

# ENCAVIS

Interim Statement Q1  
2024

## Dear Shareholders, Ladies and Gentlemen,

Encavis AG remains clearly on course for growth in the current 2024 financial year. We are working on shaping the turnaround in energy policy and consequently reducing the reliance on fossil fuels. Our Encavis Group wind and solar park portfolio, which is focused on Western Europe, is not affected by the war in Ukraine. Indirect effects from potential countermeasures taken by Russia in response to the sanctions imposed on the country are still not apparent at present.

In the first few months of this year, we concluded long-term purchase agreements at both Encavis AG and Encavis Asset Management for around 2,600 gigawatt-hours (GWh) of green electricity from renewable energy at both national and European level, each for ten years. At the same time, we have started construction of the two largest solar parks currently operated by Asset Management in Bartow, with a planned generation capacity of around 270 megawatt-hours (MWh), and Encavis AG in Borrentin, with a planned generation capacity of around 119 MWh, both per year. Commissioning of the two solar parks is planned for summer 2025 in Bartow and autumn 2024 in Borrentin.

By generating power from renewable energy, we are already making a crucial contribution to supplying environmentally friendly and sustainable energy. There is an abundance of sun and wind, and we are using them to drive a sustainable world. We have it in our hands to use all our resources sustainably in the long term and to continue to grow as a society and economy. As Encavis, we are paving the way into a green future as a renewable powerhouse with our approximately 230 solar and roughly 90 onshore wind parks in twelve Western European countries that are already saving around 1.3 million tonnes of harmful CO<sub>2</sub> a year. Further details and background information on our sustainability strategy and the current measures and ongoing achievements of our Group-wide ESG commitment as well as our ESG ambitions, including the upgrade of our ESG rating at MSCI to "AA", can be found in our current sustainability report for Encavis AG, which is of course published exclusively in digital form on our website at [www.encavis.com/en/sustainability](http://www.encavis.com/en/sustainability)

The revenue figures for the first quarter of 2024 are significantly below those of the same period of the previous year due to price and weather conditions as well as a positive one-off effect in 2023, but still roughly in line with our forecast. Naturally, the first quarter of each year is subject to considerable meteorological fluctuations. In addition, there was an average fall in electricity prices of around 11% across the entire generation portfolio. There were, however, major regional differences. In Spain, for example, prices fell by more than a third compared to the same period last year. However, we have already factored in price reductions – albeit not to this extent – and our long-term price hedging in our portfolio is paying off, so that these price reductions are not leading to equally strong impacts on revenue. At EUR 86.6 million, net revenue in the first quarter of 2024 was below the previous year's figure of EUR 98.8 million. This was driven not only by higher prices and more favourable meteorological conditions, but also by a positive one-off effect. We had then received the anticipated retroactive compensation of around EUR 8 million for our Dutch solar parks in 2022. To a lesser extent, these deviations were compensated for by the increased revenue contributions of the Stern subgroup and the new generation capacities connected to the grid in the past year 2023.

Operating EBITDA of EUR 48.5 million was negatively impacted by the decline in sales, falling from the figure of EUR 64.3 million generated in the previous year. Operating EBIT therefore fell to EUR 18.2 million (previous year: EUR 35.3 million). The operating financial result fell by around EUR 5.9 million to a total of around EUR -21.7 million (previous year: EUR -15.8 million) due to the investments in growth. Despite slightly lower operating taxes on income, this resulted in a quarterly operating loss of around EUR 5.8 million (previous year: quarterly profit of EUR 16.6 million). A quarterly loss of this nature is nothing unusual for a company like Encavis, which is primarily driven by solar capacities, as we only have very low solar irradiation in the first quarter and therefore low production and sales, whereas expenses are largely fixed. This effect has however been overshadowed in recent years by the upheavals on the electricity price markets as a result of a series of geopolitical events.

In line with the development of revenue in the first quarter of 2024, operating cash flow from operating activities fell by around 30% to EUR 36.3 million (previous year EUR 51.8 million). This resulted in operating cash flow per share of EUR 0.23 in the first quarter of 2024 (previous year: EUR 0.32).

The equity ratio as at 31 March 2024 rose slightly to 33.5% compared to 33.2% at the end of 2023.

Dear shareholders, the massive expansion of renewable energy generation capacity is the only sustainable, environmentally-friendly and most cost-effective form of energy generation. Together, wind and solar power will account for over 90% of the renewable energy capacity added in the next five years. Solar energy installations and onshore

wind parks remain the cheapest options for generating power in most countries. The energy crisis marks a historic turning point towards a cleaner and more secure energy supply. The European Commission's plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition, REPowerEU, of 18 May 2022 includes a special European Union solar strategy to double photovoltaic capacity by 2025 by installing new PV systems amounting to 320 gigawatts (GW) by 2025 and a total of 600 GW by 2030. This equates to more than four times the volume of new installations per year compared to the average installed capacity per year over the last ten years. The objective of covering 45% of total final energy consumption using renewable sources by 2030. With its recently published power plant strategy, which aims to secure electricity demand during low-wind, dark periods (dark doldrums), the German government has once again made a clear commitment to phasing out coal and accelerating the expansion of renewable energies. Renewable energies already generate more than half of our electricity. According to the German government's plans, they should cover 80% of electricity generation by 2030. This is gigantic growth, and we at Encavis are front and centre!

We firmly believe that our Accelerated Growth Strategy 2027 will enable you to benefit considerably more from the tremendous growth opportunities that arise for Encavis AG through growth investments in completely new dimensions and magnitudes than from the distribution of a dividend with a cash outflow that would reduce these investments. That is why we will propose to the Annual General Meeting that the entire consolidated earnings for the period be retained for the 2023 financial year and carried forward to new account, and that no dividend be paid per voting share. Given the historically unique growth that lies ahead of us, in which we intend to play a major role, we are convinced that this is the best decision in favour of all our shareholders.

In March of this year, we concluded an investor agreement with a consortium of investors led by KKR and including an interest held by the family-owned company Viessmann as well as our previous shareholder ABACON CAPITAL. The aim is to enter into a strategic partnership for the long-term growth of Encavis. The investor consortium then submitted a voluntary public takeover offer for all issued shares in Encavis AG on 24 April 2024 in return for payment of an offer price of EUR 17.50 per Encavis share in cash. The Management Board and the Supervisory Board consider the offer to be favourable for the company and its stakeholders at the current time and support the offer after reviewing the offer document and in compliance with all due diligence and fiduciary duties. We published the joint reasoned statement by the Management Board and Supervisory Board on 2 May 2024. Further details and information, the offer itself and the joint reasoned statement by the Management Board and Supervisory Board can be found on the internet using the following links:

[www.elbe-offer.com](http://www.elbe-offer.com)

[www.encavis.com/en/green-capital/investor-relations/strategic-partnership](http://www.encavis.com/en/green-capital/investor-relations/strategic-partnership)

In light of the Encavis Group's business strategy, which is geared towards qualitative growth, and the significantly reduced electricity price level compared to the previous year, we expect only a moderate overall increase in our KPIs in the 2024 financial year. We aim to make up for a large part of the further significant drop in electricity prices based on the further revenue growth at Stern Energy, expanded production capacities and a further increase in revenue at Encavis Asset Management in the current financial year. Most of the recent acquisitions from the previous year will not be completed until the end of 2024. As a result, they will not yet materially contribute to revenue in 2024. These new projects will be clearly reflected in the key figures in 2025.

Based on the existing portfolio as at 31 March 2024 and in anticipation of standard weather conditions for the 2024 financial year, the Management Board therefore expects an increase in revenue to over EUR 460 million (2023: EUR 449.1 million), after deduction of EUR 11.5 million in electricity price caps). Operating EBITDA is expected to slightly exceed EUR 300 million (2023: EUR 319.2 million). The Group anticipates operating EBIT of just over EUR 175 million (2023: EUR 194.3 million). The Group expects operating cash flow to surpass EUR 260 million (2023: EUR 234.9 million). Operating cash flow per share is therefore expected to amount to EUR 1.62 (2023: EUR 1.46). Overall, the Group remains fully on track for growth in line with the Accelerated Growth Strategy 2027.

Dear shareholders of Encavis AG, we are delighted to again invite you to an in-person Annual General Meeting this year, which is being held at Privathotel Lindtner, on 5 June 2024, and to talk in person.

Hamburg, May 2024

The Management Board



Dr Christoph Husmann  
Spokesman of the Management Board and  
Chief Financial Officer (CFO)

A handwritten signature in blue ink, appearing to read 'C. Husmann', on a light blue background.



Mario Schirru  
Chief Investment Officer (CIO)/  
Chief Operating Officer (COO)

A handwritten signature in blue ink, appearing to read 'M. Schirru', on a light blue background.

## Group operating KPIs\*

In EUR million		
	01.01.-31.03.2024	01.01.-31.03.2023
Electricity production in GWh	741	753
Operating* revenue / operating* revenue after electricity price brake deduction	86.6 / 86.6	105.1 / 98.8
Operating* EBITDA	48.5	64.3
Operating* EBIT	18.2	35.3
Operating* EBT	-3.4	19.5
Operating* EAT	-5.8	16.6
Operating cash flow	36.3	51.8
Operating cash flow per share (in EUR)	0.23	0.32
Operating* earnings per share (undiluted/in EUR)	-0.04	0.09
	<b>31.03.2024</b>	<b>31.12.2023</b>
Equity	1,199	1,187
Liabilities	2,380	2,387
Balance sheet total	3,579	3,574
Equity ratio in %	33.5	33.2

\* The Group operating KPIs are based solely on the company's operating profitability and do not take any IFRS-related valuation effects into account. The previous year's revenue includes revenue of TEUR 6,392 for Q1 2023, which will be levied through the systems implemented across Europe to cap electricity prices. This levy amount will be recognised as part of other expenses.

### Note on the quarterly figures

The publication of the results was prepared pursuant to the amended exchange rules for the Frankfurt Stock Exchange from 12 November 2015. This interim statement does not contain a complete interim financial report in accordance with International Accounting Standard (IAS) 34 and should therefore be read only in conjunction with the consolidated financial statements as of 31 December 2023 and subsequent publications.

The quarterly figures on the financial position, financial performance and net assets have been prepared in conformity with the International Financial Reporting Standards (IFRS) as applicable within the European Union.

The accounting policies applied are the same as those used for the most recent year-end consolidated financial statements. We published a detailed description of the methods applied in the notes to the consolidated financial statements for 2023.

## Business activities

### Business model

Encavis AG, which is listed on the MDAX of the German stock exchange, makes use of the various opportunities to generate power using renewable energy. As an independent operator of environmentally friendly and emission-free power plant capacities, Encavis has continued to expand its generation portfolio since 2009. The company's core business is the acquisition and operation of onshore wind and solar parks. In the acquisition of new installations, the company focuses on a mix of projects in development, ready-to-build and turnkey projects, or existing installations that have guaranteed feed-in tariffs or for which long-term power purchase agreements (PPAs) have been concluded. The development projects or completed installations are generally located in geographic regions that stand out due to their stable political and economic conditions as well as reliable investment and framework conditions.

