | Ownership % 31/12 2023 |
|-----------------------|------------------------------------|---------------------------|
| UAB Telsiai1 hybrid | LT | 20,0% |
| UAB Telsiai2 hybrid | LT | 20,0% |
| ESF Spanien 0427 S.L. | ES | 45,0% |

13 Other investments

| | Consolidated |
|---------------------------------------|---------------|
| EUR'000 | 2023 |
| Cost at 1 January | 7,697 |
| Additions for the year | 883 |
| Disposals for the year | -4,791 |
| Cost at 31 December | 3,788 |
| Value adjustments at 1 January | 5,774 |
| Value adjustments during the year | 1,723 |
| Disposals | -9 |
| Value adjustments at 31 December | 7,488 |
| Carrying amount at 31 December | 11,276 |

14 Loans to related parties

Non-current receivables have 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.

15 Trade receivables and contract assets

Out of non-current trade receivables EUR 1.3m (2022: EUR 1.5m) is expected to be recovered more than 5 years after the balance sheet date.

16 Other receivables

| | Consolidated | Parent company |
|--|---------------|----------------|
| EUR'000 | 2023 | 2023 |
| Interest-bearing loan to Vores Sol Nakskov I-VI K/S | 313 | 0 |
| Interest-bearing loan to JPZ Assistance ApS | 7,156 | 0 |
| Interest-bearing loan to business partner for the acquisition of energy farms | 8,049 | 0 |
| Total other receivables (non-current assets) | <u>15,517</u> | <u>0</u> |

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

Notes

17 Inventories

| | Consolidated |
|--|------------------|
| EUR'000 | 2023 |
| Cost at 1 January | 1,083,592 |
| Exchange rate adjustments | 17,341 |
| Additions for the year | 635,039 |
| Disposal of the year (transferred to/from Property, Plant and Equipment) | 0 |
| Disposal of the year (recognised as direct cost) | -214,841 |
| Deconsolidated entities | -124,647 |
| Transfer | -37,411 |
| Write offs of the year | -574 |
| Cost at 31 December | 1,358,499 |
| Write-downs at 1 January | -32,592 |
| Exchange rate adjustments | 44 |
| Disposals of the year | 19 |
| Write-downs for the year | -1,454 |
| Write-downs at 31 December | -33,983 |
| Carrying amount at 31 December | 1,324,516 |
| Inventory at 31 December comprises: | |
| Operating | 899,034 |
| Under development | 193,208 |
| Under construction | 232,274 |
| Total inventory at 31 December | 1,324,516 |
| Total wind farms | 883,762 |
| Total solar farms | 440,754 |
| Total inventory at 31 December | 1,324,516 |

The net write-down for the year amounted to EUR 1.5m. Management finds the impairment appropriate.

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

Notes

18 Deferred tax

| | Consolidated | Parent company |
|--|----------------|----------------|
| EUR'000 | 2023 | 2023 |
| Deferred tax at 1 January | -5,859 | 0 |
| Change in deferred tax recognised in income statement | 10,882 | 0 |
| Deferred tax on changes in equity | 10,971 | 0 |
| Adjustment relating to the disposal/purchase of equity-accounted investments | -541 | 0 |
| Other equity regulation / joint taxation contribution | 1,737 | 0 |
| Deferred tax at 31 December | <u>17,190</u> | <u>0</u> |
| Deferred tax is recognised as follows: | | |
| Deferred tax asset | 33,178 | 0 |
| Deferred tax liability | <u>-15,988</u> | <u>0</u> |
| | <u>17,190</u> | <u>0</u> |

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 6.5 mio.

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

19 Prepayments

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

20 Hybrid capital

Terms and conditions

Hybrid capital comprise issued green bonds and amounts to EUR 115m at year end 2023, all which is subordinated to other creditors but preceded by the share capital. The hybrid capital rank in priority only to any loans made after the first issue date by any major shareholder (Subordinated Shareholder Funding).

In January 2023, European Energy partially refinanced its outstanding hybrid bond with maturity in 3020 and a first call in September 2023 by issuing a new EUR 100m hybrid bond with maturity in 3023 and first call in January 2027. EUR 92.5m of the 3020 hybrid bond holders accepted to tender and subscribed to the new hybrid bond, leaving an outstanding nominal of the 3020 hybrid of EUR 57.5m.

In June 2023, European Energy tapped the new 3023 hybrid bond with additional EUR 15m and in September 2023 redeemed the last outstanding part of the old 3020 hybrid of EUR 57.5m. This resulted in a total outstanding hybrid bond of EUR 115m end of 2023.

The new 3023 hybrid bond has an initial coupon of 10.75% until the first call date in January 2027. The coupon is based on an initial margin of 7.955% and the initial 4-year swap rate of 2.795%. After first call date, the coupon will reset to the 4-year EUR swap rate prevailing at that time plus a margin step up of 5.0% increasing the margin to 12.955%.

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

Notes

Besides pricing, all key terms and conditions on the new 3023 hybrid bond were equal to the existing, except an introduction of a rating call event.

This provides European Energy with an option to redeem the hybrid capital securities at 101% (prior to the First Call Date) if a Rating Event occurs.

