Annual Report PNE AG **2024**

FUTURE-PROOF GROWTH

PNE
pure new energy

CLEAN ENERGIES

We are a leading **Clean Energy Solutions Provider** – to markets and industries, regionally, nationally and internationally. Our core competencies are the development and operation of renewable energy projects. We also drive the storage of renewable energies and power-to-X technologies. In this way, we consistently pursue the goal of a secure, sustainable and profitable energy supply generated 100% from renewables.

THE PNE GROUP AT A GLANCE

PNE Group key figures

in euro million	01.01. – 31.12. 2024	01.01. – 31.12. 2023	01.01. – 31.12. 2022
Total output	342.6	267.8	243.3
Revenues	210.4	121.5	126.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	69.0	39.9	35.4
Operating profit (EBIT)	35.1	5.7	6.2
Earnings before taxes (EBT)	-2.8	-8.6	23.9
Net income	-13.4	-9.6	14.9
Net income (adjusted)*	10.7	-5.8	-13.3
Basic earnings per share (euro)	-0.18	-0.13	0.20
Average number of shares (million)	76.5	76.3	76.3

in euro million	31.12.2024	31.12.2023	31.12.2022
Equity as of 31.12.	194.6	208.1	232.2
Equity as of 31.12. (adjusted)*	218.7	211.9	204.0
Equity ratio as of 31.12. (%)	15.4	18.9	25.2
Equity ratio as of 31.12. (%) (adjusted)*	17.3	19.2	22.2
Balance sheet total as of 31.12.	1,263.7	1,101.7	920.3

* Adjusted for subsequent measurements of the interest rate swaps and KfW loan liabilities in accordance with IFRS (see 2.5.1 Earnings)

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Heiko Wuttke
Chief Executive Officer

Harald Wilbert
Chief Financial Officer

Roland Stanze
Chief Operations Officer

Per Hornung Pedersen
Board Member

FOREWORD OF THE BOARD OF MANAGEMENT

Dear Shareholders,

PNE AG has had an eventful and successful year 2024:

Eventful, because there was a complete change at the level of the Board of Management. With Heiko Wuttke (CEO), Harald Wilbert (CFO) and Roland Stanze (COO), we believe that we are now ideally equipped for the future of the PNE Group. The Supervisory Board is also fully staffed once more: Dirk Simons joined the Board in November 2024 and took over as Chairman on 1 January 2025.

2024 was a successful year because we managed to achieve encouraging operating results: we were just as successful with the sale of wind farms and PV power plants as we were with the sale of our US business and our Swedish companies. Nevertheless, we have managed to keep the project pipeline stable. Our own generation portfolio and power generation have continued to grow and services have also developed strongly.

As a result of all this, we have significantly exceeded our guidance for the 2024 financial year. And, of course, we are very satisfied with this result, especially in light of the challenging market environment with delayed transport licences and delivery difficulties for manufacturers, increased costs and low electricity prices.

Adjustment of our corporate strategy

The PNE Group has grown very quickly in recent years and has developed strongly in the process. From a pure project development company, we have become a Clean Energy Solutions Provider, a provider of solutions for clean and safe energy.

The strategic focus on the three segments of project development, power generation and services is the right way to go. Through the integrated business model, the three segments can benefit from each other, generate synergies and thus offer significant growth potential for the enterprise.

However, the market environment has changed considerably since 2022: interest rates have risen sharply and electricity prices have fallen significantly. In addition, the costs for machines, materials and personnel have increased significantly. This has prompted us to review our corporate strategy and adapt it to current circumstances.

We create a balanced mix between the development of our own generation portfolio and the sale of projects. In this way, we optimise value creation and cash flow, strengthen our financial position and combine medium-term growth potential with short-term profitability. The basic strategic orientation remains unchanged.

This means that we will also sell more projects than before in the markets that were primarily intended for our own generation portfolio at different stages of project development.

We are also optimising our pipeline by focusing on profitable core markets that are aligned with our business model. We will exit markets that do not fulfil our return expectations. We began this process in mid-2024 with the sale of our US business and continued with the sale of projects and companies in the UK and Sweden. Further markets are to follow in 2025. Nevertheless, our three segments as well as different technologies and regions ensure that our business remains sufficiently diversified.

As a result of the strategy adjustment, we are planning our own generation portfolio with a total output of around 1.1 GW in operation or under construction by the end of 2027. Long term, we stick to our previously planned own generation portfolio of 1.5 GW in operation or under construction. We also expect EBITDA of around EUR 140 million with an equity ratio of at least 20%. The high-quality project pipeline should remain at a constant level of at least 10 GW to 15 GW.

Sales of wind energy and photovoltaic projects pave the way for success

In total, PNE sold six wind energy and photovoltaic projects with a total output of 751.3 MW (prior year: 383.8 MW) in Germany and on the international markets last year. In Germany, we sold the repowering projects Papenrode with 59.4 MW and Nordleda with 10.4 MW, as well as the Lütau wind farm with 28.5 MW. Internationally, we sold a wind energy project with 210 MW and a photovoltaic project with 100 MWp in Canada, two photovoltaic projects with a total output of 300 MWp in South Africa and the 43 MW Sallachy wind farm in Scotland.

"We create a balanced mix between the development of our own generation portfolio and the sale of projects."

Heiko Wuttke, Chief Executive Officer

USA business and Swedish companies sold

In 2024, we were able to complete the sale of our US business. We sold both the companies and the projects. The investments made in the USA via earnout payments can result in a positive impact on the Group's earnings and liquidity situation over the next five years, in addition to the initial payment in the single-digit million range, depending on how the projects are implemented and the development of politics in the US.

At the end of 2024, we sold the Swedish companies of the PNE Group to a Norwegian energy supply company. Here, too, the sale included the project pipeline as well as the companies.

Project pipeline stable despite sales

At the end of 2024, the companies of the PNE Group were working on onshore wind farm projects with 9.9 GW (prior year: 9.2 GW) of nominal output to be installed, which are in different phases of the multi-year development process. This expansion compared with the previous year was achieved despite the ongoing realisation and sale of projects.

The photovoltaics (PV) project pipeline fell to projects with a nominal output of 6.5 GWp in the reporting period (prior year: 7.4 GWp). This is primarily due to the sale of projects – 1.4 GWp left the pipeline as a result of the sale of the US business alone.

The onshore project pipeline thus remained stable at 16.4 GW (prior year: 16.6 GW) despite the sales. In our core markets of Germany, France and Poland, we were even able to increase them significantly, from 5.9 GW to 7.5 GW.

The total pipeline consisting of onshore wind, PV and offshore wind totalled 18.9 GW (prior year: 19.1 GW).

Own generation portfolio also expanded outside Germany

The expansion of our own generation portfolio continued in 2024. After the completion and acquisition of further wind farms, the nominal capacity of the wind farms operated by the Company increased from 375.4 MW to 428.5 MW. With the Saint-Aubin-du-Plain wind farm in France, the first wind farm outside Germany has now also been transferred to our own operations. Growth as an independent power producer (IPP) will continue in the coming years.

"We clearly exceeded the guidance. And we are very satisfied with this result."

Harald Wilbert, Chief Financial Officer

Services segment continues to grow

The further expansion of our services business – and the power generation segment – also further increases the share of steady earnings in our Company. The PNE Group is broadly positioned in the market with its services. We were able to further expand the national and international business of operations management and technical services in 2024. Overall, the nominal capacity of the wind farms we manage rose to more than 2.9 GW. Around 1,000 plants are now in operational management.

In addition, we are extremely successful with our service in the brokerage of short- and long-term power purchase agreements (PPAs). In the meantime, we have successfully supported 137 projects. In 2024 alone, we concluded PPAs for 45 wind and PV project companies with a total output of 524.2 MW.

Guidance significantly exceeded

The success in the operational area was reflected favourably in the Company's development. As a result, we increased total output to EUR 342.6 million (prior year: EUR 267.8 million) and thus achieved the best figure in the Company's history. We significantly exceeded the original EBITDA guidance of EUR 40 to 50 million with EUR 69.0 million (prior year: EUR 39.9 million). This enormous increase is due to higher than expected earnings contributions from the power generation and services segments as well as from project sales.

The operating result (EBIT) in the 2024 financial year was EUR 35.1 million (prior year: EUR 5.7 million), while basic earnings per share were EUR −0.18 (prior year: EUR −0.13).

The Group's liquidity reached around EUR 91.6 million at the end of 2024 (prior year: EUR 90.4 million), while the equity ratio fell to 15.4 % (prior year: 18.9%).

Dividend proposed

For the 2024 financial year, the Board of Management and the Supervisory Board propose that a dividend of EUR 0.04 as well as a special dividend of EUR 0.04 for each no-par-value share entitled to a dividend in the 2024 financial year be distributed from PNE AG's retained earnings totalling EUR 273,835,042.55. The remaining retained earnings shall be carried forward to a new account.

WKN becomes PNE

With PNE and WKN, the PNE Group has two established brands that offer holistic solutions in the field of project planning and operation of wind farms. WKN GmbH has been part of the PNE Group since 2013. Now we have merged at brand level what belongs together, and integrated the WKN brand into the PNE brand. This joint presence unifies the brand image, sharpens perception and further strengthens our market position in the field of renewable energies. WKN GmbH has thus become PNE Erneuerbare Energien GmbH. The Company itself will continue to exist for the time being.

Non-financial report

PNE AG again submitted its separate non-financial report for the 2024 financial year. This describes our developments and progress in the area of sustainability. In addition to environmental aspects, this also includes our social commitment and responsible corporate management. Sustainability is a major part of the PNE Group's business model and is firmly anchored in the enterprise. As a Clean Energy Solutions Provider, we promote the use of renewable energies. With this sustainable business model, we make an important contribution to climate protection. At the same time, we are committed to responsible corporate governance along our entire value chain. In our day-to-day business, we take into account not only economic interests but also environmental, social and societal concerns. The non-financial report is part of this annual report.

An optimistic view of the future

With the adjustment of the strategy and the resulting robust growth, PNE is on the right track. We are now continuing to focus the organisation on this and are very optimistic.

In the coming years, we will continuously expand our own generation portfolio and grow as an independent power producer (IPP). We are increasing profitability through project sales in Germany and the international markets.

In finacial 2025, as in prior years, we will have further upfront expenditure in the low single-digit million range for the strategic expansion of the business model. We expect an increase in Group EBITDA of between EUR 70 and 110 million in respect of our guidance for the 2025 finacial year.

We would like to thank you for your support in the past and would be delighted if you would continue to accompany us on our journey in the future.

Yours sincerely

The Board of Management

Heiko Wuttke
Chief Executive Officer

Harald Wilbert
Chief Financial Officer

Roland Stanze
Chief Operations Officer

Per Hornung Pedersen
Board Member

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

PNE AG has had a very successful 2024 financial year. The Company has responded correctly to the challenges of the market and defied the still existing geopolitical challenges. This resulted in a positive consolidated result (EBITDA) that is well above the guidance. To ensure that this remains the case, PNE AG is adjusting its strategy as a Clean Energy Solutions Provider. The project development, power generation, and services segments continue to characterise the strategic direction. Power generation is slowing down slightly, and we are selling slightly more projects than before. This also applies to the markets that were previously earmarked for the development of the Company's own generation portfolio. This creates robust growth characterised by profitability and a healthy balance sheet. The path we have now embarked on is correct and promising.

There were major changes to the Board of Management and the Supervisory Board in 2024. As planned, Harald Wilbert assumed the position of CFO from Jörg Klowat on 1 April 2024. After our long-standing CEO Markus Lesser announced his intention to leave the Company in mid-2024 for personal reasons, there was an interim phase from 1 August 2024. During this phase, Per Hornung Pedersen took over the role of CEO and therefore left the Supervisory Board. A PNE veteran with many years of experience as a department head, Roland Stanze moved into the newly created position of COO. This constellation combined new impulses with enormous expertise from the Company and ensured that this change was well managed. Marc van't Noordende

Dirk Simons
Chairman of the Supervisory Board

took on the role of Chairman of the Supervisory Board during this period. The Supervisory Board therefore temporarily consisted of only six members, however. The Supervisory Board was complete again as of 1 November 2024. Dirk Simons joined initially as a Member of the Board of Management and from 1 January 2025 became Chief Executive Officer. A few days later, the interim phase of the Board of Management also came to an end. Heiko Wuttke took over as Chief Executive Officer on 13 January 2025. Since that date, the Board of Management has been made up of four members, since Per Hornung Pedersen will remain as a Member of the Board of Management without a specific portfolio until 31 March 2025. This ensures a good handover. We look forward to working with Heiko Wuttke and say "Welcome to PNE". We are convinced that the three Board of Management members will together advance PNE and successfully implement the adjusted strategy. Together, they fulfil all the requirements.

We would like to thank Markus Lesser for his many successful years as Chief Executive Officer and Member of the Board of Management, and Jörg Klowat for his many years of service as Chief Financial Officer and his continued support in an advisory capacity to PNE AG. We wish them both all the best for their future professional and personal endeavours. We would also like to thank Per Hornung Pedersen, who ot only took on responsibility for PNE AG and its employees during the transition phase, but also successfully guided the company through this period. In his role as Chief Executive Officer of the Supervisory Board from May 2017 to July 2024, he also showed great commitment to the interests of PNE and played a key role in driving forward the Company's transformation into a Clean Energy Solutions Provider. We wish him all the best for his further path in life.

The Supervisory Board held a total of 14 ordinary meetings in the 2024 financial year: on 17 January (in person/video conference), 5 February (video conference), 7 March (in person/video conference), 15 March (in person/video conference), 6 May (video conference), 7 May (in person/video conference), 29 May (in person/video conference), 30 May (in person), 18 July (in person/video conference), 30 August (video conference), 9 September (in person/video conference), 10 September (in person/video conference), 22 November (video conference) and 17 December 2024 (in person/video conference). With the exception of Marc van't Noordende, Dr Susanna Zapreva and Dirk Simons, the Supervisory Board members attended all meetings. Marc van't Noordende, Dr Susanna Zapreva and Dirk Simons were unable to attend one meeting.

The Supervisory Board's activities in the 2024 financial year focused on the continuous exchange of information with the Board of Management on the following topics:

- the reporting and discussions concerning the annual and the consolidated financial statements as of 31 December 2023,
- the developments on the energy markets, in particular due to the effects of the war in Ukraine,
- the preparation of the Annual General Meeting on 30 May 2024,
- the adoption of the remuneration systems for the Board of Management and the Supervisory Board, which were submitted to the Annual General Meeting of shareholders for approval on 30 May 2024,
- the continuous exchange of information with the Board of Management regarding corporate governance in the time of the energy crisis,
- the medium-term corporate planning of the PNE Group,
- the status of the digitalisation of the PNE Group,
- the reporting on the development of current and planned business transactions,
- the reporting and advice regarding the Company's strategic further development and the analysis of the shareholder structure,
- the discussions regarding the effects resulting from the changes in markets for renewable energies,
- the determination of the targets relevant for performance-related compensation of the Members of the Board of Management, and
- the resolution on the issuance of the declaration of compliance with the German Corporate Governance Code.

In particular, the Supervisory Board addressed the strategic alignment of the Company and the future direction of the business model.

In accordance with the recommendation of the German Corporate Governance Code (GCGC), the Supervisory Board has a sufficient number of independent members and has confirmed that four incumbent members are independent.

The Annual General Meeting on 30 May 2024 was held in Cuxhaven as an in-person event only. It resolved the official approval of the actions of the Supervisory Board members for the 2023 financial year. For the efficient performance of its duties, the Supervisory Board has established a personnel committee, a nomination committee and an audit committee.

The Personnel Committee met jointly with the Nomination Committee. In the 2024 financial, it met for a total of five meetings: on 14 March (in person), 9 April (video conference), 29 May (in person/video conference), 17 June (video conference) and 17 July (video conference). All committee members participated in the meetings.

The topics of the meetings included:

- the target agreements for the Members of the Board of Management,
- the replacement of the position of Chief Executive Officer and the negotiation of a Board of Management service contract with Heiko Wuttke,
- the negotiation of a Member of the Board of Management service contract with Roland Stanze,
- the remuneration system as well as the preparation of remuneration reports for the Board of Management and the Supervisory Board,
- adapting the organisational structure to support the corporate strategy, and
- the appointment of Dirk Simons as the new Chairman of the Supervisory Board.

The Audit Committee met in four meetings: on 14 March (in person/video conference), 7 May (video conference), 12 August (video conference) and 5 November 2024 (video conference). All committee members participated in the meetings. The topics of these meetings were the audit of the annual financial statements as of 31 December 2023, the discussion of the half-yearly financial report and the quarterly statements of 2024,as well as the related recommendations to the Supervisory Board for the adoption of relevant resolutions.

The Supervisory Board performed the duties incumbent upon it in accordance with law, the articles of association and the rules of procedure. It regularly advised the Board of Management concerning the management of the Company and supervised its activities. The Supervisory Board was directly involved in all decisions of fundamental importance to the Company. The Supervisory Board was regularly informed in a timely and comprehensive manner about current business developments and the Company’s net assets, results of operations and financial position, as well as about planned business policy and other fundamental corporate planning issues, particularly with regard to financial, investment and personnel planning, by means of written reports and, at its meetings, by means of written and oral reports from the Board of Management. These various topics were discussed extensively by the Board of Management and the Supervisory Board.

The Supervisory Board also inspected and examined the books, records and statements of assets. Particular attention was also paid to the future liquidity planning and the financing structure of PNE AG and the Group. Moreover, the Supervisory Board was kept informed via its Chairman regularly in the context of individual meetings with the Board of Management.

The Supervisory Board examined in detail all transactions and measures requiring its consent due to the legal provisions, the articles of association and the internal regulations of the Board of Management and adopted relevant resolutions.

No conflicts of interest regarding the Members of the Board of Management and of the Supervisory Board were reported in the year under review, nor did such conflicts become apparent.

The annual financial statements of PNE AG, the consolidated financial statements as well as the management report of PNE AG and of the Group were drawn up on schedule by the Board of Management. The auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Bremen, appointed by the Annual General Meeting on 30 May 2024, audited these statements and the accounting documents and issued an unqualified audit opinion on the annual financial statements and the consolidated financial statements as well as on the combined management and group management report.

In addition, the Board of Management prepared a report on the Company’s relations with affiliated companies, which it presented, together with the audit report prepared by the auditors, to the Supervisory Board. The auditor has issued the following opinion on the reporting:

“Following our mandatory review and evaluation, we confirm that:

1. the factual information contained in the report is correct, and

2. the total performance of the Company was not unreasonably high in the legal transactions listed in the report.”

The Supervisory Board issued the mandate for the audit of the 2024 financial statements on 20 December 2024, following submission of the required declaration of independence.

The Supervisory Board has specified key topics for the audit of the financial statements of PNE AG and the Group for the 2024 financial year.

The financial statements of PNE AG, the consolidated financial statements, the combined management and group management report of PNE AG for the 2024 financial year, the report on the Company's relations with affiliated companies and the audit reports of the auditors were made available on schedule to all Supervisory Board members prior to the meeting on the financial statements on 21 March 2025. The documents were comprehensively examined and discussed by the members of the Supervisory Board at the meeting of the Audit Committee on 21 March 2025 and at the meeting on the financial statements. The Chairman of the Audit Committee provided the full Supervisory Board with a report on the treatment of the annual financial statements and the consolidated financial statements as well as the report on relationships with affiliated companies together with its audit report in the Audit Committee at the balance sheet meeting. Representatives of the auditor took part in the meeting on the financial statements and reported on the key findings of the audit, focusing in particular on the key audit matters and the audit procedures performed. There were no objections. All questions of the Supervisory Board were answered fully following the reports from the Board of Management and the auditors. The Supervisory Board, after its own comprehensive examination of the annual financial statements, the consolidated financial statements, the combined management and group management report and the report on the relations with affiliated companies (including the final declaration of the Board of Management), as well as based on the recommendations of the Audit Committee, consented to the result of the audits by the auditors.

The Supervisory Board approved the annual financial statements as of 31 December 2024 of PNE AG and the consolidated financial statements as of 31 December 2024. The annual financial statements have thus been confirmed. The proposal of the Board of Management regarding the appropriation of profits was reviewed and approved by the Supervisory Board in accordance with the interests of the Company and the shareholders. In addition, the Supervisory Board accepted the final declaration of the Board of Management in the report on the Company's relations with affiliated companies.

The rules and obstacles that could make it difficult for third parties to take over and exercise control of the company have been reviewed and evaluated by the Supervisory Board. The Supervisory Board does not consider any changes to be necessary in this respect.

PNE AG is required to submit a separate non-financial report for the 2024 financial year. The Supervisory Board dealt with the separate non-financial report on 31 December 2024 prepared by the Board of Management. After its examination, the Supervisory Board had no objections.

The Supervisory Board wishes to thank the members of the Board of Management as well as all employees of PNE Group for their outstanding commitment and responsible and successful work during the 2024 fiancial year.

Cuxhaven, 21 March 2025

Dirk Simons

OWN OPERATIONS: ZAHRENHOLZ

When realising its wind farm projects, the PNE Group attaches great importance to the participation of citizens and local authorities. The non-profit organisation "Pro-Wind-Zahrenholz" was founded in Zahrenholz back in February 2021. The organisation's work focuses on promoting local culture and investing in the future.

SIX
WIND TURBINES

21.6 MW
RATED POWER

FUTURE-PROOF GROWTH

We supply solutions for clean energy

With the projects we develop and operate, we make an important contribution to avoiding climate-damaging emissions. With our complete range of services in the areas of wind energy and photovoltaics, we ensure that the expansion of clean energies moves forward a step faster – for a better climate worldwide. In addition, we will cover the markets of the future. In this way, we are consistently pursuing the goal of a secure, sustainable and profitable energy supply generated 100% from renewables.

PROJECT DEVELOPMENT

- Onshore and offshore wind energy
- Photovoltaics (PV)
- Hybrid solutions (wind, PV and/or battery/hydrogen storage)

POWER GENERATION

- Establishment and operation of our own strategic generation portfolio

SERVICES

- Technical and commercial management
- Construction management and grid connection
- Financial services
- Technical tests
- Energy supply services

Our integrated business model provides growth and resilience

Our project development, power generation and services products segments cover a significant part of the renewables value chain. Through the integrated business model, the segments can benefit from each other, generate synergies and thus offer significant growth potential for the enterprise. In addition, our business model is diversified across multiple technologies and markets, making it robust and resilient to risks.

In the project development segment, we have access to projects from the first project phase onwards and can build up our own power generation portfolio independently of the market without having to buy in projects at high cost. By offering solutions for all phases of the value chain, we remain involved even after the projects have been sold. In this way, we generate additional income. In turn, our services open up access to new repowering projects. And not to be forgotten: the stable earnings we generate through the power generation segment.

> **"We are optimising our pipeline by focusing more strongly on profitable core markets that are aligned with our business model."**
>
> **Roland Stanze,**
> Chief Operations Officer

PNE has reached a new order of magnitude

Since 2017, we have successfully evolved from being a project developer in the field of wind energy to a Clean Energy Solutions Provider. The transformation of our business model is complete:

- We have grown profitably through the increase in volume in project development and wind farm management and reduction in costs through economies of scale.
- We have positioned ourselves more broadly by increasing technology-related and geographical diversification and deepening value creation to secure attractive margins currently and in the future, for example by adding PV and building up expertise in hydrogen.
- We have significantly reduced volatility and increased predictability through the significant increase in stable, recurring income and cash flows through organic as well as inorganic growth and the expansion of our own generation portfolio.

Our business model is adaptable

The market environment is constantly changing. Increased interest rates and investment costs as well as lower electricity prices are currently posing challenges for the sector. We set the right course early on with our strategic development.

Accordingly, we will continue to adhere to our proven and successful business model, but will constantly develop and optimise it in line with developments in the market environment and economic conditions.

Even stronger focus on profitability

We want to invest further in our generation portfolio and exploit the market opportunities of the expansion of clean energies while minimising the risks. Our goal is to establish and expand a stable, plannable and increasing profit stream at low cost and to continuously increase the value of the Company in this way.

In future, we will focus even more strongly on the profitability of our business.

To this end, we are creating a balanced mix between the development of our own generation portfolio and the sale of projects by recalibrating the pace of development. In this way, we optimise value creation and cash flow and combine medium-term growth potential with short-term profitability. This means that we will also sell more projects than before in the markets that are primarily intended for our own generation portfolio at different stages of project development.

We are also optimising our pipeline by focusing on profitable core markets that are aligned with our business model. We will exit markets with lower profitability. Nevertheless, our three segments and different technologies and regions ensure that our business remains sufficiently diversified.

This strengthens our profitability in the short term and at the same time our balance sheet and capital structure. This will secure our growth potential in the long term.

OUR 2027 TARGETS

We are aiming for ambitious growth and EBITDA targets by the end of 2027 in conjunction with healthy balance sheet and profitability ratios.

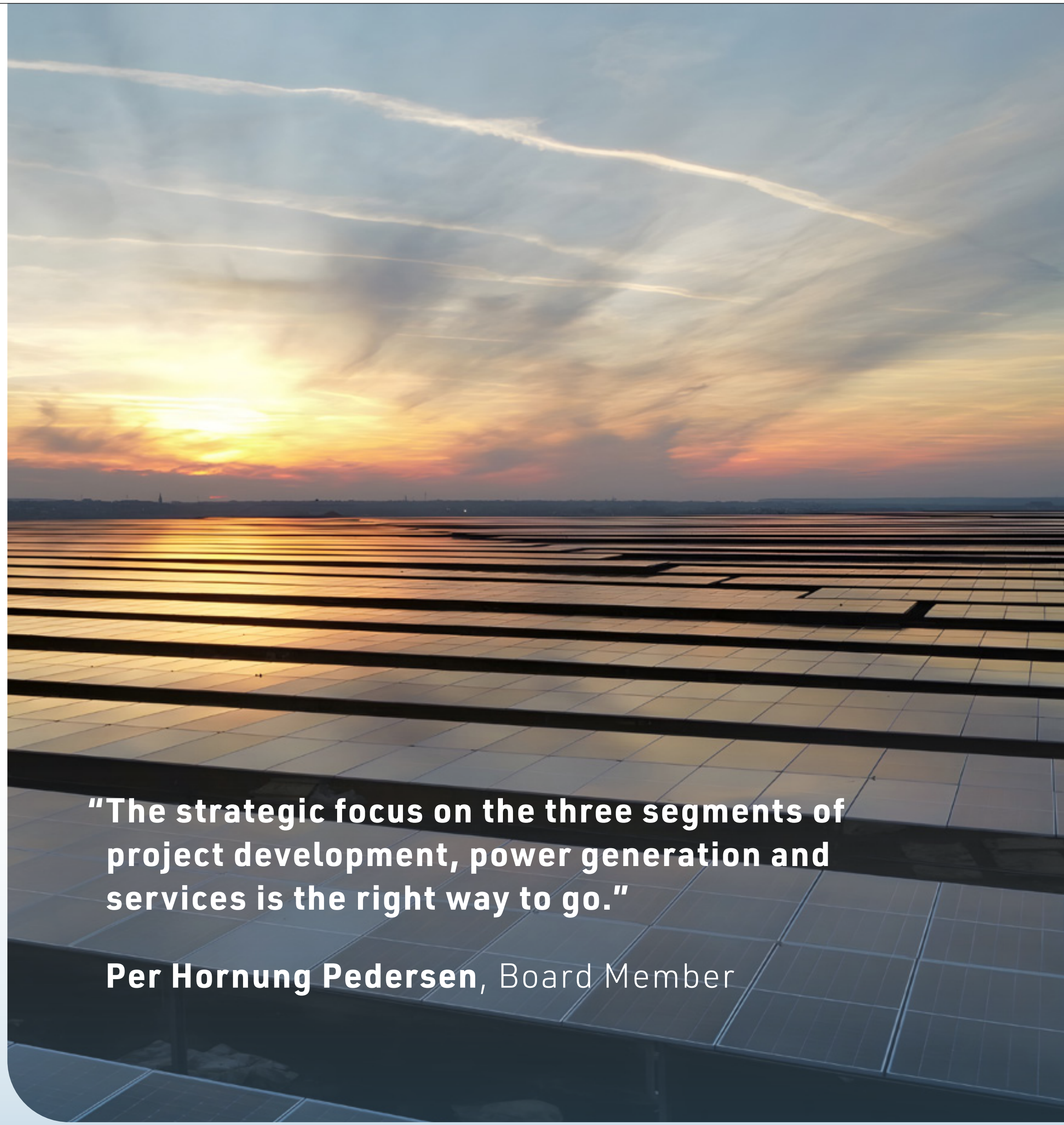
~1.1
GW
IPP portfolio

~140
in euro million
EBITDA

≥10–15
GW
pipeline

≥20
%
equity ratio

~3.5
GW
O&M



OWN OPERATIONS: GROSS OESINGEN

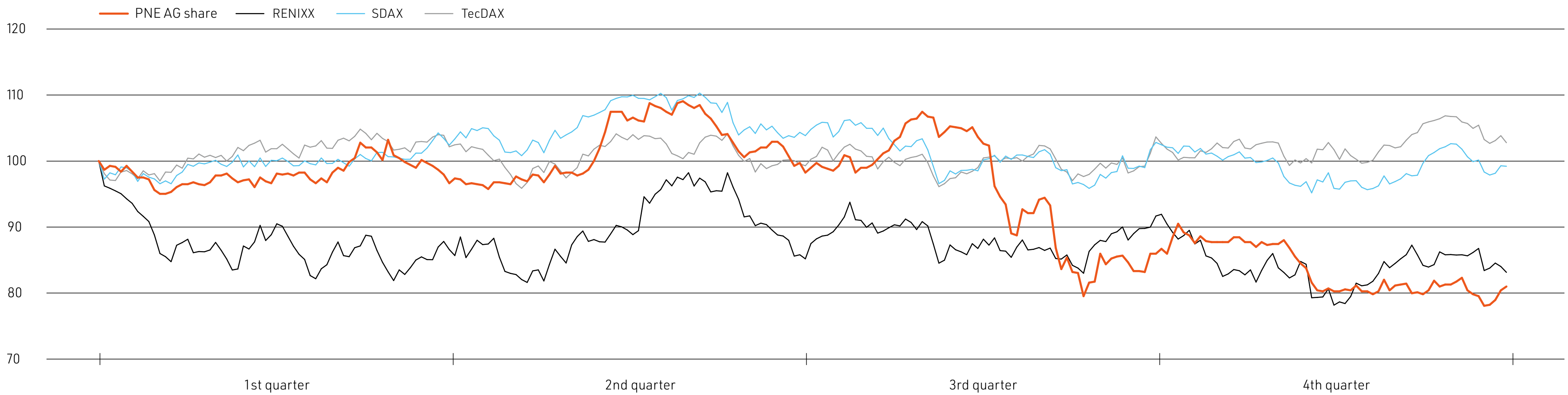
Environmental and nature conservation measures played a decisive role in project development. Sensitive habitats, such as bird migration routes, were already taken into consideration when selecting the location. In addition, necessary protective measures for endangered animal and plant species as well as ecological compensation measures were implemented.

NINE
WIND TURBINES

32.4 MW
RATED POWER

CAPITAL MARKET INFORMATION

PNE share vs. RENIXX, SDAX and TecDAX indexed to 100%



SHARE

The PNE AG shares started the 2024 stock market year on 2 January 2024 with an opening price of EUR 13.96. After a lateral movement between EUR 13.00 and EUR 14.00 in the first months of the year, it reached its highest annual rate on 31 May 2024 at EUR 14.92. However, the PNE share subsequently suffered losses, reaching its annual low of EUR 10.68 on 19 December 2024 and closing the stock market year 2024 on 30 December at EUR 11.08 and a market capitalisation of just under EUR 850 million.

TREASURY SHARES

In the 2nd quarter of 2024, PNE AG sold its holdings of its own 266,803 teasury shares on the stock exchange at an average selling price of EUR 13.48. The sale proceeds of around EUR 3.6 million are to be used to further develop the Company's own power generation portfolio.

CORPORATE BOND 2022/27

In June 2022, PNE AG placed a corporate bond 2022/27 (ISIN: DE000A30VJW3) with a volume of EUR 55 million and a coupon of 5.0%. The aim of this measure was to improve the financing structure and to finance measures of external and internal growth as well as general business purposes. The bonds have been trading on the Open Market of the Frankfurt Stock Exchange since 23 June 2022.

In the reporting period, the corporate bond 2022/27 was largely traded between 95.0% and 100.0%. On the last trading day of the year, 30 December 2024, its price was 97.5%.

The annual interest rate of the corporate bond is 5.0%. This percentage increases by 0.5% if the "consolidated equity ratio according to the bond conditions" (calculation: (consolidated equity plus defined hidden reserves)/(consolidated total assets plus defined hidden reserves)) is less than 20.0% on 31 December of a financial year. The consolidated equity ratio calculated according to these conditions was approximately 26.7% as of 31 December 2024.

SHAREHOLDER STRUCTURE

On 31 December 2024, the total number of shares issued by PNE AG amounted to 76,603,334. According to the published voting rights notifications, this results in the following shareholder structure as of 13 March 2025:

Shareholder	Share	
Morgan Stanley	50.06%	holds 50.06% of PNE shares and a further 0.01% of the voting rights through other instruments, totalling 50.07% of the voting rights Photon Management GmbH holds 48.03% of the voting rights. The remaining 2.03% of the voting rights relate in whole or in part to client securities.
Active Ownership	12.05%	holds 12.05% of PNE shares and a further 1.96% of the voting rights through other instruments, totalling 14.01% of the voting rights
Samson Rock	9.99%	holds 9.996% of PNE shares and a further 0.03% of the voting rights through other instruments, totalling 10.03% of the voting rights
JPMorgan Chase	5.27%	holds 5.27% of PNE shares and a further 1.05% of the voting rights through other instruments, totalling 6.32% of the voting rights
ENKRAFT	4.96%	
Union Investment	3.57%	holds 3.57% of PNE shares and a further 1.13% of the voting rights through other instruments, totalling 4.70% of the voting rights
Goldman Sachs	0.97%	holds 0.97% of PNE shares and a further 6.41% of the voting rights through other instruments, totalling 7.37% of the voting rights

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ANNUAL GENERAL MEETING

The Annual General Meeting of PNE AG took place as an event with personal attendance in Cuxhaven on 30 May 2024.

The shareholders voted overwhelmingly in favour of the proposal of the Board of Management and Supervisory Board to distribute a dividend of EUR 0.04 and also a special dividend of EUR 0.04 per eligible share.

The proposal for a resolution to relieve the members of the Board of Management Markus Lesser (CEO) and Harald Wilbert (CFO) as well as Jörg Klowat, who was the Company's Chief Financial Officer until 31 March 2024, received unanimous approval from the shareholders. In addition, the shareholders decided with a clear majority to give formal approval to the actions of the Supervisory Board. There were no elections to the Supervisory Board in 2024.

Moreover, KPMG AG Wirtschaftsprüfungsgesellschaft, Bremen, was elected by a large majority as the new auditor for the 2024 financial year and as the Group auditor for the 2024 financial year.

The necessary 75% majority was not reached for the proposal to create new authorised capital.

The Annual General Meeting also approved the compensation report by a large majority.

KEY SHARE DATA (AS OF 31 DECEMBER 2024)

WKN (securities code)	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	76,603,334
Market segment	Prime Standard
Indices	SDAX, TecDAX, CDAX, MSCI Small Cap Index
Designated sponsors	ODDO BHF, Baader Bank
Reuters	PNEGn
Bloomberg	PNE3

FINANCIAL CALENDAR

09.05.2025	Publication of Quarterly Statement Q1 2025
13.05.2025	Annual General Meeting 2025
14.08.2025	Publication of Half-Year Financial Report 2025
13.11.2025	Publication of Quarterly Statement Q3 2025
November 2025	Analyst Conference, Frankfurt

ADDITIONAL INFORMATION

Further detailed information about PNE AG and a comprehensive presentation of the business model are available on our website ↗ **www.pnegroup.com**. The Investor Relations section shows current dates on PNE shares, annual and half-year financial reports, quarterly statements and press releases as well as background information about PNE AG.

NON-FINANCIAL REPORT

ABOUT THIS REPORT

This report is the non-financial Group report (hereinafter: non-financial report) of the PNE Group for the financial year 2024. As the Corporate Sustainability Reporting Directive (CSRD) had not been transposed into national law at the end of 2024, the PNE Group reports in accordance with the requirements of the German CSR Directive Implementation Act (CSR-RUG) pursuant to Sections 315 b and 315 c in conjunction with Sections 289 b to 289 e of the German Commercial Code (HGB). Building on the 2023 non-financial report, which was prepared with reference to the reporting standards of the Global Reporting Initiative (GRI), the PNE Group is publishing the 2024 non-financial report in accordance with the European Sustainability Reporting Standards (ESRS). Reporting is carried out with reference to the ESRS framework, which will be mandatory in future with the CSRD. The ESRS replace the previously used GRI standards and offer stakeholders a more comprehensive and transparent disclosure of non-financial information on the sustainability performance and social responsibility of companies. In this report, the ESRS comprise the cross-reporting standard ESRS 2 “General disclosures” and seven topic-specific standards for environmental, social and governance (ESG):

- ESRS E1 Climate change
- ESRS E4 Biodiversity and ecosystems
- ESRS E5 Resource use and circular economy
- ESRS S1 Own workforce
- ESRS S2 Workers in the value chain
- ESRS S3 Affected communities
- ESRS G1 Business conduct

SUPERORDINATE STANDARDS

ESRS 1	ESRS 2
→ General requirements	→ General disclosures

TOPIC-SPECIFIC STANDARDS

Environment

ESRS E1	ESRS E2	ESRS E3	ESRS E4	ESRS E5
→ Climate change	→ Pollution	→ Water and marine resources	→ Biodiversity and ecosystems	→ Resource use and circular economy

Social

ESRS S1	ESRS S2	ESRS S3	ESRS S4
→ Own workforce	→ Workers in the value chain	→ Affected communities	→ Consumers and end-users

Governance

ESRS G1
→ Business conduct

For further information on the ESRS disclosure requirements and data points covered in the non-financial report, please refer to the ↗ **index under ESRS 2 IRO-2**.

The report also includes the legal requirements in accordance with Article 8 of the Taxonomy Regulation (EU) 2020/852 on developments and progress in the area of sustainability in the 2024 financial year.

All information and data relate to the year 2024, the reporting period corresponds to the calendar year (1 January to 31 December). Unless otherwise indicated, all information refers to the entire PNE Group.

The non-financial report is not subject to an audit by an auditor and is approved by the Board of Management and Supervisory Board of the PNE Group.

1. GENERAL DISCLOSURES (ESRS 2)

1.1 Basis for preparation

The PNE Group is a developer and operator of projects in renewable energies. Sustainability is a central part of the business model and is firmly anchored in the company. Our project development, power generation and services segments cover a significant part of the renewables value chain. Through the integrated business model, the segments can benefit from each other, generate synergies and thus offer significant growth potential for the PNE Group. In addition, the business model is diversified across multiple technologies and markets, making it robust and resilient to risks.

The PNE Group currently has more than 700 employees in 14 countries in Europe, Africa, North America and Asia. As a Clean Energy Solutions Provider for regional markets and industries, both nationally and internationally, the company always keeps an eye on the entire renewable energies value chain. In addition to wind energy and photovoltaics (PV), power-to-X (PtX) solutions in particular are essential components of the corporate strategy. This will enable the company to enter the mobility, heating and supply sectors with raw materials from clean energies (hydrogen and derivatives, sector coupling). It involves extending the value chain to include PtX projects in connection with wind farms, PV plants and energy storage systems. In order to supply the sectors with energy safely, the PNE Group also develops isolated solutions, i.e. self-sufficient clean-energy plants that are independent of the electricity grid. PNE utilises the knowledge gained from global projects in order to generate energy at a local level in the most efficient and resoucre-conserving way.

With this sustainable business model, the PNE Group makes an important contribution to climate protection. As part of responsible corporate governance along the value chain, environmental, social and societal concerns are taken into account alongside economic interests.

The PNE Group aspires to be a pioneer and thought leader in the renewable energies sector. Under the vision of a climate-neutral energy supply, new and innovative solutions are constantly being sought. As part of the corporate strategy, investments will be made in the PNE Group's generation portfolio as well as in new markets and technologies. Further information on this can be found in this 2024 annual report in chapter "1. Fundamentals of the group" under ↗ **1.2 Objectives and strategy.**

BP-1 – General basis for preparation of sustainability statements

This report describes the business model, the sustainability-related corporate strategy and sustainability management as well as the material impacts, risks and opportunities – clustered into sustainability aspects that were identified and assessed as part of a double materiality analysis in accordance with the CSRD. The content relates to the concepts and measures that the company has taken to manage its material sustainability-related impacts, risks and opportunities, as well as the targets and key figures for measuring the effectiveness of these concepts and measures. The main effects, risks and opportunities associated with the company through its activities and direct and indirect business relationships in the upstream and/or downstream value chain are analysed.

In accordance with the requirements of the German CSR-RUG, the identified material sustainability aspects can be categorised as statutory matters pursuant to Section 289c para. 2 HGB:

Allocation of non-financial matters (CSR-RUG) to the material sustainability aspects (ESRS)

Non-financial matters	Material sustainability aspects
Respect for human rights	Working conditions in the value chain (S2)
Fighting corruption and bribery	Corruption and bribery (G1)
Environmental concerns	Physical climate risks in own business (E1) Climate protection in the downstream value chain (E1) Climate protection in the upstream value chain (E1) Adaptation to climate change: Promotion and investment potential (E1) Adaptation to climate change through technological progress (E1) Adaptation to climate change through the provision of renewable energies (E1) Impacts on the scope and status of ecosystems and species (E4) Resource inflows & resource outflows (E5)
Employee concerns	Work-life balance (S1) Diversity (S1) Secure employment (S1) Training and skills development (S1) Health and safety (S1) Sustainable recruiting (S1)
Social issues	Social dialogue with communities (S3) Corporate citizenship (S3)
Other matters	Management of relationships with suppliers (G1) Corporate culture (G1) Political engagement and lobbying activities(G1)

This report does not contain any information relating to intellectual property, expertise or the results of innovations. In the context of this report, PNE has made use of exceptions relating to imminent developments or matters under negotiation.

The scope of consolidation in this sustainability report comprises the scope of consolidation of the consolidated financial statements of PNE AG. Further information on this can be found in the notes to the consolidated financial statements in the 2024 annual report under ↗ **Scope of consolidation**.

BP-2 – Disclosures in relation to specific circumstances

The information required by BP-2 "Disclosures in relatation to specific circumstances" in the PNE Group's reporting on time horizons, value chain estimations, sources of estimations and outcome uncertainty, changes in the preparation or presentation of sustainability information, reporting errors in prior periods, disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements can either be found directly in the topic-specific chapters or are not relevant for the PNE Group in the first year of reporting.

In January 2024, PNE AG's quality management successfully completed the certification process in accordance with DIN EN ISO 9001:2015 by receiving the seal and the corresponding certificates from TÜV NORD CERT GmbH.

Furthermore, Energy Consult GmbH, the operating division of the PNE Group, successfully achieved ISO-27001 certification in June 2024. PNE was thus able to prove KRITIS conformity to the Federal Office for Information Security (BSI) and thus fulfils one of the formal requirements stipulated by current German legislation.

The DIN EN ISO 14001 and DIN EN ISO 45001 certifications are currently being implemented within the PNE Group. The German PNE companies were certified in 2024. Accreditation of the foreign companies is scheduled for the end of 2026.

Within the non-financial report, the PNE Group refers to other reports or sections in the 2024 annual report, which are listed hereinafter:

ESRS disclosure requirement/ data point	Document to which reference was made (incl. (sub-)chapter)
Business model & strategy	Chapter "1.1 Business model" and "1.2 Objectives and strategy" under "1. Fundamentals of the group", Combined management and group management report Website of the PNE Group
Information on the administrative, management and supervisory bodies	Chapter "X. Other disclosures", notes to the conslidated financial statements
Sustainability-related benefits in incentive systems for members of the administrative, management and supervisory bodies	Remuneration Report of PNE AG, website of the PNE-Group
Risk management and internal controls of the PNE Group	Chapter "8. Report on opportunities and risks", Combined management and group management report
Included companies	Chapter "Scope of consolidation", notes to the consolidated financial statements
Determination of the taxonomy key figures	Notes to the consolidated financial statements, IV. Accounting and valuation principles, 14. Revenues Notes to the consolidated financial statements, VI. Notes on the statement of comprehensive incoime, 4. Other operating expenses Consolidated statement of comprehensive income (IFRS)
Additions to fixed assets	Schedule of fixed assets (HGB), Notes to the consolidated financial statements

The PNE Group makes use of the transitional provisions for implementing the CSRD for companies with fewer than 750 employees and omits disclosures for ESRS E4, ESRS S1, ESRS S2 and ESRS S3 in accordance with Appendix C of ESRS 1.

Material sustainability aspects under the reporting exemptions for <750 employees[1]

Sustainability aspect	Standard	Topic (according to ESRS 1, AR 16)	Sub-topic (according to ESRS 1, AR 16)	Sub-sub-topic (according to ESRS 1, AR 16)
Impacts on the scope and status of ecosystems and species	ESRS E4	Biodiversity and ecosystems		
Work-life balance	ESRS S1	Own workforce	Working conditions	Work-life balance
Secure employment	ESRS S1	Own workforce	Working conditions	Secure employment
Health and safety	ESRS S1	Own workforce	Working conditions	Health and safety
Appropriate remuneration	ESRS S1	Own workforce	Working conditions	Appropriate remuneration
Diversity	ESRS S1	Own workforce	Equal treatment and equal opportunities for all	Diversity
Training and skills development	ESRS S1	Own workforce	Equal treatment and equal opportunities for all	Training and skills development
Gender equality and equal pay for equal work	ESRS S1	Own workforce	Equal treatment and equal opportunities for all	Gender equality and equal pay for equal work
Sustainable recruiting	ESRS S1	Own workforce	Others	/
Value chain: Good and fair working conditions	ESRS S2	Workers in the value chain	Value chain: Working conditions	/
Value chain: Good and fair working conditions	ESRS S2	Workers in the value chain	Value chain: Equal treatment and equal opportunities for all	/
Social dialogue with communities	ESRS S3	Affected communities	Others	/
Corporate citizenship	ESRS S3	Affected communities	Others	/

[1] Further phase-ins which are independent of the number of employees, are also taken into account

1.2 Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Composition of the administrative, management and supervisory bodies

The Board of Management of PNE AG consisted of three members as of 31 December 2024 and temporarily consisted of four members in the first quarter of 2025. Per Hornung Pedersen took over as Chief Executive Officer (CEO) of PNE AG on an interim basis on 1 August 2024 and was replaced by the new CEO Heiko Wuttke as planned on 13 January 2025. Per Hornung Pedersen is a Member of the Board of Management of PNE AG without a specific portfolio until 31 March 2025. In his role, CEO Heiko Wuttke is responsible for the areas of project development – Special Markets & Offshore, Power Generation, Business Development, M&A, Public Affairs and Communication & Marketing. Roland Stanze has been Chief Operations Officer (COO) since 1 August 2024 and is responsible for Project Development National & International, Services, Sales, Commercial Solutions, Quality Management and Organisation. As Chief Financial Officer (CFO), Harald Wilbert has been responsible for Legal & Compliance, Finance & Treasury, HR, IT, Facility & Fleet Management, Investor Relations and Sustainability since 1 April 2024. The proportion of women on the Board of Management is therefore 0%.

The Supervisory Board of PNE AG consists of seven members. Dirk Simons, who has been a Member of the Supervisory Board since 1 November 2024, was elected Chairman of the Supervisory Board with effect from 1 January 2025. He took over the role from Marc van't Noordende, who has chaired the body on an interim basis since 1 August 2024 and remains a Member of the Supervisory Board. The Supervisory Board consists of two women and five men. The proportion of women on the Supervisory Board is therefore 28.6%.

For further information on the administrative, management and supervisory bodies, please refer to chapter ↗ **X. Other disclosures** in this 2024 annual report.

Duties and responsibilities of the members of the administrative, management and supervisory bodies

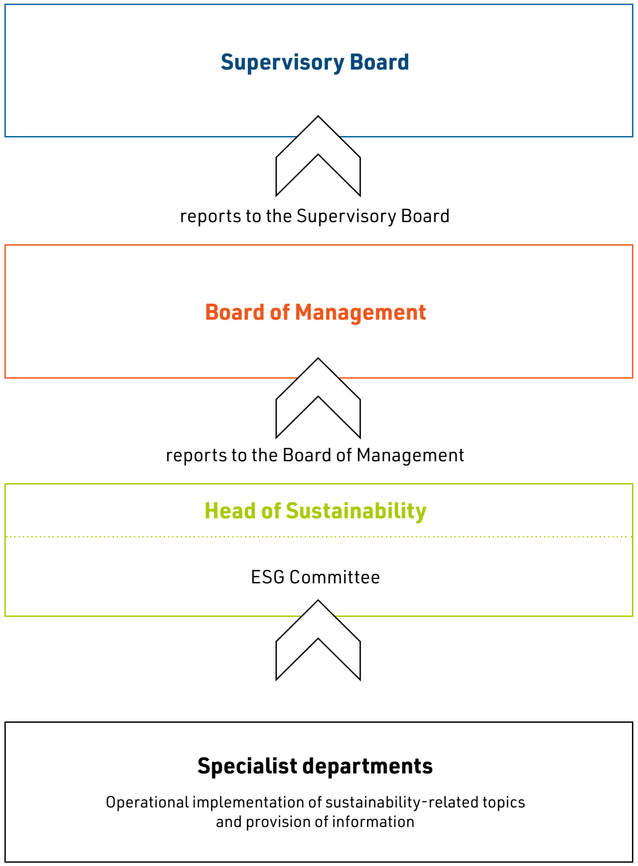
The PNE Group is committed to good and sustainable corporate governance. The Board of Management and Supervisory Board aim to align the management and monitoring of the company with nationally and internationally recognised standards in order to ensure the company's sustainable value creation in the long term. Once every year, the Board of Management and the Supervisory Board must issue a declaration in which they outline to what extent they have complied with the German Corporate Governance Code. The last declaration of compliance pursuant to Section 161 of the German Stock Corporation Act was issued in September 2024.

The Board of Management of the PNE Group has overall responsibility for the implementation of the ESG strategy and the achievement of the objectives set out in this strategy. This committee deals with the development of the ESG strategy during the year and reports to the Supervisory Board once a year.

In 2023, the PNE Group introduced an ESG Committee as an independent body for ESG and sustainability issues, which is headed by the Head of Sustainability. This body is made up of members from various specialist areas. It meets regularly once a quarter and additionally if the need arises. The tasks include the management and coordination of sustainability-related topics, the identification and evaluation of impacts, risks and opportunities as well as support for sustainability reporting and internal and external sustainability communication.

The Head of Sustainability reports the results to the Board of Management. Based on the preliminary work of the ESG Committee, the Board of Management makes key strategic decisions for the sustainable development of the company and monitors its progress.

The overall organisation is shown below:



In addition, PNE has an efficient compliance management system tailored to the company's needs, which is coordinated by a Senior Compliance Officer and compliance officers in every subdivision of the PNE Group. These roles are exercised by the Head of Legal & Compliance and other legal staff who are certified compliance officers. The Head of Legal & Compliance reports directly to the Board of Management. Compliance Risk Management is integrated into Group Risk Management and is thus part of Controlling. Coordination is carried out by employees from the Legal department. Here, too, there is a direct reporting channel to the Board of Management.

In order to ensure that conflicts of interest are avoided and mitigated, the PNE Group checks as part of contract management whether contracts are customary in the market and whether corresponding comparison offers have been obtained. The Board of Management and the Supervisory Board are obliged to disclose possible conflicts of interest and not to participate in the relevant decisions. Any other activities, offices and interests of Members of the Supervisory Board and Members of the Board of Management are presented in the chapter ↗ **X. Other disclosures** in this annual report 2024. Personal conflicts of interest of employees are also subject to disclosure. This obligation is laid down in the Anti-Corruption Directive.

The Supervisory Board uses appropriate criteria when screening candidates for a position on the Board of Management to ensure that Members of the Board of Management have suitable skills and experience in the areas for which they are responsible. In the Supervisory Board's view, their professional qualifications for the department to be taken over, convincing leadership qualities, previous performance and knowledge of the company are all the basic suitability criteria. The Board of Management can also demonstrate suitable expertise in the area of sustainability. All Members of the Board of Management have many years of experience in the areas for which they are responsible, which also include sustainability aspects such as the use of resources, social responsibility towards their employees, information and customer security and compliance.

When selecting Members of the Supervisory Board, the focus is on professional qualifications, personal competence and many years of experience in management positions.

In the reporting year, the PNE Group carried out a materiality analysis for the first time in accordance with the principle of double materiality in preparation for the reporting requirements of the CSRD. Through the active involvement of the Members of the Board of Management in the implementation and monitoring of this materiality analysis and the consultation of external experts, the latter have the necessary knowledge to expand the sustainability management and reporting of the PNE Group in accordance with the requirements of the CSRD and to embed it in the strategic orientation of the company.

Availability of appropriate skills and expertise to monitor sustainability aspects

All employees of the PNE Group, including the Board of Management and the Supervisory Board, are provided with training content on the vision of success and the corporate strategy, which form part of corporate culture, when they start at the PNE Group, so that they can take this into account in their work.

All employees and managers also attend compliance training. Basic compliance training, which is mandatory for all employees when they start with the PNE Group, is offered several times a year and includes information on anti-corruption policies and procedures.

In addition, the HSC portal (Health, Safety, Compliance) provides mandatory annual basic instructions on occupational health and safety as well as training on health at workstations and for company vehicle drivers.

In addition, there are event-related training courses, for example in the event of changes to the law. With such training formats, among others, the PNE Group ensures that employees are informed about policies and practices for responsible business conduct. The Members of the Supervisory Board will also receive anti-corruption training and will be informed of the organisation's anti-corruption policies and procedures upon taking office.

The PNE Group also complies with the applicable legal provisions such as the General Data Protection Regulation (GDPR). The Data Protection Officer reports to the Board of Management at regular intervals. In addition, the Legal department and external specialist lawyers offer assistance on this topic. Data protection forms part of basic employee training.

GOV-2– Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Supervisory Board and the management of the PNE Group attach great importance to sustainable, long-term corporate governance. Accordingly, strategic decision-making and operational management are equally influenced by ecological, economic and social factors.

Strategic responsibility for sustainability at the PNE Group lies with the Board of Management. That is where the control and management of the key sustainability aspects of PNE are monitored. Harald Wilbert is responsible for the sustainability organisation of the PNE Group as a Member of the Board of Management. As part of the Supervisory Board meetings, the Members of the Supervisory Board are also informed about the sustainability performance of the PNE Group.

Sustainability is managed at an operational level by the technical experts. In order to continuously improve the sustainability performance of the PNE Group, key environmental and social targets are set. The divisional managers are informed of progress as part of regular reporting.

The PNE Group plans to define targets as part of the further development of its 2025 Sustainability Strategy. The effectiveness of the concepts developed and measures derived will then be regularly monitored by the Board of Management and Supervisory Board in future.

GOV-3 – Intergration of sustainability-related performance in incentive schemes

The remuneration system for the Board of Management of the PNE Group adopted by the Supervisory Board is intended to appropriately remunerate the members of the company's Board of Management in accordance with their duties and responsibilities and to directly take into account the performance of each Member of the Board of Management as well as the success of the company. The remuneration is intended to incentivise a sustainable increase in the value of the company and success-oriented corporate management and to support the implementation of corporate goals. The remuneration system for the Members of the Board of Management makes a significant contribution to promoting the business strategy of the PNE Group. This is geared towards being a sustainably successful Clean Energy Solutions Provider.

Based on the remuneration system, the Supervisory Board – at the proposal of its Personnel Committee – determines a specific target total remuneration for each Member of the Board of Management that is commensurate with the tasks and performance of the Member of the Board of Management and the situation of the company and does not readily exceed the usual remuneration. For this purpose, the remuneration of the Members of the Board of Management is based on various parameters, including the size of the PNE Group and the Group of companies, the economic environment, the complexity of the Board of Management activities and the position of the company and its subsidiaries, as well as the performance of the Board of Management as a whole and the experience and performance of the individual Members.

ESG targets are a key component of the long-term performance-related remuneration of the Board of Management. The ESG targets are intended to promote the contribution to the expansion of renewable energies. In addition, objectives from the areas of social issues (in particular employee concerns) and good corporate governance (e.g. governance, risk management, compliance, diversity) are also taken into account. Climate-related targets relate, among other things, to the megawatt capacity to be installed for the expansion and realisation of renewable energies projects.

The Supervisory Board does not have any sustainability-related performance components in its incentive systems.

Further information on the inclusion of sustainability-related benefits in incentive systems for members of the administrative, management and supervisory bodies of the PNE Group can be found in the ↗ **Remuneration report of PNE AG** for the 2024 financial year.

GOV-4 – Statement on due diligence

The PNE Group comprehensively fulfils its due diligence obligations in the areas of environmental, social and governance (ESG) as part of its corporate responsibility. The main objective is to avoid or minimise actual and potential negative impacts on the environment and people in connection with business activities and to be accountable for these. PNE has established a clear corporate structure that defines responsibilities and competences in the area of ESG. The strategic concepts, objectives and measures are monitored by a dedicated ESG Committee, which reports regularly on progress and challenges.

PNE conducts regular evaluations to assess the impact of its business activities on the environment and society. These evaluations include both internal audits and external reviews by independent third parties. The results of these evaluations are used to identify and implement continuous improvements.

The PNE Group has implemented various procedures, measures and processes to fulfil its ESG-related due diligence obligations. In accordance with the reporting requirements of ESRS 1, these are presented in the following overview:

Overview of the core elements of due diligence

Core elements of due diligence		Reference/paragraphs in the sustainability statement
Integration of due diligence into governance, strategy and business model	**ESRS 2 GOV-2:** Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	↗ **GOV-2**
	ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes	↗ **GOV-3**
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	↗ **SBM-3**
Involve affected stakeholders in all key due diligence steps	**ESRS 2 GOV-2:** Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	↗ **GOV-2**
	ESRS 2 SBM-2: Interests and views of stakeholders	↗ **SBM-2**
	ESRS 2 IRO-1: Description of the processes to identify and assess the material impacts, risks and opportunities	↗ **IRO-1**
	ESRS 2 MDR-P: Information on concepts applied with regard to the management of material sustainability aspects	↗ **E1-2** ↗ **E4-2** ↗ **E5-1** ↗ **S2-1** ↗ **G1-1**
	Topic-specific ESRS: Consideration of the different stages and purposes of stakeholder involvement	↗ **Topic-specific additions to IRO-1 – ESRS E5** ↗ **E4-3** ↗ **S1** ↗ **S3**
Identification and assessment of negative impacts	**ESRS 2 IRO-1:** Information also on application requirements (ARs) in relation to topic-specific sustainability aspects	↗ **IRO-1**
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	↗ **SBM-3**

Core elements of due diligence		**Reference/paragraphs in the sustainability statement**
Measures to counter these negative effects	ESRS 2 MDR-A: Measures (or a comprehensive action plan) to achieve the objectives and also measures that are implemented without a specific concept	↗ **Topic-specific additions to SBM-3 – ESRS E1** ↗ **IRO-1**
	Topic-specific ESRS: Consideration of the range of measures, including transition plans, to address the impacts	↗ **E1-1** ↗ **E1-3** ↗ **E4-1** ↗ **E4-3** ↗ **E5-2** ↗ **S1** ↗ **S2** ↗ **S3**
Tracking the effectiveness of these efforts and communication	ESRS 2 MDR-M: Information on key figures and their collection method ESRS 2 MDR-T: Information on destinations Topic-specific ESRS: Information relating to key figures and targets	↗ **E1-4** ↗ **E1-5** ↗ **E1-6** ↗ **E4-4** ↗ **E5-3** ↗ **E5-4** ↗ **S1**

GOV-5 – Risk management and internal controls over sustainability reporting

Risk management and the internal control system (ICS) play a central role in the PNE Group's sustainability reporting process. These systems are designed to ensure the completeness and accuracy of the report content and to effectively manage sustainability risks.

The most important elements of PNE's risk management and ICS in relation to sustainability reporting include:

1. **Scope and main features:** Risk management and the ICS cover relevant processes and systems that are necessary for sustainability reporting. This includes the identification, assessment and prioritisation of risks and the implementation of mitigation strategies.

2. **Risk assessment:** The risk assessment approach comprises methods for prioritising risks based on their potential impact and probability of occurrence. This enables targeted management and monitoring of the identified risks.

3. **Mitigation strategies:** The most important risks identified include operating risks and changing market conditions. The PNE Group has developed corresponding reduction strategies, which are supported by internal controls.

4. **Integration into internal processes and reporting:** The results of the risk assessment and internal controls are integrated into the relevant internal functions and processes. This ensures that sustainability reporting is continuously monitored and improved. The administrative, management and supervisory bodies of the PNE Group receive regular reports from the central Risk Management department on the results of the risk assessment and internal controls. In addition to regular reporting, there is an immediate intra-Group ad hoc reporting requirement for risks that arise unexpectedly. The risk management enables the Board of Management to recognise risks at an early stage and to introduce counter-measures.

These measures help the PNE Group to achieve its sustainability goals while ensuring the transparency and credibility of its reporting. As part of the double materiality analysis in accordance with the CSRD, the risks and opportunities with regard to the PNE Group's business model were identified and evaluated in the "Financial materiality" dimension. The PNE Group's main environmental risks include physical climate risks in its own business, adaptation to climate change, extraction and investment potential as well as impacts on the extent and condition of ecosystems and species. Employee and social risks were identified in the areas of sustainable recruiting, work-life balance, training and skills development and social dialogue. Governance-related risks include the issues of corruption and bribery as well as the management of relationships with suppliers.

Further information on the risk management, identified risks and opportunities as well as internal controls of the PNE Group can be found in the ↗ **Report on opportunities and risks** of this annual report 2024.

1.3 Strategy

SBM-1 – Strategy, business model and value chain

Core elements of the general strategy

Sustainability is in the nature of the PNE Group's business model and is firmly anchored in the enterprise. In its day-to-day business, PNE takes into account not only economic interests but also environmental, social and societal concerns. As a Clean Energy Solutions Provider in the fields of wind energy, photovoltaics, storage solutions and power-to-X technology with a focus on hydrogen, the company promotes the use of renewable energies. Over 700 employees in Europe, Africa, North America and Asia are committed to climate protection every day.

With the projects it develops and operates, the PNE Group makes an important contribution to reducing climate-damaging emissions and driving forward the energy transition. With the planned and operated wind farms and future projects for clean energies, the PNE Group contributes, both nationally and internationally, to the reduction of climate-damaging emissions and the protection of humans and the environment. In this way, the PNE Group is consistently pursuing the goal of a secure, sustainable and profitable energy supply, which is powered 1000 by renewable energies.

As a provider of innovative solutions for the energy transition, the PNE Group's business model is part of a growth market. Climate change is now widely recognised as a threat at local, national and international political level that requires immediate action. Subsidies, tax benefits and other incentives are used to promote investment in renewable energies. Furthermore, in many countries, awareness of the economic opportunities associated with climate policy measures such as economic decarbonisation has increased in recent years. The opportunities include becoming independent of naturally limited supplies of fossil fuels, conserving them and utilising them to create value for the economy and society.

Climate policy and increased social awareness of the need for climate protection measures to reduce CO_2 emissions are generating investment security, growing demand and future-proof jobs for the industry. As such, the climate objectives of the respective federal states require increasing the security of supply and the accelerated expansion of renewable energy projects both on land and at sea, including storage solutions. In order to ensure security of supply, it is also important to use intelligent control systems to avoid peak loads and grid bottlenecks caused by the changing electricity mix. With its sustainable business model in the areas of wind energy, PV, storage solutions and PtX technology focused on hydrogen, the PNE Group is in a position to meet these requirements to an increasing extent. Technological advances, such as more efficient wind turbines and higher efficiency of PV power plants, reduce costs and further increase the attractiveness of the PNE Group. This will enable the company to continuously increase its contribution to protecting people, the environment and nature from the effects of climate change over the coming years.

The corporate strategy describes how the PNE Group intends to further expand its business as an independent power producer.

Sustainability is an important pillar for the PNE Group and a major success factor in the corporate strategy. For PNE, social and ecological decisions are not a compromise, but are considered as part of a holistic, economic development. As part of its ESG strategy, which was conceived in 2021 and further developed in 2023, the PNE Group aims to achieve a sustainable increase in value for itself and all stakeholders. To this end, the ESG issues identified as material are systematically integrated into the company's core processes and measures are clearly defined to achieve the objectives.

The key elements of PNE's ESG strategy can be summarised as follows:

→ In the **environmental area**, for PNE as a Clean Energy Solutions Provider, climate protection and the consistent use of renewable energies are the central concerns. With the projects developed and operated by PNE, the company makes an important contribution to reducing climate-damaging emissions and driving forward the energy transition.

  Within its value chain, PNE promotes the careful and efficient use of resources, participates in environmental and species protection studies and implements energy efficiency measures at all its sites. The overriding goal is to reduce the carbon footprint and CO_2 emissions of the business activities of PNE in order to minimise its negative impact on the environment.

  PNE constantly strives to minimise its impact on the quality and diversity of animal and plant habitats, while encouraging biodiversity at wind farms and photovoltaic plants developed by PNE.

→ In the **social area**, PNE focuses on its own workforce and is committed to its social responsibility. The employees are PNE's most valuable resource. Their expertise, motivation, loyalty and commitment make it possible to be successful on the market in the long term and to grow the business steadily. PNE wants to be a first-class employer and focuses on people. PNE attaches great importance to the professional development of its employees and equal opportunity in the development of their potential. The aim is to create an appreciative, attractive, safe and healthy working environment.

  Accepting social responsibility and shaping a climate-neutral energy supply in a sustainable manner is part of PNE's corporate identity. With its business model, PNE supports regional value creation and sees itself as a partner to local authorities, especially at its business locations. As a good corporate citizen, PNE pursues the goal of making its contribution to a social, cultural and ecological cooperation.

→ In **the area of governance**, responsible, transparent corporate governance and compliance are a matter of course for PNE and are firmly anchored in its daily activities. In addition, PNE has also set itself the goal of actively ensuring data security and thus the protection of potentially critical infrastructure by implementing an information management system.

  Furthermore, sustainable cooperation with business partners is part of PNE's ESG strategy. This includes regional purchasing to promote local value creation and reduce CO_2 emissions through short transport routes. As an internationally active company, respect for human rights is a basic condition for business activities.

Description of the business model and the value chain

As a Clean Energy Solutions Provider in the fields of wind energy, photovoltaics, storage solutions and power-to-X technology with a focus on hydrogen, the PNE Group promotes the use of renewable energies. With this sustainable business model, the company makes an important contribution to climate protection.

The project development, power generation and services segments of the PNE Group cover a significant part of the renewables value chain. Through the integrated business model, the segments can benefit from each other, generate synergies and thus offer significant growth potential for the enterprise. In addition, the business model is diversified across multiple technologies and markets, making it robust and resilient to risks.

In the project development segment, the PNE Group has access to projects from the first project phase onwards and can build up its own electricity generation portfolio independently of the market without having to buy in projects at high cost. By offering solutions for all phases of the value chain, the PNE Group remains involved even after the projects have been sold. This generates additional income, which in turn provides access to new repowering projects. The power generation segment also generates stable earnings.

With the strategy of expanding the existing portfolio for onshore wind and PV as well as growth in the area of project development, the PNE Group will continue to focus on the expansion of clean energies in the coming years. In this way, the PNE Group is promoting climate protection and greenhouse gas reduction in the downstream value chain.

In addition to wind energy and PV, PtX solutions in particular are essential components of the corporate strategy. This will enable us to enter the mobility, heating and supply sectors with raw materials from clean energies (hydrogen and derivatives, sector coupling). It involves extending the value chain to include PtX projects in connection with wind farms, PV plants and energy storage systems.

The PNE Group not only assumes responsibility within the scope of its own business activities, it also promotes the implementation of sustainability standards in the value chain. The PNE Group strives to establish or maintain a business relationship only with those individuals and companies who share and live the same values. A standardised review of the business partners, the background of their business conduct and their business relationship with the PNE Group is carried out using the Business Partner Policy in a three-step process: risk classification, pre-audit and integrity review, and compliance measures. In the PNE Group, this selection is managed by the centrally organised Purchasing department and the Implementation/Grid department.

PNE prefers to work with suppliers who have environmental management systems in place. This is also the case with the core suppliers, who include the largest wind turbine manufacturers in Europe. At project level, the PNE Group works with regional material suppliers and the construction companies carrying out the trades wherever possible. In addition to regional added value, this helps to reduce long transport routes and thus CO_2 emissions.

Upstream value chain

- → Extraction and refinement of raw materials
- → Manufacture of wind farms, PV power plants and other building materials
- → Transport of building materials

Own business activities

Development:
- → Site acquisition
- → Analysis (wind/sun)
- → Selection of wind turbines
- → Approval

Financing:
- → Financial analysis
- → Legal concept
- → Sales/marketing
- → Project financing

Construction:
- → Grid connection
- → Infrastructure
- → Installation
- → Commissioning

Sale/IPP:
- → Utility companies
- → Infrastructure funds
- → Insurance companies
- → Power generation (IPP)

Services:
- → Technical and commercial operations management

Downstream value chain

- → Operation/power generation and distribution
- → Electricity transport (grid and storage) and electricity utilisation
- → Maintenance
- → Dismantling/Repowering/Recycling
- → Renaturalisation e.g. reforestation

SBM-2 – Interests and views of stakeholders

The overall goal of the PNE Group is to achieve sustainable value for the company and for all stakeholders: customers, employees, investors and suppliers, local communities and the planet.

As designers of wind farms and photovoltaic systems and suppliers of clean-energy solutions, the PNE Group places great importance on transparent exchange with various stakeholders. For example, in the context of authorisation procedures, in particular public participation, the company is in close contact with citizens as well as public interest institutions. The PNE Group is also in close contact with stakeholders in the context of environmental impact assessments or in the development of citizen participation models. This dialogue makes it possible to recognise trends at an early stage, to enter into new partnerships and to establish broad acceptance for the renewable energy projects. In doing so, the PNE Group also takes into account the involvement of vulnerable groups. For example, a Memorandum of Understanding was signed in Canada in 2023, which guarantees cooperation with the First Nations and their involvement in infrastructure projects. Similarly, in Sweden, the minority group of Sami people was involved in the project development.

The PNE Group has identified the following groups of people as its most important stakeholders:

- Employees
- Society and the public
- Customers
- Analysts and investors
- Suppliers and service providers
- Authorities
- Media
- Competitors
- Politicians
- Local communities
- Business and industry associations
- Network operators
- Non-governmental organisations (NGOs)
- Science and research employees

The Board of Management and the Supervisory Board are informed as required about the views and interests of the stakeholders concerned with regard to the company's sustainability-related impacts.