The rapidly growing business involving the technical operations and maintenance (O&M) of solar energy installations is run by the 80% subsidiary Stern Energy S.p.A. The company, based in Parma (Italy), has already set up branches in Germany, The Netherlands, The UK and France, and is also looking to expand into Denmark and Spain going forward. This forms part of the company's strategy to further strengthen the Group's technical services and turn its O&M business into a leading platform for solar services for third-party customers in Europe.

Encavis also offers attractive opportunities to institutional investors through its subsidiary Encavis Asset Management AG, to invest in installations that generate renewable energy. The Asset Management field covers all services in this area, i.e. the launching of funds, the individual design and structuring of other investments for professional investors in the field of renewable energy and the management of the investments held by these investors.

The Encavis portfolio currently comprises approximately 230 solar parks and 90 wind parks with a capacity of more than 3.5 GW in Germany, Italy, France, The United Kingdom, Austria, Finland, Sweden, Denmark, The Netherlands, Spain, Ireland and Lithuania. Of these, the Group operates more than 30 solar parks and around 50 wind parks for third parties in the Asset Management segment.

## Economic report

### Economic framework conditions

#### The global economy continues to be extremely resilient in a still challenging environment

In 2023, the global economy recovered only slowly from the many negative short-term effects such as the persistently high financing costs and the gradual withdrawal of fiscal support by central banks, as well as the longer-term impacts caused by the pandemic, the Russian invasion of Ukraine, weak productivity growth and increasing geo-economic fragmentation. According to the International Monetary Fund (IMF), global gross domestic product (GDP) increased by 3.2% year on year after a growth rate of 3.5% in 2022. The global economy therefore proved to be extremely resilient in a challenging environment. Compared to the World Economic Outlook Update published in January 2024, the IMF revised the growth rate for global GDP upwards by 0.1 percentage points in April 2024. Despite this slight increase, growth momentum has weakened for the second consecutive year. The IMF does not expect economic development to accelerate in 2024 and 2025 either and assumes that growth rates will remain unchanged.

The staggered key interest rate increases implemented by central banks had a positive impact on the global inflation rate over the course of 2023, which fell by just under two percentage points to an annual average of 6.8% as a result of restrictive monetary policy. The slowdown in inflation continued in the first quarter of 2024, meaning that both the US Federal Reserve (Fed) and the European Central Bank (ECB) are expected to change their monetary policy and cut interest rates for the first time in the course of 2024.

The so-called advanced economies were hit particularly hard by the slowdown in momentum, with the growth rate falling from 2.6% in 2022 to 1.6% in 2023. However, the development within this group was mixed. GDP in the US, for example, grew by 2.5%, while the eurozone economies clearly felt the impact of negative factors and the relatively high burdens caused by the war in Ukraine. According to the IMF, GDP growth in the eurozone was only 0.4% in 2023 as a whole, corresponding to a decline in the growth rate of 3.0 percentage points compared to the previous year. In 2024, stronger consumption as a result of rising real incomes is expected to accelerate the upturn again. However, the IMF is

still forecasting strong consumer restraint and significantly below-average growth rates for Germany in both 2024 and 2025.

As expected, the German economy got off to a subdued start in 2024. After GDP stagnated in 2023 as a whole according to updated figures, the inflation, seasonally and calendar-adjusted growth rate compared to the previous quarter was 0.2%, according to the Federal Statistical Office's (Destatis) flash report on economic development in the first quarter of 2024. The slight growth was driven in particular by an increase in construction investment and exports. In contrast, private consumer spending declined.

## Industry-specific conditions

### Renewable energies remain on a dynamic growth trajectory

In 2023, the global expansion of renewable energy capacity reached record levels for the 22nd consecutive year, increasing to 510 GW according to the International Energy Agency (IEA). This corresponds to a growth rate of around 50%, the highest growth rate in the past two decades. While the expansion of renewable capacities in Europe, The United States and Brazil reached new highs, the pace of expansion in China was exceptionally high. In terms of capacity, China commissioned as many photovoltaic systems in 2023 as the entire world in 2022, while the number of wind power plants added increased by 66% compared to the previous year.

The increasing speed of capacity expansion for renewable energies reflects political and social changes in large parts of the world. This is also illustrated by the declarations of intent made at the end of the 28th session of the UN Climate Change Conference (COP28). One hundred twenty-three countries have committed to working together to triple the global installed capacity for renewable energies to at least 11,000 GW by 2030. Together with an increase in energy efficiency, the intent is to achieve the goal of limiting global warming to a maximum of 1.5 degrees Celsius. The conference's decision to herald the beginning of the end of the fossil fuel era is also a sign of political and social change. However, this goal can only realistically be achieved if global renewable energy capacities continue to expand dynamically.

### Global expansion of renewable capacities expected to reach 7,300 GW by 2028

In its January 2024 study "Renewables 2023 – Analysis and forecasts to 2028", the IEA forecasts an expansion of global renewable energy capacities to an estimated 7,300 GW by the year 2028. Despite being remarkable, this growth will not be enough to achieve the target agreed at COP28 under the current political and economic conditions. According to the IEA, the insufficient investment in grid infrastructure in particular must be increased, and the cumbersome administrative and authorisation procedures accelerated, in order to close the gap by 2030. Based on the IEA's main forecast, almost 3,700 GW of new renewable energy capacity will be commissioned between 2023 and 2028, roughly 95% of which will be attributable to photovoltaic and wind power plants. Renewable energies are expected to be the largest source of electricity generation as early as 2025, overtaking electricity generation from coal. By 2028, renewable energy sources are expected to account for more than 42% of global electricity generation, with the share of wind and solar energy doubling to 25%.

### Private-sector power purchase agreements continue to gain ground

The increasing economic efficiency of renewable energies compared to conventional forms of energy generation, as well as companies' clear commitments to maintaining an eco-friendly energy balance (such as outlined in the RE100 initiative), is increasing the momentum in the private-sector power purchase agreements market. Power Purchase Agreements are gaining in significance on account of falling subsidies, ever-growing demand for renewable energy sources and the need for a stable and secure energy supply. Industrial companies are acquiring shares in large renewable energy projects and entering into PPAs to ensure a long-term supply of electricity to their production facilities.

### Developments in European core markets

The European Union (EU) is one of the most active players and drivers of global energy policy change. According to initial figures, the share of renewable energies in total net electricity generation in 2023 was around 43%. Wind energy (onshore and offshore) contributed 18.9%, run-of-river and storage hydropower 12.6%, photovoltaics 8.1% and biomass 3.2% to total net electricity generation. The EU is continuously promoting the expansion of renewable energies through political measures. In June 2023, the member states adopted a comprehensive revision of the EU Renewable Energy Directive (RED) that significantly raised the European target for renewable energies from 32% to 45% in 2030,

roughly doubling the envisioned renewable energy expansion between now and then. To achieve the targets, more than 100 GW of new wind and solar power plants will have to be installed each year. The higher EU targets that have now been approved also provide the framework for additional measures and detailed strategies for individual sectors. For example, the EU's solar strategy envisages almost tripling photovoltaic capacity to 600 GW by 2030.

According to WindEurope, a total of 18.3 GW of new wind capacity (gross installations) was installed in Europe in 2023. Of these, onshore wind turbines accounted for 79% of new installations with a total output of 14.5 GW. A record capacity of 16.2 GW of new capacity was installed in the EU-27, with onshore wind turbines accounting for 82% or 13.3 GW. WindEurope analysts assume that the EU will install a total of around 200 GW of new wind power capacity in the period from 2024 to 2030 – equivalent to 29 GW per year. However, this rate of expansion is not sufficient to achieve the climate and energy targets by 2030. An additional boost is needed to close the gap of around 4 GW per year on average. This is also to be achieved by updating the regulations to accelerate approval procedures for the expansion of renewable energies and grid infrastructure. The aim behind classifying the expansion of renewable energy and grid infrastructure as a project of overriding public interest is to noticeably shorten the lengthy approval procedures and make it possible to complete projects faster, especially in designated zones for renewables. By 2050, Europe intends to be the first continent in the world to be fully climate neutral and plans to have implemented the Green Deal.

### Germany

In Germany, renewable energy accounted for around 59.7% of public net electricity generation in 2023. That figure marks a new record and exceeded the previous year's level by 10.1 percentage points, according to initial data from the Fraunhofer Institute for Solar Energy Systems ISE from early January 2024. In total, around 260 terawatt-hours (TWh) of electricity production came from renewable energy – roughly 7.2% more than in the previous year. The share of electricity consumption (load) accounted for by renewable energy stood at 57.1%, compared to 50.2% in 2022. Taking all electricity sources into account, the load on the electricity grid totalled 457 TWh for the year as a whole, continuing the downward trend that was already apparent over the course of the year. In the previous year, the load was still around 483 TWh.

As in previous years, wind energy was the most important source of renewable energy. In 2023 as a whole, wind installations (onshore and offshore) produced around 139.8 TWh, which corresponds to an increase of 14.1%. As a result, they accounted for around 32% of public electricity generation. The share of onshore wind installations rose from 99.0 TWh to 115.3 TWh, while the share of offshore wind turbines remained slightly below the previous year's level of 24.8 TWh at 23.5 TWh. Photovoltaic systems produced around 59.9 TWh in 2023, of which 53.5 TWh was fed into the public grid and 6.4 TWh was used for own consumption. Despite several months with little sunshine, that total was only slightly below the previous year's level of around 61 TWh. At the same time, electricity generation from solar energy reached an all-time high of around 9 TWh in June 2023. The two other renewable energy sources, hydropower and biomass, contributed 20.5 TWh and 42.3 TWh respectively to electricity generation. Electricity production from nuclear and fossil plants declined significantly. Net production for public electricity consumption from lignite plants fell by around 27% to 77.5 TWh and from black coal plants by around 35% to 36.1 TWh. Public net electricity generation from natural gas rose slightly by 1.3% to 45.8 TWh. Due to the shutdown of the last three nuclear power plants in April 2023, nuclear energy contributed just 6.7 TWh to public electricity generation, compared to 32.8 TWh in the previous year.

According to initial figures from the German Federal Network Agency (Bundesnetzagentur), the installed capacity of renewable energy sources in Germany rose by 12% to just under 170 GW in 2023. At 14.1 GW, the expansion of photovoltaic capacity almost doubled compared to the previous year and significantly exceeded the expansion target of 9 GW due to both the increased installation of photovoltaic systems on commercial roofs and strong growth in private systems. At the end of the year, total installed photovoltaic capacity in Germany was 81.7 GW. The increase in wind energy capacity was somewhat more subdued, falling short of the planned figure. Onshore wind turbines with a capacity of 2.9 GW and offshore wind turbines with a capacity of 0.3 GW were newly installed in 2023. The reason for the slower development is often the long approval period for planned installations. At the end of the year, installed capacity from wind turbines totalled 69.4 GW, of which 60.9 GW was attributable to onshore wind turbines and 8.5 GW to offshore wind turbines.

