Annual Report 2024

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Report of the Supervisory Board

Dear Shareholders,

The Supervisory Board, as composed throughout the year, exercised its rights and duties in accordance with the law, the Articles of Association and the rules of procedure without restriction in the 2024 financial year. It regularly advised the Management Board in its management of the company and continuously oversaw material management measures for the Group. It also reviewed the risk management and compliance functions of the company and believes that they satisfy the requirements in full. The Supervisory Board was directly involved in all decisions of particular note for the company. The Supervisory Board approved individual transactions insofar as it was required to do so in accordance with the law, the Articles of Association or the rules of procedure.

The Management Board met its information obligations and informed the Supervisory Board regularly, promptly and extensively in writing and orally about the company's financial and economic position, strategic orientation, investment projects as well as risk management and compliance. The Supervisory Board discussed all measures requiring approval with the Management Board in advance. The Chairman of the Supervisory Board also received detailed information between the Supervisory Board's meetings and was, therefore, always aware of important issues for the company and the Group. The Management Board and the Supervisory Board jointly coordinated the Group's strategic orientation and development.

Five ordinary and four extraordinary Supervisory Board meetings were held in the 2024 financial year. All members of the Management Board were fully represented at all meetings, insofar as discussions of the Supervisory Board did not concern matters of the Management Board. The members of the Supervisory Board attended all Supervisory Board meetings in the 2024 financial year in accordance with their term of office. An overview of individual members' attendance can be found in the table below.

Meeting attendance of Supervisory Board members in the 2024 financial year*	Supervisory Board	Audit and ESG Committee	Personnel and Nomination Committee	Ad hoc Committee
Dr Rolf Martin Schmitz, Chairman	9/9	2/2	3/3	2/2
Dr Manfred Krüper, Deputy Chairman	8/9	-	3/3	-
Christine Scheel	9/9	-	-	-
Albert Büll (member until the end of the AGM on 5 June 2024)	5/9	-	-	-
Ayleen Oehmen-Görisch (member since the Annual General Meeting on 5 June 2024)	4/9	-	-	-
Prof. Dr Fritz Vahrenholt	7/9	2/2	-	-
Dr Henning Kreke	8/9	-	-	-
Dr Marcus Schenck	8/9	2/2	3/3	2/2
Isabella Pfaller	9/9	2/2	-	2/2
Thorsten Testorp	9/9	-	3/3	-

* Attendance = number of meetings attended by the Supervisory Board member/total number of meetings.

The Management Board sent detailed reports and presentations to the members of the Supervisory Board before all Supervisory Board meetings. If decisions requiring approval had to be made, the documents contained detailed submissions to facilitate the decision-making and investment process. The Supervisory Board also passed resolutions in circulation procedures. The subjects of the resolutions passed by the Supervisory Board in circulation procedures included investment decisions on various investment proposals, such as at the beginning of the 2024 financial year concerning the acquisition of a Spanish solar park under construction (109 MW). The start of construction and the further development of two Danish solar parks (totalling 245 MW) were also discussed. In the further course of the financial year, the Supervisory Board dealt with investment proposals for the acquisition of several wind parks in Germany (totalling 99.7 MW), the purchase of a solar park in Spain (94.5 MW), the construction of a battery storage project in The Netherlands, the acquisition of two Italian solar parks (18 MW), the acquisition of a German solar park (62 MW), the acquisition of project rights from a partnership for solar companies in Italy (114 MW) and the construction of a solar park in Italy (30 MW).

In addition, the focus of the resolutions included financing measures such as the approval of the conclusion of a promissory note loan agreement totalling EUR 20 million, the conclusion of two bullet cash loan agreements with a total volume of EUR 95 million and the conclusion of a syndicated loan agreement with a volume of up to EUR 300 million. Furthermore, the Supervisory Board approved the exercise of the special cancellation right of the hybrid convertible bond and gave its consent to the conclusion of a redemption loan as well as its consent to the conclusion of a further credit line with Elbe BidCo AG.

Scope of topics/focus of deliberations

In the first half of the 2024 financial year, one focus of the Supervisory Board's discussions and resolutions – in compliance with all due diligence and fiduciary duties – was the signing of an investor agreement with Kohlberg Kravis Roberts & Co L.P. (KKR). As a result, the Supervisory Board, together with the Management Board, recommended KKR's voluntary public takeover offer in a joint reasoned statement in accordance with section 27 (1) of the German Securities Acquisition and Takeover Act (WpÜG), which was accepted by a majority of shareholders. At its meetings, the Supervisory Board also focussed on the status of the closing conditions agreed in the investor agreement, including the owner control procedure.

In addition, one focus of the consultation was the offer document approved by Bafin on 31 December 2024 and published by BidCo AG for the acquisition of all no-par value bearer shares in the company not directly held by BidCo AG against payment of a cash consideration of EUR 17.50 per share ("delisting offer") and the approval of the joint reasoned statement by the company's Management Board and Supervisory Board.

In addition, the range of topics included the annual and consolidated financial statements as at 31 December 2024, which – at the recommendation of the Audit Committee and following discussions with the auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) – were approved by the Supervisory Board in its meeting on 26 March 2024. The Management Board and Supervisory Board also dealt with the preparation of the Annual General Meeting and the associated implementation measures and legal requirements.

As part of the management report of the Encavis Group and its strategic development, discussions and consultations on the financing situation for new investments continued to play an important role.

The Supervisory Board also addressed the development of electricity prices in Europe, the performance of the wind and solar parks and the status of investment projects. In addition, an outlook on current Group financing was provided. The agenda also included reports from the respective chairmen of both committees.

The Supervisory Board's deliberations also regularly focused on the presentation of investment resources, the development of the segments Wind and PV Parks, as well as the Asset Management segment and financing for future projects. The Management Board regularly presented investment opportunities and discussed the current state of negotiations. In the process, the Management Board explained the financial conditions of these projects to the Supervisory Board in detail, along with the associated opportunities and risks. Opportunities to procure capital in order to finance further growth were also discussed in detail.

The Management Board reported on the development of the existing portfolio in all of the Supervisory Board's regular meetings. The development of other target markets was considered as well.

The Supervisory Board also discussed the developments of national and European measures on the electricity market on a regular basis with the Management Board, particularly the planning concerning the expansion of renewable energies.

Meetings of the Personnel and Nomination Committee

The members of the Personnel and Nomination Committee are Dr Rolf Martin Schmitz (Chairman), Dr Manfred Krüper, Thorsten Testorp and Dr Marcus Schenck.

The committee held three meetings in the expired financial year. The Personnel and Nomination Committee dealt, in particular, with the early extension of the Management Board employment contracts. The contracts for both members of the Management Board were extended early by five (5) years on 25 January 2024. In addition, the members discussed the target agreements for the members of the Management Board and the remuneration report for the 2023 reporting year.

The Personnel Committee extensively prepared all decisions on personnel matters that were made in plenary.

Meetings of the Audit and ESG Committee

The members of the Audit and ESG Committee are Ms Isabella Pfaller (Chairwoman), Dr Rolf Martin Schmitz, Prof. Dr Fritz Vahrenholt and Dr Marcus Schenck. The Audit and ESG Committee held two meetings in the past financial year. In March 2024, the Audit and ESG Committee dealt with the 2023 Group consolidated and annual financial statements and discussed these with the Management Board prior to their publication. The auditors attended the meeting and reported on the findings of their audits. The Audit and ESG Committee also dealt with the current status of the audit reviews and the governance report for 2024. It also determined the focal points of the audit for the 2024 consolidated and annual financial statements with the auditor at its last meeting at the end of the year.

In addition, some of the heads of the Group functions were available in the committee's meetings for reporting and to answer questions on individual issues.

Corporate governance

In recognition of the fact that corporate governance significantly contributes to responsible, value-oriented management and control, the Supervisory Board also dealt with topics and issues relating to corporate governance in 2024. Together with the Management Board, the Supervisory Board issued an annual declaration pursuant to section 161 of the German Stock Corporation Act (AktG) on the recommendations contained in the German Corporate Governance Code. Further information on corporate governance can be found in the combined declaration on corporate governance in accordance with section 315 (5) in conjunction with section 289f of the German Commercial Code (HGB). The combined declaration on corporate governance also includes the corporate governance report prepared by the Management Board and the Supervisory Board and the declaration on the recommendations contained in the German Corporate Governance Code. The combined declaration on corporate governance for the 2023 financial year can always be accessed on Encavis AG's website.

The members of the Management Board and the Supervisory Board disclose any conflicts of interest to the Supervisory Board without delay. If conflicts of interest arose or there were indications of conflicts of interest, the company ensured that the executive bodies concerned abstained from any votes in connection with the measure that could give rise to a conflict of interest.

Audit of the annual and consolidated financial statements

The Hamburg branch of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft is the auditor of the annual and consolidated financial statements. The auditing firm issued an unqualified audit opinion on the annual financial statements of Encavis AG and the consolidated financial statements of the Encavis Group. In order to monitor the independence of the auditor, the Audit Committee – in addition to confirming the auditor's independence – also satisfied itself of the auditor's compliance with the prohibition of inadmissible non-audit services. Furthermore, the committee has obtained assurance that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg branch, has implemented appropriate processes and measures for quality assurance, including for engagement acceptance and continuation as well as for independent engagement-related quality assurance. The Supervisory Board discussed the annual financial statements prepared pursuant to the German Commercial Code, the consolidated financial statements of Encavis AG and the combined management report in detail at its meeting on 29 April 2025, which the auditor also attended. The Management Board's proposal regarding the appropriation of the net retained profit was also discussed at the meeting. The consolidated financial statements in accordance with IFRS, the combined management report for Encavis AG and the Group, the annual financial statements of Encavis AG and the relevant auditor's reports were made available to all members of the Supervisory Board in due time. The auditors presented the most important findings of their audit and were available for further questions. The Supervisory Board raised no objections following its own examination and adopted the auditors' report. In addition, the focal points of the audit were discussed with the auditor. Following the Supervisory Board's own examination, there are no objections to be raised against the financial statements. The Supervisory Board, therefore, approved the annual financial statements of Encavis AG and the financial statements of the Encavis Group on 29 April 2025. The annual financial statements were therefore adopted. The Supervisory Board has reviewed the Management Board's proposal for the appropriation of net retained profit and considers it appropriate. It agrees with the proposal to distribute a dividend of 4 % on the share capital from the Company's retained profit for the 2024 financial year of EUR 160,155,581.91 as reported in the annual financial statements and to carry forward the remaining amount to new account.

Changes in the composition of the Supervisory Board

There was one change in the composition of the Supervisory Board in the reporting year itself. Mr Albert Büll stepped down from the Supervisory Board at the end of the Annual General Meeting on 5 June 2024. On the same day, Ms Ayleen Oehmen-Görisch was elected as a member of the Supervisory Board by the Annual General Meeting. After the reporting date, the Supervisory Board now consists of six members in total, five of whom were appointed following the delisting of the company on 31 January 2025 by application to the Hamburg District Court (register court) by resolution dated 24 February 2025. Eight of the nine previous Supervisory Board members had duly resigned from office. As a result, the company's Supervisory Board now consists of the following members:

- Dr Johannes Teyssen (Chairman)
- Marco Fontana (Deputy)
- Prof. Dr Martin Viessmann
- Boris Scukanec Hopinski
- Tobias Krauss and
- Prof. Dr Fritz Vahrenholt.

The appointment of the above Supervisory Board members ends at the end of the next Annual General Meeting or Extraordinary Annual General Meeting (2025) of the company at which a new Supervisory Board is to be elected, respectively, the judicially appointed members are to be confirmed.

Changes in the composition of the Management Board

There were no changes in the composition of the Management Board in the reporting year.

The Supervisory Board would like to thank and recognise the Management Board members and the employees of the companies of the Encavis Group for the work done in 2024, as well as for their dedication and personal contribution to the 2024 financial year.

Hamburg, 29 April 2025

For the Supervisory Board

Dr Johannes Teyssen

Chairman

Dr Johannes Teyssen

Chairman of the Supervisory Board

Marco Fontana

Member of the Supervisory Board

Prof. Dr Martin Viessmann

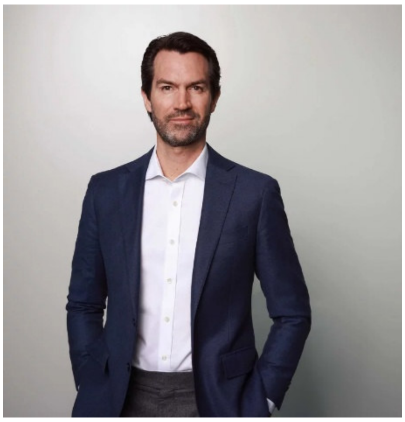
Member of the Supervisory Board

Prof. Dr Fritz Vahrenholt

Member of the Supervisory Board

Boris Scukanec Hopinski

Member of the Supervisory Board



Tobias Krauss

Member of the Supervisory Board

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Management report and Group management report for the 2024 financial year

The Encavis Group

General information

The combined management report covers the Encavis Group (hereinafter referred to as the “Group” or “Encavis”) and the parent company Encavis AG, registered in Hamburg, Germany. It was prepared in accordance with the provisions of the German Commercial Code (HGB) and in application of German Accounting Standards (GAS) no. 20.

Encavis AG has been controlled by Elbe BidCo AG, with its registered office in Hamburg, Germany, since 4 December 2024. Elbe BidCo AG is a holding company controlled by investment funds, vehicles and accounts advised and managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates.

Encavis AG prepares the individual financial statements in accordance with the accounting principles set out in the German Commercial Code (HGB) and the consolidated financial statements in accordance with the accounting principles set out in the International Financial Reporting Standards (IFRS). The company has decided to continue to apply IFRS voluntarily after the delisting on 31 January 2025 in accordance with Section 315e (3) German Commercial Code (HGB). The management report and Group management report are combined, whereas financial performance, financial position and net assets are presented separately.

The share capital as of 31 December 2024 amounts to EUR 161,722,524.00 and is divided into 161,722,524 no-par-value shares. Despite the delisting, the Hamburg Stock Exchange has decided that the inclusion of Encavis AG shares in the open market of the Hamburg Stock Exchange will be maintained until further notice.

All disclosures in this report relate to 31 December 2024 or the financial year from 1 January to 31 December 2024, unless stated otherwise.

Basic information about the Group

Business model

Encavis AG utilises the many opportunities offered by electricity generation from renewable energies. 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, France and Denmark, and is also looking to expand into 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.

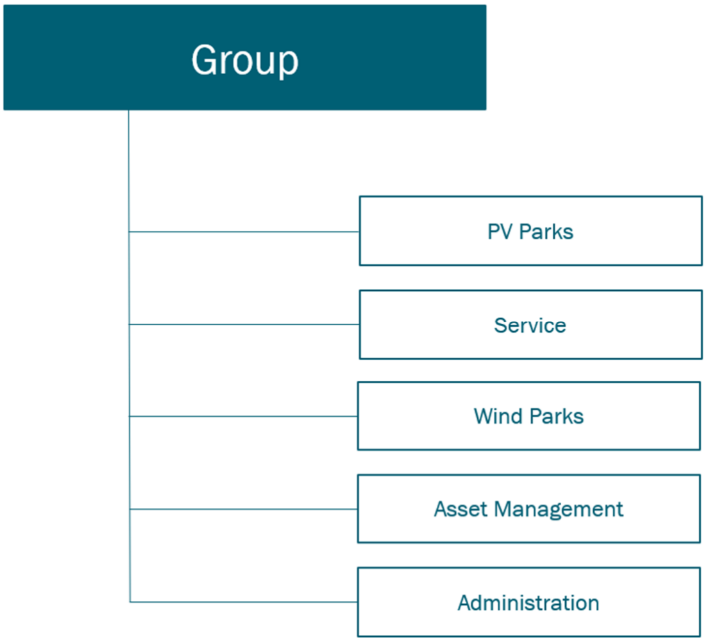
Through its subsidiary Encavis Asset Management AG, Encavis also offers institutional investors attractive opportunities to invest in installations that generate renewable energy. The Asset Management field covers all services in this area, i.e. the launching of funds, the individual design and structuring 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 240 solar parks and approximately 100 wind parks with a capacity of more than 3.8 gigawatts (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 35 solar parks and around 50 wind parks for third parties in the Asset Management segment.

Group structure

Encavis AG is the parent company of the Encavis Group. In addition to Encavis AG, the consolidated financial statements included 330 subsidiaries held directly or indirectly as at 31 December 2024 (previous year: 301).

The diagram illustrates the Group's segments as at 31 December 2024:



PV Parks	This segment comprises all of the company's solar parks in Germany, Italy, France, The United Kingdom, The Netherlands, Spain, Denmark and Sweden, as well as any holding companies.
Service	The segment consists of Encavis Technical Services GmbH and the Italian company Stern Energy S.p.A., along with their national subsidiaries for services in Germany, The United Kingdom, France, The Netherlands and Denmark. In addition, this segment includes other service companies and battery storage solutions, as well as the business transactions of Encavis AG allocated to this segment.
Wind Parks	This segment includes all of the company's wind parks in Germany, Italy, France, Denmark, Finland and Lithuania, as well as the associated holding companies.
Asset Management	The Asset Management segment includes the business activities of Encavis Asset Management AG and those activities undertaken by Encavis GmbH relating to the asset management field and other companies assigned to this field.
Administration	This segment comprises administrative business transactions concluded by the parent company of the Group, Encavis AG, as well as Encavis GmbH business activities allocated to this segment. This segment also includes Encavis Finance B.V. and other companies allocated to the Administration segment.

Economic report

Economic framework conditions

Global economy with stable development in a difficult macroeconomic environment

The development of the global economy in 2024 was marked by a variety of negative influences, but was quite robust in an overall difficult macroeconomic environment. According to the International Monetary Fund (IMF), global gross domestic product (GDP) rose by 3.2 % in the reporting year compared to the previous year – meaning that the growth rate remained almost stable. In the previous year, the growth rate was only slightly higher at a revised 3.3 %. High financing costs, burdens from the Russian invasion of Ukraine and the Middle East conflict as well as increasing trade restrictions prevented stronger growth momentum in global GDP and at the same time led to increased uncertainty and thus to noticeable caution among all market participants.

The slowdown in economic momentum in the second half of the year and a slight easing in energy and commodity prices had an impact on price trends. While global inflation fell by one percentage point from 6.7 % to 5.7 % in 2024, the inflation rate in the eurozone was 2.4 % in December 2024 and 2.9 % in the USA. This corresponds to a decrease of one or half a percentage point compared to the previous year. The central banks thus saw sufficient room for manoeuvre to change their monetary policy and initiated the easing of their previous restrictive course. The weak economic development in the major economies of the eurozone prompted the European Central Bank (ECB) to make its first interest rate cut in summer 2024, which was followed by three more. At the end of 2024, the deposit rate relevant for the financial markets was 3.0 %, one percentage point below the previous year's level. The US Federal Reserve (Fed) first lowered its key interest rate in three steps during the second half of the year, also by a total of one percentage point to a range of 4.25 % to 4.50 %, with a slight delay.

Economies generally regarded as advanced developed very heterogeneously in 2024. According to the IMF, the growth rate remained unchanged from the previous year at 1.7 %. The US economy grew at an above-average rate of 2.8 % (previous year: 2.9 %), while GDP in the eurozone only increased by 0.8 % (previous year: 0.4 %). The continued weakness of the manufacturing sector noticeably dampened economic development in countries such as Germany and Italy, meaning that key economies failed to drive growth in the eurozone. Initial positive effects of the relaxation of the monetary policy and rising real wages were not yet able to significantly compensate for this structural weakness in 2024.

According to calculations by the German Federal Statistical Office (Destatis), the German economy shrank by 0.2 % in 2024, adjusted for price and calendar effects, after economic output had already fallen by 0.3 % in the previous year. According to Destatis, the difficult economic situation in the German economy is due in particular to the continuing weakness of the manufacturing industry. Important sectors such as mechanical engineering and the automotive industry produced significantly less. Energy-intensive industries such as the chemical and metal industries were only able to match the previous year's low level. Exports fell accordingly by a significant 0.8 %. The slowdown in inflation and real wage increases caused private consumer spending to rise only slightly by 0.3 % compared to the previous year. Government consumption expenditure rose much more sharply by 2.6 %, with a significant increase in social benefits in kind contributing to this disproportionately high rise. In contrast, gross fixed capital formation fell by 2.8 % compared to the previous year. The fourth consecutive year of declining investment in residential construction had a negative impact here, as did the 5.5 % drop in investment in equipment such as machinery, appliances and vehicles.

Slight growth in the global economy expected in 2025

The IMF is forecasting a global GDP growth rate of 3.3 % for 2025, which is only a slight increase of 0.1 percentage points compared to the previous year. A return to the dynamic growth of the pre-pandemic years 2000 to 2019, when the economy grew at an average annual rate of 3.7 %, is still not in sight. The economic challenges will remain in 2025 against the backdrop of geopolitical tensions and a burden on global trade owing to a more restrictive customs policy. In the advanced economies in particular, which are heavily dependent on the manufacturing sector, development will continue to be marked by weak industrial momentum. Structural reforms and a revitalisation of multilateral cooperation based on trust are crucial to promote medium-term growth and strengthen the resilience of the economy. According to the IMF, global inflation will continue to fall. However, the forecast inflation rate of 4.2 % for 2025 as a whole will remain above the target corridors defined by the leading central banks .

Industry-specific conditions

Renewable energies reach a new record level in 2024

In 2024, the global increase in renewable energy capacity will reach a new record level for the 23rd year in a row. According to the International Energy Agency (IEA), the volume of global capacity additions grew by around 20 % to 666 gigawatts (GW). The previous year's rapid growth led to challenges in terms of grid integration, particularly in the Chinese market, so that together with lower auction volumes in Spain and reduced subsidy incentives in important international markets, the previous year's level of over 60 % capacity additions in 2024 could not be achieved. Accordingly, the growth rate returned to its long-term, thoroughly dynamic growth path in 2024. In their main forecast for 2024, the experts at the IEA assume an increase in the global expansion of photovoltaics by almost 20 %, wind energy by 10 % and hydropower by over 85 %.

Ongoing political and, in many cases, societal support continues to be the main driver for the consideration of sustainability aspects in the global economy and, in particular, for the dynamic development of renewable energies. This is also reflected in the decisions of the 29th UN Climate Change Conference (COP29). A key outcome was the adoption of a new climate finance target by the 190 signatory states, according to which support for developing countries for climate protection is to be tripled from the current USD 100 billion per year to USD 300 billion per year by 2035. 61 countries, which together are responsible for 80 % of global emissions, have also reaffirmed and further developed the Breakthrough Agenda. The aim of this global initiative is to drive forward decarbonisation in the key sectors of the global economy through targeted international cooperation. In addition, the “Global Energy Storage and Grids Pledge” initiative was launched to drive forward the expansion of installed energy storage capacity worldwide to 1,500 GW by 2030.

Global expansion of renewable capacities expected to reach 9,760 GW by 2030

In its study “Renewables 2024 – Analysis and forecasts to 2030” published in October 2024, the IEA forecasts an increase of 5,500 GW to 9,760 GW in renewable energy capacities commissioned worldwide by 2030, taking into account existing political measures and market conditions. This forecast is based on the assumption of a continuous increase in global capacity expansion in the field of renewable energies up to an annual increase of almost 935 GW in 2030 – 70 % more than the record figure achieved last year. Starting from the installed base in 2022, global capacities are therefore expected to grow by a total of 2.7 times by 2030, exceeding the current national targets by almost 25 %. This is remarkable growth, but under the current political and economic conditions it is not sufficient to achieve the tripling of global installed renewable energy capacity to 11,000 GW by 2030, as agreed at COP28. 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, more than 5,500 GW of new renewable energy capacity will be commissioned between 2024 and 2030. Around 95 % of this is accounted for by photovoltaic and wind installations, as their generation costs in most countries are lower than those of fossil and non-fossil alternatives and they continue to be subsidised politically.

Demand for private power purchase agreements remains strong

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 (PPAs) 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. Against the backdrop of low wholesale prices for electricity, the European market for PPAs proved to be robust in 2024. According to analyses by Veyt, a total of 267 PPAs were concluded in Europe. This equates to an increase of 21 % compared to the previous year. At 16 GW, the contractually agreed capacity was almost at the previous year’s level.

Developments in European core markets

One of the most active players and drivers of the global energy transition is the European Union (EU). In 2024, the share of renewable energies in total net electricity generation was over 46 % – a good three percentage points more than in the previous year. Wind energy (onshore and offshore) contributed 18.9 %, run-of-river and storage hydropower 13.7 %, photovoltaics 9.6 % and biomass 3.0 % to total net electricity generation. The EU is continuously pushing the expansion of renewable energies through political measures. The basis for this is the EU Renewable Energy Directive (RED), which was revised in 2023 and which, among other things, sets a binding European target for the share of renewable energies in total energy for 2030 of at least 42.5 % and 45 % respectively, up from the previous 32 %. This would mean almost doubling the share of renewable energies in the EU at the time the RED came into force. At the same time, the acceleration of approval procedures for the expansion of renewable energies and the grid infrastructure is to be achieved, among other things, by updating the simplified regulations. 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.

To achieve the targets set in the RED, more than 100 GW of new wind power and solar energy systems will have to be installed every year. The expansion targets are correspondingly ambitious. For example, the EU's solar strategy envisages almost tripling photovoltaic capacity to 600 GW by 2030. Over the same period, the installed capacity of wind turbines (onshore and offshore) is expected to increase from 204 GW to over 500 GW. To achieve this goal, the EU countries updated their targets for renewable energy from offshore wind turbines in December 2024. Accordingly, the installed capacity based on the aggregated individual national expansion targets should grow significantly: to 86-89 GW by 2030, to 259-261 GW by 2040 and to 356-366 GW by 2050.

Germany

According to the Federal Network Agency, renewable energies contributed around 59.0 % to net electricity generation in Germany in 2024, which fell by 4.2 % to around 431.7 terawatt hours (TWh). The share of renewable energies thus increased by 3.0 percentage points compared to the previous year. In total, around 254.9 TWh of electricity production came from renewable energies. At 137.6 TWh, wind turbines fed around 3.3 % less electricity into the public grid. Of this, 111.9 TWh was attributable to onshore wind turbines and 25.7 TWh to offshore wind turbines. Overall, wind energy therefore accounted for 31.9 % of net public electricity generation (previous year: 31.6 %). Photovoltaic systems contributed around 63.3 TWh to total generation, which corresponds to an increase of 13.6 % compared to the previous year and is due to the above-average solar radiation in summer and the significant increase in installed capacity. The share of net public electricity generation was thus 14.7 % (previous year: 12.3 %). The two other renewable energy sources, hydropower and biomass, contributed 4.0 % (previous year: 3.2 %) and 8.4 % (previous year: 8.4 %) respectively to electricity generation. Generation from conventional energy sources totalled 176.8 TWh, a decrease of 10.9 % compared to the previous year. 2024 was the first year in which no electricity was generated from nuclear energy in Germany following the shutdown of the last nuclear power plants in April 2023.

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 190 GW in 2024. Following a record figure in 2023, the expansion of photovoltaic capacity of 16.2 GW once again exceeded the previous year's figure by 2.1 GW. This positive development is due to the additions made to house roofs or buildings and facades as well as to larger areas. At the end of the year, the total installed photovoltaic capacity in Germany was 99.3 GW, exceeding 90 GW for the first time. The expansion of wind turbines was somewhat more subdued. In 2024, onshore wind turbines with a capacity of 2.5 GW (previous year: 2.9 GW) were newly installed. It should be noted that the expansion figure reported by the Federal Network Agency was adjusted for permanently decommissioned plants with a capacity of 0.7 GW. The total installed capacity of onshore wind turbines in operation totalled 63.5 GW at the end of the year. The commissioning of two large wind parks in the Baltic and North Sea led to a significant increase in the newly installed capacity of offshore wind turbines to 0.7 GW after 0.3 GW in the previous year. This means that a total capacity of 9.2 GW was installed in the Baltic and North Sea at the end of the year.

The German government has created a broad basis for an acceleration of planning, approval and construction of renewable energy installations through regulatory initiatives, The amendment to the Renewable Energy Sources Act (EEG), which came into force in 2023, is now consistently aimed at achieving the 1.5-degree target of the Paris Climate Agreement for the first time. By 2030, 80 % of gross electricity consumption in Germany is to come from renewable energies. In order to achieve this ambitious target, the German government passed a law at the end of July 2024 to implement the EU Renewable Energy Directive (RED III). The core element is in particular the designation of so-called acceleration areas for onshore wind turbines and photovoltaic systems, including the associated energy storage systems. Like the amendments made to the Building Code and the Spatial Planning Act, this should help to significantly speed up the authorisation procedure.

A higher speed in the expansion of renewable energies is urgently required to achieve the targeted doubling of the share of renewable energies in electricity production 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.

Denmark

Denmark is one of the world's pioneers in the field of renewable energies and is well on the way to achieving independence from fossil fuels. With the update of the National Energy and Climate Plan (NECP) published in July 2024, the Danish government reaffirmed its intention to accelerate the expansion of renewable energies and achieve the goal of climate neutrality by 2045. By 2050, the Danish government aims to reduce greenhouse gas emissions by as much as 110 % compared to 1990 levels. This means that not only should all own emissions be neutralised, but additional CO_2 reductions should also be achieved, e.g. through negative emissions such as carbon capture storage (CCS) or reforestation. To achieve this goal, more than 75 laws and agreements have been passed since the Climate Act was passed in 2020, providing a total of more than EUR 129 billion for important climate agreements.

The construction of further offshore wind parks is at the centre of Danish energy policy. Additional tenders are intended to create capacities of at least 9 GW in the Baltic and North Seas. In addition, the "energy island" in the North Sea is expected to generate at least 3 GW in 2030 and 10 GW in 2040. However, all expansion plans for offshore wind parks were cancelled by the Danish government in February 2025 after not a single interested party responded to tenders for three offshore wind parks with a total capacity of up to 3 GW. The Bornholm Energy Island is also affected by this stop. It is unclear whether the project can be completed in 2030 as planned. The Danish government is working flat out to revise the subsidy rules and provide additional subsidies to attract companies to the ambitious project. 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. The Danish government has taken up these recommendations and already adopted its new solar cell strategy in May 2024. Among other things, this should speed up approval processes, simplify financing options, and promote the expansion of photovoltaic systems in less accessible areas. In June 2024, the Danish parliament also passed several bills to speed up the official authorisation procedure for solar and wind turbines.

In 2024, renewable energies accounted for roughly 83.0 % of the country's total net energy generation, Of this total, 31.0 % was attributable to onshore wind turbines, 28.3 % to offshore wind turbines, 11.6 % to biomass and 10.7 % to photovoltaic systems.

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 target is the update of the NECP published in July 2024. By 2030, greenhouse gas emissions in the area of shared energy use are to be reduced by 50 % compared to 2005. Renewable energy plays an important role in Finland's climate policy. Finland reached the EU's 2030 target of using renewable energy sources to cover at least 40 % of gross energy consumption last year already. A much more ambitious target was therefore defined in the NECP: By 2030, the share of renewable energies in final energy consumption should increase to at least 62 %.

In 2024, renewable energies accounted for 52.6 % of total net energy generation in Finland. The main renewable energy sources were onshore wind power plants with a share of 25.1 %, run-of-river hydropower plants with 17.5 % and biomass plants with 8.2 %. The combustion of fossil fuels continued to lose importance and contributed only 7.4 % to net electricity generation. Nuclear energy remained the most important source of energy with a share of 40.0 %.

France

The French government still bases its energy policy on a mix of renewable energy and nuclear energy. Accordingly, the French expansion targets for renewable energies are less ambitious. Although France wants to reduce its greenhouse gas emissions and become climate neutral by 2050, it emphasises the importance of energy security for national energy policy in the update of the NECP published in July 2024. In principle, the French government favours "decarbonisation targets", which take nuclear power rather than renewable energy into account or give it preference. Accordingly, the NECP contains the specific target of building at least six and a maximum of 14 new nuclear power plants.

The final agreed expansion targets for renewable energies largely follow the government's proposals from autumn 2023. The capacities for offshore wind turbines are to be at least doubled to 18 GW and for onshore wind turbines to 40 to 45 GW by 2035. For photovoltaic systems, an annual expansion is planned, which should lead to an installed capacity of 75 to 100 GW by 2035. To support the achievement of these targets, the French government announced several tenders for the expansion of 0.9 GW onshore wind turbines and 1.2 GW of photovoltaic systems in July 2024. In addition, the pre-qualification phase for the ninth tender for offshore wind turbines was opened for the development of four projects with a capacity of 2.5 GW. The tenth tender for the development of offshore wind parks with a total capacity of between 8 and 10 GW followed in October 2024.

In 2024, nuclear energy was by far the most important energy source in France, accounting for 69.7 % of total net electricity generation. The share of renewable energies was only 24.9 %. The main renewable energy sources were run-of-river hydropower (8.9 %), onshore wind (8.1 %), solar photovoltaic (4.5 %) and pumped storage (3.4 %).

United Kingdom

Following the change of government at the beginning of July 2024, the new UK government comprehensively revised the Clean Power 2030 Action Plan and published it in December 2024. The measures described are aimed at being able to cover all electricity consumption in The UK from renewable energy sources by 2030. To achieve this, the expansion of renewable energy capacity is to be significantly accelerated. By 2030, the capacities of offshore wind turbines are to be expanded to 43 to 50 GW, onshore wind turbines to 27 to 29 GW and photovoltaic systems to 45 to 47 GW. At the same time, flexible capacities are to be created, including 23 to 27 GW of battery capacity and 4 to 6 GW of energy storage. The UK government is supporting the expansion targets with comprehensive measures to facilitate authorisation procedures and drive forward the reduction of emissions. Among other things, the existing de facto ban on new onshore wind parks was lifted, green light was given for new solar parks, and legal support for the construction of a new coal mine was abandoned. Instead, an era came to an end on 30 September 2024 with the closure of the last coal-fired power plant in Ratcliffe-on-Soar after more than 140 years. This makes the UK the first major industrialised country to be coal-free.

According to the Department for Energy Security & Net Zero, the share of renewable energies in electricity generation rose by 6.1 percentage points to 50.5 % in the third quarter of 2024 compared to the previous year. This means that electricity generation from renewable energy sources exceeded the 50 per cent mark for the fourth quarter in a row and was only 1.1 percentage points below the record level of the second quarter of 2024. While electricity generation from onshore wind turbines increased by 2.1 % to 7.0 TWh, offshore wind turbines generated around 4.5 % less electricity at 9.4 TWh. This means that the expansion in capacity only partially compensated for the poorer weather conditions with lower average wind speeds compared to the same quarter of the previous year. Electricity generation from photovoltaic systems rose by 9.2 % to 5.0 TWh with the same number of hours of sunshine owing to the significant increase in capacity. Newly installed capacities increased by 1.9 GW or 3.4 % to a total of 58.5 GW in the first three quarters of 2024. Of the newly installed capacity, 1.1 GW was attributable to photovoltaic systems, 0.6 GW to onshore wind turbines and 0.1 GW to offshore wind turbines.

Ireland

With the update of the Climate Action Plan 2024 (CAP24) published in December 2024, the Irish government has specified the measures necessary to halve greenhouse gas emissions by 2030 and make the country emission-free by 2050. One cornerstone of CAP24 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. With the “Future Framework for Offshore Renewable Energy” development plan updated in September 2024, the Irish government set out its vision for the further expansion of offshore wind energy and defined 29 key measures to strategically utilise the industrial opportunities of offshore wind energy. The declared goal of the presented initiative is to expand offshore wind turbines by 20 GW by 2040 and by at least 37 GW by 2050.

Italy

Key elements of the NECP updated by the Italian government in June 2024 include the ambitious goal of increasing the share of renewable energies in energy consumption to 55 % by 2030 and achieving carbon neutrality by 2050. In addition, the gradual phase-out of coal-fired power generation is planned by 2025. Accordingly, Italy plans to significantly expand its installed wind power and photovoltaic capacity. Capacity from photovoltaic installations is set to rise from 21.7 GW in 2020 to 79.9 GW in 2030. Installed capacity from onshore and offshore wind turbines is expected to be increased from 10.9 GW to 28.1 GW during the same period. In order to achieve these goals, the Italian government has adopted a comprehensive package of measures, which 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 ten months of 2024, renewable energies with a total capacity of around 6 GW were connected to the Italian grid.

Renewable energy accounted for around 47 % of Italy’s total net electricity generation in 2024. Of this, 17.7 % was attributable to run-of-river hydropower 12.2 % to photovoltaic systems, 9.7 % to onshore wind turbines, 2.6 % to storage water and 2.3 % to biomass. Natural gas remained the most important energy source for net electricity generation with a share of 41.1 % – a decrease of just 1.3 percentage points compared to the previous year.

Lithuania

The Lithuanian government published the updated NECP in October 2024, setting out comprehensive measures to achieve energy independence. By 2050, Lithuania is set to become a fully energy-independent country, producing energy for its own needs and exporting surplus energy. By 2030, renewable energy sources should cover at least 55 % of total final energy consumption – including 100 % of electricity demand and 90 % of district heating demand. To achieve this goal, Lithuania is pursuing a comprehensive programme to expand renewable energies. According to this, installed capacities are expected to grow to around 3.1 GW from photovoltaic systems, 4.5 GW from onshore wind turbines and 1.4 GW from offshore wind turbines by 2030. At the beginning of May 2024, Lithuania had an installed capacity of around 1.4 GW from photovoltaic systems and around 1.3 GW from onshore wind turbines. This shows that considerable efforts are still required to achieve the targets set. 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. This could cover about half of Lithuania's current electricity needs. Following the successful tender for a first offshore wind park with a capacity of 700 megawatts (MW), the Lithuanian Ministry of Energy has rescheduled the second tender for the fourth quarter of 2024 after a short-term postponement. This means that the expansion plans can be realised without any major delays.

In 2024 as a whole, renewable energy accounted for roughly 80 % of net electricity generation. At 46.3 %, wind installations (onshore) were by far the most important energy source, followed by photovoltaic systems (19.7 %), run-of-river hydropower (5.4 %) and biomass (3.5 %).

The Netherlands

The change of government in The Netherlands in May 2024 was not without impact on the country’s future energy policy. In an initial statement, the new coalition places high value on the independence of Dutch energy supply from “unreliable countries.” As a result, the plan promotes the expansion of offshore natural gas production and electricity generation from nuclear power plants. At the same time, the existing plans for an additional national carbon dioxide tax are to be dropped. On the positive side, however, commitment to the already agreed international climate targets remains steadfast. Based on the updated NECP published in June 2024, greenhouse gas emissions are to be reduced by at least 55 % by 2030 compared to the reference year 1990 and net zero status is to be achieved by 2050.

According to the Centraal Bureau voor de Statistiek (CBS), around 53 % of the electricity produced in The Netherlands in the first half of 2024 came from renewable energy sources. A total of around 60.5 TWh of electricity was generated in the first half of 2024. Compared to the previous year, production from renewable energy sources increased by 13.5 % to 32.3 TWh, while production from fossil fuels decreased by 4.1 % to 26.7 TWh. Electricity generation from wind energy increased by 34.1 % year-on-year to 17.4 TWh in the first half of 2024. The significant growth is due in particular to the further expansion of installed wind turbine capacity. In particular, the commissioning of the two new offshore wind parks Hollandse Kust Zuid (I to IV) and Hollandse Kust Noord (V) made a significant contribution to the growth achieved. Electricity production from photovoltaic systems increased by 7.3 % to 11.7 TWh. One of the main reasons for the significant increase here was also the ongoing expansion of capacity, which more than compensated for the lower solar irradiation compared to the first half of the previous year.

Austria

The energy transition in Austria is progressing according to plan. In August 2024, after lengthy discussions and consultations with the federal authorities involved, the Austrian government was the last Member State to publish the updated NECP after the EU deadline. The central goal of the ambitious plan is to cover 100 % of all electricity consumption (national balance sheet) from domestic renewable energy sources by 2030. This goal is also enshrined in the Renewable Energies Expansion Act (EAG). In the so-called WAM scenario, i.e. taking additional measures into account, electricity demand increases to 89 TWh by 2030. Electricity generation from renewable energies is set to grow to 91 TWh by 2030 through the addition of further capacity – of which 17 TWh will come from photovoltaic systems, 12 TWh from wind turbines, 5 TWh from hydropower plants and 1 TWh from biomass. If the assumed expansion plans are realised in full, it would even be possible to achieve the target in full with a certain reserve. In order to accelerate the expansion of renewable energies, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) announced in mid-March 2024 that it would provide a total of EUR 135 million for solar feed-in 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.

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 2024, renewable energy – with a focus on pumped-storage hydroelectricity and onshore wind installations – accounted for roughly 66 % of Sweden’s total net electricity generation, corresponding to an increase of 1.0 percentage points compared to the previous year.

Spain

The Spanish government is pressing ahead with its ambitious reorganisation of the energy sector. With the updated NECP, the final version of which was published on 26 September 2024, Spain has raised the target for the share of renewable energies in energy consumption from 42 % to 48 % and for electricity generation from 74 % to 81 % by 2030. This planned increase goes hand in hand with intensified measures to promote flexibility, storage and demand management in energy policy. Between 2019 and 2023, the installed capacity of renewable energy was expanded by 40 % from 55.3 GW to 77.0 GW. The largest increase during this period was in photovoltaic installations, growing by 193 % to 25.5 GW, while wind power increased by 20 % to 30.8 GW. 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. The speed of expanding renewable energy capacity remained high in 2024. In the first half of 2024, projects with a total capacity of 9.5 GW received approval, of which 7.1 GW were for photovoltaic systems and 2.4 GW for wind power systems.

In 2024, renewable energies accounted for around 59 % of total net energy generation in Spain. The most important renewable energy source was onshore wind turbines with 24.3 %, followed by photovoltaic systems with 19.5 %, storage and run-of-river hydropower with 13.1 % and biomass with 1.4 %.

Significant events

Course of business

Significant events in the Group portfolio and in the project pipeline

Encavis expands its solar park portfolio in Spain

Encavis added several installations in Andalusia to its Spanish solar park portfolio in the 2024 financial year. The two projects acquired from BayWa r.e. – Lirios (109 megawatts (MW), 220 gigawatt hours (GWh) per year), 35 kilometres west of Seville, and the Almodóvar solar park (around 95 MW, 187 GWh annual electricity generation) near Córdoba – are already under construction and are 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 southeast of Seville in Dos Hermanas and is due to be connected to the grid in the second half of 2025.

Encavis continues its growth trajectory with the acquisition of several solar and wind projects in Germany

Encavis expanded its German wind and solar park portfolio by several installations in the 2024 financial year. In March 2024, construction of a large-scale, high-performance solar park (114 MW, 119 GWh per year) in Borrentin (Mecklenburgische Seenplatte district) began together with BELECTRIC. After a short construction period, this largest German solar park operated by Encavis to date was successfully connected to the grid in December 2024. In December 2024, a solar park (62 MW, 67 GWh per year) was also acquired in Dietfurt and Breitenbrunn (Bavaria) from FRONTERIS Energie GmbH, which is also responsible for construction. The park, which has been under construction since September 2024, is expected to be connected to the grid in the second quarter of 2025.

Encavis also acquired three wind parks in the 2024 financial year. The Dannhausen project (18 MW, 42 GWh per year) is a ready-to-build wind park in Lower Saxony that was purchased by SWW – Neue Energien GmbH (a wholly owned subsidiary of RB Holding) and is expected to be connected to the electricity grid in early 2026. The Schieder project was already in operation at the time of acquisition and has a total generation capacity of 11 MW. The Everswinkel wind park (29 MW, 64 GWh per year) was acquired from UKA Umweltgerechte Kraftanlagen Holding GmbH. This wind park, located east of Münster, consists of two projects, of which Everswinkel I (22.8 MW) has been connected to the grid since August 2024 and Everswinkel II (5.7 MW) has been under construction since May 2024. The grid connection took place in January 2025.

Encavis and Innovar Solar sign framework agreement for the development of 500 MW of solar projects in Germany

On 17 September 2024, Encavis reported that it had signed a framework agreement with Innovar Solar GmbH for the development of solar projects in Germany with a rolling capacity of 500 MW. This means that if individual projects progress successfully, new projects will follow, so 500 MW capacity is always being developed in parallel. The same mechanism applies to projects that do not reach construction readiness within a defined time frame.

Significant developments in Group financing

MSCI upgrades Encavis' ESG rating to "AA"

Encavis AG reported 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_2 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. MSCI also emphasises Encavis' successful implementation of further measures to reduce CO_2 emissions. The Encavis Transition Plan sets out specific targets and strategic measures to show how the company can achieve its net-zero CO_2 emissions target by 2040. In January 2025, MSCI reconfirmed the "AA" rating.

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. (Netherlands), Coöperatieve Rabobank U. A. (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.

Implementation of an investor agreement with KKR to accelerate the growth of Encavis

On 14 March 2024, Encavis AG signed an investor agreement with Elbe BidCo AG (the Bidder), a holding company controlled by investment funds, vehicles, and accounts advised and managed by Kohlberg Kravis Roberts & Co. L.P. (KKR). The aim was to enter into a strategic partnership for the long-term growth of Encavis. The family-owned company Viessmann GmbH & Co KG (Viessmann) participated as a co-investor in the consortium led by KKR. KKR has also signed binding agreements with the existing shareholder pool, including the major shareholder ABACON CAPITAL GmbH (ABACON) and other significant shareholders. Thereafter, these investors have transferred their Encavis shares to the Bidder outside the offer, partly against payment of a purchase price in cash equal to the offer price and partly against reinvestment in the Bidder. On 24 April 2024, KKR published the offer document for the voluntary public takeover offer for all outstanding Encavis shares at a price of €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 https://www.encavis.com/en/green-capital/investor-relations/strategic-partnership. On 4 June 2024, Elbe BidCo AG announced that the minimum acceptance threshold of 54.285 % set as part of the voluntary public takeover offer had been exceeded by the end of the acceptance period on 29 May 2024. At the end of the further acceptance period on 18 June 2024, the final acceptance rate was 87.41 %. The completion of the public takeover offer was subject to various customary market conditions, including the receipt of regulatory and antitrust approvals and foreign direct investment screening laws.

The transaction was completed on 4 December 2024. On 6 December 2024, the Management Board of Encavis AG and Elbe BidCo AG concluded a delisting agreement. Other events occurring after the reporting date are described in the supplementary report.

Significant developments in asset management

Encavis Asset Management AG announced on 6 March 2024 that it had started construction of a 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, with the second section starting construction in July 2024. Commissioning is expected to take place by the end of 2025. The solar park is expected to generate around 270 GWh of electricity every year. A purchase agreement was signed for the solar park, under which around 210 GWh of solar power will be supplied to LyondellBasell every year for the next twelve years. On 31 July 2024, Encavis Asset Management AG reported that it had agreed the financial close for the solar project with Commerzbank AG. The financing volume amounts to EUR 145 million.

Segment development

The development of the reportable segments in the Encavis Group is presented below. Only acquired companies that have already contributed to the power generation of the respective segment during the financial year are shown.

PV Parks segment

Encavis' own solar park portfolio encompassed over 200 solar parks with a total capacity of more than 1.8 GW as at 31 December 2024. These solar parks are distributed throughout Germany, Italy, France, The United Kingdom, The Netherlands, Spain, Denmark and Sweden.

The Group's business activities are subject to seasonal influences, which leads to fluctuations in revenue and earnings during the course of the year. In terms of the PV Parks segment, which includes all solar parks in the company's own portfolio, the months from April to September generate more revenue than the autumn and winter months.

The electricity supplied by the wind parks held by the Group in the 2024 financial year was 2,018.5 MWh (previous year: 2,105.9 GWh). This represents a decrease of 4.2 % compared to the previous year. Of the power fed into the grid, 45 % (previous year: 45 %) is attributable to the solar parks in Spain, 14 % (previous year: 13 %) to the solar parks in Germany, 10 % (previous year: 10 %) to the solar parks in France, 10 % (previous year: 10 %) to the solar parks in Italy, 10 % (previous year: 10 %) to the solar parks in The Netherlands, 5 % (previous year: 6 %) to the solar parks in Denmark, 5 % (previous year: 5 %) to the solar parks in The United Kingdom and 1 % (previous year: 1 %) to the solar park in Sweden.

In the 2024 financial year, the following solar parks already in operation were acquired or previously acquired solar parks were put into operation:

- Fundici Hive S.L.U., Spain, Group share 100 %
- Solarpark Lindenhof GmbH, Germany, Group share 100 %
- UK Sol SPV 2 AB, Sweden, Group share 90 %

Wind Parks segment

Encavis' own wind park portfolio encompassed over 50 wind parks with a total capacity of more than 610 MW as at 31 December 2024. The wind parks are distributed throughout Germany, Finland, Italy, France, Denmark and Lithuania.

Due to weather conditions, the wind parks generate more revenue in the autumn and winter months than they do in summer.