As one of the most experienced developers in the renewable energy sector, the PNE Group is actively involved in the political discourse. The company is a member and in some cases also on the board of various interest groups via representatives. The German associations include the German Association of Energy and Water Industries, the German Association of Wind Power Plants, the German Wind Energy Association and the Federation of German Industry. Internationally, PNE is represented in the following associations: Wind Europe, GWEC, France renouvelables, the Polish Wind Energy Association and the Romania Wind Energy & Photovoltaic Industry Association.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Overview of material impacts, risks and opportunities

The CSRD presupposes the principle of double materiality in sustainability reporting. In a multidisciplinary project team, the PNE Group has determined how sustainability issues affect both the company's business model (financial materiality) and how its own business activities influence the environment (impact materiality). The project went through five key phases:

- Creation of an inventory analysis, a company-specific list of topics in accordance with ESRS and a value creation profile
- Involvement of internal and external stakeholders
- An analysis of impact materiality, i.e. identifying and assessing the impact of the PNE Group's business activities
- An analysis of financial materiality, i.e. identifying and assessing opportunities and risks for the PNE Group's business model
- Validation of the results and definition of threshold values

The following table shows the material impacts, risks and opportunities for the PNE Group that were identified and assessed as part of the materiality analysis in accordance with the CSRD:

Material impacts, risks and opportunities for the PNE Group

ESRS	Sustainability aspect	Value chain	Impacts, risks and opportunities	Category	Relevant business activity/ segment	Influence on strategy, business model, value chain, decision-making	Time frame
E1	Climate change mitigration in the upstream value chain	Upstream	Energy consumption in the upstream value chain	Negative impact	Procurement of products and services in the project development, power generation and services segments	Consideration and examination of possible approaches to reducing energy consumption in the upstream value chain	Short, medium and long term
			Greenhouse gas emissions in the upstream value chain	Negative impact			
E1	Physical climate risks in own business	Own business	Effects of extreme weather events: longer temporary shutdowns and increased need for repairs due to an increase in the severity and frequency of extreme weather events (wind farms, substations)	Risk	Power generation through the operation of wind farms	Consideration of security measures to protect against the negative effects of extreme weather events	–
E1	Adaptation to climate change through the provision of renewable energies	Own business	Security of supply through greater decentralised availability of renewable energy sources	Positive impact	Project planning, implementation and operation of wind and PV power plants	Further expansion of renewable energies projects	Medium to long term
			Grid bottlenecks due to changes in the electricity mix as a result of a higher proportion of renewable energies	Negative impact	Project planning, implementation and operation of wind and PV power plants	Examination of solutions to mitigate grid bottlenecks through grid feed-in solutions and storage options	Medium to long term
			Growing demand for renewable energies: the need to reduce CO_2 emissions is leading to an increasing demand for clean-energy sources and thus increasing market opportunities	Opportunities	Project planning, implementation and operation of wind farms and PV power plants, services	Further expansion of renewable energies projects	–

ESRS	Sustainability aspect	Value chain	Impacts, risks and opportunities	Category	Relevant business activity/ segment	Influence on strategy, business model, value chain, decision-making	Time frame
E1	Adaptation to climate change through technological progress	Own business	Technological advances: advances in wind energy technology, such as more efficient turbines and improved energy saving options, can reduce costs and increase the attractiveness of wind energy projects	Opportunities	Project planning, implementation and operation of wind and PV power plants	Consideration of new technologies and innovations	–
E1	Adaptation to climate change: promotion and investment potential	Own business	Changes in political objectives: uncertainty in investment conditions for future projects due to possible insufficient political and regulatory support for climate change mitigation and the further expansion of renewable energies	Risk	Consideration of the legal basis for wind farm project planning and realisation in the project development, power generation and services segments	Monitoring of political and regulatory developments and active local engagement and lobbying	–
			Political support and incentives: many governments are promoting climate change mitigation through subsidies, tax breaks and other incentives for renewable energies, which supports investment and growth in the wind energy industry	Opportunities	Project planning, implementation and operation of wind and PV power plants	Monitoring and reviewing the utilisation of support and incentives	–
E1	Adaptation to climate change through technological progress	Own business	Opportunities from energy efficiency requirements: stricter energy efficiency regulations and standards may require additional investment in energy-efficient technologies and processes; this can lead to savings in the long term	Opportunities	Use of technology in wind farm operations, for the vehicle fleet and at office locations/project development, power generation and services	Evaluation and use of energy-efficient technology	–
E1	Climate protection in the downstream value chain	Downstream	Reduction of greenhouse gas emissions in the downstream value chain through developed renewable energies projects	Positive impact	Operation of wind farms and perspectively PV power plants/ project development, power generation and services	Further expansion of renewable energies projects	Short, medium and long term

ESRS	Sustainability aspect	Value chain	Impacts, risks and opportunities	Category	Relevant business activity/ segment	Influence on strategy, business model, value chain, decision-making	Time frame
E4	Impacts on the scope and status of ecosystems and species	Own business	Displacement or loss of individuals of certain species, e.g. due to noise during the construction phase of wind farms or bird strikes	Negative impact (potential)	Impact on nature and the habitat of species through the realisation of wind farms/project development and power generation	Careful handling of biodiversity and implementation of suitable species protection measures to avoid or compensate for interventions in the habitat of animal species	Short, medium and long term
			Impairment of ecosystems, e.g. through land sealing and soil compaction during the construction of wind energy and PV systems	Negative impact (potential)	Impact on nature and the habitat of species through the realisation of wind farms/project development and power generation	Careful treatment of ecosystems and implementation of compensatory measures for the impact on nature	Short, medium and long term
			Rising costs due to stricter nature conservation requirements: refusal of permits due to lack of solutions for protected species to harmonise these with the project	Risk	Project planning of wind farms and PV power plants/project development and power generation	Monitoring and developing solutions by building up and utilising internal knowledge and exchanging knowledge with nature conservation authorities, associations and in working groups for nature and species conservation	–
E5	Resource inflows & resource outflows	Own business	Negative impact on the environment due to the extraction of raw materials for the construction of wind energy and PV systems in the upstream value chain	Negative impact	Procurement of products and materials for the construction of wind farms and perspectively PV farms/project development and power generation	Careful use of materials and evaluation of the upstream value chain	Short, medium and long term
S1	Secure employment	Own business	Creating a sense of purpose and strengthening the sense of security of the company's own workforce through secure employment in a sustainable industry	Positive impact	Development, realisation and operation of renewable energies projects by an international workforce/the entire PNE Group	Creating a meaningful working environment in the renewable energies industry	Short, medium and long term
S1	Sustainable recruiting	Own business	Risk when recruiting new, qualified employees: there is a risk that not enough employees can be recruited and that company targets can therefore only be achieved later or not at all	Risk	Increasing demand for employees due to the targets set out in the growth strategy/the entire PNE Group	Utilisation of different recruitment processes, increasing attractiveness as an employer and further development of sustainable recruiting strategies	–

ESRS	Sustainability aspect	Value chain	Impacts, risks and opportunities	Category	Relevant business activity/ segment	Influence on strategy, business model, value chain, decision-making	Time frame
S1	Sustainable recruiting	Own business	Opportunity when recruiting new, qualified employees: opportunities in recruiting and retaining employees due to the sustainable industry and business model	Opportunities	Increasing demand for employees due to the targets set out in the growth strategy/the entire PNE Group	Further development of sustainable recruiting strategies	–
S1	Work-life balance	Own business	Risk of higher staff turnover due to increasing demands compared to the competition in terms of work-life balance; this can have a negative impact on PNE's long-term planning and success	Risk	Development, realisation and operation of renewable energies projects by an international workforce/the entire PNE Group	Consideration of work-life balance options in personnel management	–
S1	Training and skills development	Own business	Risk of higher staff turnover due to increasing demands compared to the competition in terms of further training offers and competence development	Risk	Development, realisation and operation of renewable energies projects by an international workforce/the entire PNE Group	Creation of diverse development and training opportunities within the PNE Group	–
S1	Health and safety	Own business	Contribution to the health and well-being of the workforce through preventive health programmes, training and other measures	Positive impact	Development, realisation and operation of renewable energies projects by an international workforce/the entire PNE Group	Creating a safe working environment and promoting a healthy lifestyle	Short, medium and long term
S1	Diversity	Own business	Satisfaction and a good working atmosphere thanks to a diverse and open working environment within the PNE Group	Positive impact	National and international cooperation with various employees/the entire PNE Group	Promoting diversity and equal opportunities	Short, medium and long term
S2	Good and fair working conditions	Upstream	Negative effects on the motivation, health and well-being of workers in the upstream value chain due to impaired working conditions	Negative impact (potential)	Procurement and commissioning as part of the project planning and realisation of wind farms and PV power plants/ project development, power generation and services	Expansion of processes for monitoring working conditions in the upstream value chain	Short, medium and long term

ESRS	Sustainability aspect	Value chain	Impacts, risks and opportunities	Category	Relevant business activity/ segment	Influence on strategy, business model, value chain, decision-making	Time frame
S3	Corporate citizenship	Own business	Creating economic benefits in the affected communities	Positive impact	Development, implementation and operation of projects in the field of renewable energies/ project development, power generation and services	Development of community-specific solutions and participation options	Short, medium and long term
S3	Social dialogue	Own business	Contribution to increasing the acceptance of renewable energies projects at local level by involving the affected communities	Positive impact	Development, implementation and operation of projects in the field of renewable energies/ project development, power generation and services	Harmonising the development of renewable energy projects with the interests and concerns of the local community	Short, medium and long term
			Resistance in communities: delays in projects and higher costs due to resistance in affected communities	Risk	Development, implementation and operation of projects in the field of renewable energies/ project development, power generation and services	Harmonising the development of renewable energy projects with the interests and concerns of the local community	–
G1	Political engagement and lobbying	Own business	Co-creation of legal framework conditions for the economically viable implementation of renewable energies projects and for accelerating the expansion of renewable energies projects through lobbying	Positive impact	Political movement in relation to the renewable energies sector/ project development, power generation and services	Lobbying activities to contribute knowledge and positions	Short, medium and long term
G1	Corruption and bribery	Own business	Legal and compliance risks: possible violations of laws and internal guidelines, criminal offences, financial transactions, market abuse, conflicts of interest, insider trading, money laundering and data breaches, corruption and bribery	Risk	Economic activity in the renewable energies sector/the entire PNE Group	Risk minimisation through a comprehensive compliance management system	–

ESRS	Sustainability aspect	Value chain	Impacts, risks and opportunities	Category	Relevant business activity/ segment	Influence on strategy, business model, value chain, decision-making	Time frame
G1	Corporate culture	Own business	Increase in satisfaction and motivation as well as identification of the company's own employees with PNE through a good corporate culture and strong identification with the purpose and business model of the company	Positive impact	Cooperation with various employees in the entire PNE Group	Activities to strengthen the corporate culture and Group cohesion	Short, medium and long term
G1	Management of relationships with suppliers	Own business	Procurement risks: due to developments in the WTG market, increased demand for WTGs or delays in the delivery of components are to be expected; in addition, high fluctuations in raw materials and procurement markets due to geopolitical tensions can lead to availability and price increase risks in the procurement market	Risk	Procurement of high-demand products and services/the entire PNE Group	Maintaining long-term supplier relationships	–
			Secure, long-term and transparent supplier and stakeholder relationships through active supplier management	Positive impact	Procurement of high-demand products and services/the entire PNE Group	Maintaining long-term supplier relationships	Short, medium and long term
			Risk of loss of trust, legal disputes and possible delivery delays due to unclear and unfair payment terms with suppliers	Risk	Procurement and commissioning as part of the project planning and realisation of wind farms and PV power plants/ entire PNE Group	Fair negotiation of payment terms and timely settlement of outstanding invoices	–

Financial effects

The PNE Group does not report on current and expected financial effects from material impacts, risks and opportunities and their interaction with the strategy and business model for the 2024 financial year. This also applies to disclosures in the topic standards that relate to financial effects (E1-9, E4-6, E5-6).

Resilience of the strategy

The strategy and business model of the PNE Group can be categorised as resilient with regard to climate change. In addition, PNE's business model contributes to avoiding emissions and thus to slowing down climate change and is therefore categorised as beneficial in terms of climate protection.

Further information can be found in ↗ **ESRS 2 SBM-1** on the resilience of PNE's strategy and business model in relation to its ability to manage its material impacts and risks and capitalise on its material opportunities.

Topic-specific additions to SBM-3

ESRS E1

Two risks relating to climate change have been identified in the PNE Group. One risk is a climate-related physical risk and the other is a climate-related transition risk.

- "Physical climate risks in our own business" – effects of extreme weather events: longer temporary shutdowns and increased need for repairs due to an increase in the severity and frequency of extreme weather events (wind farms, substations)
- "Adaptation to climate change: promotion and investment potential" – change in political objectives: uncertainty in investment conditions for future projects due to possible insufficient political and regulatory support for climate change mitigation and further expansion of renewable energies

The PNE Group considers its exposure to physical risks due to climate impacts such as extreme weather events to be low. The PNE Group does not have its own production facilities, but the wind turbines it operates may be affected by the effects of climate change in the shape of storm damage. However, technical downtime of wind turbines, for example, is covered by full service contracts, in this case with the turbine manufacturers. The PNE Group counters risks arising from climate impacts such as extreme weather events with supplementary insurance.

A resilience analysis was carried out in 2023/24 in the form of a climate risk analysis and as part of the risk assessment of the materiality analysis. The climate risk analysis includes the effects of climate change on the wind farms, focusing on climate changes at the respective location. Risk identification and assessment as part of the materiality analysis was also carried out across the Group, taking into account the upstream and downstream value chain.

The climate risk analysis was carried out for the first time in 2023/24 as part of the EU taxonomy assessment. It takes into account different climate scenarios with the addition of scientific sources. The risks only show a possible impact from changes in wind conditions, although climate change in relation to the business model can also be categorised as low in the long term.

Both the identified physical risk and the climate-related transition risk are expected to have only a moderate financial impact if they materialise. The climate risk analysis in accordance with EU Taxonomy requirements is updated annually and previous assessments are adjusted if necessary.

ESRS E4

The PNE Group has set itself the goal when building and operating planned wind turbines and PV systems of avoiding these direct and indirect negative impacts on biodiversity as far as possible. Where this is not completely possible, it is important to minimise and compensate for them. In this way, PNE wants to ensure that biodiversity is not unduly jeopardised or impaired. The PNE Group of course observes the legal requirements that apply in the countries in which PNE operates.

In the PNE Group, each project is analysed on a site-specific basis as part of landscape conservation plans (LCP) and species protection reports (SPR). These must be drawn up before a wind energy or PV system is granted a permit and agreed with the relevant authority. In the SPR, specially and strictly protected species as well as all bird species are usually analysed as part of extensive mapping and their endangerment is assessed on the basis of the project planning. This is followed by proposals for measures to minimise/avoid possible negative impacts on the species concerned. The LCP also assesses and balances the overall impact of the project on nature and the landscape in order to derive adequate compensation. Measures for avoidance and minimisation are also developed. In addition, a comprehensive environmental impact assessment (EIA) is also carried out for many projects. The decision on whether an EIA is mandatory or voluntary is made in advance on the basis of the site's criteria. Both the construction and operational phases of business activities are included in the analysis and assessment of potential impacts on biodiversity. However, if PNE projects are planned in the vicinity of protected areas from the European Union's network of protected areas, known as Natura 2000 sites, the potential impact of the planned project on the area is also assessed. This is done as part of an so-called FFH impact assessment, which is based on the EU's Fauna-Flora-Habitat Directive.

PNE's sites are located in twelve countries on four continents and can be divided into:

- 30 office and administrative locations
- 30 onshore wind farms with associated transformer stations
- 1 wood-fired combined heat and power plant (CHP)

The wind farms and transformer stations in the company's own portfolio are primarily under operational control.

No particular impacts on the ecological status or biodiversity in need of protection have been identified at the office sites. The CHP is also not located in a protected environment or an important environment in terms of biodiversity.

By contrast, the construction of wind turbines and PV power plants can potentially impair and reduce the availability of natural habitats for various species, as areas have to be utilised for the construction of the turbines and the associated infrastructure. In addition, there may be isolated bird strikes due to flying collisions with rotor blades. In the case of wind turbines, for example, collisions with birds and bats can be reduced by pausing operations at certain times. Technologies to prevent bird collisions, known as bird protection systems (BPS), can also be used.

Negative impacts are caused by soil sealing during the construction of renewable energies plants. PNE is countering this with appropriate mitigation and compensation measures. To compensate for an intervention in nature and the landscape, both functional and spatial compensation measures are planned which will be closely orientated to the intervention and replacement measures. The PNE Group constantly endeavours to implement compensation measures for wind energy and PV projects as close as possible to the impact site. These include grazing, the creation of biotopes, flowering meadows and flowering strips as well as afforestation.

An overview of all location-specific effects of PNE is not meaningful in terms of expenses, so only the most significant fundamental effects for the Group as a whole were assessed.

In addition, an individual assessment of the impact on land and species for wind energy and PV systems always takes place as part of the project approval process.

In addition to legally required studies conducted as part of the approval process, PNE also aims to record the flora and fauna in and around the renewable energy plants in order to understand the impact on the environment and take appropriate measures. To this end, the PNE Group cooperates with nature conservation organisations in individual projects or takes their advice into account, for example as part of joint nature conservation plans and environmental studies or the joint promotion of sustainability initiatives.

1.4 Management of impacts, risks and opportunities

IRO-1 – Description of the process to identify and assess the material impacts, risks and opportunities

General process description

The CSRD presupposes the principle of double materiality in sustainability reporting. In a multidisciplinary project team, the PNE Group has determined how sustainability issues affect both the company's business model (financial materiality) and how its own business activities influence the environment (impact materiality). The project went through five key phases:

1. **Creation of an inventory analysis, a company-specific list of topics in accordance with ESRS and a value creation profile:** As part of the analysis of the PNE Group's value chain, not only its own business activities but also the company's value chain was considered. This was developed on the basis of the product portfolio and in consultation with the specialist departments. In order to ensure precise management of the impacts, risks and opportunities as well as the information to be reported, key components within the value chain were identified, on which the materiality analysis focuses. The requirements of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises were taken into account by carrying out a geographical mapping and analysing whether the company operates in countries that are exposed to increased human rights and/or corruption risks.

   Based on CSRD-relevant topics, the results of PNE's existing materiality analysis and industry-specific aspects, a list of topics (longlist) was initially drawn up that was as detailed as possible. A peer group analysis, the inclusion of scientific databases and the consideration of the requirements of ESG ratings were used to adjust, condense and validate the list of topics (shortlist).

2. **Involvement of internal and external stakeholders:** As part of a stakeholder analysis, the following groups were categorised as relevant for the dual materiality analysis (impact materiality and financial materiality): employees, suppliers, customers, service providers, shareholders, media, local communities, authorities, associations, banks and financial analysts. When selecting the specific contact persons within the stakeholder groups, care was taken to ensure a representative selection. For example, employees from different (management) levels, genders, locations and specialist departments were surveyed using an online tool on the previously identified list of topics and possible impacts. To determine the financial materiality, interviews were conducted with bank representatives and financial analysts and their assessment of possible risks and opportunities was obtained.

3. **An analysis of impact materiality, i.e. identifying and assessing the impact of the PNE Group's business activities:** Based on the topics that were assessed as relevant following the stakeholder survey, the ESG Committee and specialist employees then identified potential impacts. The possible effects were roughly clustered along the value chain. The resulting list was validated by the responsible employees. The impact was assessed internally by the Board of Management and representatives from specialist departments according to the dimensions of extent, scope, irreversibility and probability of occurrence using Likert scales. A gross assessment was carried out; measures that counteract a negative impact, for example, were not included in the assessment.

4. **An analysis of financial materiality, i.e. identifying and assessing opportunities and risks for the PNE Group's business model:** The evaluation of the interviews conducted with bank representatives and financial analysts served as the basis for drawing up a list of potential opportunities and risks. In addition, the expertise of the members of the ESG Committee and Risk Management department was utilised to specify opportunities and risks from their specific areas of expertise. The identification was also based on the climate risk analysis of the individual locations carried out as part of the EU Taxonomy. Opportunities and risks were always considered individually; no offsetting was performed. In particular, dependencies to which the company is subject were also analysed. Both physical risks and transitory risks were identified and assessed on the basis of the probability of occurrence and potential financial impact.

5. **Definition of threshold values and validation of results:** The PNE Group has defined materiality thresholds for the identified and assessed impacts, risks and opportunities. These threshold values were presented and discussed within the company in workshops. The results of the materiality analysis were validated by the entire Board of Management and the Supervisory Board was informed of the results.

1. Inventory
- → Environment analysis
- → Overview of business activity and value chain
- → Stakeholder mapping

2. Identification of impacts, risks and opportunities (IROs)
- → Creation of a topic-specific longlist and shortlist of potentially material sustainability aspects
- → Survey of internal and external stakeholders
- → Identification and categorisation of potential IROs by topic, type and time frame

3. Evaluation of impacts, risks and opportunities (IROs)
- → Impact materiality assessment (impacts)
- → Financial materiality assessment (risks and opportunities)
- → Definition of threshold values and validation of results

Reporting

Further information on the exercise of corporate due diligence, risk management and internal controls over sustainability reporting can be found under ↗ **ESRS 2 GOV-4** and ↗ **ESRS GOV-5**.

Topic-specific additions to IRO-1

ESRS E1

Due to its sustainable business model as a Clean Energy Solutions Provider in the areas of wind energy, PV, storage solutions and PtX technology with a focus on hydrogen, the PNE Group makes an important contribution to climate protection. The actual and potential effects on climate change are therefore fundamentally positive. The PNE Group endeavours to identify and assess actual and potential future sources of greenhouse gas emissions and, where applicable, causes of other climate-related impacts in the context of its own activities and along the value chain in more detail in the future.

As part of reporting in accordance with the EU Taxonomy Regulation, the PNE Group identified climate-related risks in 2023/24 as per a climate risk analysis. In line with the recommendations of the German Environment Agency, the two cases of the RCP -8.5 scenario (optimistic and pessimistic) and the RCP -2.6 scenario were taken into account.

Steps of the climate risk analysis (procedure):

- → 1. Determination of the expected service life
- → 2. Identification of the objects of investigation
- → 3. Filtering out climate hazards on the basis of their spatial occurrence
- → 4. Filtering out climate risks based on the possibility of significant adverse effects on the performance of economic activity
- → 5. Understanding the interdependencies
- → 6. Compilation of information on climate hazards
- → 7. Collection of information on the sensitivity of the system elements
- → 8. Assessment of the overall physical climate risk
- → 9. Identification and evaluation of adaptation solutions

The climate risk analysis was based on the results of the Energy Monitor, the Intergovernmental Panel on Climate Change (IPCC) and the European Environment Agency (EEA), the climate impact and risk analysis and information from the German Weather Service (DWD).

Further information can be found under ↗ **ESRS 2, topic-specific additions to SBM-3**, ↗ **E1** and ↗ **E1-1**.

ESRS E2, ESRS E3

As part of the double materiality analysis, the PNE Group has identified the ESRS E2 standard "Pollution" and the ESRS E3 standard "Water and marine resources" as not material and accordingly does not report on them in this non-financial report.

In addition, sustainability is in the nature of PNE's business model and is firmly anchored in the enterprise. In its day-to-day business, PNE takes into account not only economic interests but also environmental, social and societal concerns.

ESRS E4

In order to determine the impacts, risks and opportunities for biodiversity and the ecosystem, the PNE Group took a fundamental look at the wind energy and PV generation business and incorporated the experience that PNE has already gained in the context of project planning in accordance with species and nature conservation. Relevant experts from the areas of project development and those responsible for nature conservation took part in consultations in the context of screening for biodiversity issues. The nature conservation experts involved also contributed experience from the consultations and cooperation between affected communities and competent authorities. In addition, the stakeholder groups "landowners", "neighbours" and "municipalities" were asked to complete a questionnaire as part of the new materiality analysis carried out in the context of the CSRD requirements. Scientific sources were also included in the materiality assessment. An overarching assessment was carried out for the materiality analysis.

As part of the materiality analysis, assessments of the upstream and downstream value chain were also considered. The construction service providers commissioned to build the wind turbines were given special consideration, as construction activities are associated with direct and indirect interference with nature.

Ecosystem services, i.e. natural processes that could be affected by disruption as a result of PNE's business activities, were categorised as not relevant.

Systemic risks may arise for the PNE Group as a result of increasing regulatory requirements and obligations to protect biodiversity and ecosystems. In addition, political support, investor behaviour and public perception towards wind turbines may change and support may decrease. Climate change in particular can influence the availability and quality of locations for wind farms. Changes in wind patterns and extreme weather events can also affect the efficiency and safety of wind farms.

PNE has sites that are close to areas with biodiversity in need of protection. If impacts are identified, remedial measures are defined and implemented strictly in accordance with the German Federal Nature Conservation Act. The corresponding documents are relevant for authorisation, so that all nature conservation documents for the respective site are available. In addition, the PNE Group as a designer of wind farms and photovoltaic systems and supplier of clean-energy solutions places great importance on transparent exchange with various stakeholders. For example, in the context of environmental impact assessments and authorisation procedures, in particular public participation, PNE is in close contact with citizens as well as public interest institutions.

A scenario analysis in the narrower sense for biodiversity and ecosystems was not carried out by the PNE Group. Prior to the construction of wind energy and PV power plants, PNE carries out site-specific and project-related environmental impact assessments, involves affected stakeholders and prepares landscape conservation plans and species protection reports.

ESRS E5

As part of a systematic screening, the PNE Group reviewed its assets and business activities to determine their actual and potential impact, risks and opportunities in the context of its own activities and within the value chain. The Purchasing and Building/ Implementation departments were involved in this process. While the Purchasing department is responsible for the procurement of wind farm components, the Building/Implementation department is responsible for the construction and construction management of all projects that PNE realises up to commissioning. Previous projects have taken place in Germany and France. The Project department provides relevant information on location analyses and plans the project in advance of implementation. PNE can draw on many years of experience from previous national and international projects. To determine the impacts, risks and opportunities, assessments were made in individual discussions with the divisional managers of the Purchasing and Building/ Implementation departments.

The screening shows that the use of raw materials in the upstream value chain (direct and indirect suppliers) is significant and is transferred to the PNE Group via the procurement of products and trades. In addition to the trades, i.e. foundation and road construction, the main resources utilised by PNE are the wind turbines, the cables and the transformer stations. The resources used for the PNE Group's service companies, which are responsible for operational management and prepare measurement reports (energy consult GmbH and Pavana GmbH), are insignificant in relation to the resources used for the construction of wind turbines.

In order to determine the actual and potential impacts, risks and opportunities of the assets and business activities, the PNE Group also conducts consultations with local stakeholders such as citizens, municipalities and nature conservation organisations in the run-up to and during the construction phase.

Further information on the PNE Group's stakeholder dialogue can be found under ↗ **ESRS 2, SBM-2 Interests and views of stakeholders**.

ESRS G1

The PNE Group has not applied any specific criteria to assess the governance-related impacts, risks and opportunities. The topics relating to corporate policy were considered across the board for all locations, activities and sectors. The reasons for this are standardised structures, guiding principles and positions on ethical aspects – whether in relation to the prevention of corruption and bribery, within the company or in relation to third parties.

IRO-2 – Addressed disclosure requirements based on ESRS

Localisation of disclosure requirements in accordance with ESRS 2, IRO 2 (Index)

	Duty of disclosure	Page
ESRS 2	**General information**	
↗ **BP-1**	General principles for the preparation of the sustainability declaration	25
↗ **BP-2**	Disclosures related to specific circumstances	25
↗ **GOV-1**	The role of the administrative, management and supervisory bodies	28
↗ **GOV-2**	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	29
↗ **GOV-3**	Integration of sustainability-related performance in incentive schemes	30
↗ **GOV-4**	Statement on due diligence	30
↗ **GOV-5**	Risk management and internal controls over sustainability reporting	33
↗ **SBM-1**	Strategy, business model and value chain	33
↗ **SBM-2**	Interests and views of stakeholders	36
↗ **SBM-3**	Material impacts, risks and opportunities and their interaction with strategy and business model	36
↗ **IRO-1**	Description of the process to identifyand assess the material impacts, risks and opportunities	45
↗ **IRO-2**	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	49
ESRS E1	**Climate change**	
↗ **ESRS 2 GOV-3**	Integration of sustainability-related performance in incentive schemes	30
↗ **E1-1**	Transition plan for climate change mitigation	66
↗ **ESRS 2 SBM-3**	Material impacts, risks and opportunities and their interaction with strategy and business model	36
↗ **ESRS 2 IRO-1**	Description of the process to identify and assess the material climate-related impacts, risks and opportunities	45
↗ **E1-2**	Policies related to climate change mitigation and adaptation	67
↗ **E1-3**	Measures and resources in relation to climate change policies	71

	Duty of disclosure	Page
↗ **E1-4**	Targets related to climate change mitigation and adaptation	76
↗ **E1-5**	Energy consumption and mix	77
↗ **E1-6**	Gross Scopes 1, 2, 3 and Total GHG emissions	80
↗ **E1-7**	GHG removals and GHG mitigation projects financed through carbon credits	82
↗ **E1-8**	Internal carbon pricing	82
↗ **E1-9**	Anticipated financial effects of material physical and transition risks and potential climate-related opportunities	82
ESRS E4	**Biodiversity**	
↗ **E4-1**	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	83
↗ **ESRS 2 SBM-3**	Material impacts, risks and opportunities and their interaction with strategy and business model	36
↗ **ESRS 2 IRO-1**	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	45
↗ **E4-2**	Policies related to biodiversity and ecosystems	83
↗ **E4-3**	Actions and resources related to biodiversity and ecosystems	86
↗ **E4-4**	Targets related to biodiversity and ecosystems	90
↗ **E4-5**	Impact metrics related to biodiversity and ecosystem change	90
↗ **E4-6**	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	90

	Duty of disclosure	Page
ESRS E5	**Resource use and circular economy**	
↗ ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	45
↗ E5-1	Policies related to resource use and circular economy	91
↗ E5-2	Actions and resources related to resource use and circular economy	93
↗ E5-3	Targets related to resource use and circular economy	94
↗ E5-4	Resource inflows	95
ESRS S1	**Own workforce**	
↗ Facilitations S1	Disclosure requirements for ESRS 2 para. 17, disclosure requirements that are phased-in	97
ESRS S2	**Workers in the value chain**	
↗ Facilitations S2	Disclosure requirements for ESRS 2 para. 17, disclosure requirements that are phased-in	102
ESRS S3	**Affected communities**	
↗ Facilitations S3	Disclosure requirements for ESRS 2 para. 17, disclosure requirements that are phased-in	103
ESRS G1	**Business conduct**	
↗ ESRS GOV-1	The role of the administrative, management and supervisory bodies	28
↗ ESRS 2 IRO-1	Description of the process to identify and assess the material impacts, risks and opportunities	45
↗ G1-1	Business conduct policies and corporate culture	105
↗ G1-2	Management of relationships with suppliers	109
↗ G1-3	Prevention and detection of corruption and bribery	110
↗ G1-4	Incidents of corruption or bribery	114
↗ G1-5	Political influence and lobbying activities	114
↗ G1-6	Payment practices	114

Reference to other legislation

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS 2			
ESRS 2 GOV-1, para. 21 (d) Gender diversity in the management and supervisory bodies	SFDR, Benchmark Regulation	Material Chapter "Composition of the administrative, management and supervisory bodies"	28
ESRS 2 GOV-1, para. 21 (e) Percentage of members of the management body who are independent	Benchmark Regulation	Material Chapter "Composition of the administrative, management and supervisory bodies"	28
ESRS 2 GOV-4, para. 30 Statement on due diligence	SFDR	Material Chapter "Statement on due diligence"	30
ESRS 2 GOV-1, para. 40 (d) i Participation in activities in connection with fossil fuels	SFDR, Pillar 3, Benchmark Regulation	Material Table "Energy consumption and mix"	78
ESRS 2 SBM-1, para. 40 (d)ii Participation in activities in connection with the manufacture of chemicals	SFDR, Benchmark Regulation	Not material	
ESRS 2 SBM-1, para. 40 (d) iii Participation in activities in connection with controversial weapons	SFDR, Benchmark Regulation	Not material	
ESRS 2 SBM-1, para. 40 (d) iv Participation in activities in connection with the cultivation and production of tobacco	Benchmark Regulation	Not material	
ESRS E1			
ESRS E1-1, para. 14 Transition plan to achieve climate neutrality by 2050	EU Climate Law	Material Chapter "E1-1 – Transition plan for climate change mitigation"	66
ESRS E1-1, para. 16 (g) Companies excluded from the Paris-aligned benchmarks	Pillar 3, Benchmark Regulation	Not material	

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS E1-4, para. 34 GHG emission reduction targets	SFDR, Pillar 3, Benchmark Regulation	Material Chapter "E1-4 – Targets related to climate change mitigation and adaptation"	76
ESRS E1-5, para. 38 Energy consumption from fossil fuels broken down by source (only climate-intensive sectors)	SFDR	Not material	
ESRS E1-5, para. 37 Energy consumption and mix	SFDR	Material Chapter "E1-5 – Energy consumption and energy mix"	77
ESRS E1-5, para. 40–43 Energy intensity in connection with activities in climate-intensive sectors	SFDR	Not material	
ESRS E1-6, para. 44 Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions	SFDR, Pillar 3, Benchmark Regulation	Material Chapter "E1-6 – Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions"	80
ESRS E1-6, para. 53–55 Intensity of gross GHG emissions	SFDR, Pillar 3, Benchmark Regulation	Material Chapter "Greenhouse gas intensity based on net revenue"	81
ESRS E1-7, para. 56 Removal of greenhouse gases and CO_2 certificates	EU Climate Law	Material Chapter "E1-7 Greenhouse gas removals and mitigation projects financed through carbon credits"	82
ESRS E1-9, para. 66 Risk position of the reference value portfolio against climate-related physical risks	Benchmark Regulation	Material Not reported, since transitionalprovisions utilised	
ESRS E1-9, para. 66 (a) Breakdown of monetary amounts by acute and chronic physical risk	Pillar 3	Material Not reported, since transitional provisions utilised	

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS E1-9, para. 66 (c) Location of significant assets with material physical risk	Pillar 3	Material Not reported, since transitional provisions utilised	
ESRS E1-9, para. 66 (c) Breakdown of the carrying amount of the properties by energy efficiency class	Pillar 3	Material Not reported, since transitional provisions utilised	
ESRS E1-9, para. 69 Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS E4			
ESRS 2 SBM-3 – E4, para. 16 (a) i	SFDR	Material Chapter "SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model"	36
ESRS 2 SBM-3 – E4, para. 16 (b)	SFDR	Material Chapter "SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model"	36
ESRS 2 SBM-3 – E4, para. 16 (c)	SFDR	Material Chapter "SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model"	36
ESRS E4-2, para. 24 (b) Sustainable processes or concepts in the area of land use and agriculture	SFDR	Material Chapter "Concepts – further information according to E4"	84
ESRS E4-2, para. 24 (c) Sustainable processes or strategies in the area of oceans/seas	SFDR	Material Chapter "Concepts – further information according to E4"	84

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS E4-2, para. 24 (d) Concepts for combating deforestation	SFDR	Material Chapter “Concepts – further information according to E4”	84
ESRS E5			
ESRS E5-5, para. 37 (d) Non-recycled waste	SFDR	Not material	
ESRS E5-5, para. 39 Hazardous and radioactive waste	SFDR	Not material	
ESRS S1			
ESRS 2 SBM-3 – E4, para. 14 (f) Risk of forced labour	SFDR	Material Not reported, since transitional provisions utilised	
ESRS 2 SBM-3 – E4, para. 14 (g) Risk of child labour	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-1, para. 20 Commitments in the area of human rights policy	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-1, para. 21 Due diligence requirements in relation to issues covered by the International Labour Organization’s fundamental conventions 1 to 8	Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S1-1, para. 22 Procedures and measures to combat human trafficking	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-1, para. 23 Concept or management system relating to the prevention of occupational accidents	SFDR	Material Not reported, since transitional provisions utilised	

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS S1-3, para. 32 (c) Processing of complaints	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-14, para. 88 (b), (c) Number of fatalities and number and rate of occupational accidents	SFDR, Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S1-14, para. 88 (e) Number of days lost due to injury, accident, death or illness	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-16, para. 97 (a) Unadjusted gender pay gap	SFDR, Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S1-16, para. 97 (b) Excessive remuneration of members of the management bodies	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-17, para. 103 (a) Cases of discrimination	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S1-17, para. 104 (a) Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	SFDR, Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S2			
ESRS 2 SBM-3 – S2, para. 11 (b) Significant risk of child labour or forced labour in the value chain	SFDR	Material Not reported, since transitional provisions utilised	

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS S2-1, para. 17 Commitments in the area of human rights policy	SFDR	Material Chapter "Aspect Good and fair working conditions" Chapter "Aspect Relationship management to suppliers"	102/109
ESRS S2-1, para. 18 Concepts in connection with labour in the value chain	SFDR	Material Chapter "Aspect Good and fair working conditions"	102
ESRS S2-1, para. 19 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	SFDR, Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S2-1, para. 19 Due diligence requirements in relation to issues covered by the International Labour Organization's fundamental conventions 1 to 8	Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S2-4, para. 36 Problems and incidents in connection with human rights in the upstream and downstream value chain	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S3			
ESRS S3-1, para. 16 Commitments in the area of human rights	SFDR	Material Not reported, since transitional provisions utilised	
ESRS S3-1, para. 17 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	SFDR, Benchmark Regulation	Material Not reported, since transitional provisions utilised	
ESRS S3-4, para. 36 Problems and incidents in connection with human rights	SFDR	Material Not reported, since transitional provisions utilised	

Disclosure obligation and related data point from other EU legislation	Legal regulation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Law)	Data point material/not material	Page
ESRS G1			
ESRS G1-1, para. 10 (b) United Nations Convention against Corruption	SFDR	Material Chapter “G1-1 – Business conduct policies and corporate culture”	105
ESRS G1-1, para. 10 (b) Protection of whistle-blowers	SFDR	Material Chapter “The PNE whistleblower system”	107
ESRS G1-4, para. 24 (a) Fines for offences against corruption and bribery regulations	SFDR, Benchmark Regulation	Material Chapter “G1-4 – Incidents of corruption and bribery”	114
ESRS G1-4, para. 24 (b) Standards to fight corruption and bribery	SFDR	Considerable Chapter “G1-3 – Prevention and detection of corruption and bribery”	110

2. ENVIRONMENTAL INFORMATION

2.1 EU Taxonomy data

The promotion and development of the use of renewable energies and the associated significant contribution to climate protection are at the core of the PNE Group's business model. This is reflected in the high compliance rates for revenues 81.9%, CapEx 87.9% and OpEx 78.3%.

Background

As part of the Action Plan on Sustainable Finance, the redirection of capital flows into sustainable investments is a key objective. Against this backdrop, the EU Taxonomy Regulation (Regulation EU 2020/852) came into force in mid-2020. The EU Taxonomy is a standardised and legally binding classification system for economic activities.

An economic activity of the PNE Group is taxonomy-eligible if it is listed in the currently applicable climate or environmental act of the EU Taxonomy and can therefore potentially contribute to achieving at least one of the six environmental objectives:

1. Climate protection (CCM)
2. Adaptation to climate change (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Prevention and reduction of environmental pollution (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

A taxonomy-eligible economic activity can only be classified as taxonomy-compliant if it fulfils all of the following conditions:

- Making a significant contribution to one of the environmental objectives by complying with the relevant Substantial Contribution criteria (SC criteria),
- Avoidance of significant adverse effects on the other environmental objectives by complying with the relevant Do-No-Significant-Harm criteria (DNSH criteria),
- Compliance with minimum protection criteria with regard to human rights and labour safety as well as bribery, anti-corruption, fair competition and taxation.

In accordance with the Non-Financial Reporting Directive (NFRD) in conjunction with the Taxonomy Regulation, the PNE Group is obliged to apply the EU Taxonomy from the 2023 financial year. For the 2024 financial year, the PNE Group is obligated for the first time to report on the taxonomy-eligible and taxonomy-compliant shares of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) in accordance with the six environmental targets.

The information on sales, CapEx and OpEx relates to the companies that are fully consolidated in the consolidated financial statements of the PNE Group. For detailed information, please refer to the chapter ↗ **Scope of Consolidation** in the notes to the consolidated financial statements.

The EU Commission has announced further legal acts and clarifications on the application and interpretation of the existing requirements, which could have an impact on the disclosures to be reported in future. Our current interpretation is shown below.

Determination of taxonomy eligibility

Commission Delegated Regulation (EU) 2021/2178 defines a taxonomy-eligible economic activity as an activity described in the delegated acts adopted pursuant to the Taxonomy Regulation, regardless of whether it fulfils all technical assessment criteria.

In order to identify the taxonomy-eligible activities, the business model of the PNE Group was analysed on the basis of the three segments project development, power generation and services and compared with the catalogue of economic activities of the EU Taxonomy. In addition to the definitions in the Climate Law Act and the Environmental Law Act, the analysis also takes into account clarifications from the EU (FAQs) and the NACE codes listed in the activity descriptions, whereby the description of the activity in the delegated acts generally takes precedence.

The business activities of the PNE Group contribute exclusively to the environmental goal of climate protection. No taxonomy-eligible activities were identified in the context of the other environmental objectives.

Project development segment

In the project development segment, PNE plans and constructs wind farms (CCM 4.3) and PV power plants (CCM 4.1), which are either sold to customers or taken into the company's own operations. In line with the EU Commission's Draft FAQ of 29 November 2024, only projects in later planning phases (i.e. from reaching the approval phase) or with explicit connection to the permit and implementation phase are classified as taxonomy-eligible at the PNE Group. Projects in the early exploration and development phases that do not include the assumption of economic opportunities and risks for the realisation of the installations are not considered taxonomy-eligible, as the definition of economic activity is linked to the later phase of "construction". This clarification by the EU results in lower taxonomy eligibility rates in this segment, with an impact on all three key figures compared to the previous year.

Power generation segment

In the power generation segment, PNE generates and sells electricity from the wind farms in its own operations. Such wind farms are subsumed under the description of activity CCM 4.3 and are thus considered taxonomy-eligible.

In addition, PNE operates a wood-fired combined heat and power plant (CHP) that generates electricity from waste wood and therefore falls under the definition of taxonomy-eligible activity CCM 4.20.

Services segment

In the services segment, the PNE Group provides technical services for wind energy and PV power plants (e.g. operational management, monitoring, technical inspections). These services were allocated to activity CCM 7.6 in the 2023 financial year. Due to a clarification by the EU (FAQ no. 139), these services will be allocated to activities CCM 4.1 and CCM 4.3 from the 2024 financial year onwards, as the corresponding installations are not classified as "on-site building services systems". However, according to the description of the activities CCM 4.1 and CCM 4.3, the technical assessment criteria of CCM 7.6 continue to apply, as PNE's service activities must be considered an "integral part of the maintenance and repair of renewable energies technologies". This is therefore merely a change in the allocation of activities; the assessment of taxonomy conformity remains unaffected. As in the project development segment, the taxonomy eligibility ratios in the services segment are also reduced due to the draft FAQ, as Pavana essentially focuses on consulting services in early exploration and development phases.

The business activities of PNE WIND Netzprojekt GmbH include the planning, realisation and operation of the grid connection of plants to generate electricity from renewable sources (transformer stations). Substations fall under the definition of activity CCM 4.9 and are eligible for taxonomy.

Overview of taxonomy eligibility at the PNE Group

PNE segment	Description of the activity	EU Taxonomy activity: environmental goal climate protection
Project development	Project planning of PV power plants	CCM 4.1 Power generation using photovoltaic technology
	Project planning and construction of wind farms	CCM 4.3 Power generation from wind power
Power generation	Wind farms in own operations	CCM 4.3 Power generation from wind power
	Silbitz wood-fired combined heat and power plant	CCM 4.20 Combined heat, power and cooling with bioenergy
Services	Services – carrying out inspections, maintenance and appraisals of technical equipment and systems	CCM 4.1 Power generation using photovoltaic technology (from financial year 2024) CCM 4.3 Power generation using wind power (from financial year 2024) CCM 7.6. Installation, maintenance and repair of renewable energy technologies (until financial year 2023)
	Planning, implementation and operation of the grid connection of systems for the generation of electricity from renewable sources	CCM 4.9 Transmission and distribution of electricity

Determination of taxonomy compliance

The ESG Reporting department was responsible for the Group-wide coordination of the taxonomy compliance review and obtained the necessary data and information in collaboration with the specialist departments and subsidiaries.

Cross-functional: adaptation to climate change (DNSH)

The DNSH criterion for adaptation to climate change is generally relevant for all taxonomy-eligible economic activities. Climate risk analyses were therefore carried out for all relevant assets and projects. To this end, PNE has assessed chronic and acute physical risks on the basis of past and future-related data, taking into account climate scenarios from the Intergovernmental Panel on Climate Change (IPCC). In this context, we have identified the chronic risk of "change in wind conditions" in particular for all wind farms in our own operations (power generation segment) and assessed it as low, which is why no adjustment solutions have been established. By contrast, no significant physical climate risks were identified for business activities in the project development and services segments.

Activities CCM 4.3 and CCM 4.1

For the core activities CCM 4.3 and CCM 4.1, the SC criterion requires the generation of electricity from wind energy or from PV technology. This applies both to the wind farms operated by the company and to the wind farms and PV projects planned and sold in the 2024 financial year.

Our taxonomy-eligible CCM 4.3 services make a significant contribution to climate protection due to the individual measures for the maintenance and repair of PV power plants and wind turbines.

In the CCM 4.3 activity, DNSH criteria for the protection of water and marine resources are only defined for offshore wind farms. The PNE Group did not operate or sell any offshore wind farms in the 2024 financial year.

Activities CCM 4.1 and CCM 4.3 require companies to assess the availability of durable and recyclable appliances and components. The durability of the plants is guaranteed due to their service life of generally more than 20 years. The plants are subject to regular maintenance and servicing. The operator also undertakes to properly dismantle and subsequently recycle or dispose of the plants. Components from old plants could previously be reused as part of the sale.

With regard to the DNSH assessment for the environmental objective of protecting and restoring biodiversity and ecosystems, all relevant EU nature conservation directives are observed in new projects, taking into account the country-specific regulations. If necessary, preliminary assessments or environmental impact assessments are carried out as part of construction projects.

Activities CCM 4.9 and CCM 4.20

Not all DNSH criteria for the prevention and reduction of environmental pollution and for the protection of the restoration of ecosystem biodiversity could be met for the Silbitz wood-fired combined heat and power plant, which is eligible for taxonomy under CCM 4.20.

The DNSH criterion for the transition to a circular economy could not be demonstrated as part of the conformity assessment for the substations (activity CCM 4.9).

Compliance with minimum protection

Compliance with the minimum protection criteria requires procedures and processes that are in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights as well as the core labour standards of the International Labour Organization and the International Bill of Human Rights. The issues of human rights, corruption, fair competition and taxation must be taken into account.

The PNE Group is fundamentally orientated towards these ethical guidelines and has established formal and informal procedures and management systems with regard to minimum protection that take into account the size of the company. The minimum protection criteria are reviewed at Group level.

Formal procedures include, for example, the following Group-wide guidelines along with their monitoring and associated processes: business partner screening, code of conduct, anti-corruption and antitrust guidelines, business partner guidelines including a business partner compliance declaration, data protection guidelines and an internal whistleblower system.

In addition, all significant negative impacts with regard to human rights and working conditions of the PNE Group across the entire value chain were analysed as part of the double materiality analysis in accordance with ESRS. This process is to be carried out on a regular basis (see ↗ **Double materiality analysis**).

PNE is constantly developing the due diligence process in order to recognise risks at an early stage and to establish possible precautionary and remedial measures.

Determination of taxonomy key figures incl. methodology

Revenues

In accordance with Delegated Regulation (EU) 2021/2178, the key revenues figure is calculated as the portion of net revenues associated with taxonomy-compliant economic activities (numerator) divided by the total net revenues (denominator) for the financial year in accordance with the consolidated income statement, which is determined in accordance with the requirements of IFRS 15 (see Notes to the consolidated financial statement of comprehensive income, ↗ **14. Revenues**).

Sales are allocated on the basis of the business purposes of the individual subsidiaries or related to projects in the respective segments. In order to determine and allocate the revenues KPIs, intra-Group cost allocations are consolidated so that only external Group revenues are considered. This means that double counting can be ruled out.

For the companies in the **project development** segment, revenues are allocated to the economic activities on a project basis.

In the **power generation** segment, a clear allocation of activities to economic activities can be made at company level. As such, there is a breakdown into wind farm companies (CCM 4.3) and the operating company for the Silbitz wood-fired combined heat and power plant (CCM 4.20). The resulting revenues are fully taxonomy-eligible in each case.

The **services** segment generates both technical (i.e. from monitoring, troubleshooting, turbine inspections, maintenance work, etc.) and commercial (i.e. from administration, accounting, contract management, etc.) revenues. The companies of this segment are not divided into separate performance commitments in accordance with IFRS 15, therefore both the technical and the commercial revenues are classified as taxonomy-eligible. The service companies can be allocated to the economic activities for transmission and distribution of electricity (CCM 4.9) and service activities for power generation from renewable energies. If necessary, services are allocated proportionately to wind (CCM 4.3) and PV (CCM 4.1).

Capital expenditure (CapEx)

The denominator of the CapEx key figures comprises additions to property, plant and equipment and intangible assets for the financial year before depreciation, amortisation and impairment losses and revaluations, including those resulting from revaluations and impairments for the financial year in question, and excluding changes in fair value. The numerator corresponds to the portion of the capital expenditure included in the denominator that relates to assets or processes that are associated with taxonomy-compliant economic activities and therefore contribute significantly to one of the environmental objectives. Leases in which the leased asset does not result in the capitalisation of a right-of-use asset do not constitute CapEx within the meaning of the EU Taxonomy.

An overview of additions to non-current assets is provided in the ↗ **statement of changes in non-current assets** in the consolidated financial statements.

In most cases, CapEx can be allocated without overlap in accordance with the business purpose of the respective subsidiaries. In individual cases, a pro rata allocation is made to the economic activities. All additions to fixed assets are allocated to the respective activity of the subsidiary. Furthermore, only transactions with third parties are taken into account, i.e. intra-Group CapEx is not relevant to the taxonomy. This two-stage procedure means that double counting can be ruled out.

During the project development and construction of wind and PV power plants, the assets are recognised in inventories. If a decision is made at a later date to transfer the projects to own operations (power generation segment), they are reclassified from inventories to non-current assets and CapEx CCM 4.3 or CCM 4.1 is created. In the event of a project sale, the company generates revenue by reducing inventories. Therefore, no CapEx within the meaning of the taxonomy arises in the second case (see ↗ **14. Revenues**).

The total capital expenditure according to the EU Taxonomy in the 2024 financial year amounts to EUR 123.5 million. This includes investments related to land, technical equipment and machinery, advance payments and equipment under construction, concessions, industrial property rights, leases for land and cars together forming the denominator.

Operating expenditure (OpEx)

The denominator of the OpEx key figures includes direct, non-capitalised costs relating to research and development, building refurbishment, short-term leasing, maintenance and repair and all other direct expenses associated with the day-to-day maintenance of property, plant and equipment assets by the company or third parties to whom activities necessary to ensure the continued and effective functioning of these assets are outsourced. The numerator of the OpEx key figures corresponds to the share of operating expenses that relates to assets or processes associated with a taxonomy-compliant economic activity.

The allocation of OpEx follows the same methodology as for CapEx. The taxonomy-relevant operating expenses are determined using the item for “Repair and maintenance” within other operating expenses (see ↗ **4. Other operating expenses**). This two-stage procedure means that double counting can be ruled out.

In the 2024 financial year, this results in a taxonomy-eligible OpEx of EUR 7.1 million or 82.2% and a taxonomy-eligible OpEx of EUR 6.7 million or 78.3%.

Registration forms

Share of revenues from goods or services related to taxonomy-compliant economic activities – Disclosure for 2024

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	**Code (2)**	**Turnover (3)**	**Proportion of Turnover, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		in million euro	**in %**	**Y;N;N/EL**	**Y;N;N/EL**	**Y;N;N/EL**	**Y;N;N/EL**	**Y;N;N/EL**	**Y;N;N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	6.3	2.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	16.5%		
Electricity generation from wind power	CCM 4.3	166.1	79.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	63.2%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	-	-														10.5%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**172.4**	**81.9%**	**81.9%**													**90.2%**		
Of which enabling																	10.5%	E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using solar photovoltaic technology	CCM 4.1	1.9	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from wind power	CCM 4.3	3.5	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transmission and distribution of electricity	CCM 4.9	4.6	2.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.4%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	3.4	6.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.8%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**13.4**	**6.4%**	**6.4%**													**6.1%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**185.8**	**88.3%**	**88.3%**													**96.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**24.6**	**11.7%**																
Total		**210.4**	**100.0%**																

CapEx share from goods or services related to taxonomy-compliant economic activities – Disclosure for 2024

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") [h]									
Economic Activities (1)	**Code [a] (2)**	**CapEx (3)**	**Proportion of CapEx, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		in million euro	**in %**	**Y;N;N/EL [b]**	**Y;N;N/EL [b]**	**Y;N;N/EL [b]**	**Y;N;N/EL [b]**	**Y;N;N/EL [b]**	**Y;N;N/EL [b]**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**in %**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	0.2	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	8.1%		
Electricity generation from wind power	CCM 4.3	108.3	87.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	76.7%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	-	-														1.3%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**108.5**	**87.9%**	**87.9%**													**86.1%**		
Of which enabling																	1.3%	E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) [g]																			
				EL; N/EL [f]	**EL; N/EL [f]**	**EL; N/EL [f]**	**EL; N/EL [f]**	**EL; N/EL [f]**	**EL; N/EL [f]**										
Electricity generation using solar photovoltaic technology	CCM 4.1	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from wind power	CCM 4.3	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transmission and distribution of electricity	CCM 4.9	8.7	7.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								13.8%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8.7**	**7.1%**	**7.1%**													**13.9%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**117.2**	**94.9%**	**94.9%**													**100.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**6.3**	**5.1%**																
Total		**123.5**	**100.0%**																

OpEx share from goods or services related to taxonomy-compliant economic activities – Disclosure for 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (g)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in million euro	in %	Y;N;N/EL (b)	Y;N;N/EL (b)	Y;N;N/EL (b)	Y;N;N/EL (b)	Y;N;N/EL (b)	Y;N;N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	0.0	0.02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	25.8%		
Electricity generation from wind power	CCM 4.3	6.7	78.30%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	69.9%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	-	-														0.4%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**6.7**	**78.3%**	**78.3%**													**96.0%**		
Of which enabling																	0.4%	E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (f)																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Electricity generation using solar photovoltaic technology	CCM 4.1	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from wind power	CCM 4.3	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0.3	3.90%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.3**	**3.9%**	**3.9%**													**4.0%**		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**7.1**	**82.2%**	**82.2%**													**100.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**1.5**	**17.8%**																
Total		**8.6**	**100.0%**																

2.2 E1 – Climate change

This section E1 outlines the key aspects of climate change for the PNE Group:

- Climate protection in the upstream value chain,
- Physical climate risks in own business,
- Adaptation to climate change through the provision of renewable energies,
- Adaptation through technological progress and
- Adaptation to climate change: promotion and investment potential and
- Climate protection in the downstream value chain.

These six aspects and their material impacts, risks and opportunities are closely related to the PNE Group's business model.

Strategic approach

Climate change is one of the greatest global challenges of our time. It is already causing far-reaching damage to people, nature and the environment. The economy is also affected by increasing extreme weather events, such as storms, flooding and heatwaves. In order to limit these developments, the Paris Climate Agreement of 2015 set the goal of limiting global warming to a maximum of 1.5 °C by the end of the century. Renewable energies will play a key role in achieving the targets and shaping the transformation process towards climate neutrality by 2050.

For the PNE Group, climate protection and the consistent use of renewable energies are the central concerns. With the projects it develops and operates, the PNE Group makes an important contribution to reducing climate-damaging emissions and driving forward the energy transition. With the planning of wind farms and PV power plants and the operation of wind farms, the PNE Group contributes, both nationally and internationally, to the reduction of damaging climatic gases and the protection of humans and the environment. The PNE Group is consistently pursuing the goal of a secure, sustainable and profitable energy supply, which is powered and fed 100% by renewable energies.

As a provider of innovative solutions for the energy transition, the PNE Group's business model is in the growth market. Climate change is now widely recognised as a threat at local, national and international political level that requires immediate action. Subsidies, tax benefits and other incentives are used to promote investment in renewable energies. Furthermore, in many countries, awareness of the economic opportunities associated with climate policy measures such as economic decarbonisation has increased in recent years. The business purpose of the PNE Group contributes to becoming independent of naturally limited supplies of fossil fuels, conserving them and utilising them to create value for the economy and society.

Climate policy and increased social awareness of the need for climate protection measures to reduce CO_2 emissions are generating investment security, growing demand and future-proof jobs for the industry. As such, the climate objectives of the respective federal states require increasing the security of supply and the accelerated expansion of renewable energy projects both on land and at sea, including storage solutions. In order to ensure security of supply, it is also important to use intelligent control systems to avoid peak loads and grid bottlenecks caused by the changing electricity mix. With its sustainable business model in the areas of wind energy, PV, storage solutions and PtX technology focused on hydrogen, the PNE Group is in a position to meet these requirements to an increasing extent. Technological advances such as more efficient wind turbines, higher efficiency of PV power plants and more efficient utilisation of infrastructure are helping to increase power generation and make better use of resources. This will enable the PNE Group to continuously increase its contribution to protecting people, the environment and nature from the effects of climate change over the coming years.

Disclosure requirements in connection with ESRS 2 GOV-3

Topic-specific information on the "Inclusion of sustainability-related performance in incentive systems" of the PNE Group is presented in section ↗ **ESRS 2, GOV-3**.

E1-1 – Transition plan for climate change mitigation

Topic-specific information on the "Transition plan for climate change mitigation" of the PNE Group is presented in section ↗ **ESRS 2, SBM-3**.

The PNE Group does not yet have a transition plan. A transition plan is to be developed as part of the definition of climate neutrality targets and the revision of the strategy. The transition plan will be based on limiting global warming to 1.5 °C in accordance with the Paris Agreement and the goal of climate neutrality by 2050. No adjustment to the business model is necessary due to the company's business activities as a wind farm and PV project developer and operator. The reduction measures in our own business will therefore be based primarily on energy consumption and emissions from the use of administrative and office premises, the fuel consumption of the vehicle fleet and the operation of the CHP plant. The planned establishment of an environmental management system also contributes to this, with ISO 14001 certification for the PNE Group's German sites being achieved in November 2024.

The GHG emission reduction pathway will include emissions from the upstream and downstream value chain (in accordance with disclosure requirement ESRS E1-3) in addition to the reductions in our own business division. In developing a greenhouse gas emission reduction target (ESRS E1-4), the PNE Group plans to be guided by current scientific recommendations. The aim is to embed the transition plan in the general business strategy and financial planning.

The PNE Group is not exempt from the criteria set out in Article 12 para. 1 lit. d to g and Article 12 para. 2 of Commission Delegated Regulation (EU) 2020/1818 (Regulation on Climate Transition Benchmarks)—from the Paris-aligned EU benchmarks.

Disclosure requirements in connection with ESRS 2 SBM-3

Topic-specific information on the "Material impacts, risks and opportunities of the business model and strategy" of the PNE Group is presented in section ↗ **ESRS 2, SBM-3**.

Disclosure requirements in connection with ESRS 2 IRO-1

Topic-specific information on the "Process for identifying and assessing material impacts, risks and opportunities" of the PNE Group is presented in section ↗ **ESRS 2, IRO-1**.

E1-2 – Policies related to climate change mitigation and adaptation

As a Clean Energy Solutions Provider, the PNE Group pursues the vision of a climate-neutral, stable and sustainable energy supply worldwide. On the one hand, it is important to consider the Group's own climate impact and also to realise the potential climate risks and consequences that the business model is confronted with. In this, PNE pursues the goal of reducing greenhouse gas emissions that are harmful to the climate in order to contribute to the protection of the environment, nature and society. The continuous expansion and utilisation of technological progress as well as investment and funding potential contribute to increasing the output of power generation from renewable energy sources and thus also represent a significant contribution to the realisation of national targets – such as the German government's commitment to a complete power supply from renewable energies and green hydrogen by 2035.

Aspect Climate change mitigration in the upstream value chain

Impacts identified as material and addressed by the concept:

- Energy consumption in the upstream value chain
- Greenhouse gas emissions in the upstream value chain

The business activities of the PNE Group and its upstream value chain generate climate-damaging greenhouse gases that have a negative impact on people and the environment. These include, for example, energy consumption and CO_2 emissions from the production, transport and construction of the systems used.

The PNE Group plans to focus more on these in the future. While the COO of the PNE Group has overall responsibility for the topic, the heads of the Purchasing and Construction/Implementation departments report to the Head of Services at an operational level.

No concept is yet available for the sustainability aspect of climate change mitigration in the upstream value chain. In addition, the application of such a concept has not yet been scheduled. Irrespective of this, it is already particularly important to the PNE Group to keep the ecological footprint of its projects and services as small as possible. For this reason, the turbines for the wind farms are preferentially procured from suppliers with an environmental management system. Procurement of construction services that is as local as possible also helps to reduce long transport routes and the associated CO_2 emissions. Individual activities and measures to address the issue are already being implemented. In 2025, the PNE Group will carry out a Scope 3 greenhouse gas assessment in the upstream and downstream value chain, which can provide information on the focus topics.

For further information, see ↗ **E1-3 Actions and resources in relation with climate change mitigation and adaptation**.

Aspect Physical climate risks in own business

Identified as a material risk and addressed by the concept:

- Effects of extreme weather events: longer temporary shutdowns and increased need for repairs due to an increase in the severity and frequency of extreme weather events (wind farms, substations)

For the PNE Group, its exposure to physical risks due to climate impacts such as extreme weather events has limited relevance. To this end, PNE regularly conducts climate risk analyses to identify and evaluate climate hazards, determine the sensitivity of the system elements and assess the physical climate risk. The assessment also identifies the necessary adaptation solutions to minimise risk. The COO of the PNE Group is responsible for this topic at the highest level in cooperation with the power generation segment and the project development segment for wind turbine procurement.

Further information can be found under ↗ **ESRS 2 SBM-3** and ↗ **ESRS 2 IRO-1**.

As the company operates its own wind farms, the consequences of climate change in the form of storm damage can have a negative impact on assets. This can result in temporary shutdowns of wind farms or an increased need to repair substations. However, technical downtime of wind turbines, for example, is covered by full service contracts with the turbine manufacturers. For the sustainability aspect "Physical climate risks in own business", the PNE Group's concept aims to minimise financial risks. The PNE Group counters risks arising from climate impacts such as extreme weather events through the procurement of robust wind turbines and with supplementary insurance.

For further information, see ↗ **E1-3 Actions and resources in relation with climate change mitigation and adaptation**.

As part of a site-specific climate risk and vulnerability analysis, the PNE Group has analysed the current and future physical climate risks. There are only minor risks in the current portfolio due to potentially changing wind patterns or extreme weather events. To counteract possible failures due to climate impacts, PNE relies on the procurement of robust wind turbines and insurance cover in the event of damage.

Aspect Adaptation to climate change through the provision of renewable energies

Impacts and opportunities identified as material and addressed by the concept:

- Impact: Security of supply through greater decentralised availability of renewable energy sources
- Impact: Grid bottlenecks due to changes in the electricity mix as a result of a higher proportion of renewable energies
- Opportunity: Need to reduce CO_2 emissions is leading to an increasing demand for clean-energy sources and thus increasing market opportunities

As a Clean Energy Solutions Provider for regional markets and industries, both nationally and internationally, the PNE Group always keeps an eye on the entire renewable energies value chain. In addition to wind energy, PV, battery storage and PtX technology, with a focus on hydrogen, are part of the supply in growing markets with increasing demand. At the highest level, the entire Board of Management is responsible for PNE's corporate strategy as a Clean Energy Solutions Provider.

In addition to the expansion of renewable energies to meet the demand for clean energy, the PNE Group's concept also includes improving the availability of electricity in the grid. This also includes efforts to minimise grid bottlenecks through more constant feed-in profiles at grid feed-in points, as grid bottlenecks can occur primarily due to volatile generation profiles of renewable energies.

The aim is to make the feed-in profile at the grid feed-in point more constant or more flexible through the site-specific addition of PV systems and, if necessary, battery storage systems (at existing wind farms). In addition, the PNE Group is continuously evaluating better utilisation of transformer stations by combining wind farms, PV power plants and storage solutions for more consistent electricity production. The technical, regulatory and economic feasibility is examined. Each of the above measures or combinations can reduce grid bottlenecks.

Aspect Adaptation to climate change through technological progress

Opportunities identified as material and addressed by the concept:

- Technological advances: advances in wind energy technology, such as more efficient turbines and improved energy saving options, can reduce costs and increase the attractiveness of wind energy projects
- Opportunities from energy efficiency requirements: stricter energy efficiency regulations and standards may require additional investment in energy-efficient technologies and processes. This can lead to savings in the long term

The PNE Group is continuously improving the performance of its wind and PV projects in order to increase the output for power generation. The Board of Management as a whole bears responsibility for this at the highest level; operationalisation takes place in the individual departments of the PNE Group. To this end, various work areas are used for operational monitoring and control, and methods are developed that make it possible to react to turbine failures very quickly and, in some cases, in advance. The aim is to use more efficient turbines and optimised settings to increase the amount of electricity generated by a plant and reduce costs at the same time. The increased output resulting from the utilisation of technological advances enables PNE to provide larger quantities of renewable energies. This represents a decisive step on the way to global climate neutrality. In addition, new requirements for improvement are constantly being addressed to the manufacturers, who then design the wind turbines more efficiently on this basis.

The use of artificial intelligence (AI) can also contribute to increasing the efficiency of existing wind farms and PV systems. The PNE Group already uses digital methods to analyse data on the operating parameters of wind turbines in wind farm modelling and later in operational practice. This involves identifying any incorrect settings and other sub-optimal operating parameters and eliminating them with the help of the original equipment manufacturers (OEMs). PNE implements these performance analyses and monitoring with specially developed software using digital methods such as artificial intelligence.

Legal species protection requirements often lead to switch-off requirements for wind turbines, which means lower efficiency at the site. The PNE Group aims to develop new methods to minimise risk. The goal is to minimise the shutdown of wind turbines while at the same time taking species protection into account. To this end, new technical species protection solutions, such as bird protection system (BPS), are being trialled in operations.

New devices and technical options for building management such as motion detectors and the use of LED lights in offices are also being implemented. The Code of Conduct also addresses the endeavours to conserve resources and the efficient use of energy to our own employees.

Aspect Adaptation to climate change: promotion and investment potential

Risks and opportunities identified as material and addressed by the concept:

- Risk: Changes in political objectives: uncertainty in investment conditions for future projects due to possible insufficient political and regulatory support for climate change mitigation and the further expansion of renewable energies
- Opportunity: Political support and incentives: many governments are promoting climate change mitigation through subsidies, tax breaks and other incentives for renewable energies, which supports investment and growth in the wind energy industry

As a provider of innovative solutions for the energy transition, the PNE Group's business model contributes to sustainable development and the achievement of global climate protection and energy security goals. Climate change is now widely recognised as a threat at local, national and international political level that requires immediate action. Subsidies, tax benefits and other incentives are used to promote investment in renewable energies.

However, a change in political direction and new appointments to political offices over different terms of office can change the endeavours and offers of support and funding, so it remains essential to follow political developments and positions on the expansion of renewable energies. The PNE Group therefore relies on representation in associations and targeted political lobbying at federal and EU level, for example through membership of interest groups in the renewable energies sector and participation in working groups. These activities ensure that PNE is informed of changes at an early stage and can submit comments. The PNE Group also monitors legal changes abroad in order to make adjustments affecting the business model at an early stage. The Project Development and Public Affairs departments are responsible for these issues at PNE and report to the CEO and COO.

Aspect Climate protection in the downstream value chain

Opportunities identified as material and addressed by the concept:

- Reduction of greenhouse gas emissions in the downstream value chain through developed renewable energy projects

The demand for clean energies and a secure power supply is growing worldwide. The PNE Group responds to these developments by expanding its operational business and, as a Clean Energy Solutions Provider, exploits the opportunities arising from the transformation of the markets. The strategic further development encompasses almost the entire value chain of clean renewable energies. Responsibility for the corporate strategy lies with the Board of Management of PNE.

Based on the extensive experience gained from the successful development, planning and realisation of wind farms on land and at sea and of PV power plants, the company will develop and realise projects and solutions for the planning, construction and operation of power plants for clean energies. In addition, PNE is increasingly planning and realising repowering projects, in which the opportunity is taken to replace old wind turbines with more powerful new wind turbines. The projects developed are sold to external customers or integrated into the continuously growing portfolio of the PNE Group. Subsequently, the PNE Group will take over the operational management of wind farms. With the strategy of expanding the existing portfolio for onshore wind energy and PV as well as growth in project development, the PNE Group will continue to focus on growth in clean energies in the coming years. In this way, the PNE Group is promoting climate protection and greenhouse gas reduction in the downstream value chain.

The corporate strategy describes how the PNE Group intends to expand its own generation portfolio and thus its business as an independent power producer in the medium term. The corporate strategy will be made available to stakeholders on the ↗ **website of the PNE Group** and described in more detail in the 2024 annual report in chapter "1. Fundamentals of the group" under ↗ **1.2 Objectives and strategy.**

The PNE Group plans to include the indirect greenhouse gas emissions resulting from activities in the downstream value chain in the carbon footprint in 2025.

E1-3 – Actions and resources in relation with climate change mitigation and adaptation

Sustainable climate protection is in the nature of the PNE Group's business model. The following overview lists measures that contribute to the key sustainability aspects of PNE in the area of climate protection and adaptation to climate change.

Overview of measures completed in the past financial year, currently ongoing and planned for the future in connection with climate protection and adaptation to climate change

Measure[1]	Helps towards the following target[2]	Allocation to impact, risk, opportunity	Description	Decarbonisation lever[3]	Status	Time frame
Setting up and implementing a Business Partner Code of Conduct with a sustainability focus	Promoting sustainability in the supply chain	Energy consumption in the upstream value chain Greenhouse gas emissions in the upstream value chain	A Business Partner Code of Conduct is being drawn up, which is to be included in future contractual relationships with business partners	The Business Partner Code of Conduct relates to business relationships with partners in the upstream value chain and provides the opportunity to establish behaviours and obligations that ideally have a positive impact on energy consumption and Scope-3 emissions (3.1 Purchased goods and services and 3.2 Capital goods)	Planned	2025
Procurement of robust wind turbines	Minimising the risk of extreme weather events	Effects of extreme weather events: longer temporary shutdowns and increased need for repairs due to an increase in the severity and frequency of extreme weather events (wind farms, substations)	Procurement of robust wind turbines that can withstand extreme weather events	No decarbonisation lever	Being implemented	Ongoing

Measure[1]	Helps towards the following target[2]	Allocation to impact, risk, opportunity	Description	Decarbonisation lever[3]	Status	Time frame
Insurance against climate damage	Risk minimisation	Effects of extreme weather events: longer temporary shutdowns and increased need for repairs due to an increase in the severity and frequency of extreme weather events (wind farms, substations)	Conclusion of supplementary insurance policies	No decarbonisation lever	Being imple-mented	Ongoing
Evaluation of feed-in alternatives	Optimisation of the feed-in options	Grid bottlenecks due to changes in the electricity mix as a result of a higher proportion of renewable energies	Development of simulations of storage solutions or the addition of photovoltaics for the evaluation and development of capacity utilisation optimisations at grid feed-in points	By improving the feed-in, the amount of usable electricity can be increased. This creates a decarbonisation lever in the downstream value chain (Scope 3.11 Use of products sold)	Being imple-mented	Ongoing
Evaluation and imple-mentation of hydrogen projects	Evaluation of oppor-tunities through the use of another efficient energy source	Grid bottlenecks due to changes in the electricity mix as a result of a higher proportion of renewable energies	Researching the possibilities of hydrogen projects and feeding hydrogen into the grid In 2024, PNE also received funding for the “Cross-border Pomeranian Green Hydrogen Cluster” project in Poland to investigate the connection to the European hydrogen grid. The project is being carried out jointly with the Polish and German gas network operators GAZ-SYSTEM and GASCADE		Being imple-mented	Ongoing

Measure[1]	Helps towards the following target[2]	Allocation to impact, risk, opportunity	Description	Decarbonisation lever[3]	Status	Time frame
Improving turbine selection	Increasing the efficiency of the wind turbines	Technological advances: advances in wind energy technology, such as more efficient turbines and improved energy saving options, can reduce costs and increase the attractiveness of wind energy projects	Selection of more efficient wind turbines using site data from wind modelling and measurement data	The implementation of measures that contribute to improving performance leads to an improvement in the performance and output of electricity production from renewable sources. This creates a decarbonisation lever in the downstream value chain (Scope 3.11 Use of products sold)	Being implemented	Ongoing
Performance optimisation in operations management	Increasing efficiency through intelligent control and predictive maintenance of wind turbines	Technological advances: advances in wind energy technology, such as more efficient turbines and improved energy saving options, can reduce costs and increase the attractiveness of wind energy projects	Introduction of data analysis software for all new wind farms commissioned in 2024 and transferred to the company's own generation portfolio		Being implemented	Ongoing
Energy-saving measures at office locations	Reducing CO_2 emissions	Opportunities from energy efficiency requirements: stricter energy efficiency regulations and standards may require additional investment in energy-efficient technologies and processes. This can lead to savings in the long term	The energy-saving measures include: → Comprehensive use of energy-saving light sources → Use of devices with the lowest possible energy consumption → Use of motion detectors for switching appliances and lighting on/off → Switching off lights and devices outside of working hours → Reduction in the number of electrical IT devices → Procurement of energy-saving household appliances	The application of energy-saving measures leads to a reduction in energy consumption, which creates a decarbonisation lever for Scopes 1 and 2	Being implemented	Ongoing
Switching electricity supply to renewable energies	Reducing CO_2 emissions	Opportunities from energy efficiency requirements: stricter energy efficiency regulations and standards may require additional investment in energy-efficient technologies and processes. This can lead to savings in the long term	In 2024, all electricity contracts of the PNE Group were analysed. PNE's conventional electricity contracts are to be converted to green electricity tariffs in future	Savings in CO_2 emissions for electricity (market-based share)	Planned	Ongoing

Measure[1]	Helps towards the following target[2]	Allocation to impact, risk, opportunity	Description	Decarbonisation lever[3]	Status	Time frame
Conversion of the fleet to low-CO_2 vehicles	Reducing CO_2 emissions	Opportunities from energy efficiency requirements: stricter energy efficiency regulations and standards may require additional investment in energy-efficient technologies and processes. This can lead to savings in the long term	Gradually reduce CO_2 emissions from the vehicle fleet by adapting the company car directive	The implementation of the measure has an impact on energy consumption within the company and represents a decarbonisation lever for Scope 1 and 2	Planned	From 2025
Screening of regulatory changes nationally and internationally	Forward-looking consideration of regulatory requirements to minimise risks and take advantage of opportunities	Changes in political objectives: uncertainty in investment conditions for future projects due to possible insufficient political and regulatory support for climate change mitigation and the further expansion of renewable energies Political support and incentives: many governments are promoting climate change mitigation through subsidies, tax breaks and other incentives for renewable energies, which supports investment and growth in the wind energy industry	In Germany, the Public Affairs department monitors legislative changes and represents the PNE Group in associations (see ↗ **G1-1, Aspect "Political engagement and lobbying activities"**) For the international markets, a compilation of regulatory changes per country was made in 2024 in order to keep an eye on possible political influences		Completed	Ongoing

Measure[1]	Helps towards the following target[2]	Allocation to impact, risk, opportunity	Description	Decarbonisation lever[3]	Status	Time frame
Expansion of renewable energies	See targets in **↗ E1-4 – Targets to related climate change mitigation and adaptation**	Security of supply through greater decentralised availability of renewable energy sources Growing demand for renewable energies: the need to reduce CO_2 emissions is leading to an increasing demand for clean energy sources and thus increasing market opportunities Reduction of greenhouse gas emissions in the downstream value chain through developed renewable energies projects	→ Development of wind energy and PV projects → Repowering of old wind farms → Implementation of wind energy and PV projects → Expansion of the output volume of wind farms for which operational management is carried out	The implementation of the measures has a decarbonisation lever for the downstream value chain (Scope 3.11 Use of products sold)	Being imple-mented	2027

1 The achieved and expected emission reduction cannot yet be reported as the data are not available.
2 The objective of the measure is stated in this column. If there is a target for the aspect, this is indicated.
3 So far, the decarbonisation lever can only be described in qualitative terms.