In 2023, the German government created a broad basis for an acceleration of planning, approval and construction of renewable energy installations through regulatory initiatives, specifically the amended German Renewable Energy Act (EEG), which entered into force on 1 January 2023, and the photovoltaic and onshore wind strategies published in May 2023. For the first time, the new EEG is consistently and systematically aligned with the 1.5-degree path under the Paris Agreement. The aim is for 80% of Germany's gross electricity consumption to come from renewable energy



sources in 2030. The photovoltaic strategy of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) includes a comprehensive series of measures for achieving this ambitious goal, such as easier planning and approval processes for new installations and more attractive and simpler conditions for new photovoltaic roof systems. The plans also call for a streamlined process to obtain new spaces for the expansion of wind and solar energy and involving communities more closely. The aim of the BMWK's onshore wind strategy is to accelerate the expansion of onshore wind power. It contains a total of 12 fields of action aimed at minimising the main barriers to progress. The focal points include accelerated approval processes for wind projects, the immediate mobilisation of land and faster repowering.

The pace of expansion needs to increase fundamentally in order to double the share of renewable energy from 40 % to 80 % by 2030. In terms of solar energy, the EEG envisions an installed total output of 215 GW, meaning that the annual rate of photovoltaic expansion will have to triple from some 7 GW in 2022 to 22 GW. The expansion targets for onshore wind energy are 115 GW in 2030 and 157 GW in 2035, which corresponds to an annual expansion of 10 GW. The expansion targets for offshore wind energy are to be increased to at least 30 GW by 2030 through a new site development plan for the expansion of offshore wind energy that Germany's Federal Maritime and Hydrographic Agency (BSH) published in January 2023. The plan takes things yet a step further and starts laying the groundwork for exceeding the expansion target of 40 GW by a substantial 10 GW by 2035.

### Denmark

As a pioneer in the field of renewable energies, Denmark is well on its way to achieving independence from fossil fuels. In July 2023, the Danish government published an update to the National Energy and Climate Plan (NECP), in which it confirms its intention to accelerate the expansion of renewable energies. It has also brought its climate neutrality target forward by five years to 2045. Additional offshore wind parks with output of at least 9 GW are planned to achieve these targets. In addition, the "energy island" in the North Sea is expected to generate at least 3 GW in 2033 and 10 GW in 2040. In October 2023, the Danish government also presented a plan to accelerate the expansion of renewable energy on land. A central component is more effective authorisation processes and 32 areas spread across the entire country that could be considered as energy parks for wind and solar energy. At the end of February 2024, the National Energy Crisis Task Force NEKST published a total of 27 specific recommendations for the accelerated expansion of renewable energies. This also includes various measures for faster authorisation processes. The recommendations are to be successively translated into corresponding regulations and laws by the Danish government.

In 2023, renewable energies accounted for roughly 80.2 % of the country's total net energy generation. Of this total, 34.1 % was attributable to onshore wind turbines, 25.4 % to offshore wind turbines, 11.5 % to biomass and 9.2 % to photovoltaic systems. Around 32.6 TWh were fed into the public grid.

### Finland

Finland has set itself one of the most ambitious climate targets in the world and wants to be the first industrialised country on the planet to be climate-neutral by 2035 – 15 years ahead of the EU target. The basis for achieving this goal is the update of the NECP, which has so far been available as a draft. The law calls for a 60 % reduction in emissions by 2030, with targets of 80 % by 2040 and 90 to 95 % by 2050 compared to the base year (1990). Renewable energy plays an important role in Finland's climate policy. Finland has already met the 2030 target set by the European Union of covering at least 40 % of gross energy consumption through renewable energies since the year before last. The expansion of wind energy in particular is progressing rapidly. At the end of 2023, the total installed capacity from wind turbines was 6.9 GW. The realised expansion of 1.2 GW is the second-highest figure in Finland's history. However, the country did not manage to maintain the previous year's pace.

In 2023, renewable energy accounted for approximately 45.4 % of total net energy generation in the country. The most important renewable energy sources were run-of-river plants, with a share of 19.4 %, onshore wind installations, with 18.9 %, and biomass plants, with 7.1 %. The importance of burning fossil fuels has continued to decline. Their share of the electricity mix has been cut in half, from around 16 % to just 8.1 %. Nuclear energy remained the most important source of energy, accounting for 44.2 % of net electricity generation – an increase of 6.3 percentage points compared to the previous year.

### France

The French government still bases its energy policy on a mix of renewable energy and nuclear energy, so its targets for expanding renewable energy are somewhat less ambitious. Although France wants to reduce its greenhouse gas emissions and become climate-neutral by 2050, it refrains from naming specific targets for renewable energies in the draft law on energy sovereignty. As a result, the French government has not addressed the targets of the EU Renewable

Energy Directive adopted in 2023. Only for nuclear energy does the draft contain the specific target of building at least six and a maximum of 14 new nuclear power plants. The expansion targets for renewable energy are to be set by the government at a later date with a view to energy sovereignty. The government presented initial figures on the matter in November 2023. Accordingly, the capacities of offshore wind turbines are expected to double to 18 GW by 2035, with onshore wind turbines likewise doubling to 40 GW by that deadline. An annual expansion rate is planned for photovoltaic systems, which should lead to an installed capacity of 75 GW in 2035. However, the proposed capacities represent “trends” rather than specific targets. In principle, the French government favours “decarbonisation targets”, which take nuclear power rather than renewable energy into account or give it preference.

### The United Kingdom

The United Kingdom has set itself a central climate policy goal of net zero greenhouse gas emissions by 2050. The detailed climate policy measures and targets are defined in the Net Zero Strategy: Build Back Greener, which was updated in April 2022. The UK’s energy policy development centres on wind power (onshore and offshore). Offshore wind power capacities are to be expanded to 50 GW by 2030, with plans to decarbonise the energy sector by 2035. The plans do not call for a complete rejection of nuclear power, however.

At the end of November 2023, the British government unveiled plans to further boost renewable energies in The UK. Government investment totalling around GBP 960 million is intended to accelerate the expansion of capacity in key net-zero sectors such as wind energy (offshore), grid infrastructure, hydrogen and nuclear energy. By doing so, the government aims to ensure the achievement of the ambitious climate targets. In addition, the package of measures presented includes plans to halve the construction time for high-voltage lines from 14 to seven years and to drastically reduce the time it takes to connect individual energy projects to the grid from five years to six months.

According to the Department for Energy Security & Net Zero, the share of renewable energies in electricity generation rose to a new record of 47.3% in 2023. Driven by record electricity generation from offshore wind turbines, renewable energy sources produced a total of 135 TWh. In 2023, capacities of around 2.7 GW were added, bringing the total installed capacity of renewable energies to 56.3 GW at the end of the year. At 1.3 GW, around half of this growth is attributable to photovoltaic systems, while the other half is accounted for by offshore wind turbines (0.8 GW) and onshore wind turbines (0.5 GW). The new capacities compensated for the rather unfavourable weather conditions compared to the previous year, meaning that electricity generation from renewable energies remained unchanged.

### Ireland

With the Climate Action Plan 2023 (CAP23), the Irish government has fleshed out the measures required to halve greenhouse gas emissions by 2030 and achieve net-zero emissions by 2050. One cornerstone of CAP23 involves expanding the share of renewable energy to 80% by 2030. Specifically, installed capacities from onshore turbines are set to rise to 9 GW by that time, with installed capacities from offshore turbines and photovoltaic installations projected to increase to 5 GW and 8 GW, respectively.

In the first half of 2023, renewable energy accounted for 43.0% of Irish electricity generation. According to the Sustainable Energy Authority of Ireland (SEAI), this corresponds to a slight increase of 0.9% compared to the same period of the previous year. At the end of September 2023, energy generation from wind temporarily exceeded total Irish electricity demand for the first time ever, reaching a new high of 3.6 GW. This continues the positive trend according to Wind Energy Ireland (WEI), with the previous monthly records for wind power generation having already been beaten in both July and August 2023.

### Italy

In the 2023 update of the NECP, the Italian government formulated even more ambitious expansion plans for renewable energies. The plan centres on a gradual exit from coal-fired power generation by 2025, efforts to increase the share of energy consumption covered by renewable energy to 55% and carbon neutrality by 2050. Following the government’s announcement that it will stop importing natural gas from Russia by 2025, increased efforts to expand renewable energy will be necessary in order to achieve the targets. Accordingly, Italy plans to significantly expand its installed wind power and photovoltaic capacity. Capacity from photovoltaic installations is set to rise from 35.9 GW in 2022 to 71 GW in 2030. Installed capacity from onshore and offshore wind turbines is expected to be increased from 11.7 GW to 19 GW during the same period. Italy would need to add almost 4 GW a year on average to achieve the target outlined in the NECP. Even faster growth of 5 GW a year on average would be required if it wanted to achieve the more ambitious targets of the Fit for 55 package.

In November 2023, the Italian government adopted a comprehensive package of measures that is expected to involve investments totalling around EUR 27 billion. The measures include the selection of two sea areas off the southern Italian coast for the construction of new offshore wind turbines, the promotion of carbon capture facilities and the accelerated expansion of LNG terminals. In the first quarter of 2024, the Italian energy agency Gestore dei Servizi Energetici (GSE) allocated a total capacity of 1,001 megawatts (MW) for projects with a size of more than 1 MW in the 13th auction for renewable energies. Of the capacity awarded, 357.2 MW is attributable to photovoltaic systems at a total of 62 locations and 643.9 MW to wind projects at 15 locations.

Renewable energy accounted for around 41% of Italy's total net electricity generation in 2023. The mix of renewable energies essentially comprised hydropower, photovoltaics, wind power (onshore), biomass and geothermal sources. A total of around 221.5 TWh was fed into the public grid in Italy in the 2023 reporting year.

### Lithuania

The expansion of renewable energies, and with it the politically desired independence from imported electricity from fossil fuels, progressed as planned in 2023. The installed capacity of wind turbines (onshore) exceeded the 1 GW mark, indicating that 20% of the ambitious expansion target for the most important Lithuanian energy source has already been achieved. The Ministry of Energy is currently planning the construction of two offshore wind parks with a capacity of 1.4 GW in the Lithuanian Baltic Sea, which could cover around half of Lithuania's current electricity needs. Following the successful tender for an initial offshore wind farm with a capacity of 700 MW, the Lithuanian Ministry of Energy cancelled a further tender for a second offshore wind farm with the same capacity at short notice in April 2024. After only one developer submitted a bid, discussions are to be held with the various market players on the framework conditions for financing and project planning. The aim is to implement the updated tender process as quickly as possible so that the expansion plans can be realised without any major delays. Especially as the NECP, which was revised in mid-2023, envisages a number of targets, such as being able to cover at least 55% of total final energy consumption from renewable energy sources by 2030 – including 100% of electricity needs and 90% of district heating needs. The share of locally generated electricity is planned to increase from 35% to 70% by this date, and the share of renewable energy in the transport sector is to increase to 15%.

In 2023 as a whole, renewable energy accounted for roughly 80% of net electricity generation. At 48.9%, wind installations (onshore) were by far the most important energy source, followed by photovoltaic systems (13.2%), run-of-river (7.9%) and biomass (5.9%). A total of around 4.9 TWh was fed into the public grid in Lithuania.

### The Netherlands

As part of the updated NECP, the Dutch government has significantly tightened some of the climate targets it has set itself. Accordingly, greenhouse gas emissions are to be reduced by at least 55% by 2030 and 95% by 2050 compared to the reference year (1990). In April 2023, the government approved an additional package of measures designed to facilitate the achievement of this ambitious target. In the second half of the year, roughly EUR 420 million was released for the construction of storage power plants, which are to be linked to large freestanding photovoltaic arrays or roof systems.