The electricity supplied by the wind parks held by the Group in the 2024 financial year was 1,286.3 MWh (previous year: 1,247,8 GWh). This figure therefore increased by some 3.1 % year on year. Of the power fed into the grid, 43 % (previous year: 44 %) is attributable to the wind parks in Germany, 26 % (previous year: 29 %) to the wind parks in Denmark, 15 % (previous year: 16 %) to the wind park in Lithuania, 5 % (previous year: 7 %) to the wind parks in France, 10 % (previous year: 3 %) to the wind parks in Finland and 1 % (previous year: 1 %) to the wind park in Italy.

The following wind parks already in operation were acquired or previously acquired wind parks were commissioned in the 2024 financial year:

- Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG, Germany, Group share 100 %
- UGE Voigtsdorf GmbH & Co. KG Umweltgerechte Energie, Germany, Group share 100 %
- Windpark Desloch GmbH & Co KG, Germany, Group share 100 %
- WP Dörnbach GmbH & Co. KG, Germany, Group share 100 %
- WP Drensteinfurt GmbH & Co. KG, Germany, Group share 100 %
- WP Niederöfflingen GmbH & Co. KG, Germany, Group share 100 %
- WP Schieder GmbH & Co. KG, Germany, Group share 100 %

Service segment

The segment contains Encavis' shares in Stern Energy S.p.A. and its subsidiaries. The companies offer various services for solar parks in Italy, Spain, Germany, The United Kingdom, The Netherlands and France. As at 31 December 2024, their Group volume under management amounted to around 662 MW, and their non-Group volume under management was approximately 1,427 MW.

The segment also contains the wholly owned subsidiary Encavis Technical Services GmbH. The company has taken over the technical operation of numerous German and Italian solar parks belonging to the Encavis Group. The volume managed within the Group was around 280 MW as at 31 December 2024.

In addition, Encavis Technical Services GmbH has taken over contracts for the technical management of parks that do not belong to the Encavis Group. The non-Group volume under management amounts to approximately 9 MW.

The segment also includes Encavis Green Energy Supply GmbH, which provides direct marketing services for selected German solar and wind parks in the Encavis Group.

With BESS Hettstedt Fünfte Energie GmbH and GES 002 B.V., the Service segment also includes the development of battery storage solutions in Germany and The Netherlands that cannot be allocated to a specific wind or solar park of the Group.

In the 2024 financial year, the following companies were acquired or founded in the Services segment:

- GES 002 B.V., Netherlands, Group share 100 %
- Stern Energy ApS, Denmark, Group share 80 %

Asset Management segment

The Asset Management field covers all services for third-party investors, such as 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. As of 31 December 2024, the managed portfolio comprised more than 35 solar parks and almost 50 wind parks with an installed capacity of around 1.4 GW in Germany, Austria, Italy, France, Spain, The United Kingdom, The Netherlands, Ireland and Finland.

Financial performance, financial position and net assets of the Encavis Group

Financial performance indicators and calculating operating KPIs (adjusted for IFRS effects)

The Group’s IFRS accounting is influenced by non-cash valuation 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. The financial and non-financial performance indicators used internally within the Group include:

- operating cash flow
- technical availability (Wind Parks segment) or technical performance (PV Parks segment) of the plants
- adjusted operating revenue
- adjusted operating EBITDA
- adjusted operating EBIT (until 2023)
- Operating result per share/operating cash flow per share (until 2023)

The outlook for the 2025 financial year in the “Future outlook” section is also based on these adjusted financial figures. Due to the delisting and the associated discontinuation of reporting on earnings and cash flow per share, operating EBIT is also no longer used as a financial performance indicator for Encavis AG for the 2025 financial year and is only included for comparison with the previous year.

The key figures “Adjusted operating revenue”, “Adjusted operating EBITDA” and “Adjusted operating EBIT” are derived from the IFRS earnings figures of revenue, EBITDA and EBIT and are adjusted for the following effects.

Operating revenues = IFRS sales less the following effects:

- Component of IFRS revenue that has not become cash-effective, taking into account compensation payments from power purchase agreements recognised in accordance with hedge accounting rules

Operating EBITDA = IFRS EBITDA less the following effects:

- already adjusted effects from operating revenues
- income and expenses resulting from the disposal of financial assets and other non-operating cash income
- other non-cash income, primarily from the reversal of the interest benefit from subsidised loans (government grants) and profit from business combinations (badwill)
- non-cash share-based remuneration and other non-operating expenses

- selected one-off effects

Operating EBIT = IFRS EBIT less the following effects:

- already-adjusted effects from operating EBITDA
- depreciation, amortisation, impairment losses and reversals of impairment losses on intangible assets acquired as part of business combinations
- impairment losses and reversals of impairment losses following impairment tests on assets resulting from purchase price allocations
- depreciation, amortisation, impairment losses and reversals of impairment losses on step-ups on property, plant and equipment acquired in business combinations

Operating cash flow is determined using the indirect method in accordance with IAS 7. Interest payments are reported in full in the cash flow from financing activities. The operating cash tax expenses is included in the operating cash flow.

The financial control parameters for Encavis AG are – with the exception of revenue and the technical availability of installations – essentially identical to the key figures used in the Group. EBITDA and EBIT adjustments at Encavis AG mainly relate to effects from disposals of financial assets, from currency translation and from other non-cash income.

These key figures are reconciled as shown in the following table:

in TEUR	Notes	01.01.–31.12.2024	01.01.–31.12.2023
Revenue	3.20; 5.1	407,777	469,637
Adjusted for the following effects:			
Non-operating revenue from PPA valuation effects		-6,623	-9,041
Adjusted operating revenue		**401,154**	**460,596**
Other income	5.2	45,732	42,892
Other own work capitalised	3.21; 5.3	3,027	2,519
Cost of materials	5.4	-29,136	-30,599
Personnel expenses, of which TEUR -2,608 (previous year: TEUR -513) in share-based remuneration	5.5	-46,900	-35,292
Other expenses	5.6	-132,656	-116,487
Adjusted for the following effects:			
Other non-operating income		-15,853	-9,042
Other non-operating expenses		10,080	4,663
Adjusted operating EBITDA		**235,449**	**319,249**
Depreciation, amortisation and impairment losses	5.7	-332,913	-169,604
Adjusted for the following effects:			
Depreciation, amortisation and impairment of intangible assets (electricity feed-in contracts) and goodwill acquired in the course of business combinations		62,075	49,514
Subsequent measurement of uncovered hidden reserves and liabilities from step-ups for property, plant and equipment acquired as part of business combinations		9,945	-4,881
Adjusted operating EBIT		**-25,444**	**194,279**
Financial result	5.8	-90,980	-71,490
Adjusted for the following effects:			
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 expense from subsidised loans [government grants])		11,443	7,073
Adjusted operating EBT		**-104,981**	**129,863**
Tax income/expense	5.9	2,029	-32,851
Adjusted for the following effects:			
Deferred taxes (non-cash items) and other non-cash tax effects		-19,182	5,473
Adjusted operating consolidated earnings		**-122,134**	**102,485**

Comparison of the actual and forecast figures in 2024

In the management report 2023, the Encavis Management Board provided a forecast for the operating figures adjusted for non-cash IFRS effects, which are shown in the table below. The forecast was based on the existing portfolio as at 20 March 2024 and in expectation of standard weather conditions. The following is a comparison of the actual operating figures for 2024 with the forecast figures from the 2023 management report.

in EUR million

	2024e (AR 2023)	Actual 2024 (operating)	Actual 2023 (operating)	% change on the previous year
Adjusted operating* revenue	>460	401.2	460.6	-12.9 %
Adjusted operating* EBITDA	>300	235.4	319.2	-26.3 %
Adjusted operating* EBIT	>175	-25.4	194.3	-113.1 %
Operating cash flow	>260	207.1	234.9	-11.8 %
Technical performance of the systems (PV Parks segment) in %	>95	98.5	98.6	-0.1 %
Technical availability of the turbines (Wind Parks segment) in %	>95	92.6	94.6	-2.1 %

* The Group operating KPIs are based solely on the company's operating profitability and do not take any IFRS-related valuation effects into account.

Adjusted operating revenue fell by EUR 59.4 million or around 13 % compared to the previous year and is thus below the planned level of over EUR 460 million according to the forecast published in the 2023 annual report. Both the Wind Parks segment and the PV Parks segment were below plan in terms of revenue. A significant reason for the shortfall in the plan was the negative price impact on revenue. In 2024, parks in Spain and Finland were shut down for the first time due to negative electricity prices, which adversely affected revenue. Despite the successful grid connections of numerous projects in the 2024 fiscal year, some wind and solar parks experienced technical delays, preventing revenues from being realized as planned. Generally speaking, there is greater planning uncertainty for the wind parks segment compared to the PV parks segment, as wind conditions are subject to greater annual fluctuations than solar radiation. Additionally, the unfavorable meteorological conditions across segments and countries had a negative impact. In 2024, the weather in most European countries was significantly worse than the expected standard weather (a 30-year average).Adjusted operating revenue in the Service segment were on target, while adjusted operating revenue in the Asset Management segment were significantly below expectations due to the difficult business environment caused by interest rates.

The forecast published in the 2023 annual report based on the existing portfolio in March 2024 could not be achieved with regard to the key earnings figures adjusted operating EBITDA and adjusted operating EBIT. This was mainly due to unforeseeable effects; for example, the long-term electricity price forecasts have deteriorated significantly in some cases and the interest rates used to determine the value of the assets have risen considerably. In addition, Encavis tested the Group's assets for impairment as at 31 December 2024, as an analysis of the indicators that are specific to Encavis' business model pointed to the existence of a triggering event for some national markets. The impairment test resulted in an operating impairment loss of TEUR 136,692 (previous year: TEUR 3,395), as a result of which operating impairment losses on property, plant and equipment of TEUR 136,356 (previous year: TEUR 3,395) and TEUR 336 (previous year: TEUR 0) on project rights were recognised. On the other hand, the unforeseeable effects described above had a negative impact on adjusted operating revenue.

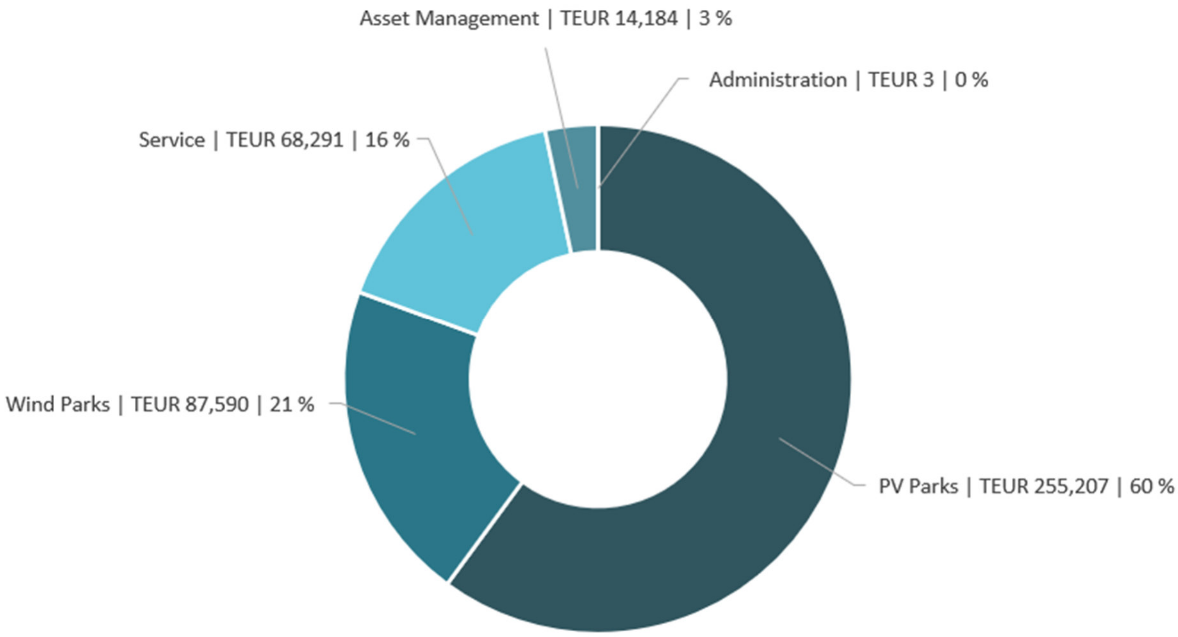
Operating cash flow fell from EUR 234.9 million in the previous year to EUR 207.1 million in the financial year 2024, falling short of the forecast published in the 2023 annual report by around EUR 53 million. The shortfall against plan is mainly due to the unforeseeable effects on revenue described above.

Financial performance

In the 2024 financial year, the Group generated revenue of TEUR 407,777 (previous year: TEUR 469,637). This corresponds to a decline of TEUR 61,860, or approximately 13 %. This revenue includes amounts totalling TEUR 6,623 (previous year: TEUR 9,041), which did not have a cash effect, taking into account compensation payments from power purchase agreements of two Spanish subsidiaries recognised in accordance with hedge accounting regulations. Of this decline, TEUR 46,977 can be attributed to the solar park portfolio and TEUR 12,328 to the wind park portfolio. In the 2024 financial year, the development of the business strategy and activities of Encavis AG, which are geared towards qualitative growth, was burdened by largely unforeseeable effects that had a significant impact on revenue and earnings. The decline in revenue is largely due to the difficult interest rate environment in Encavis Asset Management and, in the portfolio business, to an unfavourable combination of unusually bad weather, low prices and, for the first time, many hours with negative prices, as well as delayed commissioning in the company's own portfolio. In the 2024 financial year, Encavis has already successfully connected numerous projects to the grid. These and several other wind and solar parks experienced delays, in some cases for technical reasons, meaning that the planned revenue could not yet be realised in the 2024 financial year. At the same time, the drop in revenue can be explained by less favourable meteorological conditions, particularly in southern Europe. After an above-average year for wind and solar in the previous year, when the weather was far better than our regularly assumed standard weather (a 30-year average), the weather in most European countries in the 2024 financial year was significantly worse than the expected standard weather. In addition, the entire year of 2024 has been characterised by a lower electricity price level than in the previous year due to war and the energy crisis. In addition, the first half of 2024 saw the first revenue-reducing shutdowns of parks due to negative electricity prices in Spain and Finland. The same period of the previous year also included significant retroactive compensation at the Dutch solar parks for 2022, which increased revenue. These effects, which are also reflected in the results of the other KPIs, could not be offset by the newly acquired solar and wind parks or those connected to the grid, nor by the significant increase in revenue in the Service segment.

Group 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. In addition, the revenue include amounts that have not been recognised in cash, taking into account compensation payments from power purchase agreements of two Spanish subsidiaries recognised in accordance with hedge accounting regulations.

Revenue by segment, excluding non-cash revenue from two Spanish solar parks totalling TEUR 6,623, breaks down as follows:



The Group generated other income of TEUR 45,732 (previous year: TEUR 42,892). This item includes reversals of impairment losses in the amount of TEUR 14,139 (previous year: TEUR 2,155) and income from the measurement of power purchase agreements in the amount of TEUR 7,676 (previous year: TEUR 11,495). In addition, income from insurance compensation in the amount of TEUR 7,073 (previous year: TEUR 8,034), non-period income in the amount of TEUR 3,786 (previous year: TEUR 4,278) and income from the release of deferred income (government grants) in the amount of TEUR 888 (previous year: TEUR 1,260). In the previous year, other income included income of TEUR 4,210 from the deconsolidation of the majority shareholding in two German wind parks.

The other own work capitalised reported in the 2024 financial year in the amount of TEUR 3,027 (previous year: TEUR 2,519) arises in connection with expansions to several solar installations in the company's own portfolio, which were carried out by the service division, and from the capitalisation of self-developed software solutions via the subsidiary Asset Ocean GmbH.

The cost of materials totalled TEUR 29,136 in the reporting year (previous year: TEUR 30,599). 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.

Personnel expenses increased from TEUR 35,292 in the 2023 financial year to TEUR 46,900 in the reporting year, The increase is mainly related to the growth-induced expansion of the team at Encavis and one-off costs in connection with the takeover by KKR (Elbe project), which also affect the share option programmes. In the 2024 financial year, TEUR 2,608 (previous year: TEUR 513) was recognised as personnel expenses across all tranches of the SOP.

Besides the Management Board, the Encavis Group employed 423 people as at 31 December 2024 (previous year: 394). This rise in the number of employees was due to the growth-induced expansion of the Encavis team.

Other operating expenses totalled TEUR 132,656 in the 2024 financial year (previous year: TEUR 116,487). This includes primarily the costs for operating the wind and solar parks amounting to TEUR 69,953 (previous year: TEUR 74,490). Among other things, this includes expenses for repairs and maintenance, as well as technical and commercial management, insurance and various other costs such as vehicle costs and costs for IT and telecommunications. Other expenses also include TEUR 62,703 in costs for current operations (previous year: TEUR 41,997). The increase in other operating expenses is mainly related to one-off legal and consulting costs from the takeover by KKR.

In the 2024 financial year, the Group, therefore, generated earnings before interest, taxes, depreciation and amortisation (EBITDA) in the amount of TEUR 247,845 (previous year: TEUR 332,670). The EBITDA margin stood at around 61 % (previous year: 71 %). The decline in earnings is mainly due to the unforeseeable effects described above and the one-off costs of the Elbe/KKR project.

Depreciation and amortisation of TEUR 164,776 (previous year: TEUR 164,114) chiefly comprises depreciation of the photovoltaic and wind installations, as well as amortisation of intangible assets (electricity feed-in contracts and exclusive right-of-use assets). In addition, Encavis tested the Group's assets for impairment as at 31 December 2024, as an analysis of the indicators that are specific to Encavis' business model pointed to the existence of a triggering event for some national markets. The impairment test resulted in an impairment loss of TEUR 168,137 (previous year: TEUR 5,490), as a result of which impairment losses on property, plant and equipment of TEUR 152,142 (previous year: TEUR 3,395) and TEUR 15,995 (previous year: TEUR 2,095) on intangible assets were recognised, respectively.

Earnings before interest and taxes (EBIT) fell from TEUR 163,066 in the previous year to TEUR -85,068 in the 2024 financial year. The decline in earnings is mainly due to the impairment losses recognised as well as the unforeseeable effects described above and the one-off costs of the Elbe/KKR project. The EBIT margin stood at around -21 % (previous year: 35 %).

Financial income fell from TEUR 35,608 in the previous year to TEUR 30,324 in the reporting year. This item includes income relating to changes in the market values of interest rate swaps of TEUR 4,240 (previous year: TEUR 5,529) and interest income from the reversal of step-ups on bank loans and lease liabilities of TEUR 3,937 (previous year: TEUR 2,995). Financial expenses of TEUR 120,602 were incurred (previous year: TEUR 106,170). They include, in particular, the interest expenses for the non-recourse loans to finance installations at park companies, the interest expenses in connection with the mezzanine capital of Gothaer Versicherungen and interest expenses for further Group financing and various non-cash expenses. The financial result also includes earnings from financial assets accounted for using the equity method in the amount of TEUR -703 (previous year: TEUR -927).

The resulting earnings before taxes (EBT) amounted to TEUR -176,048 (previous year: TEUR 91,577). The EBT margin is approximately -43 % (previous year: 20 %).

The tax expenses reported in the consolidated statement of comprehensive income amounts to a total of TEUR 2,029 in the 2024 financial year (previous year: expenses of TEUR 32,851) and are attributable to non-cash deferred taxes and effective tax payments. The current tax expense amounts to TEUR 18,331 (previous year: TEUR 28,582). During the reporting year, deferred tax assets of TEUR 20,360 (previous year: expenses of TEUR 4,269) were recognised.

Altogether, Encavis generated consolidated earnings of TEUR -174,019 (previous year: TEUR 58,726).

Consolidated earnings are made up of earnings attributable to shareholders of the parent company totalling TEUR -177,723 (previous year: TEUR 53,329), earnings attributable to non-controlling interests totalling TEUR -860 (previous year: TEUR 728) and the share of earnings attributable to hybrid bondholders of TEUR 4,564 (previous year: TEUR 4,668). Consolidated comprehensive income of TEUR -173,249 (previous year: TEUR 232,068) is made up of consolidated earnings and changes in other reserves shown in equity. In addition to changes in the currency translation reserve in the amount of TEUR 154 (previous year: TEUR -745), the change in other reserves still relates to the change in hedge reserves in the amount of TEUR -1,719 (previous year: TEUR 182,614), which also contain amounts to be recognised in profit or loss in future over the remaining term of the respective underlying items for interest rate swaps previously held in a hedging relationship, as well as the cost of hedging measures in the amount of TEUR 67 (previous year: TEUR 18). Amounts recognised in equity will be reclassified in full to consolidated earnings once the corresponding hedged items have expired. In the 2024 financial year, TEUR 2,384 (previous year: TEUR 0) was reclassified from the hedge reserve to consolidated earnings. There were corresponding deferred tax effects of TEUR -115 (previous year: TEUR -8,545).

Financial position

Changes in cash and cash equivalents amounted to TEUR 65,731 in the reporting year (previous year: TEUR 19,687) and consisted of the following:

Net cash from operating activities decreased by approximately TEUR -27,808 from TEUR 234,876 in the previous year to TEUR 207,068 in the reporting year. This consisted largely of cash inflows from the operating business of the solar parks and wind parks. Also included here were changes in assets and liabilities not attributable to investing or financing activities. 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. The operating cash flow is also burdened by the loss of revenue in the Asset Management segment.

Cash flow from investment activities amounted to TEUR -408,895 (previous year: TEUR -205,383) and primarily concerns payments for the acquisition of three Spanish solar parks and several German wind parks that are under development, as well as the construction of additional solar and wind parks by the Encavis Group for its own portfolio in Germany and abroad. In addition, further payments are reported in connection with the acquisition of a German wind park, which was previously accounted for as an associated entity.

Cash flow from financing activities amounted to TEUR 266,853 (previous year : TEUR -9,963) and resulted primarily from new loans granted, less regular repayments and interest paid. This item also includes the change in restricted cash and cash equivalents. Three investment loans totalling EUR 110 million were taken out in the 2024 financial year. In addition, shareholder loans totalling TEUR 322,340 were drawn down to refinance existing liabilities at Group level. In the 2024 financial year, two credit lines totalling TEUR 45,000 and a syndicated loan of TEUR 39,200 were already repaid in this context. The previous year’s figure includes the placement of a green Schuldscheindarlehen (promissory note loan) totalling EUR 210 million. Restricted funds increased by TEUR 30,278 in the 2024 financial year; the increase mainly relates to earmarked funds for upcoming acquisitions.

At the Annual General Meeting of Encavis AG on 5 June 2024, it was decided by a large majority not to distribute a dividend for the 2023 financial year and to retain the entire consolidated earnings for the period (i.e. to carry it forward to new account).

As at the balance sheet date, the Group had unused credit lines available in the amount of TEUR 1,285,053 (previous year: TEUR 328,444).

Net assets

As at 31 December 2024, equity amounted to TEUR 775,090 (31 December 2023: TEUR 1,186,929). The decrease of TEUR 411,839 or 34.7 % is due on the one hand to the negative result for the period in accordance with IFRS. On the other hand, the reclassification of the hybrid convertible bond, which was previously classified as equity, to current financial liabilities reduced equity (for further details, see Section 6.12 in the notes to the consolidated financial statements). The equity ratio was 19.8 % as at the reporting date (31 December 2023: 33.2 %).

The balance sheet total rose from TEUR 3,573,555 in the previous year to TEUR 3,923,899 in the reporting year.

As at 31 December 2024, the Group reported intangible assets in the amount of TEUR 401,892 (31 December 2023: TEUR 429,606).

Goodwill amounted to TEUR 107,240 as at 31 June 2024 (31 December 2023: TEUR 107,151). The change of TEUR 89 compared to the previous year relates to currency effects. Encavis had annual goodwill impairment testing conducted as at 31 December 2024. This testing took place at the level of a group of cash-generating units (CGUs) which represent the operative segments, which are divided by country. The impairment test did not give rise to an impairment loss.

The increase in property, plant and equipment to TEUR 2,684,594 (31 December 2023: TEUR 2,431,213) is mainly due to the acquisition or construction of several wind and solar parks and, to a lesser extent, to recognised reversals of impairment losses on power generation installations that were impaired in the past as part of asset impairment tests. This was offset by the scheduled depreciation and impairment losses from the asset impairment test as of 31 December 2024.

Deferred tax assets prior to offsetting primarily resulted from differences in property, plant and equipment in the comparison between IFRS and tax balance sheets, from differences in lease liabilities recognised exclusively in accordance with IFRS 16 as well as from tax loss carryforwards that are likely able to be utilised.

Current assets increased from TEUR 539,203 in the previous year to TEUR 669,399 as of 31 December 2024. The increase is mainly due to the TEUR 101,913 increase in cash and cash equivalents to TEUR 477,552 (31 December 2023: TEUR 375,639). The increase in current assets is also due to an increase in other current receivables from TEUR 47,885 as at 31 December 2023 to TEUR 68,957 as at 31 December 2024, which resulted, among other things, from the capitalisation of services performed by the companies in the Service segment at non-Group solar parks.

Liquid assets include restricted funds in the amount of TEUR 102,336 (31 December 2023: TEUR 66,642). Of this, TEUR 76,782 (previous year: TEUR 48,602) is attributable to capital services and project reserves, and TEUR 25,554 (previous year: TEUR 18,040) to other restricted credit balances.

Liabilities to non-controlling interests increased from TEUR 37,401 as of 31 December 2023 to TEUR 39,730. The reason for the increase is mainly due to higher compensation obligations resulting from the adjustment of the distribution forecasts of the corresponding park companies.

The financial liabilities in the group (primarily bank and lease liabilities) amounted to TEUR 2,808,045 as of 31 December 2024 (31 December 2023: TEUR 2,052,130).

These are comprised loans and lease agreements for the financing of wind and solar parks, as well as profit participation rights capital provided by Gothaer Versicherung. Also included are liabilities from debenture bonds and/or registered/bearer bonds including accrued interest totalling TEUR 330,607 (previous year: TEUR 310,371), liabilities from shareholder loans including accrued interest in the amount of TEUR 322,792 (previous year: TEUR 0) and liabilities from listed notes from the Grid Essence portfolio (United Kingdom) in the amount of TEUR 25,919 (previous year: TEUR 26,822) including accrued interest. Due to the change of control resulting from the KKR takeover, the liabilities from debenture bonds and registered/carrying bonds are all recognised under current liabilities on the balance sheet date. Liabilities from leasing obligations are included in the amount of TEUR 247,397 (31 December 2023: TEUR 211,303). The power purchase agreements recognised as derivatives are reported in the amount of TEUR 27,616 (31 December 2023: TEUR 39,707); the decline in the negative market values of these PPAs is mainly due to lower electricity price forecasts. The hybrid convertible bond previously classified as equity, including accrued interest in the amount of TEUR 237,864, is recognised for the first time in current financial liabilities as at the balance sheet date (for further details, see Section 6.12 Equity in the notes to the consolidated financial statements).

Deferred tax liabilities primarily resulted from differences in the electricity feed-in contracts in the comparison between IFRS and tax balance sheets, from differences of the energy installations in the comparison between IFRS and tax balance sheets and right-of-use assets capitalised exclusively in accordance with IFRS 16. The change in deferred tax liabilities is mainly due to changes in these differences as a result of scheduled depreciation and amortisation and impairment losses or reversals of impairment losses on power generation installations and electricity feed-in contracts.

Income tax liabilities decreased from TEUR 16,979 as at 31 December 2023 to TEUR 11,685 as at 31 December 2024. This is mainly due to lower consolidated earnings compared to the previous year.

Current provisions amounted to TEUR 16,641 as at 31 December 2024 and were therefore essentially at the same level as the previous year (31 December 2023: TEUR 15,900).

Trade payables increased by TEUR 10,633 year on year to TEUR 42,693 as of 31 December 2024 (31 December 2023: TEUR 32,060). The increase is mainly due to one-off liabilities from consulting services in connection with the takeover by KKR (Elbe project).

Segment reporting (operating)

Income and expenses within the segments were largely attributed to services relating to technical and commercial management and to interest income from, and interest expenses for, intra-Group loans. These loans were predominantly granted as bridge financing for VAT and investments in solar park projects.

PV Parks

Operating revenues at the solar parks fell to TEUR 255,207 in the 2024 financial year (previous year: TEUR 299,766). Other operating expenses amounted to TEUR 69,529 in 2024 (previous year: TEUR 79,118). In the 2024 financial year, operating reversals of impairment losses on assets for which impairment losses were recognised in the past were recognised in the amount of TEUR 9,778; these are reported under other income. Operating EBITDA totalled TEUR 196,041(previous year: TEUR 221,698). This corresponds to an operating EBITDA margin of 77 % (previous year: 74 %). Other operating depreciation and amortisation of TEUR 85,700 were incurred (previous year: TEUR 84,717). In addition, operating impairment losses of TEUR 123,942 (previous year: TEUR 3,395) were recorded in the reporting year based on the asset impairment test carried out as of 31 December 2024. The increase in impairment losses is due to higher capital market costs and lower electricity price forecasts. Overall, the PV Parks segment generated an operating earnings (operating EBIT) of TEUR -13,600 in the reporting year (previous year: TEUR 133,586).

Wind Parks

Operating revenues at the wind parks fell to TEUR 86,975 in the 2024 financial year (previous year: TEUR 99,302). Other operating expenses amounted to TEUR 24,176 in 2024 (previous year: TEUR 23,000). Operating EBITDA totalled TEUR 59,646 (previous year: TEUR 86,047). This corresponds to an operating EBIDTA margin of 69 % (previous year: 87 %). Scheduled operating depreciation and amortisation amounted to TEUR 36,064 (previous year: TEUR 30,207). In addition, operating impairment losses of TEUR 12,750 (previous year: TEUR 0) were recognised in the reporting year based on the asset impairment test carried out as of 31 December 2024. The impairment losses recognised for the first time are due to increased capital market costs and lower electricity price forecasts. In total, the wind parks segment generated operating earnings (operating EBIT) of TEUR 10,832 (previous year: TEUR 55,840) in the reporting year.

Asset Management

Operating revenues decreased from TEUR 28,896 in the previous year to EUR 14,184 in the 2024 reporting year, while other operating expenses increased slightly year-on-year (TEUR 6,777; previous year: TEUR 6,319). Operating depreciation and amortisation amounted to TEUR 452 (previous year: TEUR 4,842). In the 2024 financial year, operating EBITDA totalled TEUR -2,028 (previous year: TEUR 14,836), which corresponds to an operating EBITDA margin of -14 % (previous year: 51 %). The operating result (operating EBIT) totalled TEUR -2,481 (previous year: TEUR 9,994). The decline in revenue and the segment’s earnings is due, in particular, to the difficult business development caused by the interest rate environment.

Service

Operating revenues in the Service segment developed positively and increased from TEUR 55,006 in the previous year to TEUR 68,291 in the 2024 reporting year. Other operating expenses totalling TEUR 30,495 (previous year: TEUR 24,759) were incurred. Operating depreciation and amortisation amounted to TEUR 1,110 (previous year: TEUR 969). In the 2024 financial year, operating EBITDA totalled TEUR 10,983 (previous year: TEUR 6,060), which corresponds to an operating EBITDA margin of 16 % (previous year: 11 %). The operating result (operating EBIT) totalled TEUR 9,874 (previous year: TEUR 5,090).

Administration

Operating EBITDA in administration totalled TEUR -30,067 (previous year: TEUR -9,326) and the operating result (operating EBIT) was TEUR -30,957 (previous year: TEUR -10,181). Operating revenues totalled TEUR 3 (previous year: TEUR 3). Other operating expenses rose from TEUR 3,290 in the previous year to TEUR 17,598 in the reporting year. At TEUR 890, operating depreciation and amortisation was roughly on a par with the previous year (TEUR 854). The decline in the contribution to earnings is due in particular to the one-off legal and consulting costs incurred as a result of the takeover by KKR, as well as increased personnel expenses.

Notes to the individual financial statements of Encavis AG (HGB)

Encavis AG provides commercial, technical, and other services related to the acquisition, construction, or operation of plants for the production of electricity from renewable energy sources both domestically and internationally. It also acquires, holds, manages and sells equity investments.

The annual financial statements of Encavis AG for the 2024 financial year were prepared pursuant to the provisions of the German Commercial Code (HGB) in accordance with the supplementary provisions of the German Stock Corporation Act (AktG).

Financial performance

Encavis AG generated revenue of TEUR 7,681 in the reporting year (previous year: TEUR 5,070). These mainly result from the provision of services such as insurance, administration, management, tax advice, accounting and commercial support for the wind and solar park companies by Encavis AG to the subsidiaries of the Encavis Group.

Other operating income in the amount of TEUR 9,976 arose on the one hand from costs for services that Encavis AG commissioned for its subsidiaries and passed on to its subsidiaries in the amount of TEUR 4,863 without a cost surcharge. On the other hand, Encavis AG recognised write-ups of shares in affiliated companies in the amount of TEUR 2,651, taking into account the upper acquisition cost limit. The calculation of the market values required for this came from the investment valuation based on the discounted cash flow method as at 31 December 2024. In addition, TEUR 579 is attributable to write-ups owing to currency translation related to loans to affiliated companies. In the previous year, other operating income totalled TEUR 87,510 and largely resulted from the realisation of hidden reserves through the transfer of subsidiaries to newly established holding companies in the amount of TEUR 71,723 and from an upward merger at fair value in the amount of TEUR 6,488.

Personnel expenses of TEUR 23,719 were TEUR 7,408 higher compared to the previous year (TEUR 16,311). The increase is due to the almost complete and partial early exercise of the share option programmes in the amount of TEUR 2,158. Furthermore, the existing long-term incentive programmes were fully and partially terminated prematurely, resulting in an expense of TEUR 2,233. The bonuses paid to employees increased by TEUR 3,565 from TEUR 3,366 to TEUR 6,931. With the increase in the number of employees, salaries rose by TEUR 1,634 from TEUR 8,572 to TEUR 10,206.

Other operating expenses of TEUR 31,722 were TEUR 13,786 higher compared to the previous year (TEUR 17,096). These mainly include costs for legal and other consulting services totalling TEUR 16,074 (previous year: TEUR 5,177), commitment fees of TEUR 1,915 (previous year: TEUR 1,042), expenses from insurance benefits of TEUR 1,884 (previous year TEUR 2,003), licences of TEUR 1,681 (previous year: TEUR 887), occupancy costs of TEUR 975 (previous year: TEUR 942), costs for the preparation and audit of the annual financial statements of TEUR 953 (previous year: TEUR 1,128, Supervisory Board remuneration totalling TEUR 816 (previous year: TEUR 771) and maintenance costs for hardware and software totalling TEUR 275 (previous year: TEUR 389).

Financial and investment income decreased to TEUR 80,186 in the 2024 financial year (previous year: TEUR 110,638). This includes income from investments in the amount of TEUR 12,184 (previous year: TEUR 5,772). Furthermore, Encavis AG received income from profit transfer agreements totalling TEUR 13,626 in 2024 (previous year: TEUR 61,370). Encavis AG collected income in the amount of TEUR 1,480 in total (previous year: TEUR 1,443) from the control and profit transfer agreement concluded between Encavis AG and Encavis Technical Services GmbH. Furthermore, the control and profit and loss transfer agreement between Encavis GmbH and Encavis AG resulted in recognised income of TEUR 11,480 (previous year: TEUR 59,758). Encavis AG recognised a profit of TEUR 666 from the control and profit transfer agreement with Capital Stage Solar IPP GmbH in 2024 (previous year: assumption of a loss of TEUR 2,160). Encavis AG assumed a loss totalling TEUR 2,226 from the control and profit and loss transfer agreement with Solarpark Neuhausen GmbH (previous year: receipt of a profit of TEUR 168).

This item also includes interest income from loans issued to affiliates of TEUR 51,517 (previous year: TEUR 38,524). The increase in interest income from affiliates relates in particular to additional loans issued to affiliates.

Financial expenses (interest and similar expenses and expenses from loss absorption) of TEUR 38,360 were incurred (previous year: TEUR 26,514). These mainly include interest expenses paid to banks amounting to TEUR 29,360 (previous year: TEUR 17,766) as well as interest paid to affiliates amounting to TEUR 6,773 (previous year: TEUR 6,585). The investment valuation, based on the discounted cash flow method, as at 31 December 2024 resulted in impairment losses on financial assets in the amount of TEUR 29,973 (previous year: TEUR 23,304) to the lower fair values in accordance with Section 253 (3) Sentence 5 German Commercial Code (HGB). In addition, a depreciation was carried out from currency translation in the amount of TEUR 94 (previous year: TEUR 149).

Taxes on income totalling TEUR 820 (previous year: expenses of TEUR 8,571) mainly include expenses for corporation tax of TEUR 1,268, expenses for the solidarity surcharge of TEUR 74 and expenses for trade tax of TEUR 130 for previous years. This is offset by income from the reversal of deferred tax liabilities in the amount of TEUR 2,292.

Encavis AG's net loss for the year totalled TEUR 25,377 (previous year's net profit: TEUR 111,114).

Compared to the forecast, the earnings situation of Encavis AG is less favourable. The actual operating EBITDA of TEUR -37,845 is below the forecast figure of TEUR -33,037. The difference between the actual operating EBIT of TEUR -38,117 and the forecast operating EBIT of TEUR -33,304 is similarly high. Encavis AG incurred unplanned expenses of TEUR – 18,034 in connection with the takeover by the KKR-led consortium. Compared to the budget, Encavis AG generated higher other income from recharges totalling TEUR 5,334, recorded TEUR 4,908 lower expenses for the acquisition of park companies and TEUR 1,755 lower personnel expenses.

Net assets and financial position

In 2024, cash flow from operating activities amounted to TEUR -41,149 (previous year: TEUR -9,247). Compared to the previous year, there were higher payments for personnel expenses totalling TEUR 7,408. Encavis AG also paid costs totalling TEUR 4,052 in connection with the takeover by the KKR-led consortium . In contrast, Encavis AG received a refund of capital gains tax on profit distributions received in the amount of TEUR 4,999.

Investment activity yielded a cash flow of TEUR -98,898 (previous year: TEUR -69,300). The change compared to the previous year is due in particular to the fact that Encavis AG has continued and intensified its growth course. Encavis AG acquired shares in Fronteris Solarpark Oberbürg GmbH & Co. KG, located in Germany, in the amount of TEUR 6,326, in UKA Windenergie Portfolio 34 GmbH with its subsidiary UGE Everswinkel GmbH & Co. KG Umweltgerechte Energie in the amount of TEUR 2,774 and in UGE Voigtsdorf GmbH & Co. KG Umweltgerechte Energie in the amount of TEUR 1,481. In Spain, Encavis AG acquired shares in the solar parks Solar Castuera S.L.U. totalling TEUR 14,228 and in La Florida Hive, S.L.U. totalling TEUR 5,965. Encavis also acquired shares in the Italian solar park companies A.M. Solar S.r.l. in the amount of TEUR 2,284 and C.B. Solar S.r.l. in the amount of TEUR 873. To finance projects in the construction phase, Encavis AG increased its loans to affiliated companies by a total of TEUR 216,626 compared to the previous year. In contrast to this, Encavis AG received distributions of profits from current business activities of affiliated companies totalling TEUR 10,710 (previous year: TEUR 4,254) as well as payments from profit transfers from Encavis Technical Services GmbH and Solarpark Neuhausen GmbH totalling TEUR 1,062.

Cash flow from financing activities came to TEUR 211,084 (previous year: TEUR 111,407). In 2024, Encavis AG received cash inflows from shareholder loans, Schuldscheindarlehen (promissory note loans) and bank loans totalling TEUR 753,140 (previous year: TEUR 289,200). Encavis AG repaid bank loans and interest, as well as Schuldscheindarlehen (promissory note loans), in the amount of TEUR 434,353 (previous year: TEUR 135,695), which had an offsetting effect. Liquidity in the past fiscal year was ensured at all times through cash inflows from financing activities, liquid asset holdings, and credit lines with the shareholder.

Equity decreased from TEUR 962,624 in the previous year to TEUR 949,847 as at 31 December 2024. The change in equity is the result of the conversion of the hybrid convertible bond in the amount of TEUR 12,600 and the net loss for the year of TEUR 25,377 (previous year net profit: TEUR 111,114). The equity ratio was 45.54 % as at the reporting date (previous year: 54.59 %).

The balance sheet total rose to TEUR 2,085,922 in the 2024 financial year (previous year: TEUR 1,766,485). On the assets side, the increase is mainly due to the expansion of financial assets through the acquisition of further shares in affiliated companies, the issue of loans, as well as the strengthening of bank balances. Conversely, the decrease in receivables from affiliated companies had an impact, which is mainly due to lower receivables from profit transfers. With regard to liabilities, shareholders' equity and liabilities to affiliates increased by a particularly strong margin. This relates, in particular, to the shareholder loan granted by Elbe BidCo AG to Encavis AG on 9 and 23 December 2024 in the amount of TEUR 322,340.

Supplementary report

Delisting of Encavis AG shares at the end of 31 January 2025

On 28 January 2025, the Frankfurt Stock Exchange informed Encavis AG that it was approving the company's application to revoke the admission of Encavis shares to trading on the regulated market of the Frankfurt Stock Exchange (General Standard) and in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). Previously, on 8 January 2025, the Hanseatische Wertpapierbörse Hamburg had already approved the company's parallel application to revoke the admission of Encavis shares to trading on the regulated market of the Hamburg Stock Exchange. The delisting from the regulated markets of the Frankfurt Stock Exchange and the Hamburg Stock Exchange has thus taken place with effect from the end of 31 January 2025, meaning that Encavis shares can no longer be traded on the regulated market since 1 February 2025.

Elbe BidCo AG submits formal request to carry out a merger squeeze-out of the minority shareholders of Encavis AG

Elbe BidCo AG informed the Management Board of Encavis AG on 18 February 2025 that Elbe BidCo AG holds a total of 94.15 % of Encavis shares following the settlement of the delisting tender offer made to Encavis shareholders on the same date. Against this background, Elbe BidCo AG, in accordance with its previous notification to the company dated 31 January 2025, has repeatedly submitted to the company's Management Board the formal request to carry out a merger squeeze-out of the remaining minority shareholders of the company in return for an appropriate cash compensation in accordance with Section 62 (1) and (5) of the German Transformation Act (Umwandlungsgesetz) in conjunction with Sections 327a et seq. of the German Stock Corporation Act (Aktiengesetz) . Elbe BidCo AG reaffirmed its previous proposal to enter into negotiations with the company's Management Board regarding a merger agreement. The amount of the appropriate cash compensation that Elbe BidCo AG, as the main shareholder, will grant to the minority shareholders of Encavis for the transfer of their shares will be determined at a later date. Elbe BidCo AG has announced that it will inform Encavis AG of the amount of the cash compensation in a further letter, the so-called concretised demand, as soon as this has been determined.

Change in the Supervisory Board of Encavis AG

The Management Board and the Chairman of the Supervisory Board of Encavis AG, who was in office until his resignation, had filed an application for the court appointment of five new members of the Supervisory Board, which the Hamburg Local Court (Register Court) granted by resolution dated 24 February 2025 by appointing the following Supervisory Board members:

- Marco Fontana (Managing Director in the European infrastructure team of KKR (KKR & Co. Inc.)),
- Boris Scukanec Hopinski (COO at Viessmann Generations Group GmbH & Co. KG),
- Tobias Krauss (CEO at ABACON CAPITAL GmbH),
- Dr Johannes Teyssen (independent manager, senior advisor at KKR (London, United Kingdom) and at Viridor p.l.c. (United Kingdom)) and
- Prof. Dr Martin Viessmann (Member of the Board of Directors of Viessmann Group GmbH & Co. KG).

The appointment of the above Supervisory Board members ends at the end of the next Annual General Meeting or Extraordinary Annual General Meeting of the company at which a new Supervisory Board is to be elected. The court appointment of the five Supervisory Board members took place against the background that eight of the nine previous members of the Supervisory Board, i.e. Dr Rolf Martin Schmitz (Chairman), Dr Manfred Krüper (Deputy Chairman), Ayleen Oehmen-Görisch, Dr Henning Kreke, Isabella Pfaller, Christine Scheel, Dr Marcus Schenck and Thorsten Testorp (thus all members of the Supervisory Board with the exception of Prof. Dr Fritz Vahrenholt) had each resigned from office. The company's Supervisory Board, therefore, currently consists of the following six members: Marco Fontana, Boris Scukanec Hopinski, Tobias Krauss, Dr Johannes Teyssen, Prof. Dr Martin Viessmann and Prof. Dr Fritz Vahrenholt. At its constituent meeting on 6 March 2025, the Supervisory Board elected Dr Johannes Teyssen as Chairman of the company's Supervisory Board. Marco Fontana was elected Deputy Chairman of the Supervisory Board.

Change in the Management Board of Encavis AG

On 7 March 2025, the Supervisory Board of Encavis AG announced a planned change in the company's management as part of ongoing efforts to position Encavis for the next phase of growth. Dr Christoph Husmann, who has served as

Spokesman of the Management Board and Chief Financial Officer since 2014, will step down from both roles following the company's Annual General Meeting in June 2025 and the conclusion of the squeeze-out process. Dr Husmann will continue to support the company during this transition phase and oversee the squeeze-out process and integration into the new Encavis structure to ensure continuity and stability. The Supervisory Board has appointed Mario Schirru, currently Chief Operating Officer and Chief Investment Officer, as Co-Speaker of the Management Board with immediate effect. After the 2025 Annual General Meeting, the Supervisory Board intends to formally appoint Mr Schirru as Chairman of the Management Board.

Repayment of Encavis AG liabilities after the balance sheet date

After the balance sheet date, the registered and bearer bonds and Schuldscheindarlehen (promissory note loans) issued by Encavis AG were repaid in full or in part. On the one hand, this is due to early repayment requests from creditors who exercised a corresponding contractually agreed right. They were entitled to this as a result of the change of control that occurred in December 2024 following the takeover by the KKR-led consortium. Encavis AG also exercised its ordinary right of cancellation for some variable-interest Schuldscheindarlehen. The repatriated funds were replaced by taking out shareholder loans.

Other

Supervisory Board

Ms Ayleen Oehem-Görisch was elected to the Supervisory Board at the Annual General Meeting on 10 June 2024. She replaces Mr Albert Büll. With the exception of Professor Dr Fritz Vahrenholt, all members of the Supervisory Board resigned from office at the end of 21 February 2025. The Supervisory Board of Encavis AG will consist of six members in future. The change is a consequence of the takeover by KKR. For details, please refer to the explanations in the supplementary report.

Opportunities and risk report

Risk and opportunity management system

Risk and opportunity management is an essential component of all planning, controlling and reporting systems within the individual companies and at Group level and is a central element of reporting. It comprises the systematic identification, evaluation, control, documentation and monitoring of both risks and opportunities, which are controlled by a Group-wide risk management system. However, the effects of risks and opportunities are not offset against each other. The risk management system enables Group management to act and intervene quickly and effectively to take timely measures to minimise risks and to exploit opportunities for the benefit of the Group.

The objectives and strategies of the risk and opportunity management system are:

- to meet legal and regulatory requirements,
- to ensure the continued existence of the Encavis Group by means of early, sustainable and transparent identification of overall risks,
- to protect or increase the company's value through the holistic and active management of all risks and opportunities that could interfere with the achievement of the Group's commercial goals,
- to create added value by taking appropriate account not only of return but also of risks in relevant decisions and processes, including investment decisions, risk capital allocations and corporate planning.

Organisation of the risk and opportunity management system

Overall responsibility for monitoring and controlling the total risk of the Group is borne by the Management Board of Encavis AG (hereinafter also referred to as “Encavis”). The Management Board establishes rules and minimum standards and therefore decides on the framework of risk management and the superordinate risk management strategy of the Encavis Group.

The company’s proactive and efficient management of risks and opportunities is based on transparent, intelligible nomenclature as well as timely and targeted communication. Standardised communication across all divisions has been set out to ensure that pertinent information can be forwarded both to the Management Board (decision maker) as well as the risk manager and/or the risk owner.

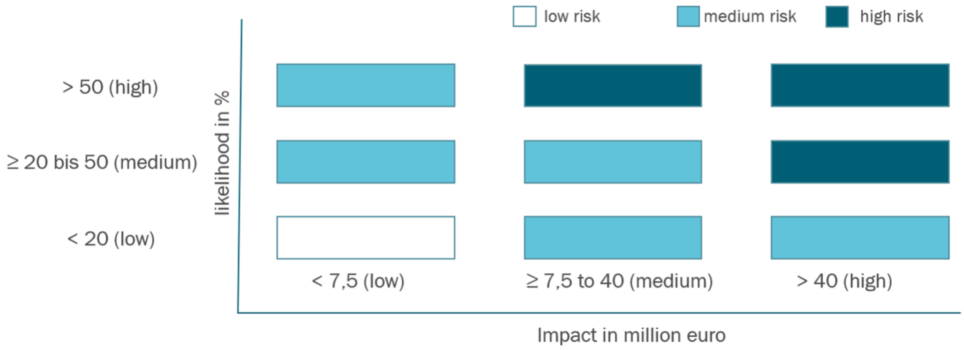
Risk management at Encavis is to be understood as an iterative process. This can be illustrated as follows:

The risk manager is responsible for the implementation, ongoing development and coordination of the risk and opportunity management framework, with the help and assistance of the risk owners in the following areas: Accounting, Controlling, Corporate Finance/Treasury/Insurance, Energy Portfolio Management, Energy Risk Management, Group Accounting, Investments, Investor Relations/Public Relations, IT, Operations, Project Finance, PPA Origination, Personnel, Legal, Sustainability & Communications, Regulatory Affairs und Tax. The risk owners are responsible for identifying any risks in their respective areas at an early stage, assessing them adequately and managing them in accordance with corporate guidelines. The risk manager reports to the Management Board and is responsible for implementing the risk management system and reporting the Group’s risk exposures to the chief financial officer of Encavis. Additionally, the Management Board reports to the Supervisory Board about the risk situation of the Group.