In particular, the PNE Group's measures on the sustainability aspects of "climate protection in the upstream value chain", "adaptation to climate change through the provision of renewable energies", "adaptation to climate change through technological progress" and "climate protection in the downstream value chain" have the potential to promote climate protection and further advance decarbonisation. The PNE Group intends to further expand its reporting on quantifiable savings potential in the future.

Action plans with significant CapEx/OpEx

For PNE as one of the leading project developers, considerable investments and operational expenditure in the renewable energies sector are part of its core business. In the coming years, investments of over EUR 0.8 billion are planned in the company's own generation portfolio of wind farms and PV power plants as well as the development of new markets and technologies. This applies to both onshore and offshore planning projects and includes both greenfield and repowering projects. In addition, the PNE Group also wants to push ahead with hybrid projects, i.e. the combination of wind energy and PV power plants. Investments are also to be made in innovative production facilities for new technologies such as PtX.

E1-4 – Targets related to climate change mitigation and adaptation

Overview of targets related to climate change mitigation and adaptation

Goal	Description	Covered scope	Reference value and year for progress measurement	Progress	Period
Project pipeline of at least 10–15 GW/GWp	As part of the adjusted corporate strategy, PNE has set itself the target of maintaining the project pipeline at a level of at least 10–15 GW until the end of 2027. The pipeline relates to the project development of both wind energy and PV systems internationally.	Contributes to downstream Scope-3 GHG emission reduction -> no explicit goal	2022: 11.9 GW	2024 pipeline in the amount of 18.9 GW	By the end of 2027
Expansion of own generation portfolio to approx. 1.1 GW	In addition, PNE aims to increase its own generation portfolio of wind energy and PV power plants in operation or under construction to an output of approx. 1.1 GW by 2027. The focus for the company's own generation portfolio is on Germany and Europe. With the growth of the wind farms in its own operation to approx. 1.1 GW, PNE contributes directly to savings in CO_2 emissions in the downstream value chain.	Increase in saved downstream CO_2 emissions	2022: 318.9 MW	Growth of own generation portfolio to 429 MW in 2024	By the end of 2027
Supervision of wind and PV projects of 3.5 GW	For the services segment, PNE aims to become one of the relevant operations management companies in Europe. The target is to manage wind and PV projects with a total output of 3.5 GW by the end of 2027. The services activity contributes to the operational maintenance of electricity production from renewable energies.	Enables electricity production from renewable energies, which helps to reduce CO_2 emissions in the downstream value chain	2022: >2.5 GW	Increase in the service volume for operations management in 2024 to >2.9 GW	By the end of 2027

For the sustainability aspects "climate protection in the upstream value chain", "physical climate risks in own business", "adaptation to climate change through the provision of renewable energies", "adaptation to climate change through technological progress" and "adaptation to climate change: funding and investment potential", no targets have yet been defined that contribute to the reduction of greenhouse gas emissions. The PNE Group plans to define targets as part of the further development of its 2025 Sustainability Strategy, define goals for these sustainability aspects and expand reporting. If quantitative, measurable goals cannot be set for individual aspects, qualitative, descriptive targets should be set where appropriate. The effectiveness of the concepts developed and measures derived will then be regularly monitored in future. The interdisciplinary PNE ESG Committee, headed by the Head of Sustainability, manages, monitors and coordinates all sustainability concepts and measures. It is in dialogue with all areas of the company, where operational implementation is decentralised to the various departments and branches.

No target has yet been set for the overall reduction of greenhouse gas emissions either. This is to be carried out as part of the 2025 strategy review. For GHG reduction targets, decisions are also made on the base year for tracking progress and on the scope of the target.

For climate protection in the upstream value chain, the PNE Group will have the necessary data available in the course of a project to identify Scope-3 emissions in 2025 in order to be able to define appropriate measures and targets with regard to the sustainability aspect.

E1-5 – Energy consumption and energy mix

For the PNE Group as a Clean Energy Solution Provider, climate protection and the consistent use of renewable energies are the central concerns. In addition to project development for renewable energies, this also applies to energy consumption at our own operating sites. Through energy efficiency measures such as switching to energy-saving LED lighting, the use of motion detectors and optimising the room temperature in the office buildings, PNE aims to reduce its own energy consumption and the CO_2 footprint caused.

A central aspect of climate protection measures is the increased use of renewable energies. The PNE Group aims to cover as much of its electricity requirements at its sites as possible from green electricity. At present, individual old contracts are still concluded with conventional electricity and the guarantee of green electricity for office space that PNE obtains as a full-service tenant is not fully in place.

The PNE Group is also aware of the impact of burning fossil fuels in its company cars. There are therefore special regulations to promote the choice of electric vehicles when selecting company cars. To this end, the Facility Management department is also addressing the challenge of providing the charging infrastructure. To date, PNE has a charging infrastructure at the office locations in Husum and Cuxhaven. The PNE Group is also investigating the increased use of electric vehicles in its vehicle fleet.

Another important component is raising awareness among the PNE workforce. The references in the Code of Conduct and internal guidelines are intended to raise awareness of energy-efficient behaviour and the importance of climate protection.

Energy consumption and energy mix

	Fully consolidated companies	Operationally controlled companies
	2024	**2024**
Total renewable and low-carbon energy consumption (MWh)	**243,805**	**57**
Fuel consumption for renewable sources, including biomass (MWh)	227,764	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	3,840	57
District heating (MWh)	14	0
Electricity (MWh)	3,826	57
Consumption of self-generated non-fuel renewable energy (MWh)	12,201	57
Total energy consumption from nuclear sources (MWh)	**56**	**1**
Electricity (MWh)	56	1
Total fossil energy consumption (MWh)	**6,759**	**9**
Diesel (MWh)	2,427	0
Petrol (MWh)	2,571	0
Natural gas (MWh)	917	0
Heating oil (MWh)	271	0
District heating (MWh)	69	0
Methane (MWh)	5	0
Methanol (MWh)	43	0
Electricity (MWh)	457	9
Total energy consumption (MWh)	**250,620**	**67**
Share of renewable and low-carbon sources in total energy consumption (%)	**97**	**86**
Share of consumption from nuclear sources in total energy consumption (%)	**0**	**2**
Share of fossil sources in total energy consumption (%)	**3**	**13**
Renewable energy production (MWh)	**747,645**	**0**
Non-renewable energy production (MWh)	**199**	**0**

Heating oil and natural gas as well as district heating are used to supply heat at the office locations. Diesel and petrol are used as fuels for the company vehicles.

On the one hand, electricity is consumed for the electricity supply at the administrative and storage locations, including the supply of the company's own charging infrastructure, and on the other hand, it is required for the operation of the wind farms when they are at a standstill. In addition, the wind farms supply themselves with the electricity they produce themselves.

A large part of the energy consumption is attributable to the operation of the wood-fired power plant at 231,256.2 MWh, 98.5% of which is generated by biomass fuel consumption.

12,440.3 MWh of energy consumption was required for the operation of wind farms. Of this, 72.4% is attributable to own electricity consumption and 27.6% to electricity purchased from third parties.

4,997.0 MWh was consumed by fuel used in the company vehicle fleet, and 1,950.5 MWh of own consumption was attributable to the administrative and warehouse locations. The remaining energy consumption comprises the use of methanol to power the fuel cells required to operate the wind measurement technology.

Company-specific key figures

As part of the implementation of the corporate strategy, PNE sold wind energy and PV projects with approx. 751.3 MW in the reporting year. Since its foundation, the PNE Group has realised projects with a total nominal output of more than 11 GW. Despite significant project and pipeline sales, the pipeline, i.e. the number of projects in the various phases of development, remained almost stable compared to the prior year at 18,852 MW.

With the power generation from renewable energies, PNE is already making an important contribution to sustainable and climate-friendly energy supply in Germany. In the reporting year, PNE was able to increase the nominal output of its wind farms to 428.5 MW by completing and taking over further wind farms. In total, 748 GWh was generated in 2024. This means that roughly 200,000 three-person households per year can be supplied with electricity from renewable energies (BDEW, 2021).

The PNE Group contributes internationally to smooth operations with services for the operational management of wind farms in Germany, France, Poland, Sweden and other European markets as well as wind measurements, technical inspections and tests worldwide. In total, the order volume currently managed by PNE covers wind farms in Germany and abroad with a nominal capacity of more than 2.9 GW.

The PNE Group collects and reports these key figures internally on a monthly basis in a regulated process and publishes them on a quarterly basis.

E1-6 – Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions

The PNE Group utilises the transitional relief for the first reporting year 2024 and omits the data points on Scope-3 emissions and total GHG emissions.

Gross GHG emissions

	Fully consolidated companies	Operationally controlled companies
	2024	**2024**
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (t CO_2e) (without biogenic emissions)	3,818	0
Biomass (t CO_2e)	2,338	0
Diesel (t CO_2e)	610	0
Petrol (t CO_2e)	602	0
Natural gas (t CO_2e)	186	0
Heating oil (t CO_2e)	77	0
Methane (t CO_2e)	0	0
Methanol (t CO_2e)	4	0
Isopropanol (t CO_2e)	1	0
Refrigerant (t CO_2e)	0	0
CO_2 emissions from the combustion or biodegradation of biomass (t CO_2e)[1]	71,084	0
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)[2]	14.6	0.0
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (t CO_2e)	1,609	13
Electricity (t CO_2e)	1,586	13
District heating (t CO_2e)	23	0
Gross market-based Scope 2 GHG emissions (t CO_2e)	379	5
Electricity (t CO_2e)	375	5
District heating (t CO_2e)	3	0
Total GHG emissions (Scope 1+2)		
Total GHG emissions (Scope 1+2) (location-based) (t CO_2e)	5,426	13
Total GHG emissions (Scope 1+2) (market-based) (t CO_2e)	4,196	5

1 According to the GHG Protocol "outside the scope' of Scope 1 emissions
2 Takes into account the biogenic emissions from the combustion of biomass for which certificates have been purchased that are not included in the scope

The entire Group, including the parent company and consolidated subsidiaries, is taken into account for greenhouse gas accounting and total energy consumption. Depending on whether operational control exists, joint ventures are either recognised in full in the same way as fully consolidated companies or, in the absence of operational control, in Scope 3, category 15 "Investments". Operational control exists when PNE is in a position to influence the operating activities and relationships of the company, the location, the operating assets or other assets. An analysis of the necessary consideration of affiliated and joint ventures as well as non-consolidated subsidiaries has shown that Bitbloom Ltd. must be taken into account. The key figures on greenhouse gas emissions and total energy consumption are shown separately for Bitbloom Ltd. under E1-5 and E1-6. There are no other locations or companies over which operational control is exercised. To calculate the GHG emissions of the relevant energy sources, PNE uses standard emission factors from internationally recognised organisations and databases such as the UK Department for Environment, Food & Rural Affairs (DEFRA), the International Energy Agency (IEA) and the Ordinance on Emissions Reporting under the Fuel Emissions Trading Act for the years 2023 to 2030 (EBeV 2030, Annex 1).

DEFRA offers extensive emission factors for balancing the use of fossil fuels, which have also been applied to different data available at PNE. For the market-based electricity, PNE used emission factors according to the electricity contracts and for the location-based electricity balancing, the IEA data set for the reporting year 2024 was used due to the wide availability of country-specific CO_2 factors according to the prevailing electricity mix. For the CO_2 calculation of biomass, the calculation method according to the Fuel Emissions Trading Act was also used.

Greenhouse gas emissions in the upstream and downstream value chain have not yet been fully recognised for the 2024 financial year. Nevertheless, the PNE Group can already provide an insight into the company's contribution based on its business activities in accordance with the company-specific key figures "Greenhouse gas savings through the expansion of renewable energies in the downstream value chain": measured against the German electricity mix, this energy produced in-house, taking into account the upstream chains and external auxiliary energy, represents an emission avoidance of approx. 566,000 tons of CO_2e for the year 2024 (UBA, 2024).

Greenhouse gas intensity on the basis of net revenue

In the 2024 financial year, the PNE Group reports the GHG intensity based on its net revenue for its Scope-1 and -2 emissions, which is presented as a table below:

GHG intensity per net revenue

	2024
Total GHG emissions (location-based) per net revenue (t CO_2e/million euro)	25.8
Total GHG emissions (market-based) per net revenue (t CO_2e/million euro)	19.9
Net revenue used to calculate GHG intensity (million euro)	210.8
Net revenue (other) (million euro)	0.4
Total net revenue (in financial statements) (million euro)	210.4

The total emissions of the PNE Group were not included in the calculation of the greenhouse gas intensity for the first reporting year due to the lack of Scope-3 accounting.

Nevertheless, a greenhouse gas intensity was determined on the basis of the PNE Group's Scope-1 and -2 emissions. The location-based and market-based greenhouse gas emissions from the table ↗ **GHG intensity per net revenue** are each used as the numerator. The denominator must show the net income in each case. This deviates from the income statement item in the financial statements, as greenhouse gas accounting is not only based on the financial scope of consolidation. For this reason, the net income item is corrected on the basis of the companies included for greenhouse gas accounting.

E1-7 Greenhouse gas removals and mitigation projects financed through carbon credits

The PNE Group does not reduce greenhouse gas emissions through its business activities. However, the expansion of renewable energies saves CO_2 compared to conventional power generation.

CO_2 credits to minimise the CO_2 footprint have not yet been issued. The inclusion of the purchase of CO_2 certificates as an investment in extraction or reduction projects outside the value chain is currently being investigated.

However, as part of the Fuel Emissions Trading Act, 700 CO_2 certificates were acquired for the Silbitz CHP plant via the German Emissions Trading Authority in the 2024 financial year. The certificates include a price for the CO_2 emissions caused by the fossil content of the burnt waste wood. The fossil content of the biomass corresponds to 1.2% according to sampling. The revenue from national emissions trading goes into the Climate and Transformation Fund, which in turn finances climate-friendly projects in the areas of energy supply, decarbonisation, building refurbishment, the hydrogen economy and electromobility.

The CO_2 emissions to be offset were calculated on the basis of the fuel quantity used by PNE in 2024 and the calorific value or calorific value-related emission factor provided in Annex 1 EBeV 2030 of the Fuel Emissions Trading Act.

CO_2 offsetting is presented separately from greenhouse gas emissions. The purchase of CO_2 offsets fulfils the requirements of the Fuel Emissions Trading Act.

To date, CO_2 credits have not been part of PNE's corporate and sustainability strategy. The development of a strategy for greenhouse gas neutrality and the decision to set a net zero target have not yet been made and will be included in the discussions as part of the revision of the PNE Group's 2025 sustainability strategy. In this context, the development of the decarbonisation pathway and the positioning on the CO_2 avoidance strategy and the strategy of purchasing further CO_2 emission compensation certificates are still pending.

E1-8 – Internal CO_2 pricing

The PNE Group does not apply internal CO_2 pricing.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The PNE Group does not report on the anticipated financial effects from material physical risks and transition risks or potential climate-related opportunities.

2.3 E4 – Biodiversity and ecosystems

For the PNE Group as a Clean Energy Solutions Provider, biodiversity and the protection of biological diversity is an essential aspect of corporate responsibility. One issue often discussed by society in connection with the construction of renewable energy plants is the impact on nature. The PNE Group is aware of this and is constantly striving to minimise its impact on the quality and diversity of animal and plant habitats, while encouraging biodiversity at wind farms and PV power plants developed by PNE. For example, flowering meadows and hedges in the area of PV power plants can provide food and shelter for insects and birds. Nevertheless, it cannot be completely ruled out that the construction and operation of the plants as part of business activities may have negative direct and indirect effects on biodiversity. Impairment of biodiversity harbours the risk of higher regulatory requirements for PNE and possibly the failure of permits. By contributing to the preservation of biodiversity, the company can minimise these risks and safeguard its business activities in the long term.

The PNE Group has set itself the goal of avoiding the direct and indirect negative effects on biodiversity as far as possible, to minimise them and to compensate for them where this is not entirely possible.

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The PNE Group does not have an explicit transition plan, but negative impacts on biodiversity and ecosystems due to wind energy and PV projects are assessed anyway through comprehensive consideration of the areas and the species living there. Consultation with the nature conservation authorities is also one of the fundamental parts of project planning. In countries where PNE has advanced projects, expert opinions on the impact on ecosystems and biodiversity are a basic requirement for the permit and implementation of the project in accordance with current legislation. If an assessment shows that the construction or operation of a wind energy or PV power plant will have a negative impact, it is discussed whether it is possible to reduce the impact or what avoidance and compensation measures can be taken to mitigate the impact. If construction in an area is not justifiable due to the special protective measures for nature and species conservation, the PNE Group refrains from further project planning.

Disclosure requirements in connection with ESRS 2 SBM-3

Topic-specific information on the “Material impacts, risks and opportunities and their interaction with the strategy and business model” of the PNE Group is presented in section ↗ **ESRS 2, SBM-3**.

Disclosure requirements in connection with ESRS 2 IRO-1

Topic-specific information on the “Process for identifying and assessing material impacts, risks and opportunities in connection with biodiversity and ecosystems” of the PNE Group is presented in section ↗ **ESRS 2, IRO-1**.

E4-2 – Policies related to biodiversity and ecosystems

Aspect Impacts on the scope and status of ecosystems and species

Impacts and risks identified as material and addressed by the concept:

- Impact: Displacement or loss of individuals of certain species, e.g. due to noise during the construction phase of wind farms or bird strikes
- Impact: Impairment of ecosystems, e.g. through land sealing and soil compaction during the construction of wind energy and PV power plants
- Risk: Rising costs due to stricter nature conservation requirements: refusal of permits due to lack of solutions for protected species to harmonise these with the project

The PNE Group pursues a strategy of avoiding direct and indirect negative impacts on the extent and condition of biodiversity and ecosystems as far as possible. The detailed investigations carried out as part of the approval process enable us to select a site that avoids or minimises the negative impact of the construction and operation of the renewable energies plants planned by PNE on biodiversity. The PNE Group adheres strictly to the legal requirements and specifications of the relevant (federal) states and nature conservation authorities.

Potential impacts from the construction and operation of wind energy and PV power plants are determined as part of the project planning process. The principle of impact avoidance applies here. If this is not possible, the minimum principle applies in order to minimise the intervention as much as possible. The strategy is to reduce and compensate for unavoidable interventions. An attempt is made to compensate for interventions where they occur in order to avoid an imbalance. The Head of Project Development is responsible for biodiversity issues in the context of project planning and reports to the COO and CEO.

With regard to the assessment of impacts and the coordination of compensation and offsetting measures, the PNE Group works together with species and biotope conservation organisations as part of the approval process in order to define site-specific measures to protect species and nature. The specifications are monitored by independent experts during the construction phase. Compensation measures, such as diversion areas or compensation for land sealing, can even have a particularly positive effect on ecosystems and in some cases even promote species.

The PNE Group can rely on many years of experience in project planning and benefits from empirical values from other projects in order to be able to determine and implement measures with regard to nature and species protection in the best possible way and to design the areas according to proven methods.

PNE also utilises the expertise of nature conservation experts within its own company. This helps to ensure that special consideration is given to species and nature conservation when designing the areas. Among other things, the experts also promote professional exchange with landowners.

In addition, the PNE Group cooperates with nature conservation organisations in individual projects or takes their advice into account, for example as part of joint nature conservation plans and environmental studies or the joint promotion of sustainability initiatives.

In addition, PNE pursues the improvement of technical systems and advances that add value to the protection of biodiversity. This includes, for example, the testing of BPS to protect against bird strikes.

As part of its projects for wind energy and PV power plants, the PNE Group commissions expert opinions on nature conservation and species protection, among other things. The consultants' investigations generally include:

1. A detailed analysis of the protected areas and habitats at the site and in the vicinity of the planned facilities. This includes the recording of species and biotopes, such as bird and bat surveys, studies on migratory bird activity, breeding and nesting sites, flight routes and bat roosts. This allows efficient measures to be defined to minimise possible collisions with wind turbines.

2. A balancing of all interventions in nature in the form of a landscape conservation plan in order to determine the necessary compensation requirements.

3. In many cases, a formal environmental impact assessment is also carried out. This assesses the potential impact on biodiversity. The wind farms and PV power plants of the PNE Group are located outside of dedicated protected areas and areas of high value for biodiversity. However, if projects are planned in the vicinity of protected areas from the European Union's network of protected areas, known as Natura 2000 sites, the potential impact of the planned project on the area is also assessed. This is done as part of an so-called FFH impact assessment, which is based on the EU's Fauna-Flora-Habitat Directive.

Concepts – further information according to E4

The concepts pursued by PNE in connection with the project planning, implementation and operation of wind energy and PV power plants are concerned with the protection of biodiversity and ecosystems. In addition, the concepts deal with the contribution to the indirect factors influencing the loss of biodiversity, such as climate change, land and water use change and environmental pollution. They also address the significant impacts on the status of species, in particular changes in population size or the loss of individuals that could potentially increase the risk of global extinction of a species. They also address the effects on the extent and condition of ecosystems, for example through land degradation or soil sealing. PNE endeavours to compensate for encroachments by reforesting forests in order to combat deforestation.

The concepts described do not relate to the impacts and dependencies of ecosystem services. The social consequences of impacts related to biodiversity and ecosystems are partially considered in the concepts.

If measures are defined by PNE that are intended to preserve, compensate for or improve ecosystems or biodiversity, conditions are usually defined that require (regular) review and reporting. For example, diversion areas for birds must be monitored over the entire lifespan and the planting of trees must be observed in relation to the progress of growth in the first few years while ensuring care.

The review is regularly commissioned by the project development segment or by PNE's operations management. The authorised bodies (e.g. biologists and/or landscape managers) carry out the monitoring at the defined time and record the results. The management supervises and coordinates the monitoring of measures and makes the results available to the requesting nature conservation authority. To compensate for an intervention in nature and the landscape, both functional and spatial compensation measures are planned which will be closely orientated towards the intervention and replacement measures or payments. The PNE Group constantly endeavours to implement compensation measures for wind energy and PV projects as close as possible to the impact site. These include grazing, the creation of biotopes, flowering meadows and flowering strips as well as afforestation.

The PNE Group strictly complies with the legal requirements, such as the German Federal Nature Conservation Act (BNatSchG), both in terms of impact regulation and species protection. PNE works closely with nature conservation authorities and often also with regionally active nature conservation organisations to implement them.

The individual measures vary depending on the local requirements, type of intervention and species affected in the individual projects of PNE. With the help of external experts, the impact significance and the measures required for both the species protection measures and the compensation measures are determined.

When designing individual measures, the PNE Group takes into account all current and scientifically established practices.

E4-3 – Actions and resources related to biodiversity and ecosystems

Overview of measures completed in the past financial year, currently ongoing and planned for the future in connection with biological diversity and ecosystems

Description	Description	Level of the remedial measures hierarchy	Status	Time frame
Impacts on the scope and status of ecosystems and species				
General, overarching measures that pursue the goal of stronger networking and a more intensive exchange of experience. The measures relate to the following impacts and risks: → Impact: Displacement or loss of individuals of certain species, e.g. due to noise during the construction phase of wind farms or bird strikes → Impact: Impairment of ecosystems, e.g. through land sealing and soil compaction during the construction of wind energy and PV power plants → Risk: Rising costs due to stricter nature conservation requirements: refusal of permits due to lack of solutions for protected species to harmonise these with the project				
Implementation of a Group-wide nature conservation workshop	In 2024, a nature conservation "Meet and Greet" was organised company-wide at PNE for the first time. The aim of the one-day workshop was to get to know the project and nature conservation managers from the respective organisations and to exchange and discuss relevant topics and challenges in the respective countries. Presentations by the participants provided insights into country-specific experiences. In addition, experience from the testing and use of new technologies such as BPS for protection against bird strikes was shared. A continuation of the format is being considered.	Not assignable	Completed	Q3 2024
Participation in nature conservation working groups of industry associations	PNE's nature conservation experts are represented in industry associations in order to keep abreast of current developments and actively participate in working groups.	Not assignable	Being implemented	Ongoing
Support for the LIFE EUROKITE research project	In 2024, the figures from the study were analysed, compiled and presented at the "Wingspan" conference in Brussels. The final report for the project has not yet been published.	Avoidance	Being implemented	Ongoing

Description	Description	Level of the remedial measures hierarchy	Status	Time frame
Research and testing of bird protection systems for the potential optimization of shutdown times	PNE and Energy Consult are researching and trialling the use of BPS and bat detection systems. Approaching birds or bats can be detected by the detection systems and the wind turbines can be switched off as required. This helps to minimise the risk of collisions. In 2024, further optimisations were carried out for the pilot project in Mansbach and initial approval was obtained for the use of the BPS in the Wulfsdorf wind farm.	Avoidance	Being implemented	Ongoing
Further use of bird protection systems	Energy Consult is planning the use of bird protection systems in a wind farm in Schleswig-Holstein.	Avoidance	Planned	2025
Measures (for examples see[1]) at the individual project locations that pursue the following goal: avoidance, minimisation and compensation of potentially negative impacts on the extent and status of biodiversity and ecosystems. The measures relate to the following impacts: → Impact: Displacement or loss of individuals of certain species, e.g. due to noise during the construction phase of wind farms or bird strikes → Impact: Impairment of ecosystems, e.g. through land sealing and soil compaction during the construction of wind energy and PV power plants				
Implementation of avoidance and intervention measures for the **Hamwarde wind farm**	Avoidance measures: → Creation of diversion areas for red kite breeding sites → Creation of a diversion area for the white stork → Construction period regulation for open land breeders such as grey partridge, skylark and quail → Avoiding the colonisation of open land breeders in the construction area (before and during construction) → Construction period regulation for woodland breeders such as blackbird, chaffinch and nuthatch → Growing a mast base (on completion of the construction project) → Environmental construction supervision throughout the entire construction phase Intervention measures: → Planting of hedges to protect the habitat of the dormouse (final completion of the new hedges at the beginning of 2025)	Avoidance and equalisation	Completed	By the start of 2024

Description	Description	Level of the remedial measures hierarchy	Status	Time frame
Implementation of avoidance measures for the **Heidmoor wind farm**	Avoidance measures: **Before the start of construction and during construction work:** → Construction period regulation for open land breeders such as grey partridge, skylark and quail → Avoiding the colonisation of open land breeders in the construction area (before and during construction) → Construction period regulation for woodland breeders such as blackbird, chaffinch and nuthatch → Growing a mast base (on completion of the construction project) → Construction time regulations for felling trees with regard to the bat species group → Preservation of bend protection strips to prevent impairment of protected biotopes → Ecological construction monitoring	Avoidance	Completed	May 2023–June 2024
Implementation of avoidance and intervention measures for the **Papenrode wind farm**	Avoidance measures: **Before or during construction:** → Protective measures for soil and groundwater → Construction time regulations to protect birds, bats and other animal species against interference with breeding and settling times → Recultivation of the old plant sites and temporarily utilised areas **Compensatory measure:** Before commissioning: → Securing existing areas of measures for the repowered wind farm	Avoidance and equalisation	Completed	July 2023–April 2024

<table>
<tr><th>Description</th><th>Description</th><th>Level of the remedial measures hierarchy</th><th>Status</th><th>Time frame</th></tr>
<tr><td>Implementation of avoidance and intervention measures for the Bokel wind farm</td><td>Avoidance measures:

Regarding construction:
→ Ecological construction monitoring
→ Construction time regulation with regard to the construction site realisation (removal of woody plants, outside the breeding season)
→ Construction time regulation with regard to civil engineering works (avoidance of killing and disturbance of ground-nesting bird species)

Compensatory measure:
→ Extensification of approx. 14,000 m² of permanent grassland (compensation for the impact of full and partial sealing)
→ Planting of four individual trees (to compensate for the loss of three pine trees)
→ Development of structurally rich flower strips of approx. 6,000 m² with annual sowing (compensation for the loss of ruderal herbaceous meadows; at the same time, favourable habitat conditions are created for partridges) (Note: implemented for 2024; planned for 2025 with changed location and permanent retention)
→ Development of self-vegetating fallow fields of approx. 29,900 m² in open land and approx. 10,100 m² near the forest (favourable habitats for skylarks and woodlarks) for the construction phase</td><td>Avoidance and equalisation</td><td>Completed</td><td>November 2023–December 2024</td></tr>
<tr><td>Implementation of avoidance measures for the Holstentor wind farm</td><td>Avoidance measure:

In operation:
→ Regulation of operating times for mowing and harvesting events in areas within a radius of 500 metres to protect large birds and birds of prey, especially red kites
→ Operating hours regulation for the protection of bats
→ Implementation of a Bewick’s swan monitoring programme to determine the impact on resting areas in order to ensure their conservation</td><td>Avoidance</td><td>Completed</td><td>2024</td></tr>
<tr><td>Implementation of avoidance measures for the Groß Oesingen wind farm</td><td>Avoidance measure:

In operation:
→ Carrying out a presence test to prevent the operational killing of the tree falcon</td><td>Avoidance</td><td>Completed</td><td>2024</td></tr>
</table>

1 The overview shows examples of measures implemented in projects from 2024. A complete overview of all measures in the construction and operation of PNE’s 31 wind farms was not provided due to the scope of the report.

The PNE Group takes local and indigenous knowledge into account by involving the relevant nature conservation authorities, with whom it works in the context of project permits. In addition, PNE works together with experts, if possible from the surrounding area, and cooperates with nature conservation organisations or takes their advice into account in the context of joint nature conservation plans and environmental studies.

For the construction of each wind energy and PV power plant, PNE defines appropriate measures for the avoidance, minimisation, restoration/rehabilitation, compensation and/or offsetting of the impact on the flora and fauna and the ecosystem in need of protection. These follow the remedial action hierarchy. The measures are defined in accordance with the prevailing conditions at the site and the results of the specialist analyses. The action plans are implemented during the construction and operating phases and reviewed by external experts. In this context, operations management is also responsible for compliance with switch-off agreements for the protection of animals, in particular birds and bats, or operates corresponding bird protection systems by prior agreement.

As designers of wind energy and PV power plants and suppliers of clean-energy solutions, the PNE Group places great importance on transparent exchange with various stakeholders. This also applies to the design of remedial measures to protect biodiversity and ecosystems. Further information on the PNE Group's stakeholder dialogue can be found under ↗ **ESRS 2, SBM-2** Interests and views of stakeholders.

The financial outlay for individual measures often extends over several years. Costs of EUR 3.1 million were incurred for equalisation measures in the 2024 financial year.

Action plans with significant CapEx/OpEx

Beyond the measures mentioned above, PNE does not have a specific action plan for the aspect of impacts on the scope and status of ecosystems and species.

However, PNE financially assesses avoidance and compensation measures as part of the project realisation and takes these into account in the project cost planning.

E4-4 – Targets related to biodiversity and ecosystems

Overview of the targets related to with biodiversity and ecosystems

The PNE Group does not have any overarching, quantifiable and measurable goals in the area of "biodiversity and ecosystems" as defined by the ESRS. As part of the revision of the sustainability strategy, the PNE Group will rethink the definition of Group-wide and project-based quantitative and measurable targets for the topics of biodiversity and ecosystems in 2025.

The central component of the environmental and species protection assessment during project planning has so far determined the actions of the PNE Group. The impacts of the construction and operation of wind farms determined by the landscape conservation plan and the expert report on species protection specify measures and, in a figurative sense, the targets that PNE implements. The implementation of the measures is monitored as part of the projects.

Even if the PNE Group has not yet defined any quantitative targets, mindful work in connection with nature and the environment is in line with the Group's principles. All employees undertake to engage with environmental protection and avoid negative environmental impacts by agreeing to the Group's Code of Conduct. In addition, the implementation of project-related measures goes hand in hand with permits for the construction and operation of wind energy and PV power plants, which means that there is an obligation in any case.

E4-5 – Key figures for impacts in relation to biodiversity and ecosystem change

The PNE Group applies the exemptions under ESRS 2, para. 17 in Standard E4 for the first reporting year 2024 with regard to impact metrics related to biodiversity and ecosystem changes. PNE endeavours to report on its material disclosures in ESRS E4-5 in the future.

E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

The PNE Group applies the exemptions under ESRS 2, para. 17 in Standard E4 for the first reporting year 2024 with regard to the anticipated financial effects from biodiversity and ecosystem-related risks and opportunities.

2.4 E5 – Resource use and circular economy

As a project development company and operator of wind energy and PV power plants, resource utilisation and the circular economy are of central importance to the PNE Group. As a commitment to sustainable corporate management, PNE aims to use its resources efficiently and avoid or minimise waste as far as possible. This means exploring ways to reuse and recycle materials, optimising processes and extending the service life of its systems.

Recycling plays a particularly important role in connection with repowering, i.e. the replacement of older wind turbines or parts thereof with modern and more powerful turbines. Repowering often allows large wind farms with older turbines to be replaced by new wind farms with fewer turbines. PNE is also utilising this opportunity to increase the efficiency of wind farms. It commissions recycling companies with disposal and reuse for the realisation of repowering projects and the dismantling of wind turbines. Normally, the old systems are sold on and the careful removal of these is organised by the buyer. The buyer undertakes to confirm the realisation. Components of the old plants, such as the rotor blades, the nacelle and the transformer station, are partly rebuilt elsewhere or essential components are reused as individual parts. Where possible, PNE also uses the crushed concrete from the old wind farms to fill the new foundations.

Preventing the penetration of oils and other liquids into the soil is the main focus during dismantling. The greatest challenge in establishing a circular economy for wind turbines is currently posed by how to recycle rotor blades. To this end, the recyclability of rotor blades is being further developed and promoted throughout the industry. Disposal specialists are also improving professional recycling processes and already offer the disposal of glass-fibre-reinforced plastics and the processing of these into high-quality substitute fuels and recycled fibres.

The main effects of such a circular economy strategy are manifold for PNE. On the one hand, the company's environmental footprint can be significantly improved and a contribution made to environmental protection. On the other hand, the efficient utilisation of resources can reduce costs and increase profitability.

Disclosure requirements in connection with ESRS 2 IRO-1

Topic-specific information on the "Process for identifying and assessing material impacts, risks and opportunities in connection with resource use and circular economy of the PNE Group" is presented in section ↗ **ESRS 2, IRO-1**.

E5-1 – Concepts related to resource use and circular economy

Overview of concepts related to resource use and circular economy

Aspect Resource inflows, including resource use

Impact identified as material and addressed by the concept:

- Negative impact on the environment due to the extraction of raw materials for the construction of wind energy and PV power plants in the upstream value chain

The use of resources is essential for the expansion of renewable energies, but social and economic interest in the prudent use of resources is increasing. The PNE Group is also committed to using resources sparingly and has set itself the goal of minimising the ecological footprint of its projects and services.

The extraction of raw materials for the construction of wind energy and PV power plants has a negative impact on the environment, especially in the upstream value chain. One key aspect is the high energy consumption and the associated greenhouse gas emissions that result from the mining and processing of raw materials such as rare earths, metals and silicon. These processes are often energy-intensive and contribute to global warming. In addition, the extraction of raw materials often leads to interventions in biodiversity. The loss of habitats and the destruction of ecosystems are direct consequences of mining for the extraction of ores. This can lead to the decline or even extinction of certain species that are native to the affected areas. Another problem is the air and water pollution caused by the extraction and processing of raw materials. Pollutants can enter the environment and affect both the health of the local population and the quality of natural resources.

The sometimes still inadequate recycling and processing options for the materials used, which PNE purchases from suppliers, also pose a challenge. Some of the raw materials used in wind energy and PV power plants can be difficult to recycle, which can lead to increased waste and further environmental pollution. The PNE Group records these negative effects along the value chain and takes measures to minimise them. The PNE purchasing specialists for medium-voltage cables, transformer stations and the procurement of PV modules and components are sensitised to sustainability issues. This includes, for example, dialogue with wind turbine manufacturers and suppliers on the materials used. The PNE Group sources its wind turbines from reputable European manufacturers that have ISO-14001-certified environmental management systems and publicly report on their sustainability progress. PNE also focuses on the longevity of the turbines and maintains them over their service life as part of maintenance contracts. In some cases, spare parts from old wind farms can also be used for repair work. At the highest level, the COO is responsible for the sustainable use of resources and the circular economy. Operational implementation is carried out by the Purchasing and Building departments, whose department heads report directly to the Head of Commercial Solutions and the Head of Services, respectively.

The concept described includes aspects relating to the utilisation of secondary and renewable resources. The PNE Group is dependent on the activities in the upstream value chain and therefore has limited influence. In the core product group of wind turbines in particular, however, there is a clear focus among manufacturers on improving recyclability and optimising the composition of materials. The manufacturers from whom PNE purchased the wind turbines in financial year 2024 are in the process of compiling and making available product data sheets and environmental product declarations. These contain information on the carbon footprint according to a life cycle assessment, recycling rates and an overview of the materials used. The availability of this information makes it possible to compare and include assessment criteria when selecting systems.

The use of recycled materials for building materials is assessed with regard to the quality criteria of the building materials. PNE focuses on the longevity of the wind farms under various weather conditions.

E5 -2 – Actions and resources related to resource use and circular economy

Overview of measures completed in the past financial year, currently ongoing and planned for the future related to resource use and circular economy

Measure	Helps towards the following goal (if available)	Allocation to impact, risk, opportunity	Description	Status	Time frame
Exchange with suppliers about materials used and recycling measures	Greater transparency in the supply chain	Negative impact on the environment due to the extraction of raw materials for the construction of wind energy and PV power plants in the upstream value chain	Exchange with wind turbine manufacturers on their environmental and social measures. PNE requested information on the environment and resource utilisation in order to gain a better insight into the composition of the products and the origins of the materials and measures. Among other things, the following were queried: → Overview of raw materials and components (incl. mining and production sites) → Recycling information on the materials and implementation of environmental standards The findings can be used to further focus and derive measures to conserve resources.	Completed	Q4/2024

Measure	Helps towards the following goal (if available)	Allocation to impact, risk, opportunity	Description	Status	Time frame
Recycling concrete in foundation construction at the Papenrode wind farm	Conservation of resources	Negative impact on the environment due to the extraction of raw materials for the construction of wind energy and PV power plants in the upstream value chain	For the construction of the wind farm in Papenrode, crushed concrete from the old foundations was reused to fill the foundations of the new wind turbines. 6,300 t of crushed concrete was used for the site. The contract for the construction of the wind farm was awarded in 2023. The actual implementation took place in 2024.	Completed	2023/24
Inclusion of materi-al-related criteria in the Business Partner Code of Conduct		Negative impact on the environment due to the extraction of raw materials for the construction of wind energy and PV power plants in the upstream value chain	Inclusion of material-related criteria in the Business Partner Code of Conduct	Planned	2025

In addition to the measures described above, the PNE Group contributes to promoting the careful use of resources and a sustainable circular economy. As part of the revision of the sustainability strategy, PNE plans to further expand its reporting on topic-specific measures in 2025.

Action plans with significant CapEx/OpEx

Beyond the measures mentioned above, PNE does not have a specific action plan for the aspect of resource outflows and resource inflows.

E5-3 – Targets related to resource use and circular economy

Overview of targets related to resource use and circular economy

The PNE Group does not have any overarching, quantifiable and measurable targets in the area of “resource use and circular economy” as defined by the ESRS.

As part of the revision of the sustainability strategy, the PNE Group will rethink the definition of Group-wide and project-based quantitative and measurable targets for the topics of resource use and circular economy in 2025.

E5-4 – Resource inflows

As a project developer of renewable energies, the PNE Group is dependent on resource inflows within the scope of its own business activities and along the upstream value chain. The inflows relate, among other things, to the various resources and infrastructure required for the construction, operation, maintenance and repowering of wind farms and PV power plants.

Resource inflows

	2024
Overall weight of products and technical and biological materials (t)	**123,985**
Percentage of biological materials (and biofuels used for non-energy purposes) (%)	0
Weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking products and services (t)	**0**
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking products and services (%)	0

The total weight of products, technical and biological materials used includes both the quantities of materials for the wind turbines, cables and transformer stations purchased and the construction materials ordered as part of the contracts concluded in the financial year. The key figures also include the amount of biomass used for the CHP plant.

The PNE Group uses renewable raw materials in the form of waste wood as biological fuel for the CHP plant in Silbitz. In 2024, the amount of waste wood was 54,659 tons. As the waste wood is used for incineration and therefore for energy purposes, the quantity is not included in the total weight of the products and materials used, nor in the proportion of biological materials.

No quantities could be calculated for the total weight and the proportion of reused or recycled secondary components for 2024. Although 6,300 t of crushed concrete was reused in one project, this was accounted for in the previous financial year.

An examination of the products and materials procured by the PNE Group's service companies (Energy Consult GmbH and Pavana GmbH) revealed an insignificant amount of products and materials used. These include, for example, medium-voltage cables, electrical transformers and sensors. Maintenance work on the turbines is carried out by the manufacturer itself as part of a service programme. It is not yet possible to make a complete statement on the quantities of products and materials used here.

As part of its project development, the PNE Group has not yet procured any products and materials for the PV business up to and including 2024. The PV implementation business is scheduled to start in 2025. Relationships with the relevant suppliers are currently being established. The PNE Group plans to expand its reporting in this regard in the future.

In 2024, PNE only procured wind turbines from manufacturers that have a conflict minerals policy and corresponding processes in place to identify, reduce and avoid conflict minerals. PNE plans to include a corresponding regulation in the Business Partner Code of Conduct in 2025.

3. SOCIAL INFORMATION

3.1 S1 – Own workforce

As a Clean Energy Solutions Provider, the PNE Group attaches great importance to the development and well-being of its employees. In this section S1, the key aspects of PNE's own workforce are highlighted: secure employment, work-life balance, training and skills development, health and safety, sustainable recruitment and diversity.

The employees in Europe, North America, South Africa and Asia are a decisive factor for the long-term success of the company. Their expertise, motivation and innovative strength play a key role in enabling PNE to achieve its ambitious goals. Everywhere, our highly qualified teams are doing excellent work on-site while continuously striving for ever higher efficiency and even better quality. At the same time, the high demand for skilled labour in this fast-growing industry is a challenge that PNE is meeting with attractive working conditions and targeted recruitment measures. Numerous initiatives and programmes – from talent and personnel development programmes to management coaching – are used to promote and empower employees to take up key positions within the PNE Group.

This report provides a comprehensive insight into sustainable HR management at PNE and shows how the company values its employees, offers them development opportunities and at the same time strengthens its competitiveness.

Disclosure requirements for ESRS 2 para. 17, disclosure requirements that are phased-in

The PNE Group is utilising the exemptions under para. 17 ESRS 2 for the gradual introduction of the disclosure requirements for the 2024 reporting year in Standard S1. The objectives, concepts, measures and key figures relating to the sustainability aspect and the corresponding material impact, risk and/or opportunity are disclosed below.

A list of the aspects with exemptions is disclosed in ESRS 2 BP-2 in the table ↗ **Material sustainability aspects under the reporting exemptions for <750 employees**. It also briefly describes how PNE's business model and strategy take into account the company's impact, risks and opportunities in relation to these aspects.

Aspect Secure employment

Impact identified as material and addressed by the concept:

→ Creating a sense of purpose and strengthening the sense of security of the company's own workforce through secure employment in a sustainable industry

As an attractive employer, the PNE Group aims to offer its employees a reliable and health-promoting environment. This is why PNE puts people at the centre of its daily work and creates the conditions for each individual to fully exploit their potential and develop their talents. When it comes to secure employment, PNE aims to keep the fluctuation rate as low as possible. No specific target figure has yet been defined for this. PNE wants to create a meaningful working environment in which employees feel safe and valued.

PNE is endeavouring to promote the concept of safe employment. To this end, the focus is on strong employee loyalty and supporting staff identification with the industry and the company.

PNE is taking targeted measures to achieve this goal. The basic benefits offered by the PNE Group to the employees of PNE AG include financial support for the company pension scheme in order to support financial security in retirement. The company also conducts annual employee surveys in order to continuously measure employee satisfaction and loyalty. In the reporting year, 71% of employees took part in the survey nationally and 45% internationally. The processes that the PNE Group has created to promote employee satisfaction are also audited as part of quality management. Regular company events such as Christmas parties, summer parties and monthly after-work events also help to strengthen the cohesion and identification of employees with PNE.

For the aspect of secure employment, PNE collects key figures on the total number of employees by country and gender (S1-6, 50a) and on the total number of employees by employment relationship and gender (S1-6, 50b).

The key figures reflect the number of employees of the PNE Group at the end of the reporting period. They were compiled on the basis of the headcount and the full-time equivalent of active employees in accordance with the ESRS.

Total number[1] of employees

	HC Total 2024	FTE[3] Total 2024
Number of employees by gender[2]		
Female	309	262
Male	414	395
Other	0	0
Not disclosed	0	0
Total	**723**	**657**
Number of employees by country		
Germany	576	513
France	30	30
Italy	18	18
Poland	58	57
Romania	1	1
Sweden	6	6
Spain	12	11
Turkey	2	2
South Africa	12	12
Canada	5	5
Panama	3	3
Total	**723**	**657**

1 Difference to the employee figures reported in the management report results from a larger scope of reporting under ESRS
2 Gender according to employees' own statements
3 FTE = Full-time equivalent

Total number (headcount) of employees by contract type and gender[1]

	Female	Male	Other	Not disclosed	2024
Number of employees	**309**	**414**	**0**	**0**	**723**
Number of permanent employees	290	390	0	0	680
Number of temporary employees[2]	19	24	0	0	43
Number on non-guaranteed-hours employees	0	0	0	0	0

1 Gender according to employees' own statements
2 Therein 86% trainees/interns and working students

Total number (FTE[1]) of employees by contract type and gender[2]

	Female	Male	Other	Not disclosed	2024
Number of employees	**262**	**395**	**0**	**0**	**657**
Number of permanent employees	246	377	0	0	623
Number of temporary employees[3]	16	18	0	0	34
Number on non-guaranteed-hours employees	0	0	0	0	0

1 FTE = Full-time equivalent
2 Gender according to employees' own statements
3 Therein 86% trainees/interns and working students

Aspect Work-life balance

Identified as a material risk and addressed by the concept:

- Risk of higher staff turnover due to increasing demands compared to the competition in terms of work-life balance; this can have a negative impact on PNE's long-term planning and success

It is important to the PNE Group that employees have the opportunity to balance their private and professional lives in the best possible way. A good work-life balance is an important factor for employee satisfaction and loyalty at PNE. A good work-life balance enables employees to harmonise their professional obligations with their personal and family needs. This not only leads to greater motivation and willingness to perform, but also reduces stress and the risk of burnout. PNE has therefore set itself the goal of minimising the number of employees who are absent due to illness. As there has been a sharp rise in the number of sick days due to mental illness throughout Germany, PNE considers this figure to be an indication of how good the work-life balance is in the workforce.

Furthermore, PNE pursues the concept of increasing employee satisfaction through a comprehensive range of flexibility and support measures. The aim is to increase both efficiency and staff identification with and loyalty to the company.

As far as their position allows, PNE offers its employees the opportunity to organise their working hours flexibly (flexitime, core working hours) and to choose their workplace freely within the framework of mobile working (working from home, workation within Europe). If employees decide to take parental leave, PNE supports them in gradually returning to part-time work afterwards. There is also a social counselling service via famPLUS, which offers advice on parenthood, care, health and work-family balance.

PNE records key figures on employee turnover and employee exits in relation to work-life balance. A total of 102 employees left the company during the reporting period. The fluctuation rate in the reporting year was therefore 15.8%.

Aspect Training and skills development

Identified as a material risk and addressed by the concept:

- Risk of higher staff turnover due to increasing demands compared to the competition in terms of further training offers and competence development

In an industry that is developing as dynamically as renewable energies, the continuous training of employees is of crucial importance. For the PNE Group, it goes without saying that the success of the energy transition depends to a large extent on well-trained specialists. Only with qualified teams can the PNE Group develop innovative solutions and make a contribution to a sustainable future. PNE's success in the development of onshore and offshore wind energy projects and PV projects is largely based on the knowledge and experience of its highly qualified employees. This is why lifelong learning is part of the corporate culture and everyday working life at PNE.

In order to support the employees of the PNE Group in their further development, the company attaches great importance to knowledge management. The company follows the concept of deploying well-trained employees and specialists in the "right place" in the company. This is a key component of the PNE success story. In this regard, knowledge management is systematically organised via the PNE Academy. The concept was introduced in 2022 and has become more detailed since then. For all domestic companies, area-specific standard training overviews have been created, which are used for the initial and further training of both new and existing employees. In addition, a guideline in German and English was drawn up to illustrate the PNE lessons learned process. This is part of the vision of success focus topics and was communicated via the intranet and implemented through area-specific training sessions with the aim of consolidating existing knowledge at PNE and ensuring continuous improvement in knowledge development and transfer.

PNE has implemented various measures to realise this concept: this includes the introduction of management standards that ensure respectful and responsible management behaviour. In the annual feedback and development meetings, employees are given the opportunity to receive – and also give – feedback. PNE is currently planning to expand the feedback culture. In addition to creating systematic feedback opportunities in the form of 360-degree feedback for all managers, the introduction of a tool for recording employee satisfaction in 2025 is also being evaluated. The individual development plan is an integral part of the annual appraisals. Among other things, all employees have access to a comprehensive range of foreign language courses to promote international cooperation. Internal training courses are offered via the PNE Academy, while managers also benefit from a special coaching programme. In addition, as part of the onboarding process and beyond, PNE offers the opportunity to get to know the company and the various divisions and areas of work as well as the respective core tasks in short 30–60-minute introductory rounds. Compliance training is essential for all employees. It is offered several times a year and also includes information on anti-corruption guidelines and procedures. Managers have the opportunity to take advantage of coaching from an external service provider every four weeks. Topics include leadership, team building and feedback discussions with employees. The coaching can also be customised as required. Further training requirements for employees are determined and organised by the respective manager. External service providers are also used to organise training courses. These are offered on all aspects of project development in Germany and are organised by the German Wind Energy Association, among other groups. The PNE Group also supports longer-term training programmes.

In the reporting year, twelve trainees at PNE completed their training as office management assistants and seven as IT specialists for system integration. In addition, six dual students were hired in 2024. All of the trainees who completed their training in 2024 were given employment.

PNE has not yet defined any specific targets or key figures in the area of training and skills development. As part of the further development of the Sustainability Strategy 2025, the PNE Group plans to evaluate the inclusion of goals and key figures.

Aspect Health and safety

Impact identified as material and addressed by the concept:

- → Contribution to the health and well-being of the workforce through preventive health programmes, training and other measures

The health and safety of the workforce is a top priority for PNE, as it has a direct impact on well-being and performance. A safe and healthy working environment helps to prevent accidents at work and work-related illnesses, which not only protects the individual well-being of employees, but also increases the company’s productivity and efficiency. The PNE Group therefore promotes a culture of trust and care for its employees in the area of occupational health and safety.

PNE pursues the overriding goal of ensuring safe working conditions for all employees. PNE has set itself the goal of establishing and certifying a management system in accordance with ISO 45001 by 2024. These goals were achieved for the domestic companies in the reporting period. The expansion of the management system for the international companies is planned for 2026. Although the company has not yet defined a specific concept for this, it is pursuing a holistic approach by implementing various prevention and training measures. The Quality, Health, Safety and Environment (QHSE) department is responsible for occupational health and safety. They are supported by external service providers.

Meetings of the Occupational Safety and Health Committee are already being held four times a year. In order to identify work-related hazards and assess risks, the occupational safety officer visits at least once a year. If necessary, the company doctor may also conduct visits. The contact details of the company doctor are available to all employees. The company doctor can be contacted whenever possible hazards are identified and should be reported. These measures help to minimise risks to health at work. All employees have access to relevant information on the subject of occupational safety via the intranet. All employees in Germany receive an induction to occupational safety and accidents at work from the HR department at the start of their work. The HSC portal (Health, Safety, Compliance) still provides mandatory annual basic instructions on occupational health and safety as well as training on health at workstations and for company vehicle drivers. For specific activities, such as in the area of wind turbines, substations and PV power plants, additional safety training is provided in accordance with the PPE

Ordinance (Personal Protective Equipment – User Ordinance) with regular refresher courses. As PNE's business activities are increasingly international in nature, all technicians have been trained in accordance with the international GWO (Global Wind Organisation) standard since 2024. Designated safety officers work in all areas of the company. Appropriate risk assessments and work instructions are available for these activities. In addition, first aiders and fire safety assistants are trained at all locations.

In addition to safety measures, PNE has also implemented measures to protect the health of its employees. This includes PNE providing company medical care and designing ergonomic workstations, including height-adjustable desks. These measures are supplemented by an annual health day with offers relating to sport, health prevention, nutritional coaching, mindfulness and stress management. In addition, all employees are covered by Group accident insurance. In order to promote employee health outside of work, the PNE Group in Germany offers staff the opportunity to lease bicycles. In addition, PNE offers financial support for fitness programmes.

At the PNE Group, 78% of its own workforce is covered by the ISO-45001 management system for occupational health and safety. These are the employees of the PNE domestic companies. PNE AG also collects key figures on accidents at work. In 2024, there were three occupational accidents with lost time at PNE AG and its affiliated domestic companies in Germany. The rate of work-related injuries that could be documented was 5.23 per 1 million hours worked. PNE is currently checking the availability of these data for the international market.

Aspect Sustainable recruiting (company-specific)

Risks and opportunities identified as material and addressed by the concept:

- Risk when recruiting new, qualified employees: there is a risk that not enough employees can be recruited and that company targets can therefore only be achieved later or not at all
- Opportunity when recruiting new, qualified employees: opportunities in recruiting and retaining employees due to the sustainable industry and business model

In addition to the major topic of health and safety at work, PNE is actively working on expanding employer branding and successfully hiring new employees. Strong employer branding is of great importance for the PNE Group, as it contributes significantly to strengthening its image and attractiveness as an employer. It gives the company a competitive edge, attracts talented and qualified employees and retains them in the long term.

PNE has not yet defined any specific targets or key target figures in the area of sustainable recruiting. The concept is based on the PNE vision of success and aims to place well-trained employees and specialists in the "right position" within the company.

PNE uses various measures to implement this concept. The company uses both its own websites and platforms such as LinkedIn for job advertisements, which also allows it to target international specialists. Online interviews are conducted during the application process. In Germany, new employees benefit from a digitalised employment contract process and a structured onboarding process with a buddy programme. What is particularly noteworthy is the deliberate openness to career changers, which is communicated in Germany through a special notice in all job advertisements. These measures are supplemented by a hire-a-friend programme, which has been well received by the PNE workforce and has led to new hires.

Systematic recording of key figures in the area of sustainable recruitment is not currently implemented. As part of the further development of the Sustainability Strategy 2025, the PNE Group plans to evaluate the inclusion of goals and key figures.

Aspect Diversity

Impact identified as material and addressed by the concept:

- → Satisfaction and a good working atmosphere thanks to a diverse and open working environment within the PNE Group

The promotion of diversity and equal opportunities is an integral part of PNE's corporate culture. Friendly, respectful and fair behaviour towards each other and third parties is a matter of course for the workforce. Different backgrounds, experiences and perspectives are recognised and valued at PNE. All employees at PNE also have the same opportunities to develop professionally and be successful. Creating an inclusive and fair working environment strengthens both the innovative power and competitiveness of the PNE Group as well as its attractiveness as an employer.

At PNE, the Code of Conduct forms the fundamental basis for dealing with diversity within the company. It describes PNE's focus on equal opportunities, according to which recruitment and promotions are based solely on qualifications and skills. The company pursues a zero-tolerance policy towards any form of discrimination, bullying or harassment – be it on the basis of ethnic or national origin, gender, religion, ideology, age, disability, sexual orientation, skin colour, political views, social background or other legally protected characteristics. Respect for the personal dignity, privacy and personal rights of each individual is a fundamental part of the company's corporate culture.

The central measure for ensuring these principles is the mandatory signing of the Code of Conduct by every employee. In order to fully integrate diversity into corporate culture, an Equal Opportunities Officer has been in place for several years. An Inclusion Officer is to be appointed in future.

In the key figures section, information on the number and proportion of employees at top management level by gender (S1-9 66a) and the proportion of employees by age (S1-9 66b) can be disclosed. The key figures reflect the number of employees of the PNE Group at the end of the reporting period. They were compiled on the basis of the headcount of active and passive employees in accordance with the ESRS and are presented below:

Number of employees at top management level by gender[1]

	Female	Male	Other	Not disclosed
Employees at top management level	31	79	0	0
in %	28	72	0	0

1 Gender according to employees' own statements

Age structure of employees

	2024
Total number of employees by age	
Number of employees under 30 years old	169
in %	23
Number of employees between 30 and 50 years old	404
in %	55
Number of employees over 50 years old	167
in %	23

3.2 S2 – Workers in the value chain

As a project developer for renewable energies, the PNE Group is aware of its responsibility along the entire value chain. Section S2 highlights the key aspects of the workforce at business partners, suppliers and service providers: from wind turbine manufacturers to maintenance and service teams and local construction companies. Close cooperation with these partners is crucial for the successful realisation of projects and the expansion of renewable energies worldwide. PNE attaches particular importance to fair working conditions, safety standards and compliance with human rights along the entire supply chain. Through country risk analyses, business partner screenings and close dialogue with its partners, the PNE Group works to ensure that its own high social standards are adhered to in all project phases and regions. This section provides an insight into PNE's measures for the sustainable organisation of labour relations in the supply chain and their importance for the long-term success of the company.

Disclosure requirements for ESRS 2 para. 17, disclosure requirements that are phased-in

The PNE Group is utilising the exemptions under para. 17 ESRS 2 for the gradual introduction of the disclosure requirements for the 2024 reporting year in Standard S2. The objectives, concepts, measures and key figures relating to the sustainability aspect and the corresponding material impact, risk and/or opportunity are disclosed below.

A list of the aspects with exemptions is disclosed in ESRS 2 BP-2 in the table ↗ **Material sustainability aspects under the reporting exemptions for <750 employees**. It also briefly describes how PNE's business model and strategy takes into account the company's impact, risks and opportunities in relation to these aspects.

Aspect Good and fair working conditions

Potential impact identified as material and addressed by the concept:

- Negative effects on the motivation, health and well-being of workers in the upstream value chain due to impaired working conditions

The PNE Group endeavours to avoid negative effects on the motivation, health and well-being of the workforce in its upstream value chain. The focus here is on respecting human rights and ensuring appropriate working conditions for all business partners.

The company's own Code of Conduct sets out its commitment to respecting human rights along the supply chain. It calls for the rejection of child, forced and compulsory labour as well as any form of modern slavery. The right to freedom of association is also addressed. Further monitoring procedures include business partner screening, an anti-corruption and antitrust policy, a business partner policy including a Business Partner Compliance Declaration, a data protection policy and an internal whistleblower system.

An additional Business Partner Code of Conduct, which is planned for publication in 2025, will expand standards for equal opportunities, occupational health and safety, remuneration and working hours. In addition, PNE is constantly developing the due diligence process in order to recognise risks at an early stage and to establish possible precautionary and remedial measures.

PNE relies on a multi-level system to ensure fair working conditions. The basis for this is cooperation with primarily German and European companies that are subject to strict health and safety guidelines and laws. An evaluation is carried out before entering the market in new countries. PNE is also in dialogue with foreign institutions, such as foreign chambers of commerce. Risk management includes systematic business partner screenings and the signing of a Business Partner Policy. When procuring wind turbines, compliance with the Minimum Wage Act and the Supply Chain Duty of Care Act is normally enshrined in supplier contracts. When commissioning construction companies with larger contract volumes, care is taken to ensure that workers from non-EU countries are only deployed if they have a valid work permit. In addition, proof of social insurance, work permits and risk assessments are required.

The business partner screening in the 2024 financial year did not identify any human rights violations.

3.3 S3 – Affected communities

As a developer and operator of renewable energies projects, the PNE Group is aware of its special responsibility towards the affected communities. Section S3 highlights the impacts, risks and opportunities of PNE's business activities in relation to local communities, residents and indigenous communities. The successful integration of wind farms into the local environment requires intensive dialogue with all those involved, from the planning phase through to ongoing operation. As a partner to local authorities, PNE creates secure jobs and promotes the training of young people locally. PNE attaches particular importance to transparent communication, fair participation processes and the generation of regional added value. In its role as a corporate citizen, the PNE Group is also committed to social, cultural and ecological coexistence in all regions in which it operates. This section shows how PNE makes a positive contribution to regional development by involving communities at an early stage, taking local needs into account and implementing sustainable development measures.

Disclosure requirements for ESRS 2 para. 17, disclosure requirements that are phased-in

The PNE Group is utilising the exemptions under ESRS 2 para. 17 for the gradual introduction of the disclosure requirements for the 2024 reporting year in Standard S3. The objectives, concepts, measures and key figures relating to the sustainability aspect and the corresponding material impact, risk and/or opportunity are disclosed below.

A list of the aspects with exemptions is disclosed in ESRS 2 BP-2 in the table ↗ **Material sustainability aspects under the reporting exemptions for <750 employees**. It also briefly describes how PNE's business model and strategy take into account the company's impact, risks and opportunities in relation to these aspects.

Aspect Corporate citizenship

Impact identified as material and addressed by the concept:

→ Creating economic benefits in the affected communities

As a responsible company, PNE pursues a holistic approach to the development of the regions in which its wind farms are built. The focus is on sustainably strengthening local communities: the PNE Group not only creates secure and attractive jobs, it also invests specifically in the training and qualification of young people locally. Furthermore, financial support for the municipalities can be considered in several ways, from the business tax revenues of the operating companies to innovative citizen and municipal participation models that enable direct financial participation in the success of the wind farms. This commitment is particularly effective in structurally weak regions. Where possible, PNE combines the realisation and operation of the turbines with targeted support measures in order to sustainably strengthen regional value creation and make a long-term contribution to local development.

The central concept of the PNE Group's community involvement is based on the implementation of financial participation models for citizens, residents and communities. If the relevant requirements are met, PNE realises both voluntary and, in some federal states, mandatory participations in accordance with Section 6 EEG. According to this regulation, municipalities located within a defined radius of the wind farm can receive a fixed share per kilowatt hour fed into the grid. In 2024, corresponding participations were adopted for the neighbouring communities in the Herbsleben-Dachwig wind farm and for the towns in the vicinity of the Sundern-Allendorf wind farm.

PNE realises its goals through various specific measures. When awarding contracts, preference is given to local companies wherever possible. The company offers a wide range of participation opportunities to enable local residents to share directly in the benefits of wind energy: equipped with seed capital, development associations enable the implementation of projects that directly benefit the local population – from the modernisation of schools and day-care centres to the construction of new playgrounds. It is also possible for residents in a defined radius to benefit from fixed annual electricity cost subsidies over a fixed term of the wind farm. There is also the option of offering wind savings bonds with above-average interest rates in cooperation with local banks – an attractive option for citizens who want to benefit from the wind farm with a low equity investment. Successful citizen participation models were concluded for three wind farms in 2024. PNE is currently developing a landowner brochure that provides transparent information on various investment options.

No company-specific key figures were collected for the sustainability aspect of corporate citizenship in the reporting period.

Aspect Social dialogue

Impacts and risks identified as material and addressed by the concept:

- Impact: Contribution to increasing the acceptance of renewable energies projects at local level
- Risk: Resistance in communities: delays in projects and higher costs due to resistance in affected communities

In the countries and especially at the locations where PNE is active, the aim is to make a contribution to social, cultural and ecological coexistence. PNE wants to establish itself as a trustworthy and loyal company in the regions and to strengthen its position as a reliable project partner both regionally and nationally.

The concept is based on three pillars: firstly, PNE maintains regional offices with local contacts that ensure a direct presence on-site. Secondly, the company relies on the active involvement of the affected population through direct participation opportunities and a transparent information policy. The third pillar is social commitment in the communities, in which PNE actively helps to shape and strengthen local social life through targeted support for sports clubs, cultural institutions, the volunteer fire brigade and local events.

PNE implements a comprehensive communication concept that promotes dialogue with all stakeholders through various channels: project-specific websites serve as a central information platform and offer detailed insights into projects, locations and framework parameters. Here, interested parties can find up-to-date information on the project status, environmental and nature conservation measures, regional value creation and municipal participation. This is supplemented by regular press reports and announcements. Personal exchange takes place through information events, direct discussions with the authorities and in dialogue with the municipalities. As an active member of regional renewable energy associations, PNE fosters exchange with the industry. The company is also involved at a political level by specifically addressing local politicians and the responsible ministries. Several flagship projects were particularly successful in 2024: in October, PNE organised a citizens' excursion to the Sundern-Allendorf wind farm together with the town of Sundern and the local adult education centre, which was attended by 40 interested citizens. This was followed in December by the inauguration ceremony for the Saint-du-Plain wind farm in France, attended by the mayor and local councillors. An innovative educational project started with the planning of a wind energy cycle path at the Mansbach wind farm. It uses educational panels to impart knowledge about the structure and function of wind turbines, wind energy utilisation and electricity production. The social commitment was also reflected in the inauguration of a donated water pumping system for the school in El Nanzal, which was realised as part of the Santa Cruz project in Panama. Through initiatives such as these, PNE promotes local institutions and supports local educational programmes.

In 2024, PNE invested around EUR 0.6 million in donations and sponsoring activities in the German Group companies.

4. GOVERNANCE INFORMATION

4.1 G1 – Business conduct

This section G1 outlines the key aspects of business conduct for the PNE Group: corporate culture, corruption and bribery, political engagement and lobbying and the management of relationships with suppliers. These four aspects and the associated material effects, risks and opportunities are closely related to the PNE Group's business model.

Disclosure requirements in connection with ESRS 2 GOV-1

Topic-specific information on the "Role of the administrative, management and supervisory bodies".in relation to sustainability reporting is presented in section ↗ **ESRS 2, GOV-1**.

Disclosure requirements in connection with ESRS 2 IRO-1

Topic-specific information on the "Description of the process for identifying and assessing material impacts, risks and opportunities".is presented in section ↗ **ESRS 2, IRO-1**.

G1-1 – Concepts for business conduct and corporate culture

Aspect Corporate culture

Impact identified as material and addressed by the concept:

- Increase in satisfaction and motivation as well as identification of the company's own employees with PNE through a good corporate culture and strong identification with the purpose and business model of the company

Good, efficient corporate governance is a matter of course for the PNE Group and more specifically involves compliance with legal and internal requirements as well as ethical principles. In this context, a strong and positive corporate culture is essential for employee motivation, satisfaction and performance. Accordingly, the aspect of corporate culture and the associated management approaches relate to the entire PNE Group's own workforce. The Board of Management bears overall responsibility for the definition and implementation of the corporate strategy, the guidelines for the corporate culture and PNE's value-oriented vision of success. Employees and managers are informed and involved as a central interest group via the company intranet and training courses.

Internal guidelines, regulations and communication

The PNE Group is committed to integrating responsible business behaviour into all activities and business relationships. This is ensured through the principles in the PNE Code of Conduct, which sets out the most important rules of behaviour for the entire Group and is the foundation of the corporate culture. This deals with basic rules of conduct as well as dealings with business partners and third parties, the avoidance of conflicts of interest, the handling of information and the topics of environment, safety and health. Conflict resolution strategies and complaint handling are also addressed.

Additional Group guidelines, such as the anti-corruption guideline and the antitrust guideline, set out the compliance areas specified in the Code of Conduct in more detail and are binding for the entire workforce. The PNE Group also follows the recommendations of the German Corporate Governance Code, as set out in the declaration of compliance. The last declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued in September 2024 and is published on the website ↗ **www.pnegroup.com** in the "Investor Relations".section under Corporate Governance.

The PNE Group also expects its business partners along the value chain to commit to the PNE values and rules and to establish systems to ensure legally compliant and responsible behaviour. In particular, the Business Partner Policy defines the procedure for business partner screening and the measures to be taken in the event of an increased compliance risk. With the Business Partner Compliance Declaration, suppliers, service providers and other business partners confirm that they respect the values and principles of PNE. For further information, please refer to ↗ **G1-2 Management of relationships with suppliers**.

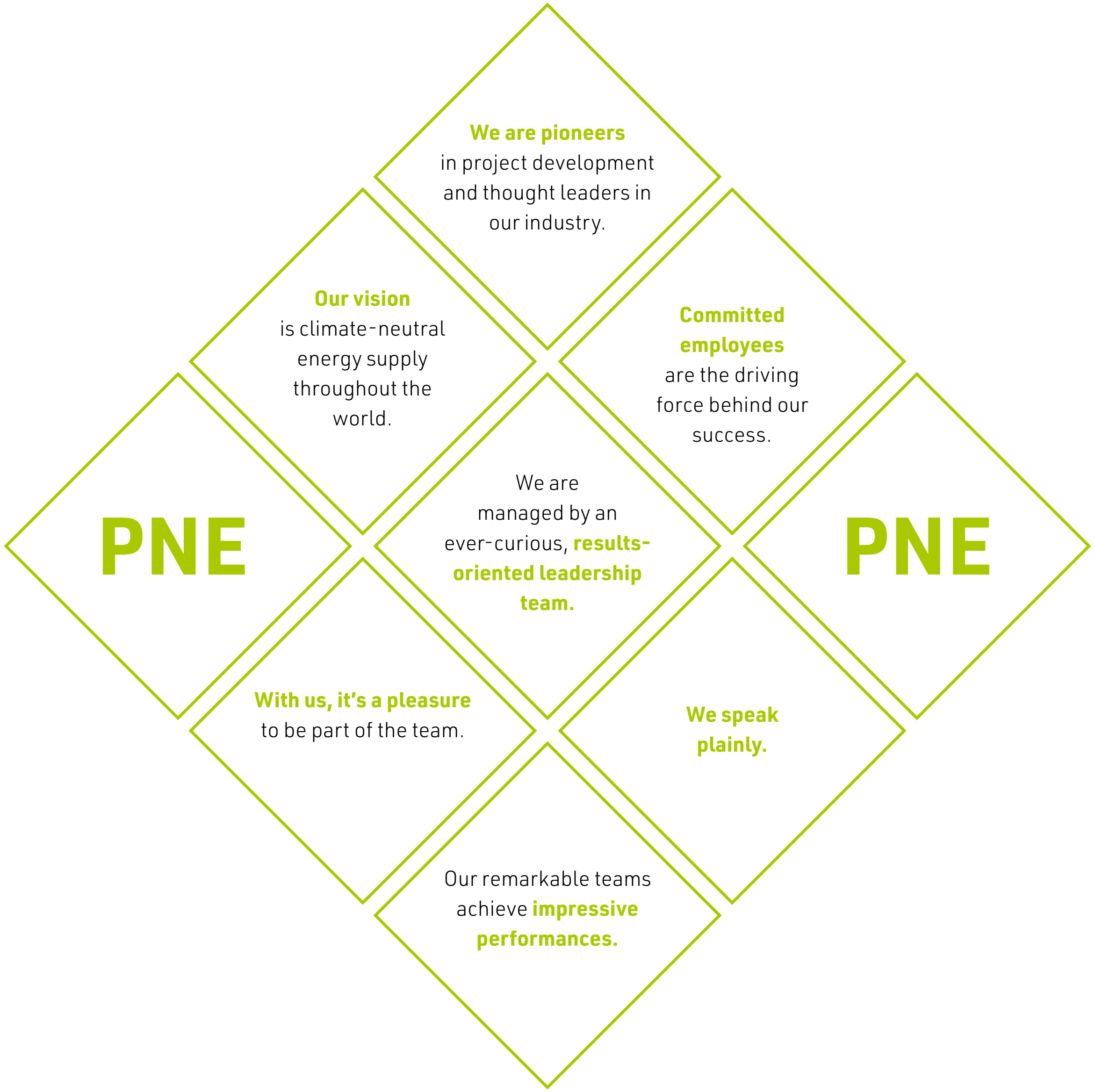
The corporate culture is characterised by the PNE Code of Conduct and the shared vision of success as a compass for cooperation and the values and goals that apply at PNE.