According to preliminary figures from Statistics Netherlands (CBS), around 48% of the electricity produced in The Netherlands in 2023 came from renewable energy sources. A total of around 120 TWh of electricity was produced in 2023. Production from renewable sources rose by 21% year-on-year to 57 TWh, while the volume generated from fossil fuels fell by 12% to 58 TWh. Electricity production from wind energy rose by 35% to 29 TWh in 2023, of which around 17.4 TWh was generated by onshore wind turbines and 11.5 TWh by offshore wind turbines. This significant growth is partly due to the further increase in installed wind turbine capacity both onshore and offshore. The total capacity of wind power installations reached around 11 GW in 2023. A total of around 21 TWh was generated from solar energy in 2023, 24% more than in the previous year. One of the main reasons for this significant increase was the ongoing expansion of capacity. Compared to the previous year, the capacity of the increased solar modules grew by 4.3 GW. The Netherlands Environment Assessment Agency (PBL) forecasts an increase to 85% renewable energies by 2030.

### Austria

According to the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK), the energy transition in Austria is progressing at a record pace. Initial figures for 2023 show an increase in the share of renewable energy in Austrian electricity generation from 78% to 87%. Electricity generation from photovoltaic systems in particular contributed to this dynamic growth, more than doubling from 0.98 TWh to 2.35 TWh. Electricity generation from wind turbines also increased. Having risen from 7.19 TWh to 8.26 TWh, 4.4% of Austria's electricity generation is

attributable to photovoltaic systems – and 15.3% to wind installations. More than 60% of the electricity produced in Austria comes from hydropower plants, making them the most important source of renewable energy.

The Renewable Expansion Act (Erneuerbare-Ausbau-Gesetz – EAG) forms the basis for the further expansion of renewable energy. The law provides for a 27 TWh increase in electricity production from renewable energy to 92 TWh in 2030 in order to achieve the target of 100% electricity generation from renewable energy sources, representing an increase of 40%. The additional capacities of 27 TWh in total are to be split as follows: photovoltaic energy 11 TWh, wind power 10 TWh, hydropower 5 TWh and biomass 1 TWh. This should add around 50% of the currently installed renewable energy capacity in the coming years. Whether or not this capacity expansion will be sufficient is currently the subject of heated debate. In its draft Integrated Austrian Network Infrastructure Plan (ÖNIP), the Environment Agency Austria forecast significantly higher electricity requirements for the future due to the increased transition to electrified solutions for heating and mobility. According to initial calculations, installed solar capacities should now rise to 21 GW instead of the previously assumed 13 GW. In order to accelerate the expansion of renewable energies, the BMK announced in mid-March 2024 that it would provide a total of EUR 135 million for solar tariffs as part of the EAG. In particular, photovoltaic systems with an output of 35 kW to 1 MW are eligible for funding. At the same time, the BMK defined the capacities for large-scale renewable energy projects for 2024 and 2025. Accordingly, projects totalling 1.85 GW of photovoltaics, 1.08 GW of wind power, 500 MW of hydropower and 40 MW of biomass are to be newly tendered and allocated. The planned update of the NECP is still pending, but is scheduled for completion in June 2024.

### Sweden

Sweden has been a pioneer of the energy transition in Europe for years and is systematically driving forward the expansion of renewable energy. According to the update of the NECP, the Swedish government plans to increase the installed electricity generation capacity from renewable energy sources to a total of 67 GW by 2030. The installed capacity of wind installations is expected to increase by 13 GW between 2021 and 2030, with capacity from photovoltaic systems rising by just under 5 GW. The national energy strategy adopted by the Swedish parliament calls for a 50% increase in energy efficiency compared to 2005 by 2030. In June 2023, the government also decided that electricity generation should be fully independent of fossil energy sources by 2040.

In 2023, renewable energy – with a focus on pumped-storage hydroelectricity and onshore wind installations – accounted for roughly 65% of Sweden's total net electricity generation, corresponding to an increase of 1.4 percentage points compared to the previous year. A total of roughly 155 TWh was fed into the Swedish public grid in 2023.

### Spain

The ambitious restructuring of the Spanish energy system remains on track. In the updated NECP, the Spanish government has raised the target for the share of renewable energy in energy consumption from 42% to 48% by 2030 and for electricity generation from 74% to 78%. This planned increase goes hand in hand with intensified measures to promote flexibility, storage and demand management in energy policy. Between 2019 and 2022, the installed capacity of renewable energy was expanded by 27.3% from 55.3 GW to 70.5 GW. The largest increase during this period was in photovoltaic installations, growing by 129.3% to 20.1 GW, while wind power increased by 17.1% to 30.1 GW. The installed capacity of renewable energy has exceeded that of conventional technologies since 2019. By 2030, the installed capacity of wind installations (onshore and offshore) is expected to reach up to 62 GW. That metric is expected to stand at 76 GW for photovoltaic systems, including own consumption. Only 39.2 GW were planned in the 2021 NECP. According to the Spanish government's first concrete phase-out plan, the last nuclear and coal-fired power plants are to be decommissioned by 2035. By 2050, Spain's entire energy requirements are to be covered by renewable energies.

In 2023, renewable energy accounted for around 53% of total net energy generation in Spain, following 45% in the previous year. Electricity generation from photovoltaic systems made a significant contribution to the increased share of renewable energy in the electricity mix, with a jump in growth from 11.9% to 16.5%. However, onshore wind energy remained the most important renewable energy source, with a share of 24.9%. A further 9.9% was attributable to storage and run-of-river hydropower and 1.3% to biomass. A total of around 245 TWh was fed into the Spanish public grid in 2023.

## Course of business and development of the segments

### Significant events in the Group portfolio and the project pipeline

#### Aliaxis and Encavis sign long-term power purchase agreement for Aliaxis' European business

Encavis AG announced on 19 February 2024 that it had signed a ten-year power purchase agreement with Brussels-based Aliaxis Holdings SA. The PPA is Aliaxis' first in Europe. Aliaxis is a leading global provider of advanced fluid management solutions that enable access to water and energy. With more than 15,000 employees, the company supplies municipalities around the world with sustainable and innovative solutions such as pipe and installation systems that meet the demanding requirements of the construction, infrastructure, industrial and agricultural sectors. The 38 MW Encavis solar park in Montefiascone in the Lazio region, around 100 kilometres north-west of Rome, is due to be connected to the grid in 2025. Under the PPA, Aliaxis will purchase around 50 GWh of electricity per year, totalling 500 GWh over ten years. This corresponds to a large proportion of the electricity consumption of Aliaxis companies in Europe.

#### Encavis acquires two more solar parks in Spain

Encavis reported on 26 February 2024 that it had expanded its Spanish solar park portfolio by two additional solar parks in Andalusia. Acquired from BayWa r.e., the Lirios solar park (109 MW, 220 GWh per year) is located 35 kilometres west of Seville. The park is already under construction and is expected to be connected to the grid in the fourth quarter of 2025. The La Florida Hive solar park (30 MW, 60 GWh per year) is being built south-east of Seville in Dos Hermanas and is due to be connected to the grid in the second half of 2025. It was developed by Hive Energy, as was a solar park project acquired in 2022 in Guillena (also in Andalusia), which will start producing electricity in the third quarter of this year.

#### Encavis continues to grow in Germany and significantly expands its generation capacity with the 114 MW solar park in Borrentin

On 20 March 2024, Encavis announced that it would be building a large-scale, high-performance solar park (114 MW, 119 GWh per year) in Borrentin (Mecklenburgische Seenplatte district) together with BELECTRIC. BELECTRIC is one of the leading EPC service providers in the development, construction and operation of solar power installations in Europe and will also take over the operation and maintenance together with Stern Energy. Ground was broken for this major project on 19 March 2024. Around 200,000 modules will be installed on an area equivalent to 135 football pitches, which are expected to supply green electricity for Allego, a leading Europe-wide charging network for electric vehicles, from September 2024. Encavis has been supplying Allego with green electricity from the Groß Behnitz solar park since the first quarter of 2023. The electricity is supplied to Allego on the basis of a ten-year power purchase agreement. The large-scale project stems from the development pipeline with strategic development partner PVPEG.

### Significant developments in Group financing

#### MSCI upgrades Encavis' ESG rating to "AA"

Encavis AG announced on 31 January 2024 that it had improved its MSCI ESG rating to "AA". As a result, Encavis is now one of the leading companies in the energy sector. The improvement is largely due to optimisations in the documentation of our talent management and the systematic implementation of measures to reduce CO<sub>2</sub> emissions. MSCI, a leading international ESG rating company, praised the significant progress made on social aspects in particular, highlighting Encavis' pioneering role in the further professionalisation of HR management. Every year, Encavis carries out several "pulse checks" to measure employee satisfaction and ensure that the numerous employee retention measures are effective. The result is extremely satisfactory, with employee turnover showing a remarkable decline from 9.4% in the 2021 financial year to just 5.3% in the 2022 financial year. MSCI also emphasises Encavis' successful implementation of further measures to reduce CO<sub>2</sub> emissions. The Encavis Transition Plan sets out specific targets and strategic measures to show how the company can achieve its net-zero CO<sub>2</sub> emissions target by 2040.

#### Encavis signs project refinancing agreements totalling EUR 203 million for the Talayuela and La Cabrera solar parks in Spain

Encavis reported on 7 March 2024 that it had signed two project refinancing agreements for a total amount of EUR 203 million for its Talayuela and La Cabrera solar installations in operation (both in Spain). The refinancing was structured, arranged and issued by Encavis' in-house project financing team. The Talayuela solar park in the Extremadura region has a generation capacity of 300 MW, while the La Cabrera solar park in the Andalusia region has



a generation capacity of 200 MW. Both projects have been in operation since 2020 and 2021 respectively and are among the first European solar parks to be realised and operated without public funding. The prices for the majority of the electricity generated by both projects are agreed in long-term power purchase agreements, each with an original term of ten years. Refinancing is provided by a club of four international banks: ABN AMRO Bank N. V. (The Netherlands), Coöperatieve Rabobank U. A. (The Netherlands), Bankinter S. A. (Spain) and NatWest Bank Europe GmbH (Germany/UK). While ABN AMRO, Rabobank and Bankinter have been financing partners of Encavis for many years, NatWest is providing project financing for Encavis for the first time. Encavis is therefore expanding and internationalising the universe of its banking partners in order to finance the Group's future growth strategy. In total, the refinancing comprises EUR 181.5 million in fixed-term credit facilities (hedged by interest rate swaps) as well as EUR 13 million in credit facilities and EUR 8.5 million in debt service reserve facilities.