Risk and opportunity management is a continuous process and is integrated into our operational procedures. Risks and opportunities – defined as having a negative or positive impact on corporate goals or at least one of the general project targets of time, costs, scope or quality – are reported quarterly. The risk situation is also monitored between the quarterly reporting dates, in relation to key projects and/or decisions for instance. Any material changes in risk exposure are reported to the Management Board immediately.

Risk assessment

Uniform guidelines are in place to evaluate the risks inherent in the risk classes. Where risks cannot be evaluated quantitatively, they are evaluated at a qualitative level.



A period of 12 months is generally considered to be the period during which the risk arises. However, individual cases involving longer-term significant risks may extend beyond this general period. Identified risks are evaluated based on their probability of occurrence and effect and assigned to risk classes using the combination (multiplication) of both factors. Both probability of occurrence and effect are allocated a score on a scale of 1 (very low) to 10 (very high). The scores for probability and impact are then multiplied together. resulting in a risk index of between 1 and 100. In this regard, an effect is evaluated as the estimated cost or income loss that would occur if the corresponding risk were to arise. Risks with a rating of up to 19 points are classified as "low risk". Moderate risks are those with a score of 20 to 50 points, and risks given scores of 51 to 100 are classified as high risks. Additional classification of inventory and growth risks have been introduced to assess the impact of the identified risk on either existing business operations or the future growth prospects of the Encavis Group.

Risk class and Thresholds for risk assessment (1–100)	Description of risk class
Low 1–19	The risks have a low probability of occurrence combined with a low impact.
Medium 20–50	The risks have a high probability of occurrence combined with a low impact or a low probability combined with a high impact.
High 51–100	The risks have a high probability of occurrence combined with a major impact.
Fact	Risks have already occurred but do not necessarily have any major impact on the business.
Growth	Risks of this class may influence the future growth of the Encavis Group.

Particular attention is paid to risks classified as "growth", "high" or "moderate", with strategies focusing on managing the risk(s) so that risks are able to be reclassified to the low to moderate range in terms of the net effect. Inventory risks alone are assessed in terms of probability of occurrence and impact. Growth risks are only assessed in terms of probability of occurrence, as such risks have no influence on the existing business of the Encavis Group. Risks are presented on a net basis.

Risk actions

Both active and passive measures are available ("risk strategies") when it comes to managing risks using appropriate instruments. Significant risks are to be brought into acceptable ranges in as cost-optimised a way as possible. This is generally achieved through a mix of the measures and instruments described below.

Active measures have a direct effect on the probability of occurrence and the loss associated with the risk, thereby reducing the gross risk.

a) **Avoidance:** By avoiding activities in certain areas or projects, situations can be avoided whereby activities leading to risk are performed in the first place.

b) **Mitigation:** Risks are still taken, but are secured to a certain extent.

c) **Diversification:** This involves attempting to limit the risk by spreading the risk around or actively passing on losses to other parties.

Unlike active measures, passive measures do not impact the risk structures.

The objective of passive measures is to be able to react to risks at short notice, without delay and quickly by deploying sufficient resources and responding with an appropriate level of potential effectiveness. Passive measures include primarily the following:

d) Risk-taking This involves deliberately taking on and bearing risks, for example by taking precautionary measures-/forming reserves.

e) Risk transfer: Risk can be transferred to another party by concluding agreements/contracts. In addition to the conclusion of insurance policies, this also includes the use of financial derivatives and the shifting of risks to customers or suppliers and financing banks by centring project financing solely on the project without recourse to the rest of the Encavis Group ("non-recourse"), or the active hedging of electricity price risks using PPAs.

Risk management

The Encavis Group has developed a variety of risk mitigation and risk avoidance strategies involving appropriate measures, a large number of which are covered by the internal organisation. Additionally, Encavis works with highly respected business partners, law firms and consultants. In this context, care is taken to ensure that potential risks are not borne solely by Encavis. One element of risk management is also the consistent financing of projects by means of non-recourse project financing, based on which the banks only have to ensure the repayment of the financing from the financed project. This can be seen in particular in the section on business risks.

Risk control

The objective of Encavis' approach is holistic risk management, in other words applying risk management at all levels and in all areas of the company. All employees are encouraged to actively engage with the topic of risk management. Each member of staff can and should report any newly identified risks, changes or revised estimates directly to the relevant risk owner. In preparation for these quarterly meetings, all risk owners review the risk assessment of their area/risks and formulate and present any appropriate measures they would like to suggest.

The entire risk inventory is presented at the end of the year and discussions are held on any revision of individual risk assessments and classifications as well as any changes to the previous year.

Information regarding material risk changes

Encavis identifies, analyses, assesses and monitors the relevant risks for the company on an ongoing and comprehensive basis. Material risks are listed, explained and classified in the following risk report. In addition, any measures and strategies employed by the company to avoid or mitigate these risks are also presented.

After the risks from existing covenant agreements at holding company level were newly included as a "medium" risk in the 2023 reporting year, the risk was downgraded as low in this reporting year. After the bidder Elbe BidCo AG published the offer document for its voluntary public takeover offer to the shareholders of Encavis AG on 24 April 2024, the offer conditions described in the offer document became effective on 4 December 2024. Against this background, Encavis AG also concluded shareholder loan agreements with Elbe BidCo AG as of 4 December 2024, which are sufficiently dimensioned to repay all of Encavis AG's existing financial liabilities. This means that the negative consequences of non-compliance with the existing covenant agreements, which essentially consist of an early repayment obligation, are no longer relevant.

Opportunity management

The purpose of opportunity management is to secure the long-term success of the company. Opportunities are discussed and recorded at the same time as risks and, following their assessment, specific measures are decided on to take advantage of these opportunities. A distinction is made between two types of opportunity in the context of opportunity management:

- external opportunities which have causes we are unable to influence, for instance the retraction of a tax
- internal opportunities which arise within our company, for example as a result of achieving synergies

The opportunities identified within the Encavis Group are detailed in the report on opportunities.

Risk report

As part of risk management, the risks listed below to which the Encavis Group is exposed have been assessed and classified according to probability of occurrence and impact and broken down into risk classes. For the purpose of the explanations in this risk report, we have limited ourselves to the risk categories that were material in the reporting year as well as to individual risks that were classified as moderate and high. Material risks not classified as moderate and high are those that, despite being classified as low, have an impact on Encavis' growth or are generally known, such as regulatory measures that cannot be anticipated or the growing shortage of skilled workers in Germany.

Overview of material risks in the reporting year

Strategic risks	Risk class	Change year on year
Political and regulatory risks	low	↘
Risks arising from the short- and long-term marketing of electricity	moderate	→
Market risks	growth	→
Operational risks		
Operating and business interruption risks	moderate	→
Meteorological risks from sun and wind	moderate	→
Financial risks		
Project financing risk	low	→
Risks associated with the Group's capital procurement	low	→
Risks from existing covenant agreements at holding company level	low	↘
Currency risk	low	→
Interest rate risks	low	↘
PPA risks	low	new
Risks in the Asset Management segment		
Investment risks	low	↘
Market risks	moderate	new
Liability or reputation risks	low	→
Compliance risks		
Tax compliance risks	moderate	→
Corporate compliance risks	low	→
Stricter sustainability reporting obligations	low	→
Organisational risks		
Personnel and organisational risks	low	→
IT risks (cyber risk and cybersecurity)	low	→

Legend:
→ Unchanged risk class ↗ Higher risk class ↘ Lower risk class

Brief explanation of risk changes in the reporting year

- Political and regulatory risks were downgraded from "medium" to "low". The last regulatory effects as part of electricity price regulation expired in the 2024 reporting year.
- The business risks have been expanded to include property and/or business interruption risks; the risk class remains "medium". Due to the constantly growing portfolio and changing climate conditions, the requirements and expenses for hedging these risks are also increasing.
- The risks from existing covenant agreements at holding company level were downgraded from "medium" to "low". The majority of the existing loans at holding level will be repaid in the first quarter of 2025 from the funds of shareholder loans of Elbe BidCo AG. A significant proportion of the remaining loans do not have

covenants that can be cancelled as a result of non-compliance. The covenants are also comfortably complied with. Should the unlikely event of a breach of covenant nevertheless occur, the shareholder loans of Elbe BidCo AG are sufficiently dimensioned to cover the repayment and are also designed for this eventuality. The shareholder loans of Elbe BidCo AG do not contain any covenant agreements.

- Interest rate risks were downgraded from “moderate” to “low”. With the exception of a revolving credit line with fluctuating utilisation, financing at holding company level is generally interest-hedged over the entire term. Market interest rates in the relevant European markets have fallen compared to the previous year and are at a moderate level by historical standards, with no clear signs of a turnaround towards rising market interest rates.
- The PPA price risks were newly included with the risk class “low”. PPAs are concluded with financially stable and creditworthy buyers. The comprehensive due diligence of contractual partners ensures that payment defaults and breaches of contract are minimised. The additional diversification of the Encavis PPA portfolio (customers, market, price structure) reduces dependence on individual risk factors. Specific contractual safeguards such as force majeure clauses and default guarantees further minimise potential financial losses.
- In terms of risks in the Asset Management segment, capital procurement risks were newly included as market risks with the risk class “medium” and separated from investment risks. Due to the changing interest rate policy, the market is less lucrative in terms of non-current investments and investments are declining.

The following risks have been listed and described as low risks in recent years. Due to the fact that the risks have not increased or materialised, these non-material risks will not be discussed further in the remainder of this report:

- Project financing risk
- Risks associated with the Group’s capital procurement
- Currency risk
- Liability or reputational risks in relation to Encavis Asset Management AG

Disclosure of material risks

Strategic risks

Political and regulatory risks
As an internationally operating group, we are exposed to various political and regulatory changes in different countries and markets. The impact on Encavis was discussed regularly, and discussions on implementing measures to soften the impact on electricity prices were actively monitored.

In principle, it is possible, for example, that retroactive changes are possible from the regulatory side, compare the ultimately not implemented retroactive reduction of feed-in contracts in France. Encavis regularly obtains information on the background to relevant political and regulatory risks from local experts in all country markets. This also includes topics such as significant changes to existing subsidy programmes in relation to renewable energies.

Risks arising from the short- and long-term marketing of electricity
Encavis' portfolio is exposed to two main risks: "market risk" and "credit risk".

In terms of "market risk", "market price risk" represents one of the most significant risks. Market price risk is defined as both positive and negative fluctuations in market prices that can change the value of energy positions (energy position is defined as the amount of energy, expressed in MWh, which is generated by an asset or portfolio from when it starts operation to end of life).

Credit risk, by contrast, relates mainly to "replacement risk", which is the risk that arises if the counterparty defaults, resulting in all active contracts with that counterparty having to be concluded at current (unfavourable) prices instead of those stipulated in the original contracts.

In the countries in which Encavis operates, the energy sector is organised around free market pricing. Falling prices on the wholesale electricity markets can lead to a loss of profitability for power generation installations. This also applies to renewable energy installations that are not subsidised by fixed feed-in tariffs.

Short and medium-term market price risks are actively managed using a specific hedging strategy. The open price exposure for the coming twelve months is closed on an ongoing basis, as far as possible, in order to ensure price stability.

A PPA is one way of reducing the market price risk for a project/portfolio in the long term, as a fixed electricity price or floor price can be agreed between the two contractual partners for the term of the PPA.

However, depending on how the PPA is structured, this kind of pricing and concurrent supply obligations to the customer can also give rise to market price risks for a project/portfolio. Rising prices on the wholesale electricity markets may mean, for example, that shortfalls in electricity volumes have to be purchased on the market at higher prices than originally planned in order to be able to fulfil the supply obligation under a PPA.

To counter the replacement risk, guarantees or sureties are mutually agreed in long-term PPAs, for example, to cover the potential damage in the event of premature termination and to reduce the reasons for termination themselves to a minimum. There are also usually direct agreements between the PPA contracting parties and the project financing bank, under which there are further restrictions on the exercise of any grounds for cancellation under the PPA.

Market risks
The transition from a fossil fuel-based energy supply to more sustainable sources of energy, such as renewables like wind and solar power, means that renewables continue to be one of the world's fastest growing industries. Operating wind parks and solar parks is subject to only minor economic fluctuations as a result of legally guaranteed feed-in tariffs, long-term power purchase agreements (PPAs) or renewable purchase obligations (RPOs) such as those set out in the German Renewable Energy Act (EEG).

In order to respond quickly and appropriately to market risks, Encavis continuously monitors the relevant markets by studying various trade publications; attending conferences, symposiums and trade shows; and maintaining memberships of industry associations, such as the German Solar Association. In addition, the company cultivates direct contacts and participates in regular discussions on relevant issues as part of a network of partners, experts and industry representatives.

Operational risks

Business risks

Technical faults in the installations or substations can bring wind parks and solar parks to a standstill, or they may be temporarily disconnected from the grid by energy suppliers so that necessary works can be undertaken. This carries the risk of prolonged downtimes if they are not detected early and any technical faults are not repaired in due time.

The Encavis Group mitigates the risk of downtimes in its wind and solar power plants at an early stage, as the management and monitoring of the installations are undertaken by experienced external partners. Online monitoring in real time ensures that technical issues are detected and investigated immediately. In 2022, Encavis increased its stake in the pan-European O&M service provider Stern Energy S.p.A., based in Italy, to 80 %. This company provides technical management services for a large number of the Group's own solar installations, as well as for many external customers. Consequently, Encavis has secured access to the relevant services required to mitigate risk and rectify damage. In addition, the development of the plants' performance is continuously monitored by the respective project managers and the Group's internal New Build & Technical Services department. All installations are insured against the economic consequences of business interruption due to external events. The insurance covers both the material damage to the onshore wind and solar parks caused by the external events and the losses arising from the interruption of operations for a period of up to 18 months. If there are differences of opinion between the insurer and the solar power plant affected by the damage regarding the cause and extent of the damage, there is a risk that the full repair costs and/or business interruption loss will not be compensated.

Meteorological risks from sun and wind

The output of solar parks (ground-mounted systems) depends on meteorological conditions, which may negatively impact the performance. Assessments of expected solar radiation may prove inaccurate, and climate changes and pollution could result in predicted weather conditions not occurring or deviating from both existing assessments and the meteorological mean.

Encavis looks to its own experience and external assessments of expected solar radiation as part of the economic efficiency calculation for the acquisition of new solar parks. These assessments are based on long-term historical data on the levels of sunshine and form median values for the forecast. The effects of deviations from these prognoses on the economic efficiency calculation are also tested with sensitivity analyses. In addition, diversification of the current portfolio of solar parks reduces dependence on the meteorological conditions in one region. It must also be considered that, due to changes in climate, the hours of sunshine in several European countries are regularly increasing and are well above the long-term average. This meteorological trend has been observed in recent years and is not factored into the evaluation of the parks.

Generally speaking, generation capacity in the Wind Parks segment is subject to greater fluctuations than the solar power sector. Fluctuations in the wind energy sector may be up to 25 % above or below the median value per year. Encavis mitigates the risk by factoring in the greater volatility in the wind segment in the economic efficiency calculation for the acquisition of new (onshore) wind parks in the form of haircuts and/or by simulating worst-case scenarios. Here, too, the Group relies on its own experience and external assessments of expected levels of wind.

However, such fluctuations cannot be completely ruled out, with the resulting risk that the performance of individual wind parks will fall below the values originally planned. Geographic diversification of the current portfolio of wind parks, as well as the lower share of individual parks in the Wind Parks segment in the Group's total revenue, makes the associated overall risk acceptable for the Encavis Group.

Price risks

In addition to the previously mentioned risks, Encavis is increasingly exposed to price risks. These arise primarily in non-subsidized projects, where production is not 100 % secured by long-term power purchase agreements or medium-term price fixes. Furthermore, the increasing number of hours during which the market electricity price is negative leads to additional risks, as during these hours, compensation (both from subsidy tariffs and PPAs) is often adjusted or completely eliminated because the plants are taken off the grid by us due to the negative prices.

Additional operational risks

For newly connected wind and solar parks, delays in commissioning can occur. Reasons for this can include regulatory hurdles due to delayed approval processes, as obtaining the necessary permits depends on local and national authorities. Technically induced delays can also arise from disruptions in the supply chain, such as shortages of photovoltaic modules or other critical components, further delaying the project schedule and potentially leading to higher costs. Additionally, revenues may not be realized as planned. Finally, challenges related to grid connection and securing long-term power purchase agreements can also lead to delays, affecting the overall feasibility and profitability of the wind or solar park.

Financial risks

Encavis is exposed to various financial risks (such as interest risks) and, due to its comprehensive business relationships, credit risks (such as counterparty default risks under project contacts such as PPAs or EPC agreements). With the exception of a revolving credit line with fluctuating utilisation, financing at holding company level is generally interest-hedged over the entire term. Market interest rates in the relevant European markets have fallen compared to the previous year and are at a moderate level by historical standards, with no clear signs of a turnaround towards rising market interest rates. There are no refinancing risks at project level, as the project financing is committed for the long term and is amortised over the long term of the loan, with no further final maturities. With regard to business relationships with third parties, Encavis obtains sufficient security guarantees where necessary in order to minimise risks.

Risks in the Asset Management segment

Investment risks

Encavis Asset Management AG specialises in services for institutional investors within the Encavis Group. The subsidiary provides institutional and professional investors who wish to invest in the renewable energy sector with structured investment options (e.g. special funds, debt instruments, direct investments). These institutional investors, in particular insurance companies, banks and other financial institutions, are subject to specific regulations designed to safeguard the interests of their beneficiaries. Investment options for European insurance companies are further limited by EU directives. The Solvency II directive, for instance, introduces new capital requirements for insurance companies and pension funds, and the European Capital Requirements Regulation (CRR), imposes new capital requirements on banks. These and other unforeseen amendments to the regulatory framework may reduce the willingness of institutional and professional investors to engage with renewable energies.

Under these circumstances, it may be more difficult for the Encavis Group to persuade institutional investors to increase their holdings in (special) funds or invest directly in renewable energy projects. The result of such a development would be a reduction in future revenues from performance-related remuneration and asset management fees in this business segment. Interest rate developments in particular have made institutional investors more cautious about investing.

Market risks

The planned revenue growth of Encavis Asset Management AG cannot be realised or cannot be realised to the extent planned owing to an overestimation of demand in the market and/or an underestimation of the threat posed by competitors. This includes, for example, a serious decline in investment in renewable energies. This may be due to a number of factors, such as a serious decline in access to projects, delays in the development of projects or the fact that the earnings potential of projects that can be acquired falls below the minimum requirements of investors.

The company is, therefore, continuously optimising its investment offering and working towards broadening its access and consulting to a wider pool of potential investors, including differently regulated client segments such as insurance companies, pension funds, utility companies, foundations and religious organisations. Further geographical expansion of activities in this business segment is also planned and, in some cases, has already been achieved (such as solar parks in Spain and wind parks in Ireland). Against this backdrop, sales risks are to be regarded as a moderate risk at present. However, Encavis is confident that it will be able to further expand the Asset Management segment as a sustainable third source of income.

Compliance risks

Tax compliance risks

The tax structures in Encavis' national markets can be complex due to the application of rules for tax groups formed for income tax purposes or group taxation rules, along with different legal forms and the existence of holding structures for non-tax reasons. The risks of tax compliance violations resulting from this are mitigated by local tax consultants. They provide the companies with continuous support and coordinate with Encavis on issues relevant to the Group. Tax risks for Encavis' German national market are managed by its own tax department together with external tax consultants. For the acquisition of new projects, tax risks are assessed by performing tax due diligence and an investment evaluation as well as, for foreign transactions, by involving experts in the respective national tax law.

In international tax law, risks are primarily dependent upon the transfer prices within the Group. Intra-Group services provided to subsidiaries are rendered through the provision of loans and, to a much smaller financial extent, in the form of services. Encavis has agreed target figures with experts in transfer pricing for the corresponding invoicing processes.

Even though the company is of the opinion that tax risks have been taken into account comprehensively with the tax provisions, it is not possible to rule out that taxes may become payable as a result of future tax audits in Germany and abroad. The Group ensures that all relevant tax-related issues and developments are regularly discussed with the tax advisers.

Corporate compliance risks

Business operations necessitate the assumption of legal risk. In addition to the possibility of court or arbitration proceedings, the Encavis Group is subject to other regulations and principles.

The Encavis Group companies are exposed to risks from current or possible future legal disputes. Such legal disputes may arise from ordinary activities, in particular from the assertion of claims resulting from failures relating to performance or delivery, or from payment disputes.

Encavis recognises provisions for litigation risks when an obligation is likely to arise and a reasonable estimate of the sum can be made. An actual claim may exceed the deferred amount under certain circumstances.

However, legal risks may also arise from infringements of internal guidelines by individual employees or from infringements other legal requirements. Encavis has a compliance management system in place to assess risks in the compliance topics defined by the Management Board and to implement the necessary measures. The strict compliance requirements designed to protect all stakeholders prevent risks, especially those in the areas of anticorruption, anti-money laundering, data protection and IT security, since these can have an enormous impact in terms of both financial losses and reputational damage. The Encavis Group has a training concept in place to provide employees with solutions and possible courses of action, so that the risks inherent in day-to-day business can be monitored, addressed promptly and mitigated in a timely manner.

With the introduction of the anonymous whistle-blower system, which applies not only to internal purposes but also to external business partners, any irregularities, in particular violations of applicable law and internal directives and processes, can be reported and tracked anonymously.

Stricter sustainability reporting obligations

The EU's push in recent years to make its economy more climate-neutral and sustainable has led to a number of new regulations. Many have already been adopted, and some are in the final rounds of voting. Statutory disclosure obligations and regulations are becoming increasingly strict. An interdisciplinary Sustainability Committee has been established within the Encavis Group in order to effectively integrate the topic of sustainability into the various business areas and processes. Furthermore, Encavis places great value on social responsibility and ethical conduct and requires the same of its business partners. Encavis complies with regulations such as the German Act on Corporate Due Diligence in Supply Chains (Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten), although Encavis itself is not governed by the Act. The Sustainability & Communications department is also working on processes and structures so that Encavis can fulfil the requirements of future mandatory sustainability reporting.

Organisational risks

Personnel and organisational risks
With regard to personnel, the Encavis Group competes with other companies for qualified technical staff and managers so that it remains well-equipped to tackle future challenges. There is a risk that it may not be possible to fill vacancies with adequately qualified professionals and managers. To fill vacancies and enable Encavis to continue to expand, it is also looking within the Group. Encavis offers individual guidance for employees and managers with regard to further training, thus ensuring quality assurance and the creation new potential in day-to-day business life.

IT risks (cyber risk and cybersecurity)
The business activities of the Encavis Group are characterised by the use and development of information technology. All essential operational processes are supported by IT and modelled with the help of modern software solutions. At the same time, however, the inherent systemic risk rises with the increasing complexity and the dependence on the availability and reliability of IT systems. The regulatory requirements for IT security are also increasing. In light of the EU Directive on the resilience of critical entities and the EU Directive on a high common level of cybersecurity across the Union, Encavis is already working with experts to ensure that the already high level of IT security is maintained in the future.

Overall risk

During the reporting period, these risk exposures were continuously identified, analysed and managed by means of a proactive risk management system. The Encavis Group has implemented appropriate risk management measures as and when required. The risk assessment is underpinned by Encavis' overall risk-bearing capacity. At present, no risks have been identified that, either individually or in aggregate, could jeopardise the continued existence of Encavis.

Opportunity report

Conservative investment strategy

For many years, the continuous expansion of renewable energy has made a significant contribution towards achieving national and global climate protection targets.

The dynamic and growing market for renewable energies is constantly opening up new chances and opportunities for Encavis. Systematic identification and exploitation of these opportunities, while recognising and minimising any potential risks, is the basis for the company's sustainable growth.

This includes taking advantage of any opportunities that arise within the company and increase the Encavis Group's efficiency and profitability, for example. The foundation for identifying, analysing and successfully exploiting these opportunities is the profile of Encavis Group employees, whose personal qualifications are compared with the job descriptions.

The Encavis Group will continue to primarily concentrate on ground-mounted PV installations and onshore wind parks in the future and will also be active in the Asset Management segment as a service provider for investments in the renewable energy sector. Encavis' business model remains risk-averse with a focus on existing installations and turnkey or ready-to-build projects (and also involves working with selective project development partners in the PV sector, including on projects that are not yet ready to build). Encavis currently operates wind and solar parks in the markets of Germany, France, The Netherlands, Lithuania, The United Kingdom, Denmark, Sweden, Finland, Italy and Spain – all countries with an investment-grade rating.

Opportunities arising from meteorological conditions

The generation capacity of solar parks and wind parks is highly dependent on meteorological conditions. In view of this, Encavis generally takes a conservative approach to calculating the profitability of any solar parks and wind parks it plans to acquire. Any positive deviation from the predicted long-term mean of sunshine hours or wind levels has a direct short-term impact on the financial performance, financial position and cash flow of the company. The forecast accuracy for sunlight in particular is now very high, whereas wind forecasting remains more volatile. Encavis works on the general assumption that the differences between forecast and actual values will continue to fall on average in future, especially for newly acquired installations.

Opportunities arising from the regulatory environment and international developments

The various public support instruments are generally designed to strengthen the profitability of wind parks and solar parks. The global need to increase sources of renewable energy may therefore make new regions and countries attractive and worthwhile for Encavis and enable further geographical diversification.

The goals agreed by the German federal government in the coalition agreement and the “Fit for 55” package presented by the EU also provide Encavis with tremendous opportunities with regard to further growth. The intensive expansion of wind and solar parks on newly designated areas in Germany is expected to result in an increasing number of new projects being realised. This gives Encavis the opportunity to expand its portfolio and intensify its cooperation with project developers. At the same time, European efforts are creating further opportunities abroad.

Due to the violation of Ukraine’s sovereignty by Russian military personnel crossing the country’s border at the end of February 2022, Encavis believes it is imperative to switch the energy supply sector in Europe to renewable energies even faster. A faster transition will reduce dependence on fossil fuels, strengthen the growth of innovation in the area of renewable energies and boost their expansion within Europe directly. Scaling up expansion will give rise to new projects and enable Encavis to continue to play a direct role in the energy transition.

To achieve its desired goal, the German government plans in its coalition agreement to drastically accelerate the expansion of new onshore and offshore wind turbines. Moreover, all suitable roof surfaces are to be used for solar installations, among other things. The aim is to increase solar energy installed capacity to 200 GW. The target is to add up to 20 GW per year.

Opportunities arising from geographical diversification

Encavis constantly monitors and reviews the development of renewable energies and relevant opportunities in other regions. However, as part of its published growth strategy 2025, Encavis has also identified European target markets in which investments are to be prioritised. While this is intended to ensure a focused approach, these are also markets which, according to Encavis’ assessment and on the basis of objective criteria, have stable economic and regulatory conditions. Geographic diversification contributes to further reducing risk in the existing portfolio by decreasing dependence on the sunshine or wind in individual regions as well as theoretically plausible retroactive adjustments to the subsidy programmes and amounts.

Opportunities from large portfolio volumes in the core regions

Encavis operates in core European markets that have long been focused on renewable energy, among other things, and has a corresponding portfolio of wind and solar parks, which supports the future expansion and operation of the portfolio. In addition, Encavis’ own portfolio offers multiple opportunities for profitable investments that could enable the company to achieve long-term revenue and earnings growth in its existing projects.

Opportunities arising from innovation

The renewable energy sector is benefiting from continuous innovation. This not only leads to more efficient existing technologies, it also means that new technologies can be brought to market which, in turn, will increase or prolong the profitability of future projects (for example, bifacial PV modules that follow the position of the sun on trackers and use the reflection from the ground below it to generate energy). In many regions, the renewable energy sector has already achieved grid parity and is competing with conventional power stations. Technically and qualitatively superior installations are likely to increase the profitability and geographic usability of the technologies, opening up further opportunities for the Encavis Group. The establishment of new technologies – for example the use of battery storage systems or hydrogen and the application of existing technologies such as energy management systems – could also offer fresh business opportunities and greater independence from weather conditions for energy production while enabling more needs-based power generation and decentralisation.

Encavis also places great importance on the technical components of the parks, whose condition and construction are important for long-term operation.

Opportunities arising from business relationships and collaborations

Encavis is visible in the market thanks to the size of the company and the track record of its current portfolio. Thanks to the expertise in long-term power purchase agreements that it has now built up, Encavis is increasingly being approached by project developers as a possible cooperation partner for the realisation of project pipelines. This has enabled the Encavis Group to build up a broad and reliable network of project developers, general contractors, operators, service providers, brokers, consultants and banks over the years.

The size of its power plant portfolio makes Encavis attractive to utilities and large electricity consumers with whom we have already concluded long-term power purchase agreements.

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.

Global economy remains on a stable growth path in 2025

In its World Economic Outlook Update from January 2025, the IMF forecasts stable development of the global economy without much momentum. With a growth rate of 3.3 %, the expected development of global GDP is expected to remain below the historical average of 3.7 % for the years 2000 to 2019. In the previous year, the growth rate was 3.2 %. The economic and geopolitical environment will remain challenging in 2025. Trade policy uncertainties have increased, at least temporarily, following the US presidential election and will have a dampening effect on the development of the global economy, as will the ongoing geopolitical tensions. According to the IMF, the advanced economies in particular will be affected by this, albeit to very different degrees. The US economy should benefit from robust demand and achieve a growth rate of 2.7 % in 2025. It should be noted that the negative effects of current US economic policy are not yet included in the IMF's forecast and, from today's perspective, a correction of the growth estimate for the US economy in the further course of the year appears quite possible. The eurozone, on the other hand, will once again see significantly weaker growth of 1.0 %. The structural difficulties in the manufacturing industry in important economic areas such as Germany and the expected burdens from trade policy uncertainties for export-orientated countries are too great.

Ongoing geopolitical conflicts: War in Ukraine and Middle East conflict

The war in Ukraine and the military conflicts in the Middle East between Israel and Palestine have no impact on the Encavis Group's wind and solar park portfolio, which is generally focussed on Western Europe. Indirect effects that could result from possible Russian countermeasures to the sanctions imposed on Russia are currently not recognisable. Encavis counters the general risk of cyberattacks on the electricity grids in Western Europe, on electricity-producing plants and on the Encavis Group's IT systems with various state-of-the-art security systems. Encavis' IT has been completely rebuilt in recent years and protects itself against cyber risks by means of regular external audits and security tests, among other things, to ensure the highest possible protection of data and the integrity of the systems. When the IT systems were redesigned, care was taken to ensure that there was a strict separation between the IT systems of Encavis and the electricity-producing plants and the electricity grids. This means that an attack on the installations or electricity networks would not affect the company's IT systems. Of course, this also applies vice versa, so that an attack on Encavis' IT would have no impact on production in the wind and solar parks.

The general increase in banks' credit risk situation could make debt financing for new projects more expensive, as higher risks lead to rising refinancing costs and credit margins. This would increase the yield pressure on new projects. However, Encavis remains independent of individual banks by regularly tendering new project financing at least throughout Europe and continues to benefit from the strong demand from banks for financing for renewable energy projects. At the same time, there is additional potential through the provision of equity by the major shareholder, KKR. This also has a positive impact on the external financing of new projects, allowing new projects to be realised more quickly and flexibly and the expansion in the renewable energies sector to continue as planned, even in a volatile market environment. Encavis is thus well positioned to successfully implement its growth strategy even under changed market conditions.

Falling inflation rates allow central banks to further ease their restrictive monetary policy

The declining inflation rates over the course of the year gave the international central banks sufficient room for manoeuvre to change their monetary policy, particularly in the second half of the year. The previous restrictive course was increasingly abandoned and key interest rates were lowered against the backdrop of weak economic development in the major economies. The European Central Bank made its first interest rate cut in the summer of 2024, followed by three more by the end of the year. At the end of 2024, the deposit rate relevant for the financial markets was 3.0 %, one percentage point below the previous year's level. The US Federal Reserve also lowered its key interest rate in the second half of the year by a total of one percentage point to a range of 4.25 % to 4.50 % in three steps. According to the IMF experts, this trend will continue in 2025. On 30 January 2025, the ECB cut its key interest rate again by a quarter of a point to 2.75 %. In countries where inflation is more persistent, however, central banks are taking a more cautious approach to easing monetary policy and continue to pay particular attention to economic and labour market indicators.

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 global energy crisis that followed Russia's attack on Ukraine in 2022 put an end to the era of low energy and commodity prices. Inflation, currency fluctuations, rising financing costs and looming recessions characterised 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 reflected in the resolutions adopted by the international community of states at the annual Climate Change Conference. One major success is the cooperation of 123 countries agreed at COP28 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. At COP29 in 2024, the 190 signatory states agreed to support developing countries in the fight against climate change and decided to triple the annual funding from the current USD 100 billion to USD 300 billion by 2035. This will further support the growth of renewable energies in conjunction with other agreed initiatives such as the "Global Energy Storage and Grids Pledge", which aims to expand the global installed energy storage capacity to 1,500 GW by 2030.

In its study "Renewables 2024 – Analysis and forecasts to 2030" published in October 2024, the IEA forecasts an increase in globally commissioned renewable energy capacities of 5,500 GW to 9,760 GW by 2030. Photovoltaic and wind installations are expected to account for around 95 % of this, as their generation costs in most countries are lower than those of fossil and non-fossil alternatives and they continue to be politically subsidised. This forecast is based on the assumption of a continuous increase in global capacity expansions in the renewable energy sector up to a growth rate of almost 935 GW in 2030 – 70 % more than the record value achieved last year. This means that, starting from the installed base in 2022, global capacities are expected to grow by a total of 2.7 times by 2030, exceeding the current national targets by almost 25 %. 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.

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, 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 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.

Overall assessment of future development

Based on the existing portfolio as at 29 April 2025 and in anticipation of standard weather conditions for the 2025 financial year, the Management Board expects adjusted operating revenue to increase to EUR 505 million (2024:

EUR 401 million). Adjusted operating EBITDA is expected to amount to EUR 320 million (2024: EUR 256 million excluding the Elbe project costs) and operating cash flow to around EUR 274 million (2024: EUR 207 million).

The technical availability (Wind Parks segment) and technical performance of the facilities (PV Parks segment) in operation is expected to be above 95 % in the 2025 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 Management Board predicts that earnings before interest, taxes, depreciation and amortisation (EBITDA) will amount to approximately EUR -32 million for the 2025 financial year for Encavis AG, which, as the holding company, bears the administrative expenses of the Group – that is, essentially the costs of acquisitions, financing and operational supervision of the parks. Earnings before interest and taxes (EBIT) are also expected to amount to EUR -33 million.

Final declaration on the report on relationships with affiliated companies (dependent company report), Section 312 (3) German Stock Corporation Act (AktG)

In accordance with Section 312 (3) German Stock Corporation Act (AktG), we hereby declare that Encavis AG received appropriate consideration for each legal transaction listed in the report on relationships with affiliated companies for the reporting period from December 4 to December 31, 2024, based on the circumstances known to us at the time each transaction was conducted. No actions were taken or omitted on the initiative or in the interest of any controlling company or any company affiliated with them.

Hamburg, 29 April 2025

The Management Board

Dr Christoph Husmann	Mario Schirru
Spokesman of the Management Board and CFO	Spokesman of the Management Board and CIO/COO

Consolidated financial statements of Encavis AG
Consolidated statement of comprehensive income

in TEUR

	Notes	2024	2023
Revenue	3.20; 5.1	407,777	469,637
Other income	5.2	45,732	42,892
Of which income from the reversal of impairments for expected credit losses		*240*	*215*
Other own work capitalised	3.21; 5.3	3,027	2,519
Cost of materials	5.4	-29,136	-30,599
Personnel expenses	5.5	-46,900	-35,292
Of which in share-based remuneration		*-2,608*	*-513*
Other expenses	5.6	-132,656	-116,487
Of which impairment for expected credit losses	5.6	*-405*	*-562*
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**247,845**	**332,670**
Depreciation and amortisation	5.7	-164,776	-164,114
Impairment losses	5.7	-168,137	-5,490
Earnings before interest and taxes (EBIT)		**-85,068**	**163,066**
Financial income	5.8	30,324	35,608
Financial expenses	5.8	-120,602	-106,170
Earnings from financial assets accounted for using the equity method	6.4	-703	-927
Earnings before taxes (EBT)		**-176,048**	**91,577**
Taxes on income	5.9	2,029	-32,851
Consolidated earnings		**-174,019**	**58,726**
Items that may be reclassified through profit or loss			
Currency translation differences	5.10	154	-745
Cash flow hedges – effective portion of changes in fair value	5.10	-1,719	182,614
Cost of hedging measures	5.10	67	18
Income taxes relating to items that may be reclassified through profit or loss	5.10	-115	-8,545
Reclassifications	5.10	2,384	0
Other comprehensive income		**771**	**173,343**
Consolidated comprehensive income		**-173,249**	**232,068**
Consolidated earnings for the period			
Attributable to Encavis AG shareholders		-177,723	53,329
Attributable to non-controlling interests		-860	728
Attributable to hybrid capital investors		4,564	4,668
Consolidated comprehensive income for the period			
Attributable to Encavis AG shareholders		-176,925	226,704
Attributable to non-controlling interests		-888	696
Attributable to hybrid capital investors		4,564	4,668
Earnings per share	3.27; 12		
Average number of shares in circulation in the reporting period			
Undiluted		161,030,176	160,756,644
Diluted		161,030,176	172,087,164
Undiluted earnings per share (in EUR)		0,33	0.49
Diluted earnings per share (in EUR)		0,33	0.48

Consolidated cash flow statement

in TEUR

	Notes	2024	2023
Consolidated earnings		-174,019	58,726
Depreciation, amortisation and write-ups of non-current assets	5.7	318,774	167,449
Profit/loss from the disposal of fixed assets		-7	99
Other non-cash expenses		10,078	7,016
Other non-cash income		-4,039	-4,710
Financial income	5.8	-30,324	-35,608
Financial expenses	5.8	120,602	106,170
Income taxes (recognised in profit or loss)	5.9	-2,029	32,851
Income taxes (paid)		-27,522	-43,778
Earnings from deconsolidation	5.2	-95	-4,210
Change in other assets not attributable to investing or financing activities		5,422	-39,274
Changes in other liabilities not attributable to investing or financing activities		-9,772	-9,855
Cash flow from operating activities		**207,068**	**234,876**
Payments for the acquisition of consolidated companies less cash and cash equivalents acquired	4.2	-158,670	-93,964
Proceeds from the sale of consolidated entities	4.3	9,829	5,649
Payments for investments in property, plant and equipment		-215,539	-89,734
Proceeds from the disposal of property, plant and equipment		54	30
Payments for investments in intangible assets Fixed assets		-13,446	-19,950
Payments for investments in financial assets		-32,002	-9,804
Proceeds from the sale of financial assets		649	1,084
Dividends received		229	1,307
Cash flow from investing activities		**-408,895**	**-205,383**
Loan proceeds		1,067,978	336,863
Loan repayments		-688,606	-278,604
Repayment of lease liabilities		-11,707	-11,225
Interest received		27,802	18,933
Interest paid		-95,158	-69,936
Proceeds from capital increases		3,359	2,371
Payments for issuance costs		-4	-4
Dividends paid to hybrid capital investors		-4,569	-4,688
Payments to non-controlling interests		-1,964	-3,082
Change in cash and cash equivalents with restricted access		-30,278	-592
Cash flow from financing activities		**266,853**	**-9,963**
Change in cash and cash equivalents		65,027	19,530
Change in cash due to exchange rate changes		705	158
Change in cash and cash equivalents		**65,731**	**19,687**
As at 01.01.2024 (01.01.2023)	6.11	305,964	286,277
As at 31.12.2024 (31.12.2023)	6.11	371,696	305,964

Consolidated balance sheet

Assets in TEUR

	Notes	31.12.2024	31.12.2023
Non-current assets			
Intangible assets	3.5; 3.8; 6.1	401,892	429,606
Goodwill	3.6; 6.2	107,240	107,151
Property, plant and equipment*	3.7; 3.8; 3.23; 6.3; 6.16	2,684,594	2,431,213
Financial assets accounted for using the equity method	3.9; 6.4	8,537	8,404
Financial assets	3.10; 6.5	3,197	10,598
Other receivables	3.10; 3.11; 6.6	36,549	38,280
Deferred tax assets	3.14; 6.7	12,491	9,099
Total non-current assets		**3,254,500**	**3,034,351**
Current assets			
Inventories	3.13; 6.8	6,902	5,312
Trade receivables	3.10; 3.15; 6.9	74,195	76,614
Non-financial assets	3.15; 6.10	19,375	19,476
Receivables from income taxes	3.14; 6.10	22,420	14,277
Other current receivables	3.10; 3.15; 6.10	68,957	47,885
Liquid assets	3.16; 6.11	477,552	375,639
Cash and cash equivalents	3.16; 6.11	375,216	308,996
Liquid assets with restrictions on disposition	3.16; 6.11	102,336	66,642
Total current assets		**669,399**	**539,203**
Balance sheet total		**3,923,899**	**3,573,555**

* Property, plant and equipment includes right-of-use assets capitalised pursuant to IFRS 16. The right-of-use assets are recognised in the same balance sheet item as the underlying assets owned by Encavis.

Equity and liabilities in TEUR	Notes	31.12.2024	31.12.2023
Equity			
Subscribed capital	6.12	161,723	161,030
Capital reserves	6.12	633,262	625,636
Other reserves	6.12	15,011	14,213
Net retained profit	6.12	-43,703	132,843
Equity attributable to Encavis AG shareholders		**766,293**	**933,722**
Equity attributable to non-controlling interests	6.12	8,797	7,016
Equity attributable to hybrid capital investors	6.12	0	246,191
Total equity		**775,090**	**1,186,929**
Non-current liabilities			
Non-current liabilities to non-controlling interests	3.19; 6.14	38,225	34,326
Non-current financial liabilities	3.17; 6.15	1,544,485	1,441,202
Non-current lease liabilities	3.23; 6.16	229,431	195,567
Other non-current liabilities	3.17; 6.19	2,872	4,350
Non-current provisions	3.18; 6.17	60,782	56,584
Deferred tax liabilities	3.14; 6.7	122,643	139,541
Total non-current liabilities		**1,998,439**	**1,871,571**
Current liabilities			
Current liabilities to non-controlling interests	3.19; 6.14	1,505	3,075
Liabilities from income taxes	3.14; 6.19	11,685	16,979
Current financial liabilities	3.17; 6.15	1,016,164	399,625
Current lease liabilities	3.23; 6.16	17,965	15,736
Trade payables	3.18; 6.18	42,693	32,060
Other current liabilities	3.17; 6.19	43,717	31,680
Current provisions	3.18; 6.17	16,641	15,900
Total current liabilities		**1,150,370**	**515,055**
Balance sheet total		**3,923,899**	**3,573,555**

Consolidated statement of changes in equity

in TEUR			Other reserves		
	Subscribed capital	Capital reserve	Currency translation reserve	Hedge reserve	Cost of hedging measures
As at 01.01.2023	161,030	625,640	1,127	-160,248	-41
Consolidated earnings					
Other comprehensive income			-713	174,074	14
Consolidated comprehensive income for the period			-713	174,074	14
Dividend					
Income and expenses recognised directly in equity					
Issuance costs		-4			
Acquisition/disposal of shares from non-controlling interests					
As at 31.12.2023	161,030	625,636	414	13,826	-27
As at 01.01.2024	161,030	625,636	414	13,826	-27
Consolidated earnings					
Other comprehensive income*			182	-1,126	50
Reclassifications to profit/loss				1,693	
Consolidated comprehensive income for the period			182	567	50
Dividend					
Income and expenses recognised directly in equity					
Conversion of hybrid capital 2021	692	11,908			
Reclassification of hybrid capital 2021 in liabilities		-4,278			
Issuance costs		-4			
Acquisition/disposal of shares from non-controlling interests					
As at 31.12.2024	161,723	633,262	596	14,392	23

* Excluding separately recognised effects from reclassifications.

in TEUR

	Net retained loss / profit	Equity attributable to Encavis AG shareholders	Equity attributable to non-controlling interests	Equity attributable to hybrid capital investors	Total
As at 01.01.2023	78,309	705,817	4,789	246,210	956,817
Consolidated earnings	53,329	53,329	728	4,668	58,726
Other comprehensive income		173,375	-32		173,343
Consolidated comprehensive income for the period	53,329	226,704	696	4,668	232,068
Dividend			-853	-4,688	-5,541
Income and expenses recognised directly in equity	1,204	1,204			1,204
Issuance costs		-4			-4
Acquisition/disposal of shares from non-controlling interests			2,383		2,383
As at 31.12.2023	132,843	933,722	7,016	246,191	1,186,929
As at 01.01.2024	132,843	933,722	7,016	246,191	1,186,929
Consolidated earnings	-177,723	-177,723	-860	4,564	-174,019
Other comprehensive income*		-894	-28		-922
Reclassifications to profit/loss		1,693			1,693
Consolidated comprehensive income for the period	-177,723	-176,925	-888	4,564	-173,249
Dividend			-690	-4,569	-5,259
Income and expenses recognised directly in equity	1,178	1,178			1,178
Conversion of hybrid capital 2021		12,600		-12,600	0
Reclassification of hybrid capital 2021 in liabilities		-4,278		-233,586	-237,864
Issuance costs		-4			-4
Acquisition/disposal of shares from non-controlling interests			3,359		3,359
As at 31.12.2024	-43,703	766,293	8,797	0	775,090

* Excluding separately recognised effects from reclassifications.

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Notes to the consolidated financial statements of Encavis AG

1 General information

Encavis AG, as the parent company of the Group, was entered in the commercial register of the Hamburg district court under registration number HRB 63197 on 18 January 2002. The company's registered office is located at Große Elbstraße 59, 22767 Hamburg, Germany.

According to the Articles of Association, the business activities of Encavis AG comprise the operation of installations for the production of electricity from renewable energy sources in Germany and abroad, either by the company itself or its subsidiaries, as an independent power producer.

Other business activities include the provision of commercial, technical or other services not subject to authorisation or approval in connection with the acquisition, construction and operation of installations for the production of electricity from renewable energy sources in Germany and abroad, either by the company itself or its subsidiaries, as well as the acquisition, holding, management and disposal of equity interests. The Group also provides advisory and asset management services to institutional investors in the renewable energy sector.

The company is entitled to undertake all measures and transactions which are suitable for promoting the company's purpose. It may set up branches in Germany and abroad, establish other companies, acquire existing ones or acquire an interest in such companies and conclude corporate contracts. It may acquire, use and transfer patents, trademarks, licences, distribution rights and other objects and rights. The business purposes of subsidiaries and investees may differ from those of Encavis AG if they appear suitable for furthering the company's purpose.

The consolidated financial statements present the operations of Encavis AG and its affiliated undertakings. Please refer to the list of shareholdings in Section 16 of the notes for more information on the companies included in the scope of consolidation.

The consolidated financial statements of Encavis AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) – including the interpretations of the IFRS Interpretations Committee (IFRS IC) regarding the IFRS as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) – and are published in the German electronic Federal Gazette (Bundesanzeiger).

To improve clarity, various statement of comprehensive income and balance sheet items have been combined. These items are disclosed separately and explained in the notes. The statement of comprehensive income has been prepared using the total-cost (nature of expense) method. The figures in the notes are given in euros (EUR), thousands of euros (TEUR) or millions of euros (EUR million). Rounding differences may occur in percentages and figures in this report.

As a rule, the consolidated financial statements are prepared using the cost principle. This does not apply to certain financial instruments that are measured at their fair value.

The Group's business activities are subject to seasonal influences that lead to fluctuations in revenue and earnings during the course of the year. Due to seasonal factors, revenue in the PV Parks segment is usually higher in the second and third quarters than in the first and fourth quarters of the financial year, while revenue and earnings in the Wind Parks segment are generally higher in the first and fourth quarters than in the second and third quarters of the financial year.

2 Application of new and revised International Financial Reporting Standards (IFRS)

The Group applied the following new and amended International Financial Reporting Standards and interpretations, as adopted by the EU, in the financial year. This also includes the amendments published as part of the IASB's ongoing

Annual Improvements to IFRS Project (AIP). Unless stated otherwise, application of these amended standards and interpretations does not have any material impact on the presentation of the Group's financial performance, financial position and net assets.