Five focus topics are the guidelines for PNE's direction:

1. Vision of success
2. Management standards
3. Lessons learned
4. Resource management
5. Continuous process improvement

Transparent communication is important within the PNE Group: in addition to the mandatory basic compliance training and event-related training, the PNE success story is presented to all new employees in the form of a virtual presentation. The Board of Management of the PNE Group also provides regular information on its activities and addresses the overall responsibility of the PNE Group and each individual employee with regard to the environment and society. These notifications are made via the intranet to ensure prompt communication.

In the area of corporate management, process training is also provided for new employees. The aim is to ensure that work on wind energy and PV projects is carried out to high quality standards according to a standardised scheme with clearly defined milestones. There is also an internal process management system in place within the PNE Group during ongoing operations. Defined process mentors are involved in regular dialogue on changes as part of committee work, enabling cross-company exchange.



Aspect Corruption and bribery

Identified as a material risk and addressed by the concept:

- Legal and compliance risks: Possible violations of laws and internal guidelines, criminal offences, financial transactions, market abuse, conflicts of interest, insider trading, money laundering and data breaches, corruption and bribery

Corruption and bribery are associated with compliance risks that must be minimised in order to prevent damage to the company. Acting with integrity and avoiding corruption is an integral part of the general compliance management system of the entire PNE Group. Organisational measures, guidelines for action and responsibilities for their implementation, support and ongoing monitoring are defined Group-wide in the compliance management system. The Head of Legal & Compliance, who reports directly to the CFO, is responsible for the effective organisation of all compliance processes across the Group. Other interest groups in the upstream and downstream value chain are indirectly affected via audit mechanisms. Further information can be found under ↗ **ESRS 2 GOV 1**.

PNE's binding goal is to record no compliance incidents. Accordingly, the PNE Group has implemented requirements in the form of comprehensive guidelines and control mechanisms to prevent any form of unethical or unlawful behaviour and to ensure compliant conduct and integrity. All employees and functionaries of the PNE Group, from purchasing to project development and project implementation, are sensitised to responsible business conduct through training on guidelines and practices. The Members of the Supervisory Board also receive compliance training and are informed about the organisation's compliance guidelines, including anti-corruption measures, when they take office. For more information, see ↗ **G1-3 Prevention and detection of corruption and bribery**.

Internal Audit, consisting of representatives from the Controlling and Legal departments, carries out audits on an ad hoc basis, but also independently of any suspicions. These include, for example, checking individual accounting transactions within the PNE Group for conformity with the company's internal guidelines and procedural instructions. In addition, Internal Audit provides independent and objective advice to the company management and the Compliance Officer on adhering to and improving processes.

The PNE Code of Conduct is publicly accessible and the other compliance guidelines, such as the anti-corruption guidelines, are available to all employees on the intranet. Business partners are provided with the guidelines relevant to the business relationship as part of the contract.

The PNE Group did not violate any laws or regulations during the 2024 reporting period and was not involved in any legal proceedings on compliance issues such as corruption, anti-competitive behaviour or antitrust and monopoly violations. For more information, see ↗ **G1-3 Prevention and detection of corruption and bribery**.

The PNE whistleblower system

If there are indications of compliance violations, employees throughout the Group have access to a whistleblower system ("Safe Channel"), which complies with the requirements of the EU Whistleblower Directive 2019/1937 and the Whistleblower Protection Act. Information on violations of laws and internal guidelines can be reported there anonymously and investigated by an internal reporting centre. The bilingual whistleblowing system can be accessed and used by all employees at any time via a web link. This is regularly communicated in employee training sessions – instructions are also available on the intranet. It is also possible to report information about potential violations of, for example, anti-corruption law, antitrust law or insider law by email.

The PNE Group has implemented processes to investigate incidents immediately, independently and objectively: the information received via the reporting system is reviewed by the internal reporting centre and the facts are examined in accordance with the presumption of innocence. The investigators are separated from the management chain involved. Depending on the occasion, after a legal review and assessment of the incident, appropriate consequences are initiated in coordination with the specialist departments if the allegations are justified. PNE pursues a zero-tolerance policy and adheres strictly to legal requirements and internal guidelines. If reports of serious violations are made via the whistleblowing system, they are reported ad hoc to the Board of Management and, if necessary, to the Supervisory Board.

The possible consequences of violations include specific training measures, up to and including a warning or dismissal.

Whistleblowers are protected by the anonymity of the report or the protected area of the reporting system, which is in line with the values and principles defined in the PNE Group's Code of Conduct.

The reporting officer comes from the Legal & Compliance department and is appointed by the Board of Management by resolution.

In 2024, there was one report via the whistleblower system. The case was a reference to internal processes. This has no connection with the issues of corruption, human rights or discrimination. Overall, no incidents of discrimination were reported in the reporting period. For more information, see ↗ **G1-3 Prevention and detection of corruption and bribery** and ↗ **ESRS 2 GOV 1**.

Aspect Political engagement and lobbying

Impact identified as material and addressed by the concept:

- Creation of legal framework conditions for the economically viable implementation of renewable energies projects and for accelerating the expansion of renewable energies projects through lobbying work

As a player in the energy transition with many years of expertise, the PNE Group sees it as its task to help shape the legal framework conditions for a successful energy transition through political commitment. The Public Affairs department, which reports directly to the Board of Management, is responsible for defining relevant issues and shaping the strategy and measures.

The PNE Group's lobbying activities take the form of targeted approaches to political players and the submission of position papers and statements as part of consultation procedures. Furthermore, the PNE Group is actively involved in various national and international interest groups, including through its activities in specialised working groups and by filling management positions. To this end, PNE promotes networking within the industry. PNE is registered in the lobby register at the German Bundestag.

As an internationally active company, the PNE Group is committed to fulfilling its own standards of transparency and integrity in all markets and to strengthening trust in democratic decision-making processes by dealing honestly with political interest groups. To this end, the Group-wide lobbying guideline sets out binding rules for dealing with political lobbying at national and international level and regulates information and coordination obligations. For example, PNE advocates suitable foundations for legally secure approval procedures as well as measures to accelerate the expansion and economic viability of renewable energies projects. No Member of the Board of Management or Supervisory Board held a comparable position in public administration in the years prior to their appointment.

Aspect Management of relationships with suppliers

Impacts and risks identified as material and addressed by the concept:

- Impact: Secure, long-term and transparent supplier and stakeholder relationships through active supplier management
- Risk: Due to developments in the WTG market, increased demand for WTGs or delays in the delivery of components are to be expected. In addition, high fluctuations in raw materials and procurement markets due to geopolitical tensions can lead to availability and price increase risks in the procurement market
- Risk of loss of trust, legal disputes and possible delivery delays due to unclear and unfair payment terms with suppliers

Stable and sustainable supply chains are of fundamental importance for the internationally operating PNE Group. They make an important contribution to PNE's environmental protection and economic success. As a responsible Clean Energy Solutions Provider, PNE wants to communicate its sustainability standards to its suppliers and contribute to ensuring that economic activity along the value chain is based on social and ecological criteria. Accordingly, the focus in this regard is on the upstream value chain and, in particular, on projects in the realisation phase for which PNE is responsible as the developer in Germany and France in the 2024 reporting year.

In a dynamic market environment characterised by rising demand for wind turbines and geopolitical tensions, proactive supplier management is becoming increasingly important. The PNE Group counters availability and price increase risks by establishing secure, long-term and transparent relationships with suppliers.

PNE endeavours to enter into business relationships only with companies that share and live the same values. In particular, cooperation with the major European wind turbine manufacturers is to be further strengthened. At project level, PNE works together with regional material suppliers and the construction companies carrying out the work on the construction sites wherever possible.

A standardised review of business partners, their business practices and their relationship with the PNE Group is carried out on the basis of the business partner guideline. This guideline follows a three-stage process for entering into or continuing a business relationship: pre-audit and integrity review, risk classification and compliance measures. With the Business Partner Compliance Declaration, the suppliers, service providers and other contractual partners of the PNE Group confirm that they respect the values of PNE and act in accordance with the law. The declaration refers, among other documents, to the European Convention on Human Rights, the UN Convention on the Rights of the Child and the UN Guiding Principles on Business and Human Rights.

For its part, the PNE Group attaches great importance to fairness and commitment with regard to payment terms, which are a basic prerequisite for the long-term existence of the individual business partners and thus a resilient supply chain. This approach contributes significantly to strengthening the PNE Group's position as a trustworthy partner in the renewable energies sector and at the same time reduces the risk of delivery delays. For example, when contracts are concluded with wind turbine manufacturers, milestone payment plans are drawn up, which PNE undertakes to fulfil.

Responsible for managing relationships with suppliers are the Head of Purchasing, who reports to the Head of Commercial Solutions, and the Head of Construction and Realisation, who informs the Head of Services. The reporting channels converge at the COO.

Human rights in the supply chain

As an internationally operating company, the PNE Group considers respect for human rights to be a basic prerequisite for its business activities. The PNE Group rejects any form of child labour, forced labour or compulsory labour, human trafficking or modern slavery and is committed to social and fair cooperation at every stage of its value chain. This voluntary commitment was decided at Board level and enshrined in the Code of Conduct. Further information can be found under ↗ **S2 Workers in the value chain**.

The PNE Group procures its products and services from companies that are committed to respecting human rights in their own business operations and in the upstream value chain. This applies, for example, to European wind turbine manufacturers who also fulfil corresponding statutory due diligence obligations and have established due diligence processes. In addition, the PNE Group uses software solutions to check our business partners for negative news in the press and entries in sanction lists.

G1-2 – Management of relationships with suppliers

PNE pursues a long-term and transparent supplier and stakeholder relationship through active supplier management and thus prevents negative effects on project realisation. PNE's aim is to establish a stable and secure supply chain for the respective projects and to identify, avoid or reduce potential procurement risks.

The selection and evaluation of wind turbines and suppliers for the PNE Group is subject to a clear process. PNE prefers to work with suppliers who also have management systems for environmental and social issues. The selection of suppliers and service providers for the realisation of wind projects is carried out by the Purchasing department and the Building department.

When applying the business partner guideline, reference is made to the ethics advocated by the PNE Group and confirmation of compliance with the principles of behaviour is obtained with the Business Partner Compliance Declaration. The principles of conduct include a responsible approach to the environment and nature, responsible and non-discriminatory interaction with one another and compliance with the European Convention on Human Rights, the UN Convention on the Rights of the Child and the UN Guiding Principles on Business and Human Rights, as well as compliance with data protection regulations and occupational safety standards. This is also the case with the core suppliers of the PNE Group, who include the largest wind turbine manufacturers in Europe. They are obliged to comply with due diligence obligations such as the Supply Chain Due Diligence Act in Germany, generally have certified management systems for the environment, occupational health and safety and energy, pursue sustainability strategies with defined targets and measures and report publicly and transparently on their sustainability progress.

The PNE Group also works together with regional business partners at project level where possible. In addition to the positive impact on local communities and the value chain, PNE also helps to avoid long transport routes and thus reduce CO_2 emissions. In cooperation with our suppliers, PNE carries out transport studies in this context, to identify the most environmentally friendly transport routes possible.

For the PNE Group, it is part of good corporate governance to agree fair payment terms with suppliers in advance – regardless of their size and legal form. In the case of project-related procurements, milestones are agreed that are accompanied by corresponding payments over time. The payment terms are in line with industry standards, with payment progress based on the progress of performance. For construction activities for the PNE Group, payment terms of 30 days are generally agreed; for indirect materials and consulting services, variable payment terms of 10, 14 and 30 days are usually granted. Compliance with payment deadlines is ensured by accounting processes. Further information can be found in section ↗ **G1-6 Payment practices**.

G1-3 – Prevention and detection of corruption and bribery

The PNE Group is convinced that binding guidelines as well as compliant and ethical behaviour are guarantees for successful business. PNE aims to achieve compliance through an open and trusting work environment, transparent communication of requirements by managers and information on the intranet, as well as guidelines and instructions. PNE has implemented various procedures throughout the Group to prevent, detect and combat corruption and bribery. For example, compliance training courses are organised for all employees to raise awareness of the topic. Mandatory quarterly virtual training sessions are held for new employees, which include basic compliance knowledge as well as relevant guidelines and procedures to combat corruption and bribery. It is ensured that all employees are trained, especially those employee groups that are particularly at risk due to their function. High-risk functions primarily include employees from the Purchasing, Project Development and Implementation/Building departments. Training courses take place both in person and virtually. Special needs education is also organised as required. This focuses, for example, on changes to the law or on deepening knowledge of specific issues. With such training formats, the PNE Group ensures that employees are informed about policies and practices for responsible business conduct. In addition, employees are also sensitised to anti-corruption and other compliance issues such as cybercrime through notices in the PNE app and in emails. The Members of the Supervisory Board and Board of Management of the PNE Group also receive anti-corruption training from the Compliance Officer in the form of meetings and individual training sessions. They are also informed of the organisation's anti-corruption guidelines and procedures when they take up their post.

Overview of compliance training courses

	2024
Number of training sessions held for new employees and managers	5
Number of training courses organised for the Board of Management	1
Number of trainings courses held for the Supervisory Board	0

Further processes in the context of corporate due diligence can be found under ↗ **G1-1 section Corruption and bribery**.

Minimum disclosure requirements (MDRs) for measures

Overview of measures

Measure	Allocation to impacts, risks, opportunities	Description and objective of the measure	Status	Time frame
Corporate culture				
Implementation of company-specific process training	Impact: Increase in satisfaction and motivation as well as identification of the company's own employees with PNE through a good corporate culture and strong identification with the purpose and business model of the company	Group-wide process training for new employees to convey the benefits and application of process management at PNE The aim is further to familiarise employees with the uniformly defined phase models and the core processes of project development.	Being implemented	Ongoing
Organisation of Group-wide internal conferences and events	Impact: Increase in satisfaction and motivation as well as identification of the company's own employees with PNE through a good corporate culture and strong identification with the purpose and business model of the company	This includes, for example, holding a Group-wide leadership conference to create a shared understanding of the corporate strategy and projects that influence the transformation of the PNE Group and organisation. In addition, informal events, such as the summer party, were organised for the entire workforce of the PNE Group in order to strengthen joint cooperation.	Completed	Q3 2024
Project development day (Onshore National)	Impact: Increase in satisfaction and motivation as well as identification of the company's own employees with PNE through a good corporate culture and strong identification with the purpose and business model of the company	Around 40 participants took part in the Project Development Day Onshore National in November. The day's aim was for attendants to get to know each other and discuss project-specific topics and formats for knowledge sharing and communication between the teams. This contributed to the pursuit of the goal of interdepartmental exchange and cooperation.	Completed	Q4 2024
Introduction of regular town halls	Impact: Increase in satisfaction and motivation as well as identification of the company's own employees with PNE through a good corporate culture and strong identification with the purpose and business model of the company	In the 2024 financial year, the full Board of Management implemented the Group-wide town hall format, which will be held regularly. At the town halls, employees are informed about current developments and the Board of Management will answer questions from the workforce. The format serves to strengthen internal communication across all PNE companies.	Completed	Q4 2024

Measure	Allocation to impacts, risks, opportunities	Description and objective of the measure	Status	Time frame
Corruption and bribery				
Updating the company guidelines	Risk: Legal and compliance risks: possible violations of laws and internal guidelines, criminal offences, financial transactions, market abuse, conflicts of interest, insider trading, money laundering and data breaches, corruption and bribery	In the course of changes in case law and legislation, PNE's existing corporate guidelines are continuously amended to keep them up to date.	Being implemented	Ongoing
Development of country-specific annexes	Risk: Legal and compliance risks: possible violations of laws and internal guidelines, criminal offences, financial transactions, market abuse, conflicts of interest, insider trading, money laundering and data breaches, corruption and bribery	PNE's Group-wide corporate guidelines are supplemented by country-specific guidelines. Where necessary, additional training or country-specific additions are made to existing training content for compliance. The aim is to create or improve an internationally valid framework.	Planned	By Q4 2025
Development of a certified management system according to ISO 27001 for information security at Energy Consult	Risk: Legal and compliance risks: possible violations of laws and internal guidelines, criminal offences, financial transactions, market abuse, conflicts of interest, insider trading, money laundering and data breaches, corruption and bribery	Establishment, implementation, maintenance and continuous improvement of a documented and certified information security management system in accordance with DIN EN ISO/IEC 27001:2022 at the subsidiary Energy Consult The plan is to extend the ISO certification to the entire PNE Group and thus establish and improve the management systems throughout the Group.	Completed	Q2 2024
Political engagement and lobbying				
Preparation of statements, position papers and other political communication formats	Impact: Creation of framework conditions for the economically viable implementation of renewable energies projects and for accelerating the expansion of renewable energies projects through lobbying work	PNE prepares and communicates statements, position papers and other political communication formats to associations and/or responsible ministries at state and federal level.	Being implemented	Ongoing
Knowledge transfer events	Impact: Creation of framework conditions for the economically viable implementation of renewable energies projects and for accelerating the expansion of renewable energies projects through lobbying work	Participation in events for the transfer of knowledge and exchange of information within the industry and at trade associations	Being implemented	Ongoing
Representation of the interests of the PNE Group	Impact: Creation of framework conditions for the economically viable implementation of renewable energies projects and for accelerating the expansion of renewable energies projects through lobbying work	Representation of the PNE Group and its positions at events and public appearances	Being implemented	Ongoing
Professional dialogue	Impact: Creation of framework conditions for the economically viable implementation of renewable energies projects and for accelerating the expansion of renewable energies projects through lobbying work	Professional dialogue within the industry and with the officials of the trade associations on political (industry) matters	Being implemented	Ongoing

Measure	Allocation to impacts, risks, opportunities	Description and objective of the measure	Status	Time frame
Management of relationships with suppliers				
Establishment of a Business Partner Code of Conduct	Impact: Secure, long-term and transparent supplier and stake-holder relationships through active supplier management	Creation and communication of a code of conduct for business partners The aim is to familiarise business partners with the values and principles of compliant and ethical business conduct and to work towards their observance.	Planned	2025

As the PNE Group has not yet set any scheduled, measurable targets for the key aspects of “corporate culture”, “political engagment and lobbying” and “management of relationships with suppliers”, there is no indication of which specific target the measures contribute to and how far the implementation of measures and achievement of targets has progressed. The measures relating to “corruption and bribery”.contribute to the objective of “no compliance incidents in the financial year". The compliance management system and established monitoring and reporting processes, such as the PNE whistleblower system, are used to measure target achievement and progress in implementing the measures.

The Board of Management is responsible for managing the measures within the company, while the specialist departments work together with the interdisciplinary ESG Committee to track the measures.

For further qualitative targets and measures relating to the above sustainability aspects, please refer to ↗ **G1 Minimum Disclosure Requirements (MDRs) for targets** and general explanations in the concept description under ↗ **G1-1 Concepts for business conduct and corporate culture**.

In addition, the PNE Group plans to address the above-mentioned key aspects in 2025 as part of the further development of its sustainability strategy, including targets and measures.

Action plans with significant CapEx/OpEx

Beyond the measures mentioned above, PNE does not have a specific action plan for the aspects of “Corporate culture", “Corruption and bribery”, “Political engagement and lobbying”. or “Management of relationships with suppliers”.

Minimum disclosure requirements (MDRs) for targets

The PNE Group has not yet set any scheduled, measurable targets for the key aspects of “corporate culture", “political engagement and lobbying”.and “management of relationships with suppliers". These aspects are planned to be adressed as part of the revision of the sustainability strategy in 2025.

In the area of corruption and bribery, the PNE Group pursues the objective of ensuring that no compliance incidents occur. The aim is to pursue a fair, honest and legally compliant business policy in which corruption and bribery are not tolerated. Based on the PNE Code of Conduct and the anti-corruption guidelines, the target of no compliance incidents applies on an ongoing basis for each financial year and is measured by the actual number of incidents reported. Any incidents are tracked via the compliance management system, internal control processes and regular legal and compliance enquiries, which PNE carries out quarterly for Germany and every six months at the international locations. There were no incidents in 2024, meaning that the target was achieved. For more information, see ↗ **G1-4 Incidents of corruption or bribery.**

PNE has defined qualitative goals for the “political engagement and lobbying”.aspect, the success of which is reflected in efficient processes in the context of business initiation and execution, but which is not quantifiably measured by the PNE Group. This includes the following targets: monitoring of legislative processes, positioning of the PNE Group as a sparring partner for politics and administration, and economically efficient project realisation.

In the area of corporate culture, the Group-wide goal is to live the company-internal cooperation and the pursuit of success in accordance with the PNE vision of success and Code of Conduct.

Explanations on tracking the effectiveness of concepts and measures can be found under ↗ **G1-1 Concepts for business conduct and corporate culture** and ↗ **G1 Minimum disclosure requirements for measures**.

G1-4 – Incidents of corruption or bribery

Overview of incidents of corruption or bribery

	2024
Number of convictions for violations of corruption and bribery regulations	0
Amount of fines for violations of corruption and bribery (EUR)	0
Total number of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Number of confirmed incidents of contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0

Further information on the PNE Group's management, processes and controls to combat corruption and bribery can be found under ↗ **G1-1 Concepts for business conduct and corporate culture**.

G1-5 – Political influence and lobbying activities

Political financial contributions and benefits in kind

	2024
Financial political contributions made (EUR)	0
In-kind political contributions made (EUR)	0

Further information on the PNE Group's management, processes and controls on political influence and lobbying activities can be found under ↗ **G1-1 Concepts for business conduct and corporate culture**.

G1-6 – Payment practices

Parameters in connection with payment practices

	2024
Average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated (days)	
Companies (national) (days)	20.5
Companies (international) (days)	Country-specific (7–30 days)
Standard payment terms in days (by main category of suppliers)	
Companies (national) (days)	14, 10 and 30
Category Wind turbines (days)	Individual milestone payments
Category Construction services (days)	30
Category Indirect materials and other services (days)	Individual
Companies (international) (days)	Country-specific (5–30 days)
Percentage of payments aligned with these standard terms (%)	
Companies (national) (%)	59.8
Companies (international) (%)	Country-specific (50–100%)

Further information on the PNE Group's management, processes and controls on payment practices can be found under ↗ **G1-1 Concepts for business conduct and corporate culture**.

COMBINED MANAGEMENT AND GROUP MANAGEMENT REPORT

1. FUNDAMENTALS OF THE GROUP

During the 2024 financial year, the corporate structure changed compared to 31 December 2023 due to the first-time consolidation of companies and the deconsolidation of companies sold. For detailed information, please refer to the chapter ↗ **Scope of consolidation** in the notes to the consolidated financial statements.

1.1 Business model

The internationally active PNE Group is one of the longest-standing developers of projects for clean energies on land and at sea and operators of power generation plants in the field of renewable energies on land (own generation portfolio). At the end of 2024, the PNE Group operated in 14 countries on four continents.

The business focus is on wind energy and photovoltaic projects. This combines economic success with ecological responsibility. The projects developed are sold to external customers or integrated into the continuously growing portfolio of wind farms operated by the Company itself.

The business activities of the companies of the PNE Group are divided into the segments project development, power generation and services.

Project development

The project development segment comprises the development, project planning, financing and realisation of wind farms on land (onshore) nationally and internationally (including repowering), the project planning of wind farms at sea (offshore) nationally and internationally, and the development of photovoltaic projects nationally and internationally.

The core operating activity in this segment is securing suitable locations for wind farm and photovoltaic projects and their subsequent development and project planning, as well as their turnkey construction, especially for onshore projects in Germany and partly in France.

The PNE Group sells both individual projects and several wind farms bundled into a portfolio to investors or takes over the projects for its own operation.

Onshore wind energy in Germany

The development, project planning and realisation of onshore wind farms in Germany is the original business activity of the PNE Group and still forms a significant part of its core business.

Within the scope of its activities in onshore wind energy in Germany, the PNE Group pursues the primary objective of developing and planning wind farms on the German mainland as continuously as possible until approval in accordance with the German Federal Immission Control Act (BImSchG). The subsequent aim is to act as a general contractor via subcontractors to build, or arrange the construction of, the wind farms and put them into operation, before any sale to an investor is completed or the project is included in the Company's own operation.

Repowering

When repowering wind farms, the fundamental aim is the development, project planning and realisation of a new wind farm. What makes repowering special is that the new wind farm replaces an existing wind farm. Repowering is becoming increasingly important.

Onshore wind energy projects abroad

The activities of the PNE Group in the field of wind energy onshore are not limited to Germany. The PNE Group is also active in France and Poland as well as in Spain, Canada, Panama, South Africa and Turkey. The PNE Group is thus represented in a total of seven international markets.

As part of its activities in the international onshore wind energy sector, the PNE Group has the primary objective of developing and planning wind farms and selling the shares in the operating company to investors before the construction of the wind farm project.

Photovoltaic projects – national and international

In addition to the project planning of onshore wind farms, the PNE Group is also developing photovoltaics projects in Germany and in selected international markets. In the project development of photovoltaics in Germany, the PNE Group focuses on projects under the Renewable Energy Sources Act (EEG) as well as by means of so-called power purchase agreements (PPAs). Generally speaking, the PNE Group follows the business model across the entire value chain, from the acquisition of land to the subsequent operational management of running PV power plants.

Offshore wind energy – national and international

In the offshore wind energy sector, the PNE Group operates the technical development of international offshore wind farm projects under permit law. If the project areas are awarded by means of tenders or auctions, the development also includes the completion of the steps previously required, depending on the design of the tender. In the event of a successful award, the further approval steps can then be completed and applied for.

Other project planning

In addition to the project development of wind and photovoltaic projects, PNE sees good development opportunities in the area of power-to-X solutions. PNE has identified additional business opportunities, especially in the combination of project development with wind power and photovoltaic projects.

Power generation segment

In the power generation segment, the PNE Group operates as a so-called independent power producer (IPP) and operator of wind farms. The power generation segment combines all activities of the PNE Group, which are involved directly in the production of electricity from renewable energies.

Following the successful development of wind farms for sale to customers over many years, the PNE Group is currently developing its own generation portfolio of wind farms and PV power plants with up to approximately 1.1 GW under construction or in operation by the end of 2027. The completed projects, which are not sold but become part of the company's own generation portfolio, are to generate continuous income in the Group through the sale of electricity. The development of its own generation portfolio thus ensures that the naturally volatile cash flows of the project development are maintained.

The Company's own generation portfolio is to be further expanded mainly by taking over internally developed projects. In addition, there is the general option to expand the Company's own portfolio by purchasing operational wind farms and PV power plants, purchasing repowering projects, repowering existing in-house projects, and optimising and increasing the efficiency of existing projects.

In addition to wind farms, the power generation segment includes the wood-fired combined heat and power plant in Silbitz and shares in limited partnerships in which future projects are to be implemented.

Services segment

In the services segment, the PNE Group offers all internally required services for project development, including to external customers. Under the term Life Cycle Services, the offering thus includes all services along the life cycle of a wind farm or a PV power plant, both nationally and internationally. The services segment is a one-stop shop for all services, from project development and operations to dismantling or repowering.

Services provided by the services segment

In the Wind & Sites Services area, the focus is on appraisal activities (accredited appraisals) for successful project development as well as other services in connection with wind measurement technology.

Within Energy Supply Services, the primary focus of external business lies in brokering contracts that secure the electricity sale between the plant operator and electricity consumer after the subsidy period under the EEG (post-EEG PPA contracts). Other tasks and services include electricity marketing for national and international projects outside the scope of funding, hedging transactions for existing installations within the EEG, as well as electricity market analysis, auctions and tenders.

Financial services include financing concepts, the procurement of equity and debt financing, new and restructuring of existing financing, project sales and monitoring of project audits, and buyer and vendor due diligence.

The construction management segment offers the following services to customers: taking over the overall project management from development to commissioning, purchasing the turnkey infrastructure, preparing the execution planning and the tender documents, negotiating and awarding the construction/partial services, project and construction supervision as well as coordinating other engineering and testing services during the construction phase.

In addition, the range of services also includes the grid connection of an energy park, from the preparation of the application documents, the creation of grid concepts and connection solutions, the planning of the complete electrical infrastructure as well as the planning and implementation of substations, through to transfer stations, transformer and switching stations.

The range of services offered by technical operational management includes 24/7 remote monitoring with its own control station, monitoring of individual wind turbines and wind farm operations, permanent optimisation of operations as well as monitoring deadlines and permit requirements. In the area of commercial operational management (asset management), the main areas of focus are finance and accounting, reporting and controlling, compliance and shareholder management.

The technical services offered in the services segment include technical reports and technical tests required for operational safety, as well as obtaining the operating permit and the technical condition of a wind farm or PV power plant.

Other services with a focus on occupational safety include, in particular, equipment testing, wind turbine safety technology, as well as the creation of access and rescue concepts and training courses with occupational safety-related content.

1.2 Objectives and strategy

As part of the corporate strategy, the PNE Group is continuously expanding its own generation portfolio as well as its product and service offerings. The PNE Group is creating a balanced mix of the expansion of its own generation portfolio and the sale of projects. The focus is also on other technologies and lucrative markets. With this strategic orientation, the Board of Management aims to achieve both an improvement in and a stabilisation of the usually very volatile results in the project business. This is primarily measured by earnings before interest, taxes, depreciation and amortisation (EBITDA). PNE AG concluded profit and loss transfer agreements with important companies of the Group so that a significant level of income from investments is reported at PNE AG. For this reason, PNE AG uses earnings before taxes (EBT) as a key indicator. Another key indicator of the achievement of the objectives is the number of national and international projects in progress, meaning the project pipeline. Against the background of changes in the markets and the increasing complexity caused by, for example, stricter permit requirements or higher competition, the service offer portfolio, the speed of the development of the Company's own generation portfolio and the profitability of the markets are regularly reviewed and, if necessary, adjusted.

1.3 Control system

The control of the PNE Group is based on regular discussions between the Board of Management and the business units. The internal controlling system covers all areas of the Company. As a result, short reaction times to changes in all areas and at all decision-making levels of the PNE Group can be guaranteed. Any changes with a significant effect on the results are reported immediately to the Board of Management. Meetings of the Board of Management take place regularly.

The starting point for controlling the overall Group and the business units is the targets set by the Board of Management, which are derived from the vision, mission and the overall strategy of the PNE Group. A key instrument for the implementation of the targets and objectives is the totality of the internal regulations of the PNE Group.

The business units report monthly on the current developments and deviations from the targets. In addition, early operating indicators such as announcements of interest rate changes are continuously analysed.

A regular exchange takes place between the Board of Management and the business divisions to give an overview of the most recent market and project situation. In addition, key topics such as defining the strategy and its systematic implementation as part of annual and medium-term planning, as well as setting and achieving goals, are discussed during the course of the year.

The activities of the operating units are controlled using the stated performance indicators; in this context, the earnings figure EBITDA (Group EBIT plus depreciation and amortisation of intangible fixed assets and property, plant and equipment as well as goodwill), against the backdrop of the portfolio expansion, is of particular importance, since the Board of Management believes that this is the appropriate indicator for assessing the earnings power of the PNE Group. Furthermore, the project pipeline is used as a non-financial control parameter in the Group (see ↗ **Overview of the status of onshore project activities of the PNE Group in MW and MWp**). Using the Group-wide key performance indicators EBITDA and the project pipeline and, at PNE AG, EBT (earnings before income taxes and other taxes), PNE AG and the PNE Group perform a comparison of the forecast with the actual course of business.

2. ECONOMIC REPORT

2.1 Overall statement of the Board of Management

Business developed very positively in 2024.

The PNE Group has continued to push ahead with its goal of significantly expanding its own wind farm operations. As of 31 December 2024, wind farms and the Silbitz biomass power plant with a total output of 428.5 MW (previous year: 375.4 MW) were in operation. In addition, wind farms with a capacity of 277.8 MW (previous year: 281.3 MW) were under construction. Together, this amounts to 706.3 MW (previous year: 656.7 MW) in operation or under construction. Some of these projects, with an output of currently around 277.8 MW, will be transferred to the Company's operations after commissioning, while other projects under construction have already been sold (102.3 MW) or could be sold in 2025 or 2026. The final allocation of the wind farms to our own operations or sale will be made after the wind farms are commissioned.

In line with the slogan "pure new energy", the PNE Group has developed the Company beyond wind energy into a broadly positioned Clean Energy Solutions Provider. In addition to the core business of project development of onshore and offshore wind farms, PNE intensified the development of photovoltaic projects nationally and internationally and designed solutions in the power-to-X sector.

The segment reporting of the three segments project development, power generation and services reflects the current status of the Group 's activities.

At around EUR 69.0 million (previous year: around EUR 39.9 million), the guidance for Group EBITDA of between EUR 40 million and EUR 50 million in the 2024 financial year was significantly exceeded.

The goal for the project pipeline for onshore wind energy and photovoltaics was to stay at least constant in the Group in financial year 2024. Despite the realisation and sale of projects and project pipelines (Sweden and USA), PNE was able to keep the pipeline almost constant. By the end of 2024, the pipeline, i.e. the existing portfolio of wind farm and photovoltaic projects in the various stages of development, improved compared to the previous year from 9,177 MW to 9,866 MW for onshore wind and fell from 7,424 MWp to 6,486 MWp for photovoltaics. In addition, 2,500 MW of wind energy comes from offshore.

At the level of PNE AG, the EBIT was approx. EUR 11.4 million in the 2024 financial year (previous year: approx. EUR 34.3 million).

2.2 General economic and industry-specific framework conditions

Renewable energies, especially wind energy and photovoltaics, have become one of the most important pillars of power generation. Since 2000, cumulative installed capacity of renewable energies has grown continuously. This is demonstrated especially by the development of wind energy and photovoltaics. According to the International Renewable Energy Agency (IRENA)[1], total renewable energy capacity installed worldwide developed very positively in the period from 2014 to 2023. In this period, worldwide installed wind energy capacity increased from 349 GW to 1,017 GW and installed photovoltaic capacity from 179 GWp to 1,418 GWp. This increase has continued in 2024. For Germany, the federal government has already set significantly higher expansion targets for photovoltaics and onshore and offshore wind energy in the coalition agreement so that the expansion in Germany is continuing. It is planned to designate 2.0% of the country's land area for the use of wind energy onshore. The capacities of offshore wind energy are to be increased to at least 30 GW by 2030, to 40 GW by 2035 and to 70 GW by 2045. The expansion target for photovoltaics by 2030 was set at around 215 GWp.

In 2024, onshore wind energy in Germany had a total portfolio of 28,766 wind turbines with a total output of 63.5 GW (previous year: 61 GW). 635 wind turbines (previous year: 745) with a nominal capacity of 3.3 GW (previous year: 3.6 GW) were commissioned onshore. At the same time, 555 (previous year: 423) old wind turbines with a nominal capacity of 706 MW (previous year: 534 MW) were discontinued.

The German photovoltaics market in 2024 recorded an increase in capacity compared to the previous year: approx. 1.1 million PV power plants (previous year: 1.1 million) with a nominal capacity of 16.8 GWp (previous year: 15.5 GWp) were put into operation.

In order to be in an optimum position in the global markets, the PNE Group concentrates on the development and construction as well as the sale and operation of wind farms and PV power plants in selected core markets. In addition, the first hybrid projects, in which wind and photovoltaics are combined, are being developed.

1 Renewable Capacity Statistics 2024

2.3 General political conditions

According to an analysis by the International Energy Agency (IEA), the target agreed at the World Climate Conference of tripling the capacity of renewable energies by 2030 is within reach. Capacity is expected to increase 2.7-fold by 2030 and almost half of global electricity demand will be covered by renewable energies by then, the IEA announced in Paris. The climate and energy security policies of numerous countries have played a decisive role in ensuring that renewable energies are offered at competitive costs compared to fossil-fuelled power plants. This is leading to new demand from the private sector and households, while industrial policy measures are promoting the production of photovoltaic modules and wind turbines. The IEA sees developments in China and the expansion of photovoltaics as drivers of the increase in renewable energies.

In terms of technologies, it is forecast that photovoltaics alone will account for 80% of global growth in renewable capacities by 2030. And despite the ongoing challenges, the IEA also sees the wind sector on the verge of an upswing: the expansion rate will double between 2024 and 2030 compared to the period between 2017 and 2023.

The expansion of renewable energies also continued in Germany during the reporting period. The main pillars of power generation from renewable energies in 2024 were once again wind energy and photovoltaics. Together, the two technologies accounted for more than three quarters of electricity from renewable sources in Germany. According to the Federal Network Agency (BNetzA), the installed capacity of renewable energy plants increased by just under 20 GW to a total output of just under 190 GW. Compared to the previous year, this represents an increase of 12%. Renewable energy sources accounted for 254.9 TWh or almost 60% of total power generation in Germany. At the same time, the amount of coal used to generate power was lower than it has been for decades.

The geopolitical situation remained tense in 2024. Internationally, fossil fuel prices remained volatile and repeatedly drove energy prices to record highs. Global macroeconomic sentiment was subdued, with inflation easing but still relatively high compared to the years before the pandemic.

The return of Donald Trump as President of the USA became apparent in international trade policy at the end of the year. The announcement of tariffs on international goods is likely to lead to tensions on global markets in the future. It also remains to be seen what impact Trump's announcement to withdraw from the Paris Climate Agreement will have on the expansion of renewable energies. The Paris Climate Agreement of 2015 is an international agreement to limit global warming in order to counteract the dangers of climate change. Apart from the United States, no other country has yet withdrawn from the agreement. There are only a small handful of countries in the world that are not committed to the agreement. The USA is the second-largest emitter of greenhouse gases in the world.

EU targets

European elections were held for the tenth time in June 2024. For the next five years, the newly elected Members of the European Parliament will have an important role in deciding on key positions in the EU and will continue the Parliament's work on laws. The European People's Party (EPP/Christian Democrats) remains the strongest force in Parliament, while the Greens have lost seats compared to the last election. On the other hand, conservative and nationalist groups were able to gain seats, reflecting the Europe-wide trend towards nationally orientated parties. Ursula von der Leyen, the current President of the European Commission, was confirmed as President of the European Commission by the EU Parliament.

In the new legislative period, Ursula von der Leyen's cabinet will continue to focus strongly on implementing the Green Deal, the strategy paper with which the EU Commission defined the priorities and measures for achieving the goals of the Paris Agreement on climate change four years ago. This action paper is now being supplemented by the Green Deal Industrial Plan, a comprehensive concept for the transformation of European industry towards a climate-neutral and competitive economy. The primary goal is to further advance the decarbonisation of European industry. The Green Deal Industrial Plan is also referred to as the European counterpart to the US Inflation Reduction Act (IRA), the central content of which is the targeted promotion of the production of battery technology for electromobility and the development of hydrogen structures within the USA. Accordingly, the European support plan aims to improve the competitiveness of European industry by creating an environment that favours increasing the EU's production capacity for net-zero technologies. The plan includes proposals to make state aid more flexible, to mobilise European funds, to set up a sovereign wealth fund and to improve European supply chains.

In addition, the European Commission wants to create better conditions for the production of energy from renewable sources and more investment in clean technologies in Europe with the Net-Zero Industry Act. The aim is for production capacity for the strategically most important net-zero technologies to reach at least 40% of the European Union's requirements by 2030.

Simplifications of the regulatory framework should help to make permits quicker and easier to obtain in future, while at the same time ensuring the funding of important European projects. In addition, the new criterion of so-called bid security will be introduced, which will exclude companies from third countries from public contracts in future if they have a market share of 65% or more in certain sectors in the EU.

The EU Commission wants to further strengthen international cooperation with important trading partners in the future. It envisages new trade agreements, the establishment of a club for critical raw materials and a strengthening within the World Trade Organisation.

Another aim of the Green Deal Industrial Plan is to increase the international competitiveness of EU industry by making the EU a global pioneer in green technologies. Trade and cooperation agreements are also to be concluded with third countries to promote green technologies.

In the area of hydrogen, the expansion of the European Hydrogen Backbone continued last year. This project envisages a comprehensive infrastructure solution for networking hydrogen producers and consumers in Europe. In this context, the European Commission has permitted a EUR 3 billion German aid scheme for the construction of the hydrogen core network under EU state aid rules, which will enable the construction of a long-distance hydrogen pipeline infrastructure without which the use of renewable hydrogen in industry and transport cannot be ramped up by 2030. The hydrogen core network will form the backbone of the long-distance hydrogen pipeline network in Germany and will be part of the European hydrogen backbone connecting several member states. The measure serves the objectives of the EU hydrogen strategy and the Fit for 55 package, the European climate law to reduce emissions in the EU by at least 55% by 2030.

In April 2024, the European Parliament adopted a draft law to reform the electricity market rules. The European Union has had a well-functioning electricity market for over 20 years. However, the ongoing Russian war of aggression against Ukraine and the resulting increasing volatility on the energy market made it clear that the EU is overly reliant on imports of fossil fuels. The focus of this legislative initiative is on promoting long-term contracts for non-fossil energy, introducing cleaner flexible solutions and increasing market transparency. Overall, the proposed reforms are intended to create a more resilient and sustainable energy market. The EU wants to ensure that both energy producers and consumers benefit from predictable prices.

Germany

Wind energy onshore

Power generation from renewable energies reached a new record level in 2024: according to preliminary calculations by the Centre for Solar Energy and Hydrogen Research Baden-Württemberg (ZSW) and the German Association of Energy and Water Industries (BDEW), renewables covered a good 55% of gross power consumption. This represents an increase of 2% compared to the previous year. Wind energy remains a central pillar of German power generation and, with 115 billion kWh and a share of more than a quarter, is the most important energy source for power generation in Germany and continues to be the strongest energy source in the electricity mix.

2024 was characterised by an unprecedented development in the number of permits for new wind turbines. Around 2,400 turbines with an output of over 14,000 MW were newly authorised by the authorities nationwide. Compared to the previous year, this represents an increase of 85%. Almost 30% of the permitted output comes from North Rhine-Westphalia, which means that the state leads the ranking by a clear margin. Despite the exceptionally high number of authorisation notices, the processing times in most federal states fell significantly. On average, authorisation procedures took 23 months – a good 10% faster than in 2023.

The Federal Network Agency was able to allocate 90% of the auction volume for 2024 by awarding contracts for 11,000 MW of wind energy capacity. This corresponds to an increase of a good 70% compared to the previous year.

In 2024, a total of 635 new plants with an output of 3,251 MW were commissioned nationwide. Here, too, North Rhine-Westphalia leads the state statistics with 748 MW of gross new construction. At the end of the year, the total nationwide portfolio comprised around 28,700 systems with an output of 63.5 GW.

In the years 2021 to 2024, the coalition government has set the legal and political course for successfully advancing the energy transition in Germany. A key focus in the reporting period was on the national implementation of RED III (Renewable Energy Directive), which came into force at EU level in October 2023 and regulates, among other things, the accelerated and comprehensive expansion of renewable energies. A central element of this directive is the introduction of so-called acceleration areas for renewable energies projects, in which projects are to be implemented more easily in future. However, as a result of the break-up of the traffic light coalition in autumn 2024, this bill could no longer be passed in the reporting year as planned. It is still in the parliamentary process. The Energy Industry Act (EnWG) and the Renewable Energy Sources Act (EEG) could also only be amended in a shortened form due to the coalition breakdown.

In addition to the legislative initiatives already mentioned, there were further legislative initiatives in 2024 that serve, among other things, to accelerate expansion and reduce bureaucracy in the approval process. For example, the German Federal Immission Control Act (BImSchG) was reformed in order to significantly speed up approval procedures for wind turbines. Among other things, environmental assessments have been simplified, deadlines shortened and digital application processing introduced. This should ensure that new wind turbines can be connected to the grid more quickly.

The Federal Ministry for Economic Affairs and Climate Action (BMWK) responded to the European requirements on electricity market design with the options paper on electricity market design presented in September. According to the BMWK, the aim of the system conversion is to move from a system of inflexible demand and static generation to a system with cost-effective variable power generation from wind and photovoltaics, supplemented by storage, flexible demand management and flexible power plants as backup. In 2023 and 2024, the Platform for a Climate-Neutral Electricity System (PKNS) discussed how the future electricity market design and thus a secure, affordable electricity and energy supply based exclusively on renewable energies can be organised.

There were four tender rounds for onshore wind energy in 2024 with a total volume of 12,084 MW (previous year: 9,829 MW), with the first two tenders resulting in a signature. For 2025, the tenders volume was 10,000 MW, while the maximum value for wind energy tenders on land was again set at 7.35 ct/kWh.

Wind energy offshore

The legal framework for the expansion of wind energy offshore in Germany is provided by the Offshore Wind Energy Act (WindSeeG), which was introduced in 2017 and whose comprehensive amendment came into force on 1 January 2023. The expansion targets of 20 GW by 2030 and 40 GW by 2040 were increased to at least 30 GW by 2030, 40 GW by 2035 and 70 GW by 2045. Minor amendments have been made to the WindSeeG since the third amendment.

Through WindSeeG, projects already developed have been transferred to the planning and development authority of the Federal Maritime and Hydrographic Office, which also affects PNE projects.

With the compensation regulation according to Section 10a WindSeeG, which was created by the legislator after the implementation of the ruling of the Federal Constitutional Court, PNE continues to expect reimbursements for project-planning services already provided in the past, which can have a corresponding positive effect on the Group's figures in the future.

Photovoltaics

The target for the expansion of PV power plants was increased to around 215 GWp in the current Renewable Energy Sources Act (EEG 2023). For PV power plants on green fields, the quantity put out to tender in three tender rounds in 2024 was 8.1 GWp. The tender volume in 2025 is 9.9 GWp. The maximum allowable value in 2025 was still 6.80 ct/kWh.

France

France remains a core market for the PNE Group as the country has confirmed its 2024 renewable energies targets in both its National Energy-Climate Action Plan, which was submitted to the EU in July, and its revised multiyear energy plan. This new multiyear energy plan, which sets out France's energy road map for the next five and ten years, is to be published and ratified by decree in the second quarter of 2025. In addition, this road map supports the national goal of decarbonising the country's energy mix by also renewing nuclear power plants beyond 2035 in line with the Nuclear Power Acceleration Act of 2023. Nevertheless, the outlook for renewable energies remains positive, as France has also passed a law to accelerate renewable energies in 2023. One example for the permitting of wind farms is a decree in force since September 2024, which shortens the period for third-party objections from four to two months and benefited the latest French PNE project, which was authorised in Q4 2024 and for which no objections are permitted.

In mid-2024, another decree implementing the RE Acceleration Act amended the revision process for planning future investments in regional grids in order to eliminate one of the biggest bottlenecks for the expansion of renewable energies. The Energy Regulatory Commission expects stronger and faster planning. In order to support the financial feasibility of renewable energies projects, tariff-based tenders for wind energy, photovoltaics and technology-neutral plants have been introduced for the period from 2025 to 2026. Despite this progress, the authorisation process for renewable energy projects in France still takes around four to seven years due to extensive legal and environmental assessments.

Italy

Italy is driving the development of its renewable energies sector, particularly in the areas of photovoltaics and wind energy. As of 31 October 2024, the country's installed photovoltaic capacity reached 35,763 MW, an increase of 36% compared to the previous year. This progress is in line with the government's target for 2030, which was set by the "Aree Idonee" (suitable areas) decree issued in June 2024. The new decree provides for an increase in new renewable energies of 80 GW from 2024 to 2030 (of which around 50 GWp is photovoltaics) and sets targets for the individual regions in order to achieve regional distribution in the coming years. In order to further accelerate the expansion of renewable energies, a new code for renewable energies was issued at the end of 2024 with the aim of simplifying the authorisation procedures for PV power plants. A particular focus here is on agrivoltaics. In particular, exemptions from environmental impact assessments (EIA) and EIA screenings will be extended, EIA thresholds will be raised (significantly for agrivoltaic plants) and simplified authorisation procedures for certain projects will be extended.

The introduction of a new tariff system based on descending auctions (FER X), the final draft of which is awaiting permit, aims to promote the development of renewable energies through incentivised tariffs. The support programme is to be introduced in two phases: a transitional phase until the end of 2025 (around 10 GW tenders for photovoltaics in 2025), for which an EU permit has already been issued, followed by a subsequent phase from 2025 to 2028.

Canada

Given the climate, the size of the country and the energy-intensive primary industry, Canada has one of the highest per capita power consumption among the G7 nations. In Canada, the regulatory requirements for approval procedures regarding the erection of wind power turbines are manifold and regulated differently in the individual Canadian provinces. These approval procedures mainly relate to construction-site policy, environmental issues and grid connection. The government's expansion targets are determined by the individual provincial governments. Across provinces, the clean energy market is driven by the carbon tax introduced by the Canadian federal government, as well as the investment tax credit policy introduced in November 2022.

The climate policy agreements to which the Canadian government has committed internationally, most recently at the United Nations Climate Change Conference (COP27), also strengthen the importance of renewable energies in Canada. In recent years, photovoltaics, wind and storage technology has developed significantly in Canada. Record annual growth of 10.5% was achieved in 2022. This expansion was primarily realised in the western provinces of Alberta and Saskatchewan. CETA – the Comprehensive Economic and Trade Agreement between Canada and the EU – illustrates the economic policy will to diversify foreign trade and promote partnerships with Europe.

Latvia

In light of the Ukraine war, Germany and the three Baltic countries Estonia, Latvia and Lithuania want to strengthen their energy sovereignty and cooperate more closely. For this purpose, hybrid interconnectors will also be implemented across countries, into which offshore wind farms feed their energy and which can also be used efficiently and in line with the market for European electricity trading. Latvia intends to auction a cross-border project coordinated by the state and to allow further private offshore wind planning.

The legislation required for this is currently in the development process. The first drafts are expected at the end of Q1/beginning of Q2 2025 and will be made available for consultation.

PNE has acquired a stake in an early-stage project that has a good chance of positioning itself successfully in a selection process due to a number of factors. The project is currently being further developed in cooperation with a partner.

Panama

Based on Law 8 of 25 March 2015 and the National Energy Plan 2015–2050, Panama has set itself a target for the generation of electricity from renewable energies (excluding hydropower) by 2050. Photovoltaics, wind and biomass sources are expected to account for 20% of the country's power generation capacity by 2030 and 30% by 2050. Panama's goal is to achieve a reduction in greenhouse gas emissions with the help of renewable energies.

Poland

The renewable energies sector in Poland is experiencing significant growth, particularly in wind energy and photovoltaics, driven by government initiatives to reduce dependence on coal and meet rising demand for electricity. In 2024, the country generated a record 30% of its electricity from renewable sources, compared to 27% in the previous year. According to government forecasts, the share of renewable energies in net power consumption should be around 50% by 2050. This is in line with the National Energy and Climate Plan (NECP-PL) and the transmission system operator's grid development plan, which envisages investments totalling PLN 64 billion in the transmission grid by 2034.

Despite these plans, challenges remain, particularly in connection with grid congestion and delays in permits. Solutions such as cable pooling, direct line supply for industrial customers, battery storage systems (supported by a capacity tendering mechanism) and Poland's first 1 GW PtX project (fuelled by 2 GW of renewable energies) are being implemented to eliminate grid bottlenecks. This project includes a planned connection to the hydrogen grid (H^2) in Poland with a cross-border connection to the German H^2 core grid, which will be implemented by PNE in the development of future projects.

At the same time, PNE is focusing on the spatial planning procedures of local governments to facilitate the implementation of renewable technologies in designated areas. In addition, proposed further amendments to the Wind Act aim to relax the strict "10H" rule, which requires a minimum distance between wind turbines and residential properties, potentially opening up more areas for wind energy development.

Romania

Romania has committed to increasing the share of renewable energies in its gross final energy consumption to 38.3% by 2030. This corresponds to the increased target according to the updated Integrated National Energy and Climate Plan (PNIESC), which was published on the European Commission's website on 16 October 2024. The PNIESC forecasts indicate that this percentage will reach 31.0% in 2025, compared with 29.4% in 2024. In order to achieve the 2030 targets, Romania is developing a legal framework for battery energy storage systems (BESS), offshore wind energy and green hydrogen. The law on offshore wind energy (Law No. 121/2024), which was passed in May 2024, creates a legal framework for offshore wind projects in the Black Sea. By 30 June 2025, the main secondary regulations necessary for the organisation of the actual competitive procedures for the granting of concession agreements for offshore wind energy should be adopted – however, there is no fixed deadline in the Offshore Wind Energy Act for the organisation of the first tenders. Since 2022, Romania has allowed private power purchase agreements (PPAs), which promote market-based transactions in the renewable energies sector. The Romanian PPA market has been growing continuously since then. In 2024, Romania launched its first tariff tender with Contracts for Difference (CfD) and awarded a volume for the development of 1,528 MW of wind energy and photovoltaic capacity. The CfD run for 15 years.

There are still challenges, particularly with regard to the speed at which the necessary network capacity can be expanded. In 2024, the National Energy Regulatory Authority (ANRE) introduced a guarantee of 5% of the grid connection costs after the grid connection commitment has been issued. This is intended to increase the feasibility of projects and prevent grid connection capacities from being blocked by projects that are not realised.

Spain

Spain is a high-volume market, which offers opportunities both in the wind and photovoltaics areas but also provides for a long-term approach to hydrogen, asset management and repowering. In Spain, renewable energies are receiving a lot of support from the general public and politicians. The market is attractive because the expansion targets for renewable energies set by the Spanish government are high. In addition, the power grid is to be massively expanded by 2030 and 2050, respectively. A number of offtake opportunities and an established PPA market offer a positive outlook. Spain has a strong banking sector and, with a Fitch A rating, is in the upper third on the country scale in global comparison.

South Africa

South Africa is actively revising its Integrated Resource Plan (IRP) to address the ongoing electricity shortage and transition to a more sustainable energy mix. The updated IRP, which is expected to be finalised in early 2025, emphasises the expansion of renewable energy sources, including photovoltaics and wind energy onshore in particular, while gradually reducing the country's dependence on coal-fired power generation. The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) continues to play a crucial role in attracting investment in renewable energies. The seventh tender which was launched in December 2023 aims to procure a capacity of up to 5,000 MW of renewable energy capacity, including 3,200 MW of onshore wind energy and 1,800 MW of photovoltaic projects. In December 2024, eight photovoltaics projects with a total output of 1,760 MW were selected as preferred bidders, representing an investment of ZAR 44.2 billion. It is worth noting that no wind projects were selected in this round due to price and grid restrictions.

Since 2021, South Africa has allowed power purchase agreements (PPAs) from the private sector, although the project size was initially limited to 100 MW. This upper limit has now been lifted, meaning that larger wind and photovoltaics projects can now also be developed for commercialisation via PPAs. However, grid bottlenecks remain a major challenge and require strategic adjustments from developers such as the PNE Group, which is building its project pipeline through an 80/20 joint venture with WKN Windcurrent.

The Electricity Regulation Amendment Act of 2024 aims to improve grid access, streamline authorisation procedures and facilitate the increased procurement of independent power producers (IPPs). In addition, the South African government is driving forward initiatives in the field of green hydrogen and e-fuels to diversify the energy mix and support the decarbonisation of various sectors.

Turkey

Turkey remains a tendering market for renewable energies, although political uncertainties continue to pose challenges. While macroeconomic conditions generally support the expansion of renewable energies, the implementation of large-scale projects is still influenced by regulatory and tendering conditions. The renewable energy framework (YEKA) introduced in 2016 remains an important mechanism for awarding projects, but previous tenders have shown that further adjustments are needed to improve investment conditions. The road map for renewable energies up to 2035 presented in October 2024 provides for an increase in wind and photovoltaic capacity, with implementation depending on the stability of regulations and the availability of funding. The government has announced plans to streamline approval procedures and introduce new tenders, including one for 2,000 MW of wind and photovoltaic capacity in early 2025, but the long-term impact of these measures remains to be seen. Despite these initiatives, challenges remain in the Turkish renewable energies sector.

Vietnam

Vietnam shows a special political interest in renewable energies, caused and intensified by supply shortages and an increasing energy demand. The political goals of the five-year plans for wind energy envisage a continuous expansion. The power generated must be purchased by the state energy suppliers and remunerated according to the feed-in tariffs.

On the 26th UN Climate Change Conference (COP26), the Vietnamese government in 2021 committed to achieving ambitious targets, including climate neutrality by 2050. The required expansion of the national power plant park and power grid is defined in corresponding power development plans (PDPs). For the latest PDP8, PNE has applied with a project with up to 2,000 MW of potential total output. Irrespective of this, a memorandum of understanding was signed at the level of the province that is designated to feed the energy in the future. The PDP 8 for the period 2021 until 2035, with an outlook for 2050, was published in May 2023. The first detailed implementation plans (decisions and decrees) required for project development were published in April 2024. A revision of the current PDP 8 and the implementation plans is expected in Q1/Q2 2025. The revision also includes the regulations on marine spatial planning and the approval of offshore environmental and subsoil surveys. Irrespective of this, PNE is continuing to develop the project in areas that are independent of these regulatory steps.

Assessment of the market development

Overall, the international markets are still undergoing changes which require the PNE Group to adapt its activities accordingly in order to minimise the risks and develop new opportunities. Overall, the framework conditions for the expansion of renewable energies must also be viewed positively in the light of the World Climate Summit in Baku (Azerbaijan), at which the transition away from fossil fuels was shelled. The general conditions for the economic expansion of photovoltaics are in place in selected markets such as Germany, France, Italy, Poland, Romania and Spain. The Board of Management is confident that it will be able to positively advance the Company’s development through the adjusted corporate strategy and further internationalisation, particularly in Europe and on new markets.

2.4 Business performance

Summary of operating performance

The operational business of the PNE Group in the 2024 financial year was characterised by the development, realisation and operation of onshore wind farms as well as the development and expansion of photovoltaic projects in various countries. In addition, the portfolio of internally operated wind turbines was expanded, thus making its own contribution to environmentally friendly power generation under economically sustainable conditions.

The operating business is divided into the segments project development, power generation and services.

In 2024, there were only isolated supply bottlenecks for machines and materials.

In total, PNE completed or sold wind farm and photovoltaic projects with approx. 3,698 MW (previous year: 494 MW) during the reporting period – including the complete pipelines of the US business and the Swedish companies of the PNE Group.

In the reporting period, the PNE Group received permits for a total of 21 wind farm and photovoltaic projects with an output of approx. 682 MW. In spite of the realisation and the sale of projects, the pipeline, i.e. the existing portfolio of wind farm and photovoltaic projects in the various phases of development, has been increased significantly (MW and MWp, respectively) compared to the previous year by 9,177 MW to 9,866 MW for onshore wind energy. The photovoltaics pipeline fell from 7,424 MWp to 6,486 MWp. In addition, 2,500 MW of wind energy comes from offshore. This comprised the project pipeline of 18,852 MW (previous year: 19,101 MW) and ensures the further development of the Company in the medium and long term.

Due to the completion and acquisition of additional wind farms, the nominal capacity of the wind farms operated by the Company increased to 428.5 MW in the reporting period (previous year: 375.4 MW).

As of 31 December 2024, twelve wind farms with a combined nominal output of 277.8 MW were under construction in Germany and France. For projects already sold with 102.3 MW, PNE is active as a service provider for the buyers.

As a portfolio holder, PNE AG is increasingly dependent on the wind supply but also on the development of the electricity price. As the nominal output in the Group's own portfolio increases, fluctuating wind conditions will have an impact on the financial indicators of the power generation segment and also on the financial indicators of the Group. What is more, compared to the same period of the previous year, worse wind conditions but lower electricity prices were recorded in 2024. The combination of the increased number of wind turbines in operation, the worse wind supply and lower electricity prices in the power generation segment resulted in a slight increase in revenue compared to the previous year.

With contracts for the operational management of wind farms in Germany, France, Poland and Sweden as well as the execution of wind measurements, technical inspections and tests worldwide, the services belonging to the PNE Group are internationally positioned. In total, the order volume managed by PNE wind farms in Germany and abroad comprises more than 2,900 MW (previous year: 2,900 MW) of nominal output – that is around 1,000 wind turbines.

In addition, PNE has created values (hidden reserves) that are not readily apparent. Due to the investments in our own wind farm projects, pre-tax profits have been eliminated by the Company at Group level, which the Company defines as hidden reserves. These hidden reserves thus correspond to the intercompany profits from the sale of wind farms between companies in the consolidated group, which were eliminated in the preparation of the consolidated financial statements. Whether these profits, as currently calculated, can be achieved in the future in the event of a sale depends on whether or not the assumed market conditions of the project calculations (e.g. folder return expectations of investors) will change (refer to the explanations in ↗ **chapter 8 "Report on opportunities and risks"**). The hidden reserves created by the Group's own projects will be disclosed progressively over the useful life of the projects, based on the Group's lower depreciation assessment base. This disclosure of the hidden reserves leads to an improvement in earnings over the term and, depending on the amount disclosed, to an improvement in the Group's equity ratio. The cumulative disclosure of hidden reserves amounted to a total of EUR 38.1 million as of 31 December 2024 (previous year: EUR 27.2 million). Of this amount, EUR 11.0 million was recognised in the reporting period (previous year: EUR 9.9 million) due to lower depreciation and amortisation. Despite the realisation of hidden reserves through the sale of own projects (Papenrode and Lütau) and simultaneous investments in new projects, the PNE Group succeeded in realising only a slight decrease in hidden reserves as a balance of investments and divestments in the amount of EUR −2.4 million in the 2024 financial year. In total, the effects from the disclosure of hidden reserves over the useful lives and the small net effect of a decrease in hidden reserves from divestments at Group level as of 31 December 2024 lead to remaining hidden reserves totalling EUR 195.3 million (previous year: EUR 208.6 million).

Including the expansion of the portfolio in own operations, the operating activities led to a Group EBITDA of EUR 69.0 million (previous year: EUR 39.9 million). The guidance for the Group EBITDA (EUR 40 to 50 million) for the 2024 financial year was exceeded (see ↗ **explanations in section 2.5 "Earnings, financial and asset position")**.

At the level of PNE AG, the EBIT was EUR 11.4 million in the 2024 financial year (previous year: EUR 34.3 million).

The development of the individual segments

The following segment results are presented before consolidation at Group level.

Project development segment

Wind energy and photovoltaics onshore

Although the effects on the economy caused by Russia's war of aggression and to some extent the aftermath of the coronavirus pandemic also have certain implications for PNE Group, the development and realisation of onshore wind farm and photovoltaic projects were continued steadily in the 2024 financial year, both in Germany and in the international markets, in which the PNE Group operates through subsidiaries or joint ventures.

In recent years, photovoltaic installations have become increasingly cost-effective, efficient and also more marketable in the area of power generation. In addition, the legal and economic framework conditions for the development of photovoltaic projects are in place in many countries. The development of photovoltaic projects is therefore part of the strategic orientation of PNE Group's business model.

As of 31 December 2024, the companies of the PNE Group were working on wind farm projects with approx. 9,866 MW of nominal output (previous year: 9,177 MW) in various phases of the multiyear development process in Germany and in the foreign markets, in which they are active via subsidiaries or joint ventures. The pipeline of photovoltaic projects was reduced to 6,486 MWp (previous year: 7,424 MWp). In addition, the PNE Group is active as a service provider in wind projects already sold with around 549 MW and in photovoltaic projects with 1,042 MWp.

This is the basis for the future development in the sector of onshore wind energy and photovoltaics.

Overview of the status of onshore wind energy project activities of the PNE Group as of 31 December 2024 in MW:

Land	**Phase I–II**	**Phase III**	**Phase IV**	**Total MW**	**Sold/ service provider**
Germany	2,378	690	164	3,232	199
Romania	0	0	0	0	0
Turkey	629	72	0	701	0
United Kingdom	0	0	0	0	0
USA	0	0	0	0	0
Canada	308	0	0	308	210
Panama	0	68	0	68	0
Italy	0	0	0	0	0
France	363	156	11	531	0
Poland	2,009	0	0	2,009	0
South Africa	2,767	40	0	2,807	140
Sweden	0	0	0	0	0
Spain	210	0	0	210	0
Total	**8,664**	**1,026**	**175**	**9,866**	**549**

Phase I–II = Exploration & Development
Phase III = Planning
Phase IV = Implementation
Sold/service provider = this column shows projects already sold, for which PNE is currently providing construction management services.

Overview of the status of photovoltaic project activities of the PNE Group as of 31 December 2024 in MWp:

Land	Phase I–II	Phase III	Phase IV	Total MWp	Sold/ service provider
Germany	689	215	0	904	0
Romania	695	49	0	744	208
USA	0	0	0	0	0
Canada	402	0	0	402	100
Italy	534	136	0	670	114
France	199	23	0	222	0
Poland	448	135	0	583	0
South Africa	1,920	0	0	1,920	300
Spain	1,041	0	0	1,041	320
Total	**5,928**	**558**	**0**	**6,486**	**1,042**

Phase I–II = Exploration & Development
Phase III = Planning
Phase IV = Implementation
Sold/service provider = this column shows projects already sold, for which PNE currently provides construction management services.

Wind energy onshore and photovoltaics – national

In Germany, the PNE Group worked on wind farms with a nominal output of approx. 3,232 MW (previous year: 2,582 MW) in the various phases of project development as of 31 December 2024.

The development of photovoltaic projects intensified significantly so that projects with a total output of 904 MWp (previous year: 831 MWp) were being processed in Germany at the end of the reporting period.

The wind farms “Schenklengsfeld” (19.8 MW), “Heitzelberg” (5.5 MW) and “Heidmoor” (36.0 MW) were completed in the reporting period. These projects have been included in the Company’s operations.

Unfortunately this means that fewer projects have been implemented on time than planned. These delays are primarily due to transport permits which were issued by the authorities significantly late and capacity bottlenecks at suppliers and network operators.

At the end of the reporting period, eight wind farms with a nominal capacity of 164.2 MW and three service projects with a nominal capacity of 102.3 MW were under construction in Germany.

In addition, PNE received permits in accordance with the German Federal Immission Control Act (BImSchG) for five further wind energy projects in Germany with a possible nominal output of 76.4 MW in 2024.

Wind energy onshore and photovoltaics – international

The PNE Group continued its core business of project development and realisation of wind energy and photovoltaics abroad. At the end of the 2024 financial year, the PNE Group had wind farms with a nominal capacity of approx. 6,634 MW (previous year: 6,595 MW) in the various phases of project development in foreign markets. In addition, photovoltaic projects with 5,582 MWp (previous year: 6,593 MWp) were under development in the foreign markets at the end of the reporting period.

France
As of 31 December 2024, wind projects with a nominal capacity of approx. 531 MW were underway in France in various phases of project development. Twelve wind energy projects (209 MW) were applied for. In the photovoltaics sector, 222 MWp (mainly agrivoltaic projects) are in the pipeline.

United Kingdom
PNE sold the Scottish wind farm “Sallachy” at the end of 2024. The project with an output of 43 MW was awarded to a Canadian company. The PNE Group is now no longer active as a project developer in the UK.

Italy
With the aim of participating in market growth, the local photovoltaics presence will be further strengthened, and the development of the photovoltaics project pipeline based on greenfield projects will be promoted, complemented by cooperation with land developers (site finders) and early stage developers (co-development). As of 31 December 2024, projects with approx. 670 MWp were already under development.

Canada
In Canada, project development was expanded into further provinces following positive market investigations. Wind energy and photovoltaic projects are being developed that will be put out to tender in the future or will be able to sell electricity on the free market.

The PNE Group is working on several wind energy and photovoltaic projects, which are still at an early stage of development. Project approaches for the direct supply of industrial companies are also being pursued. Political and economic stability, a wealth of raw materials, a solid financial sector and the EU-Canada Comprehensive Economic and Trade Agreement (CETA) provide the basis for investment and business opportunities. As of 31 December 2024, wind projects with approx. 308 MW and photovoltaic projects with approx. 402 MWp were under development. The Buffalo Gap wind energy project (210 MW) and the Muskwa Northwest photovoltaics project (100 MWp) have been sold to a partnership consisting of a Western Canadian real estate and energy company and three indigenous First Nations peoples in the first half of 2024.

Panama

PNE entered the Latin American renewable energy markets in 2019. Five wind energy projects were taken over in Panama via subsidiaries. They have been further developed and optimised ever since. Wind projects with a total of 68 MW are currently in the sales process. In Panama, PNE is focusing on the emerging market for renewable energies. The projects will largely be developed to ready-to-build stage and will then be placed on the market.

Poland

PNE has further expanded its market presence in recent years and will use this position to develop further wind and PV capacities in the coming years. As of 31 December 2024, wind energy projects with approx. 2,009 MW were under development. At the end of the reporting period, photovoltaics projects with around 583 MWp were being processed.

Romania

In Romania, PNE is concentrating on the development of photovoltaics and wind projects, with a focus on combined and stand-alone storage solutions. To date, PNE has successfully completed projects with a total capacity of 822.6 MW (142.7 MW wind energy and 679.9 MWp photovoltaics) and 207.2 MWh of co-location storage. The pipeline was successfully expanded further in 2024. As of 31 December 2024, PNE is actively developing a portfolio of photovoltaics projects with an installed capacity of 744.0 MWp and 108 MWh of co-location storage.

Sweden

At the end of 2024, the PNE Group sold the two Swedish companies PNE Sverige AB and VKS Vindkraft Sverige AB to a Norwegian energy supply company. The sale also included the project pipeline with wind energy projects with an output of around 300 MW. The PNE Group is now no longer active as a project developer in Sweden.

Spain

At the end of 2024, photovoltaics projects with a nominal capacity of 1,041 MWp and wind farm projects of 210 MW were under development. In addition, PNE was active as a service provider for photovoltaic projects of 320 MWp. Based on the European Union's hydrogen initiative, PNE is investigating business opportunities in Spain in this context.

South Africa

In South Africa, wind farm projects with a nominal capacity of up to 2,807 MW were in various phases of project development as of 31 December 2024.

The development of photovoltaics projects is progressing well. At the end of the reporting period, projects with around 1,920 MWp were being developed. In 2024, two projects totalling 300 MWp were sold, which will be developed by PNE until financial close.

Turkey

The PNE Group in Turkey is working on wind farm projects with a nominal capacity to be installed of 701 MW in various project development phases.

At the end of 2017, the state-owned grid operator TEİAŞ carried out the second part of a tender for around 3,000 MW wind capacity. In the tender, PNE was awarded a contract for the "Köseler" project (71.4 MW). In August 2018, PNE received the pre-licence from the Energy Regulatory Authority EPDK. This secured feed-in capacity and the project area. Due to a radar influence in the "Köseler" project, the change to the alternative project site "Kayislar" was applied for, and it was approved by the competent authorities. The period for project development up to readiness for construction was extended accordingly.

As before, the aim is to further develop the PNE project portfolio in order to prepare for participation in future tenders and to submit corresponding pre-licence applications. In addition, the approval procedure for the "Köseler/Kayışlar" project is being pursued further.

USA

In the first half of 2024, PNE AG was able to complete the sale of its US business. The complete package contained both the companies and the projects. It comprises a substantial project pipeline encompassing wind, PV and storage projects in different stages, along with three projects suitable for implementation in the near to intermediate future. The investments made in the USA can result in a positive impact on the Group's earnings and liquidity situation over the next five years, in addition to the initial payment in the single-digit million euro range, depending on how the projects are implemented.

Wind energy offshore

Wind energy offshore – national

PNE's high level of competence in offshore project development is reflected in the fact that in recent years eight offshore wind farm projects have been sold after development. These include the projects “Atlantis I” as well as the “Borkum Riffgrund” and “Gode Wind” projects of the project cluster.

Four offshore wind farms, which were developed by PNE and sold after approval was granted, have since been erected and commissioned by the purchasers: “Borkum Riffgrund 1", “Gode Wind 1” and “Gode Wind 2", and finally in 2019 “Borkum Riffgrund 2” with a total nominal capacity of 1,344 MW. The “Gode Wind 3” project, which brings together the former “Gode Wind 3” and “Gode Wind 4” projects, was constructed in full during the course of 2024.