#### **Conclusion of an investor agreement with KKR to accelerate the growth of Encavis**

On 14 March 2024, Encavis AG announced that it has signed an investor agreement with Elbe BidCo AG, a holding company controlled by investment funds, vehicles and/or accounts, which is advised and managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates (together KKR). The aim is to enter into a strategic partnership for the long-term growth of Encavis. The family-owned company Viessmann GmbH & Co. KG (Viessmann) will participate as a co-investor in the consortium led by KKR. KKR has already signed binding agreements with the major shareholder ABACON CAPITAL GmbH (ABACON) and other existing shareholders holding approximately 31% of the total share capital. On 24 April 2024, KKR published the offer document for the voluntary public takeover offer for all outstanding Encavis shares at a price of EUR 17.50 per share paid in cash. On 2 May 2024, the Management Board and Supervisory Board of Encavis published a joint reasoned statement on the offer, which is available at [www.encavis.com/en/green-capital/investor-relations/strategic-partnership](http://www.encavis.com/en/green-capital/investor-relations/strategic-partnership)

#### **Significant developments in asset management**

##### **Encavis Asset Management announces start of construction of Germany's second-largest solar park**

Encavis Asset Management AG announced on 6 March 2024 that it had started construction of a state-of-the-art solar park for the Encavis Infrastructure Fund IV special bank fund. The solar park will have a generation capacity of 260 MW and cover an area of 205 hectares. The location of the solar park in the municipality of Bartow, around 150 kilometres north of Berlin, was carefully selected to ensure ideal sunshine conditions and efficiency. Construction of the ground-mounted solar plant will take place in two phases. Construction of the first section began in March 2024. Commissioning is expected to take place in summer 2025. The solar park is expected to generate around 270,000 MWh of electricity per year, which will supply around 96,000 households with green electricity and save 100,100 tonnes of CO<sub>2</sub> annually.

#### **Segment development**

The Group's business activities are subject to seasonal influences, which lead to fluctuations in revenue and earnings during the course of the year. In terms of the PV Parks segment, April to September generate more revenue than the autumn and winter months. Due to weather conditions, the wind parks generate more revenue in the autumn and winter months than they do in summer.

Actual power fed into the grid by the PV Parks segment in the first three months of 2024 came to 327.8 GWh (previous year: 365.2 GWh). Of the power fed into the grid, some 48% (previous year: 52%) was attributable to the solar parks in Spain, 13% (previous year: 10%) to the solar parks in Germany, 12% (previous year: 10%) to the solar parks in France, 11% (previous year: 12%) to the solar parks in Italy, 8% (previous year: 6%) to the solar parks in The Netherlands, 5% (previous year: 5%) to the solar parks in The United Kingdom and 2% (previous year: 4%) to the solar parks in Denmark as well as 1% (previous year: 1%) to the solar park in Sweden.

Actual power fed into the grid by the Wind Parks segment in the first three months of 2024 amounted to 413.3 GWh (previous year: 388.2 GWh). Of this figure, some 44% (previous year: 44%) was attributable to the wind parks in Germany, 29% (previous year: 27%) to the wind parks in Denmark, 13% (previous year: 18%) to the wind park in Lithuania, 7% (previous year: 3%) to the wind parks in Finland, 6% (previous year: 7%) to the wind parks in France, 1% (previous year: 1%) to the wind park in Italy.

## Operating earnings (non-IFRS)

### Explanation of the earnings position

#### Revenue and other income

During the first three months of the 2024 financial year, the Group generated operating revenue of TEUR 86,557 (previous year: TEUR 105,142). This corresponds to a decline of TEUR 18,585, or approximately 18%. Of this amount, TEUR 16,226 is attributable to the solar park portfolio and TEUR 2,719 to the wind park portfolio. The lower operating revenue from the existing parks is due to significantly lower electricity prices compared to the previous year (EUR -12.0 million) and a meteorologically induced decline in production (EUR -2.1 million). These effects could not be offset by the newly acquired solar and wind parks or those connected to the grid. The same period of the previous year also included a special item relating to retroactive compensation at the Dutch solar parks for 2022, which increased revenue by EUR 8.1 million. The revenue of TEUR 12,873 reported in the Service segment exceeded the previous year's figure by TEUR 2,576 (Q1 2023: TEUR 10,297). The revenue also included income in the amount of TEUR 3,252 (previous year: TEUR 4,072) from the Asset Management segment.

Group operating revenue is made up of revenue from feeding electricity into the grid, the operation of parks owned by third parties and additional revenue from the Asset Management and Service segments.

The Group generated other operating income of TEUR 3,682 (previous year: TEUR 2,381). This includes income relating to other periods totalling TEUR 1,486 (previous year: TEUR 1,123) and income from insurance compensation totalling TEUR 1,139 (previous year: TEUR 782).

#### Cost of material, personnel expenses and other expenses

The cost of materials in the first quarter totalled 2024 TEUR 6,580 (previous year: TEUR 5,671). This primarily includes material consumption in the service business, expenses in connection with the direct marketing of the electricity produced and expenses for purchased power at the wind and solar parks.

Operating personnel expenses came to TEUR 9,797 (previous year: TEUR 8,048). This rise was mainly due to the growth-induced expansion of the Encavis team.

Other operating expenses of TEUR 25,429 were incurred (previous year: TEUR 29,493). This mainly comprises the costs of operating wind and solar parks in the amount of TEUR 14,853 (previous year: TEUR 19,950). Other expenses also include TEUR 10,576 in costs for current operations and costs of service business (previous year: TEUR 9,543). The decrease in other operating expenses is mainly due to the levy amounts of TEUR 6,392 included in the previous year in connection with the systems implemented across Europe to cap electricity prices.

#### Operating EBITDA

Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) were TEUR 48,469 in the first three months of the 2024 financial year (previous year: TEUR 64,312). The operating EBITDA margin stood at around 56% (previous year: 61%). The decline in earnings was mainly due to the aforementioned price and weather-related effects.

Operating depreciation and amortisation of TEUR 30,227 (previous year: TEUR 28,996) chiefly comprises scheduled depreciation of the photovoltaic and wind power installations, as well as amortisation of rights of use from lease agreements capitalised in accordance with IFRS 16.

#### Operating EBIT

The operating result from operating activities (operating EBIT) is TEUR 18,243 (previous year: TEUR 35,316) and is reflected in an operating EBIT margin of around 21% (previous year: 34%). The decline in earnings was mainly due to the aforementioned price and weather-related effects.

#### Financial result

Operating financial earnings in the amount of TEUR -21,676 (previous year: TEUR -15,802) resulted primarily from interest rate expenses for the non-recourse loans for wind and solar parks, and other Group financing. The financial result also comprises in particular interest expenses on the lease liabilities recognised in accordance with IFRS 16 and earnings from financial assets accounted for using the equity method. The decline in the financial result is mainly driven by a one-off effect in connection with one project financing.

#### Operating EBT

Operating earnings before taxes (operating EBT) amounted to TEUR -3,434 (previous year: TEUR 19,514). The operating EBT margin stood at around -4% (previous year: 19%). The decline in earnings was mainly due to the aforementioned price and weather-related effects.

## Taxes

The consolidated statement of comprehensive income shows operating tax expenses in the amount of TEUR 2,362 (previous year: TEUR 2,962), mainly for effective tax payments in connection with wind and solar parks.

## Consolidated earnings

Altogether, Encavis generated consolidated operating earnings of TEUR -5,796 (previous year: TEUR 16,553). The operating margin for consolidated earnings stood at around -7% (previous year: 16%) The decline in earnings was mainly due to the aforementioned price and weather-related effects.

## Calculating operating KPIs (adjusted for IFRS effects)

As outlined in the “Internal control system of Encavis” section of the 2023 annual report, Group IFRS accounting is influenced by non-cash measurement effects and the resulting depreciation and amortisation. Non-cash interest effects and deferred taxes also hamper a transparent assessment of the operating income situation pursuant to IFRS.

<b>in TEUR</b>	<b>01.01.-31.03.2024</b>	<b>01.01.-31.03.2023</b>
Revenue	87,741	105,142
<b>Adjusted for the following effects:</b>		
Non-operating revenue from PPA valuation effects	-1,184	0
<b>Adjusted operating revenue</b>	<b>86,557</b>	<b>105,142</b>
Other income	9,852	6,386
Other own work capitalised	36	0
Cost of materials	-6,580	-5,671
Personnel expenses, of which TEUR -565 (previous year: TEUR -353) in share-based remuneration	-9,797	-8,048
Other expenses	-30,427	-30,543
<b>Adjusted for the following effects:</b>		
Other non-operating income	-6,170	-4,005
Other non-operating expenses	4,998	1,050
<b>Adjusted operating EBITDA</b>	<b>48,469</b>	<b>64,312</b>
Depreciation, amortisation and impairment losses	-40,329	-39,738
<b>Adjusted for the following effects:</b>		
Depreciation, amortisation and impairment losses of intangible assets acquired in the course of business combinations, electricity feed-in contracts and goodwill	11,491	11,882
Subsequent measurement of uncovered hidden reserves and liabilities on step-ups for property, plant and equipment acquired as part of business combinations	-1,389	-1,140
<b>Adjusted operating EBIT</b>	<b>18,243</b>	<b>35,316</b>
Financial result	-17,621	-17,310
<b>Adjusted for the following effects:</b>		
Other non-cash interest and similar expenses and income (mainly resulting from effects from currency translation, calculation of the effective rate, swap valuation and interest expenses from subsidised loans [government grants])	-4,055	1,508
<b>Adjusted operating EBT</b>	<b>-3,434</b>	<b>19,514</b>
Tax expenses	-5,408	-3,673
<b>Adjusted for the following effects:</b>		
Deferred taxes (non-cash items) and other non-cash tax effects	3,046	711
<b>Adjusted consolidated operating earnings</b>	<b>-5,796</b>	<b>16,553</b>
of which attributable to Encavis AG shareholders	-7,107	15,174
Average number of shares in circulation in the reporting period	161,030,176	161,030,176
<b>Adjusted operating earnings per share (in EUR)</b>	<b>-0.04</b>	<b>0.09</b>



## Net assets and financial position

### Financial position and cash flow

The change in cash and cash equivalents in the first quarter of 2024 came to TEUR -40,451 (previous year: TEUR 120,789) and broke down as follows:

Net cash flow from operating activities in the amount of TEUR 36,332 (previous year: TEUR 51,800) was primarily composed of the operating activities of the wind and solar parks and the resulting incoming payments. Changes in assets and liabilities not attributable to investing or financing activities was also included in this item. The decline in net cash inflow from operating activities is mainly due to lower revenue from wind and solar parks as a result of significantly lower electricity prices (price effect) and poorer meteorological conditions compared to the same period of the previous year.

Cash flow from investing activities totalled TEUR -79,844 (previous year: TEUR -41,814) and mainly relates to payments for the acquisition of two Spanish solar parks under development, the construction of a German, a British and a Spanish solar park and the construction of a German wind park.

Cash flow from financing activities totalled TEUR 3,061 (previous year: TEUR 110,803) and resulted chiefly from regular loan repayments and interest paid less newly paid-out loans. This item also includes the change in restricted cash and cash equivalents. A promissory note loan in the amount of EUR 20 million was placed in the first quarter of 2024; the previous year's figure includes the placement of a green promissory note loan in the amount of EUR 210 million.

### Net assets

Equity as at 31 March 2024 TEUR 1,199,111 (31 December 2023: TEUR 1,186,929). The increase in the amount of TEUR 12,182 was primarily due to various value changes, particularly from the subsequent measurement of PPAs, accounted for in equity with no effect on profit or loss. Consolidated earnings in accordance with IFRS had the opposite effect. The equity ratio stood at 33.5% (31 December 2023: 33.2%). The balance sheet total increased slightly from TEUR 3,573,555 as at 31 December 2023 to TEUR 3,579,228.