The Group has applied the following new and/or amended standards and interpretations for the first time in the 2024 financial year:

New and amended standards and interpretations
– Mandatory until 31.12.2024

		Required to be applied for financial years beginning on or after the specified date	EU endorsement status (as at 31.12.2024)	Status of application at Encavis
IFRS 16	Amendment – Lease liabilities in a Sale and Leaseback	01.01.2024	Adopted	Applied
IAS 1	Amendment – Classification of Liabilities as Current or Non-Current; including Deferral of Mandatory Effective Date Non-Current Liabilities with Covenants	01.01.2024	Adopted	Applied
IAS 7, IFRS 7	Amendment – reverse factoring transactions	01.01.2024	Adopted	Applied
IFRS 8	Agenda – Decision of the IFRS Interpretations Committee	01.01.2024	Adopted	Applied

Standards, interpretations and amendments of standards and interpretations to be applied for the first time in the reporting period which had an impact on the amounts and disclosures reported in the period under review

The new and amended standards/interpretations have no significant impact on these consolidated financial statements.

The amendment to IFRS 16 is not currently relevant for Encavis.

The amendment to IAS 1 is generally relevant for Encavis. A separate note has, therefore, been recognised in the 2024 consolidated financial statements for liabilities that are classified as non-current and that are subject to certain conditions that must be met within twelve months of the balance sheet date in order to maintain the right to defer repayment. This is contained in Section 6.15.

The amendments to IAS 7 and IFRS 7 are not currently relevant for Encavis.

The agenda decision of the IFRS Interpretations Committee concerning IFRS 8 is fundamentally relevant for Encavis. In the 2024 consolidated financial statements, segment reporting was expanded to include an additional disclosure "Other operating expenses". This is contained in chapter 7.

New and amended IFRS and interpretations not yet required to be applied

In addition, the IASB or IFRS IC has published or amended the following new standards and interpretations which will either not be applicable until a later date or which have not yet been endorsed by the European Commission.

New and amended standards and interpretations
– Not mandatory as of 31.12.2024

		Required to be applied for financial years beginning on or after the specified date	EU endorsement status (as at 31.12.2024)	Status of application at Encavis
IFRS 19	Subsidiaries without public accountability: Disclosures	01.01.2027	Not yet adopted	Not applied
IFRS 18	Presentation and disclosures in the financial statements	01.01.2027	Not yet adopted	Not applied
IFRS 9, IFRS 7	Amendment – Classification and evaluation of financial instruments Amendment – Contracts for nature-dependent power supply	01.01.2026	Not yet adopted	Not applied
IAS 21	Amendment – Effects of exchange rate changes due to lack of exchangeability of currencies	01.01.2025	Not yet adopted	Not applied

The new IFRS 19 standard is not expected to have a significant impact on the Group according to current knowledge.

The new IFRS 18 standard is fundamentally relevant for Encavis. Firstly, defined subtotals and categories are introduced in the statement of comprehensive income, which improves the transparency and comparability of financial performance. In particular, two new mandatory subtotals are planned: operating profit and loss and profit and loss before financing and income taxes. In addition, requirements have been introduced to improve aggregation and disaggregation, enabling a more detailed presentation of income and expenses. In addition, companies must provide information on management-defined performance measures (MPMs) in the notes in order to give stakeholders a clearer picture of their financial health. Finally, targeted improvements to the cash flow statement through amendments to IAS 7 lead to a more precise presentation of the liquidity position and cash flows. Overall, IFRS 18 will have a significant impact on Encavis' reporting.

Based on current knowledge, the amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" will not have a material impact on the Group.

The amendments to IFRS 9 and IFRS 7 "Contracts for the Supply of Nature-Dependent Electricity" are generally relevant for Encavis. Encavis is currently examining the extent to which the new standard and the amendment to the existing standards will affect the Group.

Based on current knowledge, the amendment to IAS 21 will have no material impact on the Group.

3 Significant accounting policies and consolidation principles

3.1 Consolidation principles

Encavis AG and all significant domestic and foreign subsidiaries under its control are included in the consolidated financial statements. Control exists if the company is exposed to, or has rights to, fluctuating returns on its investment and is able to influence the returns through its power of disposal. As a rule, control is exercised if a direct or indirect voting right majority exits. The profits and losses of subsidiaries acquired or sold during the year are included in the statement of comprehensive income from the acquisition date or until their date of disposal. Intra-Group transactions are conducted on arm's-length terms.

The effects of intra-Group transactions are eliminated. Loans and other receivables and payables between consolidated companies are offset against each other. Inter-company profits and losses are eliminated and intra-Group income is offset against the corresponding expenses.

Companies over which Encavis AG has a significant influence on the financial and operating policies (associated entities) are generally recognised using the equity method, as are joint ventures which are controlled together with other companies. A joint venture is then classified as such if the parties which jointly control the venture have rights to the net assets of the venture. Changes in the equity interest of the enterprise/joint venture that do not have to be recognised in the statement of comprehensive income are recognised directly in equity. The same accounting policies are applied to determine Encavis AG's interest in the equity of all companies using the equity method.

The reporting date of all consolidated subsidiaries corresponds to that of Encavis AG.

The following table shows the main measurement principles underlying the preparation of the consolidated financial statements:

Balance sheet item	Measurement principle
Assets	
Intangible assets	Amortised cost (IAS 38)
Goodwill	Cost less possible impairment losses (IFRS 3)
Property, plant and equipment	Amortised acquisition or production costs (IAS 16)
Right-of-use assets	Detailed description in Section 3.23 (IFRS 16)
Financial assets accounted for using the equity method	Development of pro rata net assets (IAS 28)
Financial assets	Detailed description in section 3.10 (IFRS 9)
Derivative financial instruments and hedge accounting	Detailed description in Section 3.11 (IFRS 9)
Other receivables	Amortised cost (IFRS 9)
Deferred tax assets	Detailed description in section 3.14 (IAS 12)
Inventories	According to the lower of cost or market principle (IAS 2)
Trade receivables	Amortised cost less expected credit losses (IFRS 9)
Non-financial assets	Amortised cost
Receivables from income taxes	Amortised cost less expected credit losses (IAS 12)
Other current receivables	Amortised cost (IFRS 9)
Cash and cash equivalents	At nominal value (IFRS 9)

Balance sheet item	Measurement principle
Liabilities	
Liabilities to non-controlling interests	Detailed description in Section 3.19 (IFRS 9)
Financial liabilities	Amortised cost using the effective interest method (IFRS 9)
Derivative financial instruments and hedge accounting	Detailed description in Section 3.11 (IFRS 9)
Lease liabilities	Detailed description in Section 3.23 (IFRS 16)
Other liabilities	Settlement value (IFRS 9)
Provisions	Settlement value (IAS 37)
Deferred tax liabilities	Detailed description in section 3.14 (IAS 12)
Trade payables	Amortised cost (IFRS 9)

3.2 Business combinations

To be classified as a business, an acquired set of activities and assets requires an input and a substantive process which, together, contribute to the capability to create output (production of goods or provision of services). If the significant portion of the fair value of the acquired gross assets is concentrated in a single identifiable asset, or a group of comparable assets, this does not constitute a business within the meaning of IFRS 3. The acquisition therefore does not constitute a business combination, but rather an acquisition of assets, These are measured at cost, with differences to the net assets acquired being allocated to the assets according to relative values. No recognition of goodwill takes place, nor does any negative goodwill arise.

3.3 Foreign currency translation

The consolidated financial statements are prepared in euros. The euro is the functional and reporting currency of Encavis AG. The annual financial statements of the consolidated subsidiaries prepared in foreign currencies are translated into euros using the functional currency concept as set out in IAS 21. The functional currency of foreign companies is determined by the primary economic environment in which they operate. Assets and liabilities are translated at the closing rate, while equity, with the exception of income and expenses recognised directly in equity, is carried at historical rates. Until the disposal of the subsidiary, any resulting currency translation differences are not recognised in the statement of comprehensive income and are reported as a separate item in equity. The statement of comprehensive income items are converted into euros using weighted average exchange rates.

Currency translation is based on the following exchange rates:

EUR 1 =	Closing exchange rates		Average exchange rates	
	31.12.2024	31.12.2023	2024	2023
British pound (GBP)	0.8292	0.8691	0.8466	0.8699
Danish krone (DKK)	7.4578	7.4529	7.4589	7.4510
Lew (BGN)	1.9558	1.9558	1.9558	1.9558
Norwegian krone (NOK)	11.7950	11.2405	11.6290	11.4232
Swedish krona (SEK)	11.4590	11.0960	11.4325	11.4722
Swiss franc (CHF)	0.9412	0.9262	0.9526	0.9717

3.4 Significant accounting decisions and key sources of estimation uncertainties

Within the scope of preparing the consolidated financial statements, estimates and assumptions that affect how accounting methods are applied, as well as which amount of assets, liabilities, income and expenses are recorded, are made in certain cases. The actual values may differ from these estimates. The estimates and underlying assumptions are reviewed continuously. The adapted estimates are accounted for on a prospective basis.

The following section lists the main assumptions for the future and other key sources of estimation uncertainties at the end of the reporting period which may give rise to a significant risk that calls for a material adjustment to assets and liabilities in the next financial year.

Useful life of property, plant and equipment and intangible assets

When measuring property, plant and equipment and intangible assets, the expected useful life of the assets must be estimated while taking into account, in particular, contractual provisions, industry knowledge and assessments by management. Additional information is included in notes 3.5 and 3.7.

Lease terms

In order to measure lease liabilities and right-of-use assets under leases in accordance with IFRS 16, it is necessary to estimate the term of the lease; in particular, the probability of the utilisation of extension options must be estimated. Explanations on how estimates are made can be found in note 3.24 and note 6.17.

Impairment of goodwill

In order to determine whether goodwill is impaired, it is necessary to calculate the value in use of the group of cash-generating units to which the goodwill is allocated. Calculating the value in use requires an estimate of future cash flows from the group of cash-generating units as well as an appropriate capitalisation interest rate for the calculation of the present value. A material impairment may result if the actual expected future cash flows are less than previously estimated. Goodwill is tested annually for impairment in accordance with IAS 36 as at the balance sheet date.

The carrying amount of goodwill as of 31 December 2024 was TEUR 107,240 (previous year: TEUR 107,151). The increase amounts to TEUR 89. The change results from the closing exchange rates in accordance with IAS 21 of goodwill of British companies (TEUR +94), whose functional currency is sterling, and of a Danish company (TEUR -5), whose functional currency is Danish krone.

Impairment of property, plant and equipment and intangible assets

The impairment test carried out following the identification of a triggering event is used to estimate the recoverable amount of the asset in order to determine the extent of any impairment loss. When calculating the value in use, several input factors are subject to substantial estimation uncertainties and scope for discretion, in particular the estimated future cash flows of the assets, their estimated useful life and the capital market parameters used for discounting the cash flows. The impairment test revealed a need for impairment of property, plant and equipment in the amount of TEUR 168,823 (previous year: TEUR 3,395) and of intangible assets in the amount of TEUR 18,429 (previous year: TEUR 2,095) which was recognised as a reduction in profit. For more details, please refer to section 5.7 on depreciation, amortisation and impairment.

Impairment of financial assets

Impairment losses on financial assets are generally based on estimates for loan defaults and expected default rates based on the valuation parameters described above and, where appropriate, on individual estimates on a case-by-case basis in the case of items actually at risk of default. The Group exercises a certain degree of judgement when making this assessment. Even minor deviations in the valuation parameters – in interest rates, for example – used for calculation can lead to material deviations in the calculation, particularly due to the amount of trade receivables.

Business combinations and acquisitions of assets

All identifiable assets and liabilities are recognised at their fair values at the time of initial consolidation in the context of company acquisitions and acquisitions of assets. The recognised fair values are subject to estimation uncertainties. If intangible assets are identified, the fair value must be estimated using generally accepted valuation methods. The valuations are based on the company's plans, which are based on estimates by management while taking contractual agreements into account. Differences between identifiable assets and their fair values are recognised in the relevant assets of the company.

In particular, the determination of the fair value of contingent consideration is also subject to estimation uncertainties, as it depends on future events that are sometimes difficult to predict. The amount of contingent consideration recognised at the acquisition date can have a significant effect on the total purchase price, and consequently also on the difference calculated.

Measurement of put options

As part of the acquisition of Stern Energy S.p.A., a put option for the remaining minority interest of 20 % was recognised as a non-current financial liability. The amount of the repayment liability was determined in accordance with IAS 32. Estimating the expected strike price of the put option is subject to uncertainty because the amount paid out depends on events that are difficult to predict.

Valuation of minority interests in partnerships

Liabilities to co-shareholders with minority interests in partnerships are calculated on the basis of the present values of the future planned cash flows over the minimum term and the settlement claims. The calculation of cash flows, the length of the minimum term and the amount of the settlement claims are subject to estimation uncertainties, as these depend on a large number of future events that are sometimes difficult to predict.

Recognition of receivables for claims against insurance companies

The calculation of receivables from insurance compensation is based on the values which, in the opinion of the management, can probably be claimed on the basis of insurance policies taken out for business interruptions or damage to the systems. However, the actual reimbursements from the assertion of these claims cannot be precisely quantified, as they depend on the outcome of corresponding settlements with the insurance companies or proceedings before the courts. Accordingly, the claims are determined on the basis of an estimate of the probability of success of the respective proceedings.

Valuation of derivative financial instruments

Derivative financial instruments (interest rate hedges, PPAs) are recognised at fair value. The recognised fair values are subject to estimation uncertainties with regard to the future cash flows used to determine the present value and the capital market parameters used to discount these cash flows.

Valuation of restoration obligations

The recognition of provisions for restoration is associated with considerable estimation uncertainties resulting from various factors. These include the unpredictable future costs of dismantling, the uncertain timing of dismantling, possible technological developments, changes in the legal framework and the choice of the right discount rate. These uncertainties require a regular review and adjustment of the provisions for restoration in order to ensure reliable accounting.

Control of the companies Windkraft Olbersleben II GmbH & Co. KG and Windkraft Kirchheilingen IV GmbH & Co. KG

The aforementioned wind parks are structured in the form of a limited commercial partnership (KG) formed with a limited liability company (GmbH) as general partner and the members of the GmbH, their families, or outsiders as limited partners. In each case, the general partner, and thus the personally liable partner, is BOREAS Management GmbH, Reichenbach. The general partner has no share in the company's assets or profit and loss and has not made a financial contribution. The limited partners are Capital Stage Wind IPP GmbH, Hamburg (with a contribution over 50 %), and BOREAS Energie GmbH, Dresden (with a contribution under 50 %). Encavis does not hold interests in the general partner.

In accordance with IFRS 10, a control situation is assumed if the parent company bears the risk exposure due to fluctuating yields from the investment, is able to influence the amount of returns, has full control of the investment and thus decides on the relevant activities. For one wind park, the relevant operational and financial activities are mainly liquidity planning and control, as well as decisions on the conclusion of maintenance agreements and on necessary repairs.

The management is the responsibility of the general partner. However, according to the partnership agreement, the main decisions mentioned above require a simple majority of the voting rights at the shareholders' meeting. Encavis holds the direct or indirect voting majority (with an investment of over 50 %) in all the aforementioned wind parks and can exert significant influence on the operating and financial activities.

Encavis is therefore not restricted to the supervisory role typical of a limited partner, but instead plays an active role in all significant decisions. If a decision does not require a vote by the shareholders' meeting, the general partner prepares decision proposals that Encavis may approve, amend or reject.

Encavis thus exercises control over the company, as it initially holds the decision-making power on financial and operating activities and these activities allow it to generate significant economic benefits through its shareholding of over 50 %.

The aforementioned wind parks are therefore included in the fully consolidated companies in the consolidated financial statements.

3.5 Intangible assets

With the exception of goodwill, all intangible assets have a finite useful life and are measured at cost or production costs less straight-line amortisation in accordance with their useful lives. Encavis recognises acquired project rights for power generation installations as intangible assets until the start of construction of the installation. At the start of construction, these are reclassified to property, plant and equipment as they flow into the energy generation plant. The Encavis Group mainly holds acquired intangible assets. In the 2024 financial year, internally generated intangible assets will also be recognised to a small extent for the first time. These were recognised at their production costs, which consist of the internal and external costs directly or indirectly attributable to the production of the intangible asset and were not part of the research.

If the recoverable amount determined as part of the annual impairment test is lower than the carrying amount on the balance sheet date, the asset is written down to this value. If the reasons for previous impairments no longer apply, write-ups are recognised in profit or loss. Further information on this can be found in Section 3.8.

Electricity feed-in contracts are usually amortised over the term of the statutory subsidy period for the respective wind parks or solar parks. The expected useful lives of the individual intangible assets are as follows:

Useful life in years	
Electricity feed-in contracts – solar and wind parks in Germany and Italy	20
Electricity feed-in contracts – solar parks in France	20
Electricity feed-in contracts – solar parks under feed-in tariffs (FiT) in The United Kingdom	20
Electricity feed-in contracts – wind parks in France	15
Electricity feed-in contracts – solar parks in The Netherlands	15
Electricity feed-in contracts – wind parks after the term of the bonus remuneration depending on the amount of kWh subsidised (Denmark)	Approx. 6 to 8
Electricity feed-in contracts – wind parks supported by renewable obligation certificates (ROC) in The United Kingdom	Max. 30
Project rights	18 to 30
Other intangible assets	3 to 5

3.6 Goodwill

The goodwill resulting from a business combination is accounted for at cost less impairment losses, if necessary, and is reported separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups thereof) that are expected to be able to take advantage of the synergy effects resulting from the combination.

Cash-generating units (or groups thereof) to which part of goodwill has been allocated must be tested annually for impairment. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is initially allocated to the carrying amount of any goodwill attributed to the unit and then proportionately to the remaining assets based on the carrying amount of each asset within the unit. Any impairment loss of the goodwill is recognised directly in profit or loss. Impairment losses recognised on goodwill cannot be reversed in future periods.

If a cash-generating unit is sold, the amount of goodwill attributable to the unit is taken into account in the calculation of the gain or loss on deconsolidation.

3.7 Property, plant and equipment

Property, plant and equipment are valued at acquisition cost minus accumulated depreciation. Profits or losses from the disposal of property, plant and equipment are included in other income or expenses. The depreciation period and the depreciation method are reviewed at the end of each financial year.

Items of property, plant and equipment are depreciated pro rata temporis over their expected useful lives. The expected useful lives of the individual items of property, plant and equipment are as follows:

Useful life in years	
Photovoltaic and wind installations	18 to 30
Office equipment	2 to 15

In individual cases, the term of 30 years may be exceeded for new power generation installations if the agreed lease agreements permit this or if the project holds a plot of land in its own portfolio.

Assets from other own work capitalised are reported under property, plant and equipment. This mainly relates to extensions and improvements to several solar installations in the company's own portfolio, which are carried out by the Encavis Group's service companies. These were recognised at their production cost, which consists of the internal and external costs directly or indirectly attributable to the production of the asset.

3.8 Impairment losses relating to property, plant and equipment and intangible assets with the exception of goodwill

Impairment tests are carried out at least once a year to determine if there are indications of impairment. If such indications are discovered, the recoverable amount of the asset is estimated in order to determine the amount of any impairment loss.

The recoverable amount is the higher of the fair value less costs to sell and the value in use of an asset or a cash-generating unit. To determine the value in use, the estimated future cash flows from the continued use of the asset and from its ultimate disposal are discounted using a pre-tax rate. This pre-tax rate reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the individual asset cannot be estimated, the estimated value is the recoverable amount of the cash-generating unit to which the asset belongs.

If the estimated recoverable amount of an asset or a cash-generating unit is less than the carrying amount, the carrying amount of the asset or the cash-generating unit is reduced to the recoverable amount. An impairment loss charged on a cash-generating unit first reduces the carrying amount of any goodwill that is allocated to the cash-generating unit and then reduces the value of the other assets of the unit on a pro rata basis according to the carrying amounts of each individual asset. The impairment loss is recognised immediately in profit or loss.

If the reasons for impairment losses previously charged no longer apply, the carrying amount of the asset or the cash-generating unit is increased to the most recent estimate of the recoverable amount, and the resulting amount is recognised in profit or loss. The increase in the carrying amount must not exceed the value that would have been determined if no impairment loss had been recognised in previous years. A reversal of an impairment loss for a cash-generating unit is allocated pro rata to the carrying amount of the assets of the unit, except for goodwill.

3.9 Financial assets accounted for using the equity method

Financial assets accounted for using the equity method are initially recognised at acquisition cost and in subsequent periods at amortised pro rata net assets. The carrying amounts are increased or reduced annually by the share of profits or losses, the distributions and all other changes in equity. Other changes in equity include, in particular, items recognised directly in equity (reserve from equity valuation) via other comprehensive income. Any goodwill is not reported separately but is included in the carrying amount of the investment. Financial assets accounted for using the equity method are written down if the recoverable amount is less than the carrying amount. Once the carrying amount is fully depleted by negative allocations of earnings and/or distributions, the allocations are transferred to any existing assets associated with the investment, such as loans to these entities.

3.10 Primary financial instruments

The accounting treatment of primary and derivative financial instruments is governed by IFRS 9 "Financial Instruments".

3.10.1 Financial assets

IFRS 9 sets out a uniform method for classifying financial assets, dividing them into the following three categories:

- financial assets measured at amortised cost (AC)
- financial assets measured at fair value through profit or loss (FVPL)
- financial assets (both equity and debt instruments) measured at fair value in other comprehensive income (FVOCI)

Financial assets whose cash flows consist exclusively of interest and principal payments are classified according to Encavis' business model. Financial assets held within a business model that provides for holding the asset in order to collect the contractual cash flows are measured at amortised cost. These business models are managed primarily on the basis of the interest rate structure and the credit risk. If the business model generally provides for holding the assets, but disposals are also made if necessary, for example to cover a certain liquidity requirement, these assets are measured at fair value in other comprehensive income. Financial assets that contain only interest and principal payments but are not held within one of the two aforementioned business models are measured at fair value through profit or loss. Encavis recognises standard market transactions on the settlement date.

Financial assets whose cash flows do not consist solely of interest and principal payments, such as interests in investment funds or participation rights held, are measured at fair value through profit or loss (FVPL category) at Encavis. For equity instruments, IFRS 9 optionally permits measurement at fair value in other comprehensive income. Encavis does not currently use this option.

Under IFRS 9, trade receivables, loans, other current receivables and liquid assets are classified as measured at amortised cost (AC) and are generally subject to the effective interest method.

Financial liabilities at fair value through profit or loss relate to derivatives outside of hedge accounting (category FVPL).

Changes in the value of financial assets measured at fair value are recognised either under other reserves in other comprehensive income (FVOCI) or in consolidated earnings through profit or loss (FVPL).

Impairment model based on expected credit losses (ECL model)

IFRS 9 defines an impairment model based on expected credit losses which is applicable to all financial assets (debt instruments) that are either measured at amortised cost or at fair value in other comprehensive income. This approach takes into account not only credit losses that have already occurred, but also expectations about the future. The recognition of expected credit losses generally uses a three-step procedure for allocating impairments:

Level 1: Expected credit losses within the next 12 months

This includes all contracts without a material increase in credit risk since initial recognition and usually includes new contracts and those whose payments are not, or not materially, overdue. The portion of the expected credit losses over the term of the instrument that is attributable to a default within the next 12 months is recognised.

Level 2: Expected credit losses over the entire term – no impaired credit rating

A financial asset is allocated to this level if it has experienced a material increase in credit risk but its credit rating is not impaired. The expected credit losses over the entire term of the financial asset are recorded as an impairment.

Level 3: Expected credit losses over the entire term – impaired credit rating

A financial asset is allocated to this level if its credit rating is impaired or defaulted. The expected credit losses over the entire term of the financial asset are recorded as an impairment. From Encavis' point of view, objective indications that the credit rating of a financial asset is impaired include, for example, an overdue period of 90 days or more and further information on the debtor's material financial difficulties.

The determination of whether a financial asset has experienced a material increase in credit risk is based on an assessment of the probability of default, which is carried out at least quarterly and takes into account both external rating information and internal information on the credit quality of the financial asset. A material increase in credit risk is primarily determined on the basis of information regarding overdue payments. The Group usually assumes that the loans are past due from 30 days.

A financial asset is transferred to level 2 if the credit risk has materially increased compared to its credit risk at the time of initial recognition. Credit risk is estimated on the basis of the probability of default. For trade receivables, the simplified approach is applied, according to which the expected credit loss for these receivables is calculated over the entire term. Accordingly, no assessment of a material increase in credit risk is required. Encavis applies the simplified impairment model of IFRS 9 to trade receivables and thus recognises the expected losses over the entire term. Other receivables and loans, including interest receivables, are shown using the general approach.

Valuation of expected credit losses

Expected credit losses are calculated based on the following factors:

a) credit risk broken down by country (based on the one-year CDS of the respective country);

b) credit risk divided into private and public or semi-public customers;

c) receivables divided according to the aforementioned aspects as at the balance sheet date;

d) the expected default loss rate; and

e) the time value of money.

A financial instrument is derecognised if it is reasonably unlikely that a financial asset can be fully or partially realised, for example after the end of insolvency proceedings or as a result of court decisions.

Material modifications (for example if the present value of the contractual cash flows changes by 10 %) of financial assets result in derecognition. The expectation is that this will usually not be relevant for Encavis. If the terms of the contract are renegotiated or modified and this does not result in derecognition, the gross carrying amount of the contract is recalculated and any difference is recognised in profit or loss.

For reasons of materiality, despite the classification in the AC category, no expected loss is determined for liquid assets and recorded in the consolidated statement of comprehensive income.

The following items are affected by impairment losses:

Trade receivables

The Group applies the simplified impairment model of IFRS 9 for trade receivables in accordance with the standard. This is based on the so-called lifetime expected loss.

In order to determine the expected credit defaults, trade receivables have been combined into largely homogeneous groups with similar characteristics with regard to their estimated default risks. In particular, there has been a separation between public and semi-public buyers, which account for the majority of buyers in the electricity production sector, and private buyers. The Encavis Group has private buyers mainly in the Asset Management segment and, to a lesser extent, also in the area of electricity buyers.

Loans to associated entities and other loans as well as other current receivables

The Group principally deems the default risk for loans issued and other current receivables to be low, which is why a risk provision in the amount of the expected 12-month losses on receivables has been formed for these items.

Derecognition of financial assets

The derecognition of financial assets occurs when the contractual rights to cash flows from the asset expire or the financial asset is transferred, which is the case when all material opportunities and risks associated with ownership of the asset are transferred or the authority to dispose of the asset is ceded.

3.10.2 Current financial liabilities

The Group's financial liabilities include trade payables, financial liabilities, liabilities to non-controlling interests, liabilities from put options and other financial liabilities. These are carried at amortised cost (AC). The liability for the put option constitutes the repayment liability for the remaining minority interest in Stern Energy S.p.A. This item is initially measured according to IAS 32, with Encavis electing to apply the anticipated acquisition method, under which it does not recognise non-controlling interests prior to the actual acquisition. As a result, Encavis no longer accounts for non-controlling interests before the actual acquisition. The subsequent measurement of the repayment liability is performed in accordance with IFRS 9. Interest is added to the liabilities for the put option through profit or loss. The forecast cash flows are also updated according to IFRS 9.B5.4.6. Lease liabilities are not allocated to any category of IFRS 9.

Financial liabilities are recognised if a Group company becomes a contractual party to the financial instrument. They are measured at amortised cost pursuant to the effective interest method.

The effective interest method is a way of calculating the amortised cost of a financial liability and allocating the interest expenses to the respective periods. The effective interest rate is the rate at which estimated future cash payments (including all fees and payments received or effected which are an integral component of the effective interest rate, transaction costs and other premiums or discounts) are discounted to the net carrying amount from the initial recognition over the expected lifetime of the financial instrument or a shorter period, if applicable.

Derecognition of financial liabilities

The Group only derecognises a financial liability if the Group's corresponding liability (or liabilities) has (or have) been settled, cancelled or expired. The difference between the carrying amount of the derecognised financial liability and the consideration received or to be received must be recorded as profit or loss.

3.10.3 Fair value measurement

Calculating the fair values financial assets and liabilities requires a wide range of accounting and valuation methods and information from the Group.

To determine the fair value of an asset or a liability, the Group relies as much as possible on observable market data (market or stock exchange price). If no active market value exists, the fair value is determined as far as possible using other observable input factors. If no observable input factors are available, the fair value is determined using valuation techniques, such as by discounting future cash flows at the market interest rate or by applying recognised option pricing models, and is verified as far as possible by confirmations from the banks settling the transactions. Depending on the availability of observable parameters and the significance of these parameters for measuring fair value as a whole, the fair value measurement is assigned to level 1, 2 or 3. This fair value hierarchy is defined as follows:

- Input parameters for level 1 are quoted prices (unadjusted) on active markets for identical assets or liabilities that the company can access on the measurement date.
- Input parameters for level 2 are quoted prices other than those used for level 1, which can either be observed for the asset or liability directly or derived indirectly from other prices.
- Input parameters for level 3 are unobservable inputs for the asset or liability.

Assets and liabilities consistently measured at fair value are reclassified from one level to another if, for example, an asset is no longer traded on an active market or is traded for the first time.

3.11 Derivative financial instruments and hedge accounting

Encavis only uses derivative financial instruments to hedge future cash flows (so-called underlying transactions) for financial risks resulting from commercial business or refinancing activities. These are primarily interest rate, price and currency risks. In accordance with the Group's risk management principles, generally 100 % of the forecast highly probable cash flows are hedged. There are no expected transactions at Encavis for which hedge accounting was used in the previous period but which are no longer expected to occur.

Derivative financial instruments are recognised at fair value upon initial recognition and on each subsequent balance sheet date. The fair value corresponds to their positive or negative market value. If no market values are available, they are calculated using recognised valuation techniques, such as discounted cash flow models or option pricing models. Derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative.

A prerequisite for hedge accounting is that the clear hedging relationship between the underlying transaction and the hedging instrument is documented and its effectiveness has been demonstrated. Interest rate and currency swaps and forward exchange contracts are used as hedging instruments. If the requirements of IFRS 9 for hedge accounting are met, Encavis designates and documents the hedging relationship as a cash flow hedge from this point in time. In the case of a cash flow hedge, fluctuations in future cash flows from highly probable expected transactions or cash flows to be paid or received in connection with a recognised asset or liability are hedged. The Group enters into interest rate swaps that generally have the same terms as the underlying transaction, such as reference interest rates, repricing dates, payment dates, maturities and nominal amounts. During the financial year, all material contractual terms and conditions were the same, so that there was an economic relationship between the hedged item and the hedging instrument. The documentation of the hedging relationships includes the objectives and strategy of risk management, the type of hedging relationship, the hedged risk, the designation of the hedging instrument and the underlying transaction, as well as an assessment of the effectiveness criteria, which include the risk-reducing economic relationship, the effects of the credit risk and the appropriate hedge ratio. Hedging relationships are regularly reviewed to determine whether they have been effective throughout the period for which they were designated. The reasons for ineffectiveness of interest rate swap hedges may be credit value/debit value adjustments that are not offset by changes in the value of the hedged loans, and subsequent designations in which the date on which the interest rate derivative is designated differs from the date on which it is designated as a hedge.

Both the designated effective portion of the hedging instrument and the undesignated portion of the hedging instrument based on changes in forward components and foreign currency basis spreads are to be recognised in other comprehensive income. The forward component exempted from designation and the foreign currency basis spreads are recognised in other comprehensive income in the costs of hedging measures item and transferred to the income statement (financial result) upon realisation of the underlying transaction. The ineffective portion of a cash flow hedge is recognised immediately through profit or loss and transferred to the income statement (financial result) over the term of the hedge. Changes in the value of undesignated derivatives are measured at fair value through profit or loss. Under IFRS 9, amounts recognised as effective hedging gains/losses from hedging transactions in other comprehensive income are removed from the equity reserve and directly added to the acquisition cost of the underlying transaction upon recognition if the underlying item, such as the expected transaction, results in the recognition of a non-financial asset or non-financial liability.

In the case of cash flow hedges, the cumulative hedging gains/losses from the hedging transactions are transferred from the equity reserve to the consolidated earnings for other underlying transactions at the same time as the effect on profit or loss of the hedged underlying transactions.

If derivative financial instruments are not, or no longer, included in hedge accounting because the requirements for hedge accounting are not, or are no longer, met, they are measured at fair value through profit or loss (FVPL). Forward exchange transactions are also allocated to the FVPL category.

3.12 Collateral

The financial liabilities from the solar parks and wind parks are essentially non-recourse loans. For these financial liabilities and, where appropriate, also contingent liabilities, the consolidated Group companies for the most part have provided collateral to the financing banks or creditors. As usual in this type of financing, property, plant and equipment and all rights, as well as future receivables, have been assigned to the banks. Consequently, the current amount of the collateral furnished corresponds to the carrying amount of the assets or the amount of reserves recognised (note 6.11), or constitutes intangible assets (such as the right to join feed-in contracts). The main forms of collateral are:

- enforceable land charges (property, plant and equipment)
- pledging of debt service and project reserve accounts (liquid assets with restrictions on disposition)

- assignment of the right to payment of the electricity feed-in tariff from the respective grid company and assignment of payment and remuneration claims against third parties from any direct marketing contracts (revenue)
- assignment of goods stored in a specific place (property, plant and equipment)

3.13 Inventories

Inventories mainly comprise replacement parts for power generation installations and merchandise. They are recognised at the lower of cost or net realisable value. Net realisable value is calculated from the expected selling price less the estimated costs until completion and the estimated necessary distribution costs.

3.14 Income taxes

Income tax expenses are the sum of current tax expenses and deferred taxes.

Current and deferred taxes are recorded in the consolidated earnings, unless they are related to items recognised in other comprehensive income or directly in equity. In this case, the current and deferred taxes are also recognised in other comprehensive income or directly in equity. The income tax consequences of dividend payments within the meaning of IFRS 9 on financial instruments classified as equity are treated in accordance with the treatment of the transactions giving rise to the tax effect. The tax effects from the deductibility of interest on the hybrid convertible bond classified as equity until the end of 2024, which do not constitute profit distributions within the meaning of IFRS 9 due to the lack of profit dependency, were recognised in equity until the hybrid convertible bond was reclassified as debt.

Current taxes

The actual tax refund claims and tax liabilities are valued at the expected amount of a reimbursement from or payment to the tax authorities. They are based on the tax rates and tax laws in effect as at the balance sheet date.

Changes in legal precedent and other circumstances could lead to a change in the interpretation of tax provisions by the tax authorities. Differences between the interpretation of tax provisions by Encavis and the tax authorities therefore cannot be ruled out. To reflect this uncertainty, tax refund claims and tax liabilities are regularly reviewed and, if necessary, adjusted accordingly.

Actual tax claims and liabilities are presented if an enforceable right to compensation exists and there is an intention to settle on a net basis.

As a result of the (indirect) acquisition of the shares in Encavis AG from KKR & Co. Inc. on 4 December 2024, Encavis AG and its subsidiaries are expected to fall within the scope of the global minimum taxation rules (“Pillar 2”) from that date. These regulations exist in Germany in the form of the Minimum Tax Act (“MinStG”), which applies for the first time for financial years beginning after 31 December 2023. According to the MinStG, a supplementary tax is payable for each jurisdiction that has an effective tax rate of less than 15 %. Determining the effective tax rate under the MinStG is very complex and involves a large number of specific adjustments.

Due to the new shareholder structure and the individual control relationships, Encavis AG is currently in the process of delimiting the group of companies for the purposes of Pillar 2 and assessing the effects of Pillar 2. Due to the complexity of applying the legislation, the quantitative effects cannot yet be reliably estimated. We are currently working with tax specialists to support the application of the legislation. If the global minimum tax results in deferred taxes, these are not recognised in accordance with the exemption that was the subject of the amendments to IAS 12 published in May 2023.

Deferred taxes

Deferred taxes are calculated in relation to temporary recognition and measurement differences between the IFRS carrying amount of an asset or liability and its tax base. Deferred tax liabilities are generally recognised for all taxable temporary differences. However, deferred tax liabilities are not recognised if they result from the initial recognition of goodwill. Deferred taxes are also not recognised if they arise from the initial recognition of an asset or liability in a transaction that is not part of a business combination and, at the time of the transaction, do not affect accounting or tax profit, and does not result in the creation of deductible and taxable temporary differences of the same amount (initial recognition exemption, or IRE). Since the 2020 financial year, this has related to temporary differences arising within the scope of the acquisition of new solar parks and wind parks that do not meet the definition of a business and are accounted for like acquisitions of assets. Despite the above, deferred taxes are recognised in connection with leases and dismantling obligations as part of such acquisitions of solar parks and wind parks that are not classified as business combinations, if the resulting temporary differences correspond in amount.

Deferred tax assets are recorded to the extent that it is probable that there will be sufficient taxable profits in future that can be used for the deductible temporary differences. Deferred tax assets from unused loss carryforwards are recognised to the extent that it is likely within a planning period that is appropriate to the business model that they can be offset against available taxable income in the future. In addition, further requirements of IAS 12 must be observed if there is a surplus of deferred tax liabilities.

Deferred tax assets and liabilities are generally calculated using the respective individual corporate and country-specific tax rate of the company that is expected to be valid at the time the liability is settled or the asset is realised. For the German companies, a weighted tax rate that takes into account the various trade tax rates in Germany was used.

Deferred tax assets and liabilities are presented net, provided there is an enforceable right to offset the actual tax refund claims against tax liabilities and the deferred tax liabilities pertain to the same tax authority.

The tax reconciliation and additional information are provided in note 5.9.

3.15 Trade receivables and other assets

In accordance with IFRS 15, trade receivables are initially recognised at their transaction price. As a result, they are measured at amortised cost. Impairments are charged as at every reporting date on the basis of the expected credit loss model in accordance with IFRS 9.

3.16 (Restricted) cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank and deposit balances which have a high degree of liquidity and a total maturity of up to three months. They are not subject to any interest rate risk and are carried at nominal values. The debt service and project reserve accounts are an exception. They serve as collateral for the lending banks involved in the solar parks and wind parks and can only be used in agreement with the lending banks. To a lesser extent, another exception is restricted liquid assets at Encavis AG and other Group companies. They are classified as restricted cash and cash equivalents but do not form part of cash and cash equivalents within the meaning of IAS 7.

3.17 Financial liabilities and other liabilities

Financial liabilities are recognised at their fair value at the time they are carried in the balance sheet. They are subsequently measured at amortised cost using the effective interest method. The financial liabilities from the solar parks and wind parks are essentially non-recourse loans; that is, the solar and wind turbine are the collateral for each respective loan. Other liabilities are recognised at the amount required to settle the respective obligation if the time value of money is negligible given their short maturity (less than one year).

3.18 Provisions

Other current provisions are recognised at the expected settlement amount without a discount and take into account all liabilities identifiable at the balance sheet date that are based on past transactions or past events prior to the balance sheet date and whose amount or maturity is uncertain. The amount is calculated on the basis of the most likely settlement value.

Non-current provisions are discounted (risk-free) at an appropriate interest rate.

Provisions are only recognised if there is an underlying legal or constructive obligation towards third parties and the probability of occurrence is greater than 50 %. Recognising provisions presupposes that the settlement of the obligation is likely to result in the outflow of resources and a reliable estimate of the amount of the provision is possible.

3.19 Liabilities to non-controlling interests

Non-controlling interests in partnerships are reported as non-current or current liabilities. Upon initial recognition, they are measured on a pro rata basis in accordance with the discounted projected distributions over the minimum term of the company plus the expected claims. The liabilities are continuously valued through the interest effect and by way of adjustments in line with the distribution projection (if applicable). They also include loans issued to non-controlling shareholders plus accrued interest.

3.20 Revenue

The core principle of IFRS 15 is the recognition of revenue in the amount that an entity can expect in return for the transfer of goods or services to a customer. Revenue is recognised when the customer has control over the goods or services. IFRS 15 also contains requirements for the disclosure of excess performance or of performance obligations at contract level.

To determine the timing (or period) and the amount of revenue to be recognised, IFRS 15 has introduced a five-step model, which Encavis uses in assessing its business transactions.

The goods transferred by Encavis (primarily the supply of electricity) and services offered in the Asset Management and Service divisions each represent individual performance obligations or performance obligation bundles.

Revenue from the supply of electricity is recognised over time. Power progress is measured on the basis of the energy units supplied. Revenue is generally recognised on the basis of market prices. Further income from certificate trading is realised on a time-based basis with sales.

In the Asset Management segment, revenue from project structuring, PPA structuring and financing structuring is recognised on a time basis when the agreed (partial) service is provided, while revenue from asset management and consulting as well as project development management is recognised on a straight-line basis over the term of the contract.

Revenue from O&M, C&I, new installations, revamping and repowering as well as the Service segment’s project development business is recognised on a straight-line basis over the term of the contract or according to the stage of completion of the respective project. If the transaction prices include variable remuneration components, these are estimated on the basis of past experience or taking into account the progress of the project. Other technical and non-technical services are realised on a time basis after the agreed service has been provided.

3.21 Other own work capitalised

Other own work capitalised results primarily from capitalised services in the Encavis Group’s solar parks, which are performed by service companies in the Service segment. These mainly relate to extensions and improvements for several solar installations in the company’s own portfolio. Other own work capitalised relates to software solutions developed in-house by Asset Ocean GmbH for the management of wind and solar parks.

3.22 Financial income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably).

Interest income must be recognised if it is likely that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income must be accrued or deferred on the basis of the outstanding nominal amount using the applicable effective interest rate. The effective interest rate is the exact rate by which the expected future payments over the lifetime of the financial asset will be discounted from the net carrying amount of that asset on initial recognition.

3.23 Leases

Because Encavis does not act as a lessor, the following statements are limited to the accounting methods used by a lessee.

At the start of each contract, an assessment is made as to whether the contract constitutes or contains a lease as defined by IFRS 16. A lease as defined by IFRS 16 exists when the agreement grants Encavis the right to control the use of an identified asset for a specified period in return for a fee.

If a lease has been identified, a right-of-use asset must be recognised in an amount equal to the cost at the commencement date (i.e. the date on which the asset is available for use by Encavis). The cost includes:

- the amount of the initial measurement of the lease liability,

- any initial direct costs incurred,
- any lease payments already made at or before the commencement date, less any lease incentives received,
- all estimated asset retirement and comparable obligations.

Right-of-use assets are subsequently measured at cost less any straight-line depreciation and impairment losses, adjusted for any revaluations and modifications of the lease liability. The depreciation period is defined as the shorter of the useful life and the lease term. If the exercise of a call option is deemed sufficiently certain, the asset is depreciated over the useful life of the underlying asset.

At the commencement date, a lease liability must be recognised in the amount of the present value of the outstanding lease payments over the term of the lease. Encavis uses the incremental borrowing rate as the basis for discounting, provided that the interest rate implicit in the lease cannot otherwise be readily determined. Since the interest rate implicit in the lease cannot usually be readily determined, Encavis uses the incremental borrowing rate in most cases. The incremental borrowing rate is defined as the interest rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The estimate of Encavis' incremental borrowing rate is based on observable market yields from which effective interest rates are derived and which are subsequently adjusted for liquidity and country-specific risks.

The lease liabilities include:

- fixed payments (including de facto fixed payments) less lease incentives to be received,
- variable lease payments linked to an index or interest rate,
- amounts expected to be paid as part of residual value guarantees,
- exercise prices for call options, provided that their exercise is sufficiently probable,
- penalties for early termination of the lease, if it is reasonably certain that the termination will be exercised.

Variable lease payments not pegged to an index or interest rate are recognised in the statement of comprehensive income. In the case of Encavis, these are mainly lease payments that are linked to the revenue or other earnings figures of the respective energy installation, for example.

The lease term consists of the binding term plus any extension options whose exercise is sufficiently likely as well as periods during which a termination option is granted, provided that this option is sufficiently unlikely to be exercised.

Interest is added to the lease liability over the term, and the lease liability is reduced by the payments made. In the event of any changes in the lease that affect future lease payments, the lease must be revalued. These changes include, for example, revised estimates regarding the exercise of extension and termination options or adjustments to the amount of the lease payments.

When a purchase option for leased power generation installations is exercised, the carrying amount of the leased power generation installation is transferred from the right-of-use asset for power generation installations as defined in IFRS 16 to the power generation installations owned by Encavis. The lease liability is repaid via a redemption payment, resulting in a corresponding cash outflow for leases. Any valuation effects from the balance sheet are recognised in profit or loss under other income or expenses and offset against the purchase price for the leased power generation installations and other costs incurred for this purpose.

Encavis makes use of the option granted by the standard not to recognise short-term leases of up to 12 months and leases with low-value underlying assets (i.e. with an original value of up to USD 5,000) as assets or liabilities in the balance sheet. All related payments are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. As Encavis primarily has long-term contracts due to its business model, these exceptions rarely occur within the Group and are not considered significant.

3.24 Borrowing costs

Borrowing costs incurred directly in connection with the creation of qualified assets from the start of production to commissioning are capitalised and then depreciated with the corresponding asset value. If the operating company does not have its own loan to finance the construction of the plant, the borrowing costs are capitalised using a weighted mixed interest rate from the superseding Group financing. The amount capitalised of TEUR 12,518 (previous year: TEUR 3,055), the underlying financing cost rate was 5.00 % (previous year: 5.57 %).

3.25 Government grants

The interest rate advantage of a government loan (such as a subsidised loan from the KfW Group) issued at a below-market rate of interest is treated as a government grant and measured as the difference between the proceeds received and the fair value of the loan determined at the market rate. The interest rate advantage is recognised as deferred income and reversed to profit or loss over the term of the subsidised fixed-interest rate for the loan. Encavis benefits from state feed-in tariffs for some of the power generation installations it holds, which can be higher than the prices achievable on the respective electricity market. These additional payments are recognised in revenue. Encavis reports on these grants in the notes to the revenue.

3.26 Segment reporting

Segment reporting is carried out in accordance with the accounting standard IFRS 8 “Operating Segments” and uses the management approach set out therein, which provides for segmentation and reporting based on the internal organisational and reporting structure as well as the internal control parameters. The segments were therefore defined and identified in accordance with the internal organisational and reporting structure. The Group has the following reportable operating segments: PV Parks, Service, Wind Parks and Asset Management. In addition, the non-reportable segment Administration is reported under other companies and Group functions because it is not a separate business segment under IFRS 8.6. Reporting is generally based on services rendered and products; a breakdown by region is shown in note 7. In particular, revenue and operating earnings before interest, taxes, depreciation and amortisation (EBITDA) are monitored separately by management in order to make decisions about the allocation of resources and to determine the profitability of the segments. Management also monitors the following key figures for segment performance: operating EBITDA margin and operating earnings before interest and taxes (EBIT).

3.27 Earnings per share

Undiluted (basic) earnings per share are calculated by dividing the earnings attributable to the holders of no-par value shares by the weighted average number of shares issued for the period. Diluted earnings per share are calculated by dividing the earnings attributable to the holders of no-par value shares by the weighted average number of shares of potential ordinary shares issued for the period. In 2024, there were no dilutive effects or no dilutive effects due to the protection against dilution in accordance with IAS 33.41.

4 Subsidiaries

4.1 Disclosures on subsidiaries

Details of subsidiaries in the consolidated financial statements as of 31 December 2024 are listed below:

Segment	Country	Number of wholly owned subsidiaries	
		31.12.2024	31.12.2023
PV Parks	Germany	67	56
	Italy	73	70
	France	15	15
	United Kingdom	27	27
	Netherlands	12	12
	Ireland	1	1
	Spain	18	11
	Denmark	12	12
	Sweden	2	0
Wind Parks	Germany	27	21
	France	4	4
	Denmark	2	2
	Finland	2	2
	Lithuania	1	1
Service	Germany	3	3
	Denmark	1	1
	Netherlands	1	0
Asset Management	Germany	17	20
Administration	Germany	9	9
	Netherlands	1	1
Total		**295**	**268**

Segment	Country	Number of non-wholly owned subsidiaries	
		31.12.2024	31.12.2023
PV Parks	Germany	7	6
	Netherlands	1	1
	Italy	7	7
	Sweden	3	3
Wind Parks	Germany	9	9
	Denmark	1	1
	Italy	1	1
Service	Germany	1	1
	Italy	1	1
	United Kingdom	1	1
	Netherlands	1	1
	France	1	1
	Denmark	1	0
Total		**35**	**33**

The following changes in the subsidiaries included in the consolidated financial statements occurred in the 2024 financial year:

Changes in subsidiaries included in the consolidated financial statements	Domestic	Abroad	Total
Included as at 31 December 2023	125	176	301
Acquisition/establishment	18	14	32
Transition from equity-method accounting	1	0	1
Sale/merger/liquidation	-4	0	-4
Included as at 31 December 2024	140	190	330

The following holding and service companies were founded or acquired in the financial year:

Foundation in the financial year	Segment
Encavis Bridge Portfolio Spain S.L.U.[1)]	PV Spain
Encavis Energieversorger I Portfolio GmbH & Co. KG	PV Germany
Encavis Portfolio Spain S.L.U.[1)]	PV Spain
GES 002 B.V.	Service
Stern Energy ApS	Service

With the acquisition of Dutch company GES 002 B.V., Encavis further advanced its entry into battery storage solutions during the financial year. At the time of preparing the financial statements, the project has not yet commenced.