Since 2017, the Offshore Wind Energy Act (WindSeeG) has regulated the planning of future projects and, in combination with the tendering system introduced, represents a high hurdle for PNE for future project developments in German waters.

In previous years, two Group companies had submitted applications for reimbursement pursuant to Section 10a WindSeeG by the legislator as part of the implementation of the decision of the Federal Constitutional Court of 30 June 2020 in accordance with the WindSeeG 2020 and corresponding assessment notices were issued by the Federal Maritime and Hydrographic Agency of Germany (BSH) in the first half of 2023. Based on the subsequent cost reimbursement notices from the BSH, the Group received in the 2023 financial year around EUR 2.5 million. The amount of the above-mentioned settlement paid by the German government under Section 10a WindSeeG is lower than what PNE AG considers appropriate for the development services provided (a low double-digit million amount). Should there be further reimbursements for project planning services already provided in the past, these could have a correspondingly positive effect on the Group figures in the future.

In the offshore wind energy segment, the PNE Group also examines opportunities for generating power from other energy carriers such as hydrogen at sea. In this context, a research project on hydrogen production using offshore wind energy and its transport had already been completed in 2023. Based on the results, further offshore wind project activities may be undertaken if the outlook is positive.

Wind energy offshore – international

In the reporting period, the Company made further efforts to start the development of marine wind farms abroad.

In Vietnam, PNE is preparing the project development of nearshore wind farms. The project covers a capacity of 2,000 MW and is to be developed in three phases. For this, a memorandum of understanding was signed by PNE for the province that is designated to supply energy in the future. The future course of the project depends on the further development of the regulatory framework.

Another 1,000 MW project is located off the coast of Latvia, and is in an early development phase. For this purpose, a 50:50 joint venture with the Swedish company Eolus was founded at the start of 2023. PNE’s share of the project is 500 MW.

Results of the project development segment

The operative achievements listed above have led to the following results in the project development segment in the 2024 reporting period.

It should be noted that in the presentation of the segment result, shares of the earnings from the project sales made in 2024, in particular the Papenrode and Lütau wind farms, were already recognised in profit or loss in the 2023 financial year and eliminated in the consolidated financial statements of the PNE Group. As such, the sale of these projects in 2024 led to the realisation of earnings exclusively at the level of the PNE Group and is not presented in this segment.

In the 2024 financial year, the project development segment achieved:

- → total output of EUR 230.5 million (previous year: EUR 217.6 million),
- → EBITDA of EUR –5.1 million (previous year: EUR 17.9 million), and
- → EBIT of EUR –7.9 million (previous year: EUR 15.4 million).

Power generation segment

The power generation segment primarily includes the wind farms operated by the PNE Group with a total nominal capacity of 422.9 MW as of 31 December 2024 (previous year: 369.8 MW) and the Silbitz biomass power plant with 5.6 MW. Furthermore, the segment includes interests in limited partnerships, in which wind farm projects will be realised in the future.

Lower wind results were recorded in the 2024 financial year compared to the long-term average. Wind availability fluctuates from year to year. The projects held in PNE’s own portfolio are calculated based on two independent wind resource assessments. These wind forecasts refer to an annual average value that will be achieved with a defined probability over the course of usually 20 years. Statistically speaking, this means that high and low wind supply will balance each other out in the course of the operating period.

Another important factor in the power generation segment is the development of the electricity prices at which the generated energy is sold. This applies both to the monthly wind-to-land market values calculated by transmission system operators, which are to be used in the context of the encouraged direct marketing, and to developments in the futures markets for short- and medium-term power purchase agreements (PPAs). As in 2023, the price level fell again in the reporting year, after being above average in 2022, when the war in Ukraine had a strong impact on prices. Nonetheless, PNE succeeded, even in 2024, to conclude PPAs and fixed-price agreements for the Company's own wind farms, some of which secure higher remuneration even in the following years.

With the generation of power from renewable energies, PNE is making an important contribution to sustainable and climate-friendly energy supply in Germany. PNE's own generation portfolio (wind onshore) grew to 422.9 MW of installed capacity in 2024. In total, around 748 GWh was generated in 2024 (previous year: 695 GWh). This means that around 200,000 three-person households (source: BDEW) could be supplied. In addition, around 566,000 tonnes of CO_2e (source: UBA) were saved. The increase in electricity production in 2024 compared to the previous year is due to the further expansion of the Company's own generation portfolio but was inhibited by the worse wind year 2024.

Compared to the same period of the previous year, worse wind conditions but lower electricity prices were recorded in 2024. The combination of the increased number of wind turbines in operation, the worse wind supply and lower electricity prices in the power generation segment resulted in a slight increase in revenue compared to the previous year.

Depreciation and amortisation in the power generation segment amounted to EUR 26.9 million (previous year: EUR 28.2 million).

As the Company's own generation portfolio grew, other operating expenses increased, particularly in the items "Repair and maintenance" and "Rental, leasehold, leasing and ancillary rental expenses". Other operating expenses in the power generation segment increased from EUR 13.1 million to EUR 17.4 million in 2024.

Results of the power generation segment

In the 2024 financial year, the power generation segment achieved:

- total output of EUR 83.0 million (previous year: EUR 79.0 million),
- EBITDA of EUR 57.7 million (previous year: EUR 60.3 million), and
- EBIT of EUR 30.8 million (previous year: EUR 32.1 million).

Services segment

The services segment generated strong growth via the services portfolio in 2024. Since 2021, revenues and earnings in this area increased by over 60% by the end of 2024.

Further order intake from third-party customers, both in the core market of Germany and internationally, again further strengthened the independence in operations management through projects developed by PNE. Operational management is becoming increasingly important in European markets outside Germany. This can be seen, among other things, from the fact that over 50% of the growth of more than approx. 1,000 MW under operational management in the last three years has already been generated by the international markets (particularly Poland and Sweden). In the area of commercial management, including management activities for external companies, repowering projects were completed or significantly advanced. Among other things, this enabled revenues to be brought forward to 2024 and earnings to be significantly improved.

The digitalisation projects initiated will further increase efficiency and quality in the operations area. At the same time, they form the basis for further automation and the use of AI tools.

Against the backdrop of the current geopolitical crises, activities and competencies in the field of cybersecurity have been strengthened. The relevant areas within the PNE Group were successfully certified in accordance with Kritis and ISO 27001 in 2024. In addition to ISO 9001, the ISO 14001 and 45001 certifications, which are very important for services, were also obtained in 2023.

The Wind and Sites Services division was able to further expand its market presence in the 2024 financial year. The position in carrying out wind measurements, including the yield reports based on these, was further strengthened, and significantly more expert reports were commissioned in the area of wind farm planning. In addition, the number of LiDAR verifications on its own 200 m wind-measuring mast increased by 50%, thus taking on a market-leading role in Europe. The site quality verification required by the EEG after five, ten or 15 years of operation of wind turbines can be carried out by by the Wind & Sites Services area according to an accredited standard since 2022. The division is therefore one of the few accredited testing laboratories listed by the German Wind Energy Promotion Agency for the application of Technical Guideline No. 10 (TR10). This means that the range of services will be expanded to meet customer requirements in a targeted manner, even into the operational phase.

The demand for transaction advisory services, including the brokerage of power purchase agreements (PPAs) for plants no longer subsidised, and for marketing solutions regarding short-term hedging products for projects within the market premium model remained high against the backdrop of still high market prices. Accordingly, power marketing solutions for a further 45 external wind farms and PV power plants with a total output of 524.2 MW were sold in the 2024 financial year.

In the field of technical inspections and tests, the conclusion of important framework contracts and contracts with major customers has enabled an increase in the sustainable basic capacity utilisation for 2025. With over 1,000 technical inspections of wind turbines from various manufacturers, interest in the services offered continues to grow and is proof of the high acceptance and the high quality of these services.

The wind farm construction, grid connection planning and implementation activities, as well as support in wind farm and PV power plant project planning provided as part of project implementation were further expanded and continued in 2024.

In addition, more than 20 grid connections were managed over several years in projects for external customers. They were completed in 2024 and finalised after commissioning with the final preparation of the declarations of conformity in accordance with Technical Guideline No. 8 (TR8) and VDE-AR-N 4110. This involves a total of around 190 MW.

In the 2024 financial year, the services segment once again contributed to the Group result with ever-increasing revenues and EBITDA.

Results of the services segment

In the 2024 financial year, the services segment achieved:

- total output of EUR 36.5 million (previous year: EUR 30.8 million),
- EBITDA of EUR 7.8 million (previous year: EUR 6.5 million), and
- EBIT of EUR 3.7 million (previous year: EUR 3.1 million).

2.5 Earnings, financial and asset position

The figures in the text and in the tables were rounded, and small rounding differences are possible.

2.5.1 Results of operations

Developments in the Group

In the 2024 financial year, the PNE Group achieved a total aggregate output of EUR 342.6 million (previous year: EUR 267.8 million) in accordance with IFRS. Of this, EUR 210.4 million was attributable to revenues (previous year: EUR 121.5 million), EUR 123.5 million to changes in inventories (previous year: EUR 136.4 million) and EUR 8.6 million to other operating income (previous year: EUR 9.9 million).

The change in Group revenues versus the previous year is attributable mainly to the higher revenues in the project development segment. This increase mainly relates to the sale of the Papenrode and Lütau wind farm projects. In addition, higher revenues are attributable to the power generation segment due to the higher number of wind turbines in operation and the expansion of services in the services segment.

In the 2024 financial year:

- in the project development segment, internal revenues to another segment of EUR 119.0 million (previous year: EUR 155.9 million) including for general contractor and project development services for the Company's own wind farms and external revenues of EUR 108.7 million (previous year: EUR 26.3 million) were generated in Germany from the sale of the Papenrode and Lütau wind farm projects and abroad from the sale of the US business, the Swedish business and the international project sales in Italy, South Africa and the UK.

- In the power generation segment, external revenues of EUR 77.6 million were achieved (previous year: EUR 73.8 million). These revenues were mainly attributable to PNE's own wind farm portfolio with EUR 74.2 million (previous year: EUR 70.4 million) and the revenues from the Silbitz biomass power plant of EUR 3.4 million (previous year: EUR 3.4 million). Compared to the same period of the previous year, worse wind conditions but lower electricity prices were recorded in 2024. The combination of the increased number of wind turbines in operation, the worse wind supply and lower electricity prices in the power generation segment resulted in a slight increase in revenue compared to the previous year.

- In the services segment, the Company billed external revenues of EUR 24.1 million (previous year: EUR 21.4 million) and internal revenues of EUR 11.0 million (previous year: EUR 8.5 million). The main revenues were generated
  - from commercial and technical operations management,
  - from construction management services,

- from wind planning services/wind measurements,
- from electricity marketing management,
- from activities in the area of service, maintenance and inspection of operating equipment, training for specialists and servicing of, for example, obstruction lighting systems as well as
- from transformer station services.

The increase in revenues compared to the same period of the previous year is due, among other things, to the additional services in the construction management sector for projects that have already been sold and the increase in renewable energy projects under commercial and technical operations management.

Explanation: As the Group's own wind farms were operated and used for power generation by the Group itself, irrespective of their current or future shareholder structure, they were classified as fixed assets from the date of sale within the Group in accordance with IAS 16. The reclassification from Group inventories to Group fixed assets is carried out without affecting the statement of comprehensive income and, therefore, has not resulted in a change in the item "Increase/decrease in unfinished goods and work in process" of the statement of comprehensive income. The decision as to whether a wind farm under construction should be sold to external investors or whether it should be transferred to own operations depends on the current economic project and market conditions, current investor enquiries and the further strategic direction in relation to the Group's long-term liquidity planning.

Other operating income includes the release of provisions related to the construction of wind farm projects, individual value adjustments and cost allocations.

Since June 2022, Turkey has been classified as a hyperinflationary economy within the meaning of IAS 29. The effects of the purchasing power adjustment of non-monetary balance sheet items and items in the statement of comprehensive income are included in other operating expenses. In the 2024 financial year, a positive result from the net position of monetary items of EUR 3.2 million was recorded, which is included in other operating income in the project development segment (previous year: EUR 0.7 million). Furthermore, compensation payments of EUR 3.3 million, of which EUR 2.5 million for compensation in accordance with Section 10a WindSeeG due to a ruling by the Constitutional Court that parts of the WindSeeG are unconstitutional, are recognised in other operating income (project development segment).

The Group's project development activities in Germany and abroad, both onshore and offshore, are reflected in the expense items. The share of cost of materials in the Group's total aggregate output amounts to EUR 171.8 million (previous year: EUR 141.1 million). The year-on-year change in the cost of materials ratio (cost of materials in relation to total output) in the Group from 52.7% in the previous year to 50.2 % is partly due to the way in which projects were sold in the financial year, either as "turnkey" projects (high cost of materials) or as project rights (low cost of materials) (please also refer to the explanation on the increase in revenues). The construction of wind farms for the Group's own portfolio has a negative impact on the cost of materials ratio, as the Group's total output only includes the capitalisation of external production costs and no profits from these project implementations. On the other hand, increasing revenues from the Group's own wind farms have a positive impact on the Group's cost of materials ratio. In the case of the wind farms in operation, the main expense items are current depreciation and amortisation and other operating expenses. As a result, very low cost of materials ratios can be expected in these companies.

The Group's personnel expenses amounted to EUR 59.0 million in the 2024 financial year and thus increased by EUR 7.2 million compared to the level of the previous year (EUR 51.8 million). The number of employees in the Group as of 31 December 2024 increased to 680 (previous year: 632 employees). On average, 651 people (previous year: 608 people) were employed in the Group during the year. These figures include the three members of the Board of Management (previous year: three members). The increase in the number of employees was in line with the previous corporate strategy. Another reason for the higher personnel expenses is the rise in starting salaries and the variable remuneration for employees, which must be paid for qualified personnel in line with the market conditions.

Personnel expenses are attributable to the segments as follows:

- project development with EUR 40.3 million (previous year: EUR 37.3 million),
- power generation with EUR 3.3 million (previous year: EUR 1.8 million), and
- services with EUR 15.4 million (previous year: EUR 12.7 million).

The write-downs of intangible fixed assets, property, plant and equipment as well as right-of-use assets increased on a year-on-year basis by EUR 33.8 million (previous year: EUR 34.2 million). Depreciation and amortisation of intangible fixed assets, property, plant and equipment as well as right-of-use assets are attributable to the segments as follows:

- project development with EUR 2.8 million (previous year: EUR 2.5 million),
- power generation with EUR 26.9 million (previous year: EUR 28.2 million), and
- services with EUR 4.1 million (previous year: EUR 3.5 million).

The other operating expenses in the Group totalling EUR 42.8 million (previous year: EUR 35.1 million) are above the level of the previous year and are primarily attributable to the following items:

in thousand euro	2024	2023
Legal and consulting costs	8.0	7.4
Repair and maintenance expenses	8.6	7.2
Advertising and travel expenses	4.6	3.3
Rental and leasing expenses and incidental rental costs	3.0	2.8
Vehicle costs	2.8	2.3
Insurance premiums and contributions	1.9	1.6
Financial statement and auditing costs, incl. tax advice and external accounting	1.0	1.5
IT costs	2.1	1.4
Expenses unrelated to the period	1.0	1.3
Addition to individual value adjustments on receivables	0.0	0.8
Supervisory Board remuneration	0.4	0.4
Skimming of proceeds (StromPBG)	0.0	0.1

Other operating expenses, before consolidation effects, are distributed among the segments as follows:

- project development with EUR 25.7 million (previous year: EUR 22.4 million),
- power generation with EUR 17.4 million (previous year: EUR 13.1 million), and
- services with EUR 4.7 million (previous year: EUR 4.6 million).

Due to the continued construction and operation of the wind farms owned by the Group, the repowering projects (wind) and the Silbitz biomass power plant (power generation segment), other operating expenses changed, in particular in the items "repair and maintenance" and "rental and leasing expenses and incidental rental costs". A further significant change was recorded under "legal and consulting costs", as the further development of the Group with the "Scale up 2024" strategy entails one-off, larger expenses for e.g. digitization, certification and legal or accounting requirements (e.g. EU taxonomy, sustainability report, etc.).

Other interest and similar income changed from EUR 11.9 million in the prior-year period to EUR 10.6 million.in the reporting period. The change is mainly due to the subsequent measurement of liabilities to banks. Income of EUR 6.2 million (previous year: EUR 0.6 million) was recognised in the statement of income under other interest and similar income in the reporting period due to the necessary subsequent measurement of liabilities to banks. In the valuation of interest rate swaps, changed market interest rates have led to interest income, which was recognised in the amount of EUR 0.5 million (previous year: EUR 6.5 million) in the Group (power generation segment) in the 2024 reporting period. In addition, a "financial PPA" was concluded and evaluated for an ongoing wind farm in own operations. This evaluation led to interest income totalling EUR 0.2 million (previous year: EUR 2.8 million).

Interest and similar expenses in the Group changed from EUR 26.3 million in the previous year period to EUR 47.9 million. In the 2024 reporting period, valuations of individual interest rate swaps led to interest expenses of EUR 2.0 million (previous year: EUR 1.1 million) and the necessary subsequent measurement of liabilities to banks led to interest expenses of EUR 28.8 million (previous year: EUR 9.7 million). These required adjustments do not affect liquidity nor reflect the operating performance of PNE. Otherwise, interest and similar expenses were incurred mainly in connection with

- the 2022/2027 bond (EUR 2.8 million),
- the equity and debt financing of wind farm projects and the portfolio GmbHs (EUR 9.2 million),
- the application of IFRS 16 "Leases" (EUR 4.0 million) and
- other factors, such as the financing of the building at the headquarters in Cuxhaven or the use of working from capital and guarantee credits (EUR 1.1 million).

In order to counteract the effects of fluctuations in market interest rates, interest rate swaps and floating-rate loans (so-called hedged items) were designated as hedging instruments in hedge accounting for the first time as of 1 October 2023. Changes in the value of the effective part of the cash flow hedge are reported in the amount of EUR −1.8 million (previous year: EUR 9.7 million) in other comprehensive income (OCI), after calculating deferred taxes. The non-effective portion of hedge accounting in the amount of EUR 1.3 million (previous year: EUR 0.8 million) was recognised in the income statement as interest and similar expenses.

Explanation: For financial liabilities for which the interest rate was agreed on special terms (e.g. due to KfW subsidies), the market interest rate that would apply to a comparable instrument with a similar credit rating is to be used. The difference is spread over the term of the underlying instrument using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments through the expected life to the net carrying amount. Using the effective interest rate method, interest income or expense is amortised over the term of the financial liability based on all expected cash flows. The effective interest rate method is applied after the agreed financing has been drawn down in full and the projects financed thereby have been put into operation. Subsequent measurements are performed using the effective interest rate method in the Group if the Group's regular reviews of market expectations indicate that these have changed significantly.

The Group reported tax expenses of EUR 9.2 million in the financial year (previous year: EUR 0.9 million).

In the period under review, the following results were achieved at the Group level in the 2024 financial year:

- earnings before interest, taxes, depreciation and amortisation (EBITDA = EBIT plus amortisation/depreciation of intangible assets and property, plant and equipment as well as goodwill) of EUR 69.0 million (previous year: EUR 39.9 million),
- operating profit (EBIT = corresponds to the value stated in line "Operating result" of the statement of comprehensive income) of EUR 35.1 million (previous year: EUR 5.7 million).

The consolidated net income after non-controlling interests amounted to EUR −13.4 million (previous year: EUR −9.6 million). The undiluted earnings per share for the Group amounted to EUR −0.18 (previous year: EUR −0.13) and the diluted earnings per share for the Group amounted to EUR −0.18 (previous year: EUR −0.13).

Adjusted for the valuations of individual interest rate swaps required under IFRS and the necessary subsequent valuations of liabilities to banks, which do not affect liquidity or reflect the operating performance of PNE, the Group achieved an adjusted consolidated result of EUR 10.7 million (previous year: EUR −5.8 million).

Taking into account the business result and the dividend distribution, the unappropriated profit in the Group changed in the reporting period to EUR 45.5 million (previous year: EUR 65.6 million). In financial year 2024, a dividend of EUR 6.1 million was distributed.

Developments in PNE AG (figures pursuant to the HGB separate financial statements)

EUR 104.8 million (previous year: EUR 99.0 million) of the Group's total output was attributable to PNE AG. The total aggregate output of PNE AG consists of revenues of EUR 101.8 million (previous year: EUR 77.3 million), changes in inventories of EUR −2.7 millionmillion (previous year: EUR 8.6 million) and other operating income of EUR 5.8 million (previous year: EUR 13.1 million).

As in the previous year, revenues were generated primarily from the implementation and sale of turnkey projects.

Other operating income includes the reversal of provisions as well as other income, such as credit notes, compensation payments, amounts charged on, and income from the reversal of individual value adjustments and income from the disposal of tangible assets.

In the previous year, other operating income included the milestone payment from the sale of the shares in PNE Atlantis I GmbH in the amount of EUR 5.0 million as income from the disposal of property, plant and equipment.

In the separate financial statements of PNE AG, the cost of materials amounted to EUR 66.6 million in the financial year (previous year: EUR 64.8 million). The cost of materials consists mainly of the costs for the wind power turbines and the construction costs for the infrastructure of the wind farm projects realised or under construction.

In the separate financial statements of PNE AG, the personnel expenses totalled EUR −27.5 million in the 2024 financial year (previous year: EUR 22.0 million). The number of employees of PNE AG as of 31 December 2024 changed to 290 (previous year: 240 employees). The personnel figures include the four members of the Board of Management (previous year: 3 members).

In the separate financial statements of PNE AG, the personnel expenses totalled EUR 20.9 million in the 2024 financial year (previous year: EUR 15.8 million).

PNE AG reported earnings before taxes of EUR 11.4 million in the 2024 financial year (previous year: EUR 34.3 million).

Income from profit transfer agreements changed compared to the previous year from EUR 29.5 million to EUR 10.0 million. This change results primarily from the profit transfer agreement with PNE Erneuerbare Energien GmbH, based on which the profit of PNE Erneuerbare Energien GmbH (formerly: WKN GmbH) of approx. EUR 9.0 million (previous year: EUR 26.5 million) was attributed to PNE AG.

Interest and similar expenses changed at PNE AG compared to the previous year and amounted to EUR 3.9 million (previous year: EUR 3.3 million); they were mainly incurred for the interest on the 2022/2027 bond.

As of 31 December 2024, the retained earnings of PNE AG totalled EUR 273.8 million (previous year: 273.1 million). The net income of PNE AG amounted to EUR 6.4 million (previous year: EUR 27.7 million). The basic earnings per share of PNE AG amounted to EUR 0.08 (previous year: EUR 0.36) and the diluted earnings per share to EUR 0.08 (previous year: EUR 0.36).

2.5.2 Financial position

The figures in the text and in the tables were rounded, and small rounding differences are possible.

Developments in the Group

Finance management of PNE AG and of the PNE Group is concentrated on providing sufficient liquidity

- for financing the ongoing operations,
- to create the prerequisites for implementing the strategy and to
- counteract the risks of project business.

This financing will be provided at the level of the relevant project companies by way of loans, and at the level of PNE AG by way of emission of bonds. Derivative financial instruments such as interest swaps will only be used at the level of the project companies to secure interest risks of variable-interest loans. As of 31 December 2024, there were derivative financial instruments in relation to several project financing transactions for wind farms in the Group.

The statement of cash flows provides information on the liquidity situation and the financial position of the Group. As of 31 December 2024, the Group companies had available liquidity of EUR 225.6 million, including credit lines for interim project financing, of which EUR 6.0 million is pledged to banks (previous year: EUR 219.0, of which EUR 3.8 million pledged).

The available liquidity is broken down as follows:

- Cash and cash equivalents in the amount of EUR 91.6 million (previous year: EUR 90.4 million),
- freely available working capital lines of EUR 8.2 million (previous year: 9.3 million) and
- freely available project interim debt financing available of EUR 125.8 million (previous year: EUR 119.3 million).

As of 31 December 2024, the Group had working capital lines of EUR 20.1 million (previous year: EUR 20.1 million), and lines for warranty and contract fulfilment guarantees (excluding guarantee lines granted by banks in connection with ongoing project financing) of EUR 35.0 million (previous year: EUR 38.2 million).

As of 31 December 2024, EUR 11.9 million (previous year: EUR 10.8 million) of the working capital lines and EUR 20.0 million (previous year: EUR 10.7 million) of the lines for warranty and contract fulfilment guarantees had been utilised as of 31 December 2024.

Furthermore, there is a framework agreement with a bank for a purchasing pre-financing credit line in the amount of EUR 50 million, which can be used e.g. for wind turbine orders. The purchasing pre-financing credit line can be drawn in the form of loans or guarantees. From the framework agreement, loan tranches amounting to EUR 5.4 million had been drawn down as of 31 December 2024 (previous year: EUR 1.9 million).

The cash flow from operating activities shown in the statement of cash flows of EUR −176.6 million (previous year: EUR −166.2 million) was primarily attributable to

- the consolidated net results in the reporting year,
- the expenses for the further development of the project pipeline and the realisation of wind farm projects, which are reflected in the changes in the inventories, receivables and liabilities and were mainly financed by project interim funds (see Cash flow from financing activities).

The cash flow from investing activities in the reporting period included outgoing and incoming payments for investments in Group property, plant and equipment non-current financial assets and intangible assets as well as proceeds from the disposals of property, plant and equipment, disposals of financial assets and disposals of consolidated entities totalling EUR −29.6 million (previous year: EUR −20.1 million). The investments in property, plant and equipment in the 2024 financial year and the previous year related mainly to investments in the realisation of wind farms for the wind farm portfolio being established (power generation segment) and in transformer stations for these wind farm projects (services segment).

Outgoing payments relating to the sale and purchase of financial assets or consolidated entities of EUR −0.7 million in the reporting period (previous year: EUR −2.2 million). The outgoing payments originate primarily from the equity contributions of companies not included in the scope of consolidation.

During the reporting period, the cash flow from financing activities of EUR 220.8 million (previous year: EUR 155.1 million) was influenced primarily by

- the taking of bank loans of EUR 286.6 million (previous year: EUR 197.0 million), which are mainly used for the project financing of the wind farm projects owned by the Group,
- the redemption of financial loans totalling EUR 46.3 million (previous year: EUR 25.2 million),
- the redemption of lease liabilities totalling EUR 12.7 million (previous year: EUR 10.6 million) (pursuant to IFRS 16 to be recorded as outflow of funds in the cash flow from investing activities) and
- the payment of dividends of EUR 6.1 million (previous year: EUR 6.1 million).

On the reporting date of 31 December 2024, the share capital of PNE AG amounted to EUR 76,603,334.00 (previous year: EUR 76,603,334.00).

In addition, the Group had cash and cash equivalents totalling EUR 91.6 millionas of 31 December 2024, of which EUR 6.0 million was pledged to banks (previous year: EUR 90.4 million, of which EUR 3.8 million was pledged).

Developments in PNE AG (HGB)

As of 31 December 2024, PNE AG had liquidity of EUR 19.4 million (previous year: EUR 46.5 million, of which pledged EUR 2.2 million), of which EUR 3.4 million is pledged to banks.

The financial situation of PNE AG in financial year 2024 was marked, in particular, by

- the positive cash flow from investing activities of EUR 32.5 million (previous year: EUR 47.7 million), mainly due to the interest income and profit transfer amounts received from the previous year and
- the negative cash flow from operating activities of EUR −53.3 million (previous year: EUR −55.6 million), which is mainly due to the increase in receivables from affiliated companies and
- the negative cash flow from financing activities of EUR −6.3 million (previous year: EUR −6.2 million), which is attributable to the dividend payment, the repayment of financial loans and interest payments.

The cash flows from operating activities were determined using the indirect method and the cash flows from investing and financing activities were determined using the direct method.

2.5.3 Net asset position

Developments in the Group

in million euro	**31.12.2024**	**31.12.2023**
Assets		
Total long-term assets	**752.0**	**651.6**
Intangible assets	65.1	64.9
Property, plant and equipment	493.3	398.4
Right-of-use assets	98.2	92.8
Long-term financial assets	16.4	17.5
Deferred taxes	79.0	78.0
Total short-term assets	**511.7**	**450.1**
Inventories	288.3	281.3
Receivables and other assets	121.0	73.0
Tax receivables	10.8	5.4
Cash and cash equivalents	91.6	90.4
Total liabilities and equity	**1,263.7**	**1,101.7**

On the reporting date, the consolidated total assets amounted to EUR 1,263.7 million. This means that the consolidated balance sheet total increased by around 14.7 % compared to 31 December 2023 (EUR 1,101.7 million).

As of 31 December 2024, intangible assets totalled EUR 65.1 million, which primarily include goodwill of EUR 64.4 million (previous year: EUR 64.4 million). As of 31 December 2024, the goodwill was attributable to the segments as follows:

- Project development: EUR 54.0 million (previous year: EUR 54.0 million),
- Power generation: EUR 0.0 million (previous year: EUR 0.0 million), and
- Service products: EUR 10.4 million (previous year: EUR 10.4 million).

In the same period, property, plant and equipment changed by EUR 95.0 million to EUR 493.4 million (previous year: EUR 398.4 million). This item primarily includes

- land and buildings: EUR 12.5 million (previous year: EUR 12.9 million),
- transformer stations owned or under construction: EUR 25.1 million (previous year: EUR 21.0 million),
- technical equipment and machinery of the Company's own wind farms: EUR 427.3 million (previous year: EUR 352.8 million), and
- other plant and machinery, fixtures and fittings: EUR 10.6 million (previous year: EUR 9.5 million).

The change in property, plant and equipment is mainly due to the "growing" wind farm portfolio with related schedule depreciation on property, plant and equipment of the wind farms and the application of the effective interest rate method (see explanation for ↗ **Interest and interest-related expenses**) due to KfW subsidies.

IFRS 16 specifies how to account for leases. According to the standard, the lessee is generally obliged to recognise rights and obligations arising from leases. Accordingly, lessees account for the right of use of a leased item (so-called right-of-use asset) either in fixed assets under the balance sheet item "Rights of use" or under the balance sheet item "Inventories". The "right-of-use assets" in the PNE Group include rights under leasing agreements (e.g. car leasing), rental agreements (e.g. for the building in Husum) and lease contracts (e.g. in connection with the wind farms operated by PNE or wind farms under construction). As of 31 December 2024, the Group recognised right-of-use assets of EUR 98.2 million (previous year: EUR 92.8 million).

As of 31 December 2024, the right-of-use assets were attributable to the segments as follows:

- Project development: EUR 10.6 million (previous year: EUR 10.5 million),
- Power generation: EUR 83.3 million (previous year: EUR 77.6 million), and
- Service products: EUR 4.3 million (previous year: EUR 4.8 million).

For all assets within the scope of IAS 36 (in particular intangible assets (IAS 38), goodwill (IFRS 3), property, plant and equipment (IAS 16) and investment property measured at cost (IAS 40)), the reporting entity must assess at each balance sheet date whether there is any indication (triggering event) for an impairment loss. The Board of Management is of the opinion that there are no indications that the value of the reported goodwill as of 31 December 2024 might be impaired.

Non-current financial assets increased to EUR 16.4 million as of 31 December 2024 (previous year: EUR 17.5 million). This item includes the pro rata long-term loan receivables of EUR 9.4 million from SWAP transactions conducted within the Group (power generation segment) (previous year: EUR 10.4 million). Further pro rata loan receivables from the SWAP transactions are included in current assets (receivables and other assets) in the amount of EUR 0.7 million (previous year: EUR 0.7 million).

Short-term assets changed in the reporting period from EUR 450.1 million (as of 31 December 2023) to EUR 511.7 million as of 31 December 2024. This change is mainly due to the increase in receivables and other assets (EUR +48.0 million). Of the current assets, EUR 83.6 million is attributable to trade receivables (previous year: EUR 37.8 million), which mainly stem from project invoices for project development and general contractor services for wind farms and milestone receivables at the end of the year.

The work in progress shown under the inventories changed from EUR 190.5 million (as of 31 December 2023) to EUR 169.3 million. The change in inventories is mainly due to the wind farm projects completed in the Group and the associated reclassification to property, plant and equipment.

Work in progress is divided as follows:

- onshore projects Germany: EUR 103.0 million (previous year: EUR 148.3 million),
- onshore projects abroad:EUR EUR 66.3 million million (previous year: EUR 42.2 million).

The inventories included right-of-use assets of EUR 46.9 million as of 31 December 2024 (previous year: EUR 52.5 million), which are attributable to the power generation segment.

The prepayments made in connection with onshore projects under construction, which are included in the inventories item, changed from EUR 90.5 million (as of 31 December 2023) by EUR 25.9 million to EUR 116.4 million.

Cash and cash equivalents amounted to EUR 91.6 million as of 31 December 2024, of which EUR 6.0 million was pledged to banks (previous year: EUR 90.4 million, of which EUR 3.8 million was pledged).

As of 31 December 2024, cash and cash equivalents were attributable to the segments as follows:

- Project development: EUR 26.8 million (previous year: EUR 57.3 million),
- Power generation: EUR 63.0 million (previous year: EUR 31.8 million), and
- Service products: EUR 1.8 million (previous year: EUR 1.2 million).

Parts of the cash and cash equivalents reported in the power generation segment are project financing funds that have already been drawn down and are required for the further development of the projects.

in million euro	**31.12.2024**	**31.12.2023**
Liabilities		
Equity	194.6	208.1
Deferred subsidies from public authorities	0.5	0.6
Provisions	11.4	13.0
Long-term liabilities	841.9	730.7
Short-term liabilities	196.6	137.2
Deferred revenues	18.7	12.1
Total liabilities and equity	**1,263.7**	**1,101.7**

Group equity changed to EUR 194.6 million as of 31 December 2024 from EUR 208.1 million (31 December 2023). The equity ratio of the Group was approx. 15.4 % as of 31 December 2024 (previous year: around 18.9 %).

The treasury stock has not changed in the reporting period and amounted to 0 shares (previous year: 266,803 shares). All treasury shares were sold on the stock exchange in the second quarter of 2024 at an average selling price of EUR 13.48 per share. Sales proceeds of around EUR 3.6 million were generated.

The interest rate swaps and floating-rate loans (so-called hedged items) were designated as hedging instruments for the first time as of 1 October 2023 as part of hedge accounting. From this date, the changes in value of the effective portion of the cash flow hedge in the amount of EUR 1.8 million (previous year: EUR −9.7 million).

The long-term liabilities changed from EUR 730.7 million (as of 31 December 2023) to EUR 842.0 million. The item consists mainly of long-term financial liabilities totalling EUR 820.2 million (previous year: EUR 712.9 million).

The long-term liabilities are attributable primarily to

- the 2022/2027 bond issued in the 2022 financial year with a carrying amount of EUR 54.1 million (previous year: EUR 53.9 million),
- long-term liabilities to banks of EUR 617.8 million (previous year: EUR 495.2 million) and
- lease liabilities in the amount of EUR 141.9 million (previous year: EUR 156.1 million).

The significant long-term liabilities to banks relate to the "non-recourse" project financing of wind farm projects operated by the Company in its own portfolio (power generation segment).

As of 31 December 2024, the liabilities to banks were attributable to the segments as follows:

- Project development: EUR 14.4 million (of which long-term: EUR 3.1 million),
- Power generation: EUR 675.1 million (of which long-term: EUR 614.7 million),
- Service products: EUR 0.0 million (of which long-term: EUR 0.0 million).

Mainly due to IFRS 16 "Leases", around EUR 141.9 million (previous year: EUR 156.1 million) in liabilities from leases are reported under non-current liabilities and around EUR 7.6 million (previous year: EUR 7.5 million) under current liabilities as of 31 December 2024.

The liabilities from leases are attributable to the following segments as of 31 December 2024:

- Project development: EUR 11.3 million (of which long-term EUR 9.5 million),
- Power generation: EUR 128.7 million (of which long-term EUR 124.7 million),
- Service products: EUR 9.5 million (of which long-term EUR 7.7 million).

In the 2024 financial year, short-term liabilities changed from EUR 137.2 million (31 December 2023) to EUR 196.6 million. The short-term liabilities to banks, included in this item, changed from EUR 53.7 million (31 December 2023) to EUR 71.8 million. In the reporting period, trade liabilities changed from EUR 59.7 million (31 December 2023) to EUR 73.7 million. These mainly originate from project invoices that are issued by subcontractors for wind farms at the end of the year and that are expected to be settled for the most part at the time of receipt of the corresponding trade receivables from the wind farm companies.

During the 2024 reporting period, the Company raised approx. EUR 204.7 million of non-recourse financing and approx. EUR 0.1 million of the working capital lines as well as approx. EUR 6.4 in purchasing refinancing loans which contributed to the above changes in short-term and long-term liabilities to banks.

The liabilities to banks (long-term and short-term) mainly include:

in million euro	Valued per 31.12.2024	Of which long-term 31.12.2024
Non-recourse project financing of wind farms	695.3	637.0
Interim equity financing of wind farm portfolios	34.0	19.2
Working capital facilities in the Group	3.1	0.1
Purchase prefinancing line	6.5	0.0
Other loans (incl. financing of the company headquarters in Cuxhaven)	3.1	3.0

The project funds were provided, in part, by public KfW loans at an interest rate below the market rate. The difference between the fair value and the nominal value of the loan in the amount of EUR 62.7 million (as of 31 December 2024) was set off against the acquisition or production costs of the corresponding assets and is recognised over the useful life of these assets.

Taking the liquid funds into account, the net debt (cash and cash equivalents less the short-term and long-term financial liabilities) as of 31 December 2024 amounted to EUR 808.9 million (previous year: net debt EUR 685.1 million).

Developments in PNE AG (HGB)

in million euro	31.12.2024	31.12.2023
Assets		
Intangible assets	0.6	0.4
Property, plant and equipment	8.7	9.2
Financial assets	159.8	147.1
Inventories	119.4	83.6
Receivables and other assets	334.3	294.9
Liquid funds	19.4	46.5
Deferred tax assets	0.0	0.2
Total liabilities and equity	**642.2**	**581.9**

Fixed assets are made up of intangible assets totalling EUR 0.6 million (previous year: EUR 0.4 million), property, plant and equipment totalling EUR 8.7 million (previous year: EUR 9.2 million) and financial assets totalling EUR 159.8 million (previous year: EUR 147.1 million).

The changes in financial assets are mainly due to

- contributions to the capital reserve of PNE Portfolio 2 GmbH for the payment of equity into wind farm projects (EUR 13.9 million) and
- the merger of the subsidiaries PNE Offshore Ausland GmbH (EUR −0.7 million) and PNE Offshore Vietnam Eins GmbH (EUR −0.2 million) into PNE AG.

Current assets are made up of inventories totalling EUR 119.4 million (previous year: EUR 83.6 million), of which work in progress amounting to EUR 20.0 million (previous year: EUR 22.7 million), and advance payments totalling EUR 99.4 million (previous year: EUR 61.0 million) as well as receivables and other assets amounting to EUR 334.3 million million(previous year: 294.5 million). Of the receivables and other assets, EUR 15.4 million is attributable to trade receivables (previous year: EUR 1.9 million), EUR 310.3 million to receivables from affiliated companies (previous year: EUR 285.0 million) and EUR 8.1 million (previous year: EUR 7.6 million) to other assets.

The assets also include deferred tax assets of EUR 0.0 million (previous year: EUR 0.2 million), mainly from the utilisation of loss carry-forwards.

The increase in receivables from affiliated companies is mainly due to loans granted to wind farm project companies as well as to project development services invoiced but not yet settled on the reporting date.

Cash and cash equivalents were EUR 19.4 million as of 31 December 2024 (previous year: EUR 46.5 million).

in million euro	**31.12.2024**	**31.12.2023**
Liabilities		
Equity	412.4	408.6
Special item for investment subsidies	0.5	0.6
Provisions	23.9	25.0
Liabilities	205.4	147.7
Total liabilities and equity	**642.2**	**581.9**

The equity capital of PNE AG amounted to EUR 412.4 million as of 31 December 2024 (previous year: EUR 408.6 million). The equity ratio of PNE AG was approx. 64.2 % as of 31 December 2024 (previous year: around 70.2 %). Equity changed mainly due to the net income for the year (EUR 6.4 million) and the dividend payment in the 2024 financial year (EUR 6.1 million).

As of 31 December 2024, the total number of shares issued by PNE AG was 76,603,334 (previous year: 76,603,334 shares). As of 31 December 2024, the Company held 0 of its own shares (previous year: 266,803). All treasury shares were sold on the stock exchange in the second quarter of 2024 at an average selling price of EUR 13.48 per share. Sales proceeds of around EUR 3.6 million were generated.

The major items on the liability side are liabilities of EUR 205.4 million (previous year: EUR 147.8 million). These are attributable as follows:

- → the 2022/2027 bond issued in the 2022 financial year with a carrying amount of EUR 55.0 million (previous year: EUR 55.0 million),
- → liabilities to banks totalling EUR 9.6 million (previous year: EUR 9.6 million),
- → prepayments received on orders totalling EUR 107.4 million(previous year: EUR 69.7 million),
- → trade payables in the amount of EUR 8.5 million (previous year: EUR 5.1 million),
- → liabilities to affiliated companies of EUR 18.3 million (previous year: EUR 6.7 million) and
- → other liabilities of EUR 6.5 million (previous year: EUR 1.7 million).

The essential provisions concern outstanding invoices related to wind farm projects in the amount of EUR 18.2 million (previous year: EUR 19.7 Mio.) and provisions for variable remuneration of the members of the Board of Management and senior employees in the amount of 3,5 Mio. Euro (previous year: EUR 3.9 Mio.).

3. SALES AND MARKETING

The marketing of renewable – energy power plants erected on land is based on direct sales to individual and large investors. PNE has had experience with this direct sales model for many years and will continue to follow this proven sales channel for this reason.

Direct sales is a business model that is gaining in importance in the service sector. The increasingly broad positioning of the PNE Group in this segment requires greater efforts to reach customers directly and to inform them about the Group's own offers. This is mainly done by presenting the range of services on websites, via social media and at trade fairs. The measures also include traditional advertising and printed product information. PNE AG is dedicated to providing services as a product as an agent at an early stage and offers, for example, tailor-made PPA models (PPA = Power Purchase Agreement) for electricity marketing outside the EEG. These are of particular interest for wind power turbines that are no longer eligible for fixed remuneration under the Renewable Energy Sources Act (EEG subsidies).

PNE sees further potential for new business in this area in the future, as the EEG funding for numerous old wind farms is phasing out and the brokerage of PPAs for external wind farms is therefore needed.

4. DEVELOPMENT AND INNOVATION

There were no research and development activities outside the operative business purpose of "project development" in the PNE AG Group during the reporting period.

5. EMPLOYEES

During the fiscal year 2024, there were 651 employees in the Group on an annual average basis, including members of the Board of Management (prior year: 608). Of these employees (including the members of the Board of Management and trainees), an annual average of 264 employees were employed at PNE AG (prior year: 226).

As of 31 December 2024, the Group employed 680 persons, including the members of the Board of Management (prior year: 632 persons). Of these,

→ 290 employees (prior year: 240 employees) were employed directly by PNE AG and
→ 390 employees (prior year: 392 employees) were employed by the subsidiaries of PNE AG.

When distinguished between Germany and abroad, as of 31 December 2024

→ 533 employees (prior year: 485 persons) were employed domestically and
→ 147 employees (prior year: 147 employees) were employed by the Group's international companies.

The existing number of staff is reviewed regularly in order to be prepared for the Group's future developments.

6. INTANGIBLE ASSETS

Success in the development of onshore and offshore wind farm projects and of onshore photovoltaic projects is based to a large extent on the knowledge and expertise of long-standing qualified employees as well as on trustful cooperation with all parties involved in a project. This also applies to the operation of renewable energy plants, where our employees face a particular challenge: Their creative and individual approaches are frequently required to find solutions to complex problems which arise during the development and operation of a wind farm or PV power plant. The value of a project, on which the commercial success of PNE AG and the Group depends, is created primarily in the planning phase until the permit is obtained. Likewise, the corporate success depends on the safe and professional operation of renewable energy projects. In this respect, the PNE Group can rely on the skills and experience of its employees, who have generally been with the Company for many years. They not only have excellent expertise in the sector, but also maintain very good professional networks. It is thus ensured that one can rely on a high degree of professional competence in all phases and areas of the development, realisation and marketing as well as the operation of wind farm and photovoltaic projects.

Furthermore, PNE place great importance on ensuring that the potential of its employees can be utilised optimally through an effective internal organisational structure and a high degree of self-responsibility. Regular assessments of the workforce and their tasks make it possible to continually adjust requirement profiles that are performance-oriented and specifically tailored to the respective tasks. In this way, high standards can be achieved and maintained in the most varied areas of tasks. By ensuring the qualification and further training of employees as well as the ongoing optimisation of process procedures, the expertise and efficiency shall be further strengthened. PNE also attaches importance to the exchange of experience and the strengthening of internal communication across our sites, which is supported within the Group by a software tool for more efficient team communication and an employee app.

Based on its practical work, PNE has transferred many years of experience in project development into processes that enable the Company to plan, implement and complete all phases of wind farm project planning successfully in a targeted and intensive manner, from site acquisition through turnkey construction and operation of wind farms to repowering, i.e. the replacement of old wind power turbines with modern systems.

PNE is aware of the great importance of experienced partners in the context of both the international expansion and the strategic extension of the business model to include other clean energies, storage technologies and power-to-X solutions. Therefore, the principle applies that PNE will only enter new markets if this can be done together with partners who are well networked there. Here, too, the principle of professional, qualified and trustworthy cooperation with the project partners and participants in a project applies.

7. SUPPLEMENTARY REPORT

The supplementary report regarding significant events after the end of the reporting period is included in the notes to the financial statements in section X. Other disclosures ↗ **9. Events after the reporting date**.

8. REPORT ON OPPORTUNITIES AND RISKS

Description of the key characteristics of the ICS/RMS of the parent company and the entire Group

Internal control system (ICS)

The goal of the methods and measures set up is to secure the assets of the Company and to increase operating efficiency. The reliability of the accounting and reporting systems as well as compliance with the internal guidelines and legal regulations should be guaranteed by the internal control system (ICS) in place.

As part of the ICS, we have subjected the individual functional departments of the Company and of the Group to a detailed analysis and evaluated accordingly the probability and the possibility of the occurrence of any damage.

We have organised the structure of the individual units based on the knowledge gained and the evaluations made. Moreover, we have adapted our work processes as a result of the findings obtained. For example, attention is paid to the consistent separation of incompatible activities. Appropriate control margins have also been introduced. Furthermore, we place a high value on the non-overlapping of responsibilities, with the stipulation that tasks, competence and responsibility are combined. Simultaneously, controls are integrated into the work processes.

The above-mentioned key characteristics of the ICS are applied in all functional areas of the parent company and the total Group. The implementation of the organisational and procedural controls in the area of the ICS ensures the integrity of the data which are included in the financial reports during the accounting process.

Apart from the controls implemented in the system, the individual functional departments are also monitored by managers.

Key characteristics of the accounting-related internal control and risk management system

The objective of the internal control and risk management system regarding the (Group) accounting process is to ensure that accounting is performed in a uniform manner and in compliance with the legal requirements, the principles of proper accounting and the International Financial Reporting Standards (IFRS) as well as internal (Group) guidelines and that the recipients of the consolidated and separate financial statements are provided with accurate and reliable information. To this end, PNE has set up an accounting-related internal control and risk management system comprising all relevant guidelines, procedures and measures.

The internal control system consists of the control and audit departments.

The Board of Management and the Supervisory Board (in this respect in particular the Audit Committee) are an integral part of the internal monitoring system with audit measures independent of the process.

The Group accounting department serves as the central contact point for special technical questions and complex reporting matters. If necessary, external experts (auditors, qualified actuaries, etc.) will be consulted.

Moreover, the accounting-related controls are carried out by the controlling department of the Group. All items and key accounts of the statement of comprehensive income and the statement of financial position of the consolidated accounts and the companies included in the scope of consolidation are monitored at regular intervals with regard to their correctness and plausibility. The controls are carried out either on a monthly or quarterly basis, depending on how the accounting-related data are drawn up by the accounting department.

The accounting-related risk management system is an integral part of the risk management of the Group. The risks relevant for the correctness of the accounting-related data are monitored by the person responsible for risks for the risk area of finance and are identified, documented and assessed quarterly by the risk management committee. Suitable measures have been set up by the risk management of the Group for the monitoring and risk optimisation of accounting-related risks.

Risk management

The risk policy of the Group and of the Company forms part of the corporate strategy and is aimed at securing the substance of the Group as well as the Company and simultaneously at increasing their value systematically and continuously. The risk management system is integrated into the existing corporate organisation. This helps to avoid double activities and parallel organisational, decision-making and reporting structures. It also ensures that the significant risks are dealt with on a regular basis at the management levels.

Depending on the perception and positioning of the risk, different risk strategies and specific countermeasures derived from these may be the result. Generally speaking, the risk strategy is based on an evaluation of the risks within the framework of the risk management system and a recording and evaluation of the opportunities associated with the risks in the context of strategy discussions.

Risk assessments are an essential part of the business decisions. In doing so, PNE endeavours to avoid entering into risks that could jeopardise the Company’s existence. In the core competency areas of the Group and of the Company, appropriate, manageable and controllable risks are taken if they are expected to yield an appropriate return at the same time or are unavoidable. In doing so, PNE ensures that suitable countermeasures are taken and implemented. In certain cases, risks in supporting processes are transferred to other risk areas. Other risks, which have no connection with core and/or support processes, are avoided as far as possible. In addition, the majority of the risks are project-specific or regional risks, which are predominantly dealt with on a decentralised basis in the respective departments and divisions and – where significant risks are involved – are also reported to the Board of Management.

The Group has formulated the general conditions for a qualified and future orientated risk management system in its “Risk Management Handbook". This handbook regulates the specific processes in risk management. It aims to systematically identify, document, assess, manage and report risks. In this context, risks to the business areas, the operating units, the major associated companies and the central units are identified in clearly defined categories and quantitatively assessed with regard to their probability of occurrence and potential amount of damage. The risks are initially assessed without taking into account the countermeasures currently being implemented (gross assessment). Subsequently, as part of the net assessment, the residual risk is considered, taking into account the existing countermeasures. The task of the risk officers is also to develop and, if necessary, initiate measures for the further avoidance, reduction and hedging of risks, and to ensure their implementation.

The reporting is controlled by value limits defined by the Board of Management. The individual risks are classified as part of internal risk reporting within the Group based on the probability of occurrence and potential impact. The following quantitative limits for the classification of impact and probabilities of occurrence were derived for the PNE Group. The reference figure for the impact classes is the EBITDA.

Classification of probability of occurrence

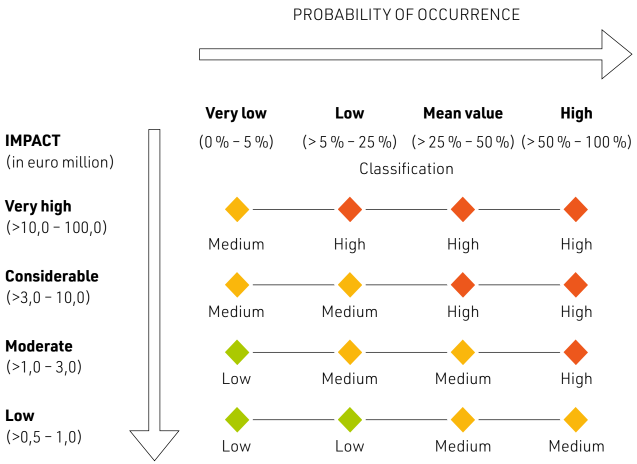
Description	Minimum (%)	Maximum (%)	Mean value (%)
Very low	0	5	3
Low	>5	25	15
Medium	>25	50	38
High	>50	100	75

Classification according to the degree of impact

in euro million	Minimum	Maximum	Mean value
Low	>0.5	1.0	0.8
Moderate	>1.0	3.0	2.0
Considerable	>3.0	10.0	6.5
Very high	>10.0	100.0	55.0

By determining the probability and impact limits, the risks are classified according to the traffic light model into red, yellow and green areas. The basic need for action and reporting to the Board of Management are derived from this classification.

Risk matrix (probabilities of occurrence and classes of impact)



The overall risk position is evaluated using suitable quantitative methods (Monte Carlo simulation). In this way, a frequency distribution and thus a realistic range of future cash flows, profits and earnings is shown, i.e. the planning reliability or the extent of possible deviations from the plan.

At PNE, the risk-bearing capacity is derived by comparing the calculated, aggregated total risk position with the financial means available to cover the risk, the so-called cover masses. If necessary, relevant financial covenants are taken into account accordingly as part of the analysis.

The key risks and the counter-measures introduced are monitored at regular intervals. Central risk management reports regularly on the identified risks to the Board of Management and the latter to the Supervisory Board. In addition to regular reporting, there is an immediate intra-Group adhoc reporting requirement for risks that arise unexpectedly. The risk management enables the Board of Management to recognise risks at an early stage and to introduce counter-measures.

Overall, risk management is integrated into the Company's routine processes. Reporting takes place from the employee level up to the Board of Management. Potential risks are thus already identified at working level and promptly discussed and evaluated in the teams, departments and divisions. Where appropriate, measures to deal with the respective risks are already decided at this level. If necessary, any issues regarding the handling of risks are submitted to the Board of Management or by the latter to the Supervisory Board. In addition, in the case of fundamental and cross-divisional risks, working groups consisting of in-house experts are formed in order to work out solutions to such issues in regular consultations or as required.

The key characteristics of the risk management system described above are applied throughout the Group. With regard to the processes in the consolidated accounting, this means that the identified risks are examined and evaluated in the corresponding financial reports especially in respect of their possible effects on the reporting. Through this, important information is generated at an early stage about potentially possible fair value changes of assets and liabilities, pending losses of value are identified, and important information is gained for the assessment of the necessity for the setting up/release of provisions.

The appropriateness and the effectiveness of risk management and the associated control systems are reviewed at Board level and adjusted accordingly, if necessary. Responsible employees receive targeted training in risk management issues.

Finally, it should be noted that neither the ICS nor the RMS can give absolute security with regard to the achievement of the associated objectives. Like all discretionary decisions, also those for the development of appropriate systems can in principle be wrong. Controls can be ineffectual as a result of simple mistakes or errors in individual cases or changes in environmental variables can be recognised at a late stage in spite of corresponding monitoring.

PNE believes that it has an appropriate and effective risk management system in place.

In particular, the following individual risks are currently being monitored intensively within the context of the risk management process:

- The effects of a possible takeover of shares (over 50% of voting rights) by a market participant. This could lead to the possibility of exercising cancellation rights under financing agreements, for example due to change-of-control clauses.
- The risks of raising capital, which are influenced, for example, by rating downgrades
- The effects of delays or disruptions in the procurement of wind turbines and their components
- Possible risks which may arise from the lack of grid capacities in Germany and abroad
- Possible technical risks which may arise from our own operation of wind farms and which could negatively influence the expected results
- Particular importance is given to compliance with the regulations of the German Corporate Governance Code as amended. However, risks may also arise from non-compliance with the regulations and the internal guidelines by individuals.
- Changes in the present value of bank loans and/or interest rate swaps in the IFRS consolidated financial statements entail the risk of an adjustment to the IFRS balance sheet recognised in profit or loss. These adjustments are neither cash effective nor do they reflect the operating success of PNE, but could have a negative impact on the equity and thus on the market rating of PNE AG.
- Increasing cybercrime jeopardizes the confidentiality, integrity and availability of information, data and systems. Suitable organisational measures have been established and further developed to take this risk into account.

Assessment of risks and opportunities

Overall, the scope and hazard potential of the risks have not changed significantly compared to 31 December 2023, in the opinion of the Board of Management, with the exception of the changes mentioned in the following text, with the exception of the risks no longer contained or the significantly reduced risks in terms of value, which are listed in the further course of the text. From the Board of Management's viewpoint, the prospects for the development of the Group and PNE AG are good in light of the global development of climate protection and the expansion of wind and photovoltaic energy as well as the well-filled project pipeline for wind energy and photovoltaic projects. A positive development of the Company can thus be expected in the coming fiscal years according to the estimates of the Board of Management. From the viewpoint of the Board of Management, there are no individual risks threatening the existence of the Company. In the view of the Board of Management, it is not possible to foresee a development that would endanger the Company's existence, even with regard to the interaction of various individual risks.

The risks "Grid connection USA", "Approval risk for projects in the USA" and "Low energy reserve capacities USA" are no longer listed as risks compared to 31 December 2023, as the US business has now been sold.

These risks could have resulted in shifts in liquidity flows, higher advance requirements and defaults on planned cash reflows, and projects could have become uneconomic in these cases, which could have resulted in derecognition of already capitalized work in progress and write-downs on receivables.

The risk of "non-receipt of milestone payments from the sale of the US business" has been added as a new risk. With the sale of the US business, PNE received a single-digit purchase price payment in the amount of millions. The majority of other possible payments in the double-digit millions (so-called earn-outs) are made depending on the achievement of future project progress. PNE can no longer influence the achievement of this project progress through the sale.

The "pandemics" risk is no longer included, as it has been shown that PNE's business model is largely resistant to the effects of a pandemic.

The "Offshore project development in Germany" risk is also no longer listed, as applications for reimbursement pursuant to Section 10a WindSeeG were submitted by the legislator as part of the implementation of the decision of the Federal Constitutional Court of 30 June 2020 in accordance with the WindSeeG 2020 and corresponding assessment notices were issued by the BSH in the first half of 2023. Based on the subsequent cost reimbursement notices from the BSH, the Group has received in financial year 2023 around EUR 2.5 million. The amount of the above-mentioned settlement paid by the German government under Section 10a WindSeeG is lower than what PNE AG considers appropriate for the development services provided (a low double-digit million amount). However, PNE no longer classifies the further course of action as a risk but as an opportunity, as possible further reimbursements are not included in the Group's plans and can therefore have a correspondingly positive effect on the Group's figures.

The tax risk from the corporate, trade and VAT tax audit at PNE Erneuerbare Energien GmbH (formerly WKN GmbH) for the years 2010 to 2013 has been resolved by a completed tax audit and legally binding notices. The tax burden from the modest amounts to around EUR 1.7 million.

General factors

As a result of its business activities, the Group and the individual consolidated companies are exposed to risks which are inseparable from its entrepreneurial activities. Through our internal risk management system, we minimise the risks associated with our business activity and invest only if a corresponding benefit can be created for the Company while maintaining a manageable risk. Risk management is a continuous process. Based on the analysis of the existing core processes, the identified risks are evaluated. A risk report is submitted regularly to the Board of Management and to the Supervisory Board. Unless otherwise indicated below, the assessment of the risks has not changed significantly compared to 31 December 2023. The implementation of the strategic expansion of the business model to include other clean energies and storage technologies as well as the expanded own generation portfolio of internally managed projects may entail additional risks.

General explanations on the assessment of risks

The most important risks arising from the risk management system of the PNE Group are explained below. Unless otherwise specified, the individual risks described below are classified as green or yellow in the risk matrix. If an individual risk is classified as red in the risk matrix, this is specifically indicated.

Risks from operating activities

A typical risk is the approval risk of projects both in established and in new markets. In the event of time delays regarding permits, the negative outcome of tenders or significant shifts in the demand/supply relationship due to market-based support mechanisms, this can lead to postponements in the flow of liquidity, higher prepayment requirements as well as the loss of planned inflows of funds. Furthermore, projects can become uneconomical in such cases, which can lead to the write-off of work in progress which has already been capitalised. Apart from the inventories, this risk can also have an effect on the value of receivables. Risks may also arise regarding the balance sheet values of onshore and offshore projects in Germany and abroad if projects become uneconomical respectively realisation is not possible. For example in the Poland and Romania markets, there is the risk that, in order to obtain network connection commitments, high securities will have to be deposited that would not be refundable, or only partially refundable, if the project were not implemented. However, the operative opportunities in the area of project development of onshore and offshore wind farm respectively PV power plants on land can only be realised if such entrepreneurial risks are taken. Delays in project implementation may arise, inter alia, due to the intensive environmental impact assessments required, the uncertain timing of the granting of approvals and grid connection commitments, possible appeals/complaints against approvals already issued or collective actions, the timely availability of wind turbines or photovoltaic panels or the timely availability of other necessary preconditions and components required for the construction of a wind farm or PV power plant. In the field of offshore Vietnam, in addition to the above-mentioned general risks, changes in the regulatory framework and the policy objectives for the expansion of offshore wind energy are more difficult to calculate than in established markets, and as a result, high development costs already incurred in advance may be lost if an permit is not obtained and the corresponding sales proceeds cannot be obtained. Through comprehensive project controlling, PNE attempts to take these complex requirements into consideration at the right time.

From the sale of the Bechet project in Romania, PNE still has a purchase price payment claim against the buyer in the amount of EUR 5 million. As the buyer has not yet been able to resell the project as originally planned, he is now also unable to pay the purchase price. PNE has therefore deferred the payment until the end of May 2025 to give the buyer more time to sell the project. The risk is that PNE might not receive the payment at all and has to completely write off the claim. This individual risk is categorised as red in the risk matrix.

The number of suitable sites in Germany for the construction of "clean energy projects" is limited. In the future, this might result in increased competition for these sites and thus higher acquisition costs as well as higher operating costs, such as compensation for use of sites, which would reduce the achievable contribution margin accordingly.

Within the context of project realisation, PNE must rely on its ability to cover its capital requirements resulting from the liabilities arising in the future or which may become due in the future. Furthermore, additional capital requirements might arise if and to the extent that PNE should be required to honour guarantees granted by it indirectly or directly or to fulfil comparable commitments or if other risks described in this section materialise.

As with all enterprises that develop projects with clean energies, a risk for future development lies in the financing and sale of projects. In order to counter this risk, PNE has relied on the sales channel of "individual and large investors" for several years as well as on the erection and distribution of portfolios of already commissioned wind farms or in future also PV portfolios. However, negative effects from rising rates of interest on project marketing cannot be ruled out, since rising interest rates lead to higher project costs. In addition, rising capital market interest rates can simultaneously lead to declining sales prices, since the requirements of the investors for a return on the project may increase in this case. Risks in respect of project realisation could result from a financial crisis and the reluctance resulting therefrom on the part of the banks with regard to project financing.

A supplier risk exists in the wind power turbine sector due to the worldwide demand in relation to the available capacities. Supply bottlenecks due to increasing international demand occurred in the past and cannot be ruled out in the future. Such supply bottlenecks could lead to delayed realisation and increased prices in the procurement of wind farm projects. PNE therefore attaches great importance to concluding delivery contracts with well-known manufacturers of wind power turbines and sub-suppliers (e.g. of foundations) as early as possible and to agreeing on timely delivery. Country-specific and seasonal module bottlenecks, for example, are largely known and depend mainly on the size of the plant and the time available for structural completion.

The evaluation of projects for the use of renewable energies also depends on the assessment of the future development of electricity prices in target countries. Changes in the development of electricity prices can lead to changes in the market situation.

There are risks from the internal operation of wind farms and PV power plants. For the profit situation of a wind farm or PV power plant, the site-specific wind situation or the sunshine hours are the decisive variables. Besides the well-known seasonal fluctuations, variations can also occur over the years. It cannot be ruled out that the economic viability of a project will deteriorate in the long term due to several years of low wind or low sun. This risk is particularly relevant to the power generation segment. Lower yields due to years of weak wind or sun have a direct impact on the revenues and earnings situation in the power generation segment and in the Group. This risk is taken into account by including appropriate safety margins in the cash flow calculations of the wind farms and PV power plants over the entire term. Other reasons for lower results of operations can be subsequently imposed environmental conditions during ongoing operations as well as possible lawsuits. If the effects are greater than the planned safety margins, this could have an impact on the Group's net assets and results of operations.

The goodwill included in the balance sheet must be reviewed for impairment losses at the end of each year by way of an impairment test. If an impairment should arise in the future, this would have an impact on the net assets and results operations of the Company.

Interest rate, financing and currency risks

The Group is exposed to interest rate risks, since the Group companies borrow funds at fixed and variable interest rates. The Group manages the risk by maintaining an appropriate ratio between fixed and variable borrowings. This is done using interest rate swaps. The hedging measures are assessed regularly in order to match them to expected interest rates and the readiness to take risks. The hedging strategies are selected on this basis.

There is a risk from changes in the present value of bank loans and/or interest rate swaps in the IFRS consolidated financial statements. Regular review of the valuation of liabilities towards credit institutions and interest rate swaps in the IFRS consolidated financial statements can result in a material adjustment of the respective IFRS balance sheet disclosures in case of changes in market interest rates or changes in market values for interest rate swaps. These adjustments to the respective IFRS balance sheet items would have an impact on the consolidated result (not EBITDA). These required adjustments do not affect liquidity nor reflect the operating performance of PNE. However, there is a risk of increases in present value due to further reductions in market interest rates or changes in the market value of interest rate swaps. The consequence would be a falling annual result and thus a negative impact on equity, which in turn could lead to a rating downgrade. This could result in banks reducing credit lines. The risk of "changes in the present value of bank loans and/or interest rate swaps in the IFRS consolidated financial statements" is categorised as red in the risk matrix.

In November 2023, PNE concluded a contract with a customer for the financial settlement of power generated from renewable energies for the purpose of hedging electricity prices (Financial Power Purchase Agreement; FPPA for short). The FPPA is measured using a recognised net present value model and therefore depends, among other things, on the development of the relevant discount rate.

Group companies, in particular PNE AG, provide short-term and long-term loans to each other. These have a fixed interest rate. This also applies to loans to associates and joint ventures. Therefore, no material impact on the earnings situation of the respective companies is to be expected for the loan terms from variable interest rates.

From the issue of the 2022/2027 bond and the covenants concerning the equity ratio included in the bond conditions, increased interest payments could arise prior to the scheduled maturity in the event of a breach of the covenant. The bond will be due for repayment in June 2027.

If an investor were to acquire more than 50% of the shares, this would result in termination options for the lenders under loan agreements for debt financing and the 2022/2027 bond. The risk “Consequence of takeover by majority shareholders” is categorised as red in the risk matrix.

The Group is exposed to a counterparty default risk from its operating business and certain financing activities. The default risk arising from financial assets is recognised through appropriate valuation adjustments, taking existing collateral into account. In order to reduce the default risk relating to non-derivative financial instruments, the Group takes various hedging measures, such as obtaining collateral and guarantees where it appears appropriate as a result of creditworthiness checks.

A part of the funds provided to the PNE Group is subject to variable interest rates which are primarily linked to the 3-month EURIBOR. The companies have only partially hedged against rising short-term interest rates.

In order to ensure the Group’s ability to pay its debts at any time and its financial flexibility, revolving liquidity plans are prepared, which show the inflow and outflow of liquidity both in the short term and in the medium and long terms. Liquidity risks for the financing of the operating business during the course of the year exist, in particular, if the closing of project sales through direct sales to external investors is delayed.

The Group is exposed to the risk of a rating downgrade for financing from banks. The rating is currently based on the 2023 consolidated financial statements and Group planning. PNE continues to be very well positioned in terms of quality criteria and is at the previous year’s level. PNE has partially deteriorated in terms of quantitative criteria (e.g. the equity ratio) and partially improved (e.g. EBITDA). A deterioration in the rating would have an impact on the interest rate, which could potentially worsen the conditions. Further developments will depend on business performance (annual financial statements).

Foreign exchange risks in the financing area are attributable to financial liabilities in foreign currency and loans in foreign currency, which are granted to Group companies for financing purposes. At the end of the year, the Group had short-term trade liabilities denominated in foreign currencies, which do not result in a material risk from the viewpoint of the Company.

The projects in the international sector may entail medium- and long-term currency risks. In the operating field, foreign currency risks result primarily from the fact that planned transactions are undertaken in a currency other than the euro. With regard to investments, foreign currency risks may arise mainly from the acquisition or divestment of foreign companies. The Group companies aim to settle transactions in euro as far as possible. Otherwise, they intend to hedge, as far as feasible and economically sensible, major foreign currency transactions outside the Group by means of currency hedging transactions in good time before the date of the respective transactions.

Political risks/law amendments/market risks

Incalculable risks can affect the market from outside. These include, in particular, sudden changes in the general legal conditions in Germany or in the PNE Group’s international markets. The Board of Management of PNE AG is of the opinion that wind farms and PV power plants can be developed and operated economically based on fees that are currently applicable or achievable in tenders and based on the legal framework. The general conditions in the countries in which PNE is active or plans to become active in the future are reviewed regularly in order to be able to react promptly to possible changes and to minimise risks.

In the context of tendering procedures under the Renewable Energy Sources Act and other comparable procedures in the international markets, there is always a risk of not being awarded a contract in the respective tender rounds. This may result in the affected projects not being realised or not being realised in the planned time frame. Delays could lead to rising costs. In the event of non-realisation, the project development costs incurred up to that point would have been spent in vain. PNE counteracts this risk by closely monitoring the market environment and calculating the bids on this basis.

With the early federal elections on 23 February 2025 and a new federal government, there is a possibility that the Renewable Energy Sources Act and thus the energy market design in Germany will change fundamentally. The PNE Group will closely monitor these developments through its industry associations and adequately consider any opportunities and risks in further planning and implementation.

Political risks and market risks in international markets could affect the planned realisation of projects during the next few years. PNE AG and its subsidiaries are intensively monitoring the current developments abroad in order to recognise changes in the market situation or the political landscape as early as possible and to introduce any measures at the right time. In the event of sudden changes in the remuneration systems and retrospective intervention by the legislator, risks for the PNE Group may arise due to the project development cycles of several years.

Political risks also include risks that may arise from acts of war. Generally speaking, these can have a wide range of effects on economic development, global supply chains and raw material prices, and thus also have an impact on the procurement market of the PNE Group, for example. Due to the geopolitical situation, however, there are currently no direct risks for PNE, as there are no business activities in or with countries that are directly or indirectly involved in such conflicts.

Health risks

Health risks such as epidemics or pandemics can impact operations by causing delays in approval processes and project realisation. However, based on its experience with the coronavirus pandemic in the years 2021– 2023, the Company only expects delays or postponements to planned projects within one year or from one year to the next in such cases.

The Group is in a good financial position that possible delays or loss of earnings due to a pandemic as mentioned above would have no significant impact on the short- and medium-term continuation of business operations (going concern). However, a possible impact on the Group guidance for 2025 cannot be ruled out in such cases in the event of postponement of project sales (project development segment) or of revenues in the "services" segment.

The Company keeps itself continuously informed about existing or future health risks and responds to possible effects on employees. In individual cases, travel to countries with a high risk of infection can be prohibited and orders issued to avoid large crowds.

All recognisable risks relating to global epidemics are continuously weighed up by the Company with regard to their potential impact on the net assets, financial position and results of operations as well as the well-being of employees.

Legal and compliance risks

All recognisable legal risks are constantly reviewed respectively are taken into consideration in this report as well as in corporate planning. These also include risks from proceedings that have not yet been finally concluded.

Violations of legal regulations and internal guidelines can damage PNE's reputation and cause significant damage to the Company, e.g. in the form of liability risks, fines or criminal sanctions. The PNE Group counteracts this risk with its compliance system, in particular through the continuous monitoring of legal requirements, regular adaptation of compliance guidelines and employee training.

Tax risks

There are tax risks from the corporate, trade and sales tax audits at PNE Erneuerbare Energien GmbH (formerly: WKN GmbH) for the years 2014 to 2016 and 2017 to 2020 as well as of PNE AG and PNE Foreign GmbH for 2017 to 2020. The above-mentioned audits have not yet been completed. There are no audit findings to date. A final meeting was held regarding the external wage tax audit at PNE AG for 2021 to 2023. There were no significant findings. The audit report is still outstanding. The tax assessments for the years 2010 to 2013 in accordance with the completed tax audit at PNE Erneuerbare Energien GmbH are legally binding.

PNE AG and its subsidiaries as well as other consolidated companies are currently operating in countries on four continents and are therefore subject to a variety of tax laws and regulations. Changes in these areas could lead to higher tax expenses and to higher tax payments. Furthermore, changes in the tax laws and regulations could also have an influence on tax receivables and tax liabilities as well as on deferred tax assets and deferred tax liabilities. PNE operates in countries with complex tax regulations, which could be interpreted in different ways. Future interpretations and developments of tax laws and regulations could have an influence on tax liabilities, profitability and business operations. In order to minimise these risks, we are working continuously throughout the Group with specific tax consultants from the relevant countries and are analysing the current tax situation.

Information technology risks

The confidentiality, integrity and availability of information, data and systems are threatened by increasing cybercrime. Relevant laws are currently being drafted to safeguard and increase information security at European and national level. Suitable organisational measures have been established to take this into account: information security policies, appointment of an information security officer, IT security risk management, and appropriate technical security measures (risk-based) to protect against unintentional data loss and data theft. The measures are continuously developed further. Our employees are trained to recognise potential threats and to close any security gaps. As part of continuous process monitoring, both the technical and the organisational measures are continuously checked for their effectiveness.