Coupon payments may be deferred at the discretion of European Energy and ultimately any deferred coupons outstanding in 3023 will be cancelled. However, deferred coupon payments become payable if European Energy 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 bond, the net proceed is initially recognised directly in equity. Coupon payments are also recognised in equity. During 2023, all the coupon payments related to hybrid issuances have been paid. The payments amount to EUR 4.8m and is accounted for as dividends.

Fair value disclosures

As the principal of the hybrid bond ultimately falls due in 3023, 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.

Other provisions also include provisions for a warranty claim regarding a sold power generating asset and for an arbitration case. 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 a non-current liability.

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

Notes

22 Financial liabilities

| Consolidated EUR'000 | Debt at 1/1 2023 | Total debt at 31/12 2023 | Current portion | Non-current portion | Outstanding debt after 5 years |
|---|---------------------|-----------------------------------|--------------------|------------------------|---|
| Issued bonds | 0 | 441,190 | 0 | 441,190 | 0 |
| Project financing | 0 | 890,350 | 237,600 | 652,750 | 166,678 |
| Other debt relating to acquisitions of companies | 0 | 0 | 0 | 0 | 0 |
| Other payables | 0 | 8,134 | 0 | 8,134 | 0 |
| Derivatives | 0 | 67,721 | 1,070 | 66,652 | 0 |
| Lease liabilities | 0 | 17,077 | 3,505 | 13,572 | 6,591 |
| | 0 | 1,424,472 | 242,175 | 1,182,298 | 173,269 |

In January 2023, European Energy tapped the senior 2026 bond EUR 200m framework with EUR 75m, bringing the total issuance under this to EUR 150m. Furthermore, an increase of the RCF by EUR 30m brought total RCF commitments to EUR 75m.

Towards the end of the year, European Energy successfully increased its RCF commitments by additional EUR 25m bringing the total RCF to EUR 100m which was undrawn end of 2023.

23 Derivative financial instruments

Interest rate swaps

| EUR'000 | Consolidated |
|---|--------------|
| | 2023 |
| Fair value liability, included in Project financing | 17,541 |
| Change in fair value recognized in Equity | -24,464 |

Forward currency exchange contracts

| | |
|---|----------|
| Average hedged rate per 1 EUR | 5.37 BRL |
| Notional amount | 334,000 |
| Average hedged rate per 1 GBP | 1.26 USD |
| Notional amount | 2,775 |
| Fair value asset, included in Other receivables | 262 |
| Fair value liability, included in Other payables | -1,042 |
| Change in fair value recognized in Equity | -22,960 |
| Change in fair value recognized in profit or loss | 0 |

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

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

Notes

23 Derivative financial instruments (continued)

Other financial instruments

| EUR'000 | Consolidated |
|---|--------------|
| | 2023 |
| Fair value 1 January | -25,092 |
| Value adjustments of hedging instruments recognized in equity during the year, unrealised | -17,310 |
| Value adjustments of hedging instruments recognized in equity during the year, realised | 0 |
| Value adjustments of hedging instruments recognized in P/L during the year | 5,842 |
| Total fair value | -36,560 |

Value adjustment is recognized in Equity, as the relevant criteria for hedge accounting are met.

In 2023, there were recognised a net amount corresponding to EUR 2.0m as ineffectivity deriving from our PPA portfolio. The amounts are recognised as EUR 5.8m as income under financial items and EUR 3.8 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 |
|--|--------------|
| | 2023 |
| Warranties regarding potential acquisition of new projects | 21 |
| Grid connection guarantees | 194 |
| Warranties regarding Power Purchase Agreements | 50 |
| Warranties regarding divestment of energy parks | 65 |
| Claims regarding divested energy parks | 24 |
| | 354 |

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.

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

Notes

24 Mortgages and collateral (continued)

Security for debt

Pledges and guarantees related to financing agreements

End of 2023 total outstanding debt at the parent level equalled EUR 441m, while total debt on project level amounted to EUR 890m 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 2023 the total outstanding project level financing with pledged assets or shares amounted to EUR 890m. The corresponding carrying amount of the pledged assets or shares amounted to EUR 1.378m corresponding to a debt to book value of 64% of leveraged assets.

Guarantees as security of debt

Besides asset- and share pledges, we occasionally 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 2023 the total recourse debt at the project levels amounted to EUR 552m.

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.

Joint taxation 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 2023 shows a negative taxable income. Consequently, no Danish corporate tax liability will arise for 2023.

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.

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

Notes

25 Contractual obligations and contingencies (continued)

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 2023 no issued grid guarantees have been drawn

Guarantees regarding Power Purchase Agreements

European Energy 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 (GoOs).

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 GoOs 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 14m is currently provided for as part of the provision or set aside in project budgets and further EUR 24m 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.

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

Notes

26 Related party disclosures

Related parties

Related parties in KEA Holding III ApS include the following:

- Subsidiaries in KEA Holding III ApS
- Subsidiaries and associates in European Energy Group
- Subsidiaries and associates in KEA Holding I Group
- Board members in European Energy A/S
- Companies owned by minority shareholders

Related party transactions

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

| EUR'000 | Parent company |
|--------------------------------------|----------------|
| | 2023 |
| Related party transactions | |
| Interest income from affiliates | 1 |
| Interest expenses to affiliates | -4 |
| Loans to related parties | |
| Loans to affiliates, carrying amount | 7,017 |

Controlling interest

The shareholder Knud Erik Andersen has the controlling interest of the company.