CHORUS CleanTech Management GmbH, ENCAVIS AM Capital GmbH and ENCAVIS AM Komplementär GmbH were merged into Encavis Asset Management AG during the financial year. All intermediate holding companies were no longer required in the Encavis structure.

The former CHORUS Energieanlagen GmbH was renamed Encavis Energieversorger I Verwaltungs GmbH in the financial year and now serves as the Group's general partner for the Badenova Pipeline projects. The former Encavis Portfolio II GmbH was renamed Encavis Solar Intrastruktur I GmbH in the financial year. The company serves as an infrastructure company for Badenova Pipeline projects.

Details on the other transactions can be found in the following section of these notes.

Details on non-wholly owned subsidiaries which include significant non-controlling interests

The following table includes details on non-wholly owned subsidiaries which include significant non-controlling interests. Intra-Group transactions have not been eliminated from the specified amounts.

Subsidiaries	Equity interest and share of voting rights of non-controlling interests in %		Profit or loss for the year attributable to non-controlling interests in TEUR		Cumulative non-controlling interests in TEUR	
	31.12.2024	31.12.2023	2024	2023	31.12.2024	31.12.2023
Zonnepark Zierikzee B.V.	10.00	10.00	-33	-105	147	205
Parco Eolico Monte Vitalba S.r.l.	15.00	15.00	20	46	303	418
Nørhede-Hjortmose Vindkraft I/S	18.50	18.50	18	671	1,271	1,583
DE Stern 11 Srl	36.00	36.00	-175	49	684	969
DE Stern 14 Srl	36.00	36.00	-46	49	538	674
Varberg Norra 3 MW AB	46.00	46.00	-40	4	173	219
EnSol Nordic AS	10.00	10.00	35	10	453	439
UK Sol SPV 2 AB	10.00	10.00	-101	11	-91	10
Encavis Energieversorger I GmbH	49.00	49.00	-413	0	5,317	2,383
Other immaterial subsidiaries			-125	-7	3	116
Total amount of non-controlling interests			-860	728	8,797	7,016

Condensed financial information relating to subsidiaries in which the Group holds significant non-controlling interests is provided below. The condensed financial information corresponds to the amounts before intra-Group eliminations.

Zonnepark Zierikzee B.V., Netherlands	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	2,093	1,838
Non-current assets	8,265	9,268
Current liabilities	1,061	5,825
Non-current liabilities	7,831	3,237
Net assets	1,466	2,045
Carrying amount of non-controlling interests	147	205
	2024	2023
Revenue	1,197	2,210
Profit or loss for the year	-330	-1,045
Total comprehensive income	-330	-1,045
Profit or loss attributable to non-controlling interests	-33	-105
	2024	2023
Dividends paid to non-controlling shareholders	25	0
Cash flow from operating activities	943	44
Cash flow from financing activities	-1,028	-1,065
Net change in cash and cash equivalents	**-85**	**-1,021**

Parco Eolico Monte Vitalba S.r.l., Italy	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	1,211	1,820
Non-current assets	2,333	2,678
Current liabilities	756	843
Non-current liabilities	810	889
Net assets	1,978	2,766
Carrying amount of non-controlling interests	303	418
	2024	2023
Revenue	955	1,706
Profit or loss for the year	133	307
Total comprehensive income	133	307
Profit or loss attributable to non-controlling interests	20	46
	2024	2023
Dividends paid to non-controlling shareholders	135	36
Cash flow from operating activities	174	1,059
Cash flow from investing activities	11	-25
Cash flow from financing activities	-890	-238
Net change in cash and cash equivalents	**-705**	**795**

Nørhede-Hjortmose Vindkraft I/S, Denmark

	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	504	1,438
Non-current assets	8,287	8,683
Current liabilities	871	233
Non-current liabilities	1,104	1,380
Net assets	6,816	8,507
Carrying amount of non-controlling interests	1,271	1,583
	2024	**2023**
Revenue	2,215	4,026
Profit or loss for the year	97	3,629
Other comprehensive income	-6	-17
Total comprehensive income	91	3,612
Profit or loss attributable to non-controlling interests	18	671
Total comprehensive income attributable to non-controlling interests	-1	668
	2024	**2023**
Dividends paid to non-controlling shareholders	341	635
Cash flow from operating activities	1,887	3,517
Cash flow from financing activities	-2,006	-3,288
Net change in cash and cash equivalents	**-119**	**230**

DE Stern 11 Srl, Italy

	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	951	1,339
Non-current assets	5,224	7,837
Current liabilities	875	876
Non-current liabilities	2,271	3,628
Net assets	3,028	4,673
Carrying amount of non-controlling interests	684	969
	2024	**2023**
Revenue	1,667	1,959
Profit or loss for the year	-1,095	304
Total comprehensive income	-1,095	304
Profit or loss attributable to non-controlling interests	-175	49
	2024	**2023**
Dividends paid to non-controlling shareholders	110	90
Cash flow from operating activities	1,358	1,539
Cash flow from investing activities	-21	0
Cash flow from financing activities	-1,454	-1,366
Net change in cash and cash equivalents	**-117**	**173**

DE Stern 14 Srl, Italy	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	817	957
Non-current assets	3,459	4,758
Current liabilities	629	461
Non-current liabilities	1,114	1,982
Net assets	2,533	3,272
Carrying amount of non-controlling interests	538	674
	2024	2023
Revenue	1,208	1,400
Profit or loss for the year	-289	306
Total comprehensive income	-289	306
Profit or loss attributable to non-controlling interests	-46	49
	2024	2023
Dividends paid to non-controlling shareholders	90	80
Cash flow from operating activities	982	1,079
Cash flow from investing activities	-21	0
Cash flow from financing activities	-1,003	-962
Net change in cash and cash equivalents	-43	117

Varberg Norra 3 MW AB, Sweden	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	39	283
Non-current assets	2,559	2,750
Current liabilities	46	292
Non-current liabilities	2,045	2,130
Net assets	507	611
Carrying amount of non-controlling interests	173	224
	2024	2023
Revenue	149	242
Profit or loss for the year	-85	10
Other comprehensive income	-20	0
Total comprehensive income	-104	10
Profit or loss attributable to non-controlling interests	-40	4
Total comprehensive income attributable to non-controlling interests	-9	4
	2024	2023
Cash flow from operating activities	-65	40
Cash flow from investing activities	-124	0
Cash flow from financing activities	-25	-394
Net change in cash and cash equivalents	-214	-354

EnSol Nordic AS, Norway	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	4	32
Non-current assets	12,834	11,749
Current liabilities	99	7,303
Non-current liabilities	8,073	0
Net assets	4,667	4,478
Carrying amount of non-controlling interests	453	439
	2024	2023
Profit or loss for the year	351	95
Other comprehensive income	-162	-232
Total comprehensive income	189	-137
Profit or loss attributable to non-controlling interests	35	10
Total comprehensive income attributable to non-controlling interests	-16	-13
	2024	2023
Cash flow from operating activities	-358	-5
Cash flow from investing activities	-1,315	-170
Cash flow from financing activities	1,646	-269
Net change in cash and cash equivalents	**-27**	**-444**

UK Sol SPV 2 AB, Sweden	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	941	1,012
Non-current assets	11,085	10,228
Current liabilities	581	210
Non-current liabilities	10,149	10,007
Net assets	1,297	1,024
Carrying amount of non-controlling interests	-91	10
	2024	2023
Revenue	78	0
Profit or loss for the year	-1,009	115
Other comprehensive income	-32	2
Total comprehensive income	-1,041	117
Profit or loss attributable to non-controlling interests	-101	11
Total comprehensive income attributable to non-controlling interests	-3	11
	2024	2023
Cash flow from operating activities	216	294
Cash flow from investing activities	-361	-8,479
Cash flow from financing activities	594	7,038
Net change in cash and cash equivalents	**449**	**-1,147**

Encavis Energieversorger I GmbH, Germany	31.12.2024 in TEUR	31.12.2023 in TEUR
Current assets	365	392
Non-current assets	9,741	4,937
Current liabilities	247	2,114
Net assets	9,589	3,215
Carrying amount of non-controlling interests	5,317	2,383
	2024	2023
Revenue	161	0
Profit or loss for the year	-207	-62
Total comprehensive income	-207	-62
Profit or loss attributable to non-controlling interests	-413	0
	2024	2023
Cash flow from operating activities	-1,873	-68
Cash flow from investing activities	-161	-4,686
Cash flow from financing activities	2,111	4,839
Net change in cash and cash equivalents	77	85

Reference is made to the list of shareholdings in note 16.

4.2 Company acquisitions

Acquisition of subsidiaries that do not meet the definition of a business

In the 2024 financial year, thanks to a number of acquisitions, Encavis was able to significantly expand its international portfolio of solar and wind installations. Under the amendments to IFRS 3, which entered into force at the beginning of 2020, the following transactions do not meet the definition of a business acquisition. These acquisitions were therefore presented as acquisitions of assets in the consolidated financial statements, regardless of when the installation was commissioned. Following a review into whether an input or substantive process exists to allow an output to be created, it was found that no business exists, as there is no organised workforce and the process of electricity generation is not unique. Given that this transaction constitutes the acquisition of assets and not the acquisition of a business, the difference between the purchase price and the revalued assets was allocated to acquired net assets and capitalised rather than being recognised as goodwill. Financial assets and liabilities were recognised at their fair values. In accordance with the provisions of IAS 12 on IRE, Encavis recognises deferred taxes at the time of acquisition, whereby these offset each other. The following tables do not contain non-netted figures. Detailed information is provided below for the acquisitions in the financial year that Encavis classifies as material.

Solar Castuera S.L.U.

On 20 February 2024, Encavis expanded its Spanish solar park portfolio with another solar park in Andalusia. At the time of acquisition, construction was about to begin on the Lirios solar park (109 MW) acquired by BayWa r.e., located 35 kilometres west of Seville, and it is expected to be connected to the grid in the fourth quarter of 2025. The purchase price was TEUR 13,888. As part of the acquisition, 50 % of the associated infrastructure company Promotores Chucena 220 KV C.B. was also acquired, which is recognised as a joint arrangement.

in TEUR	Purchase price allocation
Intangible assets	24,965
Right-of-Use-Asset IFRS 16	9,305
Current assets	2,436
Cash and cash equivalents	2
Liabilities and provisions	14,115
Lease liability IFRS 16	8,705
Identified acquired net assets	**13,888**

Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG

On 27 June 2024, Encavis acquired 50.1 % of the shares in wind park Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG in North Rhine-Westphalia, Germany. On 8 February 2023, Encavis reported that it had acquired 49.9 % of this repowering project. With the acquisition of the remaining shares following the commissioning of the two Vestas wind turbines with a total nominal output of 11.2 MW, Encavis' shareholding is now 100 %. The purchase price was TEUR 119. The company was previously reported as an associated entity and has now been fully consolidated. For the first 20 years, the systems benefit from remuneration in accordance with the Renewable Energy Sources Act.

in TEUR	Purchase price allocation
Intangible assets	1,907
Power generation installations	28,078
Right-of-Use-Asset IFRS 16	2,678
Current assets	71
Cash and cash equivalents	486
Liabilities and provisions	30,891
Lease liability IFRS 16	2,210
Identified acquired net assets	**119**

Solarparkportfolio Almodóvar

Encavis also added three solar parks to its Spanish solar park portfolio on 9 July 2024. The Almodóvar portfolio acquired by BayWa r.e., which is located near Córdoba, has a capacity of 95 MW and an annual electricity generation of 187 GWh. Construction has already begun and commissioning is expected in the fourth quarter of 2025. The project consists of the three solar parks Almodóvar Solar S.L.U. with a purchase price of TEUR 3,286, Energía Diodos S.L.U. with a purchase price of TEUR 1,928 and La Redonda Solar S.L.U. with a purchase price of TEUR 1,370. In addition to the three fully consolidated solar parks, 38.2 % of the associated transformer station SECCIONADORA ALMODÓVAR RENOVABLES S.L. was also acquired, which is recognised as an associated entity.

Solar park Almodóvar Solar S.L.U.

in TEUR

	Purchase price allocation
Right-of-use asset IFRS 16	5,229
Installations under construction	30,242
Other non-current assets	313
Cash and cash equivalents	16
Liabilities and provisions	27,619
Lease liability IFRS 16	4,895
Identified acquired net assets	**3,286**

Energía Diodos S.L.U.[1)]

in TEUR

	Purchase price allocation
Right-of-use asset IFRS 16	1,488
Installations under construction	14,379
Other non-current assets	241
Cash and cash equivalents	53
Liabilities and provisions	12,838
Lease liability IFRS 16	1,395
Identified acquired net assets	**1,928**

La Redonda Solar S.L.U.

in TEUR

	Purchase price allocation
Right-of-use asset IFRS 16	2,072
Installations under construction	11,942
Other non-current assets	129
Cash and cash equivalents	12
Liabilities and provisions	10,838
Lease liability IFRS 16	1,948
Identified acquired net assets	**1,370**

Windpark Dannhausen III GmbH & Co. KG

On 10 September 2024, Encavis acquired 100 % of the shares in the Dannhausen III GmbH & Co. KG wind park, which is located south-east of Hanover and ready for construction. The purchase price was TEUR 93. The wind park will have a generation capacity of 18 MW and is expected to be commissioned at the beginning of 2026. For the first 20 years, the system benefits from remuneration in accordance with the Renewable Energy Sources Act.

in TEUR	Purchase price allocation
Intangible assets	19,890
Non-current assets	195
Current assets	3,799
Cash and cash equivalents	1
Liabilities and provisions	23,792
Identified acquired net assets	**93**

WP Schieder GmbH & Co. KG

On 24 October 2024, Encavis acquired 100 % of the shares in Windpark WP Schieder GmbH & Co. KG (formerly: ABO Wind WP Schieder GmbH & Co. KG), which is located in the district of Lippe, North Rhine-Westphalia. The purchase price was TEUR 10. The three Nordex wind turbines have been in operation since August 2024 and have a total generation capacity of 10.8 MW. For the first 20 years, the systems benefit from remuneration in accordance with the Renewable Energy Sources Act.

in TEUR	Purchase price allocation
Power generation installations	20,098
Financial assets	98
Right-of-use asset IFRS 16	2,139
Current assets	885
Cash and cash equivalents	163
Liabilities and provisions	21,543
Lease liability IFRS 16	1,829
Identified acquired net assets	**10**

UKA Windenergie Portfolio 34 GmbH and UGE Everswinkel GmbH & Co. KG

On 28 November 2024, Encavis acquired 100 % of the shares in the holding company UKA Windenergie Portfolio 34 GmbH, which in turn holds 100 % of the shares in the UGE Everswinkel GmbH & Co. KG wind park located in the district of Warendorf, North Rhine-Westphalia, which is already connected to the grid. The provisional purchase price totalled TEUR 5,388. Of the total of five Nordex wind turbines, four have been in operation since July 2024. The fifth wind turbine was still under construction on the balance sheet date and was connected to the grid at the end of January 2025. The five wind turbines have a total capacity of 28.5 MW and will benefit from remuneration under the Renewable Energy Sources Act for the first 20 years.

in TEUR	Purchase price allocation
Intangible assets	4,128
Power generation installations	49,622
Installations under construction	4,214
Right-of-use asset IFRS 16	7,830
Non-current assets	873
Current assets	6,145
Cash and cash equivalents	3,214
Liabilities and provisions	63,841
Lease liability IFRS 16	6,797
Identified acquired net assets	**5,388**

Fronteris Solarpark Oberbürg GmbH & Co. KG[1)]

On 3 December 2024, Encavis acquired 100 % of the shares in the Fronteris Solarpark Oberbürg GmbH & Co. KG solar installation located in Bavaria. The purchase price was TEUR 6,326. The park is currently under construction. It will have a generation capacity of 61.9 MW and is expected to go into operation in mid-2025. For the first 20 years, the system benefits from remuneration in accordance with the Renewable Energy Sources Act.

in TEUR	Purchase price allocation
Installations under construction	15,345
Right-of-use asset IFRS 16	3,584
Current assets	12,603
Cash and cash equivalents	25
Liabilities and provisions	21,648
Lease liability IFRS 16	3,584
Identified acquired net assets	**6,326**

Acquisition of subsidiaries that meet the definition of a business

No subsidiaries that meet the definition of a business were acquired in the financial year.

Other acquisitions

Encavis also acquired or founded the following projects in various stages of development during the financial year. The majority of these additions were made via the Group’s existing or newly entered development partnerships.

A.M. Solar S.r.l.	PV Italy
C.B. Solar S.r.l.	PV Italy
GreenGo Energy S111 AB	PV Sweden
GreenGo Energy S21 AB	PV Sweden
Innovar Solar Park 1 GmbH & Co. KG	PV Germany
Innovar Solar Park 10 GmbH & Co. KG	PV Germany
Innovar Solar Park 2 GmbH & Co. KG	PV Germany
Innovar Solar Park 39 GmbH & Co. KG	PV Germany
Innovar Solar Park 4 GmbH & Co. KG	PV Germany
Innovar Solar Park 44 GmbH & Co. KG	PV Germany
Innovar Solar Park 46 GmbH & Co. KG	PV Germany
Innovar Solar Park 49 GmbH & Co. KG	PV Germany
Innovar Solar Park 5 GmbH & Co. KG	PV Germany
Innovar Solar Park 7 GmbH & Co. KG	PV Germany
Innovar Solar Park 8 GmbH & Co. KG	PV Germany
La Florida Hive	PV Spain
LT 05 S.R.L.	PV Italy
WP Dörnbach GmbH & Co. KG	PV Germany

At the time of acquisition, all these companies represent energy plants in the very early or early stages of development, or companies that are immaterial for the Group and therefore do not yet have any material impact on the consolidated financial statements.

Other acquisitions after the balance sheet date

In January 2025, Encavis acquired two wind parks under construction with a total capacity of 36 MW in Bonnhagen (Mecklenburg-Western Pomerania) and Roitzsch (Saxony-Anhalt). The grid connections are scheduled to take place in 2025.

In March 2025, a wind park under construction in Bad Arolsen-Landau (Hesse) was also acquired. The grid connection for the two wind turbines with a total capacity of 12 MW is planned for October 2025.

There were no other changes in scope of consolidation of Encavis at the time this report was published.

Business combinations in the previous year

There were no business combinations in the Encavis Group in the 2023 financial year.

4.3 Disposals of subsidiaries and investments

Solarpark Glendelin GmbH was sold back to the project developer at the beginning of 2024, as the project is no longer being realised. The payments already made were credited to Solarpark Lindenhof GmbH (Borrentin project), from the same project developer.

4.4 Significant restrictions

Pursuant to IFRS 12.13, CSG IPP GmbH is subject to the following significant restrictions that result from the mezzanine capital contract with Gothaer Lebensversicherung AG (hereinafter “Gothaer”). Investments in connection with the mezzanine capital are subject to various investment criteria that are determined by a committee comprising equal numbers of representatives of Encavis and Gothaer. Furthermore, during the term of the mezzanine capital contract, the shares in CSG IPP GmbH must not be pledged or encumbered with other rights and no cash-pooling contracts are permitted to exist. This does not include contracts between CSG IPP GmbH and the subsidiaries of CSG IPP GmbH. Material measures such as the dissolution or liquidation of CSG IPP GmbH require a unanimous decision by the committee. If Encavis intends to sell its interest in CSG IPP GmbH, Gothaer has a right of first refusal. Furthermore, the mezzanine capital contract stipulates narrowly defined rules on the liquidity available for distribution. The carrying amount of the assets of CSG IPP GmbH totalled TEUR 248,429 as at the balance sheet date (previous year: TEUR 246,163), and the carrying amount of the liabilities was TEUR 222,657 (previous year: TEUR 220,008). In the consolidated financial statements, the carrying amount of the assets of CSG IPP GmbH was TEUR 57,508 as at the balance sheet date (previous year: TEUR 47,528), and the carrying amount of the liabilities was TEUR 163,104 (previous year: TEUR 163,961). In January 2025, CSG IPP GmbH repaid the profit participation capital to Gothaer ahead of schedule by signing a cancellation agreement.

5 Notes to the consolidated statement of comprehensive income

5.1 Revenue

TEUR 407,777

Previous year: TEUR 469,637

The following table shows a breakdown of external revenue by the main geographical markets and the time of revenue recognition in order to illustrate the influence of economic factors on the type, amount, timing and uncertainty of revenue and cash flows:

in TEUR	PV Parks	Wind Parks	Service	Asset Management	Total
Main geographical markets					
Germany	63,835	38,270	12,535	13,447	128,087
(previous year)	(65,320)	(47,029)	(572)	(27,311)	(140,232)
Italy	67,516	955	37,024		105,495
(previous year)	(74,737)	(1,706)	(25,650)		(102,093)
Spain	40,744				40,744
(previous year)	(61,833)				(61,833)
France	35,290	6,805	421		42,516
(previous year)	35,152	(8,072)	(43)		(43,267)
Denmark	3,914	23,670			27,584
(previous year)	(5,175)	(31,730)			(36,905)
Netherlands	18,316		622		18,938
(previous year)	(30,990)		(676)		(31,666)
United Kingdom	27,574		6,551		34,125
(previous year)	(35,351)		(7,284)		(42,635)
Finland		4,155			4,155
(previous year)		(4,667)			(4,667)
Sweden	226				226
(previous year)	(242)				(242)
Lithuania		5,905			5,905
(previous year)		(6,097)			(6,097)
Total	257,415	79,760	57,153	13,447	407,777
(previous year)	(308,799)	(99,301)	(34,226)	(27,311)	(469,637)
Time of revenue recognition					
Goods transferred/services rendered at a specific point in time	11,668	69	6,045	160	17,943
(previous year)	(16,767)	(2,120)	(10,361)	(9,063)	(38,311)
Services rendered over a certain period of time	245,748	79,691	51,108	13,287	389,835
(previous year)	(292,032)	(97,181)	(23,865)	(18,248)	(431,326)
Total	257,415	79,760	57,153	13,447	407,777
(previous year)	(308,799)	(99,301)	(34,226)	(27,311)	(469,637)

Of the revenue, TEUR 6,067 (previous year: TEUR 3,797) stems from compensation for throttling. These are payments made to compensate for the shutting down of power generation installations by the grid operator (due to bottlenecks in the grid or for other technical reasons) or by the direct marketer (for example due to remuneration being temporarily too low on the electricity exchange).

Of the revenue generated by the PV Parks and Wind Parks segments, 40.1 % (previous year: 33.4 %) were collected via government subsidy programmes.

5.2 Other income

TEUR 45,732

Previous year: TEUR 42,892

This item comprises:

Type of income in TEUR	2024	2023
Non-period income	3,786	4,278
Income from the reversal of deferred income (government grant)	888	1,260
Miscellaneous other income	41,058	37,354
Total	45,732	42,892

Miscellaneous other income includes income from the continued development of PPAs in the amount of TEUR 7,676 (previous year: TEUR 11,495). In the previous year, this still included income from the deconsolidation of the two German wind park companies BOREAS Windfeld Greußen GmbH & Co. KG and Windkraft Sohland GmbH & Co. KG (TEUR 4,210).

On 31 December 2024, those assets for which an impairment was recorded in the past were reviewed to see if this loss in value still existed. In this context, write-ups totalling TEUR 14,139 were recognised, which are reported under miscellaneous other income. Of this amount, TEUR 5,374 is attributable to the unit PV Germany, TEUR 5,112 to the unit PV Denmark, TEUR 2,977 to the unit PV France and TEUR 678 to the unit PV Netherlands. The reversals of impairment losses recognised for the assets of the three German solar parks CHORUS CleanTech GmbH & Co. Solarpark Vilseck KG, CHORUS CleanTech GmbH & Co. Solarpark Gut Werchau KG and Solarpark Neuhausen GmbH and for the two French solar parks Communal le Court SAS and Haut Lande SARL are primarily the result of adjusted planning assumptions after revamping measures were carried out. The reversals of impairment losses recognised for the Danish solar park Solar Park Rødby Fjord ApS are mainly based on a longer period of revenue recognition compared to the previous plan. The reversals of impairment losses recognised for the two German solar parks Solarpark Gnannenweiler GmbH & Co. KG and Solarpark Staig GmbH & Co. KG are mainly the result of changes in planning assumptions regarding future tax expenses. The reversals of impairment losses recognised for the assets of the German solar park Solarpark Lochau GmbH are primarily based on higher future revenue expectations. The reasons for the reversals of impairment losses recognised on the assets of the other parks affected are primarily due to a change in the individual balance sheet structure, which led to a greater decline in net assets compared to the recoverable amounts determined.

The value-in-use concept is used in the calculations to determine the recoverable amount. The applicable post-tax discount rate for the unit PV Germany is between 5.74 and 6.81 %, for the unit PV Denmark between 5.43 and 6.56 %, for the unit PV France between 2.84 and 5.75 % and for the unit PV Netherlands between 6.26 and 6.85 %.

The value in use of the assets in question stands at TEUR 186,420 in total. Of this amount, TEUR 80,848 is attributable to the unit PV Germany, TEUR 54,938 to the unit PV Denmark, TEUR 46,632 to the unit PV France and TEUR 4,002 to the unit PV Netherlands. The carrying amount of the assets before reversing the impairment totalled TEUR 172,280. Of this amount, TEUR 75,474 is attributable to the unit PV Germany, TEUR 49,826 to the unit PV Denmark, TEUR 43,655 to the unit PV France and TEUR 3,324 to the unit PV Netherlands.

In addition to determining the write-ups, a sensitivity analysis was carried out. In the first scenario, the after-tax discount rate was increased by 75 basis points. In this scenario involving an increased after-tax discount rate, the hypothetical write-up is TEUR 8,003 lower. Of this amount, TEUR 2,348 is attributable to the unit PV Germany, TEUR 4,358 to the unit PV Denmark, TEUR 1,138 to the unit PV France and TEUR 160 to the unit PV Netherlands. In the second scenario, the after-tax discount rate was lowered by 75 basis points. In this scenario of the reduced after-tax discount rate, the hypothetical write-up is TEUR 7,209 higher. Of this amount, TEUR 1,388 is attributable to the unit PV Germany, TEUR 4,877 to the unit PV Denmark, TEUR 768 to the unit PV France and TEUR 177 to the unit PV Netherlands.

5.3 Other own work capitalised

TEUR 3,027

Previous year: TEUR 2,519

Other own work capitalised results from capitalised services in the Encavis Group's solar parks, which are performed by companies in the Service segment. These mainly concern expansions and improvements to several of the company's own solar installations, which totalled TEUR 1,496 (previous year: TEUR 2,519) in the financial year.

On the other hand, own work capitalised by Asset Ocean GmbH in the amount of TEUR 1,531 for internally generated software was recognised for the first time in the 2024 financial year. This software is used to monitor and analyse our own and third-party wind and solar parks.

5.4 Cost of materials

TEUR -29,136

Previous year: TEUR -30,599

These are, on the one hand, trading and direct marketing costs in the amount of TEUR 3,973 (previous year: TEUR 6,083) and the purchase of electricity from third parties for the operation of solar and wind parks in the amount of TEUR 3,635 (previous year: TEUR 3,987). It also includes costs from the service business, network costs and, to a lesser extent, costs for infrastructure companies. The reduction in the cost of materials compared to the previous year is mainly due to lower direct marketing costs.

5.5 Personnel expenses

TEUR -46,900

Previous year: TEUR -35,292

Personnel expenses changed as follows:

in TEUR	2024	2023
Salaries	38,744	29,967
Social security contributions	4,566	4,092
Other personnel expenses	982	719
Personnel expenses from share options	2,608	513
Total	**46,900**	**35,292**

In the 2024 financial year, there were an average of 413 employees at the Group (2023: 368 employees).

At the end of 2024, there were 423 staff within the Group. The change in the number of employees is mainly due to the growth-induced expansion of the team at Encavis. The number of employees per function at the end of 2024 was as follows:

Number of employees per company and function at year-end	Finance	Operations	Staff	Investment	Corporate Finance/ Project Finance	Asset Manage-ment	Technology/ Administration	Total
Encavis AG	24	34	45	21	8			132
(previous year)	(22)	(33)	(41)	(18)	(7)			(121)
Asset Ocean GmbH			4					4
(previous year)			(4)					(4)
Encavis Finance B.V.			1					1
(previous year)			(1)					(1)
UAB L-VĖJAS			1					1
(previous year)			(1)					(1)
Encavis Asset Management AG						75		75
(previous year)						(78)		(78)
Encavis Portfolio Management GmbH						2		2
(previous year)						(1)		(1)
Stern Energy S.p.A.							132	132
(previous year)							(119)	(119)
Stern Energy GmbH							25	25
(previous year)							(21)	(21)
Stern Energy Ltd.							37	37
(previous year)							(37)	(37)
Stern Energy B.V.							6	6
(previous year)							(6)	(6)
Stern Energy SAS							7	7
(previous year)							(5)	(5)
Stern Energy ApS							1	1
(previous year)							(0)	(0)
Total	24	34	51	21	8	77	208	423
(previous year)	(22)	(33)	(47)	(18)	(7)	(79)	(188)	(394)

As at 31 December 2024, Encavis AG and Encavis Asset Management AG each had two Management Board members.

Salaries also include expenses for employee bonuses and other payments.

Personnel expenses from the share option programmes (see note 6.13) of TEUR 2,608 (previous year: TEUR 513) were recognised in consolidated earnings in the 2024 financial year.

In the 2024 financial year, payments of the employer's shares of statutory German pension insurance contributions amounted to TEUR 1,556 (previous year: TEUR 1,334) and to foreign statutory pension insurance TEUR 1,288 (previous year: TEUR 1,352)

5.6 Other expenses

TEUR -132,656

Previous year: TEUR -116,487

This item comprises:

Type of expense in TEUR	2024	2023
Costs for solar and wind parks	69,953	74,490
Legal and consulting costs, third-party services	40,728	25,854
Operating expenses	12,446	10,957
Costs for the preparation and audit of the annual financial statements	1,248	1,414
Insurance	902	650
Supervisory Board remuneration	848	771
Publications and Annual General Meeting	609	272
Due diligence and transaction costs	539	254
Rent and cost of premises	499	448
Investor relations and designated sponsoring	317	358
Impairment for expected credit losses	193	441
Other	4,374	578
Total	132,656	116,487

The following table provides a more detailed overview of the item “Costs for solar and wind parks”. Expenses from the addition of the imputed loss allowance (ECL) in accordance with IFRS 9 for receivables, loans and other assets are reported under “Impairment for expected credit losses”.

Costs for solar and wind parks can be broken down as follows:

Costs for solar and wind parks in TEUR	2024	2023
Repairs, maintenance and servicing	16,734	20,416
Technical and commercial management	14,683	14,635
Other tax expenses for parks	8,870	5,845
Expenses from the continuous valuation of PPAs	7,500	4,101
Legal and consulting costs, third-party services	5,645	5,858
Other expenses relating to other periods	4,531	845
Insurance	3,064	2,697
Alarm and security costs	1,438	1,191
Fees, incidental costs and expenses	1,357	770
Commercial lease	946	1,232
Operating expenses	764	682
Costs for the preparation and audit of the annual financial statements	480	423
IT expenses	458	345
Due diligence and transaction costs	441	44
Expenses from the electricity price cap	72	11,528
Other	2,970	3,878
Total	69,953	74,490

“Expenses from the electricity price cap” relate to the levy recognised in connection with the Europe-wide system to cap electricity prices.

5.7 Depreciation, amortisation and impairment losses

TEUR -332,913

Previous year: TEUR -169,604

This item comprises:

Depreciation and amortisation in TEUR	2024	2023
Amortisation of intangible assets	46,923	52,431
– of which on electricity feed-in contracts/project rights	*44,256*	*44,711*
Impairment losses on intangible assets	15,995	2,095
– of which on electricity feed-in contracts/project rights	*15,995*	*2,095*
Depreciation of property, plant and equipment	117,853	111,683
– of which on power generation installations	103,547	*108,920*
Impairment losses on property, plant and equipment	152,142	3,395
– of which on power generation installations	*152,142*	*3,395*
Total	332,913	169,604

The impairment losses on property, plant and equipment were recognised as a consequence of the asset impairment test. This revealed a shortfall in the value in use for plants of the units PV Germany, PV Spain, PV Italy, PV France, PV Netherlands and Wind Germany, which is why the recognised power generation installations were written down to the lower fair value as of the reporting date. This is due to changes in capital market conditions and changes in electricity price forecasts. The impairment losses on intangible assets were recorded at the same time and relate to electricity feed-in contracts and project rights. The impairment losses are attributable to the PV Parks and Wind Parks segments. In addition, on 31 December 2024, also those assets for which an impairment was recorded in the past were reviewed to see if this loss in value still existed. A write-up was subsequently recognised for some assets, which is reported under other income; please refer to section 5.2 Other income for further details. The following disclosures relate to all units or assets for which an impairment loss was recognised in the 2024 financial year.

The value-in-use concept is utilised as part of the asset impairment test to calculate the recoverable amount. The relevant after-tax discount rate for the unit PV Spain is between 3.25 % and 7.27 % for the unit Wind Germany between 5.22 and 6.85 %, for the unit PV Germany between 5.58 and 6.85 %, for the unit PV France between 5.47 and 7.02 %, for the unit PV Netherlands between 4.97 and 6.84 % and for the unit PV Italy between 3.42 and 7.50 %.

The value in use of the assets in question stands at TEUR 1,043,275 in total. Of this, TEUR 384,035 is attributable to the PV Spain unit, TEUR 160,943 to the unit Wind Germany, TEUR 124,890 to the unit PV Germany, TEUR 139,199 to the PV France, TEUR 132,786 to the unit PV Netherlands and TEUR 101,422 to the unit PV Italy. The carrying amount of the assets before impairment losses totalled TEUR 1,211,412, Of this, TEUR 452,824 is attributable to the unit PV Spain, TEUR 176,014 to the unit Wind Germany, TEUR 146,113 to the unit PV Germany, TEUR 148,906 to the unit PV France, TEUR 171,300 to the unit PV Netherlands and TEUR 116,254 to the unit PV Italy.

A sensitivity analysis was also carried out in addition to the asset impairment test. In the first scenario, the after-tax discount rate was increased by 75 basis points. In this scenario involving an increased after-tax discount rate, the hypothetical impairment loss is TEUR 59,359 higher. Of this amount, TEUR 27,519 is attributable to the unit PV Spain, TEUR 11,238 to the unit Wind Germany, TEUR 4,406 to the unit PV Germany, TEUR 5,567 to the unit PV France, TEUR 7,262 to the unit PV Netherlands and TEUR 3,368 to the unit PV Italy. In the second scenario, the after-tax discount rate was lowered by 75 basis points. In this scenario of the reduced after-tax discount rate, the hypothetical impairment loss is TEUR 58,258 lower. Of this amount, TEUR 27,065 is attributable to the unit PV Spain, TEUR 9,022 to the unit Wind Germany, TEUR 4,760 to the unit PV Germany, TEUR 5,763 to the unit PV France, TEUR 8,018 to the unit PV Netherlands and TEUR 3,629 to the unit PV Italy.

Details on the procedure for the annual impairment test are presented in note 3.8.

5.8 Financial result

TEUR -90,980

Previous year: TEUR -71,490

This item comprises:

in TEUR	2024	2023
Interest and similar income	27,097	28,802
Income from investments	229	1,154
Income from securities and loans classified as financial assets	1,291	1,196
Income from the amortisation of liabilities to non-controlling shareholders	1,707	4,456
Financial income	**30,324**	**35,608**
Interest and similar expenses	-128,553	-103,968
Expenses from the amortisation of liabilities to non-controlling shareholders	-4,566	-5,257
Financial expenses	**-133,119**	**-109,225**
Capitalised borrowing costs	12,518	3,055
Recognised financing expenses	**-120,601**	**-106,170**
Earnings from financial assets accounted for using the equity method	**-703**	**-927**
Total	-90,980	-71,490

The item “Interest and similar income” includes income from the valuation of derivative financial instruments of TEUR 4,323 (previous year: TEUR 6,180), income from the continuous valuation of financial liabilities within the scope of business combinations in the amount of TEUR 3,937 (previous year: TEUR 2,995) and interest income from loans to associated entities of TEUR 236 (previous year: TEUR 413). The item “Income from the amortisation of liabilities to non-controlling shareholders” (TEUR 1,707) includes reductions in the liabilities attributable to non-controlling interests in partnerships.

The item “Interest and similar expenses” also includes the effects of interest added to recognised lease liabilities in the amount of TEUR 10,113 (previous year: TEUR 8,717). The financial result includes net income from foreign currency translation in the amount of TEUR 4,442 (previous year: TEUR 2,405). The valuation of non-current financial assets at fair value through profit or loss resulted in net income of TEUR 32 in the 2024 financial year (previous year: net expenses of TEUR 322). The earnings from financial assets accounted for using the equity method is used to adjust the originally recognised carrying amounts in profit or loss. The item “Expenses from the amortisation of liabilities to non-controlling shareholders” (TEUR 4,566) includes increases in the liabilities attributable to non-controlling interests in partnerships.

5.9 Income taxes

TEUR 2,029

Previous year: TEUR -32,851

The reconciliation of expected to actual expenses for income taxes can be seen in the following table:

in TEUR	2024	2023
Earnings before income taxes (EBT)	-176,048	91,577
Expected income taxes (29.03 %; previous year: 29.01 %)	**51,107**	**-26,508**
Differences due to different local tax rates and tax rate changes as well as changes in the law	-6,053	799
Taxes relating to other periods	-2,284	-741
Effects from the sale of subsidiaries	0	-3,744
Effects from tax-exempt income	177	682
Effects from non-tax-deductible operating expenses	-1,316	-1,358
Effects due to the utilisation or value adjustment of loss carryforwards of the current year	-18,404	3,218
Effects of changes in value adjustment on deferred tax assets	-17,244	-2,213
Effects from the initial recognition exemption	-2,940	-4,053
Effects from financial assets accounted for using the equity method	-204	-269
Effects from trade tax additions and deductions	-1,053	808
Other	243	528
Income taxes	**2,029**	**-32,851**

With an actual tax liability of TEUR 18,331 (previous year: TEUR 28,582) and deferred tax income of TEUR 20,360 (previous year: deferred tax expense of TEUR 4,269), the tax income recognised in the consolidated result for 2024 amounts to TEUR 2,029 (previous year: deferred tax expense of TEUR 32,851).

The high effects from the non-recognition of loss carryforwards of the current year amounting to TEUR 16,172 (previous year: TEUR 3,217; effect from the utilisation of loss carryforwards for which no deferred tax assets were recognised) compared to the previous year result from a deterioration in the expected taxable profits of the companies concerned. This deterioration is mainly due to the currently forecast future electricity prices. For the same reason, excess deferred tax assets totalling TEUR 17,244 could not be regarded as recoverable and were therefore subject to a valuation allowance. In the previous year, this related to a cancellation of impairments in the amount of TEUR 756.

The deferred tax expenses recognised in other comprehensive income amount to TEUR 115 (previous year: TEUR 8,545). They relate to the effective portion of the change in fair value of derivative financial instruments used in cash flow hedges.

For the hybrid capital raised through Encavis Finance B.V., which was originally recognised as equity under IFRS, calculated income taxes on the tax-deductible interest expense in the amount of TEUR 1,178 (previous year: TEUR 1,204) were recognised directly in equity.

Provisions totalling TEUR 200 (previous year: TEUR 675) were recognised as at 31 December 2024 for ongoing tax audits and related consequential effects.

As of 31 December 2023, receivables totalling TEUR 3,608 were still reported in the consolidated financial statements for benefits in Italy due to the possible tax credit under the ‘Tremonti Ambiente’. In 2024, further judgements by the Italian court of cassation confirmed the supreme court ruling in Encavis’ favour. Against this background, a reassessment was made of the prospects of success of the ongoing proceedings to assert claims under the “Tremonti ambience”. Since the supreme court rulings in favour of Encavis appear to be consolidating, as evidenced by the further negative decision from 2024, a positive outcome for Encavis cannot be assumed with overwhelming probability for the ongoing proceedings. Therefore, all claims still recognised as at 31 December 2023 are no longer considered recoverable. The receivables reported as at 31 December 2024, therefore, amount to TEUR 0 (previous year: TEUR 3,608).

5.10 Other comprehensive income

TEUR 771

Previous year: TEUR 173,343

Other comprehensive income mainly comprises the change in the hedge reserve of TEUR -1,719 (previous year: TEUR 182,614) and currency translation differences of TEUR 154 (previous year: TEUR -745) from the translation of subsidiaries denominated in foreign currencies. The high changes in value in the hedge reserve of the previous year result specifically from the PPAs reflected in the hedging relationships.

Amounts recognised in equity will be reclassified in full to consolidated earnings once the corresponding hedged items have been discontinued. In the financial year, the effective portions of the changes in value of the interest rate swaps previously in a hedging relationship totalling TEUR 1,693 after tax were reclassified from the hedge reserve to the consolidated earnings as part of the redemption of several Encavis AG financing arrangements. No reclassifications were recognised in the previous year.

The corresponding deferred tax effects total TEUR -115 (previous year: EUR -8,545). There are currently no items in the Encavis Group that cannot be reclassified to profit or loss.

in TEUR	Amount before taxes	Tax effect	Amount after taxes
Items that may be reclassified through profit or loss			
Currency translation differences	154	0	154
(previous year)	(-745)	(0)	(-745)
Cash flow hedges – effective portion of changes in fair value	-1,719	593	-1,126
(previous year)	(182,614)	(-8,540)	(174,074)
Cost of hedging measures	67	-17	50
(previous year)	(18)	(-5)	(14)
Reclassifications	2,384	-691	1,693
(previous year)	(0)	(0)	(0)
Total change	**886**	**-115**	**771**
(previous year)	(181,887)	(-8,545)	(173,343)

6 Notes to the consolidated balance sheet

6.1 Intangible assets

TEUR 401,892

Previous year: TEUR 429,606

Changes in intangible assets were as follows:

in TEUR	Other intangible assets	Electricity feed-in contracts/project rights	Total
Cost			
As at 01.01.2023	34,013	771,084	805,097
Additions	0	36,659	36,659
Changes in the scope of consolidation	0	6,256	6,256
Disposals	-1,315	-13,397	-14,712
Currency translation	23	443	466
As at 31.12.2023	**32,721**	**801,047**	**833,766**
Depreciation, amortisation and impairment losses			
As at 01.01.2023	8,272	349,938	358,209
Additions to depreciation and amortisation	7,682	44,711	52,393
Additions to impairment losses	0	2,095	2,095
Write-ups	0	-932	-932
Changes in the scope of consolidation	0	-6,572	-6,572
Disposals	-1,265	0	-1,265
Currency translation	-2	233	231
As at 31.12.2023	**14,687**	**389,474**	**404,161**
Carrying amount as at 31.12.2023	**18,033**	**411,573**	**429,606**
Cost			
As at 01.01.2024	32,721	801,047	833,766
Additions	1,561	18,651	20,212
Changes in the scope of consolidation	0	32,211	32,211
Disposals	0	-22,348	-22,348
Currency translation	56	1,475	1,531
As at 31.12.2024	**34,338**	**831,036**	**865,374**
Depreciation, amortisation and impairment losses			
As at 01.01.2024	14,687	389,474	404,161
Additions to depreciation and amortisation	2,646	44,277	46,923
Additions to impairment losses	0	15,995	15,995
Write-ups	0	-4,361	-4,361
Currency translation	28	736	764
As at 31.12.2024	**17,361**	**446,120**	**463,481**
Carrying amount as at 31.12.2023	18,033	411,573	429,606
Carrying amount as at 31.12.2024	**16,977**	**384,915**	**401,892**

The collateral provided is described in note 3.12. There are no contractual obligations to acquire intangible assets. The disposals also include reclassifications to property, plant and equipment owing to the start of construction of solar and wind turbines.

The write-ups recognised in the financial year are reported under other income.

6.2 Goodwill

TEUR 107,240

Previous year: TEUR 107,151

The goodwill was mainly derived from the acquisition of the Stern subgroup, CHORUS Clean Energy AG and its subsidiaries, as well as the acquisition of Encavis Technical Services GmbH and multiple solar park portfolios in England and wind parks in Denmark.

As at the reporting date, the following groups of cash-generating units accounted for a significant portion of goodwill:

	31.12.2024 *(31.12.2023)*	31.12.2024 *(31.12.2023)*	
	Goodwill in TEUR *(previous year)*	Pre-tax WACC in % *(previous year)*	After-tax WACC in % *(previous year)*
PV Germany	1,674 / *(1,674)*	7.86 *(7.45)*	58.8 *(5.75)*
PV Italy	1,073 / *(1,073)*	10.25 *(9.13)*	6.44 *(6.40)*
PV United Kingdom	3,024 *(2,931)*	10.48 *(10.00)*	7.64 *(7.18)*
Wind Germany	570 *(570)*	8.24 *(7.21)*	5.88 *(5.75)*
Wind Denmark	7,564 *(7,568)*	7.74 *(7.77)*	5.52 *(5.87)*
Wind France	2,445 / *(2,445)*	8.26 *(7.56)*	6.03 *(5.89)*
Service	81,250 / *(81,250)*	9.47 *(8.53)*	6.29 *(6.21)*
Asset Management	9,640 *(9,640)*	8.92 *(7.61)*	5.88 *(5.75)*
Total	**107,240 *(107,151)***		

The goodwill figures for the Wind Denmark and PV United Kingdom groups of cash-generating units are subject to currency fluctuations.

Goodwill is tested for impairment once a year in accordance with IAS 36. This takes place at the level of a group of cash-generating units. With regard to goodwill, these groups are the operating segments broken down by country.

The impairment test involves comparing the total of the carrying amounts of the group of cash-generating units with the recoverable amount. The recoverable amount is the value in use, which is calculated from discounted future cash flows. The cash flows are reduced by income taxes and discounted using a capitalisation interest rate after taxes. The capitalisation interest rate is the weighted average cost of capital (WACC), which is determined individually for each group of cash-generating units using the capital asset pricing model. The detailed planning approved by Encavis AG's Management Board forms the basis for these cash flow forecasts, which take internal historical data into account.

The detailed planning period covers the period in which individual forecasts can be made for each park company within a group of cash-generating units. Following the detailed planning period, the forecast individual performance and the price expectation is used as a basis for modelling the term until the beginning of perpetuity (terminal value) for each park company within a group of cash-generating units. Perpetuity begins when the weighted average term of all the park companies that comprise the group of cash-generating units has expired. A growth rate of 1.0 % is assumed.

The cash flow forecasts are most sensitive to the assumed long-term growth rate and the cost of capital.

The review was carried out as at 31 December 2024; all goodwill was recoverable as at the balance sheet date.

Three sensitivity analyses were carried out for each group of cash-generating units in addition to this test. During the first sensitivity analysis, a scenario without a growth rate was assumed for each group of cash-generating units. The capitalisation interest rate was increased by 75 basis points for the second sensitivity analysis. For the third sensitivity analysis, revenue in the detailed planning period was reduced by 500 basis points.

In the scenario of the increased capitalisation interest rate, the group of cash-generating units "PV Germany" as at 31 December 2024 would have a shortfall in cover from an increase in the capitalisation interest rate of more than 29 basis points instead of a surplus of TEUR 13,197, and in the scenario of reduced revenue in the detailed planning period from a reduction of more than 411 basis points. For the group of cash-generating units "Wind Germany", instead of a surplus of TEUR 24,969 as at 31 December 2024, a shortfall would result from an increase in the capitalisation rate of more than 26 basis points or a reduction in revenue in the detailed planning period of more than 418 basis points.

For all other cash-generating units, the adjustments of the stated parameters in the sensitivity analyses would not lead to a shortfall.