Personnel-related risks

It is becoming increasingly difficult to recruit new employees in the required numbers and with the necessary qualifications. The shortage of skilled labour and the increased inflation rate have led to significantly higher salary demands from applicants in recent years. As a result, both staff recruitment and long-term employee retention have become more costly.

The current labour market conditions offer applicants and employees a wide choice of employers, which makes it possible to change jobs with little risk. To counteract this risk, the PNE Group relies on experienced service providers in the area of personnel recruitment as well as on a variety of non-monetary additional offers that appeal to both applicants and employees. These offerings include flexible working time models, mobile working, cross-border working in other EU countries, e-bike leasing and the option of social counselling.

A new onboarding process has been implemented that accompanies new employees from their first work day until the end of their probationary period and thus facilitates integration. In addition, regular feedback meetings are intensified in order to better understand the needs and expectations of the workforce and transform these into common goals.

These measures are aimed at strengthening employees' emotional ties and promoting their long-term identification with the Company.

Opportunities

As a developer of onshore and offshore wind turbines as well as of PV power plants on land, the PNE Group is active – in an international growth market. Independent studies predict continuing high rates of growth for wind energy and photovoltaics in the coming years due to the finite nature of fossil fuels, the pressure to reduce climate pollutants and the need for safe, environmentally friendly energy sources. The course of the Climate Change Conferences, most recently in Baku in 2024, has shown that the need for an energy revolution has been recognised worldwide. From their many years of activity in the market, the companies of the PNE Group have the prerequisites and experience needed to benefit over the long term from this development.

PNE WIND AG has continued the constant development of its business model, among other things with own operations of wind farms, with subsidiaries in which onshore wind farms with a total output of approx. 423 MW, which had already been completed and commissioned by the end of 2024, were bundled. In the For the time being, the PNE Group will remain directly involved and will thus benefit from future earnings as services.

Opportunities are offered by the Group's international activities and by potential new markets as well as the expansion of the business model to include additional clean energies and storage technologies. PNE is already active in a number of attractive growth markets. The focus of expansion is primarily on countries with stable political conditions and reliable remuneration and promotion regulations or on countries with relatively high market potential.

PNE's core competence lies in the project development, construction, operation and repowering of wind farms as well as the project development of PV power plants at a high international level. Even though the PNE Group withdrew from markets last year, this expertise can also be utilised in other foreign markets with expansion potential in the future. These markets are therefore monitored continuously and opportunities for a possible market entry are carefully examined.

In addition to the opportunities of internationalisation, the established German market for wind energy, both onshore and offshore, as well as for photovoltaic projects on land, offers a range of perspectives. The climate objectives of the German government and the necessity of increasing the security of supply require the accelerated expansion of renewable energy projects both on land and at sea. PNE is distinguished by the fact that it has already realised six offshore wind farm projects through the whole process up to approval by the Federal Office for Shipping and Hydrographics. Four of these wind farms have already been completely built and put into operation by the purchasers. Another project, in which two plans were merged, is currently in test operation. We have developed a high level of competence in the area of offshore project development, which can also be transferred to our international markets. PNE is therefore examining the possibilities of developing offshore wind farms in other countries.

The wind energy market offers a wide range of prospects for the provision of services over the entire life cycle of wind farms. The PNE Group is making increasing use of these opportunities and sees itself as a reliable partner for the developers and operators of wind farms. This area of services has been expanded in a focused manner. One focus is on the technical and commercial operations management of wind farms and substations. The Company also provides services in construction management, for wind measurements, electricity marketing management and other areas related to the planning, construction and operation of wind turbines.

The international operations management business was expanded in 2024 in the markets of France, Poland and Sweden, with further contracts won independently of the Group's project pipeline. In addition, PNE has further expanded its expertise in the range of services relating to clean energy projects. The Company created further structural prerequisites and successfully continued the process of integrating the individual areas into a life cycle service provider. It has already become apparent that this successful growth will continue independent of internal project development.

Rising electricity prices may also have a positive impact on the services offered by the PNE Group, such as power purchase agreements (PPAs), although any government revenue levies will in turn reduce the positive effect.

The current conflict in Ukraine could further increase and accelerate the efforts of Western governments to make energy supplies independent of (uncertain) energy imports. This would have a positive impact on the expansion of renewable energies in Germany and Europe.

Optimised strategy

The long-standing success of our work in these business areas is a good basis for the strategic optimisation of the Group's activities. The demand for clean energies and a secure power supply is growing worldwide. PNE responds to these developments by expanding its operational business and, as a "Clean Energy Solutions Provider", exploits the opportunities arising from the transformation of the markets. The strategic further development encompasses almost the entire value chain of clean renewable energies. Based on the extensive experience gained from the successful development, planning and realisation of wind farms on land and at sea and of PV power plants, the Company will also develop and realise projects and solutions for the planning, construction and operation of power plants for clean energies.

Project development and portfolio

Project development continues to be the core business. This includes the development of quality projects in wind energy and photovoltaics, the successful establishment of PNE's own portfolio of wind and PV farms and cross-technology projects.

Technologies

In addition to wind energy and photovoltaics, storage and power-to-X solutions will be key components of the corporate strategy in the future. Power-to-X as conversion into green hydrogen or derivatives addresses a significant additional market. Hydrogen is used to decarbonise entire branches of industry, both as an energy source and as a raw material. Sector coupling in the mobility and heating segments from clean energies is another field.

Power-to-X projects are being developed to produce green hydrogen or derivatives on an industrial scale, but also to convert electricity into heat. Power plants are created from wind farms, PV power plants and storage facilities, also as stand-alone solutions. The energy is transported as a molecule and is therefore independent of the power grid, but requires other suitable infrastructure such as gas networks or shipping routes. We are also working on strategies for combined power plants, shared use of infrastructure, and electrical storage systems.

Services

Additional services such as operations management and other financing solutions for clean energy projects also represent an expansion of PNE's activities. Inorganic growth through cooperation agreements, investments or acquisitions of companies in the service, photovoltaic, battery and storage industry is also possible.

The agenda includes the continued optimisation of wind farms as well as services for offshore projects, the expansion of operations management for wind farms and transformer stations to include photovoltaic projects, and the development of cross-technology know-how.

In addition, we want to tap further margin potential by optimising the sale of electricity and hydrogen from clean energies. The first power purchase agreements (PPAs) have already been concluded for most of the Company's own wind farms and for customers.

Realisation/Smart Development

PNE has experienced and specialised staff to implement the strategy. With an integrated project approach, business opportunities with new products and in new markets are already being developed. The aim is to combine various clean energies and storage technologies, accelerate entry into and exit from new markets, shorten the time to project success and avoid high upfront expenditure in projects.

Risk minimisation and new potentials

With this strategy, PNE can minimise market risks and open up new growth potential. In the medium term, this should lead to a significant increase in the EBITDA and a further stabilisation of earnings.

Opinion on the adequacy and effectiveness of the overall internal control system and risk management system[1]

In accordance with the recommendations of the German Corporate Governance Code (DCGK 2022), the Board of Management has dealt in detail with the adequacy and effectiveness of the internal control system and the risk management system and has not identified any material findings.

1 The contents of this section are unaudited by the auditor

9. FORECAST REPORT

PNE AG is a "Clean Energy Solutions Provider" for markets and industries regionally, nationally and internationally. Core competences are project planning and the development of renewable energy projects. In addition, the storage of renewables and power-to-X technology are promoted. With the projects developed and operated, the PNE Group is making an important contribution to avoiding climate-damaging emissions and, with its full service in the areas of wind energy and photovoltaics, is ensuring that the expansion of clean energies moves forward one step faster – for a better climate worldwide. In this way, the PNE Group is consistently pursuing the goal of a secure, sustainable and profitable energy supply, which is powered 100% by renewable energies.

After years of successfully developing wind farms for sale to customers, the PNE Group is building up a growing own generation portfolio of wind farms and PV systems for its own operation. As of 31 December 2024, wind farms and the Silbitz biomass power plant with a total output of 428.5 MW were in operation. In addition, wind farms with a capacity of 277.8 MW were under construction. Together, 706.3 MW are already in operation or under construction. Some of these projects under construction will be transferred to own operations after commissioning, while other projects under construction have already been sold (102.3 MW) or could be sold in 2025 or 2026. The decision as to whether a wind farm under construction should be sold to external investors or whether it should be transferred to own operations depends on the current economic project and market conditions, current investor enquiries and the further strategic direction in relation to the Group's long-term liquidity planning. Together with the expansion of the service business, a large own generation portfolio contributes to increasing the share of steady earnings and positive cash flows from the current operations phase. With this broader positioning, market risks will be minimised, new potential and markets will be opened up and, above all, the results, which were volatile in the past, will be stabilised in the medium term. In this way, the PNE business is continuously gaining in stability and future viability. PNE wants to continue to grow in the future. From the perspective of the Board of Management, this makes PNE more and more valuable for investors and partners and also attractive long-term prospects.

The PNE Group has adjusted its strategy. As a result, we are planning an own-generation portfolio with a total output of around 1.1 GW in operation or under construction by the end of 2027. In the medium term, we will adhere to the previously planned own-generation portfolio of 1.5 GW in operation or under construction. We also expect EBITDA of around EUR 140 million with an equity ratio of at least 20%. The high-quality project pipeline is to remain at a constant level of at least 10 GW to 15 GW.

The following forecasts are based on the results from the implementation of operationally planned projects in Germany and abroad (onshore, offshore, photovoltaics), both from the service business and from the power generation business.

In fiscal 2025, as in previous years, PNE will have further upfront expenditure in the low single-digit million range for the strategic expansion of the business model. The Board of Management is expecting positive Group EBITDA of EUR 70 million to EUR 110 million for the guidance for the 2025 fiscal year. However, due to geopolitical conflicts as well as supply problems for wind turbine and component manufacturers, there might be postponements of project right sales and project implementations from 2025 to 2026 in the operating business. The aforementioned factors might also contribute to high or rising raw material prices, which could lead to higher prices for wind turbines, modules and other trades. These can, however, be partially offset by higher statutory feed-in tariffs for future projects.

The figures of the project pipeline for onshore wind energy (prior year: approx. 9.9 GW) and photovoltaics (prior year: approx. 6.5 GWp) are expected to remain approximately level in the Group throughout the 2025 fiscal year compared to 31 December 2024.

PNE AG manages the operating units based on the EBT. Based on the planned operative project developments for the 2025 fiscal year, PNE AG is expecting a positive result in the lower double-digit million range on an EBT basis (earnings before taxes). This result also includes the expected results from the profit and loss transfer agreements with subsidiaries.

10. OTHER DISCLOSURES

10.1 Transactions with related companies and persons

For information about transactions with related parties, see ↗ **point 3 in chapter "X. Other disclosures"** in the notes to the consolidated financial statements.

10.2 Management declaration (Section 289f or Section 315d HGB)

The management declaration, summarised with the declaration pursuant to Section 289f HGB, in accordance with Section 315d HGB is published on our website ↗ **www.pnegroup.com** under "Investor Relations" in the Corporate Governance section and can be downloaded there.

10.3 Report of the Board of Management on the relations with affiliated companies

In accordance with Section 312 of the German Stock Corporation Act (AktG), the Board of Management prepared a report on the relations with affiliated companies for the period from 1 January to 31 December 2024, which includes the following final declaration: "We declare that PNE AG did not perform any reportable transactions in relation to the controlling company or any of its affiliated companies in fiscal year 2024."

10.4 Supplementary information in accordance with Section 289a and Section 315a HGB

Capital situation

As of 31 December 2024, PNE AG had 76,603,334 registered shares with a nominal value of EUR 1.00 per share. As of 31 December 2024, the proportion of non-reportable free float shares (holdings of less than 3% of the share capital) amounted to approx. 23.2%. Two shareholders (Morgan Stanley/Photon Management GmbH and Active Ownership Fund SICAV SIF SCS) reported a shareholding of more than 10% of the voting rights as of 31 December 2024.

Restrictions concerning the voting rights or the transfer of shares are not specified in the articles of association and exist only in legally determined cases. Shares with special rights giving a controlling function do not exist. There is no control of voting rights through the participation of employees in the capital.

Shareholders' rights and obligations

Shareholders have pecuniary and administrative rights.

The pecuniary rights include the right to participate in profits in accordance with Section 58 (4) AktG, to participate in liquidation proceeds in accordance with Section 271 AktG and the subscription rights on shares in the event of capital increases in accordance with Section 186 AktG.

Administrative rights include the right to attend the Annual General Meeting and the right to speak there, to ask questions, to propose motions and to exercise voting rights.

Each share grants the holder one vote at the Annual General Meeting.

Statutory regulations and provisions of the articles of association with regard to the appointment and removal of members of the Board of Management and amendments to the articles of association

The appointment and removal of members of the Board of Management are governed by Sections 84 and 85 AktG. The Company's articles of association do not contain any regulations that go beyond Section 84 AktG.

An amendment of the articles of association requires a resolution of the Annual General Meeting in accordance with Section 179 AktG. Pursuant to Section 15 para. 2 of the Articles of Association, resolutions of the Annual General Meeting are adopted with a simple majority of votes cast, unless otherwise stipulated by law, and in cases where a majority of capital is required by law in addition to a majority of votes, with a simple majority of the share capital represented during the vote. Thus, amendments to the articles of association pursuant to Section 179 AktG in conjunction with Section 15 (2) of the articles of association generally require a resolution of the Annual General Meeting with a simple majority of votes; in certain cases, however, a majority of 75% is required for amendments to the articles of association.

In accordance with Section 10 paragraph 7 of the articles of association, the Supervisory Board is authorised to make amendments to the articles of association that relate solely to their wording.

Authorisation of the Board of Management, in particular in respect of the possibility of issuing or repurchasing shares

The Company is currently not authorised to acquire treasury shares. An authorisation to acquire treasury shares that still existed at the beginning of the reporting period and was granted by the Annual General Meeting on 22 May 2019 expired on 21 May 2024. In the reporting period, neither the Board of Management nor the Supervisory Board made use of the authorisation to acquire treasury shares, which was granted by the Annual General Meeting on 22 May 2019.

As of 31 December 2024, the Company held none of its own shares. The 266,803 shares still held at the end of the prior year, which the Company had acquired in 2018 using the authorisation in place at the time on the basis of a share buyback offer to all shareholders, were sold during the reporting period. The sale took place in the second quarter of 2024 via the stock exchange and, at an average selling price of EUR 13.48 per share, resulted in sales proceeds of around EUR 3.6 million.

As of 31 December 2024, the Company had no authorisation in respect of Authorised or Conditional Capital.

Key agreements that are subject to the condition of a change of control resulting from a takeover bid as well as compensation agreements of the Company, which have been concluded with the members of the Board of Management or employees for the event of a takeover bid

Corporate bond 2022/2027

In the case of a change of control, each bondholder has the right, in accordance with the bond terms and conditions, to demand early repayment of bonds from PNE AG as the issuer. In this connection, a change of control is deemed to have occurred if the issuer becomes aware that a person or a group of persons acting in concert in the sense of Section 2 (5) of the German Securities Acquisition and Takeover Act (WpÜG) has become the legal or beneficial owner of such a number of the issuer’s shares, which represent 50% or more of the voting rights. Such a change of control in accordance with the bond terms and conditions did not occur at PNE AG in the reporting period.

IKB loan agreements with PNE WIND West Europe GmbH, PNE Portfolio 2 GmbH, PNE Power Generation GmbH and WKN Wertewind Betriebsgesellschaft mbH

If a change of control occurs within the sense of the agreements, IKB Deutsche Industriebank AG as the lender is entitled to terminate the respective loan agreement for good cause without giving notice in accordance with the terms of the loan agreements. According to the agreements, change of control means that PNE AG, as guarantor of the respective loan agreement, no longer directly or indirectly holds the majority of the shares or the voting rights in the borrower or that Morgan Stanley no longer directly or indirectly holds at least 30.1% of the voting shares in PNE AG, unless no natural person or legal entity holds more than 30.1% of the voting shares in PNE AG.

Debt financing agreements for wind farm projects and guarantee credit lines in the Group

A change of control as defined by the agreements, if the limit of 50% is exceeded, grants the lenders a right of termination under certain debt financing agreements for wind farm projects and guarantee credit lines of PNE AG and PNE Erneuerbare Energien GmbH.

Other agreements

Apart from that, neither PNE AG nor the companies included in the consolidated financial statements have concluded any other significant agreements which are subject to the condition of a change of control as a result of a takeover offer. In particular, no member of the Board of Management has a special right of termination in the event of a change of control.

10.5 Non-financial statement

The non-financial Group statement to be submitted in accordance with Section 315b in conjunction with Section 289b HGB is available as a separate non-financial report in a separate section of the 2024 Annual Report and also on the company’s website (https://www.pnegroup.com/investor-relations/veroeffentlichungen/).

Cuxhaven, 21 March 2025

The Board of Management

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

of PNE AG, Cuxhaven, for the period from 1 January to 31 December 2024

in euro million (differences due to rounding possible)	**Notes**	**2024**	**2023**
1. Revenues	VI.1.	210.4	121.5
2. Increase in finished goods and work in process	V.5.	123.5	136.4
3. Other operating income	VI.2.	8.6	9.9
4. Total output		**342.6**	**267.8**
5. Costs of materials		-171.8	-141.1
6. Personnel expenses	VI.3.	-59.0	-51.8
7. Amortisation of intangible assets and depreciation of property, plant and equipment, right-of-use assets	IV.2./V.1./ V.2./V.12.	-33.8	-34.2
8. Other operating expenses	VI.4.	-42.8	-35.1
9. Operating result		**35.1**	**5.7**
10. Income from participations		0.2	0.3
11. Other interest and simlilar income	VI.5.	10.6	11.9
12. Income from assumption of profits of associates		0.0	0.0
13. Depreciation on financial assets		0.0	0.0
14. Expenses from assumption of losses of associates		-0.8	-0.3
15. Interest and similar expenses	VI.6.	-47.9	-26.3
16. Result before taxes		**-2.8**	**-8.6**
17. Taxes on income	VI.7.	-9.2	0.9
18. Other taxes		-0.7	-0.5
19. Consolidated earnings before non-controlling interests		**-12.7**	**-8.2**
20. Non-controlling interests in the result	V.8.	0.7	1.4
21. Group result		**-13.4**	**-9.6**

in euro million (differences due to rounding possible)	**Notes**	**2024**	**2023**
Other comprehensive income/items that may be reclassified in the future in the profit and loss account			
22. Foreign currency translation differences		0.1	-0.2
23. Cash flow hedge reserve	V.9.	1.8	-9.7
24. Others		-0.1	0.3
25. Other comprehensive income for the period (net of tax)		**1.9**	**-9.6**
26. Total comprehensive income for the period		**-10.9**	**-17.8**
Consolidated profit/loss for the period attributable to:			
Owners of the parent company		-13.4	-9.6
Non-controlling interests		0.7	1.4
		-12.7	**-8.2**
Total comprehensive income for the period attributable to:			
Owners of the parent company		-11.5	-19.2
Non-controlling interests		0.7	1.4
		-10.9	**-17.8**
Weighted average of shares in circulation (undiluted) (in thousands)	VI.8.	76.5	76.3
Undiluted earnings per share from continuing operations in euros		-0.18	-0.13
Weighted average of shares in circulation (diluted) (in thousands)	VI.8.	76.5	76.3
Diluted earnings per share from continuing operations in euros		-0.18	-0.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

of PNE AG, Cuxhaven, as of 31 December 2024

Assets

in euro million (differences due to rounding possible)	**Notes**	**Status as at 31.12.2024**	**Status as at 31.12.2023**
A. Long term assets			
I. Intangible assets	**IV.1./ IV.3./V.1.**		
1. Franchises, trademarks, licences and other similar rights as well as licences from such rights		0.7	0.5
2. Goodwill		64.4	64.4
		65.1	**64.9**
II. Property, plant and equipment	**IV.2./ IV.3./V.2.**		
1. Land and buildings including buildings on third-party land		12.5	12.9
2. Technical equipment and machinery		436.5	362.1
3. Other plant and machinery, fixtures and fittings		10.6	9.5
4. Prepayments and plant under construction		33.7	13.9
		493.4	**398.4**
III. Right-of-use assets	**IV.4./V.3.**	**98.2**	**92.8**
IV. Long term financial assets	**IV.5./V.4.**		
1. Shares in affiliated companies		1.1	0.4
2. Shares in associates		1.8	2.4
3. Shares in participations		0.8	0.8
4. Other loans		0.2	0.2
5. Other long-term loan receivables		12.4	13.7
		16.4	**17.5**
V. Deferred tax assets	**IV.6./VI.7.**	**79.0**	**78.0**
Total long-term assets		**752.0**	**651.6**
B. Current assets			
I. Inventories	**IV.7./V.5.**	**288.3**	**281.3**
II. Receivables and other assets	**IV.9./V.6.**		
1. Trade receivables		83.6	37.8
2. Other short-term loan receivables		0.1	0.1
3. Receivables from affiliated companies		20.5	14.0
4. Receivables from associated companies and from other investments		2.2	0.7
5. Other assets		14.5	20.4
		121.0	**73.0**
III. Tax receivables		**10.8**	**5.4**
IV. Cash and cash equivalents	**IV.8.**	**91.6**	**90.4**
Total current assets		**511.8**	**450.1**
		1,263.7	**1,101.7**

Liabilities

in euro million (differences due to rounding possible)	**Notes**	**Status as at 31.12.2024**	**Status as at 31.12.2023**
A. Shareholders' equity	**V.7.**		
I. Capital subscribed		**76.6**	**76.6**
II. Capital reserve		**86.3**	**83.0**
III. Treasury shares		**0.0**	**-0.7**
IV. Retained earnings			
1. Legal reserve		0.0	0.0
2. Other retained earnings		0.0	0.0
		0.1	**0.1**
V. Foreign exchange reserve		**-3.0**	**-3.2**
VI. Cash flow hedge reserve	**IV.10/V.9.**	**-7.9**	**-9.7**
VII. Consolidated balance sheet result		**45.5**	**65.6**
VIII. Non-controlling interests	**V.8.**	**-2.8**	**-3.4**
		194.6	**208.1**
B. Long-term liabilities			
I. Other provisions	**IV.11./V.12.**	**0.0**	**0.0**
II. Deferred subsidies from public authorities	**IV.13./V.9.**	**0.5**	**0.6**
III. Long-term financial liabilities	**IV.12./V.13.**		
1. Bonds		54.1	53.9
2. Liabilities to banks		617.8	495.2
3. Other financial liabilities		6.5	7.7
4. Liabilities from leasing contracts		141.9	156.1
		820.2	**712.9**
IV. Deferred tax liabilities	**IV.6./VI.7.**	**21.7**	**18.0**
Total long-term liabilities		**842.4**	**731.5**

in euro million (differences due to rounding possible)	**Notes**	**Status as at 31.12.2024**	**Status as at 31.12.2023**
C. Current liabilities			
I. Provisions for taxes	**V.11.**	**4.4**	**6.6**
II. Other provisions	**IV.11./V.12.**	**7.0**	**6.4**
III. Short-term financial liabilities	**IV.12./V.13.**		
1. Bonds		0.0	0.0
2. Liabilities to banks		71.8	53.7
3. Other financial liabilities		0.9	1.3
4. Liabilities from leasing contracts		7.6	7.5
		80.3	**62.5**
IV. Other liabilities	**IV.12./V.14.**		
1. Trade payables		73.7	59.7
2. Liabilities to affiliated companies		0.1	0.2
3. Liabilities to associated companies and to other investments		0.6	0.6
4. Deferred revenues		18.7	12.1
5. Deferred liabilities		29.6	6.0
6. Other liabilities		11.1	7.5
		133.8	**86.2**
V. Tax liabilities		**1.2**	**0.3**
Total current liabilities		**226.7**	**162.0**
		1,263.7	**1,101.7**

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

of PNE AG, Cuxhaven, for the period from 1 January to 31 December 2024

in euro million (differences due to rounding possible)	**Notes**	**2024**	**2023**
Consolidated net result		**-12.7**	**-8.2**
-/+ Income tax benefit and expense	VI.7.	9.3	-0.9
-/+ Income tax paid and received		-8.8	-3.5
-/+ Interest income and expense	VI.5./VI.6.	37.3	14.4
- Interest paid		-11.5	-11.1
+ Interest received		2.4	2.0
+/- Amortisation and depreciation of intangible assets, property, plant and equipment, right-of-use assets and long-term financial assets		31.4	34.2
+/- Increase/decrease in provisions	V.11./V.12.	-1.6	3.1
-/+ Non-cash effective income/expenses		0.9	0.8
- Profit from the disposal of fixed assets and from final consolidation	III.2.	-75.8	-5.0
+/- Decrease/increase of inventories and other assets	IV.7./V.5.	-240.6	-232.6
+/- Decrease/increase of trade receivables and stage of completion accounting	IV.7./IV.9./ V.3./ V.6.	-38.0	14.6
+/- Increase/decrease of trade liabilities and other liabilities	IV.12./ V.13./V.14.	131.1	26.1
Cash flow from operating activities		**-176.6**	**-166.2**
+ Inflow of funds from intangible assets		0.0	0.0
+ Inflow of funds from disposal of items of property, plant and equipment		1.2	2.6
+ Inflow of funds from disposal of financial assets		0.0	0.1
+ Inflow from sale of consolidated units	III.2.	4.7	4.8
- Outflow of funds for investments in property, plant and equipment, and intangible assets	V.1./V.2.	-34.7	-25.5
- Outflow of funds for investments in financial assets		-0.7	-2.2
- Outflow of funds for investments in consolidated entities		0.0	0.0
Cash flow from investing activities		**-29.6**	**-20.1**
+ Inflow from the issue of treasury shares	V.7.	3.6	0.0
+ Inflow of funds from financial loans		286.6	197.0
- Outflow for Cash Flow Hedge		-4.3	0.0
- Outflow of funds for bond transaction costs		0.0	0.0
- Outflow of funds for the redemption of financial loans		-46.3	-25.2
- Outflow of funds for the redemption of lease liabilities		-12.7	-10.6
- Outflow of funds for dividend		-6.1	-6.1
Cash flow from financing activities		**220.8**	**155.1**
Cash-effective change in liquid funds		14.7	-31.2
+ Change in liquid funds due to changes in scope of consolidation		-13.5	0.0
+ Liquid funds at the beginning of the period	IV.8./VII.1.	90.4	121.6
Liquid funds at the end of the period[1]	**IV.8./VII.1.**	**91.6**	**90.4**
[1] of which are pledged to a bank as security guaranteed credit lines	V.13.	6.0	3.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

of PNE AG, Cuxhaven, for the 2024 financial year

in euro million (differences due to rounding possible)	**Capital subscribed**	**Capital reserve**	**Treasury shares**	**Profit reserves**	**Foreign exchange reserve**	**Cash flow hedge reserve**	**Retained results**	**Shareholders' equity before non-controlling interests**	**Non-controlling interests**	**Total share-holders' equity**
Status as at 1 January 2023	**76.6**	**83.0**	**-0.7**	**0.1**	**-3.0**	**0.0**	**81.9**	**237.7**	**-5.6**	**232.2**
Consolidated net result	0.0	0.0	0.0	0.0	0.0	0.0	-9.6	-9.6	1.4	-8.2
Cash flow hedge reserve	0.0	0.0	0.0	0.0	0.0	-9.7	0.0	-9.7	0.0	-9.7
Other result	0.0	0.0	0.0	0.0	-0.2	0.0	0.3	0.1	0.0	0.1
Total result 2023	**0.0**	**0.0**	**0.0**	**0.0**	**-0.2**	**-9.7**	**-9.3**	**-19.2**	**1.4**	**-17.8**
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	-6.1	-6.1	0.0	-6.1
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	-0.9	0.8	-0.1
Status as at 31 December 2023	**76.6**	**83.0**	**-0.7**	**0.1**	**-3.2**	**-9.7**	**65.6**	**211.6**	**-3.4**	**208.1**
Status as at 1 January 2024	**76.6**	**83.0**	**-0.7**	**0.1**	**-3.2**	**-9.7**	**65.6**	**211.6**	**-3.4**	**208.1**
Consolidated net result	0.0	0.0	0.0	0.0	0.0	0.0	-13.4	-13.4	0.7	-12.7
Cash flow hedge reserve	0.0	0.0	0.0	0.0	0.0	1.8	0.0	1.8	0.0	1.8
Other result	0.0	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	0.0
Total result 2024	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**1.8**	**-13.5**	**-11.5**	**0.7**	**-10.9**
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	-6.1	-6.1	0.0	-6.1
Sale of treasury shares	0.0	3.3	0.7	0.0	0.0	0.0	-0.4	3.6	0.0	3.6
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0
Status as at 31 December 2024	**76.6**	**86.3**	**0.0**	**0.1**	**-3.0**	**-7.9**	**45.5**	**197.4**	**-2.8**	**194.6**

CONSOLIDATED SCHEDULE OF FIXED ASSETS (IFRS)

of PNE AG, Cuxhaven, for the 2024 financial year

in euro million (differences due to rounding possible)	Acquisition and manufacturing costs							Accumulated amortisation and depreciation						Book values	
	Status as at 01.01.2024	Changes in scope of consoli-dation	Additions	Re-classifi-cations	Disposals	Exchange differences	Status as at 31.12.2024	Status as at 01.01.2024	Changes in scope of consoli-dation	Additions	Disposals	Exchange differences	Status as at 31.12.2024	Status as at 31.12.2024	Status as at 31.12.2023
I. Intangible assets															
1. Franchises, trademarks and similar rights as well as licences to such rights	9.9	-0.0	0.3	0.0	0.0	0.0	10.2	9.5	-0.0	0.1	0.0	0.0	9.6	0.7	0.5
2. Goodwill	148.9	0.0	0.0	0.0	0.0	0.0	148.9	84.5	0.0	0.0	0.0	0.0	84.5	64.4	64.4
	158.8	**-0.0**	**0.3**	**0.0**	**0.0**	**0.0**	**159.2**	**94.0**	**-0.0**	**0.1**	**0.0**	**0.0**	**94.1**	**65.1**	**64.9**
II. Property, plant and equipment															
1. Land and buildings including buildings on third-party land	22.3	0.0	0.1	0.0	0.0	0.0	22.4	9.3	0.0	0.5	0.0	0.0	9.8	12.5	12.9
2. Technical equipment and machinery	470.1	-1.0	96.7	0.1	2.7	0.0	563.1	108.0	-0.8	21.0	1.5	0.0	126.6	436.5	362.1
3. Other equipment, fixtures and furnishings	17.2	-0.1	4.0	0.0	0.3	0.0	20.8	7.7	0.1	2.6	0.2	-0.0	10.2	10.6	9.5
4. Prepayments and plant under construction	13.9	-0.0	20.0	-0.1	0.1	-0.0	33.7	0.0	-0.0	0.0	0.0	0.0	-0.0	33.7	13.9
	523.4	**-1.1**	**120.8**	**0.0**	**3.2**	**0.0**	**640.0**	**125.0**	**-0.8**	**24.0**	**1.7**	**0.0**	**146.6**	**493.4**	**398.4**

in euro million (differences due to rounding possible)	**Acquisition and manufacturing costs**							**Accumulated amortisation and depreciation**						**Book values**	
	Status as at 01.01.2024	**Changes in scope of consoli-dation**	**Additions**	**Re-classifi-cations**	**Disposals**	**Exchange differences**	**Status as at 31.12.2024**	**Status as at 01.01.2024**	**Changes in scope of consoli-dation**	**Additions**	**Disposals**	**Exchange differences**	**Status as at 31.12.2024**	**Status as at 31.12.2024**	**Status as at 31.12.2023**
III. Right-of-use assets															
Right-of-use assets (IFRS 16)	117.8	0.0	2.3	13.2	2.9	0.0	130.4	25.0	0.0	7.3	0.0	0.0	32.2	98.2	92.8
	117.8	**0.0**	**2.3**	**13.2**	**2.9**	**0.0**	**130.4**	**25.0**	**0.0**	**7.3**	**0.0**	**0.0**	**32.2**	**98.2**	**92.8**
IV. Financial assets															
1. Shares in affiliated companies	7.1	0.0	0.7	0.0	0.0	−0.0	7.8	6.7	0.0	0.0	0.0	0.0	6.7	1.1	0.4
2. Shares in associates	2.7	0.0	0.2	0.0	0.8	0.0	2.1	0.3	0.0	0.0	0.0	0.0	0.3	1.8	2.4
3. Shares in participations	0.9	0.0	0.0	0.0	0.0	0.0	0.9	0.1	0.0	0.0	0.0	0.0	0.1	0.8	0.8
4. Other loans	0.2	0.0	0.0	0.0	0.0	−0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
	10.9	**0.0**	**1.0**	**0.0**	**0.8**	**−0.0**	**11.0**	**7.1**	**0.0**	**0.0**	**0.0**	**0.0**	**7.1**	**4.0**	**3.8**
	811.0	**−1.1**	**124.4**	**13.2**	**6.9**	**0.0**	**940.6**	**251.0**	**−0.8**	**31.4**	**1.7**	**0.0**	**280.0**	**660.6**	**559.9**

CONSOLIDATED SCHEDULE OF FIXED ASSETS (IFRS)

of PNE AG, Cuxhaven, for the 2023 financial year

	Acquisition and manufacturing costs							Accumulated amortisation and depreciation					Book values	
in euro million (differences due to rounding possible)	**Status as at 01.01.2023**	**Changes in scope of consolidation**	**Additions**	**Reclassifications**	**Disposals**	**Exchange differences**	**Status as at 31.12.2023**	**Status as at 01.01.2023**	**Additions**	**Disposals**	**Exchange differences**	**Status as at 31.12.2023**	**Status as at 31.12.2023**	**Status as at 31.12.2022**
I. Intangible assets														
1. Franchises, trademarks and similar rights as well as licences to such rights	9.8	0.0	0.2	0.0	0.1	0.0	9.9	9.3	0.2	0.1	0.0	9.5	0.5	0.5
2. Goodwill	148.9	0.0	0.0	0.0	0.0	0.0	148.9	84.5	0.0	0.0	0.0	84.5	64.4	64.4
	158.7	**0.0**	**0.2**	**0.0**	**0.1**	**0.0**	**158.8**	**93.8**	**0.2**	**0.1**	**0.0**	**94.0**	**64.9**	**64.9**
II. Property, plant and equipment														
1. Land and buildings including buildings on third-party land	22.0	0.0	0.3	0.0	0.0	0.0	22.3	8.8	0.5	0.0	0.0	9.3	12.9	13.2
2. Technical equipment and machinery	410.9	0.0	67.3	-6.8[1]	1.3	-0.1	470.1	86.4	22.5	0.9	-0.0	108.0	362.1	324.5
3. Other equipment, fixtures and furnishings	12.1	0.0	7.3	0.0	2.2	-0.0	17.2	6.2	2.2	0.6	-0.0	7.7	9.5	5.9
4. Prepayments and plant under construction	10.2	-0.6	14.0	-8.7	1.0	-0.0	13.9	0.0	0.0	0.0	0.0	0.0	13.9	10.2
	455.3	**-0.6**	**88.9**	**-15.5**	**4.6**	**-0.1**	**523.4**	**101.5**	**25.2**	**1.5**	**-0.0**	**125.0**	**398.4**	**353.8**

in euro million (differences due to rounding possible)	**Acquisition and manufacturing costs**							**Accumulated amortisation and depreciation**					**Book values**	
	Status as at 01.01.2023	**Changes in scope of consolidation**	**Additions**	**Reclassifications**	**Disposals**	**Exchange differences**	**Status as at 31.12.2023**	**Status as at 01.01.2023**	**Additions**	**Disposals**	**Exchange differences**	**Status as at 31.12.2023**	**Status as at 31.12.2023**	**Status as at 31.12.2022**
III. Right-of-use assets														
Right-of-use assets (IFRS 16)	105.5	0.0	6.8	5.5	0.0	0.0	117.8	18.2	6.7	0.0	0.0	25.0	92.8	87.3
	105.5	**0.0**	**6.8**	**5.5**	**0.0**	**0.0**	**117.8**	**18.2**	**6.7**	**0.0**	**0.0**	**25.0**	**92.8**	**87.3**
IV. Financial assets														
1. Shares in affiliated companies	7.1	0.0	0.0	0.0	0.1	0.0	7.1	6.7	0.0	0.0	0.0	6.7	0.4	0.5
2. Shares in associates	0.8	0.0	2.2	0.0	0.2	0.0	2.7	0.3	0.0	0.0	0.0	0.3	2.4	0.5
3. Shares in participations	0.9	0.0	0.0	0.0	0.0	0.0	0.9	0.1	0.0	0.0	0.0	0.1	0.8	0.8
4. Other loans	0.5	−0.2	0.0	0.0	0.0	−0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4
	9.3	**−0.2**	**2.2**	**0.0**	**0.3**	**−0.0**	**10.9**	**7.1**	**0.0**	**0.0**	**0.0**	**7.1**	**3.8**	**2.2**
	728.8	**−0.8**	**98.1**	**−10.0**	**5.0**	**−0.1**	**811.0**	**220.6**	**32.2**	**1.6**	**−0.0**	**251.0**	**559.9**	**508.2**

CONSOLIDATED SEGMENT REPORTING (IFRS)

of PNE AG, Cuxhaven, for the 2024 financial year

	Project development		Power generation		Services		Consolidation		PNE AG Group	
in euro million (differences due to rounding possible)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
External revenues	108.7	26.3	77.6	73.8	24.1	21.4	0.0	0.0	210.4	121.5
Inter-segment revenues	119.0	155.9	3.9	3.7	11.0	8.5	-133.9	-168.1	0.0	0.0
Change in inventories	-2.9	27.9	0.0	0.0	0.0	-0.0	126.4	108.5	123.5	136.4
Other operating income	5.7	7.6	1.4	1.5	1.5	0.9	0.0	0.0	8.6	9.9
Total aggregate output	**230.5**	**217.6**	**83.0**	**79.0**	**36.5**	**30.8**	**-7.4**	**-59.6**	**342.6**	**267.8**
Costs of materials	169.6	140.0	4.5	3.9	8.6	6.9	-11.0	-9.7	171.8	141.1
Personnel expenses	40.3	37.3	3.3	1.8	15.4	12.7	0.0	0.0	59.0	51.8
Other operating expenses	25.7	22.4	17.4	13.1	4.7	4.6	-5.0	-5.0	42.8	35.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**-5.1**	**17.9**	**57.7**	**60.3**	**7.8**	**6.5**	**8.6**	**-44.9**	**69.0**	**39.9**
Depreciation and amortisation	2.8	2.5	26.9	28.2	4.1	3.5	0.0	0.0	33.8	34.2
Operating result	**-7.9**	**15.4**	**30.8**	**32.1**	**3.7**	**3.1**	**8.6**	**-44.9**	**35.1**	**5.7**
Other interest and similar income	20.7	18.2	10.0	10.5	0.5	0.8	-20.7	-17.6	10.6	11.9
Interest and similar expenses	-14.4	-21.5	-52.0	-20.9	-2.1	-1.5	20.7	17.6	-47.9	-26.3
Tax expense and income	7.1	-3.0	-2.5	6.4	0.6	0.7	4.0	-5.0	9.2	-0.9
Investments	2.6	1.3	20.2	8.4	12.6	18.0	0.0	0.0	35.4	27.7
Segment assets	743.2	724.5	1,078.4	945.3	86.3	76.3	-644.1	-644.4	1,263.7	1,101.7
Segment liabilities	580.5	472.3	946.9	836.9	67.6	60.9	-525.8	-476.6	1,069.1	893.6
Segment equity	415.4	252.2	119.0	108.4	18.4	15.3	-358.2	-167.8	194.6	208.1

LIST OF THE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND LIST OF SHAREHOLDINGS

of PNE AG, Cuxhaven, as of 31 December 2024

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
I. List of the companies included in the consolidated financial statements							
1	PNE WIND Betriebsführungs GmbH	Cuxhaven	100.00	100.00	1.1	0[1]	31.12.1998
2	PNE Biomasse GmbH	Cuxhaven	100.00	100.00	0.2	0[1]	23.04.2000
3	PNE WIND Netzprojekt GmbH	Cuxhaven	100.00	100.00	0.9	0[1, 3]	01.01.2002
4	PNE WIND Laubuseschbach GmbH & Co. KG	Cuxhaven	100.00	100.00	0.1	0[1]	29.12.2004
5	PNE WIND Grundstücks GmbH	Cuxhaven	100.00	100.00	0.3	0[1]	01.12.2000
6	PNE WIND Atlantis II GmbH	Cuxhaven	100.00	100.00	–0.0	0[1]	18.06.2013
7	PNE WIND Atlantis III GmbH	Cuxhaven	100.00	100.00	–0.0	0[1]	18.06.2013
8	PNE WIND Verwaltungs GmbH	Cuxhaven	100.00	100.00	0.1	0[1]	21.11.2012
9	energy consult GmbH	Cuxhaven	100.00	100.00	0.3	0[1, 3]	11.12.2013
10	energy consult Prüfgesellschaft GmbH	Husum	100.00	100.00	0.2	0[1, 7]	11.08.2017
11	PNE WIND Park Kührstedt-Alfstedt A GmbH & Co. KG	Husum	100.00	100.00	9.6	1[1]	01.04.2013
12	PNE WIND Park Kührstedt Alfstedt GmbH & Co. KG	Husum	100.00	100.00	5.2	0[1]	31.03.2017
13	PNE WIND Park Schlenzer GmbH & Co. KG	Husum	100.00	100.00	2.0	0[1]	25.04.2018
14	PNE WIND Park Wahlsdorf GmbH & Co. KG	Husum	100.00	100.00	8.9	1[1]	25.04.2018
15	PNE WIND Park XVI GmbH & Co. KG	Husum	100.00	100.00	1.0	0[1]	01.07.2019
16	PNE WIND Park XIX GmbH & Co. KG	Husum	100.00	100.00	6.3	0[1]	01.04.2018

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
17	PNE WIND Park Calau II B GmbH & Co. KG	Cuxhaven	100.00	100.00	−0.0	0[1]	01.04.2013
18	PNE WIND Ausland GmbH	Cuxhaven	100.00	100.00	−104.7	−75[1]	16.11.2007
19	PNE Canada Inc.	New Brunswick, Canada	100.00	100.00	2.7	−2[1]	26.01.2010
20	PNE WIND Yenilenebilir Enerjiler Ltd.	Ankara, Turkey	100.00	100.00	−1.5	−1[1]	08.12.2017
21	PNE WIND Elektrik Üretim Ltd.	Ankara, Turkey	100.00	100.00	−4.6	−1[1]	20.02.2015
22	PNE WIND Bati Rüzgari Elektrik Üretim Ltd.	Ankara, Turkey	100.00	100.00	−1.3	0[1]	16.09.2015
23	PNE WIND Güney Rüzgari Elektrik Üretim Ltd.	Ankara, Turkey	100.00	100.00	−1.2	0[1]	16.09.2015
24	PNE WIND Kuzey Rüzgari Elektrik Üretim Ltd.	Ankara, Turkey	100.00	100.00	−1.2	0[1]	10.10.2016
25	S.C. PNE WIND Romania Energy Holding S.R.L	Bucharest, Romania	100.00	100.00	−2.2	0[1]	10.05.2012
26	PNE WIND Bulgaria EOOD	Sofia, Bulgaria	100.00	100.00	0.0	0[1]	09.11.2010
27	PNE Santa Cruz GmbH	Cuxhaven	100.00	100.00	−3.5	−4[1]	09.08.2018
28	PNE Central America I GmbH	Cuxhaven	100.00	100.00	−1.0	−1[1]	04.07.2018
29	Pure New Energy LATAM S.A.	Panama City, Panama	100.00	100.00	−1.7	0[1]	01.01.2019
30	Santa Cruz Wind S.A.	Panama City, Panama	100.00	100.00	−2.5	−1[1]	01.10.2019
31	Altiplano Power S.A.	Panama City, Panama	100.00	100.00	−0.3	0[1]	01.10.2019
32	Los Pinos Power S.A.	Panama City, Panama	100.00	100.00	−0.3	0[1]	01.10.2019
33	Las Honduras S.A.	Panama City, Panama	100.00	100.00	−0.1	0[1]	01.10.2019
34	Los Manglares Power S.A.	Panama City, Panama	100.00	100.00	−0.1	0[1]	01.10.2019
35	HKW Silbitz GmbH & Co. KG	Silbitz	100.00	100.00	1.4	−1[1]	01.09.2009
36	PNE Erneuerbare Energien GmbH (formerly: WKN GmbH)	Husum	100.00	100.00	62.5	0[1, 3, 8]	04.07.2013
37	WKN Italia s.r.l.	Catania/Sicily, Italy	100.00	100.00	1.2	−3[1]	04.07.2013

	Company	**Registered office**	**Participation previous year (%)**	**Participation (%)**	**Equity (euro million)**	**Net income (euro million)**	**Date of first consolidation**
38	Aero Sol s.r.l	Catania/Sicily, Italy	100.00	100.00	0.0	0[1]	04.07.2013
39	ATS Energia s.r.l.	Torremaggiore/Foggia, Italy	70.00	70.00	0.0	0[1]	04.07.2013
40	WKN France S.A.S.U.	Nantes, France	100.00	100.00	4.6	3[1]	04.07.2013
41	Sevivon Sp. z o.o.	Koszalin, Poland	100.00	100.00	−35.4	−9[1]	04.07.2013
42	WKN Windcurrent SA (Pty) Ltd.	Wilderness, South Africa	80.00	80.00	−0.4	0[1]	04.07.2013
43	NordStrom New Energy GmbH	Husum	100.00	100.00	0.8	0[1, 4]	04.07.2013
44	NordStrom Solar GmbH	Husum	100.00	100.00	0.6	0[1]	04.07.2013
45	BGZ Fondsverwaltung GmbH	Husum	100.00	100.00	0.2	0[1, 4]	04.07.2013
46	Windpark Gerdau-Schwienau GmbH & Co. KG	Cuxhaven	91.03	91.03	−0.1	0[1]	01.10.2016
47	Windpark Pülfringen GmbH & Co. KG	Cuxhaven	100.00	100.00	−2.5	1[1]	01.10.2016
48	PNE WIND West Europe GmbH	Husum	100.00	100.00	11.3	−1[1]	12.06.2017
49	PNE WIND West Europe Verwaltungs GmbH	Husum	100.00	100.00	0.0	0[1]	10.07.2017
50	PNE Power Generation GmbH	Cuxhaven	100.00	100.00	5.8	2[1]	01.01.2019
51	PNE WIND Türkei HoldCo I GmbH	Cuxhaven	100.00	100.00	−2.9	−6[1]	30.05.2017
52	Pavana GmbH	Husum	100.00	100.00	4.7	2[1]	30.09.2017
53	WKN Windpark Kittlitz III GmbH & Co. KG	Husum	100.00	100.00	5.3	2[1]	01.07.2018
54	WKN Wertewind Betriebsgesellschaft mbH	Husum	100.00	100.00	0.1	−1[1]	30.03.2020
55	WKN Wertewind Verwaltungs GmbH	Husum	100.00	100.00	0.0	0[1]	30.03.2020
56	WKN WERTEWIND Windpark Langstedt GmbH & Co. KG	Husum	100.00	100.00	3.3	0[1]	30.03.2020
57	WKN WERTEWIND Windpark Lentföhrden GmbH & Co. KG	Husum	100.00	100.00	2.3	0[1]	30.03.2020
58	WKN Windkraft Nord GmbH & Co. Windpark Kleinbüllesheim KG	Husum	100.00	100.00	1.5	0[1]	30.03.2020
59	PNE WIND Park XVIII GmbH & Co. KG	Cuxhaven	100.00	100.00	−0.0	0[1]	30.03.2020
60	PNE WIND Park XVII GmbH & Co. KG	Husum	100.00	100.00	7.7	−1[1]	31.08.2020
61	SAS Parc Eolien d'Ermenonville de la Grande	Nantes, France	100.00	100.00	0.0	11[1]	30.09.2020
62	Sachsenkraft Plus GmbH	Dresden	50.50	50.50	0.2	0[1]	20.11.2020
63	WKN Windpark Zahrenholz GmbH und Co. KG	Husum	100.00	100.00	7.5	0[1]	01.12.2020

Company		Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
64	PNE WIND Park XXIV GmbH & Co. KG	Husum	100.00	100.00	6.8	0[1]	01.04.2021
65	PNE WIND Park XXV GmbH & Co. KG	Cuxhaven	100.00	100.00	7.0	0[1]	01.07.2021
66	PNE WIND Park XXVII GmbH & Co. KG	Husum	100.00	100.00	6.6	0[1]	01.07.2021
67	PNE WIND Park XXIX GmbH & Co. KG	Cuxhaven	100.00	100.00	2.1	0[1]	01.04.2021
68	WKN WERTEWIND Windpark Gnutz Eins GmbH Co. KG	Husum	100.00	100.00	1.8	0[1]	01.04.2021
69	WKN WERTEWIND Windpark Holstentor GmbH Co. KG	Husum	100.00	100.00	3.3	−1[1]	01.01.2021
70	Energy Consult Polska Sp.z.o.o.	Koszalin, Poland	100.00	100.00	0.5	0[1]	01.07.2021
71	Energy Consult Sverige AB	Malmo, Sweden	100.00	100.00	0.0	0[1]	01.07.2021
72	PNE RO PV Holding S.R.L.	Bucharest, Romania	80.00	80.00	12.7	2[1]	30.09.2021
73	PNE Portfolio 2 GmbH	Husum	100.00	100.00	39.8	−1[1]	14.10.2021
74	PNE Portfolio 2 Verwaltungs GmbH	Husum	100.00	100.00	0.0	0[1]	15.11.2021
75	WKN Windkraft Nord GmbH & Co. Windpark Hamwarde KG	Husum	100.00	100.00	3.8	−1[1]	01.12.2021
76	Pavana Polska Sp.z o.o.	Koszalin, Poland	100.00	100.00	0.6	0[1]	01.04.2022
77	PNE WIND Park XXVIII GmbH & Co. KG	Cuxhaven	100.00	100.00	9.1	−1[1]	01.04.2022
78	PNE WIND Park XXXI GmbH & Co. KG	Cuxhaven	100.00	100.00	−0.3	0[1]	01.04.2022
79	Coliaenergia ESPAÑA, S.L.	Albacete, Spain	51.00	51.00	1.3	1[1]	01.07.2022
80	Garmo Renovables 2020 IV, S.L.	Albacete, Spain	100.00	100.00	1.1	0[1]	01.07.2022
81	Garmo Renovables 2020 V, S.L.	Albacete, Spain	100.00	100.00	0.4	0[1]	01.07.2022
82	Garmo Renovables 2020 I, S.L.	Albacete, Spain	51.00	51.00	−0.0	0[1]	01.07.2022
83	Garmo Renovables 2020 III, S.L.	Albacete, Spain	50.00	50.00	0.0	0[1]	01.07.2022
84	PNE WIND Park XXII GmbH & Co. KG	Cuxhaven	100.00	100.00	−0.4	0[1]	01.07.2022
85	WKN WERTEWIND WP Heidmoor GmbH & Co. KG	Husum	100.00	100.00	12.6	−1[1]	01.10.2022
86	PNE WIND Park XXI GmbH & Co. KG	Cuxhaven	100.00	100.00	−0.0	0[1]	01.01.2023
87	PNE WIND Park XXIII GmbH & Co. KG	Cuxhaven	100.00	100.00	−0.0	0[1]	01.01.2023
88	PNE Windpark Großer Mittelberg GmbH & Co. KG	Cuxhaven	100.00	100.00	0.0	0[1]	01.01.2023
89	PNE Offshore Lettland GmbH	Cuxhaven	100.00	100.00	0.6	0[1]	28.02.2023
90	WKN Windpark Stuvenborn GmbH & Co. KG	Husum	100.00	100.00	4.1	0[1]	01.01.2023

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
91	WKN Windkraft Nord GmbH & Co. Windpark Bebensee KG	Husum	100.00	100.00	–0.0	0[1]	01.01.2023
92	WKN WERTEWIND Windpark Gnutz Zwei GmbH & Co. KG	Husum	100.00	100.00	8.7	0[1]	01.01.2023
93	WKN Windpark Neu Benthen GmbH & Co. KG	Husum	100.00	100.00	0.0	0[1]	01.01.2023
94	PNE Windpark Sundern-Allendorf GmbH & Co. KG	Cuxhaven	100.00	100.00	–0.0	0[1]	01.07.2023
95	WKN Ausland GmbH	Husum	100.00	100.00	0.3	0[1]	01.07.2023
96	PNE Offshore Vietnam Eins GmbH	Cuxhaven	100.00	100.00	0.1	0[1]	04.07.2023
97	Energy consult France SAS	Nantes, France	100.00	100.00	0.1	0[1]	31.12.2023
98	PARC EOLIEN DE SAINT-AUBIN-DU-PLAIN S.A.S.U.	Nantes, France	100.00	100.00	–0.3	0[1]	01.07.2023
99	WKN WERTEWIND Windpark Gnutz Drei GmbH & Co. KG	Husum	100.00	100.00	7.6	0[5]	01.04.2024
100	WKN Windpark Gebstedt GmbH & Co. KG	Husum	100.00	100.00	0.0	0[5]	01.07.2024
101	SEVIVON Renewables 1 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
102	SEVIVON Renewables 2 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
103	SEVIVON Renewables 3 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
104	Res Project 7 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
105	Res Project 12 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
106	Res Project 16 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
107	Res Project 17 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
108	Res Project 18 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
109	Res Project 22 Sp.z o.o.	Koszalin, Poland	100.00	100.00	–0.0	0[5]	01.10.2024
110	Solar PV 1 S.r.l.	Milan, Italy	100.00	100.00	0.0	0[5]	01.10.2024
111	Solar PV 15 S.r.l.	Milan, Italy	100.00	100.00	0.0	0[5]	01.10.2024
112	Solar PV 16 S.r.l.	Milan, Italy	100.00	100.00	0.0	0[5]	01.10.2024
113	Solar PV 20 S.r.l.	Milan, Italy	100.00	100.00	0.0	0[5]	01.10.2024
114	PARC EOLIEN DES CHAUMES CARREES S.A.S.U.	Nantes, France	100.00	100.00	–0.5	0[5]	01.10.2024
115	WKN Windpark Zinndorf III GmbH & Co. KG	Husum	100.00	100.00	0.0	0[5]	01.04.2024

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
II. List of joint ventures and associated companies included in the consolidated financial statements							
1	PNE WIND Infrastruktur Calau II GmbH	Cuxhaven	25.00	25.00	0.0	0[1]	01.04.2013
2	PNE WIND Park III GmbH & Co. KG	Cuxhaven	25.00	25.00	0.0	0[1]	01.04.2013
3	Windpark Altenbruch GmbH	Cuxhaven	50.00	50.00	1.0	0[1]	01.10.2016
4	Kurzeme Offshore. SIA	Marupe, Latvia	50.00	50.00	0.0	0[2]	06.01.2023
5	Bitbloom Ltd	Bristol, England	51.00	51.00	−1.2	−1[2]	14.07.2023
III. Non-consolidated companies due to minor significance							
1	Alderson Renewable Energy Corporation	Alberta, Canada	100.00	100.00	k.A.	k.A.[5]	
2	Walker Creek Wind, LLC	Saskatoon, Canada	100.00	100.00	k.A.	k.A.[5]	
3	STEAG ve PNE WIND Rüzgar Enerjisi Üretim A.S.	Ankara, Turkey	50.00	50.00	k.A.	k.A.[5]	
4	PNE Hon Trau Mot, LLC	Binh Dinh, Vietnam	100.00	100.00	k.A.	k.A.[5]	
5	PNE RO Solar 3 SRL	Bucharest, Romania	100.00	100.00	k.A.	k.A.[5]	
6	PNE RO STAR ENERGY 14 S.R.L.	Bucharest, Romania	80.00	80.00	k.A.	k.A.[5]	
7	PNE RO Sunrise 4 SRL	Bucharest, Romania	100.00	100.00	k.A.	k.A.[5]	
8	PNE RO SUNLIGHT 6 SRL	Bucharest, Romania	100.00	100.00	k.A.	k.A.[5]	
9	PNE RO SUNLAND 8 SRL	Bucharest, Romania	100.00	100.00	k.A.	k.A.[5]	
10	PNE RO SUNSPOT 9 SRL	Bucharest, Romania	100.00	100.00	k.A.	k.A.[5]	
11	PNE RO Sun POWER 11 SRL	Bucharest, Romania	100.00	100.00	k.A.	k.A.[5]	
12	PNE RO SUN VALLEY 15 S.R.L.	Bucharest, Romania	80.00	80.00	k.A.	k.A.[5]	
13	PNE RO SUNSHINE 16 S.R.L.	Bucharest, Romania	80.00	80.00	k.A.	k.A.[5]	
14	PNE RO SOLARCITY 17 S.R.L.	Bucharest, Romania	80.00	80.00	k.A.	k.A.[5]	
15	PNE RO MEGA POWER 18 S.R.L.	Bucharest, Romania	80.00	80.00	k.A.	k.A.[5]	
16	PNE RO GREEN ENERGY 26 S.R.L	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
17	PNE RO PV Holding SRL	Bucharest, Romania	80.00	80.00	k.A.	k.A.[5]	
18	PNE RO SOLAR SYSTEM 24 S.R.L.	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
19	PNE RO SOLAR ZONE 22 S.R.L	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
20	PNE RO SUN PARK 23 S.R.L.	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
21	PNE RO SUNNY FIELDS 25 SRL	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
22	PNE RO Solaris 20	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
23	PNE RO Solartech 19 SRL	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
24	PNE RO Sungold 21 SRL	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
25	Northland Power Mihai Viteazu S.R.L. (formerly S.C. PNE WIND MVI SRL)	Bucharest, Romania	80.00	100.00	k.A.	k.A.[5]	
26	Black Diamond Renewable Energy Corporation	Calgary/Alberta, Canada	100.00	100.00	k.A.	k.A.[5]	
27	WKN PE Piombino s.r.l.	Catania/Sicily, Italy	74.90	74.90	k.A.	k.A.[5]	
28	WKN PE Polidon s.r.l.	Catania/Sicily, Italy	100.00	100.00	k.A.	k.A.[5]	
29	POCRI Energy S.A.	Ciudad de Panama, Panama	100.00	100.00	k.A.	k.A.[5]	
30	ANTÓN Energy S.A.	Ciudad de Panama, Panama	100.00	100.00	k.A.	k.A.[5]	
31	EL COCO Energy S.A.	Ciudad de Panama, Panama	100.00	100.00	k.A.	k.A.[5]	
32	EL ENCANTO Energy S.A.	Ciudad de Panama, Panama	100.00	100.00	k.A.	k.A.[5]	
33	PNE WIND Park Nordleda B GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
34	PNE WIND Park XIV GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
35	PNE WIND Park XV GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
36	PNE WIND Park XX GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
37	PNE Windpark Gardelegen Repowering GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
38	PNE Windpark Herzhausen GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
39	PNE Windpark Schellin Repowering I GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
40	PNE Windpark Seelow-Repowering GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
41	PNE Windpark Odensachsen GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
42	PNE Windpark Welsche Lied GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
43	PNE Windpark Mümling-Grumbach GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
44	PNE Solar Park I GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
45	PNE Solar Park II GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
46	PNE Solar Park III GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
47	PNE Windpark Kemberg IV GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
48	PNE Windpark Schenklengsfeld III GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
49	PNE Windpark Sontra II GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
50	PNE Windpark Bosseborn GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
51	PNE Windpark Holzthaleben II GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
52	PNE Windpark Kuhstedt III GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
53	PNE Windpark Helenenberg Repowering I GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
54	PNE Windpark Alt Golm GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
55	PNE Windpark Am Heilborn GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
56	PNE Windpark Balver Wald GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
57	PNE Windpark Erxleben-Repowering GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
58	PNE Windpark Hassendorf- Repowering GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
59	PNE Windpark Mangelsdorf-Repowering GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
60	PNE PV Niederkrüchten GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
61	PNE PV Sievern GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
62	PNE New Energy Offshore Vietnam, LLC	Ho Chi Minh City, Vietnam	100.00	100.00	k.A.	k.A.[5]	
63	WKN Turkey GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
64	WKN Windkraft Nord Beteiligungs-GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
65	Windpark Meerhof Verwaltungsgesellschaft mbH	Husum	100.00	100.00	k.A.	k.A.[5]	
66	Zukunftsenergien Beteiligungs-GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
67	WKN Windkraft Nord GmbH & Co. Windpark Immenrode KG	Husum	100.00	100.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
68	WKN Windkraft Nord GmbH & Co. Windpark Weinstraße II KG	Husum	100.00	100.00	k.A.	k.A.[5]	
69	WKN Windpark Beerfelde GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
70	WKN Windpark Zinndorf II GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
71	WKN Windpark Großenehrich GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
72	WKN Windpark Cornberg GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
73	WKN Windpark Karstädt IV GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
74	WKN Windpark Parum Dümmer GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
75	WKN WERTEWIND Windpark Gresse GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
76	WKN Windpark Woltersdorf II GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
77	NordStrom Beteiligungsgesellschaft mbH	Husum	100.00	100.00	k.A.	k.A.[5]	
78	REE GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
79	GREENWIND GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
80	Innovative Wind Concepts GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
81	WKN Portfoliomanagement I GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
82	PNE Portfolio 3 GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
83	PNE Portfolio 3 Verwaltungs GmbH	Husum	100.00	100.00	k.A.	k.A.[5]	
84	WKN Windpark Gerdshagen II GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
85	WKN Windpark Wulfsdorf A GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
86	WKN Windpark Wulfsdorf B GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
87	WKN Windpark Zinndorf IV GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
88	PNE Windpark WP Holzhäuser Berg GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
89	PNE Windpark WP Schlalach GmbH & Co. KG	Cuxhaven	100.00	100.00	k.A.	k.A.[5]	
90	Holzheizkraftwerk Silbitz GmbH & Co. KG	Silbitz	100.00	100.00	k.A.	k.A.[5]	
91	WKN Windpark Gerdshagen II GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
92	WKN Windpark Gresse GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A.[5]	
93	Windfarm Polska IV Sp. z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
94	Windfarm Polska V Sp. z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
95	Windfarm Zomar Sp. z o.o.	Koszalin, Poland	74.00	74.00	k.A.	k.A.[5]	
96	SEVIVON Renewables 4 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
97	SEVIVON Renewables 7 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
98	SEVIVON Renewables 8 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
99	SEVIVON Renewables 9 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
100	SEVIVON Renewables 10 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
101	PV Krzecin Sp. zo.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
102	Sevivon Windpark 3 Sp.z o.o	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
103	Sevivon Windpark 4 Sp.z o.o	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
104	Res Project 1 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
105	Res Project 2 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
106	Res Project 3 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
107	Res Project 4 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
108	Res Project 5 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
109	Res Project 6 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
110	Res Project 8 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
111	Res Project 9 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
112	Res Project 10 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
113	Res Project 11 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
114	Res Project 13 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
115	Res Project 14 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
116	Res Project 15 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
117	Res Project 19 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
118	Res Project 20 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
119	Res Project 21 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
120	Res Project 23 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
121	Res Project 24 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	

Company		Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
122	Res Project 25 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
123	Res Project 26 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
124	Res Project 27 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
125	Res Project 28 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
126	Res Project 29 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
127	Res Project 30 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
128	Res Project 31 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
129	Res Project 32 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
130	Res Project 33 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
131	Res Project 34 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
132	Res Project 35 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
133	Res Project 36 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
134	Res Project 37 Sp.z o.o.	Koszalin, Poland	100.00	100.00	k.A.	k.A.[5]	
135	Solar PV 5 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
136	Solar PV 6 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
137	Solar PV 7 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
138	Solar PV 8 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
139	WKN PE Polidon s.r.l. (i.L)	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
140	WKN PE Piombino s.r.l. (i.L)	Milan, Italy	74.90	74.90	k.A.	k.A.[5]	
141	Solar PV 9 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
142	Solar PV 17 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
143	Solar PV 18 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
144	Solar PV 19 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
145	Solar PV 21 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
146	Solar PV 22 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
147	Solar PV 23 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
148	Solar PV 24 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	

Company		Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
149	Solar PV 25 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
150	Solar PV 26 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
151	Solar PV 27 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
152	Solar PV 28 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
153	Solar PV 29 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
154	Solar PV 30 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
155	Solar PV 31 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
156	Solar PV 32 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
157	Solar PV 33 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
158	Solar PV 34 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
159	Solar PV 35 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
160	Solar PV 36 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
161	Solar PV 37 S.r.l.	Milan, Italy	100.00	100.00	k.A.	k.A.[5]	
162	Solar PV 38 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
163	Solar PV 39 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
164	Solar PV 40 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
165	Solar PV 41 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
166	Solar PV 42 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
167	Solar PV 43 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
168	Solar PV 44 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
169	Solar PV 45 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
170	Solar PV 46 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
171	Solar PV 47 S.r.l.	Milan, Italien	100.00	100.00	k.A.	k.A.[5]	
172	SAS la Haie Perron	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
173	SAS Parc Eolien de La Fosse Descroix	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
174	SAS Parc Eolien de Pierre-Morains	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
175	SAS Parc Eolien de Vill´Aire	Nantes, France	100.00	100.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
176	SAS Parc Eolien des Hauts Poiriers	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
177	Parc Eolien de Monts de Châlus S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
178	SAS Parc Eolien de la Cote des Moulins	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
179	SAS Parc Eolin de la Coutanciere	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
180	AIRE PARC S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
181	PARC EOLIEN DE CHABROL S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
182	PARC EOLIEN DE LA VALLEE BLEUE S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
183	PARC EOLIEN DE L'ARGONNE MEUSIENNE S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
184	PARC EOLIEN DE SAINT PALAIS S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
185	Parc solaire d'Usseau S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
186	Parc Eolien des Grenouillettes S.A.S.U.	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
187	Parc Eolien de la Vève SAS	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
188	Parc Solaire de Trotte Baril	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
189	Parc Solaire de Faverolles	Nantes, France	100.00	100.00	k.A.	k.A.[5]	
190	Pilger Wind Farm Inc.	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
191	Climax Wind Farm Inc.	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
192	Watson Wind Farm Inc.	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
193	Wadena Wind Farm Inc.	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
194	Eston Wind Farm Inc.	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
195	Whiska Wind Farm Inc.	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
196	Buffalo Gap Renewable Energy Corporation	New Brunswick, Canada	100.00	100.00	k.A.	k.A.[5]	
197	Netzanschluss Genthin GbR	Nielebock	52.00	52.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
198	ATS Energia PE Valle s.r.l.	Torremaggiore/Foggia, Italy	52.00	52.00	k.A.	k.A.[5]	
199	Banna Ba Pifhu Wind Farm (Pty) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
200	Highlands North Wind Energy Facility (RF) (PTY) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
201	Highlands South Wind Energy Facility (RF) (PTY) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
202	Highlands Central Wind Energy Facility (RF) (PTY) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
203	Paulputs Wind Energy Facility South (RF) (Pty) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
204	Paulputs Wind Energy Facility North (RF) (Pty) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
205	Soutrivier Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
206	Kwezi Solar PV (RF) Pty Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
207	Canopus Wind Energy Facility (RF) (PTY) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
208	Doringbaai Wind Energy Facility (RF) (Pty) Ltd)	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
209	Bonsmara Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
210	Lengana Solar PV (RF) (PTY) Ltd.	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
211	Brandberg Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
212	Khauta West Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
213	Taaibos North Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
214	Khauta e Nyane Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
215	Soutrivier Central Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
216	Khauta North Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
217	Soutrivier South Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
218	Soutrivier North Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
219	Taaibos South Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
220	Khauta South Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
221	Kabbo Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
222	Seelo Alpha Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
223	Seelo Beta Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
224	Seelo Charlie Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
225	Phadima Solar PV (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	

	Company	Registered office	Participation previous year (%)	Participation (%)	Equity (euro million)	Net income (euro million)	Date of first consolidation
226	Ukhanda Wind Energy Facility (RF) (Pty) Ltd	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
227	Highveld Solar PV (RF) PTY) LTD	Wilderness, South Africa	100.00	100.00	k.A.	k.A.[5]	
228	Coronach Renewable Energy Inc.	Saskatchewan, Canada	100.00	100.00	k.A.	k.A.[5]	
IV. Non-consolidated associated companies due to minor significance							
1	Windpark Köhlen GmbH	Oldenburg	50.00	50.00	1.3	0[2]	
2	Elbe-Weser-Windkraft GmbH	Cuxhaven	50.00	50.00	−0.0	0[2]	
3	EVN Energieversorgung Nord GmbH & Co. KG	Husum	50.00	50.00	k. A.	k.A.[5]	
4	Windpark Gebstedt GmbH & Co. KG	Husum	50.00	50.00	k. A.	k.A.[5]	
5	Quantec Operations energy consult GmbH	Husum	40.00	40.00	0.2	0[2]	
6	MERMA ALMODOVAR S.L.	Albacete, Spain	33.33	33.33	k.A.	k.A.[5]	
7	POMERGY Sp.z o.o.	Koszalin, Poland	0.00	50.00	k.A.	k.A.[5]	
8	POMWIND 1 Sp.z o.o	Koszalin, Poland	0.00	50.00	k.A.	k.A.[5]	

1 per the financial statements as at 31 December 2024
2 per the provisional financial statements as at 31 December 2024
3 after profit transfer to PNE AG
4 after profit transfer to PNE Erneuerbare Energien GmbH
5 operating activities not yet started
6 per the financial statements as at 31 December 2023
7 after profit transfer to Energy Consult GmbH
8 PNE Erneuerbare Energien GmbH, Husum, is exempt pursuant to Section 264b HGB from its obligation to prepare, have audited and disclose annual financial statements and a management report in accordance with the provisions applicable to corporations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of PNE AG, Cuxhaven, for the 2024 financial year

I. COMMERCIAL REGISTER AND OBJECT OF THE COMPANY

PNE AG (hereinafter also referred to as the "Company") has its registered office at Peter-Henlein-Straße 2-4, Cuxhaven, Germany. The Company is entered under number HRB 110360 in the commercial register at the District Court of Tostedt. The financial year is the calendar year.

During the year under review, the business activities of the Company consisted primarily of the planning, construction and operation of wind farms and transformer stations for power generation, the development of PV power plants and the servicing of wind turbines, as well as other services related to renewable energy projects.

II. GENERAL ACCOUNTING PRINCIPLES

1. Going concern

Accounting is carried out on a going concern basis. The combined management and Group management report specify the risks that might endanger the continued existence of the Company.

2. Consolidated financial statements

The consolidated financial statements of PNE AG are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied in the European Union. New standards adopted by the IASB are in principle applied as from the time of their becoming effective, as they are to be taken into consideration in the EU.

These consolidated financial statements are prepared in EUR (euro) unless otherwise stated and, generally, are rounded to EUR million (euro million). Due to this rounding, it is possible that individual figures will not add up exactly to the stated sum in the presentations in these IFRS consolidated financial statements.

The consolidated financial statements correspond to the requirements of Section 315e para. 1 of the German Commercial Code (HGB).

The consolidated financial statements are based on uniform accounting and valuation principles. The consolidated financial statements were prepared on the basis of historical cost of acquisition or production. This does not include individual financial instruments that were valued at their fair value on the balance sheet date.

The consolidated financial statements and the combined management and Group management report, prepared by the Board of Management as of 31 December 2024, were approved at the meeting of the Board of Management on 6 March 2025 for submission to the Supervisory Board.

The consolidated financial statements as of 31 December 2024 are filed with the operator of the Federal Gazette (Bundesanzeiger).

Like last year, Photon Management GmbH, Frankfurt am Main, is the parent company of PNE AG due to its majority presence at the Annual General Meeting. The ultimate controlling company is Morgan Stanley, Delaware, USA, same as last year.

During the 2024 financial year, the Group applied the following amendments to IFRS standards for the first time. Unless indicated otherwise below the table, this has not resulted in any effect on the consolidated financial statements.

Standard/Interpretation	**Date of EU endorsement**	**Application obligation in the EU**
Amendments to IAS 1: Presentation of Financial Statements – Non-current liabilities with ancillary conditions and categorisation of liabilities as current or non-current	19 December 2023	1 January 2024
Amendments to IFRS 16: Leases – Lease liabilities from sale and leaseback transactions	20 November 2023	1 January 2024
Amendments to IAS 7: Cash Flow Statement, and IFRS 7: Financial Assets: Details – Supplier Funding Agreements	15 May 2024	1 January 2024

In the 2024 financial year, the following new or amended accounting standards, which have already been adopted by the IASB, but some of them not yet endorsed by the EU, were not taken into account, since there was no obligation to apply them:

Standard/Interpretation	**Date of EU endorsement**	**(expected) Application obligation in the EU**
Amendments to IAS 21: Effects of Exchange Rate Changes – Lack of exchangeability	12 November 2024	1 January 2025
Amendments to IFRS 9: Financial instruments and IFRS 7: Financial Assets: Disclosures – Classification and measurement of financial instruments	Not yet endorsed	1 January 2026
Annual Improvements Volume 11 – Clarifications to IFRS Standards IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Not yet endorsed	1 January 2026
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity/Contracts Referencing Nature-dependent Electricity	Not yet endorsed	1 January 2026
Sale or Contribution of Assets between an Investor and an Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Not yet endorsed	Not yet decided
IFRS 18: Presentation and Disclosures in the Financial Statements	Not yet endorsed	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	Not yet endorsed	1 January 2027

The application obligation in the EU shows the date on which the new accounting regulation is expected to be taken into account at PNE AG for the first time. No new standard, no new interpretation or amendment to a standard was applied early in 2024.