### Liabilities

The Group's financial liabilities (primarily bank and lease liabilities) amounted to TEUR 2,037,827 as at 31 March 2024 (31 December 2023: TEUR 2,052,130). These comprised loans and lease agreements for the financing of wind and solar parks, as well as profit participation rights capital provided by Gothaer Versicherung in November 2014. They also contained liabilities from listed notes from the Grid Essence portfolio (The UK) in the amount of TEUR 26,082 (31 December 2023: TEUR 26,822) including accrued interest as well as liabilities from promissory note loans and registered/bearer bonds including accrued interest in the amount of TEUR 323,490 (31 December 2023: TEUR 310,371). Liabilities from lease obligations amounted to TEUR 218,536 (31 December 2023: TEUR 211,303). The power purchase agreements recognised as derivatives are reported in the amount of TEUR 5,795 (31 December 2023: TEUR 39,707); the decline in the market values of these PPAs is mainly due to lower electricity price forecasts.

Liabilities to non-controlling shareholders amounted to TEUR 37,916 as at 31 March 2024 (31 December 2023: TEUR 37,401).

The value of the provisions as at 31 March 2024 in the amount of TEUR 72,468 (31 December 2023: TEUR 72,484) and consisted of provisions for asset retirement obligations (TEUR 53,659) and other provisions (TEUR 18,809).

Trade liabilities increased from TEUR 32,060 as at 31 December 2023 to TEUR 33,387 as at 31 March 2024.

## Events after the balance sheet date

### Encavis Asset Management AG and LyondellBasell conclude purchase agreement for electricity from renewable energies

On 2 April 2024, Encavis Asset Management announced the signing of a purchase agreement to secure 208 MW of renewable energy from the solar park currently under construction in Bartow, Mecklenburg-Vorpommern. This solar park will be one of the largest of its kind in Germany. Under this contract, Encavis Asset Management will supply

LyondellBasell with around 210 GWh of solar power annually over the next twelve years. From 2025, this will correspond to the annual electricity consumption of around 56,500 European households. With this latest purchase agreement, the company will achieve more than 90 % of its overall target for the purchase of electricity from renewable energies. Encavis Asset Management chose the location of the solar park, which is around 150 kilometres north of Berlin, to maximise solar irradiation and efficiency. Completion is planned for summer 2025. The park is expected to have a total generation capacity of 260 MW.

## Opportunities and risks

The material opportunities and risks to which the Encavis Group is exposed were described in detail in the consolidated management report for the 2023 financial year. There were no significant changes in this regard during the reporting period.

## Future outlook

The statements below include projections and assumptions which are not certain to materialise. If one or more of these projections and assumptions do not materialise, actual results and developments may differ materially from those described.

### Stabilisation of the global economy expected in 2024

The IMF is forecasting stabilisation, with an unchanged global GDP growth rate of 3.1 % for 2024. However, a sustained return to the dynamic growth path of the pre-pandemic years (2000 to 2019) with an average annual growth rate of 3.8 % is not to be expected. The economic and geopolitical environment will remain challenging in 2024. The advanced economies in particular are likely to see weaker growth, with stronger demand for services not fully offsetting lower demand for industrial products. In addition, the Chinese economy is likely to remain the growth engine for the global economy in 2024. The ongoing property crisis led to deflation in the second half of 2023, which is expected to continue at the beginning of the year. According to the IMF, global inflation will continue to fall. However, the anticipated global inflation rate of 5.8 % for 2024 as a whole is unlikely to comply with the target corridors of leading central banks.

### War in Ukraine

The Encavis Group wind and solar park portfolio, which is generally focused on Western Europe, is not directly affected by the war in Ukraine. Similarly, indirect effects from potential countermeasures taken by Russia in response to the sanctions imposed on the country are not apparent at present. Encavis has a variety of up-to-date security systems to counter the general risk of cyberattacks on electricity networks in Western Europe, on power-generating installations or on the Encavis Group's IT systems. The company has completely overhauled its IT infrastructure in the past years and mitigates cyber risks using measures such as regular external audits and security tests in order to ensure the maximum possible protection of its systems' data and integrity. The redesign included a strict separation between the IT systems at Encavis and those of the power-generating installations and the electricity networks. This means that an attack on the installations or electricity networks would not affect the company's IT systems. Likewise, an attack on Encavis' IT infrastructure would not impact the output of the wind and solar parks.

With regard to the debt financing of new projects, rising credit risks affecting banks with greater or accumulated exposure to Russia could indirectly result in reduced project financing business overall. Loan defaults (or even mere uncertainty regarding them) could damage the credit rating of such banks and increase their refinancing costs. As these refinancing costs have to be met by bank margins from project financing, credit margins could rise as part of general competition among banks for such business. Combined with the current general increase in long-term interest rates, this could put further pressure on returns from planned projects. The fact that Encavis usually issues tenders for new project finance at least on a Europe-wide basis means that the Group always has a broad overview of financing structures and conditions and is not dependent on individual banks, whose future lending capabilities may be affected by credit losses in Russia. In addition, there is significant demand from banks for opportunities to finance renewable energy projects, and the target volumes for such investments have been continuously raised in recent years. The lending market therefore remains highly competitive and, as a result, the current crisis involving Russia is not expected to have any major effects.

### Further tightening of monetary policy as inflation persists

The ECB has announced that it will gradually scale back its net asset purchases. In addition, in view of the high inflation rates, the ECB announced that it would maintain its key interest rate level until adequate progress was made in stabilising inflation at its medium-term target. The slowdown in inflation continued in the first quarter of 2024, meaning that both the Fed and the ECB are expected to change their monetary policy and cut interest rates for the first time in the course of 2024.

### Renewable energies remain on a dynamic growth trajectory

The significance of renewable energies continues to increase considerably. Across the globe, conventional sources of energy and fossil fuels are being supplemented or replaced by the growth and use of regenerative energy sources. The worldwide energy crisis triggered by Russia's invasion of Ukraine brought an end to the era of low energy and commodity prices in 2022. Inflation, currency fluctuations, higher financing costs and the risk of recession dominated the investment environment. The increasing speed of capacity expansion for renewable energies reflects political and social changes in large parts of the world. This is also illustrated by the declarations of intent made at the end of the 28th session of the UN Climate Change Conference. 123 countries have committed to working together to triple the global installed capacity for renewable energies to at least 11,000 GW by 2030. Together with an increase in energy efficiency, the objective is to achieve the goal of limiting global warming to a maximum of 1.5 degrees. The conference's decision to herald the beginning of the end of the fossil fuel era is also a sign of political and social change.

In its January 2024 study "Renewables 2023 – Analysis and forecasts to 2028", the IEA forecasts an expansion of global renewable energy capacities to an estimated 7,300 GW by 2028. Despite being remarkable, this growth will not be enough to achieve the target agreed at COP28 under the current political and economic conditions. According to the IEA, the insufficient investment in grid infrastructure in particular must be increased, and the cumbersome administrative and authorisation procedures accelerated, in order to close the gap by 2030. Based on the IEA's main forecast, almost 3,700 GW of new renewable energy capacity will be commissioned between 2023 and 2028, roughly 95 % of which will be attributable to wind power and photovoltaic installations. Renewable energies are expected to be the largest source of electricity generation as early as 2025, overtaking electricity generation from coal. By 2028, renewable energy sources are expected to account for more than 42 % of global electricity generation, with the share of wind and solar energy doubling to 25 %.

Together, wind and solar power will account for over 90 % of the renewable energy capacity added in the next five years. Solar energy installations and onshore wind parks remain the cheapest options for generating power in most countries. To continue driving forward the expansion of wind and solar energy, the IEA believes that shorter approval times in EU countries and better incentive systems for installing photovoltaic systems on roofs will be required. In December 2021, the "regulation laying down a framework to accelerate the deployment of renewable energy" was adopted in order to support the implementation of the "Fit for 55" climate plan launched in summer 2021, which outlines how the EU aims to reduce carbon dioxide emissions by 55 % compared to the level emitted in 1990 by 2030. To put the plan into practice, the EU intends to tighten other existing laws and anchor additional requirements in legislation. This involves, for example, modifying the EU emissions trading system and expanding emissions trading to include the transportation and building sectors, as well as extending CO<sub>2</sub> limits and matters related to funding.

One of the key pillars of the programme is the development of renewable energies. The European Commission's plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition, REPowerEU, of 18 May 2022 includes a special EU solar strategy to double photovoltaic capacity by 2025 by installing new PV systems amounting to 320 GW by 2025 and a total of 600 GW by 2030. The objective of covering 45 % of total final energy consumption using renewable sources by 2030 was adopted by the European Parliament when it revised the Renewable Energy Directive in September 2022. The 45 % target set by MEPs exceeds the 40 % mark adopted by the member states in June 2022. In addition, the framework conditions for the use of green hydrogen are expected to improve in industry and transportation. The expansion of renewable energies is categorised as an issue of overriding European public interest. By 2050, Europe intends to be the first continent in the world to be capable of complete climate neutrality and plans to have implemented the "Green Deal".

### Private-sector power purchase agreements continue to gain ground

The increasing economic efficiency of renewable energies compared to conventional energy carriers, as well as companies' commitments to maintaining an eco-friendly energy balance (such as outlined in the RE100 initiative), is increasing the momentum on the private-sector power purchase agreements market. PPAs are gaining in significance on account of falling subsidies and ever growing demand for renewable energy sources. Industrial companies are

acquiring shares in large renewable energy projects and signing PPAs to ensure a long-term supply of electricity to their sites. As before, technology firms continue to be among the key electricity buyers for these kinds of contract. PPAs are therefore playing an increasingly important role in the energy transition.

### **Encavis is accelerating its growth trajectory and pursuing ambitious goals by 2027**

Today, Encavis is one of the largest independent power producers in the field of renewable energies in Europe. The positive framework conditions and the successful economic development of the company are the perfect prerequisites for further strengthening this position. Approaching solutions from the perspective of existing and potential customers gives Encavis the opportunity to evolve its successful business model, which will continue to be based on the realisation and operation of high-yield, low-risk wind and solar parks. The company's strategy is ultimately geared towards taking customer requirements into account at an early stage, i.e. when parks are being developed or acquired, and realising projects which are an ideal fit. Customers may include industrial electricity buyers or real estate investors or (co-)investors. To systematically grasp emerging growth opportunities and further boost the efficiency of the company, the plan for the next five years until 2027 is focused on the following key areas:

1. further investments in ready-to-build wind and solar parks as well as securing projects in earlier phases of development in coordination with strategic development partners while maintaining a long-term equity ratio of more than 24 %,
2. disposal of minority interests in wind and individual selected solar parks of up to 49 % to free up liquidity for investments in additional wind and solar parks,
3. reduction and continued optimisation of costs related to the operation and maintenance of solar parks,
4. optimisation and refinancing of SPV project financing,
5. systematic utilisation of the Group's financial strength/rating for borrowing at all levels of the Group,
6. expansion of the Group-wide cash pool, including all single entities,
7. the use of intelligent investment models for external equity partners with stakes of up to 49 % for long-term marketing of electricity from renewables,
8. concentration on selected high-growth core markets in Western Europe – primarily Germany, The Netherlands, Denmark, Spain and Italy, in other words countries with a large energy market and high renewables targets, but also markets such as The United Kingdom, Sweden and Finland, and to a lesser extent France and Lithuania.