6.3 Property, plant and equipment

TEUR 2,684,594

Previous year: TEUR 2,431,213

Changes in property, plant and equipment were as follows:

in TEUR

	Installations under construction	Land, land rights and buildings including buildings on third party land	Power generation installations	Other property, plant and equipment	Total
Cost					
As at 01.01.2023	48,457	247,509	2,650,334	33,708	2,980,010
Additions	48,418	17,200	30,105	2,526	98,249
Changes in the scope of consolidation	45,974	10,258	74,224	0	130,456
Disposals	0	-180	-14,281	-1,365	-15,826
Change in valuation of provisions	0	2,470	0	0	2,470
Transfers	-53,234	74	53,160	0	0
Change from revaluation/modification under IFRS 16	0	4,915	0	-327	4,588
Currency translation	421	360	2,289	55	3,124
As at 31.12.2023	**90,036**	**282,606**	**2,795,831**	**34,597**	**3,203,070**
Depreciation, amortisation and impairment losses					
As at 01.01.2023	0	38,693	626,627	9,694	675,016
Additions to depreciation and amortisation	0	10,304	98,616	2,763	111,683
Additions to impairment losses	0	0	3,395	0	3,395
Write-ups	0	0	-1,224	0	-1,224
Changes in the scope of consolidation	0	-1,362	-15,113	0	-16,475
Disposals	0	-180	0	-1,092	-1,272
Currency translation	0	62	666	7	736
As at 31.12.2023	**0**	**47,516**	**712,970**	**11,372**	**771,857**
Carrying amount as at 31.12.2023	**90,036**	**235,090**	**2,082,862**	**23,225**	**2,431,213**

in TEUR

	Installations under construction	Land, land rights and buildings including buildings on third party land	Power generation installations	Other property, plant and equipment	Total
Cost					
As at 01.01.2024	90,036	282,606	2,795,831	34,597	3,203,070
Additions	148,349	8,327	89,602	6,913	253,191
Changes in the scope of consolidation	109,718	39,920	104,015	0	253,653
Disposals	-3	-74	-889	-1,190	-2,156
Change in valuation of provisions	0	-3,449	0	0	-3,449
Transfers	-97,596	3	97,593	0	0
Change from revaluation/modification under IFRS 16	0	5,591	0	62	5,653
Currency translation	477	995	6,344	84	7,900
As at 31.12.2024	**250,981**	**333,920**	**3,092,496**	**40,467**	**3,717,864**
Depreciation and amortisation/ Impairment losses					
As at 01.01.2024	0	47,516	712,970	11,372	771,857
Additions to depreciation and amortisation	0	11,287	103,547	3,019	117,853
Additions to impairment losses	0	0	152,142	0	152,142
Write-ups	0	0	-9,778	0	-9,778
Changes in the scope of consolidation	0	5	0	0	5
Disposals	0	-73	0	-1,048	-1,121
Currency translation	0	207	2,074	31	2,312
As at 31.12.2024	**0**	**58,942**	**960,954**	**13,374**	**1,033,270**
Carrying amount as at 31.12.2023	90,036	235,090	2,082,862	23,225	2,431,213
Carrying amount as at 31.12.2024	**250,981**	**274,978**	**2,131,542**	**27,093**	**2,684,594**

Right-of-use assets for buildings and cars are included in the item “Other property, plant and equipment”. Further details on right-of-use assets can be found in section 6.16. The category “Change in valuation of provisions” includes the adjusted value of capitalised asset retirement costs. “Change from revaluation/modification under IFRS 16” comprises revaluations and modifications of recognised right-of-use assets, in particular, the indexation and other adjustments of leases.

The write-ups recognised in the financial year are reported under other income.

“Property, plant and equipment” includes power generation installations, installations under construction and other property, plant and equipment amounting to TEUR 2,150,825(previous year: TEUR 2,101,065) as collateral for existing financing. There are no contractual obligations to purchase property, plant and equipment and no material non-current items of property, plant and equipment have been disposed of.

6.4 Financial assets accounted for using the equity method

TEUR 8,537

Previous year: TEUR 8,404

The associated entities developed as follows in the financial year. The shares in these companies are generally accounted for using the equity method.

in TEUR	CHORUS IPP Europe GmbH	Gnannenweiler Windnetz GmbH & Co. KG	Pexapark AG	Sistema Electrico de Conexion Nudo Don Rodrigo 220 KV S.L.
As at 01.01.2024	0	65	4,228	1,311
Addition/acquisition	0	0	0	0
Transition to full consolidation	0	0	0	0
Attributable consolidated earnings	0	0	-606	0
As at 31.12.2024	**0**	**65**	**3,622**	**1,311**

in TEUR	SECCIONADORA ALMODÓVAR RENOVABLES S.L.	Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG	TokWise OOD	Total
As at 01.01.2024	0	55	2,745	8,404
Addition/acquisition	890	0	0	890
Transition to full consolidation	0	-55	0	-55
Attributable consolidated earnings	0	0	-97	-703
As at 31.12.2024	**890**	**0**	**2,648**	**8,537**

In the previous year, the associated entities developed as follows:

in TEUR	CHORUS IPP Europe GmbH	Gnannenweiler Windnetz GmbH & Co. KG	Pexapark AG	Sistema Electrico de Conexion Nudo Don Rodrigo 220 KV S.L.
As at 01.01.2023	153	79	5,141	1,311
Addition/acquisition	0	0	0	0
Disposals/payments received	-153	0	0	0
Attributable consolidated earnings	0	-14	-913	0
As at 31.12.2023	**0**	**65**	**4,228**	**1,311**

in TEUR	Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG	TokWise OOD	Total
As at 01.01.2023	0	0	6,684
Addition/acquisition	55	2,745	2,800
Disposals/payments received	0	0	-153
Attributable consolidated earnings	0	0	-927
As at 31.12.2023	**55**	**2,745**	**8,404**

As at the balance sheet date, Encavis held all the shares in CHORUS IPP Europe GmbH, with its registered office in Neubiberg, Germany. Despite the majority interest, the company is not fully consolidated, but is instead classified as an associated entity, as most of the returns from the investment are received by an external third party via interest on mezzanine capital. Following the complete sale of the portfolio of renewable energy plants at the end of 2023, the carrying amount of the investment was fully utilised through cash inflows from the withdrawal of reserves. Excess payments in the 2023 financial year – as well as payments in future financial years – were recognised in profit or loss. The company is to be liquidated in 2025 once the remaining payments are settled.

As in the previous year, Encavis held 20 % of the shares in Gnannenweiler Windnetz GmbH & Co. KG at the balance sheet date. The company serves various energy installations as a substation and is used jointly by them. Due to the significant influence of Encavis, the equity method is used.

Encavis holds 14 % of the shares in the Swiss company Pexapark AG. Significant influence is assumed on the basis of the number of shares held and the co-determination rights conferred by a seat on the company's board of directors.

As a result of a 38.64 % shareholding, significant influence is assumed in the case of the Spanish company Sistema Electrico de Conexion Nudo Don Rodrigo 220 KV S.L. The company serves various solar energy installations as a substation and is used jointly by them.

At the beginning of 2023, Encavis acquired 49.9 % of the shares in the Bergheim wind park project in North Rhine-Westphalia. The wind turbines were under construction until mid-2024. The remaining shares were acquired after the start of operations. The company's transition to full consolidation will also take place at this time.

In October 2023, Encavis acquired 18 % of the shares in the Bulgarian start-up TokWise OOD. The company provides artificial intelligence solutions for energy market players. Due to Encavis' significant influence and strategic interest in the investment, it is recognised as an associated entity.

With the acquisition of the Spanish Almodóvar companies in July 2024, shares in the associated transformer station SECCIONADORA ALMODÓVAR RENOVABLES S.L. with its registered office in Málaga were also acquired (TEUR 584). The shares were further increased in the financial year through a capital contribution (TEUR 306). Encavis holds a total of 38.2 % of the shares, which is why a significant influence can be assumed. In addition to the capital contribution, loans were also granted to the associated company in 2024 (TEUR 320).

Quantitative information on the business relationships maintained can be found in section 11 of the notes.

6.5 Financial assets

TEUR 3,197

Previous year: TEUR 10,598

Changes to financial assets are as follows:

in TEUR	Investments	Securities	Loans to associated entities	Other loans	Total
Cost					
As at 01.01.2023	954	2,234	0	538	3,726
Additions/acquisitions	0	0	7,413	4	7,417
Disposals/payments	0	-34	0	-4	-38
Changes in fair value measurement/ECL	-320	-2	-185	0	-507
As at 31.12.2023	**634**	**2,199**	**7,228**	**538**	**10,598**
Depreciation and amortisation					
As at 01.01.2023	0	0	0	0	0
As at 31.12.2023	**0**	**0**	**0**	**0**	**0**
Carrying amount as at 31.12.2023	**634**	**2,199**	**7,228**	**538**	**10,598**
Cost					
As at 01.01.2024	634	2,199	7,228	538	10,598
Additions/acquisitions	0	0	556	89	644
Changes in the scope of consolidation	0	0	0	98	98
Disposals/payments	-56	-642	0	-6	-704
Reconciliation to full consolidation	0	0	-7,649	0	-7,649
Changes in fair value measurement/ECL	-53	86	177	0	210
As at 31.12.2024	**525**	**1,642**	**312**	**718**	**3,197**
Depreciation and amortisation					
As at 01.01.2024	0	0	0	0	0
As at 31.12.2024	**0**	**0**	**0**	**0**	**0**
Carrying amount as at 31.12.2023	634	2,199	7,228	538	10,598
Carrying amount as at 31.12.2024	**525**	**1,642**	**312**	**718**	**3,197**

The non-current financial assets of the Encavis Group are divided into investments and securities. As at 31 December 2024, investments include various equity holdings totalling TEUR 207 (previous year: TEUR 263), which themselves include investments in non-listed shares that are not traded on an active market. In addition, the interests in CHORUS Infrastructure Fund S.A. SICAV-SIF amounting to TEUR 318 (previous year: TEUR 371) are also included in the investments.

The securities recognised in non-current assets contain mezzanine capital of CHORUS IPP Europe GmbH, Neubiberg, in the amount of TEUR 350 (previous year: TEUR 950). This mezzanine capital is part of the Asset Management segment. In the 2024 financial year, Encavis received TEUR 642 from these profit participation rights. The remaining inflows are expected in 2025. In addition, these securities include a money market fund of the Spanish company Genia Extremadura Solar S.L.U. (TEUR 1,291), which serves as a guarantee for all obligations arising from the company's leasing contract.

As at the balance sheet date, Encavis does not intend to dispose of any of these financial investments.

Mezzanine capital held, fund shares and investments are classified as at fair value through profit or loss (FVPL) in accordance with IFRS 9. They do not meet the criteria for measurement at amortised cost, as the resulting cash flows do not exclusively constitute interest and principal payments. In the 2024 financial year, net gains from changes in the fair value of these investments amounting to TEUR 32 (previous year: net losses of TEUR 322) were recognised in the consolidated earnings. Of this amount, TEUR 86 (previous year: TEUR 35) is reported under financial income and TEUR -53 (previous year: TEUR -357) under financial expenses.

In the previous year, financial assets included loans to associated companies in the amount of TEUR 7,000, which related to the then not yet consolidated wind park project in Bergheim. These loans plus interest were reclassified in the course of full consolidation. The item also covers other loans in the amount of TEUR 718 (previous year: TEUR 538), primarily in connection with the initial consolidation of Stern Energy S.p.A. In addition, these items include related deferred interest.

As the Group has consistently deemed that loans issued have had a generally low default risk since initial recognition, it has recognised a loss allowance for these items in the amount of the expected 12-month losses on receivables (TEUR 13; previous year: TEUR 191).

6.6 Other receivables (non-current)

TEUR 36,549

Previous year: TEUR 38,280

This item comprises:

in TEUR	2024	2023
Derivative financial instruments	18,617	25,566
of which carrying amounts of derivatives with positive fair values (non-current portion)	*12,504*	*22,603*
of which long-term PPAs	*6,113*	*2,963*
Other non-current receivables	17,932	12,714
Total	36,549	38,280

The decrease in the carrying amounts of the derivatives with positive fair values is primarily due to the development of the underlying yield curves.

Sureties in the amount of TEUR 3,845 are recognised in other non-current receivables (previous year: TEUR 2,855). The item also includes TEUR 2,646 (previous year: TEUR 2,395) in contract assets within the meaning of IFRS 15. As at 31 December 2024, other non-current receivables also include reimbursement claims from the reversal of the solar projects acquired in 2023 from the Chiltern Pipeline (TEUR 3,500).

6.7 Deferred taxes

TEUR 12,491/TEUR 122,643

Previous year: TEUR 9,099/TEUR 139,541

Deferred taxes are generally recognised for the foreign companies in the Group at the respective company’s individual tax rate. To reflect the different trade tax rates in Germany, weighted tax rates were used to calculate the deferred taxes of the German companies. The expected Group tax rate is 29.03 % (previous year: 29.01 %) and corresponds to the tax rate of the Group parent company, Encavis AG, consisting of the corporation tax rate of 15 %, the solidarity surcharge of 5.5 % on the corporation tax rate and a trade tax rate of 13.20 % (previous year: 13.18 %). The change in the tax rate for Encavis AG (i.e. the Group tax rate) is based on a minimal change in the breakdown criterion and/or a change in the trade tax rate in one of the local or regional communities of the tax group that is entitled to levy trade tax.

As at 31 December 2024, the Group had provisional loss carryforwards of TEUR 118,114 in corporation tax (previous year: TEUR 84,250) and TEUR 57,643 in German trade tax (previous year: TEUR 49,840). Of this, amounts of TEUR 44,804 in corporation tax (previous year: TEUR 30,073) and TEUR 32,708 in German trade tax (previous year: TEUR 19,600) are not expected to be utilised within a reasonable period. Therefore, no deferred tax assets have been recognised for these amounts. The increase in tax loss carryforwards is accompanied by an overall decrease in consolidated earnings. The change in the ownership structure of Encavis AG in 2024 and the associated indirect change in the ownership structure of all direct and indirect subsidiaries of Encavis AG will only lead to the elimination of loss carryforwards to a minor extent.

Interest carryforwards totalled TEUR 79,739 as at 31 December 2024 (previous year: TEUR 40,748). The utilisation of interest carried forward is difficult to forecast at the present time, both in terms of amount and reason. Nevertheless, interest carryforwards totalling TEUR 35,305 (previous year: TEUR 25,623) are considered recoverable as they are offset by sufficiently high surpluses of deferred tax liabilities. Accordingly, deferred tax assets were recognised on this amount.

Furthermore, surpluses from deferred tax assets amounting to TEUR 19,476 (previous year: TEUR 2,213) on temporary differences at some Group companies were not recognised, as these deferred tax assets are not expected to be recoverable within a reasonable period.

Deferred tax assets and liabilities arise due to measurement differences concerning the following items:

Deferred taxes

	31.12.2024		31.12.2023		
	Assets in TEUR	Liabilities in TEUR	Assets in TEUR	Liabilities in TEUR	Change
Intangible assets	2,830	6,390	3,337	9,080	2,182 (previous year: -2,460)
Electricity feed-in contracts	445	80,777	768	93,490	12,390 (previous year: 10,689)
Power generation installations	36,786	104,025	48,032	117,141	1,869 (previous year: -16,315)
Capitalised asset retirement obligations	752	9,407	557	8,528	-683 (previous year: -559)
Right-of-use asset IFRS 16	0	55,049	0	44,223	-10,827 (previous year: 2,619)
Derivatives with positive fair values	746	3,506	1,408	2,947	-1,220 (previous year: 6,370)
Other assets	12,643	7,339	8,732	8,042	4,613 (previous year: -3,767)
Asset retirement obligations recognised as a liability	12,850	580	11,371	444	1,344 (previous year: 1,246)
Financial liabilities	11,030	12,500	4,346	2,915	-2,901 (previous year: -11,161)
Lease liability IFRS 16	62,468	0	52,587	0	9,881 (previous year: 3,027)
Other liabilities	1,625	1,089	2,190	975	-679 (previous year: -529)
Tax loss and interest carryforwards	28,335	0	24,015	0	4,321 (previous year: 764)
Subtotal	**170,510**	**280,662**	**157,343**	**287,785**	
Offset	-158,019	-158,019	-148,244	-148,244	
Total	**12,491**	**122,643**	**9,099**	**139,541**	**20,290 (previous year: -10,078)**
of which recognised directly in equity (other comprehensive income)					-115 (previous year: -8,545)
of which from currency translation not recognised in profit or loss					185 (previous year: -624)
of which sales of subsidiaries					0 (previous year: 3,360)
Change recognised in profit or loss in 2024					**20,360 (previous year: -4,269)**

Of the deferred tax assets, TEUR 11,392 (previous year: TEUR 3,838) relates to companies that recorded tax losses either in 2023 or in 2024. Despite past losses, these deferred tax assets are regarded as recoverable and therefore recognised because the earnings prospects of the respective companies are considered positive.

Deferred tax assets of TEUR 87,255 (previous year: TEUR 132,610) and deferred tax liabilities of TEUR 273,209 (previous year: TEUR 290,753) are attributable to the non-current assets and liabilities. Deferred tax assets of TEUR 83,255 (previous year: TEUR 11,077) and deferred tax liabilities of TEUR 7,453 (previous year: TEUR 8,097) are attributable to the current assets and liabilities.

No deferred taxes are recognised on taxable temporary differences of TEUR 14,062 (previous year: TEUR 13,599) in connection with shares in Group companies, as the reversal can be controlled by the Group and no sufficiently concrete disposals are foreseeable as at the balance sheet date.

6.8 Inventories

TEUR 6,902

Previous year: TEUR 5,312

Inventories are primarily commodities and spare parts.

6.9 Trade receivables

TEUR 74,195

Previous year: TEUR 76,614

in TEUR	2024	2023
Trade receivables (gross)	74,628	77,064
Impairments	-433	-449
Net carrying amount	74,195	76,614

Trade receivables are amounts owed by government or private purchasers or other customers for goods sold or services rendered in the ordinary course of business. They are generally due within 30 to 60 days, depending on the country, and are therefore classified as current. Trade receivables are initially recognised at the amount of the unconditional consideration. No significant financing components are included for Encavis. The Group holds trade receivables in order to collect the contractual cash flows and subsequently measures them at amortised cost using the effective interest method. Details of the Group’s impairment methods and the calculation of the impairments and other risks to which the Group is exposed are disclosed in the section on credit risks in note 8. Impairment losses on trade receivables decreased over the course of the year from TEUR 449 to TEUR 433. Encavis has not currently entered into any agreements on the transfer of receivables (factoring).

Of the trade receivables, TEUR 74,628 (previous year: TEUR 77,064) were provided as collateral. This consists of the assignment of the right to payment of the electricity feed-in tariff from the respective grid company and the assignment of payment and remuneration claims against third parties from any direct marketing contracts.

6.10 Other current assets

TEUR 110,751

Previous year: TEUR 81,638

Other current assets break down as follows:

in TEUR	2024	2023
Non-financial assets	19,375	19,476
Receivables from income taxes	22,420	14,277
Other current receivables	68,957	47,885
of which contract assets	*13,245*	*8,770*
of which carrying amounts of derivatives with positive fair values (current portion)	*4,481*	*9,707*
of which short-term PPAs	*580*	*2,902*
Total	110,751	81,638

Non-financial assets comprise primarily VAT receivables.

Receivables from income taxes include TEUR 17,468 (previous year: TEUR 11,657) in corporation tax receivables, TEUR 2,926 (previous year: TEUR 810) in trade tax receivables and TEUR 2,025 (previous year: TEUR 1,810) in capital gains tax receivables.

Other current financial receivables mainly consist of receivables from the acquisition of two wind parks under construction totalling TEUR 25,843. In addition, the current portion of the carrying amounts of derivatives with positive fair values of TEUR 4,481 (previous year: TEUR 9,707) and the portion of current PPAs of TEUR 580 (previous year: TEUR 2,902) are included. They also include various other assets and receivables. The financial assets included here, which are measured at amortised cost, were written down accordingly in the amount of TEUR 616 (previous year: TEUR 256). As the Group has consistently deemed that these items have had a low default risk since initial recognition, it has recognised a loss allowance in the amount of the expected 12-month losses on receivables.

Other current non-financial receivables mainly consist of the recognition of work in progress (contract assets) from the Service segment totalling TEUR 12,748 (previous year: TEUR 7,849) and Asset Management totalling TEUR 497 (previous year: TEUR 921).

6.11 Liquid assets

TEUR 477,552

Previous year: TEUR 375,639

The liquid assets item comprises the following:

in TEUR	2024	2023
Cash and cash equivalents	375,216	308,996
of which overdraft facilities	*3,520*	*3,032*
of which cash and cash equivalents in the cash flow statement	*371,696*	*305,964*
Liquid assets with restrictions on disposition	102,336	66,642
Total	477,552	375,639

Liquid assets are composed exclusively of cash on hand and bank balances. They include debt service and project reserves that serve as collateral for the lending banks involved in the solar parks and wind parks and can only be used in agreement with the lending banks (TEUR 76,782; previous year: TEUR 48,602) and, to a lesser extent, restricted liquid assets (TEUR 25,554; previous year: TEUR 18,040).

6.12 Equity

TEUR 775,090

Previous year: TEUR 1,186,929

Changes in equity are presented in the consolidated statement of changes in equity.

As at 31 December 2024, the fully paid-up share capital of Encavis AG amounting to TEUR 161,723 (previous year: TEUR 161,030) was divided into 161,722,524 (previous year: 160,030,176) no-par-value bearer shares with a notional interest in the share capital of EUR 1.00 per share.

Authorised Capital 2021
By resolution of the ordinary Annual General Meeting of the company dated 27 May 2021, the Authorised Capital 2017 was cancelled in full and a new Authorised Capital 2021 was created. Thus, by way of an amendment to the Articles of Association (cf. Article 6 of the Articles of Association), which was entered in the commercial register on 4 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 27,687,446.00 by issuing new no-par-value bearer shares against cash and/or non-cash contributions on one or more occasions until 26 May 2026 (inclusive) (the "Authorised Capital 2021").

After partial utilisation of the aforementioned authorisation by the Management Board, with the consent of the Supervisory Board, in the 2021 and 2022 financial years – but not in the 2023 and 2024 financial years – the Authorised Capital 2021 will remain unchanged at EUR 25,197,269.00 as of 31 December 2024.

Contingent capital 2020

The share capital is further contingently increased by up to EUR 14,000,000.00 by the issue of up to 14,000,000 new no-par-value bearer shares (“Contingent Capital 2020”). The contingent capital increase will only be implemented to the extent that holders of conversion rights or option rights attached to bonds with warrants, option bonds, convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) issued up to 12 May 2025 by the company or its direct or indirect wholly owned investees on the basis of the authorising resolution of the Annual General Meeting dated 13 May 2020 (collectively the “bonds”) exercise their conversion rights or option rights, or the holders or creditors of the bonds to be issued up to 12 May 2025 by the company or its indirect or direct wholly owned investees on the basis of the authorising resolution of the Annual General Meeting dated 13 May 2020 meet their obligation to convert their bonds or exercise their options.

The Conditional Capital 2020 was entered in the commercial register at the Hamburg District Court (HRB 63197) on 19 June 2020 and had been utilised in the amount of EUR 692,348 as of 31 December 2024: The share capital is therefore now conditionally increased by up to EUR 13,307,652.00 as at 31 December 2024 by issuing up to 13,307,652 new no-par value bearer shares.

Capital reserves

The change in the capital reserve is mainly due to the pro rata conversion of the hybrid convertible bond issued in 2021 (TEUR 11,908) in the financial year. Issuance costs recognised in the hybrid capital investors’ share in previous periods were offset in the capital reserve without affecting profit or loss (TEUR -4,278) as part of the reclassification of the hybrid convertible bond as debt capital. In addition, issuance costs incurred in the financial year (TEUR -4; previous year: TEUR -4) were recognised directly in equity in the capital reserve.

Other reserves

The currency translation adjustment item of TEUR 596 (previous year: TEUR 414) relates primarily to the translation of British pounds sterling, Danish and Norwegian kroner and Swedish kronor from the respective subsidiaries into euros as at the balance sheet date.

In addition to the currency translation reserve, other reserves also include the hedge reserve (including corresponding deferred tax effects) in the amount of TEUR 14,392 (previous year: TEUR 13,826) as well as the cost of hedging measures in the amount of TEUR 23 (previous year: TEUR -27); TEUR 1,693 was reclassified from the hedge reserve to consolidated earnings in the financial year.

The hedge reserve comprises gains or losses from the effective portion of cash flow hedges arising from changes in the fair value of the hedges. The cumulative gain or loss from changes in the fair value of the hedges, which was recognised in the hedge reserve, is only transferred to consolidated earnings if the underlying hedged item affects consolidated earnings. In the reporting period, accumulated income from changes in the fair value of hedging instruments in the amount of TEUR 12,627 (previous year: loss of TEUR 3,730) was transferred to the consolidated result.

Consolidated net loss / profit

The consolidated net loss/profit is calculated as follows:

in TEUR	31.12.2024	31.12.2023
Consolidated earnings after non-controlling interests	-177,723	53,329
Profit carried forward	132,843	78,309
Other items recognised directly in equity	1,178	1,204
Consolidated net loss / profit	**-43,703**	**132,843**

At the Annual General Meeting of Encavis AG on 5 June 2024, it was decided not to distribute a dividend for the 2023 financial year.

Equity attributable to non-controlling interests

The shares attributable to non-controlling interests in the amount of TEUR 8,797 (previous year: TEUR 7,016) primarily concern the following companies: Encavis Energieversorger I GmbH, founded in the 2023 financial year, the Danish company Nørhede-Hjortmose Vindkraft I/S, the two Italian solar parks DE Stern 11 and DE Stern 14, the Dutch solar park Zierikzee, the Italian wind park Vitalba, as well as the Swedish solar parks Varberg Norra and UK Sol and the associated Norwegian intermediate holding company EnSol Nordic. The share increased in the financial year in particular due to the capital contributions made to Encavis Energieversorger I GmbH, while the recognition of withdrawals and profit shares had the opposite effect.

Equity attributable to hybrid capital investors

On 24 November 2021, Encavis AG successfully placed a perpetual subordinated bond at 100 % of its nominal value.

The hybrid convertible bond issued exclusively to institutional investors is guaranteed by Encavis AG on a subordinated basis. The issuer is the wholly owned Dutch financing subsidiary Encavis Finance B.V., Rotterdam, Netherlands. The issue and value date of the hybrid convertible bond was 24 November 2021. It was listed on the Frankfurt Open Market with a denomination of TEUR 100 each within one month of the settlement date.

No fixed date was set for the repayment of the hybrid convertible bond at the time of issue. The hybrid convertible bond carried the option of being converted by the investors into ordinary shares at any time (with a few exceptions) up to the tenth trading day before 24 November 2027 as the “first interest adjustment date”. The initial conversion price was set at EUR 22.0643, a premium of 35.0 % on the volume-weighted average price of the ordinary shares on Xetra between the start and completion of the placement. The conversion price will be subsequently adjusted upon the occurrence of certain events such as payment of a dividend by Encavis AG or a capital increase.

From the settlement date, the coupon on the hybrid convertible bond was 1.875 % per year. The interest is payable every six months in arrears. Subject to certain requirements, Encavis AG may decide to defer any scheduled partial or total payment of the interest. Such non-payment of interest does not constitute default or a breach of any other obligation.

On 24 April 2024, Elbe BidCo AG submitted a voluntary public takeover offer to acquire all registered shares in Encavis AG. In accordance with the terms and conditions of the hybrid convertible bond issue, investors were granted the time-limited right to submit conversion declarations conditional on reaching the offer threshold from this date until 29 May 2024. If the offer threshold is reached, these conditional conversion declarations will automatically become a mandatory conversion declaration, under which the conversion into Encavis AG shares will take place at an adjusted conversion price to be determined by the calculation agent. Investors with a nominal amount totalling EUR 12,600,000 submitted conditional conversion declarations.

On 4 June 2024, it was announced that the offer threshold under the takeover bid had been reached. The conditional conversion declarations for a nominal amount of EUR 12,600,000 thus became binding. The calculation agent determined an adjusted conversion price of EUR 18.1989 on the basis of the provisions in the terms and conditions of issue. The conversion day was 5 June 2024. On this date, the nominal amount of the hybrid convertible bond was reduced from EUR 250,000,000 to EUR 237,400,000. Under the conversion declarations, 692,348 new Encavis AG shares were to be delivered to the investors. The delivery was made on time by 10 June 2024.

With the change of control following the completion of the takeover of Encavis AG by Elbe BidCo AG on 4 December 2024, Encavis Finance B.V. was entitled to a unilateral special right of termination for the full repayment of the hybrid convertible bond at nominal value. Encavis Finance B.V. exercised this right on the day of the change of control and declared 15 January 2025 as the repayment date within the contractually agreed deadlines. The conversion period for investors ended on 30 December 2024 on the basis of the deadlines set out in the terms of issue. Conversion of the hybrid convertible bond has been excluded since 31 December 2024.

As a result of the change of control, investors were granted the right to convert the hybrid convertible bond from 4 December 2024 to 30 December 2024 at the adjusted conversion price of EUR 18.1989. None of the investors exercised this right. The outstanding nominal amount of the hybrid convertible bond is therefore EUR 237,400,000 as at 31 December 2024.

Encavis Finance B.V. paid this nominal amount together with the interest accrued up to the redemption date in the amount of EUR 639,413.16 to the investors on 15 January 2025 and the hybrid convertible bond ceased to exist on this date.

Since Encavis AG had no contractual obligation to repay the principal or pay interest to the investors of the hybrid convertible bond when it was issued, the instrument was classified as an equity instrument in accordance with IAS 32. The amount initially recognised in equity was reclassified to current financial liabilities together with the accrued interest after the special termination right was exercised and the conversion period expired at the end of 2024. The costs of TEUR 4,278 associated with the issue of the bond were reclassified to the Group's capital reserves when the hybrid capital was derecognised.

In the financial year, TEUR 4,564 (previous year: TEUR 4,668) was recognised as an earnings contribution for the hybrid capital investors and TEUR 4,569 (previous year: TEUR 4,688) was distributed to them. As at 31 December 2024, hybrid capital is no longer reported in the consolidated financial statements.

Capital management

The objective of capital management is to ensure that the Group is able to meet its financial obligations. The Group's long-term goal is to increase its corporate value. The Group actively manages its capital structure in consideration of general economic conditions. In order to maintain or to adjust its capital structure, the Group can, for example, opt to adjust dividend distributions to shareholders, pay back capital to shareholders or issue new shares. As at the balance sheet date, the equity ratio of the Group was 19.75 % (previous year: 33.21 %). The decline is primarily due to the reclassification of the hybrid convertible bond as a liability and the recognition of the negative consolidated earnings.

The table below discloses equity, the equity ratio and liquid assets.

	31.12.2024	31.12.2023
Equity in TEUR	775,090	1,186,929
Equity ratio in %	19.75	33.21
Liquid assets in TEUR	477,552	375,639

6.13 Share-based remuneration

Virtual share option programmes 2017 et seq. (SOP 2017 to SOP 2024)

SOP 2017 is a programme that, in terms of its framework and objective, is designed as an annually recurring, long-term remuneration component based on the overall performance of the Encavis share. The programmes of the following years were modelled on SOP 2017 and contain similar conditions. An allotment amount defined by the Supervisory Board is converted into virtual share options known as share appreciation rights (SARs), meaning that the programme is considered to be cash-settled. The group of beneficiaries comprises the Management Board members, selected executives and other key employees in the Encavis Group.

The aim of SOP 2017 and its successor programmes is to ensure the long-term commitment of the Management Board members and executives to Encavis AG. The SARs can be exercised for the first time after a vesting period of three years from 1 July of the respective year of issue, after which they can be exercised as at half-yearly exercise dates within two years of the end of the three-year vesting period. A prerequisite for exercising an SAR is the achievement of the performance target. To achieve the performance target, the overall performance of the Encavis share in Xetra trading (or in a comparable successor system) on the Frankfurt Stock Exchange must exceed the basic price by at least 30 % (strike price) on the day on which the SAR is exercised, as measured by the interim price rise and the dividends paid since the issue of the SARs. The basic price is the arithmetic average of the daily closing prices of the Encavis share performance index in Xetra trading on the Frankfurt Stock Exchange (or in a comparable successor system) during the six months before the effective date of the plan. Each SAR granted confers a claim to payment of the difference between the exercise price and the basic price. The maximum payment is three times the difference between the strike price and the basic price. If a Management Board member or an employee leaves the company of their own accord, or if their employment is terminated for good cause, the programme rules stipulate that any SARs granted are forfeited in whole or in part.

When the takeover by the KKR-led consortium took effect in December 2024, all option holders had the opportunity to exercise their options early and without observing the respective waiting periods and regardless of the respective exercise hurdles. As part of this process, the majority of the outstanding options from all tranches were exercised and paid out to the beneficiaries before the end of the year.

The liability relating to the SARs is measured at fair value as at the grant date and all subsequent balance sheet dates until the SARs have been exercised or expire. The SARs issued from the 2017 to 2023 financial years were measured on the basis of a Monte Carlo simulation. In the 2024 financial year, SARs were only issued to members of the Management Board. These were offset at the end of 2024 due to the takeover by the KKR-led consortium.

Details of the individual AOPs can be found in the following table:

Share option programme

	SOP 2020	SOP 2021	SOP 2022
Effective date	01.07.2020	01.07.2021	01.07.2022
Grant date for employees	07.12.2020	09.12.2021	07.12.2022
Grant date for Management Board	23.09.2020	29.03.2022	16.12.2022
Number of original SAR commitments	281,249	280,911	219,130
of which to the Management Board	*136,362*	*129,032*	*86,000*
of which to employees	*144,887*	*151,879*	*133,130*
Number of SARs as at 1.1.2024	38,669	214,379	214,442
of which attributable to the Management Board	*34,091*	*77,957*	*86,000*
Number of SARs issued in the financial year	0	0	0
Number of SARs exercised in the financial year	-36,669	-200,938	-207,667
Number of SARs expired in the financial year	0	-5,376	-4
Number of SARs as at 31.12.2024	2,000	8,065	6,771
of which attributable to the Management Board	*0*	*0*	*0*
Personnel expenses recognised in 2024 (in TEUR)	23	175	556
(previous year)	81	78	264
Carrying amount of the liability as at 31.12.2024 (in TEUR)	14	24	26
(previous year)	240	444	280

Share option programme

	SOP 2023	SOP 2024	Total
Effective date	01.07.2023	01.07.2024	
Grant date for employees	06.11.2023	-	
Grant date for Management Board	18.09.2023	23.09.2024	
Number of original SAR commitments	330,542	107,457	1,219,289
of which to the Management Board	*136,110*	*107,457*	*594,961*
of which to employees	*194,432*	*0*	*624,328*
Number of SARs as at 1.1.2024	330,542	0	798,032
of which attributable to the Management Board	*136,110*	*0*	*334,158*
Number of SARs issued in the financial year	0	107,457	107,457
Number of SARs exercised in the financial year	-321,514	-107,457	-874,245
Number of SARs expired in the financial year	0	0	-5,380
Number of SARs as at 31.12.2024	9,028	0	25,864
of which attributable to the Management Board	*0*	*0*	*0*
Personnel expenses recognised in 2024 (in TEUR)	1,354	500	2,608
(previous year)	90	0	512
Carrying amount of the liability as at 31.12.2024 (in TEUR)	39	0	103
(previous year)	90	0	1,054

The majority of SARs from the SOP 2020 were exercised in the 2023 financial year. A total of TEUR 1,092 was paid out for this in the previous year. Almost all outstanding SARs from all tranches were exercised in the 2024 financial year. TEUR 249 was paid out for the SOP 2020, TEUR 595 for the SOP 2021, TEUR 810 for the SOP 2022 and TEUR 1,405 for the SOP 2023. In addition, the SOP 2024 was paid out directly in the amount of TEUR 500. The debt of TEUR 103 still outstanding at the end of 2024 was also settled in January 2025. Thereafter, the Group no longer has any obligations from the share option programme.

6.14 Liabilities to non-controlling interests

TEUR 39,730

Previous year: TEUR 37,401

Liabilities to non-controlling interests are composed of the following:

Liabilities to non-controlling interests in TEUR

	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Compensation obligation	19,276	1,505	16,847	2,348
Loans (incl. interest) from non-controlling shareholders	18,949	0	17,479	727
Total	38,225	1,505	34,326	3,075

The compensation obligation increased primarily due to the development of the long-term distribution forecasts of the corresponding park companies.

6.15 Financial liabilities

TEUR 2,560,649

Previous year: TEUR 1,840,827

Financial liabilities are comprised of the following items:

Financial liabilities in TEUR

	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Liabilities to banks and other loans	995,547	414,223	907,811	362,044
Shareholder loan Elbe BidCo	316,998	452	0	0
Liabilities from mezzanine capital	150,000	12,568	150,000	8,519
Liabilities from put option	29,667	0	24,319	0
Liabilities from listed notes	23,760	2,159	24,754	2,068
Liabilities from PPAs	14,846	12,770	24,627	15,080
Derivatives with negative fair value	13,668	4,329	6,755	1,849
Liabilities from debenture bonds	0	249,541	220,848	7,807
Liabilities from hybrid convertible bond	0	237,864	0	0
Liabilities from registered bonds	0	60,617	59,665	616
Liabilities from bearer bond	0	20,448	19,828	448
Liabilities from contingent consideration	0	1,193	2,595	1,193
Total	1,544,485	1,016,164	1,441,202	399,625

In addition to the non-derivative financial liability, each item also contains the associated interest liabilities, if applicable. The profit participation capital of TEUR 150,000 provided by Gothaer Versicherung in November 2014, which bears interest at 4 % p.a., was repaid early in the same month owing to a cancellation agreement signed in January 2025. Owing to the contractual provisions, Gothaer Versicherung was also entitled to variable remuneration depending on the distributable liquidity at CSG IPP GmbH, in addition to the fixed remuneration. The liabilities from the put option arose in relation to the initial consolidation of Stern Energy S.p.A.

Encavis AG's liabilities from Schuldscheindarlehen (promissory note loans), registered bonds and bearer bonds were reclassified in full to current liabilities as part of the takeover by the KKR-led consortium, as these could be cancelled as a result of the change of control or had already been cancelled before the reporting date.

At the end of 2024, the hybrid convertible bond previously recognised in the Group's hybrid capital, which had been issued by the Dutch financing holding company Encavis Finance B.V., was reclassified to current financial liabilities (consisting of a nominal amount of TEUR 237,400 plus TEUR 464 in accrued interest). The change in presentation followed the announcement of Encavis AG's special cancellation right and the expiry of investors' conversion rights. Further information on this can be found in note 6.12 Equity.

The conditions of the project financing for a German wind park project could once again not be met in the financial year due to operational interruptions caused by turbine damage. As the financing bank had already issued a cancellation waiver before the end of the year, the relevant liabilities were not reclassified to current liabilities.

The conditions of the project financing could not be met for three further German wind park projects either, owing to interruptions in operations caused by turbine damage during the financial year. As there was no cancellation waiver from the financing bank at the end of the year, the relevant non-current liabilities were reported under current liabilities (TEUR 27,785). The damage has already been repaired so that compliance with the specifications is expected in the future.

For ten Dutch solar projects, a covenant breach for the year 2024 was identified after the balance sheet date, which resulted solely from the postponement of cash flows from the feed-in tariff between the years. This particularity is due to the Dutch system of payment receipts for tariff-based subsidies and electricity customers, and is not an indication of any payment problems with the projects. In the respective previous periods, the financing banks confirmed in each case that they would waive their rights of termination. The projects were solvent at all times and therefore never faced insolvency. As the loans in question could technically have been terminated at the end of the year, the associated liabilities from project financing are recognised as current (reclassification totalling TEUR 62,901). For two other solar project financings, it was also not possible to meet the requirements from the loan financing. However, the financing banks already indicated in mid-2024 that they would waive their cancellation rights. The targets were met in the new investigation at the end of the year.

For two large Spanish solar projects, the low and negative electricity prices on the Spanish electricity market led to covenant breaches for the new loan financing taken out in the course of 2024. A cancellation waiver was obtained from the financing bank for both financing arrangements before the reporting date. The Spanish electricity market recovered again in the second half of 2024.

Due to technical problems, the production of two solar parks in the UK was interrupted for more than 30 days, which is considered an event of default in the respective project financing. The matter is currently being clarified with the financing banks. As there was no cancellation waiver before the reporting date, the associated liabilities are reported in full under current liabilities (equivalent to TEUR 5,534). Once the problems have been resolved, compliance is expected.

For a large number of project financing arrangements in the Group, the respective annual financial statements as at 31 December 2024 form the basis for determining the key figures for the 2024 bank reporting. These are still being processed at the time of preparation of the consolidated financial statements. However, it can already be assumed for some financing that the banks' requirements cannot be met. The Office for Gas and Electricity Markets (Ofgem) may downgrade the guaranteed feed-in tariff for two solar parks in the UK. This could result in an event of default of the listed notes financing at holding level in 2025. A non-current financial liability in the equivalent of TEUR 23,593 is recognised for these as at the reporting date. As no event of default had occurred as at the reporting date, there was no reclassification to current assets.

6.16 Leases

Encavis' leases include leases of both movable assets (such as company cars and other vehicles, company bicycles, copy machines, coffee machines) and immovable property (such as office space, land, power generation installations). The fixed basic term of the contracts, including options exercised, is three years for company bicycles, one to five years for coffee machines, five years for photocopiers, three to six years for company cars and other vehicles, between nine and 43 years for land, between one year and 29 years for buildings, and between 18 and 22 years for power generation installations.

A number of the leases include termination and extension options to ensure maximum flexibility in the use of the underlying assets. Encavis assesses at its own discretion whether the exercise of the option is sufficiently probable by considering all relevant factors that provide an economic incentive to exercise the option. Changes in lease terms as a result of extension or termination options are only taken into account if it is sufficiently certain that they will be exercised. In the case of subsequent material events or changes in circumstances that have an impact on the assessment, the term will be reassessed if Encavis has control over this. Extension options are a significant component at Encavis, in particular within the context of leases. They were largely taken into account when determining the term of the leases. This is due to the fact that the planned operating life of the power generation installations erected on the leased land often exceeds the basic rental period and that exercising the option therefore makes economic sense.

With regard to the leased power generation installations, the Encavis Group has the option to acquire them at a fixed price at the end of the contractually agreed period. These purchase options were partially exercised in the 2021 financial year. As the exercise of the other existing purchase options is not sufficiently certain, they were again not included in lease liabilities in the 2024 financial year.

Many lease agreements contain variable lease payments. On the one hand, these are payments linked to indices (such as the consumer price index). These are taken into account in the lease liability in the amount of the currently payable indexed amount (i.e. excluding estimates of future index development). In addition, some lease agreements for land contain variable lease payments depending on the electricity income received or comparable earnings figures. Such payment conditions are used primarily to minimise fixed costs. Fully revenue-dependent payments are not included in the lease liability, but are recognised in the statement of comprehensive income in the period in which they are incurred.

The leased assets themselves serve as collateral for the lessor. In some cases, collateral has also been agreed as part of the lease agreements. Apart from this, the agreements do not contain any additional collateral. Furthermore, the lease agreements for power generation installations are linked to compliance with covenants.

The following table provides an overview of the right-of-use assets recognised for each asset class as at 31 December 2024:

Right-of-use assets in TEUR	31.12.2024	31.12.2023
Land	255,743	217,038
Buildings	10,852	8,075
Power generation installations	23,824	25,697
Cars and other vehicles	352	409
Total	**290,771**	**251,219**

Additions to right-of-use assets in the 2024 financial year totalled TEUR 51,078 (previous year: TEUR 27,056) and mainly arose in the context of company acquisitions (TEUR 38,710). It also includes additions from newly concluded contracts or as a result of the recognition of leases in development projects upon payment or upon defined recognition criteria being met in the development process (TEUR 12,368). There were no significant disposals of right-of-use assets in the financial year.

Lease liabilities as at 31 December 2024 are as follows:

Lease liabilities in TEUR	31.12.2024	31.12.2023
Non-current	229,431	195,567
Current	17,965	15,736
Total	**247,396**	**211,303**

In the 2024 financial year, the following amounts relating to leases were recognised in the consolidated statement of comprehensive income:

Amounts recognised in the consolidated statement of comprehensive income in TEUR	01.01.–31.12.2024	01.01. – 31.12.2023
Depreciation of right-of-use assets	14,399	13,255
of which for land	*11,102*	*10,077*
of which for buildings	*1,161*	*1,049*
of which for power generation installations	*1,874*	*1,874*
of which for cars and other vehicles	*263*	*254*
Interest expense from interest added to lease liabilities	10,113	8,717
Expenses in connection with short-term leases	23	15
Expenses in connection with low-value leased assets	752	509
Variable lease expenses	536	720
Total	25,823	23,216

Cash outflows resulting from leases (including variable lease payments and payments for low-value and short-term leases) totalled TEUR 22,329 in the 2024 financial year (previous year: TEUR 22,505).

6.17 Provisions

TEUR 77,423

Previous year: TEUR 72,484

Provisions are comprised as follows:

Provisions in TEUR	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Provisions for asset retirement obligations	60,039	0	55,352	0
Provisions for personnel expenses	714	8,821	1,203	7,237
Other provisions	29	7,820	29	8,663
Total	60,782	16,641	56,584	15,900

Provisions for asset retirement obligations include the estimated cost for the demolition and clearing of an asset and restoration of the site on which it is located. When measuring asset retirement obligations, there are minor uncertainties that relate exclusively to the amount of the provision. This results from the fact that the due dates of asset retirement for the power generation installations are fixed by the remaining term of the leases, which range from 8, 25 to 30 years. In determining the actual asset retirement costs, an average inflation rate of 2 % was assumed (previous year: 2 %). The discount on the provisions is unwound each year to reflect present value. Expenses from the unwinding of the discount in the 2024 financial year were TEUR 1,371 (previous year: TEUR 1,325).

The provisions for personnel expenses largely comprise employee bonuses and bonuses for the Management Board, as well as share options. Other provisions contain a large number of minor items. Most of the corresponding outflows are expected within one year. Other provisions also include provisions for the levy amounts recognised in connection with the systems implemented across Europe to cap electricity prices (TEUR 5; previous year: TEUR 829).

Changes in provisions were as follows:

Statement of changes in provisions in TEUR	As at 01.01.2024	Consumption	Additions	Changes Scope of consolidation	Unwinding of discount
Provisions for dismantling costs obligations	55,352	0	4,892	1,814	1,371
Provisions for personnel expenses	8,440	-8,390	9,535	0	0
Other provisions	8,692	-6,290	6,325	216	0
Total	72,484	-14,680	20,752	2,030	1,371

Statement of changes in provisions in TEUR	Reversals	Measurement effect with no impact on profit or loss	Currency adjustments, reclassifications	As at 31.12.2024
Provisions for dismantling costs obligations	-75	-3,449	134	60,039
Provisions for personnel expenses	-50	0	1	9,536
Other provisions	1,125	0	30	7,848
Total	-1,250	-3,449	165	77,423

6.18 Trade payables

TEUR 42,693

Previous year: TEUR 32,060

Trade payables are comprised as follows:

Trade payables in TEUR	31.12.2024	31.12.2023
Supplier invoices received	37,472	28,205
Deferred supplier invoices	5,221	3,855
Total	42,693	32,060

6.19 Other liabilities

TEUR 58,274

Previous year: TEUR 53,009

Other liabilities are attributable to the following items:

Other liabilities in TEUR

	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Income tax liabilities	0	11,685	0	16,979
Liabilities from energy price cap	0	10,304	0	11,083
Other tax liabilities	0	8,004	0	3,714
Deferred income (interest rate advantage)	869	411	1,342	812
Liabilities relating to personnel and welfare	0	712	0	563
Other	2,003	24,286	3,008	15,508
Total	2,872	55,402	4,350	48,659

Deferred income largely relates to the advantage from the subsidised loans from the KfW Group granted at an interest rate below the market rate. Liabilities from energy price cap result from levies recognised in connection with the Europe-wide system to cap electricity prices. The “Other” item includes, among other things, advance payments for projects not yet completed in the service business amounting to TEUR 10,242 (previous year: TEUR 8,458), which are to be defined as contract liabilities in accordance with IFRS 15. It also includes TEUR 5,571 (previous year: TEUR 2,779) in refund liabilities within the meaning of IFRS 15 from the deferral of repayment obligations from the Dutch feed-in tariff.

Other information

7 Segment reporting

During the reporting year, the focus of the Encavis Group’s business activities did not change significantly from the previous year and remains on the operation of the existing solar parks and wind parks and the expansion of the portfolio. The Group’s reportable segments are PV Parks, Service, Wind Parks and Asset Management, as well as the Administration unit. Additional information on the companies consolidated for the first time as well as deconsolidated companies can be found in note 4.

PV Parks

The PV Parks segment comprises the solar parks in the United Kingdom, Germany, France, Italy, the Netherlands, Spain, Denmark and Sweden and any associated holding companies, The transactions of Encavis AG assigned to this segment are also included.

This segment’s main business activity is the production of electricity. The segment’s revenue comes mainly from the feed-in tariffs paid by the various local providers, long-term purchase agreements with private companies and the market premiums paid for the direct marketing of electricity on the energy markets.

Service

The Service segment consists of Encavis Technical Services GmbH and Stern Energy S.p.A., as well as its other controlled service companies. Encavis Green Energy Supply GmbH, which is also included in this segment, has been providing direct marketing services for selected German solar and wind parks in the Encavis Group since the beginning of 2024. BESS Hettstedt Fünfte Energie GmbH is developing a battery storage solution in Germany that cannot be attributed to a specific solar or wind park of the Group. GES 002 B.V., acquired by Encavis AG in the 2024 financial year, which also cannot be allocated to any specific solar park or wind park of the Group, was still before the start of construction at the time of acquisition and is developing a battery storage solution in the Netherlands. The transactions of Encavis AG assigned to this segment are also included.

The principal business activity of this segment is the technical management of solar parks owned by the Group and by third parties. The revenue generated by this segment mainly comes from plant operation charges and various services such as servicing, maintenance and improvements to solar parks.

Wind Parks

The Wind Parks segment includes all wind parks in Germany, Italy, France, Denmark, Finland and Lithuania as well as the associated holding companies, The transactions of Encavis AG assigned to this segment are also included.