We do not include any further details regarding new or amended standards or interpretations, since the effects of their initial application on the asset, financial and earnings situation of the Group are expected to be insignificant.

III. PRINCIPLES OF CONSOLIDATION

1. Scope of consolidation

All companies over which the Group parent company exercises control are included in the consolidated financial statements on the basis of full consolidation. Control of an investment company is achieved when an investor is exposed or has rights to fluctuating returns from its investment in the investment company and has the ability to influence those returns through its control of the investment company. The scope of consolidation also includes wind and solar farm operating companies that are controlled by the parent company or its affiliated companies on the basis of these criteria.

During the reporting period, the following companies were included for the first time in the consolidated financial statements (in brackets: date of first consolidation, percentage holding and segment category):

1. WKN Windpark Lütau GmbH & Co. KG, Husum (100%), (first consolidation on 1 January 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

2. WKN Windpark Zinndorf III GmbH & Co. KG, Husum (100%), (first consolidation on 1 April 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

3. WKN WERTEWIND Windpark Gnutz Drei GmbH & Co. KG, Husum (100%), (first consolidation on 1 April 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

4. WKN WERTEWIND Windpark Gebstedt GmbH & Co. KG, Husum (100%), (first consolidation on 1 July 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

5. Parc Eolien des Chaumes Carrees S.A.S.U., Nantes, France (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

6. Sevivon Renewables 1 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

7. Sevivon Renewables 2 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

8. Sevivon Renewables 3 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

9. Res Project 7 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

10. Res Project 12 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

11. Res Project 16 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

12. Res Project 17 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

13. Res Project 18 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

14. Res Project 22 Sp.z.o.o., Koszalin, Poland (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

15. Solar PV 1 S.r.L., Milan, Italy (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

16. Solar PV 15 S.r.L., Milan, Italy (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

17. Solar PV 16 S.r.L., Milan, Italy (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

18. Solar PV 20 S.r.L., Milan, Italy (100%), (first consolidation on 1 October 2024), power generation segment (reclassified from "non-consolidated companies due to minor significance"),

The object of companies 1 to 18 is the construction and operation of wind farms and PV power plants in the form of wind farms and photovoltaic farms and the sale of electricity.

The reclassification of subsidiaries from "non-consolidated companies due to minor significance" to full consolidation is generally made as soon as it is clear that the business activity or the project planning/implementation phase will begin in the near future.

The book values and fair values of the identifiable assets and liabilities of the companies were insignificant for the asset, financial and earnings position on the date of first-time consolidation.

In the reporting period, the following companies included in the Group were merged into consolidated companies:

1. MEB Safety Services GmbH, Bremen (100%), previously the services segment,

2. PNE Erneuerbare Energien Offshore I GmbH, Cuxhaven (100%), previously the project development segment,

3. PNE Offshore Ausland GmbH, Cuxhaven (100%), previously project development segment,

4. WKN Wertewind Bürgerbeteiligungsgesellschaft mbH, Husum (100%), previously project development segment,

5. WKN Wertewind Bürgerprojekt GmbH, Husum (100%), previously project development segment,

6. WKN Wertewind GmbH, Husum (100%), previously project development segment.

Company no. 1 has been merged into energy consult GmbH, and no. 2 and no. 3 into the parent company, PNE AG. Companies no. 4 and no. 5 have been merged into WKN Wertewind GmbH.

Company no. 6 has been merged into its parent company, PNE Erneuerbare Energien GmbH (formerly: WKN GmbH), Husum.

The mergers had no impact on the consolidated financial statements.

Accordingly, apart from PNE AG, the scope of consolidation as of 31 December 2024 comprised the other companies presented in the chapter "List of the companies included in the consolidated financial statements and list of shareholdings" under no. I. "List of the companies included in the consolidated financial statements" and under no. II. "List of joint ventures and associated companies included in the consolidated financial statements".

Companies that were not included in the scope of consolidation as of 31 December 2024 are shown in the chapter "List of the companies included in the consolidated financial statements and list of shareholdings" under no. III. "Non-consolidated companies due to minor significance" and under no. IV. "Non-consolidated associated companies due to minor significance".

2. Disposals of shares

In the reporting period, the following companies and/or shares in the Company were sold:

1. 100% of the shares in PNE USA Inc., Chicago (USA) (discontinued from the project development segment),
2. 100% of the shares in PNE Development LLC, Chicago (USA) (discontinued from the project development segment),
3. 100% of the shares in Chilocco WIND FARM LLC, Chicago (USA) (discontinued from the project development segment),
4. 100% of the shares in PNE Solar USA LCC, Chicago (USA) (discontinued from the project development segment),
5. 100% of the shares in Gladstone New Energy LLC, New Mexico (USA) (discontinued from the project development segment),
6. 100% of the shares in WKN Sallachy Ltd., Glasgow (UK) (discontinued from the project development segment),
7. 100% of the shares in PNE Sverige AB, Malmö (Sweden) (discontinued from the project development segment),
8. 80% of the shares in VKS Vindkraft Sverige AB, Motola (Sweden) (discontinued from the project development segment),
9. 100% of the shares in PNE Windpark Papenrode Repowering GmbH & Co. KG, Cuxhaven (disposal from the power generation segment),
10. 100% of the shares in WKN Windpark Lütau GmbH & Co. KG, Husum (disposal from the power generation segment).

in euro million	**USA (Package sales)**	**Sallachy**	**Papenrode**	**Lütau**	**Sweden (Package sales)**
1. Total consideration[1]	**8.3**	**3.6**	**2.1**	**5.9**	**5.0**
2. Assets and liabilities disposed of[1]					
Short-term assets	5.7	5.1	93.1	38.6	0.6
Long-term assets	0.0	0.0	0.0	0.0	0.0
Short-term liabilities	−1.0	−7.3	−142.1	−43.3	−0.2
Long-term liabilities	0.0	0.0	0.0	0.0	0.0
Net assets sold[1]	**4.7**	**−2.2**	**−49.0**	**−4.7**	**0.4**
3. Capital gain/loss[1]					
Consideration	8.3	3.6	2.1	5.9	5.0
Discontinued net assets	−4.7	2.2	49.0	4.7	−0.4
Capital gain/loss[1]	**3.6**	**5.8**	**51.1**	**10.6**	**4.6**
4. Net cash flow[1]					
Sales price settled by means of payment[1]	2.5	0.0	2.1	0.0	0.0
Less cash surrendered with the sale	−0.3	−0.2	−12.6	−0.3	−0.2
Net cash flow from the disposal[1]	**2.2**	**−0.2**	**−10.5**	**−0.3**	**−0.2**

1 Including repayment of Group loans and other receivables in the Group. Capital gains from the sale of project companies in the amount of EUR 69.6 million are recognised in sales.

The sales price for companies nos. 1–5 (USA package sale) less sales costs for 100% of the shares in the companies listed amounted to EUR 2.5 million plus possible milestone payments, which could have an impact on liquidity and earnings in the mid double-digit million euro range if contractually defined project development statuses of individual wind and photovoltaic projects in the pipelines are reached.

Due to the deconsolidation of companies Nos. 1–5, assets totalling approx. EUR 5.7 million as well as liabilities and provisions of approx. EUR 1.0 million were eliminated at the Group level. The deconsolidation resulted in a deconsolidation gain of around EUR 3.6 million. The counterpayment received in 2024 for the sale of the companies amounted to approx. EUR 2.5 million. The possible contractual milestone payments can be achieved over the next 5 years from 2024. The companies' funds eliminated from the accounts as a result of the transaction amounted to approx. EUR 0.3 million. The proceeds from the sale of the US business are included in the Group.

The sales price for company no. 6 (Sallachy) less sales costs for 100% of the shares in the company listed plus reimbursement of loans amounted to EUR 0.0 million plus possible milestone payments, which could have an impact on liquidity and earnings in the mid single-digit million euro range if contractually defined project development statuses of the wind project are reached.

Due to the deconsolidation of company no. 6, assets totalling approx. EUR 5.1 million as well as liabilities and provisions of approx. EUR 7.3 million were eliminated at the Group level. The deconsolidation resulted in a deconsolidation gain of around EUR 5.8 million. The counterpayment in 2024 for the sale of the company plus reimbursement of loans amounted to approx. EUR 5.4 million. The possible contractual payments can be reached in 2025. The company's funds eliminated from the accounts as a result of the transaction amounted to approx. EUR 0.2 million. The proceeds from the sale of the Sallachy company are included in the Group.

The sales price for companies nos. 7-8 (Sweden package sale) less sales costs for 100% of the shares in the companies listed amounted to EUR 5.0 million, which could have an impact on liquidity in the mid-single-digit million euro range at the start of 2025.

Due to the deconsolidation of companies nos. 7-8, assets totalling approx. EUR 0.6 million as well as liabilities and provisions of approx. EUR 0.2 million were eliminated at the Group level. The deconsolidation resulted in a deconsolidation gain of around EUR 4.6 million. The consideration for the sale of the companies amounts to around EUR 5.0 million and is due at the beginning of 2025. The companies' funds eliminated from the accounts as a result of the transaction amounted to approx. EUR 0.2 million. The proceeds from the sale of the business in Sweden are included in the Group.

The sales price for company no. 9 (Papenrode) less sales costs for 100% of the shares in the company listed plus reimbursement of loans amounted to EUR 31.0 million plus further payments relating to project implementation, which have an impact on liquidity and earnings in the double-digit million euro range if contractually defined implementation times of the wind project are reached.

Due to the deconsolidation of company no. 9, assets totalling approx. EUR 93.1 million as well as liabilities and provisions of approx. EUR 142.1 million were eliminated at the Group level. The deconsolidation resulted in a deconsolidation gain of around EUR 49.0 million. The counterpayment in 2024 for the sale of the company plus reimbursement of loans amounted to approx. EUR 31.0 million. The Company's funds eliminated from the balance sheet as a result of the transaction amounted to approx. EUR 12.6 million. The proceeds from the sale of the project are included in the Group.

The sales price for company no. 10 (Lütau) less sales costs for 100% of the shares in the company listed plus reimbursement of loans amounted to EUR 16.2 million plus further payments relating to project implementation, which have an impact on liquidity and earnings in the double-digit million euro range if contractually defined implementation times of the wind project are reached.

Due to the deconsolidation of company no. 10, assets totalling approx. EUR 38.6 million as well as liabilities and provisions of approx. EUR 43.3 million were eliminated at the Group level. The deconsolidation resulted in a deconsolidation gain of around EUR 4.7 million. The counterpayment in 2024 for the sale of the company plus reimbursement of loans amounted to approx. EUR 16.2 million. The company's funds eliminated from the balance sheet as a result of the transaction amounted to approx. EUR 0.3 million. The proceeds from the sale of the project are included in the Group.

In the context of the sale of project companies, existing project financing agreements are part of the purchase agreement.

In the previous year, the following significant companies and/or shares in the Company were sold:

80% of the shares in PNE RO PV NAZ S.R.L., Bucharest (Romania) (discontinued from the project development segment).

The sale price for 100% of the Company's shares in the listed company amounted to EUR 4.8 million plus the repayment of shareholder loans of EUR 0.8 million.

Due to the deconsolidation of the company, assets totalling approx. EUR 0.9 million as well as liabilities and provisions of approx. EUR 1.1 million were eliminated at the Group level. The payment and the deconsolidation of the company resulted in profit of approx. EUR 4.8 million, in relation to the sale of 100% of the company shares. The counterpayment received in 2023 for the sale of the company amounted to approx. EUR 0.2 million. The remaining payment of around EUR 4.6 million and the repayment of the shareholder loan of around EUR 0.8 million was contractually planned for 2024. The company's funds eliminated from the balance sheet as a result of the transaction amounted to approx. EUR 0.0 million. The gain on disposal was included in the consolidated revenues.

3. Consolidation methods

The basis of the consolidated financial statements is the separate financial statements of the companies included in the Group, prepared as of 31 December 2024 pursuant to uniform accounting and valuation principles and, in part, audited by the auditors.

The capital consolidation of subsidiaries is performed in accordance with the acquisition method of accounting by offsetting the acquisition costs of the business combination against the proportionate equity capital attributable to the parent company at the acquisition date. The equity capital is determined as the balance of the fair values of assets and liabilities at the acquisition date (full new valuation).

Non-controlling interests are measured at the acquisition date with their share in the identifiable net assets of the company acquired. If the ownership interest in already consolidated companies (without gain or loss of control) increases or decreases, this is effected with no impact on income through a credit or charge to the non-controlling interests within the shareholders' equity.

If the Group loses control over a subsidiary, the assets and liabilities of the subsidiary and all associated, non-controlling shares and other components in equity are eliminated. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at the fair value on the date of loss of control.

The Group's interests in financial assets that are recognised "at equity" comprise shares in associated companies and in joint ventures.

Associated companies are entities in which the Group has significant influence, but not control or joint control in respect of the financial and operating policy. The Group has significant influence over an associated company generally through a holding of between 20% and 50%. A joint venture refers to an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, instead of having rights to the assets and obligations for the liabilities of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities are made jointly.

In the case of investments that are included at equity in the consolidated financial statements, the book value is increased or decreased annually by the changes in shareholders' equity corresponding to the Group's capital share. Upon the first-time inclusion of investments at equity, differences resulting from initial consolidation are treated in accordance with the principles of full consolidation. The changes in pro-rated equity which are recognised in profit or loss, including impairment losses on goodwill, are shown in the results from at-equity investments. Intercompany profits and losses were insignificant in these companies.

Material intragroup sales, expenses and income as well as receivables and liabilities between the companies to be consolidated are eliminated. Intercompany results, provided that they are material, are eliminated and taken into account in deferred taxes.

IV. ACCOUNTING AND VALUATION PRINCIPLES

The accounting at all companies of the Group is performed exactly in accordance with national legal regulations as well as the complementary generally accepted accounting principles.

The financial statements of all consolidated companies are included on the basis of uniform accounting and valuation methods. The annual financial statements prepared in line with the applicable national regulations (HB I) are reconciled to annual financial statements in conformity with IFRS (HB II). The accounting and valuation regulations were applied in the same way as in the previous year by applying the amendments to IFRS standards (↗ **see chapter II.2.**).

Assumptions on estimation uncertainties

The preparation of the consolidated financial statements in accordance with the pronouncements of the IASB requires that assumptions be made and estimates be used for certain items that affect the amounts and the presentation of assets and liabilities, income and expenses reported as well as of contingent liabilities. The assumptions and estimates used are based on experience gained during the past business activity of the PNE Group and follow relevant expectations publicly available in the corresponding market. Consequently, the assumptions and estimates used, as a rule, cannot deviate from general market expectations and, for forward-looking values, from price developments recognisable in the market. The maximum risk of a full value deviation is represented by the book values of intangible and tangible as well as financial assets shown in the balance sheet. For a presentation of the historical development of asset values resulting from the assumptions and estimates used, please refer to the schedule of fixed assets. However, the actual values and their development may differ from the assumptions and estimates made. Such changes will be recognised in profit or loss at the time when better knowledge becomes available.

The key assumptions concerning the future and other sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the recognised assets and liabilities within the next financial years are disclosed below.

Economic useful life of property, plant and equipment

When measuring property, plant and equipment, the expected useful life of the assets must be estimated, taking into account in particular contractual provisions, industry knowledge and management estimates. Further explanations are provided in ↗ **Section V.2. Property, plant and equipment**.

Valuation of inventories

When determining the net realisable value of inventories, it is necessary to make estimates regarding the realisability of projects due to, among other things, legal appeals or the time of realisation. Further explanations are provided in ↗**Section V.5 Inventories**.

Revenue from the sale of project companies

Revenue from the sale of project companies is determined in accordance with IFRS 10 when control is lost at the time of deconsolidation. Contractual contingent considerations such as future milestone payments, so-called earn-out claims, are recognised at fair value. Estimation uncertainties arise from the probability of the condition occurring and the expected time of occurrence. Further explanations can be found in ↗ **Section IV.14. Revenues**.

Revenue recognition over time

Sales realised over a certain period of time are calculated using the cost-to-cost method. To determine the percentage of completion, the costs incurred are compared with the planned costs. Estimation uncertainties exist in particular when estimating the total contract costs and when determining the percentage of completion as of the reporting date. Further explanations can be found in ↗ **Section IV.14. Revenues**.

Recoverability of deferred tax assets

The recoverability of deferred tax assets is based on the assessment that sufficient taxable profits will be generated in the future to utilise the tax relief. Further explanations can be found in ↗ **Section IV.5. Deferred taxes** and ↗ **Section VI.7. Income taxes**.

Impairment test of goodwill
The determination of the recoverable amount is subject to various assumptions and estimates. Significant estimates relate to the planning of future cash flows and the determination of appropriate discount factors and growth rates. Further explanations can be found in ↗ **Section V.1. Impairment testing of goodwill**.

Provisions for restoration obligations
The provisions for restoration obligations include the estimated costs for the demolition and removal of an asset and the restoration of the site on which it is located. When measuring the asset retirement obligations, there are estimation uncertainties in connection with the expected asset retirement costs and the timing of the asset retirement. Further explanations can be found in ↗ **Section IV.10**.

Discretionary decisions

When applying the accounting principles, judgements have to be made that may have an impact on the amounts recognised in the balance sheet. In particular, the following discretionary decisions were made – unchanged from previous years:

Identification of wind farms
Wind farms that are under development and for which the final intention of use has not yet been determined at the time of initial capitalisation are recognised as inventories in accordance with IAS 2. This is in recognition of the possibility that these projects could either be sold or owned and operated. Reclassification to property, plant and equipment in accordance with IAS 16 takes place when the decision is made that the wind farm should remain in the Company's own portfolio for long-term use. These decisions and the underlying assumptions are regularly reviewed and adjusted if the intended use changes. Further explanations can be found in ↗ **Section V.5. Inventories**.

Variable purchase price components
With regard to the measurement of earn-out clauses in the context of the sale of project rights, the measurement is based on judgement with regard to the probability of the future occurrence of the underlying conditions for the claims to arise. Further explanations can be found in ↗ **Section IV.14 Revenues**.

Lease accounting
The Company holds leases that contain renewal options after the original term has expired as well as termination options. The probability that these options will be exercised is regularly reviewed and recognised in the lease liabilities. PNE takes these extension and termination options into account in determining the lease term only when the exercise of the option is considered reasonably certain. Further explanations can be found in ↗ **Section IV.4. Leasing**.

1. Intangible assets

Concessions, intellectual property rights and licences are stated at their cost of acquisition and incidental acquisition costs. Due to their finite useful lives, they are amortised over the expected useful life using the straight-line method. The useful life is usually two to four years. Special write-downs are charged where required, and these are subsequently reversed if the original grounds for the write-down no longer apply. No extraordinary value adjustments (decreases or increases) were required in the year under review.

Pursuant to IFRS 3, goodwill resulting from capital consolidation is not amortised over its expected useful life. Where necessary, extraordinary write-downs in accordance with IAS 36 ("impairment only approach") are made.

2. Property, plant and equipment

Property, plant and equipment are recognised at cost of acquisition or production, less scheduled straight-line depreciation, in accordance with IAS 16. No impairment losses pursuant to IAS 36 were recognised.

The items of property, plant and equipment are depreciated over their useful lives as follows:

	in years
Buildings, including buildings on third-party land	20 to 50
Technical plant and machinery	5 to 25
Other plant and machinery, fixtures and fittings	3 to 10

No material residual values were to be taken into consideration when calculating the depreciation amount.

Borrowing costs are, as a rule, charged to the statement of comprehensive income.

3. Impairment of intangible assets and property, plant and equipment

At the end of each reporting period, the Group assesses whether there is any indication for a need to recognise an impairment loss on the assets shown in the statement of financial position. If any such indication exists or if an annual impairment test of an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to determine the recoverable amount of individual assets, assets used in combination are summarised to cash-generating units for which the cash flows can be estimated. The recoverable amount is the higher of the fair value of an asset or a cash-generating unit, less costs to sell and value in use. In assessing the value in use, the estimated future cash flows from the asset or the cash-generating unit are discounted to their present value using a risk-adjusted pre-tax discount rate. Write-downs of goodwill, recognised in profit or loss, are stated separately in the statement of comprehensive income under the item “Impairment expense – goodwill”.

A reversal of an impairment loss recognised in profit or loss in previous years for an asset (except for goodwill) is made whenever there is any indication that the impairment no longer exists or might have decreased. The reversal amount is recognised as income in the statement of comprehensive income. The value increase or impairment decrease of an asset is recognised only to the extent that it does not exceed the carrying amount that would have been determined, subject to write-down effects, had no impairment loss been recognised for the asset in previous years. Any impairment loss recognised in the context of impairment tests of goodwill must not be reversed.

Goodwill is tested for impairment top-down at least once a year on 31 December or more frequently when there is any indication that the carrying amount may be impaired. Any impairment loss is recognised directly in profit or loss as a part of write-downs.

To determine the need for impairment of goodwill and of intangible assets with indefinite useful life, the carrying amount of the cash generating unit to which the goodwill is allocated is compared with the recoverable amount of the cash-generating unit.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4. Lease contracts

According to IFRS 16, a lease is an agreement under which the lessor conveys the right to control the use of an identified asset to the lessee for an agreed period of time in exchange for consideration. On principle, PNE as the lessee recognises a right of use in the leased asset and a corresponding lease liability for all leases. PNE uses the simplified measurement approach for leases of low-value assets and for short-term leases (lease term of twelve months or less, excluding real estate). PNE does not apply the standard to leases of intangible assets. The lease payments of the leases for which PNE makes use of simplified measurement approach are recognised as lease expenses on a straight-line basis in other operating expenses in accordance with the simplified approach.

The Company holds leases that contain renewal options after the original term has expired. The probability that these options will be exercised is regularly reviewed and recognised in the lease liabilities. Based on its strategic orientation and business planning, the Company does not currently expect these options to be exercised.

The lease agreements also include a right of termination for good cause, including if no official permits are issued for the operation of a wind turbine. This right offers the Company flexibility in dealing with unforeseeable regulatory challenges. Such cancellation rights are taken into account when assessing the term and classification of the leases, and it is currently assumed that there will be no significant impairment of operating activities.

The lease liability is measured as the present value of the future lease payments. The measurement of the lease liability includes the fixed lease payments less any lease incentives receivable as well as lease payments that depend on an index or interest rate. In addition, amounts expected to be payable under residual value guarantees and payments due to purchase options deemed reasonably certain as well as lease payments due to extension and termination options that are deemed reasonably certain are also taken into account. If possible, the interest rate implicit in the lease contracts is used to determine the present value. If this rate cannot be determined, as is normally the case at PNE, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined using the so-called build-up approach, whereby the risk-free interest rate is used as the base rate and is adjusted for the lessee's credit risk. Further adjustments relate to those for the term of the lease and the currency of the lease contract. Depending on their maturity, the lease liabilities are reported under long-term and short-term financial liabilities. In subsequent periods, lease liabilities are measured at amortised cost using the effective interest rate method, i.e. the lease instalments are divided into payments for principal and interest portions. The interest portion is recognised in financial expenses.

The amount of the right of use generally corresponds to the amount of the liability at the time of addition. Differences may result from taking account of initial costs incurred in connection with concluding the lease contract, any prepayments made and incentives received before the commencement date of the lease as well as any restoration costs. The rights of use are listed on the assets page under "III. Rights of use" and are accounted for at amortised acquisition or production cost. If the right-of-use assets relate to lease liabilities in connection with a wind or photovoltaic project in progress, they are reported under inventories until the project is completed. Depreciation of the rights of use is effected on a straight-line basis over the expected useful life or, if shorter, over the lease term of the right of use. If the exercise of a purchase option is deemed reasonably certain, depreciation is effected over the useful life of the underlying asset.

Lease contracts often include a combination of lease and non-lease components. PNE allocates the transaction price between these components on the basis of relative stand-alone prices. An exception is leasing contracts for vehicles. In these cases, PNE makes use of the option not to split between lease and non-lease components, but to account for the entire contract as a lease contract.

PNE is exposed to possible future increases in variable lease payments, which may result from a change in an index or interest rate. These possible changes in lease payments are taken into account at the point in time in which the change takes effect. Once the changes in an index or a interest rate affect the lease payments, the lease liability is adjusted.

Extension and termination options are taken into account in determining the lease term, when the exercise of the options is considered reasonably certain. When determining the term of the contract on the provision date, all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option are taken into account. The initially determined lease term is reassessed where a significant event or change in circumstances occurs that is within the control of the lessee and may affect the initial assessment. The assessment is reviewed at the latest when an extension option is actually exercised (or not exercised).

There are no regular cancellation options for land leases. Extension options are available in some cases. These are taken into account until the planned useful life of the wind farms is reached. The potential future lease payments, provided that extension options are exercised, are estimated by management at EUR 48.8 million. This assessment is based on the information currently available and the economic considerations of the Company. PNE acts as a lessor in the context of the sublease of an office and administration building. A total of fourteen subtenants have rented approx. 42% of the building's usable space. The subtenants are seven companies of PNE AG, two companies of the PNE Erneuerbare Energien GmbH and five companies outside the Group.

The detailed disclosures in accordance with IFRS 16.89 ff. are not reported separately in these financial statements as the corresponding leases and their financial impact are considered immaterial for the Company. This assessment is based on the relative importance of the leasing agreements in the context of PNE AG's overall business operations.

The leases where PNE is the lessor as sublessor are classified as operating and finance leases in accordance with the requirements in IFRS 16. A finance lease exists if substantially all the risks and rewards incidental to ownership of an asset or PNE's right-of-use assets are transferred to the lessee. In the case of finance leases, a lease receivable at an amount equal to the net investment in the lease is recognised at the commencement date instead of the right-of-use asset. The net investment in the lease is equal to the sum of the lease payments receivable by PNE and any unguaranteed residual value, discounted at the interest rate implicit in the lease or, if this is not available, at the interest rate resulting from the main lease. Subsequent measurement is based on the effective interest method. For this purpose, the lease payments to PNE are divided into interest income (reported in financial income) and repayments of the lease receivable. In the case of operating leases, the right-of-use assets continue to be accounted for by PNE.

5. Deferred taxes

Deferred taxes are recognised pursuant to the "liability method" in accordance with IAS 12 on temporary differences between the balance sheet for tax purposes and the consolidated financial statements. No deferred tax liability is recognised for the non-tax-deductible amortisation of goodwill arising from capital consolidation.

Deferred tax assets and deferred tax liabilities are calculated on the basis of the laws and regulations applicable on the reporting date. Deferred taxes on valuation adjustments are determined generally at the national tax rates for the individual Group companies.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available for offsetting.

Deferred tax assets and liabilities are netted in the consolidated statement of comprehensive income, provided that an enforceable right exists to offset the actual tax debt and that the deferred taxes relate to the same tax subject and the same tax authority.

6. Inventories

Inventories are generally stated at the lower of cost of acquisition or production and net realisable value. The cost of production includes direct material costs, direct production costs and adequate portions of production-related overhead costs. The net realisable value is the estimated selling price that can be obtained in the ordinary course of business, less all estimated costs incurred up to completion and estimated costs necessary to make the sale. Contract assets from long-term construction contracts amount to EUR 14.4 million (previous year: EUR 0.0 million) and are recognised under inventories.

Rights of use in connection with the construction of wind farms that are intended to be sold in the short term are recognised in inventories. As of the reporting date, the value of these rights of use amounted to EUR 46.9 million (previous year: EUR 52.5 million). This disclosure is based on the general disclosure of the wind farm under construction, which is recognised in inventories.

Wind farms that are under development and for which the final intention of use has not yet been determined at the time of initial capitalisation are recognised as inventories in accordance with IAS 2. This is in recognition of the possibility that these projects could either be sold or owned and operated. Reclassification to property, plant and equipment in accordance with IAS 16 takes place when the decision is made that the wind farm should remain in the Company's own portfolio for long-term use. These decisions and the underlying assumptions are regularly reviewed and adjusted if the intended use changes.

7. Cash and cash equivalents

Cash and cash equivalents reported in the statement of financial position include cash on hand and in banks and short-term deposits with original maturities of less than three months.

8. Financial assets

A financial asset (other than a trade receivable without a significant financing component) or a financial liability is initially recognised at fair value. For an item that is not measured at FVPL, the transaction costs directly attributable to its acquisition or issue are added or deducted. Trade receivables without a significant financing component are initially recognised at the transaction price. However, if the Group has an unconditional right to an amount that differs from the transaction price (e.g. due to the Group's reimbursement regulations), the trade receivable is initially recognised at the amount of this unconditional right.

Financial assets consist of acquired equity instruments, loans, trade receivables, cash and cash equivalents and, where applicable, derivatives with positive fair values.

Shares in associated companies and joint ventures are included at equity in the Group. It is a joint venture because there is joint control on the basis of contractual agreements.

Loans are measured at their amortised acquisition cost and non-interest bearing and low-interest loans are recognised at their present value.

Purchases or sales of financial assets are recognised using the trade date accounting method, i.e. on the date on which the entity assumed the obligation to purchase or to sell the asset.

Financial assets are classified and measured on the basis of the business model and the characteristics of the cash flows. The Group generally classifies its financial assets in the following measurement categories:

→ Amortised cost (AC): Third-party capital assets that are held to collect the contractual cash flows and for which these cash flows represent solely payments of interest and principal are measured at amortised cost.
→ Fair Value through OCI (FVOCI): Third-party capital assets that are held to collect the contractual cash flows and to sell the financial assets and for which the cash flows represent solely payments of interest and principal are measured at fair value with no effect on income. The changes in the carrying amount are recognised in other comprehensive income, except for impairment gains or losses.

For shares in affiliated companies not held for trading purposes and shares in companies in which an investment is held, the Group exercises the option of measuring these irrevocably at fair value (FVOCI) without affecting income. These are essentially strategic financial investments, and the Group considers this classification to be more informative. Changes in fair value recognised directly in equity are not reclassified to the statement of comprehensive income at the time of the sale.

→ Fair Value through Profit or Loss (FVPL): Assets that do not meet the criteria of the categories measured at "amortised cost" or "FVOCI" and independent derivatives are measured in the category "at fair value through profit or loss".

Shares in affiliated companies and shares in companies in which an investment is held are valued at the fair value. As no quoted market price is available for these, the acquisition costs are generally a suitable estimate of the fair value for reasons of materiality. On the reporting date, there was no intention of selling these.

For financial assets recognised at amortised cost, a provision for expected credit losses is recognised in the balance sheet.

The Group applies the simplified approach under IFRS 9 for trade receivables to determine the expected credit losses; accordingly, the credit losses expected over the term are used for all trade receivables. To measure expected credit losses, trade receivables were grouped together on the basis of common credit risk characteristics and days past due.

The expected default rates result from the payment profiles of the revenues over a period of 36 months prior to 31 December 2024 or 1 January 2024, respectively, and the corresponding historical default rates in these periods. The historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors that could affect the ability of customers to pay their receivables.

The trade receivables relate primarily to the project planning business and to service companies. The receivables from the project planning business show insignificant loss ratios, as a wind farm is only sold to investors with a secured equity or borrowed capital base over the entire term of the wind farm. The loss ratios for trade receivables attributable to service companies are very low.

If, after a reasonable assessment, trade receivables can no longer be recovered, they are eliminated from the accounts. Indicators for this assessment include a debtor's failure to commit to a repayment plan with the Group and/or to make contractual payments.

Other financial assets that are measured at amortised cost are considered to be "low credit risk"; therefore, the impairment recognised in the period is limited to the 12-month expected credit losses. Instruments are considered to be "low credit risk" if the risk of default is low and the issuer is able at all times to meet its contractual payment obligations at short notice.

For other financial assets, PNE considers the probability of a default occurring at the time of the initial recognition of assets and always assesses whether there is a significant increase in the credit risk. In order to assess whether the credit risk has increased significantly, the asset's credit risk on the reporting date is compared with its risk at the time of initial recognition. This comparison takes account of appropriate and reliable forward-looking information. In particular, internal (and, if applicable, external) credit assessments, actual or expected significant changes in the borrower's earnings position and significant increases in the credit risk of other financial instruments of the same borrower are used as indicators. The credit risk is assumed to have risen significantly if the credit is 30 days overdue. Objective indications that a financial asset is credit-impaired include 90 days or more past due and other information about significant financial difficulties of the debtor. The assumptions for derecognising these assets are the same as those for derecognising trade receivables.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the financial assets have been transferred with substantially all risks and rewards.

Interest income is deferred in the corresponding period based on the effective interest method.

Financial liabilities consist of bonds, liabilities to banks, trade liabilities, other financial liabilities, as well as derivatives with negative fair values.

Financial liabilities are measured at amortised cost, unless they are recognised at fair value, such as derivatives with a negative fair value or liabilities for contingent consideration in connection with business combinations.

Financial liabilities are derecognised when the contractual obligations have been met, cancelled or expired.

Financial instruments measured at fair value can be classified based on the significance of the input factors and information relevant to their measurements and allocated to (measurement) levels. The allocation of a financial instrument to a level is based on the significance of its input factors for the entire measurement, i.e. the lowest level whose input is relevant for the measurement in its entirety. The measurement levels are divided hierarchically based on their input factors:

Level 1 - quoted prices for identical assets or liabilities in active markets (unadjusted)

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - inputs that are not based on observable market data for the measurement of the asset or the liability (unobservable inputs)

The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the changes occurred.

For details, we refer to the explanations on the relevant items in the statement of financial position.

9. Derivatives in hedge accounting

PNE uses interest rate swaps to hedge future cash flows of variable-interest loans (so-called hedged items). The loans are connected to the financing of the wind farms and relate to contracts that receive variable interest rates after the end of the fixed-interest period. This covers the period 2026 to 2048.

These transactions were designated for the first time as hedging instruments in hedge accounting as of 1 October 2023. Hedge accounting requires a clear relationship between the hedged item and the hedging instrument to be documented and effectiveness to be demonstrated. When hedging future cash flows (cash flow hedges), the hedging instrument is valued at fair value. Changes in the value of the effective portion of the cash flow hedge are recognised in other comprehensive income (OCI) with no effect on income and the non-effective portion is recognised immediately in profit or loss.

Inefficiencies are mainly due to interest rate swaps being designated as hedging instruments under hedge accounting in accordance with IFRS 9 for the first time as of 1 October 2023, while the contracts for the transactions were concluded in previous years. Accordingly, changes in the market value of interest rate swaps were recognised in profit or loss before 1 October 2023.

For details, please refer to the explanations in ↗ **chapter V.9.**

10. Provisions

Provisions are formed for all external obligations, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the provision. Provisions for imminent losses for onerous contracts are formed in accordance with the regulations of IAS 37.

In measuring the provision, the most probable value and, with a range of varying values, its expected value is used. Determination and measurement are effected, where possible, using contractual agreements; otherwise the calculations are based on past experience and estimates of the Board of Management.

Long-term provisions are recognised at their present values; discounting is effected at market interest rates that correspond to the risk and the period up to settlement.

Apart from legal pension obligations, the Group has a very low volume of defined contribution pension plans. Statutory pension obligations include contributions to the German Pension Insurance (DRV). Payments for defined contribution plans are recognised as an expense when they are due. The contributions paid to these defined contribution plans during the reporting period totalled EUR 2.8 million (previous year: EUR 2.5 million). There are no further obligations.

Provisions for expected dismantling obligations are components of the cost of acquisition or production of the associated assets. Upon its initial recognition, the provision is formed without an impact on income. The estimated costs for demolition, clearing and restoration of the site are recognised directly in equity on initial measurement. In the subsequent measurement, the expected date of demolition and the expected demolition costs are regularly reviewed on the basis of current knowledge.

11. Liabilities

Liabilities are generally stated at amortised cost. Liabilities under finance leases are recognised at the inception of the lease at the present value of future leasing payments during the non-terminable basic lease term. Contract liabilities from long-term construction contracts are recognised under Other liabilities.

Liabilities with a remaining term of more than one year bear interest at market conditions.

Contingent liabilities are not shown in the statement of comprehensive income. Contingent liabilities comprise primarily guarantees; a list of contingent liabilities existing on the reporting date is provided in ↗ **chapter X.2.**

12. Deferred subsidies from public authorities

Government grants are recognised at their nominal amount in a separate item on the date they are received, without affecting profit or loss, and they are reversed through profit or loss based on the write-downs of the assets supported.

13. Statement of comprehensive income

The statement of comprehensive income is based on the expenditure type of presentation.

14. Revenues

PNE recognises revenue when control of distinct goods or services is transferred to the customer, i.e. when the customer has the ability to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits from them. A prerequisite for this is that a contract with enforceable rights and obligations exists and that it is probable that the consideration will be collected. The revenue corresponds to the transaction price to which PNE expects to be entitled.

Variable consideration is included in the transaction price if it is highly probable that its inclusion will not result in a significant reversal in the future when the uncertainty has been subsequently resolved. The amount of the variable consideration is determined either according to the expected value method or with the most probable amount, depending on which value estimates the variable consideration most accurately.

If the interval between the transfer of the goods or services and the payment date exceeds twelve months and a significant benefit results from the financing for the customer or PNE, the consideration is adjusted for the time value of money.

Where a contract has multiple performance obligations, these are sold at their stand-alone selling prices. For each performance obligation, revenue is recognised either at a point in time or over time. Upon the conclusion of a contract, it is determined whether revenue is to be recognised at a point in time or over time.

Revenues from the project planning of wind energy and PV power plants (project development segment)

PNE plans and erects wind turbines on land and at sea as well as PV power plants on land. Revenue from the sale of project companies is determined in accordance with IFRS 10 when control is lost at the time of deconsolidation.

At the time of the loss of control, the assets and liabilities of the project company are derecognised at the carrying amounts recognised at that time and the contractually agreed consideration is recognised at fair value. When determining the fair value of the agreed consideration, in addition to the fixed purchase price for the shares in the project company, contractually agreed contingent considerations such as future milestone payments, so-called earn-out claims, are also recognised at fair value. Earn-out claims are recognised separately in the line valuation adjustments earn-out claims from the sale of project companies in accordance with IFRS 10 (formerly other sources of revenue).

If contracts with customers still exist after the sale of the project companies (e.g. general contractor agreement), revenue from the construction of wind energy and PV power plants is recognised over time if one of the criteria of IFRS 15.35 is met. In these cases, revenue is recognised over time in accordance with the percentage-of-completion method. With the cost-to-cost method, the costs incurred are set in relation to the planned costs to determine the percentage of completion and the sales revenues are realised proportionately according to the percentage of completion in order to record the progress of the project in the best possible way. Work provided by subcontractors is taken into account in the determination of the percentage of completion. The percentage of completion is determined for each individual project based on the work provided. In applying the percentage-of-completion method, the assessment of the stage of completion and the total order costs is of particular importance; it may also include estimates of the scope of supplies and services required to meet contractual obligations, which means that changes in estimates may increase or decrease revenue. The method used appropriately reflects the pattern of power transfer.

If none of the criteria specified in IFRS 15.35 is met, revenue from the construction of wind farms or PV power plants is recognised when control of the wind farm or PV power plant is passed to the customer. Revenue from these sales is recognised at the price specified in the contract.

Payment of the transaction price is due immediately if the customer acquires the wind farm or PV power plant and accepts it upon delivery.

Revenues from services and transformer station fees (services segment)

PNE provides management and other services for wind turbines. Revenue from the provision of services is recognised on a straight-line basis over a period of time as customers use the service while it is being provided. Advance payments received (max. one year) are reported under liabilities in the item "deferred revenues" and are released on a straight-line basis. If a contract contains a fixed hourly rate, revenue is recognised to the extent that PNE is entitled to receive an invoice. Revenues from transformer stations result from transformer station connection fees and transformer station usage fees.

Transformer station connection fees are paid in advance by the customer for a period of approx. 20 to 25 years, and the revenues are recognised on a straight-line basis over the term of the contract, taking into account a financing component. Revenues from transformer station usage fees are billed and generated monthly in the amount of the contractually agreed sums.

Invoicing and payment for transformer station connection fees are largely made in advance for the entire term of the contract. These prepayments are reported as deferred revenues under liabilities. Revenue is therefore recognised taking this component into account in order to present the economic substance of the contract appropriately.

Invoices for transformer station usage fees and for other services are issued in accordance with the terms of the contract, with payment terms usually providing for standard market payment terms within 30 days of invoicing.

Revenues from the generation of electricity (power generation segment)

The Group generates electricity from the ongoing operation of wind farms and a biomass power plant, feeds this electricity into power grids and receives revenues in return.

Revenue from the supply of electricity is recognised over time. Power progress is measured on the basis of the energy units supplied. Revenue recognition is generally measured on the basis of market prices. Since the amount invoiced corresponds to the service provided, PNE applies the simplification rule of recording revenues at the amounts invoiced. The method used appropriately reflects the pattern of power transfer.

Invoices to customers are issued in accordance with the terms of the contract and usually provide for standard market payment terms within 30 days after invoicing.

15. Foreign currency conversion

The items contained in the separate financial statements of the individual Group companies are valued using the relevant functional currency. The consolidated financial statements are prepared in euro, which is the reporting and the functional currency of the parent company.

Transactions in foreign currencies are converted into the relevant functional currency using the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate valid on the reporting date. Exchange differences are recognised in profit or loss and recorded in the statement of comprehensive income under "Other operating income" or "Other operating expenses". Non-monetary assets and liabilities that were measured at historical cost in a foreign currency are converted at the rate prevailing on the day of the transaction.

Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of a net investment in a foreign operation and which are recognised in the reserve for currency exchange differences are recognised through profit or loss upon disposal of the net investment. Shareholders' equity is converted at historical rates.

For the purpose of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are to be converted into euros using exchange rates prevailing on the reporting date. Income and expense items are converted at the average exchange rate for the period. The resulting exchange differences are transferred to the reserve for currency conversion as part of the shareholders' equity. On the disposal of a foreign operation, these amounts are recognised through profit or loss. Shareholders' equity is converted at historical rates.

Goodwill arising from the acquisition of a foreign operation and fair value adjustments are treated as assets or liabilities of the foreign operation and converted at the rate of exchange prevailing on the reporting date.

16. Hyperinflation

Turkey has been classified as a hyperinflationary economy under IAS 29 since 30 June 2022. PNE therefore applies IAS 29 in the consolidated financial statements as of 31 December 2024 for the included financial statements of Turkish subsidiaries. The application of IAS 29 resulted in a gain on the net monetary position of EUR 3.2 million recognised in other operating income in the 2024 financial year (previous year: EUR 0.7 million). The consumer price index of the Statistics Institute of Turkey was used to adjust the purchasing power effects. This increased from 1,859 basis points (previous year: 1,128 basis points) on 1 January 2024 to 2,684 basis points (previous year: 1,859 basis points) on 31 December 2024.

V. STATEMENT OF FINANCIAL POSITION

With regard to the composition and development of the individual items of fixed assets, we refer to the ↗ **consolidated fixed assets schedule**. With regard to disposal restrictions relating to items of fixed assets, we refer to ↗ **chapter V.2. Property, plant and equipment**.

1. Intangible assets

Of the intangible assets, EUR 64.4 million (previous year: EUR 64.4 million) relate to goodwill from the first-time consolidation of the subsidiaries included in the consolidated financial statements.

Impairment of goodwill

Items of goodwill acquired in the context of business combinations are allocated to the corresponding cash-generating units for the purpose of impairment testing.

The future recoverable amount was defined as the fair value less costs to sell.

For the impairment test of goodwill of the cash-generating unit "project development", the future cash flows were derived from the detailed plans for the next three years (hierarchy level 3). No growth discount was taken into account for the period thereafter. The weighted average cost of capital before taxes used to discount the forecast cash flows was 11.39% for the detailed planning phase and for the subsequent period (previous year: 10.25%).

For the impairment test of goodwill of the cash-generating unit services, the future cash flows were derived from the detailed plans for the next three years (hierarchy level 3). A growth discount of 1% was taken into account for the period thereafter. The weighted average cost of capital before taxes used to discount the forecast cash flows was 11.49% for the detailed planning phase and for the subsequent period (previous year: 10.09%).

Key assumptions for the calculation of the fair values less cost to sell of the business units as of 31 December 2024 and 31 December 2023:

Project development

Budgeted gross profit margins – The gross profit margins are determined based on the average gross profit margins achieved in prior financial years, increased for expected moderate efficiency improvements.

To establish future cash flows, the expected largely stable operating costs are deducted from the gross profits determined in this manner. Financing costs and taxes are not taken into account. The remaining amount forms the basis of discounting.

Weighted average cost of capital: The cost of equity is determined using the Capital Asset Pricing Model (CAPM). The borrowing costs before taxes were included at an interest rate of 4.11% (previous year: 4.60%).

Services

Budgeted gross profit margins – The gross profit margins are determined based on the average gross profit margins achieved in prior financial years, increased for expected efficiency improvements in the lower single-digit percent range.

To establish future cash flows, the expected largely stable operating costs are deducted from the gross profits determined in this manner. Financing costs and taxes are not taken into account. The remaining amount forms the basis of discounting.

Weighted average cost of capital: The cost of equity is determined using the Capital Asset Pricing Model (CAPM). The borrowing costs before taxes were included at an interest rate of 4.11% (previous year: 4.60%).

If the assumed gross profit margins of the two CGUs were to change, this would have a direct impact on the amount of future cash flows. A lower gross profit margin than assumed could lead to a significant reduction in the fair value.

In addition, a change in operating costs would also result in an adjustment to the future cash flow. Higher than expected operating costs would reduce the estimated cash flow, which could also affect the fair value.

If the weighted average cost of capital were to increase, for example due to changes in equity or borrowing costs, this would affect the discounted amount and lead to a reduction in the fair value. A sensitivity analysis for realistic scenarios of these parameter changes is carried out regularly in order to identify potential effects at an early stage and manage them accordingly.

These potential changes to the basic assumptions are carefully monitored to ensure that the valuation of the business units continues to reflect the actual economic conditions.

Results of impairment tests and sensitivities

For reporting purposes, PNE AG is divided into the project development, services and power generation segments. The project development segment comprises the development, project planning, financing and realisation of wind farms both on land (onshore) and at sea (offshore) as well as photovoltaic projects. Services are bundled in the services segment. These include technical and commercial operations management, construction management, substation services, wind measurement, financing and electricity marketing services. In the power generation segment, on the other hand, PNE AG is active as an independent power producer (IPP) and selectively operates its own wind farms and a wood-fired power plant.

No need for impairment was identified for the two CGUs project development and services. With regard to the project development CGU, the Board of Management is of the opinion that no reasonable change in the fundamental assumptions that are used to determine the recoverable amount will lead to impairment losses.

For the Services CGU, the expected gross profit margin and the expected operating costs would result in a headroom of EUR 3.3 million. An increase in the capitalisation rate of 1.2% would result in the value in use corresponding to the carrying amount. Such a change would signal a potential impairment risk.

The impairment test in accordance with IAS 36 involves determining the recoverable amount of an asset based on estimates of future cash flows. These estimates are based on the current budgets permitted by management and are intended to reflect the best expectations of future economic conditions. Group planning, which was prepared by the Board of Management and covers the period from 2025 to 2027, forms the basis for the valuation. This planning includes comprehensive financial projections and integrates market expectations.

Planning is carried out on a segment-by-segment basis and takes IFRS 16 into account, which means that leasing expenses are reclassified, and EBIT, which is essentially derived from the gross profit margin and operating costs, may increase. Right-of-use assets increase the carrying amounts of the CGUs and the corresponding amortisation is taken into account in the cash flows when determining the recoverable amount. Lease liabilities are neither recognised in the carrying amount nor are the associated cash flows included in the calculation of the recoverable amount. Rising commodity prices and the associated operating cash flows are taken into account in corporate planning, as is the dependence on secured delivery dates, which leads to pre-financing in purchasing and higher external financing.

Carrying amounts of goodwill allocated to the relevant cash-generating units

	Project development	**Power generation**	**Services**	**Total**
in euro million	**2024**	**2024**	**2024**	**2024**
Carrying amount of goodwill	54.0	0.0	10.4	64.4

	Project development	**Power generation**	**Services**	**Total**
in euro million	**2023**	**2023**	**2023**	**2023**
Carrying amount of goodwill	54.0	0.0	10.4	64.4

2. Property, plant and equipment

In the financial years since 2017, the Company constructed and commissioned Company-owned wind farms/portfolio projects. Since these projects were operated by the Company itself regardless of their current or future shareholder structures and used for power generation, these wind farms were classified as fixed assets from the date of implementation within the Group in accordance with IAS 16. Until a decision is made regarding the external sale or internal operation, they were recognised in the inventories pursuant to IAS 2. The reclassification from Group inventories to Group fixed assets was carried out without affecting the statement of comprehensive income and, therefore, has not resulted in a reduction in the "change of inventories" item.

The wind farm projects were financed, in part, by public KfW loans. These loans were measured using the effective interest method upon acquisition. The difference between the fair value and the nominal value of loans of currently EUR 52.4 million (previous year: EUR 76.9 million) is recognised through profit or loss over the term of the loans.

As in the previous year, there are restrictions on disposal with regard to the administration building including land in Cuxhaven, for which a land charge of EUR 4.2 million is registered (previous year: EUR 4.2 million).

As part of the review of useful lives, the useful lives for wind farms were extended from 20 to 25 years. This change is based on the analysis of historical data and assessments by the specialist departments, which also take comparable systems into account. The adjustment of the useful lives from 20 to 25 years leads to an increase in the carrying amounts totalling EUR 5.1 million.

3. Rights of use

The PNE Group has accounted for leases in accordance with the requirements of IFRS 16. Due to the recognition of right-of-use assets, an amount of EUR 98.2 million is recognised in the statement of financial position as of 31 December 2024 (previous year: EUR 92.8 million). In addition, as of 31 December 2024, further rights of use in the amount of EUR 46.9 million (previous year: EUR 52.5 million) are recognised under inventories during the implementation phase until completion of the projects.

4. Long-term financial assets

In addition to the Company's investments in companies using the equity method amounting to EUR 1.8 million (previous year: EUR 2.4 million), long-term financial assets include shares in affiliated companies that are not fully consolidated in the consolidated financial statements due to their minor significance, which amount to EUR 1.1 million (previous year: EUR 0.5 million). The Company does not intend to sell the investments in the long term. In addition, the item includes loans of EUR 0.2 million (previous year: EUR 0.2 million). Furthermore, the item "Other long-term financial assets" includes the pro rata long-term positive market value of EUR 8.9 million from interest swap transactions conducted within the Group (power generation segment) (previous year: EUR 10.4 million).

In November 2023, PNE concluded a contract with a customer for the financial settlement of power generated from renewable energies for the purpose of hedging electricity prices (FPPA).

This contract is classified as a derivative financial instrument. The contract term is seven years, starting on 1 January 2024. The market value as of the balance sheet date is EUR 3.0 million (previous year: EUR 2.8 million), which was recognised as an unrealised gain in "Other interest and similar income" in the amount of EUR 0.2 million (previous year: EUR 2.8 million) and is reported under other non-current financial assets.

In the 2024 financial year, no write-downs (previous year: EUR 0.0 million) were made on long-term financial assets.

The associated companies resulted in expenses from the assumption of losses totalling EUR 0.8 million (previous year: EUR 0.3 million), and income totalling EUR 0.0 million (previous year: EUR 0.0 million).

For the categorisation and valuation of financial instruments ↗ **chapter IV.8.**

The summarised information below represents amounts shown in the Group companies' financial statements prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes).

Details on Windpark Altenbruch GmbH and Bitbloom Ltd. as significant companies of the Group using the equity method can be found in the following tables:

Associated companies	Core business	Registered office	Shareholding and voting rights	
			31.12.2024	31.12.2023
Windpark Altenbruch GmbH	Electricity generation from wind energy	Cuxhaven	50%	50%
Bitbloom Ltd.	IT services	Bristol, United Kingdom	51%	51%
Kurzeme Offshore SIA	Offshore project development	Riga, Latvia	50%	50%

Reconciliation account of the above summarised financial information to the carrying amount of the following participations in the consolidated financial statements:

Windpark Altenbruch GmbH

in euro million	31.12.2024	31.12.2023
Net assets of the joint venture	1.0	1.1
Shareholding of the Group	50%	50%
Goodwill	0.0	0.0
Dividend received	-0.0	-0.1
Book value of the shareholding	**0.5**	**0.5**

Windpark Altenbruch GmbH

in euro million	31.12.2024	31.12.2023
Short-term assets	0.3	0.4
Long-term assets	0.8	0.8
Short-term debts	-0.1	-0.1
Long-term debts	0.0	0.0

Windpark Altenbruch GmbH

in euro million	2024	2023
Revenues	0.0	0.0
Net income from continuing operations	-0.0	-0.0
Post-tax result from discontinued operations	0.0	0.0
Net income	-0.0	-0.0
Other result	0.0	0.0
Total result	-0.0	-0.0
Dividend received from the associated company	0.0	0.1

Bitbloom Ltd.

in euro million	31.12.2024	31.12.2023
Short-term assets	0.2	0.3
Long-term assets	2.7	3.1
Short-term debts	-1.7	-1.4
Long-term debts	0.0	0.0

Bitbloom Ltd.

in euro million	2024	2023
Revenues	0.4	0.4
Net income from continuing operations	-0.9	-0.3
Post-tax result from discontinued operations	0.0	0.0
Release of hidden reserves	-0.2	-0.1
Net income	-0.9	-0.5
Other result	0.0	0.0
Total result	-0.9	-0.5
Dividend received from the associate	0.0	0.0

Bitbloom Ltd.

in euro million	31.12.2024	31.12.2023
Net assets of the joint venture	1.2	1.9
Shareholding of the Group	51%	51%
Goodwill	0.5	0.5
Amortization of hidden reserves	-0.2	-0.1
Dividend received	0.0	0.0
Book value of the shareholding	**0.9**	**1.4**

Kurzeme Offshore SIA

in euro million	31.12.2024	31.12.2023
Short-term assets	0.7	0.5
Long-term assets	0.0	0.0
Short-term debts	-0.7	-0.5
Long-term debts	0.0	0.0

Kurzeme Offshore SIA

in euro million	2024	2023
Revenues	0.0	0.0
Net income from continuing operations	0.0	0.0
Post-tax result from discontinued operations	0.0	0.0
Net income	0.0	0.0
Other result	0.0	0.0
Total result	0.0	0.0
Dividend received from the associated company	0.0	0.0

Kurzeme Offshore SIA

in euro million	31.12.2024	31.12.2023
Net assets of the joint venture	0.0	0.0
Shareholding of the Group	50%	50%
Goodwill	0.5	0.5
Book value of the shareholding	**0.5**	**0.5**

Summarised information about associated companies that are of minor significance:

in euro million	31.12.2024	31.12.2023
Total of book values of the Group's shares in these companies	-0.0	0.1

5. Inventories

in euro million	31.12.2024	31.12.2023
Raw materials, consumables and supplies	0.0	0.3
Work in progress	169.3	190.5
Finished goods and merchandise	2.7	0.0
Prepayments made	116.4	90.5
	288.3	**281.3**

In the financial years since 2017, the Company constructed and commissioned company-owned wind farms/portfolio projects. Since these projects were operated by the Company itself regardless of their current or future shareholder structures and used for power generation, these wind farms were classified as fixed assets from the date of implementation within the Group in accordance with IAS 16. The assets were reclassified from Group inventories to Group fixed assets.

As of 31 December 2024 right-of-use assets totalling EUR 46.9 million (previous year: EUR 52.5 million) were recognised under the inventories. These right-of-use assets relate to wind or photovoltaic projects currently in the implementation phase. These right-of-use assets are recognised under inventories until completion of the projects and subsequently reclassified from Group inventories to Group right-of-use assets. Impairment losses of EUR 2.2 million (previous year: EUR 2.0 million) were recognised on the right-of-use assets, which are reported in the consolidated statement of comprehensive income under amortisation of intangible assets and depreciation of property, plant and equipment and right-of-use assets in analogy to those of the right-of-use assets held as fixed assets.

In the 2024 financial year, an amount of EUR 11.0 million (previous year: EUR 2.4 million) in respect of write-downs of inventories to the net realisable value was recognised as an expense in the changes in inventories (book value as of 31 December 2024: EUR 23.3 million (previous year: EUR 2.4 million). Impairment losses of EUR 2.4 million (previous year: EUR 0.0 million) are attributable to Germany and EUR 8.7 million (previous year: EUR 2.4 million) to foreign countries. The write-downs were made primarily because circumstances such as extended approval periods, appeals against planned projects or changed framework conditions related to the respective project have led to the fact that some projects can no longer be realised profitably under the previously calculated conditions, and the existing assets had to be written down.

The total cost of inventories recognised as an expense was EUR 123.5 million (previous year: EUR 136.4 million).

Work in progress includes assets of EUR 75.3 million (previous year: EUR 51.7 million) that are expected to be realised or fulfilled after more than twelve months.

Work in progress is divided as follows:

- onshore projects Germany: EUR 103.0 million (previous year: EUR 148.3 million),
- onshore projects abroad: EUR 66.3 million (previous year: EUR 42.2 million).

Work in progress changed from EUR 169.3 million (31 December 2023) to EUR 190.5 million as a result of the implementation of projects.

6. Receivables and other assets

Trade receivables

Trade receivables and impairment losses on these receivables relate exclusively to receivables from contracts with customers.

No loan-loss provisions were formed for non-impaired receivables (level 2) for reasons relating to materiality, since the trade receivables mainly relate to fully financed wind farm or photovoltaic park operating companies (for receivables resulting from project development or general contracting) or to wind farms or photovoltaic parks in operation (receivables from services) with ongoing income.

Reservation of title was agreed to the customary extent for trade receivables; no other collateral was agreed upon.

Other financial assets

Other financial assets include current other loan receivables and receivables from affiliated companies, associates and joint ventures, and those with which a participating interest exists, as well as positive market values from derivatives and receivables from cash deposits.

The other short-term loan receivables include loans issued by PNE AG and PNE Erneuerbaren Energien GmbH to wind farm project companies that have been sold.

Receivables from affiliated companies, associated companies and Group companies in which an investment is held include short-term other financial receivables, which consist primarily of loan receivables.

No loan-loss provisions were formed for non-credit-impaired loans (levels 1 and 2) for reasons relating to materiality, since these loans relate to non-consolidated, fully financed wind farm operating companies or wind farms with ongoing income. Existing impairment losses on loans (level 3) result from past changes in the legal framework of certain countries in which the borrowing companies operate, resulting in lower than expected income. All impairment losses were recognised in prior periods, and there are currently no indications that similar regulatory changes could occur that would result in an impairment of existing loans.

The positive market values from the swap transactions carried out in the Group (power generation segment) totalling EUR 0.6 million (previous year: EUR 0.7 million) are reported under other assets.

No collateral was agreed for the other financial assets.

Other assets

In addition to the positive market values of derivatives classified as financial assets and receivables from cash deposits, other assets mainly include VAT receivables and prepaid expenses.

Other information about financial assets pursuant to IFRS 7

Credit losses on trade receivables measured using the simplified approach and on other financial assets measured using the general approach developed as follows:

	General Approach				
in euro million	**Level 1**	**Level 2**	**Level 3**	**Simplified approach**	**Total**
Balance on 01.01.2023	**-**	**-**	**3.2**	**0.8**	**4.0**
Transfer to level 1	-	-	-	-	-
Transfer to level 2	-	-	-	-	-
Transfer to level 3	-	-	-	-	-
Financial assets derecognised in the reporting period	-	-	-	-	-
Write-downs	-	-	-	-	-
Reversals	-	-	-	−0.8	−0.8
Balance on 31.12.2023/01.01.2024	**-**	**-**	**3.2**	**-**	**3.2**
Transfer to level 1	-	-	-	-	-
Transfer to level 2	-	-	-	-	-
Transfer to level 3	-	-	-	-	-
Financial assets derecognised in the reporting period	-	-	-	-	-
Newly originated or purchased financial assets	-	-	-	-	-
Write-downs	-	-	-	-	-
Reversals	-	-	-	-	-
Exchange-rate-related changes and other changes	-	-	-	-	-
Balance on 31.12.2024	**-**	**-**	**3.2**	**-**	**3.2**

The following table shows the development of the gross carrying amounts of trade receivables and of the other financial assets in the year under review.

	General approach				
in euro million	**Level 1**	**Level 2**	**Level 3**	**Simplified approach**	**Total**
Balance on 01.01.2023	**10.0**	**-**	**3.2**	**38.9**	**52.1**
Transfer to level 1	-	-	-	-	-
Transfer to level 2	-	-	-	-	-
Transfer to level 3	-	-	-	-	-
Newly originated or purchased financial assets and derecognised financial assets	4.8	-	-	-1.1	3.7
Exchange-rate-related changes and other changes	-	-	-	-	-
Balance on 31.12.2023/01.01.2024	**14.8**	**-**	**3.2**	**37.8**	**55.8**
Transfer to level 1	-	-	-	-	-
Transfer to level 2	-	-	-	-	-
Transfer to level 3	-	-	-	-	-
Newly originated or purchased financial assets and derecognised financial assets	8.1	-	-	45.7	53.8
Exchange-rate-related changes and other changes	-	-	-	-	-
Balance on 31.12.2024	**22.9**	**-**	**3.2**	**83.6**	**109.6**

The gross carrying amounts of trade receivables and other financial assets by credit risk rating class are as follows:

	General approach			
in euro million	**Level 1**	**Level 2**	**Level 3**	**Simplified approach**
Credit risk rating class 1	22.9	-	-	83.6
Credit risk rating class 2	-	-	-	-
Credit risk rating class 3	-	-	3.2	-
Total	**22.9**	**-**	**3.2**	**83.6**

Financial instruments with risk rating class 1 are not subject to any significant credit risk.

Financial instruments with risk rating class 2 are subject to a higher credit risk.

Financial instruments with risk rating class 3 comprise impaired financial instruments.

7. Equity capital

Capital subscribed

The Company's share capital as of 1 January 2024 amounted to EUR 76,603,334.00 (previous year: EUR 76,603,334.00), divided into 76,603,334 (previous year: 76,603,334) no-par-value registered shares with a notional value of EUR 1.00 per share in the share capital.

All shares are ordinary shares with equal rights with regard to dividends and voting rights.

The Company's share capital has not changed in the reporting period. Accordingly, the Company's share capital on the reporting date amounted to EUR 76,603,334.00, divided into 76,603,334 no-par-value registered shares with a notional share of EUR 1.00 per share in the share capital.

Authorised capital

The Company currently has no authorised capital. Authorisations previously granted through the creation of authorised capital have expired.

Conditional capital

The Company currently has no conditional capital. Authorisations previously granted through the creation of conditional capital have expired.

Treasury shares

The Company is currently not authorised to acquire treasury shares. An authorisation to acquire treasury shares that still existed at the beginning of the reporting period and was granted by the Annual General Meeting on 22 May 2019 expired on 21 May 2024.

In the reporting period, neither the Board of Management nor the Supervisory Board made use of the authorisation to acquire treasury shares, which was granted by the Annual General Meeting on 22 May 2019.

As of 31 December 2024, the Company held none of its own shares. The 266,803 shares still held at the end of the previous year, which the Company had acquired in 2018 using the authorisation in place at the time on the basis of a share buyback offer to all shareholders, were sold during the reporting period. The sale took place in the second quarter of 2024 via the stock exchange and, at an average selling price of EUR 13.48 per share, resulted in sales proceeds of around EUR 3.6 million.

Capital reserve

The capital reserve includes the premium on the shares issued and the equity portion of convertible bonds from which conversion rights have been exercised. In the 2024 financial year, the capital reserve increased by EUR 3.3 million. This increase is due to the sale of the 266,803 treasury shares previously held in the second quarter of 2024.

Foreign exchange reserve

Exchange differences relating to the conversion of the functional currency of foreign operations into the Group's presentation currency are included in the foreign exchange reserve.

Cash flow hedge reserve

The cash flow hedge reserve contains the results from the valuation of hedging relationships. For further information, please refer to the statement of changes in equity and ↗ **Section 9**.

Consolidated balance sheet result

Profits and losses are accumulated in the consolidated balance sheet result. As part of the dividend payment 2024, a dividend in the amount of EUR 3.1 million (EUR 0.04 per share) as well as a special dividend in the amount of EUR 3.1 million (EUR 0.04 per share) were distributed to the shareholders from the retained earnings reported in the annual financial statements of PNE AG under commercial law.

For the 2024 financial year, the Board of Management and the Supervisory Board propose that a dividend of EUR 0.04 as well as a special dividend of EUR 0.04 for each no-par-value share entitled to a dividend in the 2024 financial year be distributed from PNE AG's retained earnings totalling EUR 273,835,042.55. The remaining retained earnings shall be carried forward to a new account.

8. Non-controlling interests

The capital consolidation of entities as well as the results from the 2024 financial year and past financial years resulted in cumulative "non-controlling interests" totalling EUR −2.8 million (previous year: EUR −3.4 million).

Name of subsidiary	Country	Shareholding and voting rights of non-controlling interests		Profit/loss attributable to non-controlling interests		Cumulative non-controlling interests	
in euro million		**31.12.2024**	**31.12.2023**	**2024**	**2023**	**31.12.2024**	**31.12.2023**
ATS Energia s.r.l.	Italy	30.00%	30.00%	−0.0	−0.0	−6.1	−6.1
VKS Vindkraft Sverige	Sweden	0.00%	20.00%	−0.1	−0.1	0.0	0.4
WKN Windcurrent S.A.	South Africa	20.00%	20.00%	0.0	−0.4	−3.0	−3.1
Coliaenergia ESPAÑA, S.L.	Spain	49.00%	49.00%	0.5	0.1	3.4	2.9
PNE RO PV Holding, SRL	Romania	20.00%	20.00%	0.4	1.9	2.9	2.5
Others				−0.2	−0.0	0.0	0.0
Total of non-controlling interests				**0.7**	**1.4**	**−2.8**	**−3.4**

There are no significant non-controlling interests in the Group's non-100% subsidiaries.

9. Disclosures on hedge accounting

Disclosure on hedging instruments

Interest rate swaps are concluded to hedge the risks of variable-interest loans arising from fluctuating interest rates, with the main features such as nominal amount, residual maturity and other interest terms being similar to those of the underlying transaction (Critical Terms Match). The interest rate swaps are included in cash flow hedges, except for three of them. The following table provides an overview of the carrying amounts, disclosures and nominal amounts of the hedging instruments:

in euro million	Book value	Balance sheet position-Balance sheet items	Nominal value
	31.12.2024		**31.12.2024**
Interest rate swaps – positive fair values	9.5	Other assets	175.2
Interest rate swaps – negative fair values	−6.7	Other financial liabilities	267.9
			443.1

in euro million	Book value	Balance sheet position-Balance sheet items	Nominal value
	31.12.2023		**31.12.2023**
Interest rate swaps – positive fair values	11.0	Other assets	184.1
Interest rate swaps – negative fair values	8.0	Other financial liabilities	229.7
			413.8

The maturity profile and the agreed weighted average interest rates are shown in the table below:

in euro million	up to 1 year	1 to 5 years	more than 5 years	Total
As at 31.12.2024				
Interest rate swaps – Maturity profile – Nominal amount	3.9	28.9	410.3	443.1
Average interest rate (Prayer side)	2.88%	2.56%	2.41%	
As at 31.12.2023				
Interest rate swaps – Maturity profile – Nominal amount	1.5	37.2	375.1	413.8
Average interest rate (Prayer side)	2.20%	2.77%	2.44%	

The carrying amounts of the interest rate swaps in hedge accounting correspond to the fair values and are recognised in other long-term financial assets at EUR 8.9 million and other current assets at EUR 0.7 million and in other long-term financial liabilities at EUR 6.3 million and other current financial liabilities at EUR 0.4 million. The market values of the derivatives were determined on the basis of the market data on the reporting date and suitable valuation methods. The change in fair value to determine ineffectiveness amounts to EUR −12.9 million.

Gains or losses from changes in fair value are at EUR 2.6 million in equity and at EUR 1.1 million recorded in the income statement. The main sources of ineffectiveness are the late designation of previously concluded interest rate swaps and the consideration of credit value adjustments to reflect the individual default risk and that of the contractual partner. Deferred taxes recognised in the OCI on this basis are EUR 0.8 million.

Disclosures on hedged items

Interest rate swaps refer to present and future floating rate loans. The dollar offset method (in this case, the "hypothetical derivatives method") was used to measure effectiveness. This compares the (cumulative) changes in the value of the hedged item, expressed in monetary units, with those of the hedged item. Fair value changes on the basis of which ineffectiveness is recognised amounted to EUR 16.3 million (previous year: EUR −14.7 million).

Further disclosures on hedging relationships

The cash flow hedge reserve developed as follows in the financial year:

in euro million	2024	2023
Status on 1.1.	**-9.7**	**0.0**
Hedging gains/losses	4.5	-13.9
Recycling	-1.9	0.0
Deferred taxes	-0.8	4.2
Status on 31.12.	**-7.9**	**-9.7**

10. Deferred subsidies from public authorities

Since 2000, the Company has received investment grants in the total amount of EUR 1.7 million for the construction of an office building, the extension of the business building and for fixtures and fittings.

The reversal of the investment grants is based on the useful life of the underlying assets.

11. Provisions for taxes

The tax provisions include current taxes on income, which were set up for past financial years and the 2024 financial year.

There are tax risks from the corporate, trade and sales tax audits at PNE Erneuerbare Energien GmbH (formerly: WKN GmbH) for the years 2014 to 2016 and 2017 to 2020 as well as of PNE AG and PNE Foreign GmbH for 2017 to 2020. The above-mentioned audits have not yet been completed.

12. Other provisions

The other provisions developed as follows:

in euro million	1.1.2024	Con-sumption	Reversal	Addition	31.12.2024
Other	6.4	1.7	0.0	2.4	7.0
	6.4	**1.7**	**0.0**	**2.4**	**7.0**

The other provisions relate primarily to dismantling obligations of EUR 6.1 million (previous year: EUR 5.3 million) for the wind farms owned by the Company; the remaining amount is attributable to other short-term provisions.

13. Financial liabilities

The values shown are attributable to corporate bonds, liabilities to banks, other financial liabilities, liabilities from leasing contracts as well as derivatives.

Bonds

During the reporting period, the Company held the corporate bond 2022/2027, which developed as follows:

Bond 2022/2027

in euro million	2024	2023
Status on 1.1.	53.9	53.8
Issued	0.0	0.0
Interest accrued	0.2	0.1
Repaid	0.0	0.0
Status on 31.12.	**54.1**	**53.9**
Total	**54.1**	**53.9**

Corporate bond 2022/2027

To improve its financing structures and to finance measures of external and internal growth as well as for general business purposes, PNE AG issued a corporate bond with a volume of EUR 55 million in June 2022. The bonds from the 2022/2027 corporate bond have been included in the open market at the Frankfurt Stock Exchange since 23 June 2022.

The bonds from the 2022/2027 corporate bond bear interest of 5% p.a. on their nominal amount with effect from 23 June 2022 (inclusive) to 23 June 2027 (exclusive). Interest is payable in arrears on 23 June of each year. According to the bond terms and conditions, the interest rate may increase by up to 0.5 percentage points depending on the equity ratio resulting from the Company's consolidated balance sheet.

PNE AG is obliged to repay the bonds on 23 June 2027 at the nominal amount, insofar as they have not been fully or partially repaid or bought back and invalidated earlier. According to the bond terms and conditions, PNE AG also has the right to repay bonds with a total nominal value of at least EUR 5 million as of 23 June 2025 at the earliest, in which case the repayment amount is higher than the nominal value.

In the case of a change of control, each bondholder has the right, in accordance with the bond terms and conditions, to demand early repayment of bonds from PNE AG as the issuer. In this connection, a change of control is deemed to have occurred if the issuer becomes aware that a person or a group of persons acting in concert in the sense of Section 2 para. 5 of the German Securities Acquisition and Takeover Act (WpÜG) has become the legal or beneficial owner of such a number of the issuer's shares, which represent 50% or more of the voting rights.

Liabilities to banks

The interest rates for fixed interest liabilities to banks range between 0.79% and 5.88%. These are predominantly KfW financings, most of which are subject to fixed interest rates. Future variable interest rates that may apply after the end of the fixed-interest period were taken into account by concluding interest rate swaps. The Company is exposed to an interest rate risk in respect of its variable interest liabilities to banks. In 2024, the relevant interest rates ranged between 4.47% and 21.7% (overdraft interest rate). Variable interest rates are adjusted at intervals of less than one year. The liabilities to banks have terms to maturity up to 2048.