As part of its accelerated growth strategy for 2027, Encavis will focus on the following targets (basis year is the financial year 2022):

1. tripling the company's own contractually secured generation capacity from 2.6 GW to 8.0 GW,
2. significantly increasing generation capacities connected to the grid from 2.1 GW to 5.8 GW,
3. increasing revenue from EUR 440 million to EUR 800 million,
4. growing operating EBITDA from EUR 310 million to EUR 520 million,
5. achieving an operating EBITDA margin for wind and PV park segments greater than or equal to 75 %,
6. increasing operating cash flow from EUR 280 million to EUR 450 million,
7. increasing operating cash flow per share (CFPS) from EUR 1.70 to EUR 2.60.

The expected dynamic growth of Encavis can be seen not least in consideration of the corresponding annual growth rates (CAGR): the generation capacity is to increase by some 33 % annually by the year 2027. In the same period, revenue is to increase by approximately 16 % per annum, and an annual growth rate of operating EBITDA of 14 % is expected. Annual growth of the operating cash flow per share amounts to around 11 %.

These assumptions are a base case that does not take any additional growth opportunities into account which may arise inorganically from mergers and acquisition transactions and potential equity transactions.

Direct demand for green electricity among industrial customers is rising at a rapid pace. Commercial real estate owners and other investor groups are increasingly looking for green investments. In future, we will be paying greater attention to the needs of these market participants when expanding our portfolio, thereby making an even more targeted contribution to achieving the energy transition. On this basis, we are planning to accelerate our growth trajectory

significantly by 2027. We want to expand generation capacity to 8 GW by 2027, with 5.8 GW of that amount already connected to the grid by then. We also intend to generate operating sales of around EUR 800 million and an operating result (operating EBITDA) of EUR 520 million with an operating cash flow of EUR 450 million by 2027. This accelerated growth is to be made possible by cash flow, utilisation of the Group's debt capacity and funds from financing partners.

Encavis AG and Elbe BidCo AG, a holding company controlled by investment funds, vehicles and/or accounts advised and managed by KKR, entered into an investor agreement on 14 March 2024. The aim is to enter into a strategic partnership for the long-term growth of Encavis. The family-owned company Viessmann will participate as a co-investor in a consortium led by KKR, as will the investor group led by ABACON, which will remain invested in Encavis. This partnership is intended to strengthen Encavis' market position as a leading onshore wind and solar platform with a diversified pan-European portfolio and attractive growth opportunities. In addition, the new partnership aims to accelerate growth in all segments of Encavis Group. We are now aiming to connect 7 GW of generation capacity to the grid by the end of 2027, which is above the previous ambition of 5.8 GW, and to continue growing after that. This will enable us to accelerate growth in all segments of Encavis Group and, with considerable financial support, strengthen the project pipeline, increase capacity expansion and drive expansion into new markets.

### Overall assessment of future development

In light of the Encavis Group's business strategy, which is geared towards qualitative growth, and the significantly reduced electricity price level, we expect only a moderate overall increase in our KPIs in the 2024 financial year. We aim to make up for a large part of the further significant drop in electricity prices through further revenue growth at Stern Energy, expanded wind capacities in Germany and a further increase in revenue at Encavis Asset Management in the current financial year. Most of the recent acquisitions from the previous year will not be completed until the end of 2024. As a result, they will not yet contribute to revenue in 2024.

Based on the existing portfolio as at 20 March 2024 and in anticipation of standard weather conditions for the 2024 financial year, the Management Board therefore expects a slight increase in operating revenue to more than EUR 460 million (2023: EUR 449.1 million; after deduction of EUR 11.5 million electricity price caps). Operating EBITDA is expected to slightly exceed EUR 300 million (2023: EUR 319.2 million). The Group anticipates operating EBIT of just over EUR 175 million (2023: EUR 194.3 million). The Group expects operating cash flow to surpass EUR 260 million (2023: EUR 234.9 million). The operating cash flow per share is therefore expected to amount to EUR 1.62 (2023: EUR 1.46). Overall, the Group remains fully on track for growth in line with the Accelerated Growth Strategy 2027.

The technical availability (Wind Parks segment) and technical performance of the plants (PV Parks segment) in operation is expected to remain above 95 % in the 2024 financial year.

These predictions are based on the following assumptions:

- No significant retroactive changes to legislation
- No significant deviations from the multi-year weather forecasts

The Encavis Group will be able to cover the liquidity requirements of its business operations and other planned short-term investments from its existing liquidity portfolio together with the expected cash flows from operating activities in the 2024 financial year. Identification of attractive acquisition opportunities or possible business combinations or takeovers may lead to additional capital requirements during the course of the year. Other financing options – such as borrowing or, in the event of leaps in growth beyond the planned scale, mezzanine capital at Group or company level, as well as equity capital measures – are not ruled out should they be required, provided that they are economically advantageous.

## Other disclosures

### Employees

On 31 March 2024, the Group employed a total of 400 (previous year: 338) employees. Of these, with the exception of the members of the Management Board, 123 (previous year: 110) were employed by Encavis AG, 79 (previous year: 72) by Encavis Asset Management AG, one (previous year: two) by Encavis Portfolio Management GmbH and one (previous year: zero) by Encavis Finance B.V. In addition, four (previous year: two) employees are employed by Asset Ocean GmbH, which was founded in the previous financial year, and one (previous year: one) employee is employed by the Lithuanian company UAB L-VĖJAS. In addition, to further expand the services business in the past financial years,

121 (previous year: 99) employees at Stern Energy S.p.A., 23 (previous year: 18) employees at Stern Energy GmbH, 35 (previous year: 31) employees at Stern Energy Ltd., six (previous year: three) employees at Stern Energy B.V. and six (previous year: zero) employees at Stern Energy SAS were added. The change in the number of employees is mainly due to the growth-induced expansion of the team at Encavis.

#### **Dividend**

In order to make best possible use of emerging investment opportunities, we will again make a proposal to the Annual General Meeting that the entire consolidated result for the period be retained for the 2023 financial year, i.e. carried forward to new account, to drive the Group's further growth using our own means. As a consequence, no dividend will be paid per voting share. We firmly believe that this is the best decision in the interests of our shareholders considering the unprecedented growth of the Group.

#### **Related-party disclosures (IAS 24)**

As at the reporting date, rental agreements at arm's length terms exist with B&L Holzhafen West GmbH & Co. KG, a company allocated to Supervisory Board members Albert Büll and Dr Cornelius Liedtke, for office space for Encavis AG.

For the company Encavis Asset Management AG, there is a rental agreement regarding the Asset Management segment's office space in Neubiberg in place with PELABA Vermögensverwaltungs GmbH & Co. KG, a company related to Encavis Asset Management AG Supervisory Board member Peter Heidecker. The contract runs until June 2024, as agreed. The monthly rent is based on customary market conditions. From 1 July 2024, employees at the Neubiberg location will move into a new office building. A rental agreement has already been concluded with ALOPIAS Verwaltungs GmbH & Co. 9. KG, which has a fixed term of ten years. The company is also related to Peter Heidecker.

#### **Notification requirements**

Notifications in accordance with section 21, paragraph 1, or paragraph 1a, of the Securities Trading Act (WpHG) are available on the Encavis AG website at [www.encavis.com/en/green-capital/investor-relations/voting-rights](http://www.encavis.com/en/green-capital/investor-relations/voting-rights)

## Condensed consolidated statement of comprehensive income (IFRS)

in TEUR	01.01.-31.03.2024	01.01.-31.03.2023
Revenue	87,741	105,142
Other income	9,852	6,386
<i>Of which income from the reversal of impairments for expected credit losses</i>	105	133
Other own work capitalised	36	0
Cost of materials	-6,580	-5,671
Personnel expenses	-9,797	-8,048
<i>Of which in share-based remuneration</i>	-565	-353
Other expenses	-30,427	-30,543
<i>Of which impairment for expected credit losses</i>	-85	-265
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>50,826</b>	<b>67,266</b>
Depreciation, amortisation and impairment losses	-40,329	-39,738
<b>Earnings before interest and taxes (EBIT)</b>	<b>10,497</b>	<b>27,528</b>
Financial income	11,336	6,945
Financial expenses	-28,707	-24,005
Earnings from financial assets accounted for using the equity method	-250	-250
<b>Earnings before taxes (EBT)</b>	<b>-7,124</b>	<b>10,218</b>
Taxes on income	-5,408	-3,673
<b>Consolidated earnings</b>	<b>-12,532</b>	<b>6,545</b>
<b>Items that may be reclassified through profit or loss</b>		
Currency translation differences	-57	-455
Cash flow hedges – effective portion of changes in fair value	31,955	121,039
Cost of hedging measures	33	-21
Income tax relating through items that may be reclassified to profit or loss	-7,990	1,700
<b>Other comprehensive income</b>	<b>23,941</b>	<b>122,263</b>
<b>Consolidated comprehensive income</b>	<b>11,409</b>	<b>128,809</b>
<b>Consolidated earnings for the period</b>		
Attributable to Encavis AG shareholders	-13,765	5,186
Attributable to non-controlling interests	41	204
Attributable to hybrid capital investors	1,191	1,156
<b>Consolidated comprehensive income for the period</b>		
Attributable to Encavis AG shareholders	10,202	127,490
Attributable to non-controlling interests	15	163
Attributable to hybrid capital investors	1,191	1,156
<b>Earnings per share</b>		
Average number of shares in circulation in the reporting period		
<i>Undiluted</i>	161,030,176	161,030,176
<i>Diluted</i>	161,030,176	161,030,176
Undiluted/diluted earnings per share (in EUR)	-0.09	0.03



## Condensed consolidated cash flow statement (IFRS)

in TEUR

	01.01.-31.03.2024	01.01.-31.03.2023
Consolidated earnings	-12,532	6,545
<b>Cash flow from operating activities</b>	<b>36,332</b>	<b>51,800</b>
<b>Cash flow from investing activities</b>	<b>-79,844</b>	<b>-41,814</b>
<b>Cash flow from financing activities</b>	<b>3,061</b>	<b>110,803</b>
Change in cash and cash equivalents	-40,451	120,789
Change in cash due to exchange rate changes	216	56
Cash and cash equivalents		
As at 01.01.2024 (01.01.2023)	305,964	286,277
As at 31.03.2024 (31.03.2023)	265,730	407,122