This segment's main business activity is the production of electricity. The segment's revenue comes mainly from either the feed-in tariffs paid by the various local providers or the market premiums paid for the direct marketing of electricity on the energy markets.

Asset Management

The Asset Management segment includes the business activities of Encavis Asset Management AG and those activities undertaken by Encavis GmbH relating to the asset management field and other companies assigned to this field.

This segment's main business activities are the provision of commercial services for the managed third-party portfolio as well as consulting services such as setting up funds for professional investors and offering tailored and structured renewable energy investments for these groups of investors. After structuring these portfolios, Encavis provides asset management services for institutional funds and other investment vehicles used by professional investors and the operating companies owned by them.

Reconciliation (administration)

The Group-wide activities of Encavis AG and Encavis GmbH are presented separately in the Reconciliation (administration) segment. This segment also includes the companies Encavis Finance B.V., Encavis Renewables Beteiligungs GmbH, Encavis Real Estate GmbH, H&J Energieportfolio Verwaltungs GmbH, REGIS Treuhand & Verwaltung GmbH für Beteiligungen, Pexapark AG, Asset Ocean GmbH, Encavis Nordbrise Beteiligungs AG & Co. KG, Encavis Wind Danmark Beteiligungs AG & Co. KG and Encavis Bridge Financing GmbH. Administration is included in the section on other companies and Group functions.

Segment reporting generally uses the same recognition and measurement methods as in the consolidated financial statements, adjusted for purely measurement-related, non-cash effects. Segment reporting is based on internal reporting by operating KPIs.

Intersegment transactions are conducted on arm's-length terms.

The following table contains information on the business segments of the Group for the 2024 and 2023 financial years:

in TEUR	Wind Parks	PV Parks	Service	Asset Management
Operating revenues	86,975	255,207	68,291	14,184
(previous year)	(99,302)	(299,766)	(55,006)	(28,896)
Other operating expenses	-24,176	-69,529	-30,495	-6,777
(previous year)	(-23,000)	(-79,118)	(-24,759)	(-6,319)
Operating earnings before interest, taxes, depreciation and amortisation (operating EBITDA)	59,646	196,041	10,983	-2,028
(previous year)	(86,047)	(221,698)	(6,060)	(14,836)
Operating EBITDA margin (%)	69 %	77 %	16 %	-14 %
(previous year)	(87 %)	(74 %)	(11 %)	(51 %)
Operating depreciation and amortisation	-36,064	-85,700	-1,110	-452
(previous year)	(-30,207)	(-84,717)	(-969)	(-4,842)
Operating impairment loss	-12,750	-123,942	0	0
(previous year)	(0)	(-3,395)	(0)	(0)
Operating earnings (operating EBIT)	10,832	-13,600	9,874	-2,481
(previous year)	(55,840)	(133,586)	(5,090)	(9,994)

in TEUR	Total of reportable operating segments	Reconciliation (administration)	Reconciliation (consolidation)	Total
Operating revenues	424,656	3	-23,505	401,154
(previous year)	(482,971)	(3)	(-22,377)	(460,596)
Other operating expenses	-130,977	-17,598	26,000	-122,575
(previous year)	(-133,195)	(-3,290)	(24,661)	(-111,824)
Operating earnings before interest, taxes, depreciation and amortisation (operating EBITDA)	264,643	-30,067	873	235,449
(previous year)	(328,641)	(-9,326)	(-65)	(319,249)
Operating EBITDA margin (%)	62 %	-	-4 %	59%
(previous year)	(68 %)	-	(0 %)	(69 %)
Operating depreciation and amortisation	-123,326	-890	15	-124,201
(previous year)	(-120,736)	(-854)	(15)	(-121,576)
Operating impairment loss	-136,692	0	0	-136,692
(previous year)	(-3,395)	(0)	(0)	(-3,395)
Operating earnings (operating EBIT)	4,625	-30,957	888	-25,444
(previous year)	(204,510)	(-10,181)	(-51)	(194,279)

The consolidation of revenue (TEUR -23,505) is mainly attributable to the Service segment.

The timing of the recognition of the revenue presented in the segment reporting is carried out largely in relation to the period. For details of revenue recognition, please refer to note 5.1 Revenue.

Revenue with third parties is attributed to the individual operating segments and Administration as follows:

Revenue by segment	in TEUR	Interest in %
PV Parks		
2024	250,792	62.5
(previous year)	(299,757)	(65,1)
Wind Parks		
2024	79,760	19.9
(previous year)	(99,301)	(21.6)
Asset Management		
2024	13,447	3.4
(previous year)	(27,311)	(5.9)
Service		
2024	57,153	14.2
(previous year)	(34,225)	(7.4)
Administration		
2024	3	0.0
(previous year)	(3)	(0.0)
Total		
2024	**401,154**	**100.0**
(previous year)	(460,596)	(100.0)

The Encavis Group is not reliant on major customers as defined in IFRS 8.34.

The primary assets (intangible assets and property, plant and equipment) are distributed across the individual regions as follows:

Revenue and non-current assets by region

	Revenue in TEUR	Interest in %	Non-current assets in TEUR	Interest in %
Denmark				
2024	27,584	6.9	237,666	7.7
(previous year)	(36,905)	(8.0)	(227,458)	(8.0)
Germany				
2024	128,090	31.9	1,090,723	35.3
(previous year)	(140,232)	(30.4)	(893,543)	(31.2)
Finland				
2024	4,155	1.0	75,749	2.5
(previous year)	(4,667)	(1.0)	(75,909)	(2.7)
France				
2024	42,516	10.6	287,638	9.3
(previous year)	(43,267)	(9.4)	(311,832)	(10.9)
United Kingdom				
2024	34,125	8.5	147,628	4.8
(previous year)	(42,635)	(9.3)	(139,938)	(4.9)
Italy				
2024	105,495	26.3	348,968	11.3
(previous year)	(102,093)	(22.2)	(380,168)	(13.3)
Lithuania				
2024	5,905	1.5	112,523	3.6
(previous year)	(6,097)	(1.3)	(116,711)	(4.1)
Netherlands				
2024	18,938	4.7	164,850	5.3
(previous year)	(31,667)	(6.9)	(209,636)	(7.3)
Sweden				
2024	226	0.1	14,850	0.5
(previous year)	(242)	(0.1)	(12,975)	(0.5)
Spain				
2024	34,121	8.5	605,890	19.7
(previous year)	(52,792)	(11.5)	(492,647)	(17.2)
Total				
2024	401,154	100.0	3,086,486	100.0
(previous year)	(460,596)	(100.0)	(2,860,819)	(100.0)

Revenue from external customers is allocated on the basis of the revenue-generating company's registered office.

Reconciliation of key operating figures to IFRS:
The key operating figures are reconciled to earnings before taxes (EBT) as follows:

in TEUR	Notes	2024	2023
Operating revenues		401,154	460,596
Non-operating revenues		6,623	9,041
Revenue	5.1	407,777	469,637
Other operating expenses		-122,575	-111,824
Other non-operating expenses		-10,080	-4,663
Other expenses	5.6	-132,656	-116,487
Adjusted operating EBITDA		235,449	319,249
Other non-operating income		15,853	9,042
Other non-operating expenses		-10,080	-4,663
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		247,845	332,670
Operating depreciation and amortisation		-124,201	-121,576
Non-operating depreciation and amortisation		-40,575	-42,538
Depreciation and amortisation	5.7	-164,776	-164,114
Operating impairment losses		-136,692	-3,395
Non-operating impairment losses		-31,445	-2,095
Impairment losses	5.7	-168,137	-5,490
Financial result	5.8	-90,980	-71,490
Earnings before taxes (EBT)		-176,048	91,577

In order to reconcile the key figure “Operating revenues” to revenue, non-operating revenue of TEUR 6,623 (previous year: TEUR 9,041), which were not recognised in cash, taking into account compensation payments from power purchase agreements of two Spanish subsidiaries recognised in accordance with hedge accounting regulations. These amounts are, therefore, no longer included in the adjusted operating EBITDA. In order to reconcile adjusted operating EBIT to earnings before taxes (EBT), the amortisation and impairment of intangible assets (electricity feed-in contracts) and goodwill acquired in the course of business combinations amounting to TEUR 62,075 (previous year: TEUR 49,514) and the subsequent measurement of the identified hidden reserves/charges from step-ups for property, plant and equipment acquired in the course of business combinations amounting to TEUR 9,945 (previous year: TEUR -4,881) must be taken into account in addition to the adjustments mentioned in the reconciliation. In order to reconcile adjusted operating EBT to earnings before taxes (EBT), other noncash interest and similar expenses and income (mainly from currency translation effects, effective interest rate calculation, swap valuation and interest expense from subsidised loans) in the amount of TEUR -11,443 (previous year: TEUR -7,073) must be taken into account in addition to the adjustments mentioned in the reconciliation and the aforementioned adjustments. In order to reconcile other non-operating income to other income, income from the reversal of deferred income and other non-operating income (primarily from the effects of deconsolidation, reconciliation to full consolidation, the IFRS 9 impairment model and the continuous valuation of PPAs) of TEUR -15,853 (previous year: TEUR -9,042) must be taken into account. In order to reconcile other non-operating expenses to other expenses, non-operating expenses (primarily from the termination of swaps, the IFRS 9 impairment model and the continuous valuation of PPAs) of TEUR -10,080 (previous year: TEUR -4.663) must be taken into account.

8 Additional disclosures related to financial assets and liabilities

Carrying amounts, recognised amounts and fair value according to classes and measurement categories under IFRS 9

Classes of financial instruments in TEUR			Carrying amount under IFRS 9				
	Measurement category according to IFRS 9*	Carrying amount as at 31.12.2024 (31.12.2023)	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Carrying amount under IAS 28	Fair value as at 31.12.2024 (31.12.2023)
Financial assets							
Non-current financial assets	FVPL	2,167			2,167		2,167
(31.12.2023)		(2,833)			(2,833)		(2,833)
Financial assets accounted for using the equity method	n/a	8,537				8,537	8,537
(31.12.2023)		(8,404)				(8,404)	(8,404)
Trade receivables	AC	74,195	74,195				74,195
(31.12.2023)		(76,614)	(76,614)				(76,614)
Other non-current receivables	AC	14,769	14,769				14,769
(31.12.2023)		(6,748)	(6,748)				(6,748)
Other current receivables	AC	45,385	45,385				45,385
(31.12.2023)		(11,969)	(11,969)				(11,969)
Loans to associated entities and other loans	AC	1,030	1,030				1,030
(31.12.2023)		(7,765)	(7,765)				(7,765)
Liquid assets	AC	477,552	477,552				477,552
(31.12.2023)		(375,639)	(375,639)				(375,639)
Derivative financial assets							
Derivatives in a hedging relationship (swap)	FVOCI	13,658		13,658			13,658
(31.12.2023)		(18,773)		(18,773)			(18,773)
Derivatives not in a hedging relationship (swap)	FVPL	1,966			1,966		1,966
(31.12.2023)		(13,538)			(13,538)		(13,538)
Derivatives in a hedging relationship (PPA)	FVOCI	3,376		3,376			3,376
(31.12.2023)		(2,963)		(2,963)			(2,963)
Derivatives not in a hedging relationship (PPA)	FVPL	3,251			3,251		3,251
(31.12.2023)		(2,902)			(2,902)		(2,902)

* FVPL: Fair value through P&L; AC: amortised cost (financial assets/liabilities recognised at amortised cost); FVOCI: derivative financial instruments measured as part of hedging relationships (presented in other non-current and current receivables and/or non-current and current financial liabilities). Non-current financial assets, loans to associated entities and other loans have been aggregated and presented under the line item for financial assets in the balance sheet. In comparison to the balance sheet, financial liabilities are shown separately in the following categories: financial liabilities, liabilities from contingent consideration, other financial liabilities, other financial liabilities, liabilities from the put option, derivatives with a hedging relationship and derivatives without a hedging relationship.

Classes of financial instruments in TEUR			Carrying amount under IFRS 9				
	Measurement category according to IFRS 9*	Carrying amount as at 31.12.2024 (31.12.2023)	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Carrying amount under IFRS 16	Fair value as at 31.12.2024 (31.12.2023)
Financial liabilities							
Trade payables	AC	42,693	42,693				42,693
(31.12.2023)		(32,060)	(32,060)				(32,060)
Financial liabilities	AC	2,484,177	2,484,177				2,547,222
(31.12.2023)		(1,764,408)	(1,764,408)				(1,813,668)
Lease liabilities**	n/a	247,397				247,397	-
(31.12.2023)		(211,303)				(211,303)	(-)
Liabilities to non-controlling interests	AC	39,730	39,730				39,730
(31.12.2023)		(37,401)	(37,401)				(37,401)
Liabilities Put Option	AC	29,667	29,667				29,608
(31.12.2023)		(24,319)	(24,319)				(24,501)
Non-current liabilities from contingent consideration	FVPL	0			0		0
(31.12.2023)		(2,595)			(2,595)		(2,595)
Current liabilities from contingent consideration	FVPL	1,193			1,193		1,193
(31.12.2023)		(1,193)			(1,193)		(1,193)
Derivative financial liabilities							
Derivatives in a hedging relationship (swap)	FVOCI	4,847		4,847			4,847
(31.12.2023)		(4,006)		(4,006)			(4,006)
Derivatives not in a hedging relationship (swap)	FVPL	11,788			11,788		11,788
(31.12.2023)		(4,598)			(4,598)		(4,598)
Derivatives in a hedging relationship (PPA)	FVOCI	23,336		23,336			23,336
(31.12.2023)		(37,719)		(37,719)			(37,719)
Derivatives not in a hedging relationship (PPA)	FVPL	4,214			4,214		4,214
(31.12.2023)		(1,988)			(1,988)		(1,988)

** The total market values of assets and liabilities are recognised in total.

*** The relief provision of IFRS 7.29 was applied to the disclosures on the fair values of lease liabilities.

Classes of financial instruments in TEUR Of which aggregated by valuation categories as per IFRS 9	Measurement category according to IFRS 9*	Carrying amount as at 31.12.2024 (31.12.2023)	Carrying amount under IFRS 9			Carrying amount under IFRS 16	Fair value as at 31.12.2024 (31.12.2023)
			Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss		
Financial assets measured at amortised cost	AC	612,931	612,931				612,931
(31.12.2023)		(478,735)	(478,735)				(478,735)
Financial assets measured at fair value through profit or loss	FVPL	7,384			7,384		7,384
(31.12.2023)		(19,272)			(19,272)		(19,272)
Financial liabilities measured at amortised cost	AC	2,596,267	2,596,267				2,659,253
(31.12.2023)		(1,858,189)	(1,858,189)				(1,907,630)
Financial liabilities measured at fair value through profit or loss	FVPL	17,195			17,195		17,195
(31.12.2023)		(10,374)			(10,374)		(10,374)

Fair value hierarchy

Fair value hierarchy 31.12.2024 (31.12.2023) in TEUR	Level 1	Level 2	Level 3
Assets			
Non-current financial assets			2,167
(previous year)			(2,833)
Derivative financial assets:			
Derivatives in a hedging relationship (swap)		13,658	
(previous year)		(18,773)	
Derivatives not in a hedging relationship (swap)		1,966	
(previous year)		(13,538)	
Derivatives in a hedging relationship (PPA)		0	3,376
(previous year) **		(0)	(2,963)
Derivatives not in a hedging relationship (PPA)		0	3,251
(previous year) **		(0)	(2,902)
Liabilities			
Non-current liabilities from contingent consideration			0
(previous year)			(2,595)
Current liabilities from contingent consideration			1,193
(previous year)			(1,193)
Derivative financial liabilities:			
Derivatives in a hedging relationship (swap)		4,847	
(previous year)		(4,006)	
Derivatives not in a hedging relationship (swap)		11,788	
(previous year)		(4,598)	
Derivatives in a hedging relationship (PPA)		0	23,336
(previous year) **		(0)	(37,719)
Derivatives not in a hedging relationship (PPA)		0	4,214
(previous year)		(0)	(1,988)

* The total market values of assets and liabilities are recognised in total.

** The previous year was adjusted.

Interest rate and currency hedges are measured using market-yield and foreign exchange (FX) forward curves on the basis of recognised mathematical models (present value calculations). The market values recognised in the balance sheet thus correspond to Level 2 of the IFRS 13 fair value hierarchy.

The development of level 3 financial liabilities measured at fair value from the power purchase agreements can be described as follows for the 2024 financial year The fair value at the end of the last reporting year and thus the opening balance as at 1 January 2024 was TEUR 37,719 (fair value as at 1 January 2023: TEUR 251,983). In the reporting year, TEUR 6,109 was recognised directly in equity and TEUR 2,064 in profit or loss in total comprehensive income (previous year: TEUR 201,049 directly in equity and TEUR 5,855 in profit or loss). In addition, TEUR -4,055 was realised (previous year: TEUR 15,813).

The receivables from contingent consideration carried at fair value in the consolidated balance sheet as well as the liabilities from contingent consideration are based on Level 3 information and input factors.

The following table shows the level of the fair value hierarchy to which the measurement of fair value has been assigned in its entirety for each class of asset and liability not measured at fair value in the balance sheet and for which fair value does not approximate the carrying amount.

Fair value hierarchy 31.12.2024 (31.12.2023) in TEUR	Level		
	1	2	3
Liabilities			
Financial liabilities measured at amortised cost			
Financial liabilities		2,547,222	
(previous year)		(1,813,668)	
Liabilities to non-controlling interests			39,730
(previous year)			(37,401)
Liabilities from put option			29,608
(previous year)			(24,501)

The following tables show the valuation techniques used to determine fair values.

Financial instruments measured at fair value

Type	Valuation method	Significant, unobservable input factors
Non-current financial assets: mezzanine capital	Discounted cash flows: the fair values are determined on the basis of the future expected cash flows discounted using the standard observable market data of the corresponding yield curves	**Expected distributions** The estimated fair value of the mezzanine capital would increase (decrease) if the distributions would be higher (lower) and/or would be made at an earlier (later) date.
Interest rate swaps	Discounted cash flows: the fair values are determined on the basis of the future expected cash flows discounted using the standard observable market data of the corresponding yield curves	Not applicable
PPAs	Discounted cash flows: The fair values are determined using the expected future cash flows, which are discounted using a forward curve to price the variable side. The forward curve is essentially made up of the listed prices of recognised electricity exchanges (EEX and OMIP) and price modelling within the industry by recognised market price providers.	**Electricity price development** The market value of the PPAs would rise (fall) if the prices on the support points of the forward curve had been lower (higher).
Liabilities from contingent consideration	Discounted cash flows on the basis of contractually fixed mechanisms	**Costs in connection with development stages** The estimated fair value of the liabilities from contingent consideration would increase (decrease) if the costs of individual projects were higher (lower) than planned

Financial instruments not measured at fair value

Type	Valuation method	Significant, unobservable input factors
Financial liabilities	Discounted cash flows: the fair values are determined on the basis of the future expected cash flows discounted with equivalent terms using standard observable market interest rates and taking an appropriate risk premium into account	Not applicable
Liabilities to non-controlling interests	Discounted expected distributions: the fair values are determined on the basis of the future expected distributions discounted with equivalent terms using standard observable market interest rates and taking an appropriate risk premium into account	**Expected distributions** The estimated fair value of the liabilities to non-controlling interests would increase (decrease) if the forecast distributions were higher (lower) and/or were made at an earlier (later) date
Liabilities Put Option	Multiple approach: fair value is discounted on the basis of expected EBITDA applying a multiple approach with equivalent terms using standard observable market interest rates	**EBITDA** The estimated fair value of liabilities from the put option would increase (decrease) if EBITDA were higher (lower) in 2025

For financial instruments with short-term maturities, including cash and cash equivalents, trade receivables, trade payables and other current receivables and current liabilities, it is assumed that their fair values approximate their carrying amounts. The relief provision of IFRS 7.29 was applied to the disclosures relating to the fair values of lease liabilities, on the basis of which the fair value was not determined.

The following overview shows a detailed reconciliation of assets and liabilities in level 3 regularly measured at fair value.

in TEUR	2024	2023
Non-current financial assets		
As at 01.01.	2,833	3,188
Disposals	-698	-34
Unrealised profit (+)/loss (-) in consolidated earnings	32	-322
As at 31.12.	**2,167**	**2,833**
Non-current liabilities from contingent consideration		
As at 01.01.	2,595	3,908
Unrealised profit (-)/loss (+) in consolidated earnings	-2,595	-1,313
As at 31.12.	**0**	**2,595**
Current liabilities from contingent consideration		
As at 01.01.	1,193	1,352
Disposals	0	-156
Realised profit (-)/loss (+) in consolidated earnings	0	-2
As at 31.12.	**1,193**	**1,193**

The current earn-out liability of TEUR 1,193 was recognised in relation to the full consolidation of Stern Energy S.p.A. Additional payments must be made by Encavis to the seller as soon as development projects reach ready-to-build status or the remaining shares in the development projects are sold by the seller. Payment is expected in mid-2025.

Likewise, a long-term earn-out liability was recognised in the context of the full consolidation of Stern Energy S.p.A. in October 2022 (previous year: TEUR 2,595). The amount of the earn-out liability and, therefore, the additional payment to be made by Encavis to the seller was calculated on a sliding scale according to average EBITDA in the 2023 and 2024 financial years. In the 2024 financial year, the liability was derecognised in accordance with the underlying agreement, as it is no longer expected to be paid out.

The following table shows the net gains and losses from financial instruments taken into account in the statement of comprehensive income, pursuant to IFRS 9 and broken down by measurement category:

in TEUR	Measurement category	From interest, dividends (through profit or loss)	Income statement from the subsequent measurement at fair value	Net result
Financial assets				
Measured at amortised cost (previous year)	AC	5,047 (5,004)		5,047 (5,004)
Financial instruments measured at fair value through profit or loss (previous year)	FVPL		32 (-322)	32 (-322)
Ineffective portion of derivatives in a hedging relationship (swap) (previous year)	FVOCI		-139 (1,680)	-139 (1,680)
Ineffective portion of derivatives in a hedge relationship (PPA) (previous year)	FVOCI		62 (0)	62 (0)
Derivatives not in a hedging relationship (swap) (previous year)	FVPL		1,786 (-8,219)	1,786 (-8,219)
Derivatives not in a hedging relationship (PPA) (previous year)	FVPL		735 (3,526)	735 (3,526)
Financial liabilities				
Measured at amortised cost (previous year)	AC	-94,220 (-74,914)		-94,220 (-74,914)
Financial instruments measured at fair value through profit or loss (previous year)	FVPL		2,595 (1,313)	2,595 (1,313)
Ineffective portion of derivatives in a hedging relationship (swap) (previous year)	FVOCI		-1,291 (93)	-1,291 (93)
Ineffective portion of derivatives in a hedge relationship (PPA) (previous year)	FVOCI		2,002 (5,855)	2,002 (5,855)
Derivatives not in a hedging relationship (swap) (previous year)	FVPL		-4,737 (385)	-4,737 (385)
Derivatives not in a hedging relationship (PPA) (previous year)	FVPL		-2,624 (-1,988)	-2,624 (-1,988)
2024 (previous year)		-89,173 (-69,910)	-1,579 (2,323)	-90,752 (-67,587)

The net gains and losses from financial instruments pursuant to IFRS 9 comprise measurement gains and losses, the recognition and reversal of impairment losses as well as interest and all other effects on profit or loss from financial instruments. Components of the net result from financial instruments recognised in profit or loss are usually included in the financial result. The item “Derivatives not in a hedging relationship” contains gains and losses from instruments which are not designated as hedging instruments as part of a hedging relationship in accordance with IFRS 9. The item “Ineffective portion of derivatives in a hedging relationship (swap)” includes the effects on profit or loss from the ineffective portion of the financial instruments designated as hedging instruments pursuant to IFRS 9, and the effects on profit or loss – which were recycled from the hedge reserve to other reserves – for financial instruments that are no longer effective. The ineffective portion of the PPAs is recognised separately under the item “Ineffective portion of derivatives in a hedge relationship (PPAs)”. Net gains or losses for this item do not contain any interest or dividend income.

The following interest income and interest expenses originate from financial instruments not measured at fair value through profit or loss:

in TEUR	2024	2023
Interest income	19,040	20,754
Interest expenses	-97,459	-81,695
Total	-78,419	-60,941

Not included, in particular, are interest income and interest expenses from derivatives and interest income and interest expenses from assets and liabilities outside of the scope of IFRS 7. In accordance with IFRS 7.20 (b), interest expenses include interest expenses in connection with IFRS 16, as the lease liabilities are classified as financial liabilities not measured at fair value through profit or loss.

Derivative financial instruments

The fair value of interest rate swaps on the balance sheet date is determined by discounting future cash flows using the yield curves on the balance sheet date and the credit risk associated with the contracts.

As at the balance sheet date, the Group held a total of 110 (31 December 2023: 94) interest rate swaps, under which the Group receives interest at a variable rate and pays interest at a fixed rate. As a general rule, these are amortising interest rate swaps, whose nominal volume is reduced at regular, defined intervals. The following table shows the nominal volumes as at the reporting date, the average (volume-weighted) fixed interest rate and the fair value. The Group differentiates between interest rate swaps that are part of an effective hedging relationship pursuant to IFRS 9 and those that are not.

in TEUR	31.12.2024	31.12.2023
Nominal volume	907,952	790,246
Of which in a hedging relationship	*491,579*	*496,317*
Of which not in a hedging relationship	*416,373*	*293,929*
Average interest rate in %	2.44	2.01
Average remaining term in years	8.00	7.29
Fair value	-1,011	23,705
Of which in a hedging relationship	*8,811*	*14,766*
Of which not in a hedging relationship	*-9,822*	*8,939*

The following table provides information on the nominal volume of hedging instruments:

in TEUR		Remaining term		Total nominal volume	Total nominal volume	Average interest rate / price per MWh
	Up to one year	One to five years	Over five years	31.12.2024	31.12.2023	31.12.2024
Hedging interest rate and currency risk						
Interest rate and currency swaps (GBP)	0	0	20,784	20,784	21,179	4.91 %
Hedging interest rate risk						
Interest rate swaps	25,000	26,721	419,075	470,796	475,138	1.92 %
Hedging price risk						
PPAs	30,108	120,418	48,930	199,456	241,194	EUR 40.92

The following table contains information on hedging instruments as part of cash flow hedges:

in TEUR	Carrying amount	Balance sheet item	Change in fair value to determine ineffectiveness	Nominal volume
	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Hedging interest rate and currency risk				
Interest rate and currency swaps				
Derivative assets	794	Other receivables, current and non-current	45	15,949
Derivative liabilities	-101	*Current and non-current financial liabilities*	-70	4,835
Hedging interest rate risk				
Interest rate swaps				
Derivative assets	12,864	Other receivables, current and non-current	17,877	260,745
Derivative liabilities	-4,747	*Current and non-current financial liabilities*	4,724	210,051
Hedging price risk				
PPA				
Derivative assets	3,376	Other receivables, current and non-current	2,097	52,187
Derivative liabilities	-23,336	*Current and non-current financial liabilities*	29,070	147,269

The following table contains information on profit and loss from cash flow hedges:

in TEUR				Reclassifications from the hedge reserve to the income statement		
	Gains or losses from CFH recognised in equity	**Ineffectiveness recognised in the income statement**	**Item in the statement of total comprehensive income in which the ineffectiveness recognised is included**	**Due to premature termination of CFH**	**Due to the realisation of the hedged item in the income statement**	**Item in the statement of total comprehensive income in which the reclassification is included**
	31.12.2024	**31.12.2024**	**31.12.2024**	**31.12.2024**	**31.12.2024**	**31.12.2024**
Hedging interest rate and currency risk	-237	-62	Financial expenses/ Financial income	0	0	Financial expenses/ Financial income
Hedging interest rate risk	-5,196	-561	Financial expenses/ Financial income	-2,301	8,572	Financial expenses/ Financial income
Hedging price risk	6,109	2,064	Other expenses other income	0	4,055	Revenue

The change in the market value of swaps that are not part of a hedging relationship was recognised as an expense in the amount of TEUR 2,780 (previous year: expense of TEUR 7,834). The change in the market value of PPAs that are not in a hedging relationship was recognised as expenses of TEUR 1,888 through profit or loss (previous year: TEUR 1,539).

The following table shows the hedged items for cash flow hedges:

in TEUR	Change in value during the period of the hedged item to determine ineffectiveness	Balance of hedge reserve and currency reserve for active cash flow hedges	Balance of hedge reserve and currency reserve for terminated cash flow hedges
	2024	31.12.2024	31.12.2024
Hedging interest rate and currency risk			
Designated components	-316	312	
Non-designated components		31	
Hedging interest rate risk			
Designated components	-11,056	11,401	85
Non-designated components			
Hedging price risk			
Designated components	-9,304	7,580	
Non-designated components			

The following table shows the reconciliation and breakdown of the hedge reserve:

in TEUR			Reclassifications from the CFH reserve to the income statement		
	Carrying amount as at 01.01.2024 (01.01.2023)	Hedging gains/losses recognised in equity	Due to premature termination of CFH	Due to the realisation of the hedged item in the income statement	Carrying amount as at 31.12.2024 (31.12.2023)
Hedge accounting reserve	13,826	-9,760	-2,301	12,627	14,392
(previous year)	(-160,248)	(177,154)	(650)	(-3,730)	(13,826)

Principles of risk management

With regard to its financial assets and liabilities and planned transactions, Encavis is mainly exposed to risk from interest rate changes. The aim of financial risk management is to limit this market risk by means of ongoing activities. Derivative hedging instruments are used to this end, depending on the risk assessment. In order to minimise default risk, interest rate hedging instruments are only concluded with renowned banks with corresponding credit ratings. As a general rule, only risks that impact the Group’s cash flow are hedged. At the end of the reporting period, no risk concentrations are seen for the Group’s companies.

Interest rate risk

Interest rate risk is the risk that a financial instrument’s fair value or future cash flows will fluctuate due to changes in market interest rates. In addition to the acquisition financing, the risk of fluctuations results primarily from the financing of individual items if this financing has a floating rate of interest. If the market interest rate level for the variable-rate loans not hedged by a swap had been 100 basis points higher as at 31 December 2024, earnings before taxes would have been TEUR 108 (previous year: TEUR 307) lower. If the market interest rate level had been 100 basis points lower as at 31 December 2024, earnings before income taxes would have been TEUR 108 (previous year: TEUR 211) higher.

For the other financing transactions, unconditional interest rate hedges are in place in the form of interest rate swaps over the entire nominal volume, resulting in only marginal fluctuations in current consolidated earnings. However, a change in market expectations regarding interest rates causes a change in the measurement of gains and losses expected from the interest rate hedge, which – if the derivatives are part of an effective hedging relationship – is assumed to solely impact the hedge reserve. For derivatives not in a hedging relationship pursuant to IFRS 9, the change in expectations accordingly directly impacts earnings.

Interest rate risks are shown by means of sensitivity analyses pursuant to IFRS 7. If the market interest rate level as at 31 December 2024 had been 100 basis points higher, earnings before taxes would have been TEUR 17,633 (previous year: TEUR 4,849) higher and the hedge reserve in equity before taxes would have been TEUR 16,612 (previous year: TEUR 14,513) higher. If the market interest rate level as at 31 December 2024 had been 100 basis points lower, earnings before taxes would have been TEUR 19,007 (previous year: TEUR 6,523) lower and the hedge reserve in equity before taxes would have been TEUR 18,512 (previous year: TEUR 15,501) lower. This is due to the fact that an increase (decrease) in the market interest rate level as at the balance sheet date reduces (increases) net cash outflows from the interest rate hedging instruments over the entire duration of the interest rate swaps and thus increases (decreases) their present value.

Electricity price change risks with PPAs

The market value of PPAs can fluctuate considerably depending on changes in electricity prices. If the prices on the support points of the forward curve are lower than expected, the market value of the PPAs increases. Conversely, the market value falls if prices are higher than forecast. These fluctuations can affect the financial planning and profitability of projects. If the prices on the support points of the forward curve had been 5 % lower or higher, the market value of these transactions recognised as financial liabilities would have changed by TEUR -8,740 or TEUR 8,707 (previous year: TEUR -10,891 or TEUR 10,856).

Exchange rate risk

The company has issued loans to its British and Danish subsidiaries and project companies in British pounds and Danish kroner respectively. The loans are, as a general rule, subject to exchange rate fluctuations between the British pound or Danish krone and the euro. The resulting risks from exchange rate fluctuations are presented by means of a foreign currency sensitivity analysis pursuant to IFRS 7. As the Danish krone is subject to the European exchange rate mechanism (ERM II) and has thus been pegged to the euro since its introduction on 1 January 1999, no sensitivity analysis is performed for the Danish krone. If the euro were to rise by 10 % against the British pound, profit or loss for the year and equity would decrease by TEUR 8,160 (previous year: TEUR 6,638). This is due to the fact that, from a Group perspective, the existing receivables must be adjusted by the currency translation loss. If the euro were to fall by 10 % against the British pound, profit or loss for the year and equity would increase by TEUR 9,974 (previous year: TEUR 8,114).

The exchange rate risk associated with interest and principal payments made by British subsidiaries in the Group's functional currency (euro) is hedged by combined interest rate and currency swaps. The risks are hedged with the aim of minimising the volatility of interest and principal payments. No further material exchange rate risks pursuant to IFRS 7 currently exist in the Encavis Group.

Price risk

In the absence of legally guaranteed feed-in tariffs, the company may be exposed to the volatility of the market price of electricity with its solar and wind parks. In order to minimise the risk profile, the company has therefore concluded power purchase agreements with reputable private sector customers that provide for fixed prices for a large proportion of the electricity produced.

Credit risk

Credit risk describes the risk that counterparties are unable to meet their obligations as contractually agreed. The receivables from solar parks and wind parks are primarily trade receivables from the sale of the kilowatt-hours produced. In nearly all the markets in which the Encavis Group operates, the purchase of the electricity produced, which is based on contractually defined remuneration rates, is regulated and safeguarded by law. As a result of its entry into the market in the United Kingdom and Denmark, the Group also has trade receivables whose counterparties are not exclusively semi-public grid companies or comparable organisations, but private companies. The Group is not, however, exposed to any significant default risk because the companies are renowned companies with a good or very good credit rating.

Trade receivables are exclusively current receivables that are generally settled within 30 to 60 days depending on the country. The maximum default risk is limited to the carrying amounts of the corresponding trade receivables and other receivables. Upon initial recognition of trade receivables and other receivables, the Group recognises impairment losses using the expected credit loss model. If there are objective indications of impairment, impairment losses are also recognised on a case-by-case basis. Such indications exist if the invoices for the kilowatt-hours produced, which are generally issued by the purchaser, are not issued or not paid within the agreed periods. In addition, other objective indications such as insolvency are continuously monitored. If trade receivables become past due, the corresponding items are examined again in detail and, if necessary, an additional impairment loss is recognised. In the reporting period, the default rate for trade receivables was 0 % (previous year: 0 %).

The following items are affected by impairment losses:

Trade receivables
The Group applies the simplified impairment model of IFRS 9 for trade receivables in accordance with the standard. This is based on the so-called lifetime expected loss.

In order to determine the expected credit defaults, trade receivables have been combined into largely homogeneous groups with similar characteristics with regard to their estimated default risks. In particular, there has been a separation between public and semi-public buyers, which account for the majority of buyers in the electricity production sector, and private buyers. The Encavis Group has private buyers mainly in the Asset Management segment and, to a lesser extent, also in the area of electricity buyers.

In the 2024 financial year, impairments of trade receivables decreased by TEUR 16 to TEUR 433.

Loans to associated entities and other loans as well as other current receivables
The Group principally deems the default risk for loans issued and other current receivables to be low, which is why a risk provision in the amount of the expected 12-month losses on receivables has been formed for these items. The loss allowance amounted to TEUR 629 as at the reporting date (previous year: TEUR 447). The increase is due to a rise in loans and other receivables.

Changes in impairments during the financial year
The closing balance of the impairment losses on trade receivables, as well as on loans and other current receivables, is reconciled to the opening balance of the impairment losses as follows and adjusted up to the end of the financial year:

in TEUR	Trade receivables		Other loans and short-term receivables	
	2024	2023	2024	2023
1 January	449	722	447	60
Recognised in profit or loss for the financial year Change in the allowance for credit losses	-16	-273	182	387
31 December	433	449	629	447

No amounts were written off as unrecoverable and no impairments recognised were utilised in the financial year. The changes in impairment losses recognised relate exclusively to the fluctuation in the amount of receivables between the beginning of the year and the end of the year as well as to the development of the underlying interest rate parameters for the individual country portfolios.

The maximum default risk for the Encavis Group is therefore measured on the basis of the carrying amount of trade receivables and other loans and receivables, all of which are measured at amortised cost and are therefore subject to the impairment model. Financial assets measured at fair value through profit or loss are also subject to a full default risk. As these financial assets are recognised at market value, they are measured using other market parameters rather than on the basis of the impairment model. The Encavis Group does not currently hold any collateral that would mitigate the aforementioned default risks.

The derecognition of financial assets measured at amortised cost did not result in any material amounts being recognised in the consolidated statement of comprehensive income for the Group.

If an increased number of credit defaults occur in the Group's financial assets, the classification of the default risk would be adjusted. This was not necessary as at the balance sheet date. A bundling of credit risks is not evident in the Group due to the diversification across different country markets and customers.

The following table shows the gross carrying amounts of financial assets by rating class. There are currently no credit commitments or financial guarantees.

in TEUR	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4
	12-month ECL	Total-term ECL (not impaired)	Total-term ECL (impaired)	Total-term ECL	Impaired assets purchased/exte nded
Credit risk rating grade 1: receivables not at risk of default	3,068			74,628	
Credit risk rating grade 2: receivables at risk of default					
Credit risk rating grade 3: defaulted receivables					
Total	**3,068**			**74,628**	
(previous year)	(8,548)			(77,064)	

Liquidity risk

Liquidity risk describes the risk that the Group is unable to meet its obligations as they fall due. Financial liabilities did not pose any liquidity risk as the Group held cash and cash equivalents of TEUR 375,216 as at the balance sheet date (previous year: TEUR 308,996). The Group also receives cash flows from the solar parks and wind parks in operation; there is a high degree of certainty that these cash flows can be expected to comfortably service the interest payments, principal repayments and the related financial liabilities on the basis of equivalent terms. Ultimately, the Management Board is responsible for liquidity risk management and has established an appropriate concept for managing short-, medium- and long-term financing and liquidity requirements. The Group manages liquidity risks by holding suitable reserves and constantly monitoring forecast and actual cash flows, as well as by matching the maturity profiles of financial assets and liabilities.

IFRS 7 also requires a maturity analysis for derivative and non-derivative financial liabilities. The following maturity analysis shows how the non-discounted cash flows in connection with the liabilities as at 31 December 2024 (31 December 2023) influence the Group’s future liquidity situation.

Type of liabilities in TEUR	Carrying amount as at 31.12.2024 (31.12.2023)	Remaining term of up to one year	Remaining term of one to five years	Remaining term of more than five years
Non-derivative financial liabilities				
Trade payables	42,693	42,693	0	0
(previous year)	(32,060)	(32,060)	(0)	(0)
Financial liabilities	2,477,926	798,212	1,305,082	796,106
(previous year)	(1,764,408)	(344,646)	(978,859)	(825,186)
Lease liabilities	247,396	24,318	88,885	266,483
(previous year)	(211,303)	(20,966)	(76,980)	(204,840)
Liabilities to non-controlling interests	39,730	1,505	0	38,225
(previous year)	(37,401)	(3,075)	(0)	(34,326)
Liabilities from put option	29,667	0	29,667	0
(previous year)	(24,319)	(0)	(24,319)	(0)
Liabilities from contingent consideration	1,193	1,193	0	0
(previous year)	(3,788)	(1,193)	(2,595)	(0)
Derivative financial liabilities				
Interest rate derivatives in a hedging relationship	4,847	1,042	3,768	2,299
(previous year)	(4,006)	(591)	(3,635)	(1,264)
Interest rate derivatives not in a hedging relationship	11,788	1,901	7,486	1,320
(previous year)	(4,598)	(2,066)	(1,817)	(98)
Other derivatives in a hedging relationship (PPA)	23,336	10,206	12,973	3,261
(previous year)	(37,719)	(13,350)	(24,419)	(5,852)
Other derivatives not in a hedging relationship (PPA)	4,214	2,919	0	1,295
(previous year)	(1,988)	(1,988)	(0)	(0)

* The total market values of the liabilities are recognised in total.

The approach when calculating the amounts was generally as follows:

If the contractual partner can demand a payment at various dates, the liability is recognised at the earliest due date. Interest payments made on financial instruments with floating interest rates are calculated on the basis of forward interest rates. The cash flows of the lease liabilities comprise their non-discounted interest payments and principal repayments. Parts of the liabilities to non-controlling interests may become due at any time as a result of a termination right with a compensation claim and are therefore partially classified as current liabilities. In the case of the derivative financial instruments, the non-discounted net payments are shown.

9 Notes to the consolidated cash flow statement

The cash flow statement is presented as a separate statement.

The cash flow statement shows the changes in the Encavis Group's cash funds. Cash funds comprise cash and cash equivalents that are not subject to any restrictions. The cash flow statement was prepared in accordance with IAS 7 and classifies the changes to liquid assets into cash flows from operating, investing and financing activities. Cash flow from operating activities is presented using the indirect method.

Liquid assets are composed exclusively of cash on hand and bank balances. This includes debt service and project reserves of TEUR 102,336 (previous year: TEUR 66,642) that serve as collateral for the lending banks involved in the solar parks and wind parks and can only be used in agreement with the lending banks for the respective company and, to a lesser extent, other restricted liquid assets. The restricted liquid assets at CSG IPP have been reported as cash and cash equivalents, as these assets can be accessed in certain circumstances due to the contractual conditions regarding the mezzanine capital provided by Gothaer.

Reconciliation of the movement of liabilities to cash flows from financing activities

The development of liabilities from financing activities is measured in terms of cash and non-cash changes; classification as a component of cash flow from financing activities determines whether a change affects cash. The following table shows the reconciliation of the opening balances to the closing balances of the balance sheet items.

in TEUR	Non-current financial liabilities	Current financial liabilities	Lease liabilities	Cash flow hedges with positive market value	Liabilities to non-controlling interests	Total
Balance as at 01.01.2024	1,441,202	396,593	211,303	38,176	37,401	2,124,675
(Balance as at 01.01.2023)	(1,465,333)	(424,394)	(201,954)	(53,398)	(42,156)	(2,187,235)
Loan proceeds	748,336	319,579			63	1,067,978
(previous year)	(270,130)	(65,874)			(859)	(336,863)
Loan repayments	-261,938	-426,668			0	-688,606
(previous year)	(-146,223)	(-132,233)			(-148)	(-278,604)
Repayment of lease liabilities			-11,707			-11,707
(previous year)			(-11,225)			(-11,225)
Interest paid/received	0	-85,797	-9,178	-13,150	-183	-108,308
(previous year)	(-394)	(-60,175)	(-8,546)	(0)	(-821)	(-69,936)
Payments to non-controlling interests					-1,263	-1,263
(previous year)					(-2,241)	(-2,241)
Cash-effective Change in cash flows	**486,398**	**-192,886**	**-20,885**	**-13,150**	**-1,383**	**258,094**
(previous year)	**(123,513)**	**(-126,534)**	**(-19,771)**	**(0)**	**(-2,350)**	**(-25,143)**
Acquisition	91,200	7,598	35,069	0	0	133,868
(previous year)	(80,525)	(7,127)	(12,987)	(1,282)	(32)	(101,952)
Deconsolidation	0	0	0		0	0
(previous year)	(-6)	(6)	(-3,035)		(-4,114)	(-7,150)
Exchange rate change	2,201	312	664	181	-35	3,323
(previous year)	(860)	(120)	(272)	(94)	(2)	(1,348)
Changes in fair value	-3,036	168		-1,529		-4,397
(previous year)	(-114,327)	(-95,473)		(-16,599)		(-226,398)
Reclassifications	-471,447	471,447				0
(previous year)	(-116,342)	(116,342)				(0)
Interest expenses		91,117	10,113		898	102,128
(previous year)		(70,231)	(8,717)		(863)	(79,811)
Additions of lease liabilities			6,421			6,421
(previous year)			(5,268)			(5,268)
Disposals of lease liabilities			-39			-39
(previous year)			(-143)			(-143)
Modifications and revaluations of lease liabilities			5,538			5,538
(previous year)			(5,831)			(5,831)
Valuation and other effects	-2,033	238,294	-787		2,848	238,323
(previous year)	(1,647)	(380)	(-776)		(813)	(2,064)
Non-cash change	**-383,115**	**808,937**	**56,979**	**-1,347**	**3,712**	**485,165**
(previous year)	**(-147,644)**	**(98,733)**	**(29,120)**	**(-15,223)**	**(-2,404)**	**(-37,417)**
Balance as at 31.12.2024	1,544,485	1,012,644	247,397	23,678	39,730	2,867,933
(31.12.2023)	(1,441,202)	(396,593)	(211,303)	(38,176)	(37,401)	(2,124,675)

The total of the cash flows (loan proceeds, loan repayments, repayment of lease liabilities, interest paid, respectively, received, payments to non-controlling interests, payments for the acquisition of shares without change of control) reflects the corresponding components of cash flow from financing activities in the consolidated cash flow statement. In the 2024 financial year, TEUR 701 (previous year: TEUR 841) was allocated as a distribution to non-controlling interests in equity, which is why the payments to non-controlling interests differ from cash flow from financing activities by this amount. The interest received for the cash flow hedges with a positive market value in the financial year results from the redemption of interest rate hedges as part of refinancing.

The non-cash changes in liabilities were broken down into changes from acquisitions, deconsolidations, exchange rate changes, changes in fair value, reclassifications, interest expenses and other valuation effects not subsumed in other categories. Additions, disposals, modifications and revaluations of lease liabilities are also shown under non-cash changes in order to illustrate the effects of IFRS 16. In the financial year, the valuation and other effects of current financial liabilities include the reclassification of the hybrid convertible bond from equity (TEUR 237,864). Unlike the balance sheet item, current financial liabilities do not contain any current accounts held at banks because they are not for financing purposes. The current accounts held at banks are therefore included as a component of liquid assets in the opening and closing cash flows.

10 Contingent liabilities and other obligations

No right-of-use assets or lease liabilities are recognised in the balance sheet for short-term leases, leases with low-value underlying assets or variable, revenue-dependent lease payments. Further information can be found in sections 3.2 3 and 6.1 6.

As at the balance sheet date, the Group therefore had the following off-balance-sheet obligations in connection with rental and lease contracts, excluding variable, revenue-dependent lease payments:

Type of obligation	Other obligations of up to one year in TEUR	Other Obligations of 1 to 5 years in TEUR	Other obligations of more than five years in TEUR
Rental and leasing agreements	110	91	0
(previous year)	(288)	(128)	(0)

As at 31 December 2024, there are contingent liabilities of TEUR 218 (previous year: TEUR 218) resulting from rental guarantees.

11 Related-party disclosures

In the course of normal business, the parent company Encavis AG maintains relationships with subsidiaries and with other related companies (associated entities and companies with the same personnel in key positions) and individuals (majority shareholders and members of the Supervisory Board and Management Board as well as their relatives).

Transactions with individuals in key positions in management

The remuneration to be disclosed in accordance with IAS 24 for management in key positions within the Group comprises the remuneration for active members of the Management Board and Supervisory Board. In addition to fixed remuneration and other fringe benefits (largely travel expenses and company cars), the members of the Management Board receive short-term variable remuneration in the form of an annual bonus as well as long-term variable remuneration in the form of share-based remuneration (details can be found in note 6.13). Short-term variable remuneration is measured according to the level of target achievement for strategic goals (growth targets, such as kilowatts of new acquisitions and grid connections, or earnings targets such as achieving a defined EBITDA) and individual personal goals (usually specific projects like the (partial) sale of portfolios, closing of complex financing transactions or the conclusion of project partnerships). The level of target achievement can be between 0 % and 200 % and is determined by the Supervisory Board after the end of the financial year. In return for their services, the members of the Supervisory Board receive fixed remuneration based on their membership of the individual committees, as well as attendance fees.

The members of the Management Board and Supervisory Board were remunerated in accordance with IAS 24.17 as follows:

Remuneration in TEUR	2024	2023
Short-term benefits	2,316	2,491
Share-based remuneration	1,339	211
Total remuneration	3,655	2,702

The total remuneration of the active members of the Management Board for the 2024 financial year pursuant to Section 314 (1) No. 6a German Commercial Code (HGB) amounts to TEUR 2,839 (previous year: TEUR 1,931). A total of 107,457 SARs from SOP 2024 were granted to members of the Management Board in the financial year. These share options with a total value of TEUR 499 were issued and measured at their fair value at the grant date. As in the previous year, the members of the Management Board did not receive any loans or advances in the 2024 financial year.

The disclosure of share-based remuneration in the previous year also includes expenses for the share option programme SOP 2017 as well as its successor programmes. The amount of the provision for cash-settled share-based remuneration for the members of the Management Board is TEUR 0 (previous year: TEUR 553). Provisions of TEUR 561 were recognised for short-term variable remuneration (previous year: TEUR 781). No provisions relating to the termination of employment relationships were formed in the financial year or in the previous year.

All share options were exercised by the members of the Management Board in the financial year. Due to the takeover by the KKR-led consortium at the end of 2024, the outstanding SARs of all tranches could be exercised early and without observing the respective waiting periods and regardless of the respective exercise hurdles. In this context, a total of TEUR 1,892 was paid out to the members of the Management Board and the existing provisions were utilised in full.

Total remuneration recorded for the Supervisory Board amounts to TEUR 816 (previous year: TEUR 771) for the financial year. The total remuneration also includes the total remuneration for the Personnel and Nomination Committee and for the Audit and ESG Committee.

Associated entities

Transactions with associated entities are carried out under the same conditions as those with independent business partners. Outstanding items at the end of the year are unsecured and (with the exception of loans) interest-free, and settlement is made in cash. No guarantees were provided to or by related parties with regard to receivables or liabilities.

in TEUR	Services provided, incl. interest	Services received	Receivables	Liabilities	Committed loans incl. interest
CHORUS IPP Europe GmbH	273		42		
Gnannenweiler Windnetz GmbH & Co. KG		20		2	
Pexapark AG		992		19	
Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG	236				
SECCIONADORA ALMODÓVAR RENOVABLES S.L.**					320
TokWise OOD***		18		6	
Total	**509**	**1,030**	**42**	**27**	**320**
(previous year)	(1,243)	(1,258)	(18)	(6)	(7,413)

* As Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG has been fully consolidated since 27 June 2024, only the business relationships up to this date are reported in the disclosures for the current financial year.

** The information on the business relationships with SECCIONADORA ALMODÓVAR RENOVABLES S.L. is presented from the time of the acquisition of the shares on 9 July 2024.

*** The disclosures on the business relationships with TokWise OOD are presented in the previous year from the time of acquisition of the shares on 31 August 2023.

The services performed for CHORUS IPP Europe GmbH relate to the commercial operation of parks managed by third parties in connection with the sale of the associated portfolio at the end of 2023.

Encavis purchases software solutions from Pexapark AG for calculating actual and planned revenues from the park portfolio, for performing risk simulations and valuations of the influences of market prices on the Group’s assets, and also for valuing or validating PPA prices. All price components of the assets are therefore reported.

The business relationship with TokWise OOD relates to the TokWise platform. This enables power producers like Encavis and industrial electricity consumers to link their assets directly to the power exchanges and thereby take control of the purchase and sale of electricity. The company has also established a data science team and expertise focused on energy markets to develop algorithms that enable complete automation of power trading decisions. TokWise's AI therefore allows the value of every kilowatt-hour to be maximised.

With the acquisition of the Spanish Almodóvar companies in July 2024, shares in the associated transformer station were also acquired. SECCIONADORA ALMODÓVAR RENOVABLES S.L. will provide infrastructure services for the associated solar park portfolio in future.

Joint arrangements

The interest in Richelbach Solar GbR of TEUR 120 as at 31 December 2024 (previous year: TEUR 120) is classified as a joint operation in accordance with IFRS 11 due to the contractually agreed co-determination rights of the two solar parks involved.

The investment of SOLAR CASTUERA S.L.U., acquired in the first half of 2024, in Promotores Chucena 220 KV C.B. in the amount of TEUR 200 as at 30 June 2024 is also classified as a joint operation in accordance with IFRS 11.

All decisions must be made unanimously. The shareholders only have joint power over the relevant activities, which are exclusively aimed at providing the infrastructure for the solar parks. Encavis recognises its interest in the joint operation through the recognition of its share in the assets, liabilities, income and expenses in accordance with its contractually assumed rights and obligations.

Other related companies and individuals

As at the reporting date, rental agreements at arm’s-length terms exist with B&L Holzhafen West GmbH & Co. KG, a company related to the former Supervisory Board member Albert Büll, for office space for Encavis AG. In the 2024 financial year, the total of the transactions with B&L Holzhafen West GmbH & Co. KG amounts to TEUR 961 (previous year: TEUR 918). As at the balance sheet date, there were no outstanding balances from transactions with B&L Holzhafen West GmbH & Co. KG.

For the company Encavis Asset Management AG, there was 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. As agreed, the contract ran until September 2024. The monthly rent was based on customary market conditions. In the 2024 financial year, the total of the transactions with PELABA Vermögensverwaltung GmbH & Co. KG amounts to TEUR 123 (previous year: TEUR 139). As at the balance sheet date, there were no outstanding balances from transactions with PELABA Vermögensverwaltungs GmbH & Co. KG. The employees at the Neubiberg site moved into a new office building on 1 October 2024. A rental agreement has already been concluded with ALOPIAS Verwaltungs GmbH & 9. KG, which has a fixed term of ten years. The company is also related to Peter Heidecker. The sum of transactions with ALOPIAS Verwaltungs GmbH & 9. KG in the 2024 financial year is TEUR 48 (previous year: TEUR 0). As of the balance-sheet date, there were no outstanding balances from transactions with ALOPIAS Verwaltungs GmbH & 9. KG.

Shareholder loans

Following the takeover in December 2024, the majority shareholder Elbe BidCo AG issued two shareholder loans to Encavis AG as refinancing loans. These credit lines ensure that Encavis AG’s financing that has been or can be cancelled by means of change of control clauses can be repaid on time. The credit lines each have a term of five years and total around TEUR 1,268,000. As at 31 December 2024, funds amounting to TEUR 322,340 had been utilised and interest liabilities to the shareholder amounted to TEUR 452. The financing agreements were concluded at standard market conditions.

12 Earnings per share

The weighted average number of ordinary shares used to calculate diluted earnings per share is derived below from the weighted average number of ordinary shares used to calculate basic earnings per share. In 2024, the potential ordinary shares from the hybrid convertible bond issued in 2021 are not dilutive due to the anti-dilution protection in accordance with IAS 33.41.

	31.12.2024	31.12.2023
Consolidated earnings in (TEUR)	-174,019	58,726
of which attributable to shareholders of Encavis AG (TEUR)	-177,723	53,329
Weighted average number of ordinary shares used in the calculation of basic earnings per share	161,425,533	161,030,176
Earnings per share from continuing operations, basic (EUR) (in Euro)	-1.10	0.33
Weighted average number of shares that may arise from the conversion of equity instruments:		
Number of shares from the conversion of the hybrid convertible bond 2021	0	11,330,520
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	161,425,533	161,030,176
Proportion of consolidated earnings attributable to hybrid capital investors in 2021 (in TEUR)	4,564	4,688
Earnings per share from continuing operations, diluted (in Euro)	-1.10	0.33

13 Management Board

The total remuneration granted to members of the Management Board in the financial year amounted to TEUR 2,839 (previous year: TEUR 1,931).

For details of the remuneration system and the remuneration of the Management Board and Supervisory Board, please refer to the detailed disclosures on transactions with individuals in key positions in management (see Note 11).

14 Supervisory Board

Members of the Supervisory Board of Encavis AG (until 21 February 2025)		
Chairman	Dr Rolf Martin Schmitz	Former Chairman of RWE AG's Management Board
Deputy Chairman	Dr Manfred Krüper	Independent management consultant
Other members	Albert Büll (until June 2024)	Partner in the Büll & Liedtke Group
	Ayleen Oehmen-Görisch (since June 2024)	Lawyer, CMS Hasche Sigle Partnerschaft von Rechtsanwälten und Steuerberatern mbH
	Professor Dr Fritz Vahrenholt	Independent management consultant
	Christine Scheel	Independent management consultant
	Dr Henning Kreke	Entrepreneur
	Dr Marcus Schenck	Head of German-speaking countries, Member of the Global Management Committee Financial Advisory Lazard
	Thorsten Testorp	Managing Director of B & L Real Estate GmbH
	Isabella Pfaller	Former member of the Management Board (CFO) of Versicherungskammer Bayern

With the exception of Professor Dr Fritz Vahrenholt, all members of the Supervisory Board resigned from office at the end of 21 February 2025. The Supervisory Board of Encavis AG will consist of six members in future. The change is a consequence of the takeover by KKR.

15 Auditor's fees and services

The total fees for the auditor PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft (PwC), Hamburg recognised as an expense in the 2024 financial year can be broken down as follows:

in TEUR	2024	2023
Audit services	1,127	1,022
of which for the previous year	*39*	*31*
Other services	52	14
Total	1,179	1,036

Audit services relate, in particular, to the audit of the annual and consolidated financial statements of Encavis AG and individual subsidiaries and services provided in connection with enforcement proceedings.

Other services mainly relate to agreed analyses of financial information and strategic consulting.

16 Events after the balance sheet date

Delisting of Encavis AG shares at the end of 31 January 2025

On 28 January 2025, the Frankfurt Stock Exchange informed Encavis AG that it was approving the company's application to revoke the admission of Encavis shares to trading on the regulated market of the Frankfurt Stock Exchange (General Standard) and in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). Previously, on 8 January 2025, the Hanseatische Wertpapierbörse Hamburg had already approved the company's parallel application to revoke the admission of Encavis shares to trading on the regulated market of the Hamburg Stock Exchange. The delisting from the regulated markets of the Frankfurt Stock Exchange and the Hamburg Stock Exchange has thus taken place with effect from the end of 31 January 2025, meaning that Encavis shares can no longer be traded on the regulated market since 1 February 2025.

Elbe BidCo AG submits formal request to carry out a merger squeeze-out of the minority shareholders of Encavis AG

Elbe BidCo AG informed the Management Board of Encavis AG on 18 February 2025 that Elbe BidCo AG holds a total of 94.15 % of Encavis shares following the settlement of the delisting tender offer made to Encavis shareholders on the same date. Against this background, Elbe BidCo AG, in accordance with its previous notification to the company dated 31 January 2025, has repeatedly submitted to the company's Management Board the formal request to carry out a merger squeeze-out of the remaining minority shareholders of the company in return for an appropriate cash compensation in accordance with Section 62 (1) and (5) of the German Transformation Act (Umwandlungsgesetz) in conjunction with Sections 327a et seq. of the German Stock Corporation Act (Aktiengesetz) . Elbe BidCo AG reaffirmed its previous proposal to enter into negotiations with the company's Management Board regarding a merger agreement. The amount of the appropriate cash compensation that Elbe BidCo AG, as the main shareholder, will grant to the minority shareholders of Encavis for the transfer of their shares will be determined at a later date. Elbe BidCo AG has announced that it will inform Encavis AG of the amount of the cash compensation in a further letter, the so-called concretised demand, as soon as this has been determined.

Change in the Supervisory Board of Encavis AG

The Management Board and the Chairman of the Supervisory Board of Encavis AG, who was in office until his resignation, had filed an application for the court appointment of five new members of the Supervisory Board, which the Hamburg Local Court (Register Court) granted by resolution dated 24 February 2025 by appointing the following Supervisory Board members:

- Marco Fontana (Managing Director in the European infrastructure team of KKR (KKR & Co. Inc.)),
- Boris Scukanec Hopinski (COO at Viessmann Generations Group GmbH & Co. KG),
- Tobias Krauss (CEO at ABACON CAPITAL GmbH),

- Dr Johannes Teyssen (independent manager, senior advisor at KKR (London, United Kingdom) and at Viridor p.l.c. (United Kingdom)) and
- Prof. Dr Martin Viessmann (Member of the Board of Directors of Viessmann Group GmbH & Co. KG).

The appointment of the above Supervisory Board members ends at the end of the next Annual General Meeting or Extraordinary Annual General Meeting of the company at which a new Supervisory Board is to be elected. The court appointment of the five Supervisory Board members took place against the background that eight of the nine previous members of the Supervisory Board, i.e. Dr Rolf Martin Schmitz (Chairman), Dr Manfred Krüper (Deputy Chairman), Ayleen Oehmen-Görisch, Dr Henning Kreke, Isabella Pfaller, Christine Scheel, Dr Marcus Schenck and Thorsten Testorp (thus all members of the Supervisory Board with the exception of Prof. Dr Fritz Vahrenholt) had each resigned from office. The company's Supervisory Board, therefore, currently consists of the following six members: Marco Fontana, Boris Scukanec Hopinski, Tobias Krauss, Dr Johannes Teyssen, Prof. Dr Martin Viessmann and Prof. Dr Fritz Vahrenholt. At its constituent meeting on 6 March 2025, the Supervisory Board elected Dr Johannes Teyssen as Chairman of the company's Supervisory Board. Marco Fontana was elected Deputy Chairman of the Supervisory Board.

Change in the Management Board of Encavis AG

On 7 March 2025, the Supervisory Board of Encavis AG announced a planned change in the company's management as part of ongoing efforts to position Encavis for the next phase of growth. Dr Christoph Husmann, who has served as Spokesman of the Management Board and Chief Financial Officer since 2014, will step down from both roles following the company's Annual General Meeting in June 2025 and the conclusion of the squeeze-out process. Dr Husmann will continue to support the company during this transition phase and oversee the squeeze-out process and integration into the new Encavis structure to ensure continuity and stability. The Supervisory Board has appointed Mario Schirru, currently Chief Operating Officer and Chief Investment Officer, as Co-Speaker of the Management Board with immediate effect. After the 2025 Annual General Meeting, the Supervisory Board intends to formally appoint Mr Schirru as Chairman of the Management Board.

Repayment of Encavis AG liabilities after the balance sheet date

After the balance sheet date, the registered and bearer bonds and Schuldscheindarlehen (promissory note loans) issued by Encavis AG were repaid in full or in part. On the one hand, this is due to early repayment requests from creditors who exercised a corresponding contractually agreed right. They were entitled to this as a result of the change of control that occurred in December 2024 following the takeover by the KKR-led consortium. Encavis AG also exercised its ordinary right of cancellation for some variable-interest Schuldscheindarlehen. The repatriated funds were replaced by taking out shareholder loans.

17 List of shareholdings pursuant to Section 313 (2) German Commercial Code (HGB)

In addition to Encavis AG, the following Group companies were included in the consolidated financial statements as at 31 December 2024:

Company	Registered office	Interest in %
Fully consolidated Group companies		
A.M. Solar S.r.l.[1)]	Bruneck, Italy	100.00
Alameda S.R.L.	Bruneck, Italy	100.00
Almodóvar Solar S.L.U.[1)]	Barcelona, Spain	100.00
APOLLO SOLAR SRL	Bruneck, Italy	100.00
ARSAC 4 SAS	Paris, France	100.00
ARSAC 7 SAS	Paris, France	100.00
Asperg Erste Solar GmbH	Hamburg, Germany	100.00
Asperg Fünfte Solar GmbH	Hamburg, Germany	100.00
Asperg Sechste Solar GmbH	Hamburg, Germany	100.00
Asperg Zweite Solar GmbH	Hamburg, Germany	100.00
Asset Ocean GmbH	Hamburg, Germany	100.00
Atlantis Energy di CHORUS Solar Italia Centrale 5. S.R.L. & Co. S.A.S.	Bruneck, Italy	100.00
Aton 19 S.r.l.[3)]	Bruneck, Italy	100.00
Aton 21 S.r.l.[3)]	Bruneck, Italy	99.00
BESS Hettstedt Fünfte Energie GmbH	Hamburg, Germany	100.00
BESS M01a K/S	Roskilde, Denmark	100.00
Bypass Nurseries LSPV Ltd.[3)]	Derby, United Kingdom	100.00
C.B. Solar S.r.l.[1)]	Bruneck, Italy	100.00
Cabrera Energia Solar S.L.U.	Valencia, Spain	100.00
Cagli Solar di CHORUS Solar Italia Centrale 5. S.R.L. & Co. S.A.S.	Bruneck, Italy	100.00
Capital Stage Caddington Ltd.[3)]	Derby, United Kingdom	100.00
Capital Stage Caddington II Ltd.[3)]	Derby, United Kingdom	100.00
Capital Stage Cullompton Ltd.[3)]	Derby, United Kingdom	100.00
Capital Stage Hall Farm Ltd.	Edinburgh, United Kingdom	100.00
Capital Stage Investments Ltd.	Athlone, Ireland	100.00
Capital Stage Manor Farm Ltd.[3)]	Derby, United Kingdom	100.00
Capital Stage Solar IPP GmbH	Hamburg, Germany	100.00
Capital Stage Tonedale 1 Ltd.[3)]	Derby, United Kingdom	100.00
Capital Stage Tonedale 2 Ltd.[3)]	Derby, United Kingdom	100.00
Capital Stage Tonedale LLP[3)]	Derby, United Kingdom	100.00
Capital Stage Venezia Beteiligungs GmbH	Hamburg, Germany	100.00
Capital Stage Wind Beteiligungs GmbH	Hamburg, Germany	100.00
Capital Stage Wind IPP GmbH	Hamburg, Germany	100.00
Casette S.R.L.	Bruneck, Italy	100.00
Centrale Eolienne de Bihy SARL	Vern-sur-Seiche, France	100.00
Centrale Fotovoltaica Camporota S.R.L.	Bruneck, Italy	100.00
Centrale Fotovoltaica Santa Maria in Piana S.R.L.	Bruneck, Italy	100.00
Centrale Fotovoltaica Treia 1 S.A.S. di Progetto Marche S.R.L.	Bruneck, Italy	100.00
Centrale Photovoltaique d'Avon – les – Roches SAS	Paris, France	100.00
Centrale Photovoltaique S-au-S06 SARL	Castelnau-le-Lez, France	100.00

Company	Registered office	Interest in %
Chiltern Renewables Colmworth Limited[3)]	Derby, United Kingdom	100.00
CHILTERN RENEWABLES ES LIMITED[3)]	Derby, United Kingdom	100.00
Chiltern Renewables Hockliffe Limited[3)]	Derby, United Kingdom	100.00
Chiltern Renewables Honeydon Limited[3)]	Derby, United Kingdom	100.00
CHORUS CleanTech 1. Fonds Invest GmbH	Neubiberg, Germany	100.00
CHORUS CleanTech 2. Fonds Invest GmbH	Neubiberg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solardach Betze KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Bitterfeld KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Bockelwitz KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Burgheim KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Denkendorf KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Eisleben KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Gardelegen KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Greiz KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Gut Werchau KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Kemating KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Neuenhagen KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Pasewalk KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Richelbach KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Rietschen KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Rüdersdorf KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Ruhland KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Scheibenberg KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Vilseck KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarpark Warrenzin KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Solarparks Niederbayern KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Windpark Hellberge KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Windpark Ruhlkirchen KG	Hamburg, Germany	100.00
CHORUS CleanTech GmbH & Co. Windpark Stolzenhain KG	Hamburg, Germany	100.00
CHORUS Solar 3. S.R.L.	Bruneck, Italy	100.00
CHORUS Solar 3. S.R.L. & Co. S.A.S. 2	Bruneck, Italy	100.00
CHORUS Solar Casarano S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 2 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 3 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 4 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 5 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 6 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 7 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 8 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Foggia 9 S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Italia Centrale 5. S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Matino S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Nardo S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Ternavasso Due S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Ternavasso Uno S.R.L.	Bruneck, Italy	100.00
CHORUS Solar Torino Due S.R.L.	Bruneck, Italy	100.00

Company	Registered office	Interest in %
CHORUS Solar Torino Uno S.R.L.	Bruneck, Italy	100.00
CHORUS Wind Amöneburg GmbH & Co. KG	Hamburg, Germany	100.00
CHORUS Wind Appeln GmbH & Co. KG	Hamburg, Germany	100.00
CHORUS Wind Hürth GmbH & Co. KG	Hamburg, Germany	100.00
Clawdd Ddu Farm Ltd.[3)]	Derby, United Kingdom	100.00
CMS Solar Pappelberg GmbH & Co. KG	Gnevkow, Germany	50.95
CMS Solar Priesterbruch GmbH & Co KG	Gültz, Germany	50.95
CMS Solar Tackscher Bruch GmbH & Co KG	Gnevkow, Germany	50.95
Collecchio Energy S.R.L.	Bruneck, Italy	100.00
Communal le Court SAS	Paris, France	100.00
CPV Bach SARL	Castelnau-le-Lez, France	100.00
CPV Entoublanc SARL	Castelnau-le-Lez, France	100.00
CPV Sun 20 SARL	Castelnau-le-Lez, France	100.00
CPV Sun 21 SARL	Castelnau-le-Lez, France	100.00
CPV Sun 24 SARL	Castelnau-le-Lez, France	100.00
CS Solarpark Bad Endbach GmbH	Hamburg, Germany	100.00
CSG IPP GmbH	Hamburg, Germany	100.00
Data Trust GmbH	Neubiberg, Germany	100.00
DE - Stern 1 S.R.L.[3)]	Bruneck, Italy	100.00
DE - Stern 11 S.R.L.	Parma, Italy	64.00
DE - Stern 14 S.R.L.	Parma, Italy	64.00
DE - Stern 15 S.R.L.[3)]	Bruneck, Italy	100.00
DE - Stern 4 S.R.L.[3)]	Bruneck, Italy	100.00
DE - Stern 8 S.R.L.	Parma, Italy	80.00
Desarrollos Empresariales Luanda S.L.U.	Valencia, Spain	100.00
DE-Stern 10 S.R.L.[3)]	Bruneck, Italy	100.00
DMH Treuhand Vermögensverwaltung GmbH	Neubiberg, Germany	100.00
ENCAVIS AM Advisor GmbH	Neubiberg, Germany	100.00
ENCAVIS AM Management GmbH	Neubiberg, Germany	100.00
ENCAVIS AM Services GmbH	Neubiberg, Germany	100.00
Encavis Asset Management AG[2)]	Neubiberg, Germany	100.00
Encavis Bridge Financing GmbH	Hamburg, Germany	100.00
Encavis Bridge Portfolio Spain S.L.U.[1)]	Madrid, Spain	100.00
Encavis Ecklak PV GmbH	Hamburg, Germany	100.00
Encavis Energieversorger I GmbH	Hamburg, Germany	51.00
Encavis Energieversorger I Portfolio GmbH & Co. KG[1)]	Hamburg, Germany	51.00
Encavis Energieversorger I Verwaltungs GmbH[3)4)]	Hamburg, Germany	100.00
Encavis Finance B.V.	Rotterdam, Netherlands	100.00
Encavis GmbH	Neubiberg, Germany	100.00
Encavis Green Energy Supply GmbH	Hamburg, Germany	100.00
Encavis Hispania S.L.U.[3)]	Madrid, Spain	100.00
Encavis Iberia GmbH	Hamburg, Germany	100.00
ENCAVIS Infrastructure S.à r.l.[3)]	Grevenmacher, Luxembourg	100.00
Encavis Nordbrise A/S	Roskilde, Denmark	100.00
Encavis Nordbrise Beteiligungs AG & Co. KG	Hamburg, Germany	100.00
Encavis Portfolio Management GmbH	Neubiberg, Germany	100.00

Company	Registered office	Interest in %
Encavis Portfolio Spain S.L.U.[1)]	Madrid, Spain	100.00
Encavis Real Estate GmbH	Hamburg, Germany	100.00
Encavis Renewables Beteiligungs GmbH	Hamburg, Germany	100.00
Encavis Solar Beteiligungs GmbH	Hamburg, Germany	100.00
Encavis Solar Denmark ApS	Roskilde, Denmark	100.00
Encavis Solar Fincken GmbH & Co. KG	Hamburg, Germany	100.00
Encavis Solar Infrastruktur I GmbH[3)]	Hamburg, Germany	100.00
Encavis Solar Netherlands B.V.	Rotterdam, Netherlands	100.00
Encavis Solar Viterbo S.R.L.	Bruneck, Italy	100.00
Encavis Technical Services GmbH	Halle (Saale), Germany	100.00
Encavis Wind Danmark ApS	Roskilde, Denmark	100.00
Encavis Wind Danmark Beteiligungs AG & Co. KG	Hamburg, Germany	100.00
Energia & Sviluppo S.R.L.	Bruneck, Italy	100.00
Energía Diodos S.L.U.[1)]	Barcelona, Spain	100.00
Energie Solaire Biscaya SAS	Paris, France	100.00
Energiekontor Windstrom GmbH & Co. UW Lunestedt KG	Hamburg, Germany	51.00
Energiepark Bergheim-Repowering RE WP BE GmbH & Co. KG[1)]	Bremerhaven, Germany	100.00
Energiepark Breitendeich RE WP BD GmbH & Co. KG	Hamburg, Germany	51.00
Energiepark Debstedt GmbH & Co. RE WP DE KG	Hamburg, Germany	51.00
Energiepark Grevenbroich RE WP GRE GmbH & Co. KG	Hamburg, Germany	100.00
Energiepark Hürth-Barbarahof WP HB GmbH & Co. KG	Hamburg, Germany	100.00
Energiepark Lunestedt GmbH & Co. WP HEE KG	Hamburg, Germany	51.00
Energiepark Lunestedt GmbH & Co. WP LUN KG	Hamburg, Germany	51.00
Energiepark Odisheim GmbH & Co. WP ODI KG	Hamburg, Germany	100.00
Energiepark Passow WP Briest III GmbH & Co. KG	Hamburg, Germany	51.00
Enerstroom 1 B.V.	Rotterdam, Netherlands	100.00
Enerstroom 2 B.V.	Rotterdam, Netherlands	100.00
EnSol Nordic AS	Lillestrøm, Norway	90.00
Fano Solar 1 S.R.L.[3)]	Bruneck, Italy	100.00
Fano Solar 2 S.R.L.[3)]	Bruneck, Italy	100.00
Ferme Eolienne de Maisontiers-Tessonniere SAS	Paris, France	100.00
Ferme Eolienne de Marsais I SAS	Paris, France	100.00
Ferme Eolienne de Marsais II SAS	Paris, France	100.00
Foxburrow Farm Solar Farm Ltd.[3)]	Derby, United Kingdom	100.00
Fronteris Solarpark Oberbürg GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Fundici Hive S.L.U.[3)]	Madrid, Spain	100.00
GE.FIN. Energy Oria Division S.R.L.	Bruneck, Italy	100.00
Genia Extremadura Solar S.L.U.	Valencia, Spain	100.00
GES 002 B.V.[1)]	Rotterdam, Netherlands	100.00
Gosfield Solar Ltd.[3)]	Derby, United Kingdom	100.00
Green Energy 010 GmbH & Co. KG	Hamburg, Germany	100.00
Green Energy 018 GmbH & Co. KG	Hamburg, Germany	100.00
Green Energy 034 GmbH & Co. KG	Hamburg, Germany	100.00
GreenGo Energy M01a K/S	Roskilde, Denmark	100.00
GreenGo Energy M01b K/S	Roskilde, Denmark	100.00
GreenGo Energy M111 K/S	Roskilde, Denmark	100.00

Company	Registered office	Interest in %
GreenGo Energy M23 K/S	Roskilde, Denmark	100.00
GreenGo Energy M30 K/S	Roskilde, Denmark	100.00
GreenGo Energy M34 K/S	Roskilde, Denmark	100.00
GreenGo Energy S111 AB[1)]	Malmö, Sweden	100.00
GreenGo Energy S21 AB[1)]	Malmö, Sweden	100.00
Grid Essence UK Ltd.[3)]	Derby, United Kingdom	100.00
Griffin Develops, S.L.	Valencia, Spain	100.00
H&J Energieportfolio Verwaltungs GmbH	Neubiberg, Germany	100.00
Haut Lande SARL	Paris, France	100.00
HORNET SOLAR S.L.U.	Madrid, Spain	100.00
Illevaaran Tuulivoima Oy	Helsinki, Finland	100.00
Infrastruktur Amöneburg-Roßdorf GmbH & Co. KG[3)]	Hamburg, Germany	71.43
Innovar Solar Park 1 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Innovar Solar Park 10 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Innovar Solar Park 2 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Innovar Solar Park 39 GmbH & Co. KG[1)]	Meppen, Germany	100.00
Innovar Solar Park 4 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Innovar Solar Park 44 GmbH & Co. KG[1)]	Meppen, Germany	100.00
Innovar Solar Park 46 GmbH & Co. KG[1)]	Meppen, Germany	100.00
Innovar Solar Park 49 GmbH & Co. KG[1)]	Meppen, Germany	100.00
Innovar Solar Park 5 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Innovar Solar Park 7 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Innovar Solar Park 8 GmbH & Co. KG[1)]	Hamburg, Germany	100.00
IOW Solar Ltd.[3)]	Derby, United Kingdom	100.00
Krumbach Photovoltaik GmbH	Hamburg, Germany	100.00
Krumbach Zwei Photovoltaik GmbH	Hamburg, Germany	100.00
La Florida Hive, S.L.U.[1)]	Madrid, Spain	100.00
La Gouardoune Centrale Solaire SARL	Paris, France	100.00
La Redonda Solar S.L.U.[1)]	Barcelona, Spain	100.00
La Rocca Energy di CHORUS Solar 3. S.R.L. & Co. S.A.S.	Bruneck, Italy	100.00
Labraise Sud SARL	Paris, France	100.00
Lagravette SAS	Paris, France	100.00
Le Communal Est Ouest SARL	Paris, France	100.00
Le Lame S.R.L.	Bruneck, Italy	100.00
LT 01 S.R.L.[3)]	Bruneck, Italy	100.00
LT 02 S.R.L.[3)]	Bruneck, Italy	100.00
LT 04 S.R.L.	Bruneck, Italy	100.00
LT 05 S.R.L.[1)]	Bruneck, Italy	100.00
LT 08 S.R.L.	Bruneck, Italy	100.00
Lux Energy S.R.L.	Bruneck, Italy	100.00
Mermaid Solar Holding ApS	Roskilde, Denmark	100.00
Mermaid Solar Komplementar ApS	Roskilde, Denmark	100.00
Mermaid Solar Net K/S	Roskilde, Denmark	100.00
MonSolar IQ Ltd.[3)]	Derby, United Kingdom	100.00
MTS4 S.R.L.[3)]	Bruneck, Italy	100.00
Narges Develops, S.L.U.	Valencia, Spain	100.00

Company	Registered office	Interest in %
Navid Enterprise, S.L.U.	Valencia, Spain	100.00
Neftis Business, S.L.U.	Valencia, Spain	100.00
Nørhede-Hjortmose Vindkraft I/S[3)]	Roskilde, Denmark	81.50
Notaresco Solar S.R.L.[3)]	Bruneck, Italy	100.00
Oetzi S.R.L.	Bruneck, Italy	100.00
Paltusmäen Tuulivoima Oy	Helsinki, Finland	100.00
Parco Eolico Monte Vitalba S.R.L.	Bolzano, Italy	85.00
Pfeffenhausen-Egglhausen Photovoltaik GmbH	Hamburg, Germany	100.00
Piemonte Eguzki 2 S.R.L.[3)]	Bruneck, Italy	100.00
Piemonte Eguzki 6 S.R.L.[3)]	Bruneck, Italy	100.00
Polesine Energy 1 S.R.L.[3)]	Bruneck, Italy	100.00
Polesine Energy 2 S.R.L.[3)]	Bruneck, Italy	100.00
Progetto Marche S.R.L.[3)]	Bruneck, Italy	100.00
REGIS Treuhand & Verwaltung GmbH für Beteiligungen	Neubiberg, Germany	100.00
REM Renewable Energy Management GmbH	Neubiberg, Germany	100.00
Ribaforada 3 S.R.L.[3)]	Bruneck, Italy	100.00
Ribaforada 7 S.R.L.[3)]	Bruneck, Italy	100.00
Rodbourne Solar Ltd.[3)]	Derby, United Kingdom	100.00
San Giuliano Energy S.R.L.	Bruneck, Italy	100.00
San Martino S.R.L.	Bruneck, Italy	100.00
Sant'Omero Solar S.R.L.[3)]	Bruneck, Italy	100.00
Solaire Ille SARL	Castelnau-le-Lez, France	100.00
Solar Castuera S.L.U.[1)]	Madrid, Spain	100.00
Solar Energy S.R.L.	Bruneck, Italy	100.00
Solar Farm FC1 S.R.L.[3)]	Bruneck, Italy	100.00
Solar Farm FC3 S.R.L.[3)]	Bruneck, Italy	100.00
Solar Park Rødby Fjord ApS	Søborg, Denmark	100.00
Solar Park Svinningegården ApS	Søborg, Denmark	100.00
Solarpark Bad Harzburg GmbH	Hamburg, Germany	100.00
Solarpark Boizenburg I GmbH & Co. KG	Hamburg, Germany	100.00
Solarpark Brandenburg (Havel) GmbH	Hamburg, Germany	100.00
Solarpark Gelchsheim GmbH & Co. KG	Hamburg, Germany	100.00
Solarpark Glebitzsch GmbH	Hamburg, Germany	100.00
Solarpark Gnannenweiler GmbH & Co. KG.	Reußenköge, Germany	56.80
Solarpark Golpa GmbH & Co. KG	Reußenköge, Germany	100.00
Solarpark Lettewitz GmbH	Hamburg, Germany	100.00
Solarpark Lindenhof GmbH[3)]	Hamburg, Germany	100.00
Solarpark Lochau GmbH	Hamburg, Germany	100.00
Solarpark Neuhausen GmbH	Hamburg, Germany	100.00
Solarpark PVA GmbH	Hamburg, Germany	100.00
Solarpark Ramin GmbH	Hamburg, Germany	100.00
Solarpark Rassnitz GmbH	Hamburg, Germany	100.00
Solarpark Roitzsch GmbH	Hamburg, Germany	100.00
Solarpark Staig GmbH & Co. KG	Reußenköge, Germany	75.70
Sowerby Lodge Ltd.[3)]	Derby, United Kingdom	100.00
SP 07 S.R.L.[3)]	Bruneck, Italy	100.00

Company	Registered office	Interest in %
SP 09 S.R.L.[3)]	Bruneck, Italy	100.00
SP 10 S.R.L.[3)]	Bruneck, Italy	100.00
SP 11 S.R.L.[3)]	Bruneck, Italy	100.00
SP 13 S.R.L.[3)]	Bruneck, Italy	100.00
SP 14 S.R.L.[3)]	Bruneck, Italy	100.00
Stern Energy ApS[1)]	Åbyhøj, Denmark	80.00
Stern Energy B.V.	Rotterdam, Netherlands	80.00
Stern Energy GmbH	Halle (Saale), Germany	80.00
Stern Energy Ltd.	London, United Kingdom	80.00
Stern Energy S.p.A.	Parma, Italy	80.00
Stern Energy SAS	Paris, France	80.00
Stern PV2 Srl[3)]	Bruneck, Italy	99.00
Stern PV3 Srl[3)]	Bruneck, Italy	99.00
Stern PV4 Srl[3)]	Bruneck, Italy	99.00
Sun Time Renewable Energy di CHORUS Solar 3. S.R.L. & Co. S.A.S.	Bruneck, Italy	100.00
TC Wind Management GmbH	Neubiberg, Germany	100.00
Todderstaffe Solar Ltd.[3)]	Derby, United Kingdom	100.00
Treia 1 Holding S.R.L.	Bruneck, Italy	100.00
Treponti di CHORUS Solar 3. S.R.L. & Co. S.A.S.	Bruneck, Italy	100.00
Trequite Farm Ltd.[3)]	Derby, United Kingdom	100.00
Trequite Freehold Ltd.[3)]	Derby, United Kingdom	100.00
Trewidland Farm Ltd.[3)]	Derby, United Kingdom	100.00
UAB L-VĖJAS	Vilnius, Lithuania	100.00
UGE Everswinkel GmbH & Co. KG Umweltgerechte Energie[1)]	Lohmen, Germany	100.00
UGE Malterhausen GmbH & Co. KG Umweltgerechte Energie	Hamburg, Germany	100.00
UGE Markendorf Eins GmbH & Co. KG Umweltgerechte Energie	Hamburg, Germany	100.00
UGE Voigtsdorf GmbH & Co. KG Umweltgerechte Energie	Lohmen, Germany	100.00
UK Sol SPV 2 AB[3)]	Gothenburg, Sweden	90.00
UKA Windenergie Portfolio 34 GmbH[1)]	Meißen, Germany	100.00
UVG Umspannwerk Verwaltungsgesellschaft mbH	Neubiberg, Germany	100.00
Vallone S.R.L.	Bruneck, Italy	100.00
Varberg Norra 3 MW AB[3)]	Gothenburg, Sweden	54.00
Windkraft Kirchheilingen IV GmbH & Co. KG	Kirchheilingen, Germany	50.99
Windkraft Olbersleben II GmbH & Co. KG	Olbersleben, Germany	74.90
Windpark Breberen GmbH	Neubiberg, Germany	100.00
Windpark Dahme - Wahlsdorf 3 GmbH & Co. KG	Hamburg, Germany	100.00
Windpark Dannhausen III GmbH & Co. KG[1)]	Nürtingen, Germany	100.00
Windpark Desloch GmbH & Co. KG[3)]	Hamburg, Germany	100.00
Windpark Gauaschach GmbH	Hamburg, Germany	100.00
Windpark Lairg Management GmbH	Neubiberg, Germany	100.00
Windpark Lairg Services GmbH	Neubiberg, Germany	100.00
Windpark Lairg Verwaltungs GmbH	Neubiberg, Germany	100.00
Windpark Schnellwettern GmbH & Co KG	Hamburg, Germany	100.00
Windpark Viertkamp GmbH & Co. KG	Hamburg, Germany	100.00
Wisbridge Solar Ltd.[3)]	Derby, United Kingdom	100.00
Witches Solar Ltd.[3)]	Derby, United Kingdom	100.00

Company	Registered office	Interest in %
WP Dörnbach GmbH & Co. KG[1)]	Hamburg, Germany	100.00
WP Drensteinfurt GmbH & Co. KG	Hamburg, Germany	100.00
WP Niederöfflingen GmbH & Co. KG	Hamburg, Germany	100.00
WP Schieder GmbH & Co. KG[1)]	Hamburg, Germany	100.00
Zonnepark Apeldoorn Bloemenkamp B.V.	Rotterdam, Netherlands	100.00
Zonnepark Apeldoorn IJsseldijk B.V.	Rotterdam, Netherlands	100.00
Zonnepark Budel B.V.[3)]	Rotterdam, Netherlands	100.00
Zonnepark Ermelo Schaapsdijk B.V.	Rotterdam, Netherlands	100.00
Zonnepark Hijken B.V.	Rotterdam, Netherlands	100.00
Zonnepark Houten Oostrumsdijkje B.V.	Rotterdam, Netherlands	100.00
Zonnepark PV12 B.V.	Rotterdam, Netherlands	100.00
Zonnepark PV16 B.V.	Rotterdam, Netherlands	100.00
Zonnepark PV21 B.V.	Rotterdam, Netherlands	100.00
Zonnepark Zierikzee B.V.	Rotterdam, Netherlands	100.00
Joint arrangements		
Promotores Chucena 220 KV C.B.[1)]	Seville, Spain	50.00
Richelbach Solar GbR	Neubiberg, Germany	60.00
Associated entities		
CHORUS IPP Europe GmbH	Neubiberg, Germany	100.00
Gnannenweiler Windnetz GmbH & Co. KG	Bopfingen, Germany	20.00
Pexapark AG	Schlieren, Switzerland	14.00
SECCIONADORA ALMODÓVAR RENOVABLES S.L.[1)]	Málaga, Spain	38.20
Sistema Electrico de Conexion Nudo Don Rodrigo 220 KV S.L.	Seville, Spain	38.64
TokWise OOD	Sofia, Bulgaria	18.00
Other companies		
Mezzaricotta Energia Srl	Parma, Italy	20.00

[1)] Initial consolidation or acquisition of shares/foundation in the 2024 financial year.

[2)] The company is utilising the exemption provisions defined in Section 264 (3) German Commercial Code (HGB) for the 2024 financial year

[3)] Transfer of registered office in the period of preparation of the consolidated financial statements 2024

[4)] Change of name in the period of preparation of the consolidated financial statements 2024

The equity interests are equal to the share of voting rights. CHORUS IPP Europe GmbH is not consolidated despite the majority interest; please refer to note 6.4 for more details.

18 Notification requirements

Encavis AG, Hamburg, Germany, received various notifications pursuant to Section 33 (1) and (2) German Securities Trading Act (WpHG) in the reporting year and published these in accordance with the provisions of Section 40 (1) German Securities Trading Act (WpHG). The stock exchange listing of Encavis AG ended with the delisting on the Frankfurt Stock Exchange and the Hanseatic Stock Exchange in Hamburg, both with effect from the end of 31 January 2025. As a non-listed company, only notifications that exceed the thresholds of 25 % and 50 % set out in Section 20 (1) and (4) for the first time must be disclosed here in accordance with Section 160 German Stock Corporation Act (AktG).

Encavis AG was notified in a letter dated 6 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that Max Viessmann’s share of voting rights exceeded the reporting threshold of 75 % on

4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party has stated that a voting interest of 87.73 % is held by Viessmann Generations Group GmbH & Co. KG. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 6 December 2024 pursuant to Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by KKR SP Limited, Cayman Islands, exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party has stated that 87.73 % of the voting rights are held by Elbe BidCo AG (formerly Blitz 21-823 AG). The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 6 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by KKR Management LLP, USA, exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party has stated that 87.73 % of the voting rights are held by Elbe BidCo AG (formerly Blitz 21-823 AG). The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 6 December 2024 pursuant to Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by Pelaba Consult GmbH, Germany, exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party has stated that a voting interest of 87.73 % is held by ALOPIAS Anlagenverwaltungs GmbH & Co. KG. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 5 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by Friederike Julia Neumann exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that Dr Liedtke Vermögensverwaltung GmbH holds 87.73 % of the voting rights. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 5 December 2024 pursuant to Section 33(1) German Securities Trading Act (WpHG) that the share of voting rights held by Cornelius Carl Liedtke exceeded the reporting threshold of 7 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that Dr Liedtke Vermögensverwaltung GmbH holds 87.73 % of the voting rights. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 4 December 2024 pursuant to Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by PELABA Vermögensverwaltungs GmbH & Co. KG, Germany, exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. The party subject to the notification requirement is not controlled, nor does the party subject to the notification requirement control other companies that hold voting rights in Encavis AG or to which voting rights in Encavis AG are attributed.

Encavis AG was notified in a letter dated 4 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by Sebastian Krüper exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. The party subject to the notification requirement is not controlled, nor does the party subject to the notification requirement control other companies that hold voting rights in Encavis AG or to which voting rights in Encavis AG are attributed.

Encavis AG was notified in a letter dated 4 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by Dr Henning Kreke exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party has stated that a voting interest of 87.73 % is held by Lobelia Beteiligungs GmbH. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified in a letter dated 4 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that Carolin Kaufmann's share of voting rights exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that a voting interest of 87.73 % is held by Krüper GmbH.

Encavis AG was notified in a letter dated 4 December 2024 in accordance with Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by Albert Büll exceeded the reporting threshold of 75 % on 4 December 2024 and amounted to 87.73 % (141,877,423) via indirect voting rights as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party has stated that a voting interest of 87.73 % is held by ABACON Capital GmbH. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified for the first time in a letter dated 23 April 2024 in accordance with Section 33(1) German Securities Trading Act (WpHG) that the share of voting rights held by Friederike Julia Neumann exceeded the reporting threshold of 25 % on 8 November 2022 and, as of that date, amounted to 0.62 % (1,002,431 voting rights) via direct voting rights and 25.03 % (40,308,172) via indirect voting rights, totalling 25.65 % (41,310,603 voting rights). In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that a 25.03 % share of voting rights is held by Dr Liedtke Vermögensverwaltung GmbH. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified for the first time in a letter dated 23 April 2024 pursuant to Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by Cornelius Carl Liedtke exceeded the reporting threshold of 25 % on 8 November 2022 and, as of that date, amounted to 0.93 % (1,500,000 voting rights) via direct voting rights and 25.34 % (40,808,172) via indirect voting rights, totalling 26.27 % (42,308,172 voting rights). In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that a 25.03 % share of voting rights is held by Dr Liedtke Vermögensverwaltung GmbH. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified for the first time in a letter dated 20 March 2024 pursuant to Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by KKR SP Limited, Cayman Island, exceeded the reporting threshold of 30 % on 14 March 2024 and amounted to 31.00 % (49,913,801 voting rights) via other instruments as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that the reported 31.00 % of voting rights is held by Blitz 21-823 AG. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

Encavis AG was notified for the first time in a letter dated 20 March 2024 pursuant to Section 33 (1) German Securities Trading Act (WpHG) that the share of voting rights held by KKR Management LLP, USA, exceeded the reporting threshold of 30 % on 14 March 2024 and amounted to 31.00 % (49,913,801 voting rights) via other instruments as of that date. In the course of the disclosures to be made on the complete chain of controlled companies, the notifying party stated that the reported 31.00 % of voting rights is held by Blitz 21-823 AG. The other controlled companies indicated by the notifying party do not hold any direct or indirect voting rights in Encavis AG.

19 Date of approval for publication

These consolidated financial statements were approved for publication by resolution of the Management Board of Encavis AG dated 29 April 2025.

Hamburg, April 29. 2025

Encavis AG

Management Board

Dr Christoph Husmann

Spokesman of the Management Board and CFO

Mario Schirru

Spokesman of the Management Board and CIO/COO

“Independent auditor’s report

To Encavis AG, Hamburg

Audit Opinions

We have audited the consolidated financial statements of Encavis AG, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Encavis AG, which is combined with the Company’s management report, for the financial year from 1 January to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information.

The other information comprises the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Hamburg, April 29, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christoph Fehling	Christian Eden
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (German Public Auditor)

Glossary

Abbreviations and terms from the energy sector	
BESS	Battery Energy Storage System
C&I	Commercial and Industrial – commercial management
EEX	European Energy Exchange – Energy market for energy and energy-related products based in Leipzig
EKF	Energie- und Klimafonds – Energy and Climate Fund
EPC agreement	Engineering, procurement and construction agreement– form of project in which the contractor hands over a turnkey installation to the customer within an often predefined time frame and budget
FiT	Feed-in tariff
Fit for 55	Package of measures adopted by the EU in order to implement climate targets
IPP	Independent power producer
Offshore	Wind parks built at sea for the generation of electricity
O&M	Operations and Maintenance
OMIP	Operador do Mercado Ibérico de Energia Portugal – Portuguese energy exchange
Onshore	Wind parks build on land for the generation of electricity
PPA	Power purchase agreement – private purchase contract for electricity
PV	Photovoltaics – energy generation from the sun
RE100	Global initiative of companies with the goal of meeting 100 % of the energy needs of member companies with electricity from renewable sources
RED	Renewable Energy Directive
RePowerEU	Plan to rapidly reduce dependence on fossil fuels from Russia and accelerate the ecological transition
Repowering	Power plant modernisation of wind and solar parks to increase electricity generation capacity
Revamping	Power plant renewal of wind and solar parks to maintain existing power generation capacity

Abbreviations and terms relating to business and finance	
AC	Amortised cost – category under IFRS 9 in which financial assets are measured at amortised cost
SOP	Share option programme (share-based payment scheme)
Badwill	Negative goodwill – if the purchase price of an acquired company is less than the value of the assets after deduction of liabilities, the difference must be recognised as income
Cash flow	Economic indicator representing the net inflow of liquid funds during a given period
CFH	Cash flow hedges
COP28	28th Conference of the Parties to the UN Framework Convention on Climate Change
COP29	29th Conference of the Parties to the UN Framework Convention on Climate Change
Due diligence	Careful examination of a company as part of an acquisition
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation EBITDA is calculated as EBIT plus depreciation and amortisation recognised in profit or loss and less reversals of impairment losses on intangible assets and property, plant and equipment recognised in profit or loss
EPC	Engineering, procurement and construction
Equity method	Accounting method under which shares in joint ventures and associated entities are initially recognised at cost and subsequently measured in accordance with the investor's share of the changing net assets of the investee

ESG	Environmental, social, governance
FVOCI	Fair value through other comprehensive income – measurement category under IFRS 9
FVPL	Fair value through profit or loss – measurement category under IFRS 9
FX	Foreign exchange
Goodwill	If the purchase price of an acquired company exceeds the value of the assets after deduction of liabilities, the positive difference must be recognised as goodwill
Hedge accounting	Method of accounting for contracts that are in a hedging relationship
HRB	Handelsregister Abteilung B – German Commercial Register Department B
IAS	International Accounting Standards – international accounting standards that must be applied by publicly traded companies in the European Union
IRE	Initial recognition exemption
Lifetime expected loss	Estimate of expected losses over the entire term of a transaction
MSCI	US financial services provider
Operating	In the Encavis Group, "operating" refers to all key figures that do not contain any IFRS-related valuation effects
Ready-to-build project	Project ready for construction
SCOPE	SCOPE Ratings – a ratings agency
German Securities Trading Act (WpHG)	Wertpapierhandelsgesetz – German Securities Trading Act

Encavis AG
Große Elbstraße 59
22767 Hamburg, Germany
T +49 (40) 3785 620
F +49 (40) 3785 62 129
info@encavis.com

Encavis Asset Management AG
Professor-Messerschmitt-Straße 3
85579 Neubiberg, Germany
T +49 (89) 44230 600
F +49 (89) 44230 6011
assetmanagement@encavis-am.com

www.encavis.com