## Condensed consolidated balance sheet (IFRS)

<b>Assets in TEUR</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Intangible assets	453,874	429,606
Goodwill	107,178	107,151
Property, plant and equipment	2,459,755	2,431,213
Financial assets accounted for using the equity method	8,154	8,404
Financial assets	10,726	10,598
Other receivables	30,776	38,280
Deferred tax assets	9,449	9,099
<b>Total non-current assets</b>	<b>3,079,912</b>	<b>3,034,351</b>
Inventories	5,153	5,312
Trade receivables	75,920	76,614
Non-financial assets	19,233	19,476
Receivables from income taxes	18,407	14,277
Other current receivables	50,015	47,885
Liquid assets	330,587	375,639
<i>Cash and cash equivalents</i>	265,930	308,996
<i>Liquid assets with restrictions on disposition</i>	64,657	66,642
<b>Total current assets</b>	<b>499,316</b>	<b>539,203</b>
<b>Balance sheet total</b>	<b>3,579,228</b>	<b>3,573,555</b>
<b>Equity and liabilities in TEUR</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Subscribed capital	161,030	161,030
Capital reserves	625,632	625,636
Other reserves	38,180	14,213
Net retained profit	119,078	132,843
<b>Equity attributable to Encavis AG shareholders</b>	<b>943,920</b>	<b>933,722</b>
Equity attributable to non-controlling interests	7,808	7,016
Equity attributable to hybrid capital investors	247,382	246,191
<b>Total equity</b>	<b>1,199,111</b>	<b>1,186,929</b>
Non-current liabilities to non-controlling interests	34,907	34,326
Non-current financial liabilities	1,563,561	1,441,202
Non-current lease liabilities	203,721	195,567
Other non-current liabilities	4,568	4,350
Non-current provisions	54,483	56,584
Deferred tax liabilities	150,846	139,541
<b>Total non-current liabilities</b>	<b>2,012,085</b>	<b>1,871,571</b>
Current liabilities to non-controlling interests	3,009	3,075
Liabilities from income taxes	14,049	16,979
Current financial liabilities	255,730	399,625
Current lease liabilities	14,815	15,736
Trade payables	33,387	32,060
Other current liabilities	29,055	31,680
Current provisions	17,986	15,900
<b>Total current liabilities</b>	<b>368,031</b>	<b>515,055</b>
<b>Balance sheet total</b>	<b>3,579,228</b>	<b>3,573,555</b>

## Condensed consolidated statement of changes in equity (IFRS)

in TEUR

	Subscribed capital	Capital reserves	Other reserves		
			Currency translation reserves	Hedge reserve	Cost of hedging measures
<b>As at 01.01.2023</b>	<b>161,030</b>	<b>625,640</b>	<b>1,127</b>	<b>-160,248</b>	<b>-41</b>
Consolidated earnings					
Other comprehensive income			-414	122,734	-15
<b>Consolidated comprehensive income for the period</b>			<b>-414</b>	<b>122,734</b>	<b>-15</b>
Dividend					
Issuance costs		-4			
<b>As at 31.03.2023</b>	<b>161,030</b>	<b>625,636</b>	<b>713</b>	<b>-37,514</b>	<b>-56</b>
<b>As at 01.01.2024</b>	<b>161,030</b>	<b>625,636</b>	<b>414</b>	<b>13,826</b>	<b>-27</b>
Consolidated earnings					
Other comprehensive income			-31	23,973	25
<b>Consolidated comprehensive income for the period</b>			<b>-31</b>	<b>23,973</b>	<b>25</b>
Dividend					
Issuance costs		-4			
Payments by non-controlling shareholders					
<b>As at 31.03.2024</b>	<b>161,030</b>	<b>625,632</b>	<b>383</b>	<b>37,799</b>	<b>-2</b>

in TEUR

	Net retained profit	Equity attributable to Encavis AG shareholders	Equity attributable to non-controlling interests	Equity attributable to hybrid capital investors	Total
<b>As at 01.01.2023</b>	<b>78,309</b>	<b>705,817</b>	<b>4,789</b>	<b>246,210</b>	<b>956,817</b>
Consolidated earnings	5,186	5,186	204	1,156	6,545
Other comprehensive income		122,305	-41		122,263
<b>Consolidated comprehensive income for the period</b>	<b>5,186</b>	<b>127,491</b>	<b>163</b>	<b>1,156</b>	<b>128,809</b>
Dividend			-202		-202
Issuance costs		-4			-4
<b>As at 31.03.2023</b>	<b>83,494</b>	<b>833,304</b>	<b>4,750</b>	<b>247,366</b>	<b>1,085,420</b>
<b>As at 01.01.2024</b>	<b>132,843</b>	<b>933,722</b>	<b>7,016</b>	<b>246,191</b>	<b>1,186,929</b>
Consolidated earnings	-13,765	-13,765	41	1,191	-12,532
Other comprehensive income		23,967	-26		23,941
<b>Consolidated comprehensive income for the period</b>	<b>-13,765</b>	<b>10,202</b>	<b>15</b>	<b>1,191</b>	<b>11,409</b>
Dividend			-147		-147
Issuance costs		-4			-4
Payments by non-controlling shareholders			925		925
<b>As at 31.03.2024</b>	<b>119,078</b>	<b>943,920</b>	<b>7,808</b>	<b>247,382</b>	<b>1,199,111</b>

## Condensed consolidated segment reporting (operating)

in TEUR

	Wind Parks	PV Parks	Service	Asset Management
<b>Operating revenue</b>	<b>28,590</b>	<b>45,328</b>	<b>12,873</b>	<b>3,252</b>
(previous year)	(31,309)	(61,554)	(10,297)	(4,072)
<b>Operating earnings before interest, taxes, depreciation and amortisation (operating EBITDA)</b>	<b>20,486</b>	<b>30,459</b>	<b>1,254</b>	<b>-323</b>
(previous year)	(24,843)	(40,812)	(625)	(852)
<b>Operating EBITDA margin (%)</b>	<b>72 %</b>	<b>67 %</b>	<b>10 %</b>	<b>-10 %</b>
(previous year)	(79 %)	(66 %)	(6 %)	(21 %)
<b>Operating depreciation and amortisation</b>	<b>-8,514</b>	<b>-21,176</b>	<b>-237</b>	<b>-77</b>
(previous year)	(-7,474)	(-20,912)	(-237)	(-170)
<b>Operating earnings (operating EBIT)</b>	<b>11,972</b>	<b>9,283</b>	<b>1,017</b>	<b>-400</b>
(previous year)	(17,369)	(19,901)	(389)	(683)

in TEUR

	Total of reportable operating segments	Reconciliation (administration)	Reconciliation (consolidation)	Total
<b>Operating revenue</b>	<b>90,043</b>	<b>0</b>	<b>-3,486</b>	<b>86,557</b>
(previous year)	(107,231)	(0)	(-2,089)	(105,142)
<b>Operating earnings before interest, taxes, depreciation and amortisation (operating EBITDA)</b>	<b>51,876</b>	<b>-3,432</b>	<b>26</b>	<b>48,469</b>
(previous year)	(67,133)	(-2,679)	(-142)	(64,312)
<b>Operating EBITDA margin (%)</b>	<b>58 %</b>	<b>-</b>	<b>-</b>	<b>56 %</b>
(previous year)	(63 %)	-	-	(61 %)
<b>Operating depreciation and amortisation</b>	<b>-30,004</b>	<b>-226</b>	<b>4</b>	<b>-30,227</b>
(previous year)	(-28,792)	(-208)	(4)	(-28,996)
<b>Operating earnings (operating EBIT)</b>	<b>21,872</b>	<b>-3,658</b>	<b>29</b>	<b>18,243</b>
(previous year)	(38,341)	(-2,887)	(-138)	(35,316)

The timing of the recognition of the revenue presented in the segment reporting is carried out largely in relation to the period.

## Assurance of the legal representatives

We declare that, to the best of our knowledge and according to the applicable accounting standards, the report for the first quarter of 2024 as at 31 March 2024, in connection with the annual report for 2023, gives a true and fair view of the net assets and financial and earnings positions of the Group and presents the situation of the Group in a true and fair way so as to suitably describe the material opportunities and risks associated with the expected development of the Group.

Hamburg, May 2024

Encavis AG

Management Board



Dr Christoph Husmann

Spokesman of the Management Board and CFO



Mario Schirru

CIO/COO

## The Encavis share

### Share's key figures

Listed since	28.07.1998
Subscribed capital	EUR 161,030,176.00
Number of shares	161.03 million
Stock market segment	Prime Standard
Dividend 2016 per share	EUR 0.20
Dividend 2017 per share	EUR 0.22
Dividend 2018 per share	EUR 0.24
Dividend 2019 per share	EUR 0.26
Dividend 2020 per share	EUR 0.28
Dividend 2021 per share	EUR 0.30
Dividend 2022 per share	EUR 0.00
Dividend 2023 per share*)	EUR 0.00
52-week high	EUR 17.16
52-week low	EUR 10.72
Share price (10 May 2024)	EUR 16.95
Market capitalisation (10 May 2024)	EUR 2,729 million
Indexes	MDAX, MSCI World, MSCI Europe, MSCI Germany Small-Cap, S&P Clean Energy Index, Solar Energy Stock Index, PPVX, HASPAX
Trading centres	Regulated market in Frankfurt am Main (Prime Standard) and Hamburg; over-the-counter market in Berlin, Dusseldorf, Munich, Stuttgart, Tradegate Exchange
ISIN	DE 0006095003
Designated Sponsor	M.M. Warburg & CO Bank; Raiffeisen Bank International AG
Payment office	DZ BANK

\*) Proposal to the Annual General Meeting for the appropriation of profits

## Encavis AG financial calendar

Date	Financial event
<b>2024</b>	
14 May 2024	Publication of interim statement for Q1/3M 2024 (after close of trading)
15 May 2024	Analyst conference call on the interim statement Q1/3M 2024 / 8.30 am CEST
24 May 2024	Interest payment on hybrid convertible bond 2021
27 May 2024	Solarplaza Summit Netherlands 3.0, Amsterdam, The Netherlands
5 June 2024	Annual General Meeting, Hamburg, Germany
18 June 2024	2nd Solar Energy Storage Future Germany 2024, Munich, Germany
18 to 21 June 2024	THE smarter E EUROPE, Munich, Germany
1 to 2 July 2024	DIRK Conference, Frankfurt am Main, Germany
14 August 2024	Publication of interim statement for Q2/6M 2024 (after close of trading)
15 August 2024	Analyst conference call on the interim statement for Q2/6M 2024 / 8.30 am CEST
2 September 2024	Interest payment on 2023 Green Schuldschein loan (SSD)
12 September 2024	Interest payment on 2018 Green Schuldschein loan (SSD)
13 November 2024	Publication of interim statement for Q3/9M 2024 (after close of trading)
14 November 2024	Analyst conference call on the interim statement for Q3/9M 2024 / 8.30 am CET
24 November 2024	Interest payment on hybrid convertible bond 2021
11 December 2024	Interest payment on 2015 Schuldschein loan (SSD)

## Forward-looking statements and forecasts

This report includes forward-looking statements based on current expectations, assumptions and forecasts by the Management Board and the information available to it at the time. Known or unknown risks, uncertainties and influences may mean that the actual results, the financial position or the company's development differ from the estimates provided here. We assume no obligation to update the forward-looking statements made in this report.

Rounding differences may occur in percentages and figures in this report.

## Contact

All relevant information relating to Encavis AG is published and provided on the company's website [www.encavis.com](http://www.encavis.com) under "Investor Relations" in the interest of transparent capital market communications.

Encavis AG also uses social media such as LinkedIn (<https://www.linkedin.com/company/encavis-ag>) to share company news and information quickly and transparently.

The Investor Relations department is at the disposal of all existing and potential shareholders at any time for questions and suggestions on the share and the company.

We look forward to hearing from you!

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