As of 31 December 2024, an amount of EUR 732.5 million of the reported liabilities to banks (previous year: EUR 613.0 million) is secured by:

1. Mortgage in the amount of EUR 4.2 million and the assignment of rental income from the property Peter-Henlein-Str. 2-4, Cuxhaven.

2. Assignments as security of all rights under contracts in connection with own operations and wind farms under construction, and assignment of all receivables of these wind farms and wind farm companies.

3. Assignment as security by pledging the shares in PNE Power Generation GmbH as part of the pro rata interim equity financing of wind turbines.

4. Assignment as security by pledging the shares in PNE WIND West Europe GmbH, PNE Portfolio 2 GmbH and WKN Wertewind Betriebsgesellschaft mbH as part of the pro rata interim equity financing of wind farm portfolios.

Reason for security (no. for listing)

in euro million	Valued amount 2024	Valued amount 2023
Wind farms under construction or own operations (2)	695.3	563.7
Interim equity financing of wind farm portfolios (3)	33.0	44.2
Other credit lines in the Group	9.6	13.0
Land charge for company headquarters in Cuxhaven (1)	3.1	3.3
Interim equity financing of wind turbines for repowering (4)	1.1	1.6

As of 31 December 2024, the Group also had

- working capital facilities of EUR 20.1 million (previous year: EUR 20.1 million), of which EUR 11.9 million was used as of 31 December 2024 (previous year: EUR 10.8 million),

- credit lines for project debt capital financing of EUR 125.8 million (previous year: EUR 119.3 million).

In addition, the Group had credit lines for guarantee and contract fulfilment obligations (excluding guarantee lines granted by banks in connection with ongoing project financing) of EUR 35.0 million as of 31 December 2024 (previous year: EUR 38.2 million). The Group had used EUR 20.0 million of the credit lines for guarantee and contract fulfilment as of 31 December 2024 (previous year: EUR 10.7 million).

There were no defaults or other performance failures regarding interest or redemption on the reporting date and it is not expected that the securities will be used.

Other financial liabilities

The other financial liabilities include derivatives (interest rate swaps) totalling EUR 6.7 million (previous year: EUR 8.0 million).

There were no defaults or other performance failures regarding interest or redemption on the reporting date.

Liabilities from leasing contracts

The following tables contain information on leases in accordance with IFRS 16.

Carrying amounts in connection with leases

in euro million	2024	2023
Recognised in right-of-use assets		
Rights-of-use for land, buildings and similar assets	95.9	90.7
Rights-of-use for technical equipment and machinery, other equipment, fixtures and furnishings	2.3	2.2
	98.2	**92.8**
Recognised in inventories		
Rights-of-use for land, buildings and similar assets recognised in inventories	46.9	52.5
	46.9	**52.5**
Recognised in financial assets		
Long-term financial liabilities	141.9	156.1
Short-term financial liabilities	7.6	7.5
	149.5	**163.6**
Additions to rights-of-use		
of which rights-of-use for land, buildings and similar assets	1.0	5.0
of which rights-of-use for technical equipment and machinery, other equipment, fixtures and furnishings	1.3	1.8
of which rights-of-use for land, buildings and similar assets recognised in inventories	9.8	41.8
	12.1	**48.6**

Expenses and income in connection with leases

in euro million	2024	2023
Scheduled depreciation on rights-of-use for land, buildings and similar assets	6.0	5.7
Scheduled depreciation on rights-of-use for technical equipment and machinery, other equipment, fixtures and furnishings	1.2	1.1
Scheduled depreciation on rights-of-use for land, buildings and similar assets recognised in inventories	2.4	2.0
Impairment on rights-of-use	0.0	0.0
Interest expenses from lease liabilities	4.0	2.8
Expenses	**13.7**	**11.5**
Income from subleasing of rights-of-use	0.1	0.3
Income	**0.1**	**0.3**
The total payments for leases in the financial year amounted to	12.7	10.6

The payments for the interest portion resulting from lease liabilities are presented in the cash flow from operating activities. The payments for the principal portion of lease liabilities are presented in the cash flow from financing activities.

PNE has rented various office buildings and plots of land for the operation of wind energy and PV power plants as well as vehicles. Rental agreements are usually concluded for fixed periods of two years to 25 years, taking into account the usual extension options for the operation of wind energy and PV power plants.

There were no external effects in the form of rental concessions during the reporting period.

Reconciliation of debts from financing activities

			Non-cash changes				
in euro million	**Opening balance on 1.1.2024**	**Cash flow (cash change)**	**Sale of companies**	**Changes in fair value**	**Interest-related changes**	**Other**	**Closing balance on 31.12.2024**
Bonds	53.9	-	-	-	0.2	-	54.1
Liabilities to banks	548.9	164.9	−48.7	-	24.5	-	689.6
Other financial liabilities	9.1	−1.7	-	-	-	-	7.4
Liabilities from leasing contracts	163.6	−12.7	-	-	-	−1.5	149.5
Liabilities from financing activities	**775.5**	**150.5**	**−48.7**	**0.0**	**24.7**	**−1.5**	**900.5**

			Non-cash changes				
in euro million	**Opening balance on 1.1.2023**	**Cash flow (cash change)**	**Sale of companies**	**Changes in fair value**	**Interest-related changes**	**Other**	**Closing balance on 31.12.2023**
Bonds	53.8	-	-	-	0.1	-	53.9
Liabilities to banks	399.2	171.8	-	-	−22.1	-	548.9
Other financial liabilities	2.8	6.2	-	-	-	-	9.1
Liabilities from leasing contracts	117.0	−10.6	-	-	-	57.2	163.6
Liabilities from financing activities	**572.8**	**167.4**	**0.0**	**0.0**	**−22.0**	**57.2**	**775.5**

14. Other liabilities

Trade payables, liabilities to affiliated companies, associates and joint ventures and those with which an investment relationship exists are exclusively financial liabilities.

Deferred revenues

The item of EUR 18.7 million (previous year: EUR 12.2 million) is attributable primarily to prepayments made by wind farm operating companies for the use of transformer stations. These deferred revenues correspond to contract liabilities in accordance with IFRS 15 and are released to income over the term of the usage contracts (20 to 25 years).

Deffered liabilities

In addition to advance payments received on orders amounting to EUR 24.2 million (previous year: EUR 0.4 million), this item also includes financial liabilities of EUR 6.5 million (previous year: EUR 4.8 million) and non-financial liabilities of EUR 0.0 million (previous year: EUR 0.9 million) relating to personnel.

Other liabilities

Other liabilities mainly include VAT liabilities of around EUR 6.5 million (previous year: around EUR 1.2 million), interest liabilities of EUR 1.4 million (previous year: EUR 1.4 million), other financial liabilities totalling EUR 1.8 million (previous year: EUR 1.2 million) and other non-financial liabilities.

15. Financial instruments and principles of risk management

Apart from default risks and liquidity risks, the Group's assets, liabilities and planned transactions are exposed to risks from changing exchange rates and interest rates. The objective of financial risk management is to limit these risks through ongoing activities at the operational and financial level.

In respect of the market price risks, the Group uses derivative financial instruments depending on the assessment of risk. Derivative financial instruments are used solely for hedging purposes, i.e. they are not used for trading or other speculative purposes. The Group makes use of hedge accounting.

The main elements of financial policy are determined by the Board of Management and are monitored by the Supervisory Board. The Finance and Controlling department is responsible for implementing financial policy and ongoing risk management. Certain transactions require the prior approval of the Board of Management, which is kept informed at regular intervals about the scope and the amount of the current risk exposure. The principles of risk management have not changed compared to the previous year.

Categories and classes of financial instruments

The following table shows the carrying amounts and fair values of all financial instruments by category:

in euro million	Category acc. to IFRS 9	Total	Fair value
As at 31.12.2024			
Long-term financial assets			
Shares in affiliated companies	n/a	1.1	1.1
Shares in participations	n/a	0.8	0.8
Other loans	AC	0.2	0.2
Other long-term financial assets (derivative FPPA)	FVPL	3.0	3.0
Other long-term financial assets (free-standing interest rate swaps)	FVPL	0.0	0.0
Other long-term financial assets (interest rate swaps in hedge accounting)	n/a	8.9	8.9
Other long-term financial assets (other)	AC	0.4	0.4
Long-term financial assets			
Trade receivables	AC	62.2	62.2
Receivables from contingent purchase price payments	FVPL	21.4	21.4
Other short-term loan receivables	AC	0.1	0.1
Receivables from affiliated companies	AC	20.5	20.5
Trade receivables from affiliated companies and from other investments	AC	2.2	2.2
Cash and cash equivalents	AC	91.6	91.6
Other assets (stand-alone interest rate swaps)	FVPL	0.0	0.0
Other assets (interest rate swaps in hedge accounting)	n/a	0.7	0.7
Other assets (other, financial)	AC	4.9	4.9
Other assets (other, non-financial)	n/a	8.9	8.9
		227.0	**227.0**
Total AC		**182.2**	**182.2**
Total FVPL		**24.4**	**24.4**

AC = measured at amortised costs
FVOCI = measured at fair value (changes in value recognised in OCI)
FVPL = measure at fair value (change in the income statement)
n/a = no category according to IFRS 9

in euro million	Category acc. to IFRS 9	Total	Fair value
As at 31.12.2023			
Long-term financial assets			
Shares in affiliated companies	n/a	0.4	0.4
Shares in participations	n/a	0.8	0.8
Other loans	AC	0.2	0.2
Other long-term financial assets (derivative FPPA)	FVPL	2.8	2.8
Other long-term financial assets (free-standing interest rate swaps)	FVPL	0.1	0.1
Other long-term financial assets (interest rate swaps in hedge accounting)	n/a	10.3	10.3
Other long-term financial assets (other)	AC	0.4	0.4
Long-term financial assets			
Trade receivables	AC	23.4	23.4
Receivables from contingent purchase price payments	FVPL	14.4	14.4
Other short-term loan receivables	AC	0.1	0.1
Receivables from affiliated companies	AC	14.0	14.0
Trade receivables from affiliated companies and from other investments	AC	0.7	0.7
Cash and cash equivalents	AC	90.4	90.4
Other assets (stand-alone interest rate swaps)	FVPL	0.0	0.0
Other assets (interest rate swaps in hedge accounting)	n/a	0.7	0.7
Other assets (other, financial)	AC	11.1	11.1
Other assets (other, non-financial)	n/a	8.5	8.5
		178.4	**178.4**
Total AC		**140.4**	**140.4**
Total FVPL		**17.3**	**17.3**

AC = measured at amortised costs
FVOCI = measured at fair value (changes in value recognised in OCI)
FVPL = measure at fair value (change in the income statement)
n/a = no category according to IFRS 9

in euro million	Category acc. to IFRS 9	Total	Fair value
As at 31.12.2024			
Long-term financial liabilities			
Bonds	AC	54.1	53.6
Liabilities to banks	AC	617.8	732.6
Other financial liabilities (Free-standing interest rate swaps)	FVPL	0.6	0.6
Other financial liabilities (interest rate swaps in hedge accounting)	n/a	5.7	5.7
Other financial liabilities (others)	AC	0.2	0.2
Short-term financial liabilities			
Liabilities to banks	AC	71.8	71.8
Other financial liabilities (Free-standing interest rate swaps)	FVPL	0.0	0.0
Other financial liabilities (interest rate swaps in hedge accounting)	n/a	0.3	0.3
Other financial liabilities (others)	AC	0.6	0.6
Other short-term liabilities			
Trade payables	AC	69.4	69.4
Liabilities from contingent purchase price payments	FVPL	4.3	4.3
Liabilities to affiliated companies	AC	0.1	0.1
Liabilities to associated companies and to other investments	AC	0.6	0.6
Deferred liabilities (financial)	AC	1.1	1.1
Deferred liabilities (non-financial)	n/a	28.6	28.6
Other liabilities (financial)	AC	1.1	1.1
Other liabilities (non-financial)	n/a	10.0	10.0
		866.2	**980.5**
Total AC		**816.7**	**931.0**
Total FVPL		**4.9**	**4.9**

in euro million	Category acc. to IFRS 9	Total	Fair value
As at 31.12.2023			
Long-term financial liabilities			
Bonds	AC	53.9	52.5
Liabilities to banks	AC	495.2	572.1
Other financial liabilities (Free-standing interest rate swaps)	FVPL	0.1	0.1
Other financial liabilities (interest rate swaps in hedge accounting)	n/a	7.5	7.5
Other financial liabilities (others)	AC	0.1	1.0
Short-term financial liabilities			
Liabilities to banks	AC	53.7	53.7
Other financial liabilities (interest rate swaps in hedge accounting)	n/a	0.4	0.4
Other financial liabilities (others)	AC	0.9	0.9
Other short-term liabilities			
Trade payables	AC	56.2	56.2
Liabilities from contingent purchase price payments	FVPL	3.5	3.5
Liabilities to affiliated companies	AC	0.2	0.2
Liabilities to associated companies and to other investments	AC	0.6	0.6
Deferred liabilities (financial)	AC	4.8	4.8
Deferred liabilities (non-financial)	n/a	1.2	1.2
Other liabilities (financial)	AC	2.6	2.6
Other liabilities (non-financial)	n/a	4.8	4.8
		685.8	**762.3**
Total AC		**671.8**	**748.3**
Total FVPL		**3.6**	**3.6**

AC = measured at amortised costs
FVOCI = measured at fair value (changes in value recognised in OCI)
FVPL = measure at fair value (change in the income statement)
n/a = no category according to IFRS 9

The book value of cash equivalents and short-term liabilities to credit institutions is very close to their market value due to the short term of these financial instruments. As regards receivables and liabilities which are based on standard trade credit conditions, the book value based on historical cost is also very close to the market value.

The fair value of long-term liabilities is based on the currently available interest rates for outside capital borrowed with the same maturity and credit rating profile.

The fair values of financial instruments listed in the tables were derived from market information available on the reporting date and the methods and assumptions presented below.

The determination of fair values of all financial instruments recognised in the statement of financial position and explained in these notes with the exception of Financial Power Purchase Agreements (for short: FPPA, Level 3), the contingent consideration (Level 3) and the bond (Level 1 fair value measurement) are based on Level 2 information and input factors.

The fair value is determined in line with generally accepted pricing models based on discounted cash flow analyses and using observable current market prices for similar instruments (level 2).

Any reclassifications between the hierarchy levels are made as of the reporting date. As in the previous year, there were no transfers between the hierarchy levels in the current financial year.

Shares in affiliated companies and shares in companies in which an investment is held were measured at cost of EUR 1.9 million (previous year: EUR 1.2 million), which is an appropriate estimate of fair value for materiality reasons.

The carrying amounts of financial assets in the category "measured at amortised cost" (AC) approximate their fair values on the reporting date.

The FPPA is measured using a recognised net present value model that also uses unobservable input factors (Level 3). The market value development of the derivative depends in particular on the development of the EPEX spot price (represented in the net present value model by corresponding futures prices) and also on the development of the relevant discount rate and other technical parameters.

in euro million	**2024**	**2023**
Status on 1.1.	2.8	0.0
Gains/losses recognised in profit or loss	0.2	2.8
Gains/losses recognised directly in equity	0.0	0.0
Purchases	0.0	0.0
Sales	0.0	0.0
Repayments	0.0	0.0
Reclassification	0.0	0.0
Status on 31.12.	**3.0**	**2.8**
Total	**3.0**	**2.8**

A 10% increase in electricity price expectations (expressed as a 10% increase in future prices in all planning periods) would have led to a reduction in the value of the FPPA by EUR 1.2 million (previous year: EUR 1.4 million) as of the balance sheet date. A 10% reduction in electricity price expectations would have resulted in an increase in the value of the FPPA of EUR 1.2 million (previous year: EUR 1.4 million). An increase in the cost of capital of 1% would have led to a reduction in the value of the FPPA of EUR 0.1 million (previous year: EUR 0.1 million). A 1% reduction in capital cost expectations would have resulted in an increase in the value of the FPPA of EUR 0.1 million (previous year: EUR 0.1 million). All of the effects presented would be recognised in full in profit or loss.

The fair values of interest rate swaps are calculated using forward interest rates (observable yield curves on the reporting date) and the estimated contractual interest rates, which were discounted on the reporting date using the yield curve.

The determination of the fair values of bonds is based on the observable price quotations as of the reporting date.

The fair values of liabilities to banks and other financial liabilities are determined using current interest rates at which similar loans with identical maturities could have been taken out on the reporting date.

The valuation of trade liabilities and other financial liabilities is based on the assumption that the fair values correspond to the carrying amounts of these financial instruments in view of their short remaining terms.

Net results

The FVOCI category does not currently account for any net income or dividends.

Net results from financial assets measured at amortised cost (AC) amounted to EUR 0.0 million (previous year: EUR 0.8 million) for impairment losses, which were recognised in other operating expenses, and EUR 0.2 million (previous year: EUR 0.3 million) for interest income, which was recognised in the financial result.

Net results from financial liabilities carried at amortised cost (AC) consist of interest totalling EUR 11.5 million (previous year: EUR 11.1 million), which is included in "Interest and similar expenses". In addition, there were gains from subsequent measurement of the FPPA recognised in profit or loss in the amount of EUR 0.2 million (previous year: EUR 2.0 million), which are included in "Other interest and similar income".

The net result from financial assets and financial liabilities measured at fair value through profit or loss (FVPL) results from the subsequent measurement of stand-alone derivatives and amounts to EUR −0.6 million (previous year: EUR 2.7 million). This is recognised in the amount of EUR 0.2 million (previous year: EUR 2.8 million) under the income statement item "Other interest and similar income" and EUR 0.8 million (previous year: EUR 0.1 million) under "Interest and similar expenses".

Contractual maturities

The following table analyses the financial liabilities of the Group by the relevant maturity bands, based on their contractual terms for:

(a) all non-derivative financial liabilities, and

(b) derivative financial instruments that are settled on a net basis and whose contractual maturities are material to an understanding of the timing of cash flows.

in euro million	Total contractual cash flows	up to 1 year	1 to 5 years	more than 5 years	Carrying amount
As at 31.12.2024					
Trade liabilities	73.7	73.7	0.0	0.0	73.7
Bond	62.3	2.8	59.6	0.0	54.1
Liabilities to banks	888.4	94.9	234.8	558.6	689.6
Other financial liabilities	0.7	0.6	0.1	0.0	0.7
Liabilities from leasing contracts	191.5	11.0	40.5	140.1	149.5
Interest rate swap in hedge-accounting	10.8	0.2	0.7	9.9	4.8
Interest rate swap not in hedge-accounting	6.6	0.2	1.0	5.5	2.0
	1,234.0	**183.4**	**336.7**	**714.1**	**974.4**
As at 31.12.2023					
Trade liabilities	59.7	59.7	0.0	0.0	59.7
Bond	67.6	2.8	53.9	0.0	53.9
Liabilities to banks	704.0	62.3	208.6	433.1	548.9
Other financial liabilities	1.1	0.9	0.1	0.0	1.0
Liabilities from leasing contracts	217.9	10.6	41.6	165.7	163.6
Interest rate swap in hedge-accounting	8.0	0.4	1.7	5.9	8.0
Interest rate swap not in hedge-accounting	0.0	0.0	0.0	0.0	0.0
	1,058.3	**136.8**	**305.8**	**604.7**	**835.2**

The amounts shown in the table are the contractual non-discounted cash flows. Balances due within 12 months correspond to their carrying amounts, as the effect of discounting is not significant. In the case of interest rate swaps, the cash flows were estimated using the forward interest rates applicable at the end of the reporting period.

Financial covenants are included in the bond conditions as well as in the contracts underlying the liabilities to credit institutions. These covenants relate in particular to compliance with defined equity ratios and defined debt service coverage ratios (DSCR) and change-of-control clauses. In the event of non-compliance with the covenants, increased interest payments may be made in relation to the bond before the bond matures and early repayment of the loans granted may occur in relation to liabilities to banks. The above table is based on the due dates if the covenants are complied with, taking into account the probability of a breach of the covenants.

In the 2024 financial year, there was no breach of covenant for any loans (previous year: none) with a carrying amount of EUR 0.0 million (previous year: EUR 0.0 million). Early repayment of the loans is therefore considered unlikely.

Risk categories within the meaning of IFRS 7

Please also refer to the comments in the management report “Risk and opportunity report”.

Credit risk

The Group is exposed to a counterparty default risk from its operating business and certain financing activities. The default risk arising from financial assets is recognised through appropriate valuation adjustments, taking existing collateral into account. In order to reduce the default risk relating to non-derivative financial instruments, the Group takes various hedging measures, such as obtaining collateral and guarantees where it appears appropriate as a result of creditworthiness checks. The default risk is considered minimal for the financial assets which are neither past due nor impaired.

The maximum default risk is reflected primarily by the carrying amounts of the financial assets stated in the statement of financial position (including derivative financial instruments with a positive market value). On the reporting date, there were no material agreements reducing the maximum default risk (e.g. netting arrangements).

Liquidity risk

In order to ensure the Group’s ability to pay its debts at any time and its financial flexibility, revolving liquidity plans are prepared, which show the inflow and outflow of liquidity both in the short term and in the medium and long terms.

The analysis of maturities of financial liabilities with contractual terms to maturity is shown under ↗ **chapter V.13. Financial liabilities**.

Market risk

In the area of market price risks, the Group is exposed to currency risks, interest rate risks and other price risks.

Currency risks

The Group’s currency risks result primarily from its operating activity and investments. Risks from foreign exchange rates are hedged insofar as they have a material influence on the cash flows of the Group.

In the operating area, the foreign exchange risks are attributable primarily to the fact that transactions recognised in the statement of financial position and planned transactions are processed in a currency other than the functional currency (euro).

Foreign exchange risks in the financing area are attributable to financial liabilities in foreign currency and loans in foreign currency, which are granted to Group companies for financing purposes. At the end of the year, the Group had short-term trade liabilities denominated in foreign currencies, which do not result in a material risk from the viewpoint of the Company.

In the investment area, foreign currency risks arise mainly from the acquisition or disposal of investments in foreign companies.

To hedge against significant foreign exchange risks, the Group will use currency derivatives in the form of forward exchange transactions and foreign currency option contracts, if necessary. These currency derivatives secure the payments up to a maximum of one year in advance. On the reporting date, the Group was not exposed to significant foreign exchange risks in the operating area. For this reason, hedging transactions against foreign currency risks had not been concluded as of the reporting date.

In accordance with IFRS 7, the Group prepares sensitivity analyses in respect of market price risks in order to establish the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity. The periodic effects are determined by relating the hypothetical changes in the risk variables to the volume of the financial instruments on the reporting date. It is assumed that the volume of the financial instruments on the reporting date is representative for the year as a whole.

Due to the low level of assets and liabilities in foreign currencies, the Group is not exposed to a material currency risk. Currencies other than the euro that are relevant for the Group were denominated in insignificant amounts in US dollars on the reporting date.

Interest risks

The Group is exposed to interest risks mainly in the euro zone. Taking the actual and the planned debt structure into account, the Group uses generally interest derivatives (interest rate swaps, interest caps) to counteract interest rate risks.

In the year under review, interest rate swaps were concluded in connection with new loans taken out because, from a business policy perspective, the time was right for the conclusion of the interest rate swaps.

In accordance with IFRS 7, interest rate risks are presented by means of sensitivity analyses. These show the effects of changes in market interest rates on interest payments, interest income and expense, other items included in the results and, if applicable, on the shareholders' equity. Interest rate sensitivity analyses are based on the following assumptions:

- → Changes in the interest rate of non-derivative fixed interest bearing financial instruments affect profit or loss only if these instruments are measured at fair value. Accordingly, all fixed interest financial instruments carried at amortised cost are not exposed to interest rate risks within the meaning of IFRS 7.
- → Changes in market interest rates have an effect on the interest result of non-derivative variable-interest financial instruments whose interest payments are not designated as underlying transactions in the context of cash flow hedges hedging against interest rate changes, and they are therefore taken into account in sensitivity analyses relating to the results.
- → Changes in market interest rates of interest derivatives which are not integrated into a hedging relationship pursuant to IFRS 9 have an effect on the interest result (valuation result from the adjustment to the fair value), and they are therefore taken into account in sensitivity calculations relating to the results.
- → Changes in market interest rates of interest derivatives which are integrated into a hedging relationship pursuant to IFRS 9 have an effect on the interest result in the amount of the ineffectiveness and else on equity (valuation result from the adjustment to the fair value), and they are therefore taken into account in sensitivity calculations relating to equity.

If the market interest level on 31 December 2024 had been higher (lower) by 100 basis points, effects would have occurred with regard to equity. Equity capital would have been EUR −19.6 million lower or EUR 23.3 million higher.

Other price risks

In order to represent market risks, IFRS 7 also requires information on how hypothetical changes in other price risk variables can have an effect on the prices of financial instruments. In particular stock market prices or indices are relevant risk variables.

On 31 December 2024 and on 31 December 2023, the Company had no material financial instruments in its portfolio that were exposed to other price risks.

Risk concentration

Beyond the general (capital) market risks, there is no significant risk concentration from the management's point of view.

Capital management

The objectives of the Company's capital management are:

- ensuring the continued existence of the Company,
- guaranteeing adequate interest yield on shareholders' equity, and
- maintaining an optimum capital structure that minimises capital costs as much as possible.

In order to maintain or to modify the capital structure, the Company issues new shares as required, assumes liabilities or disposes of assets to redeem liabilities.

The capital structure is monitored using the debt/equity ratio, which is calculated from the ratio of net borrowed capital to total capital. The net borrowed capital consists of short- and long-term financial liabilities (liabilities to banks, bonds, liabilities to leasing companies, other financial liabilities) less cash and cash equivalents. The total capital consists of shareholders' equity plus net borrowed capital.

Individual companies of the power generation segment are subject to liquidity reserve requirements from banks, which are taken into account in monitoring the capital structure, but in total have no significant impact on the capital structure and its availability at the Group level.

The strategy of the Company is to maintain a debt/equity ratio of no more than 70% to 80% in order to ensure continued access to borrowed capital at reasonable cost by maintaining a good credit rating.

Taking the liquid funds into account, the net debt (cash and cash equivalents less the short-term and long-term financial liabilities) as of 31 December 2024 amounted to EUR 808.9 million (previous year: net debt EUR 685.1 million).

in euro million	**31.12.2024**	**31.12.2023**
Financial liabilities	900.5	775.5
./. Cash and cash equivalents	91.6	90.4
= Net borrowed capital	**808.9**	**685.1**
+ Shareholders' equity	194.6	208.1
= Total capital	**1,003.5**	**893.2**
Debt ratio	**80.6%**	**76.7%**

The strategy for monitoring the capital structure, which was unchanged compared with the previous year, has largely fulfilled its objectives insofar as the debt/equity ratio was only marginally exceeded and as all external requirements for securing liquidity were met.

VI. NOTES ON THE STATEMENT OF COMPREHENSIVE INCOME

1. Revenues

Revenues are broken down according to product and service areas within the Group. In the reporting period, revenues were generated primarily from the segments project development (project planning of wind energy and photovoltaic projects) and services (management and servicing of wind farms and PV power plants as well as revenues from transformer station usage fees). In the power generation segment, revenues were achieved primarily by the sale of electricity from ongoing operations of wind farms and of the Silbitz biomass power station.

in euro million	2024	2023
Revenues from contracts with customers	140.0	102.3
Revenues from the sale of project companies in accordance with IFRS 10	69.6	12.4
Earn-out entitlements from the sale of project companies in accordance with IFRS 10	0.8	6.8
Total revenues	**210.4**	**121.5**

The Group generates revenues from the transfer of goods and the provision of services, both over a period of time and at a point in time, in the following key product and service areas and geographical regions:

in euro million					2024
	Project development				
	Germany	**Abroad**	**Power-generation**	**Services**	**Total**
Revenues from contracts with customers	35.4	2.9	77.6	24.1	140.0
Revenues from the sale of project companies in accordance with IFRS 10	53.4	16.2	0.0	0.0	69.6
Earn-out entitlements from the sale of project companies in accordance with IFRS 10	0.4	0.4	0.0	0.0	0.8
Revenues	**89.2**	**19.5**	**77.6**	**24.1**	**210.4**
Time of revenue recognition					
at a point in time	53.8	16.2	0.0	0.0	70.0
over time	35.4	3.3	77.6	24.1	140.4

in euro million					2023
	Project development				
	Germany	**Abroad**	**Power generation**	**Services**	**Total**
Revenues from contracts with customers	4.0	3.1	73.8	21.4	102.3
Revenues from the sale of project companies in accordance with IFRS 10	0.2	12.2	0.0	0.0	12.4
Earn-out entitlements from the sale of project companies in accordance with IFRS 10	0.2	6.6	0.0	0.0	6.8
Revenues	**4.4**	**21.9**	**73.8**	**21.4**	**121.5**
Time of revenue recognition					
at a point in time	4.4	21.9	0.0	0.0	26.3
over time	0.0	0.0	73.8	21.4	95.2

Revenue in the project development segment from customer contracts, which is realised over a certain period of time, was determined on the basis of the percentage of completion using the percentage-of-completion method. The percentage of completion is determined by comparing the services already rendered with the total expected service volume. The percentage of completion is therefore determined for each individual project on the basis of the work performed.

Proceeds from the sale of project companies in accordance with IFRS 10 relate to capital gains from the sale of shares in companies active in the project development business recognised as part of deconsolidation in accordance with IFRS 10. Costs were only incurred to an insignificant extent and were netted against revenues.

The disaggregation of sales revenue was adjusted to improve the presentation, and revenue from contracts with customers as defined by IFRS 15 totalling EUR 69.6 million (Germany: EUR 53.4 million and abroad: EUR 16.2 million) was reclassified to the line Revenue from the sale of project companies (previous year: EUR 12.4 million (Germany: EUR 0.2 million) and EUR 12.2 million (international)).

Contractually agreed revenue volumes from services, which were attributable to performance obligations not yet fulfilled as of 31 December 2024, are expected to be recognised as revenue, net of expected sales deductions, as follows:

in euro million	**2024**	**2023**
Outstanding transaction price as at 31 December	**71.3**	**61.3**
of which recognised as revenue within 1 year	7.0	6.0
of which recognised as revenue after 1 up to 5 years	21.7	18.2
of which recognised as revenue after more than 5 years	42.6	37.1

The changes in deferred revenues (contract liabilities) between 1 January 2024 and 31 December 2024 result from the following factors:

in euro million	**2024**
Contract liabilities as at 1 January	12.2
Additions	10.6
Disposal	-2.0
Revenue recognised in the reporting period that was included in contract liabilities as at 1 January	-2.1
Contract liabilities as at 31 December	**18.7**

Contract liabilities mainly result from advance payments made by wind farm operating companies for the use of transformer stations and from advance payments for services.

2. Other operating income

Other operating income includes mainly the following effects:

- Compensation of EUR 0.1 million (previous year: EUR 3.3 million), of which EUR 2.5 million for compensation according to Section 10a WindSeeG on the basis of a decision of the Constitutional Court that parts of the WindSeeG are unconstitutional.
- The reversal of impairment losses on receivables of EUR 0.3 million (previous year: EUR 0.1 million).
- Since June 2022, Turkey has been classified as a hyperinflationary economy within the meaning of IAS 29. The effects of the purchasing power adjustment of the non-monetary balance sheet items and the items in the statement of comprehensive income are recognised in other operating income and expenditure. In the 2024 financial year, there was a positive result from the net position of monetary items of EUR 3.2 million (previous year: EUR 0.7 million).

3. Personnel expenses

Personnel expenses are made up as follows:

in euro million	2024	2023
Wages and salaries	50.2	44.0
Social security and pension expenses	8.8	7.8
	59.0	**51.8**
Average annual number of employees	648	608
Personnel expenses per employee	0.1	0.1

The expenses for defined contribution plans pursuant to IAS 19 in the 2024 financial year amounted to EUR 2.8 million (previous year: EUR 2.5 million).

4. Other operating expenses

Other operating expenses include mainly the following items:

in euro million	2024	2023
Legal and consulting costs	8.0	7.4
Repair and maintenance expenses	7.1	7.2
Advertising and travel expenses	4.3	3.3
Rental and leasing expenses and incidental rental costs	2.6	2.8
Vehicle costs	1.7	2.3
Insurance premiums and contributions	1.9	1.6
Financial statement and auditing costs, incl. tax advice and external accounting	1.0	1.5
IT costs	2.0	1.4
Expenses unrelated to the period	1.0	1.3
Addition to individual value adjustments on receivables	0.9	0.8
Supervisory Board remuneration	0.4	0.5
Skimming of proceeds (StromPBG)	0.0	0.1

Expenses of EUR 2.6 million (previous year: EUR 2.8 million) were recognised for short-term rental and lease agreements in the financial year.

Expenses for leases for assets classified as low-value are of minor significance overall.

5. Other interest and similar income

Other interest and similar income changed from EUR 11.9 million in the prior-year period to EUR 10.6 million.in the reporting period. The change is mainly due to the valuation of interest rate swaps used for project financing. In order to counteract the effects of fluctuations in market interest rates, interest rate swaps and floating-rate loans (so-called hedged items) were designated as hedging instruments in hedge accounting for the first time as of 1 October 2023. Up to that point in time, the changes in the value of interest rate swaps in the amount of EUR 6.5 million were recognised in profit or loss in the year 2023. Income of EUR 6.2 million (previous year: EUR 0.6 million) was recognised in the statement of income under other interest and similar income in the reporting period due to the necessary subsequent measurement of liabilities to banks in connection with the accounting treatment of low-interest loans (government grants). Due to this change in the interest level, the assumptions regarding the previously expected interest payment flows after the expiry of the fixed-interest periods had to be adjusted. For the period after expiry of the fixed-interest period, correspondingly higher interest payments have been budgeted for this reason. In addition, the expected effective interest rate for the variable-interest periods was adjusted in line with market expectations following the agreed fixed-interest periods.

A "financial PPA" was concluded and evaluated in 2023 for an ongoing wind farm in its own operation. This evaluation led to income totalling EUR 0.2 million (previous year: EUR 2.8 million).

6. Interest and similar expenses

Interest and similar expenses include primarily

- → interest on the 2022/2027 bond of EUR 2.8 million (previous year: EUR 2.8 million),
- → interest on loans and overdrafts of approx. EUR 8.6 million (previous year: EUR 8.4 million),
- → EUR 0.2 million (previous year: EUR 0.1 million) from the application of the effective interest method as part of the subsequent measurement of the bonds,

- changes in the value of derivative financial instruments (including changes resulting from swaps disposed during the year) of EUR 2.0 million (previous year: EUR 1.1 million),
- subsequent measurement of loans payable to banks of EUR 28.8 million (previous year: EUR 9.8 million),
- discounting of dismantling obligation totalling EUR 0.2 million (previous year: EUR 0.1 million),
- interest accrued pursuant to IFRS 16 Leases of EUR 4.0 million (previous year: EUR 2.8 million).

In order to counteract the effects of fluctuations in market interest rates, interest rate swaps and floating-rate loans (so-called hedged items) were designated as hedging instruments in hedge accounting for the first time as of 1 October 2023. Changes in the value of the effective part of the cash flow hedge are reported in the amount of EUR 7.9 million (previous year: EUR 9.7 million) in the cash flow hedge reserve (OCI), after calculating deferred taxes. The non-effective portion of hedge accounting in the amount of EUR 0.3 million (previous year: EUR 0.8 million) was recognised in the income statement as interest and similar expenses. In addition, EUR 0.8 million (previous year: EUR 0.0 million) was reclassified from other comprehensive income to the income statement and recognised as an expense.

7. Taxes on income

Income tax expense (previous year: income tax income) is made up as follows:

in euro million	**2024**	**2023**
Current taxes	**7.4**	**6.7**
thereof unrelated to the period	0.3	1.0
Deferred taxes		
from consolidation effects	4.0	-9.5
from separate financial statements and HB II adjustments	-2.2	1.9
	1.8	**-7.6**
Taxes shown	**9.2**	**-0.9**

Current taxes include the corporation tax plus solidarity surcharge and the trade tax for the domestic companies as well as comparable taxes on income for the foreign companies.

For the domestic companies, the corporation tax amounted to 15%; the solidarity surcharge remained unchanged at 5.5% on corporation tax. Including the trade tax, the total tax liability of the domestic companies was approximately 30%.

The individual tax rates for the relevant countries provide the basis for the foreign companies.

There were no major changes in tax expense due to changes in the relevant national tax rates.

On the reporting date, the Group had tax loss carry-forwards of approx. EUR 7.2 million (previous year: EUR 7.2 million) in Germany and of approx. EUR 123.5 million (previous year: approx. EUR 121.2 million) abroad, which can be offset against future profits. A deferred tax asset of EUR 0.0 million (previous year: EUR 1.0 million) was recognised for these losses and adjusted in the amount of EUR 0.0 million (previous year: EUR 0.0 million). In view of the loss situation in the past (abroad) and the tax exemption on parts of the sales of shares in corporations in Germany, deferred tax assets on loss carry-forwards are only capitalised in the amount that can be reliably realised in the future through positive taxable profit differences. Domestic losses can be carried forward for an indefinite period. In respect of the substantial losses in the USA, the use of losses in the USA is limited to 12 or 20 years, respectively. For losses in Poland, a time limit of five years applies. No deferred taxes were recognised for loss carry-forwards in Germany of EUR 7.2 million (previous year: EUR 6.4 million) and abroad of EUR 123.5 million (previous year: EUR 121.2 million).

The following table shows the reconciliation from the calculated tax income to the income reported in the consolidated statement of comprehensive income:

in euro million	**2024**	**2023**
Consolidated earnings before taxes on income	**-3.5**	**-9.1**
Tax rate	30.0%	30.0%
Income tax expense – calculated	**-1.0**	**-2.7**
Different tax rate	1.3	-0.2
Additions/reductions (trade tax)	1.3	1.1
Formation of deferred taxes on loss carry-forwards	0.0	0.0
Unrecognised deferred taxes	11.8	13.0
Utilisation of loss carry-forwards	-1.5	-2.3
Tax-free gain on disposal and other tax-free income	-1.7	-8.7
Tax expense/income unrelated to the period	-0.3	-1.0
Non-deductible expenses	-0.7	-0.0
Other consolidation effects	0.0	0.0
Reported taxes	**9.2**	**-0.9**

The tax expense relating to other periods in the previous year resulted from the conclusion of the 2010-2013 tax audit at PNE Erneuerbare Energien GmbH (previous year: WKN GmbH).

Deferred taxes on valuation adjustments are determined generally on the basis of specific national tax rates. Since the significant items involving deferred taxes are domestic, an average tax rate of 30.0% (previous year: 30.0%) was applied.

Deferred taxes resulting from valuation differences arose in the following balance sheet items:

	31.12.2024		**31.12.2023**	
in euro million	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Receivables and other assets	3.0	-14.9	0.0	-4.7
Inventories	22.2	-4.0	25.4	-3.9
Property, plant and equipment	63.3	-3.6	60.6	-2.3
Intangible assets	7.9	0.0	12.9	-0.0
Other assets	0.0	0.0	3.3	-6.2
Liabilities	3.8	-21.4	2.0	-27.7
Other provisions	1.4	-0.5	1.4	-0.9
	101.6	**-44.4**	**105.6**	**-45.8**
Losses carried forward	0.0	0.0	0.2	0.0
Other consolidation effects incl. value adjustments	0.0	0.0	0.0	0.0
	101.6	**-44.4**	**105.8**	**-45.8**
Portion that can be offset	-22.7	22.7	-27.8	27.8
Deferred taxes	**78.9**	**-21.7**	**78.0**	**-18.0**

With the exception of those relating to interest rate swaps in hedge accounting, changes in deferred taxes are recognised through profit or loss in the income statement. The change in deferred taxes relating to interest rate swaps in hedge accounting amounts to EUR 0.8 million and was recognised in other comprehensive income.

8. Earnings per share

Basic earnings per share

In 2024, the annual average number of issued shares totalled 76.5 million registered shares (previous year: 76.3 million registered shares).

The basic earnings per share thus amounted to EUR −0.18 per share (previous year: EUR −0.13 per share).

	2024	2023
Group result (in euro million)	−13.4	−9.6
Weighted average number of shares issued (in million)	76.5	76.3
Earnings per share (in euros)	**−0.18**	**−0.13**

Diluted earnings per share

The diluted earnings per share are calculated as follows:

	2024	2023
Group result before elimination of dilution effects (in euro million)	−13.4	−9.6
- Interest expense on convertible bond (in euro million)	0.0	0.0
Result after elimination (in euro million)	**−13.4**	**−9.6**
Weighted average number of shares issued before dilution effects (in euro million)	76.5	76.3
+ weighted average of convertible shares (in euro million)	0.0	0.0
Weighted average number of shares issued after dilution effects (in euro million)	**76.5**	**76.3**
Diluted earnings per share (in euros)	**−0.18**	**−0.13**

VII. NOTES ON THE STATEMENT OF CASH FLOWS

In the statement of cash flows, the cash flow from operating activities is presented using the indirect method and the cash flows from investing activities and financing activities using the direct method.

1. Liquid funds

The liquid funds correspond to the item "cash and cash equivalents" in the statement of financial position.

2. Reconciliation between amounts in the statement of cash flows and the statement of financial position

The statement of cash flows presents the change in cash and cash equivalents during the reporting period due to the inflow and outflow of funds. In accordance with IAS 7, cash flows are classified as cash flows from operating activities, investing activities and financing activities. The effects of changes in the scope of consolidation have been eliminated.

In accordance with IAS 7, a reconciliation between the opening and closing balance sheet values of liabilities from financing activities is prepared, which is explained in ↗ **chapter V. Statement of financial position, 13. Financial liabilities**.

3. Non-cash effective income/expenses

The statement of cash flows (net presentation) includes non-cash effective income/expenses of EUR 0.9 million (previous year: EUR 0.8 million). This value consists primarily of:

- currency differences totalling EUR 0.1 million (previous year: EUR 0.0 million), and
- others totalling EUR 0.8 million (previous year: EUR 0.8 million).

In the 2024 financial year, the application of IFRS 16 Leases resulted in a change in the previously non-cash liabilities from leases by EUR 14.1 million (previous year: EUR 46.6 million) to EUR 149.5 million (previous year: EUR 163.6 million) in the statement of financial position.

VIII. NOTES ON THE STATEMENT OF CHANGES IN EQUITY

Transaction costs

As in the previous year, no significant transaction costs were incurred.

IX. SEGMENT REPORTING

During the 2024 financial year, the Company continued to evolve beyond wind energy into an even more broadly positioned provider of solutions for clean energies. In addition to the core business of project development of onshore and offshore wind farms, PNE intensified the development of onshore photovoltaic projects and continued to work on solutions in the power-to-X sector.

Since the internal organisational and management structure as well as the internal reporting to the Board of Management and the Supervisory Board form the foundation for determining the segment reporting format of PNE AG, segment reporting consists of the three segments project development, power generation and services. This structure reflects the current status of the Group's activities.

The operational business of the PNE Group during the 2024 financial year was still characterised mainly by wind farm project planning and the strategic further development in the photovoltaics area (project development segment) as well as the further expansion of services (services segment). In addition, the internal operation of wind turbines enables environmentally friendly production of electricity under economically sustainable conditions (power generation segment).

In detail, the business activities of the PNE Group in the year under review in the individual segments essentially comprised the planning, construction and operation of wind farms, PV power plants and transformer stations for power generation as well as the servicing of renewable energy plants and other services related to renewable energy projects and power generation.

In the financial years since 2017, the Company has planned and constructed wind farms in Germany, which were initially held in its own portfolio. Since the Company-owned wind farms are operated by the Company itself regardless of their current or future shareholder structure and are used to generate electricity, the wind farms are recognised in the Group's power generation segment from the date of sale within the Group (the electricity is fed into the public grid).

As a matter of principle, the business relationships between the companies of the PNE Group are based on prices that are also agreed with third parties. Internal reporting, which is based on segment reporting, is based exclusively on the values of the Group's IFRS accounting explained in these consolidated financial statements.

The revenues with external customers of the services and power generation segments and the segment assets of the project development, services and power generation segments are attributable mainly to Germany. In the project development segment, revenues were realised with individual external customers, which amounted to more than 10% of total revenues. Revenues of around EUR 27.8 million were realised with one customer and around EUR 56.6 million with another customer.

Long-term assets are attributable to the following regions:

in euro million	31.12.2024	31.12.2023
Germany	668.7	570.7
Other countries	4.3	2.9
	673.0	**573.6**

The share of associated companies accounted for using the at-equity method in the result for the period is included in the power generation segment with EUR −0.9 million (previous year: EUR 0.3 million).

X. OTHER DISCLOSURES

1. Notes on the development of consolidated fixed assets

In the reporting period, certain assets were reclassified from inventories to fixed assets. These reclassifications resulted from a change in the utilisation of the assets concerned. Specifically, inventories that were originally intended for sale have now been earmarked for long-term own use and for use in operating activities. This relates in particular to wind farms and rights of use already recognised in inventories.

The reclassifications were made in accordance with the relevant accounting policies in order to accurately reflect the nature and future use of these assets. Corresponding adjustments were made in order to present the carrying amount of the reclassified assets correctly in the balance sheet.

2. Contingent liabilities and other financial obligations

On the reporting date, there were contingent liabilities arising from the provision of guarantees for:

in euro million	31.12.2024	31.12.2023
Various wind farm and photovoltaic projects	201.9	168.7
Other	1.5	2.0
	203.4	**170.7**

The main contingent liabilities of EUR 0.0 million (previous year: EUR 76.8 million) relate to guarantees for wind turbine orders and project financing, which will be reduced during the implementation phase of the projects or expire upon completion of the projects. From the current perspective, utilisation is not expected.
Utilisation of the other guarantees issued totalling EUR 203.4 million (previous year: EUR 93.9 million) is also not expected from today's perspective. Accounting in accordance with IFRS 9 was not carried out due to the very low probability of utilisation and for reasons of materiality.

Moreover, there are obligations from order commitments for wind turbines in the net amount of EUR 125.8 million (previous year: EUR 129.4 million). The obligations under order commitments are fully due within the next two years.

Other financial obligations of EUR 0.2 million (previous year: EUR 1.1 million) arise from cooperation activities in respect of project development abroad.

No material risks can be identified from these transactions.

3. Assumptions of the management concerning future developments and other valuation uncertainties

The internationally operating PNE Group is an operator of onshore renewable energy projects (own generation portfolio) and one of the longest-standing project developers of clean energy projects on land and at sea. The PNE Group currently operates in 14 countries on four continents.

The focus is on wind energy and photovoltaic projects. This combines economic success with ecological responsibility. The projects developed are sold to external customers or integrated into the rapidly growing portfolio of wind farms operated by the Company itself. The PNE Group offers services covering the entire value chain, ranging from the development, planning, financing and realisation to sale and operation of clean power plants using wind, sun and storage solutions as well as substations and repowering, i.e. the replacement of older wind turbines by new modern equipment. This is also how the products are defined: project development wind energy, project development photovoltaics and project development hybrid solutions. The PNE Group is also involved in the development of power-to-X solutions.

Renewable energies, especially wind energy and photovoltaics, have developed into an important pillar of power generation in recent years. In some of the world's major economies, annual capacity growth is higher than in any other type of power generation.

In addition to project development, a wide range of services is available for projects as well as for the supply of clean electricity to customers. These services include technical and commercial operations management, technical inspections and tests, construction management, grid and transformer station services, wind planning and wind measurements, electricity marketing management, energy supply services and similar services. In this field, PNE is a strong partner to its customers throughout the entire life cycle of wind farms and PV power plants. This is an element of the strategic orientation to develop into a "Clean Energy Solutions Provider".

After years of successful development of wind farms for sale to customers, the PNE Group had wind farms with over 700 MW under construction or in operation as of 31 December 2024. As of 31 December 2024, wind farms and the Silbitz biomass power plant with a total output of 428.5 MW (previous year: 375.4 MW) were in operation. In addition, wind farms with a capacity of 277.8 MW were under construction. Some of these projects will be transferred to own operations after commissioning, while other projects under construction have already been sold (102.3 MW) or could be sold in 2025 or 2026. The decision as to whether a wind farm under construction should be sold to external investors or whether it should be transferred to own operations depends on the current economic project and market conditions, current investor enquiries and the further strategic direction in relation to the Group's long-term liquidity planning.

The PNE Group has adjusted its strategy. As a result, we are planning an own-generation portfolio with a total output of around 1.1 GW in operation or under construction by the end of 2027. In the medium term, we will adhere to the previously planned own-generation portfolio of 1.5 GW in operation or under construction. We also expect EBITDA of around EUR 140 million with an equity ratio of at least 20%. The high-quality project pipeline is to remain at a constant level of at least 10 GW to 15 GW.

These developments provide evidence of the opportunities ahead for PNE. In order to be in an optimum position in the global markets, the Group concentrates on the development and construction as well as the sale and operation of wind farms and photovoltaic projects in selected core markets. In addition, the first hybrid projects, in which wind and photovoltaics are used in parallel, are being developed.

On the other hand, market changes due to various political and economic developments lead to uncertainties for the national economies. For details regarding uncertain future developments and the strategic objectives of PNE AG, we also refer to the explanations in the combined management and group management report, chapter 8 "Report on opportunities and risks".

4. Transactions with related companies and persons

With regard to the financial statements of PNE AG and its subsidiaries included in the consolidated financial statements, please consult the list of shareholdings.

The remuneration and the shareholdings of the members of the Supervisory Board and the Board of Management are explained in chapter X.5.

5. Information on the Supervisory Board and the Board of Management

Supervisory Board

- Mr Per Hornung Pedersen, Flensburg, self-employed corporate consultant (Chief Executive Officer) (until 31 July 2024)
- Mr Christoph Oppenauer, Frankfurt am Main, Asset Management Officer at Morgan Stanley Infrastructure Partners, Frankfurt am Main (Deputy Chief Executive Officer)
- Dr Susanna Zapreva, Vienna, CEO of VERBUND AG, Member of the Board of Management, Vienna, Austria
- Ms Roberta Benedetti, Milan, Italy, an independent management consultant in the energy sector
- Mr Marcel Egger, Apensen, Member of the Group Board of Management of the EUROGATE Group
- Mr Alberto Donzelli, Executive Director / Managing Director of Morgan Stanley Infrastructure Partners, London, United Kingdom
- Mr Marc van't Noordende, Director Longview Management Services, Leiden, the Netherlands (Chief Executive Officer in the period from 1 August 2024 to 31 December 2024)
- Mr Dirk Simons, Ratingen, independent management consultant (since 1 November 2024/Chief Executive Officer since 1 January 2025)

Mr Per Hornung Pedersen is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1 Sentence 3 of the German Stock Corporation Act (AktG):

- Suzlon Energy Ltd., Mumbai, India
- Sea Tower AS, Oslo, Norway
- Swire Energy Services, London, United Kingdom

Mr Christoph Oppenauer is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1 Sentence 3 of the German Stock Corporation Act (AktG):

- Member of the Supervisory Board of Tele Columbus AG, Berlin

Dr Susanna Zapreva is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1 Sentence 3 of the German Stock Corporation Act (AktG):

- Supervisory Board of CropEnergies, Mannheim (until 31 August 2024)
- Member of the Supervisory Board of CropEnergies, Mannheim (since 25 May 2024)

Ms Roberta Benedetti is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1 Sentence 3 of the German Stock Corporation Act (AktG):

- Independent non-executive Advisory Board member, Societa Gasdotti Italia S.p.A., Milan, Italy
- Independent non-executive Advisory Board member, Rubicon S.p.A., Milan, Italy (until 28 June 2024)
- Independent non-executive Advisory Board member, Enura S.p.A., Milan, Italy
- Independent non-executive Advisory Board member, REC Silicon ASA, Lysaker, Norway (until 15 May 2024)
- Chairman of the Board of Management, independent, not executive, Innovo Renewables S.p.A., Milan, Italy
- Chairman of the Board of Management, independent, not executive, Academo S.r.l., Milan, Italy (since 6 May 2024)

Mr Marcel Egger is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1 Sentence 3 of the German Stock Corporation Act (AktG):

- Member of the Board of Management (group-internal mandates of the EUROGATE Group) of:
    - NTB North Sea Terminal Bremerhaven GmbH & Co, Bremerhaven
    - MSC Gate Bremerhaven GmbH & Co. KG, Bremerhaven
    - EUROGATE Container Terminal Limassol Limited, Limassol, Cyprus

Mr Alberto Donzelli is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1 Sentence 3 of the German Stock Corporation Act (AktG):

- AUC Group LLC, Board Member, Delaware, USA
- Marlin Water Solutions Company, Board Member, Delaware, USA
- Tarpon Water Solutions LTD, Board Member, British Virgin Islands, USA
- Yellowfin Water Solutions Company, Board Member, Delaware, USA
- Seven Seas Water Solutions USA LLC, Board Member, Delaware, USA
- Larus Holding Limited, Board Member, Hamilton, Bermuda
- Hoegh LNG Limited, Board Member, Hamilton, Bermuda
- North Haven Infrastructure Holdings III Ltd., Board Member, London, United Kingdom (until 30 April 2024)
- North Haven Infrastructure Holdings IV Ltd., Board Member, London, United Kingdom (until 30 April 2024)
- Railbid S.R.L., Board Member, Rome, Italy (since 29 August 2024)
- Salcef Group S.p.A., Board Member, Rome, Italy (since 2 August 2024)

Mr Marc van't Noordende is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 para. 1) Sentence 3 of the German Stock Corporation Act (AktG):

- Chairman of the Supervisory Board of Tele Columbus AG, Berlin

Total remuneration granted to the Supervisory Board in financial year 2024 amounted to approx. EUR 0.4 million (previous year: approx. EUR 0.5 million), of which approx. EUR 0.3 million (previous year: approx. EUR 0.4 million) was fixed remuneration and approx. EUR 0.1 million (previous year: approx. EUR 0.1 million) was attendance fees.

There were no other material transactions between the Company and its related parties that would have required disclosure.

As of the reporting date of 31 December 2024, there were no outstanding receivables from or liabilities to related persons or related companies.

All members of the Supervisory Board have dutifully disclosed potential conflicts of interest. In the reporting period, there were no transactions that led to an actual conflict of interest.

The Members of the Supervisory Board did not exert any significant influence on the Company's operational decisions beyond their regular supervisory function.

Of the Members of the Supervisory Board, Mr Marcel Egger held 4,500 shares in the Company on 31 December 2024.

Board of Management

- Mr Markus Lesser, Korschenbroich (Chief Executive Officer) (until 31 July 2024)
- Mr Jörg Klowat, Cuxhaven (Chief Financial Officer) (until 31 March 2024)
- Mr Harald Wilbert, Hamburg (Member of the Board of Management until 31 March 2024/Chief Financial Officer since 1 April 2024)
- Mr Per Hornung Pedersen, Flensburg (Chief Executive Officer in the period from 1 August 2024 until 12 January 2025)
- Mr Roland Stanze, Cuxhaven (Chief Operations Officer) (since 1 August 2024)
- Mr Heiko Wuttke, Hamburg (Chief Executive Officer) (since 13 January 2025)

The Members of the Board of Management were granted total remuneration of EUR 2,036 thousand (previous year: EUR 2,262 thousand) for their activities in the 2024 financial year in accordance with Section 315e in conjunction with Section 314 No. 6 HGB. This includes long-term, non-share-based variable remuneration of EUR 244 thousand promised in the 2023 financial year. The former Members of the Board of Management were granted total remuneration of EUR 434 thousand in the 2024 financial year (previous year: EUR 0).

In addition, two active members of the Board of Management were promised two remuneration elements with a long-term, non-share-based basis.

LTI 1 was allocated with a target achievement period of 3 years, i.e. until 31 December 2026, and is dependent on the achievement of the two equally weighted targets. The financial target is to achieve a total return (increase in total shareholder return (TSR)) of 12.5% per year in the respective target achievement period. The ESG goal takes into account PNE AG's contribution to the expansion of renewable energies, but also other goals in the areas of social issues (in particular employee concerns) and good corporate governance (e.g. governance, risk management, compliance, diversity). In the 2024 financial year, the Board of Management was granted LTI 1 with a target amount of EUR 345 thousand in the event of 100% target achievement. The maximum achievable remuneration from LTI 1 is limited to 300% of the respective target amount.

Unlike LTI 1, LTI 2, which was granted in the 2024 financial year, was not allocated in annual tranches, but in the form of a final payment upon conclusion or extension of the Board of Management service contract. The target achievement period extends until 31 December 2027 for the Members of the Board of Management active on the reporting date. In addition to the achievement of the target, the prerequisite for the payment of LTI 2 is that the respective Member of the Board of Management is a Member of the Board of Management of PNE AG during the entire target achievement period. Like LTI 1, the content of LTI 2 is based on TSR targets and ESG targets, each of which is also weighted at 50%. LTI 2 is limited to 100% of the target remuneration. If the target is not met, no payment is made for LTI 2; if the target is exceeded, the amount payable as LTI 2 is not increased. The Members of the Management Board active on the reporting date were granted the LTI with a total allocation amount of EUR 1,000 thousand if 100% of the target was achieved

The expense recognised in the financial year ("annual slice") for short-term benefits amounts to EUR 2.0 million (previous year: EUR 1.3 million). Benefits after the end of the employment relationship amounted to EUR 0.0 million (previous year: EUR 0.0 million). Other non-current benefits due were recognised in the amount of EUR 0.9 million (previous year: EUR 0.9 million). Benefits on the occasion of the employment relationship amounted to EUR 0.4 million (previous year: EUR 0.0 million).

The expense recognised in the financial year for short-term benefits to the Supervisory Board amounts to EUR 0.4 million (previous year: EUR 0.5 million). The total remuneration paid to the Supervisory Board and Board of Management in accordance with IAS 24.17 totalled EUR 3.7 million (previous year: EUR 2.8 million).

The Members of the Company's Board of Management held no shares of the Company on 31 December 2024.

6. Auditors' fees

The fees of the group auditors in the 2024 financial year were as follows:

in euro million	
Audit of annual financial statements (separate and consolidated)	0.7
Other attestation services	0.1
Tax advisory services	0.0
Other services	0.0
	0.8

The fees for the auditing services of KPMG AG Wirtschaftsprüfungsgesellschaft related mainly to the audit of the consolidated financial statements and the annual financial statements and the combined management and combined management report as well as the voluntary audits of annual financial statements of several subsidiaries. They also performed a review of the half-year financial report.

7. German Corporate Governance Code

The German Corporate Governance Code is a legal guideline for the monitoring and supervision of listed companies in Germany. It summarises the internationally and nationally recognised standards for responsible business management. The objective of the guideline is to support the confidence of investors, customers, employees and the general public in German business management. Once every year, the Board of Management and the Supervisory Board must issue a declaration, in which they declare to what extent they have complied with the German Corporate Governance Code.

The last declaration of compliance pursuant to Section 161 of the German Stock Corporation Act was issued in September 2024.

The declaration of compliance is published on our website ↗ **www.pnegroup.com** in the "Investor Relations" section under Corporate Governance and can be downloaded there.

8. Information on employees

Average annual number of employees

	2024	2023
Executives (excluding Board of Management of PNE AG)	82	81
Salaried employees	549	509
Wage earners	17	16
	648	**606**

9. Events after the reporting date

There were no events with significant effects on the earnings, financial and asset situation until the end of the reporting period.

Cuxhaven, 21 March 2025

PNE AG

Heiko Wuttke	**Harald Wilbert**	**Roland Stanze**	**Per Hornung Pedersen**
Chief Executive Officer	Chief Financial Officer	Chief Operations Officer	Board Member

INSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining financial year.

PNE AG, Board of Management

INDEPENDENT AUDITOR'S REPORT

To PNE AG, Cuxhaven

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of PNE AG, Cuxhaven, and its subsidiaries (the Group), which comprise the consolidated statement of financial position 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 significant information on the accounting policies. In addition, we have audited the combined management and group management report (hereinafter the "combined management report") of PNE AG for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

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) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (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 combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) 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 combined management report.

Bases for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of revenue from the design, construction and sale of wind and solar farm projects

For the accounting policies applied, please refer to section "IV. Accounting policies" of the notes to the consolidated financial statements. Disclosures relating to revenue from project development can be found in section "VI.1 Revenue" of the notes to the consolidated financial statements. Recoverability of project inventories

The financial statement risk

The Group's revenue amounted to EUR 210.4 million in the financial year, of which EUR 108.7 million was attributable to the design, construction and sale of wind and solar farm projects. In turn, EUR 70.4 million of that figure was recognised for the sale of (project) companies in accordance with IFRS 10 and EUR 38.3 million for contracts with customers in accordance with IFRS 15.

In accordance with IFRS 10, revenue from the sale of project companies is determined upon loss of control as at the date of deconsolidation. As at the date control is lost, the assets and liabilities of the project company are derecognised at the carrying amounts recognised as at that date, and the contractually agreed consideration is recognised at fair value. The fair value calculation of the agreed consideration includes the fixed purchase price for the shares in the project company as well as the contractually agreed contingent consideration (such as future milestone payments) measured at fair value.If contracts with customers in accordance with IFRS 15 are still in force after selling the project companies, PNE AG recognises revenue over time. The revenue is recognised over time in accordance with the percentage-of-completion method.

The management of PNE AG has set out the criteria for revenue recognition in a Group-wide accounting policy and implemented processes to ensure correct recognition and deferral.

For the individual design and construction projects and sales transactions for wind and solar farm projects, the Group companies enter into various agreements with the customer, some of which include complex contractual provisions. Given the use of various contractual agreements in the different markets and the scope for judgement in determining and assessing the indicators used to judge when control is transferred and/or to judge project progress, and in determining the amount of revenue to recognise, the risk for the financial statements is that revenue from designing, constructing and selling wind and solar farm projects does not exist and/or is not recognised with sufficient accuracy.

Our audit approach

Based on our understanding of the process, we assessed the design and implementation of the identified internal controls, in particular with regard to the correct determination of project progress in the contracts and/or the timing of transfer of control and the amount of revenue.

For the revenue from the sale of project companies in accordance with IFRS 10, we assessed the agreements for the sale of shares and reviewed the transfer of control, its timing and the calculation of the gain on deconsolidation.

For the revenue from contracts with customers in accordance with IFRS 15, we evaluated the contract analysis performed by management and in particular assessed whether the requirements for revenue recognition over time were met for the contacts newly entered into in the financial year, and whether the calculation of revenue is reasonable. Furthermore, we assessed the percentage of completion for all relevant contracts. Our audit procedures also extended in particular to the underlying agreements, invoices, acceptance protocols, project status reports and other evidence of service provision and proof of payment.

Based on the insights already gained, we assessed the proper calculation of revenue for the design, construction and sale of wind and solar farm projects, as well as the recognition in the statement of financial position and statement of comprehensive income.

Our observations

PNE AG’s procedure to recognise revenue from the design, construction and sale of wind and solar farm projects is appropriate. The assumptions underlying the accounting treatment are appropriate.

Recoverability of project inventories

For the accounting policies applied, please refer to section “IV. Accounting policies” of the notes to the consolidated financial statements. Disclosures on the amounts of inventories can be found in section “V.5 Inventories” of the notes to the consolidated financial statements.

The financial statement risk

In the consolidated financial statements as at 31 December 2024, work in progress amounting to EUR 169.3 million (13.4 % of consolidated total assets) relating to wind and solar farm projects under development is recognised in the “Inventories” item in the consolidated statement of financial position. Of that figure, EUR 103.0 million relates to project inventories in Germany and EUR 66.3 million to project inventories abroad.

Work in progress is recognised at the lower of cost and net realisable value.

The calculation of expected cost is subject to judgement and in some cases requires forward-looking estimates, in particular in relation to the expected total contract costs.

In the financial year, impairment losses of EUR 11.0 million were recognised on the net realisable value and reported as expenses under changes in inventories.

The risk for the consolidated financial statements is that the work in progress may be overvalued due to impairment that has not been identified.

Our audit approach

Based on the understanding we obtained of the process, we assessed the implementation and design of the identified internal controls, in particular with regard to the regular impairment testing by management of the work in progress recognised in the consolidated financial statements for project inventories.

We discussed the recoverability of work in progress for project inventories with the management of PNE AG and of the respective Group companies.

Furthermore, we inspected the minutes of meetings of management and the Supervisory Board to identify any potential indications of impairment.

Using a risk-based sample of projects, we assessed the information provided by the management of PNE AG on the viability and intrinsic value of projects based on the planning, project calculations and project progress reports prepared by Group companies.

Our observations

The procedure used to test project inventories for impairment is appropriate.

Other information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited::

- the separate combined non-financial report of the Company and the Group referred to in the management report,
- the combined corporate governance statement of the Company and the Group referred to in the combined management report, and
- information in the combined management report that is extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of 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 Section 315e (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, management is 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, management is 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, management is responsible for the preparation of the combined 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, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation 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 combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management’s 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 combined management report or, if such disclosures are inadequate, to modify our respective 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 Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the audit of the consolidated financial statements. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined 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 management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "391200KEHI6OQSGGN373-2024-12-31-0-de (4).zip" (SHA256-Hashwert: 0d16993c94f8b18171035c3ca87c500b966e9dcca2c79e1c030024d1f3b53366) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) [if conducive to the understanding of the report at an international level: and the International Standard on Assurance Engagements 3000 (Revised)]. Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QS 1 (09.2022)).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the annual general meeting on 30 May 2024. We were engaged by the supervisory board on 20 December 2024. We have been the auditor of the consolidated financial statements of PNE AG without interruption since financial year 2023.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Hanno Bötel.

Bremen, 21 March 2025

KPMG AG

Wirtschaftsprüfungsgesellschaft

signed Bötel Wirtschaftsprüfer [German Public Auditor]	**signed Meyer** Wirtschaftsprüfer [German Public Auditor]

COMPLETION OF PNE AG (HGB)

PROFIT AND LOSS ACCOUNT (HGB)

of PNE AG, Cuxhaven, for the period from 1 January to 31 December 2024

(differences due to rounding possible)	2024 in euro thousand	2023 in euro thousand
1. Revenues	101,762	77,340
2. Increase in work in progress	-2,729	8,572
3. Other operating income	5,798	13,060
4. Total output	**104,831**	**98,972**
5. Costs of materials		
a) Costs of purchased materials	-33,326	-28,696
b) Costs of purchased services	-33,294	-36,124
	-66,620	**-64,820**
6. Personnel expenses		
a) Wages and salaries	-24,178	-19,291
b) Social security contributions	-3,351	-2,672
	-27,529	**-21,963**
7. Amortisation and depreciation of intangible assets and items of property, plant and equipment	-925	-878
8. Other operating expenses	-20,925	-15,844
9. Operating result	**-11,168**	**-4,533**
10. Income from profit transfer agreements	10,050	29,538
11. Income from participations	33	221
12. Other interest and similar income	16,384	12,346
13. Depreciation of financial assets	0	-10
14. Interest and similar expenses	-3,867	-3,272
15. Result before taxes	**11,432**	**34,290**

(differences due to rounding possible)	2024 in euro thousand	2023 in euro thousand
16. Taxes on income	-4,985	-6,566
17. Profit after taxes	**6,448**	**27,723**
18. Other taxes	-54	-58
19. Net income	**6,394**	**27,665**
20. Profit carried forward	273,129	251,571
21. Dividend	-6,128	-6,107
22. Disposition from the issuance of treasury shares	440	0
23. Retained earnings	**273,835**	**273,129**
Earnings per share (undiluted)	EUR 0.08	EUR 0.36
Average number of shares in circulation (undiluted) (in thousands)	76,337	76,337
Earnings per share (diluted)	EUR 0.08	EUR 0.36
Average number of shares in circulation (diluted) (in thousands)	76,337	76,337

BALANCE SHEET (HGB)

of PNE AG, Cuxhaven, as of 31 December 2024

Assets

(differences due to rounding possible)	Status as at 31.12.2024 in euro thousand	Status as at 31.12.2023 in euro thousand
A. Fixed assets		
I. Intangible assets		
Acquire by purchase franchises, trademarks and similar rights as well as licences to such rights	579	398
	579	**398**
II. Property, plant and equipment		
1. Land and buildings including buildings on third party land	7,997	8,381
2. Technical equipment and machinery	80	80
3. Other plant and machinery, fixtures and fittings	646	700
4. Prepayments and plant under construction	10	0
	8,733	**9,161**
III. Financial assets		
1. Shares in affiliated companies	159,002	146,260
2. Participations	797	797
	159,799	**147,057**
Total fixed assets	**169,111**	**156,616**

(differences due to rounding possible)	Status as at 31.12.2024 in euro thousand	Status as at 31.12.2023 in euro thousand
B. Current assets		
I. Inventories		
1. Work in progress	19,951	22,680
2. Finished goods	3	4
3. Prepayments	99,414	60,951
	119,368	**83,635**
II. Receivables and other assets		
1. Trade receivables	15,388	1,894
2. Receivables from associated companies	310,276	284,959
3. Receivables from companies in which an investment is held	27	27
4. Other assets	8,057	7,582
	333,747	**294,463**
IV. Cash and cash equivalents	**19,401**	**46,466**
Total current assets	**472,515**	**424,564**
C. Deferred expenses	**616**	**577**
D. Deferred tax assets	**0**	**158**
Total assets	**642,243**	**581,915**

Liabilities

(differences due to rounding possible)	Status as at 31.12.2024 in euro thousand	Status as at 31.12.2023 in euro thousand
A. Shareholders' equity		
I. Subscribed capital		
Subscribed capital	76,603	76,603
Treasury shares	0	-267
Conditional capital: EUR 0.00 (prior year: EUR 0.00)		
II. Capital reserve	**61,982**	**59,095**
III. Retained earnings	**273,835**	**273,129**
Total shareholders' equity	**412,421**	**408,561**
B. Special items for investment grants	**526**	**573**
C. Provisions		
1. Provisions for taxes	537	31
2. Other provisions	23,337	24,930
	23,873	**24,961**

(differences due to rounding possible)	Status as at 31.12.2024 in euro thousand	Status as at 31.12.2023 in euro thousand
D. Liabilities		
1. Bonds	55,000	55,000
2. Liabilities to banks	9,673	9,587
3. Prepayments received on orders	107,401	69,666
4. Trade liabilities	8,521	5,066
5. Liabilities to associated companies	18,298	6,739
6. Other liabilities	6,488	1,742
Total liabilities	**205,380**	**147,799**
E. Deferred income	**42**	**21**
Total liabilities	**642,243**	**581,915**

STATEMENT OF CASH FLOWS (HGB)

of PNE AG, Cuxhaven, for the period from 1 January to 31 December 2024

	All figures in euro thousand (differences due to rounding possible)	**2024**	**2023**
	Net income	**6,394**	**27,665**
+/-	Interest expenses and income	-12,517	-9,074
-/+	Other income / losses from participations and profit (-) / losses from transfer agreements	-10,082	-29,759
+/-	Income tax expense and benefit	4,985	6,566
-	Income tax payments	-4,320	-3,652
+	Amortization and depreciation of intangible assets and items of property, plant and equipment	925	878
+	Depreciation of financial assets	0	10
+/-	Increase / decrease in provisions	-1,088	702
+/-	Other non-cash effective expenses and income	-44	-45
+/-	Decrease / increase of inventories and other assets	-81,559	-91,402
-/+	Decrease / increase in trade receivables	-13,494	157
-/+	Decrease / increase in trade payables and other liabilities	57,515	42,313
	Cash flow from operating activities	**-53,285**	**-55,641**
-	Outflow of funds for investments in intangible assets and property, plant and equipment	-678	-777
+	Inflow of funds from disposal of items of financial assets	1,754	16,964
-	Outflow of funds for investments in financial assets	-14,496	-7,174
+	Interest received	16,384	12,346
+/-	Dividends received / profit transfer / assumption of losses	29,571	26,293
	Cash flow from investing activities	**32,535**	**47,653**
+	Inflow from the issue of treasury shares	3,594	0
+	Inflow of funds from financial loans	6,504	6,320
-	Payments to shareholder	-6,128	-6,107
-	Outflow of funds from the repayment of financial loans	-6,418	-3,172
-	Interest paid	-3,867	-3,272
-	Outflow of funds from extraordinary items (issue costs bond)	0	0
	Cash flow from financing activities	**-6,315**	**-6,231**
	Cash effective change in liquid funds (< = 3 months)	**-27,065**	**-14,219**
+	**Liquid funds (< = 3 months) as at the beginning of the period**	**46,466**	**60,685**
	Liquid funds (< = 3 months) as at the end of the period [1]	**19,401**	**46,466**
	[1] of which are pledged to a bank as security guaranteed credit lines	3,404	2,231

Supplementary disclosure: The value of cash and cash equivalents as of 31 December corresponds to the balance sheet item "Cash and balances with credit institutions"

STATEMENT OF CHANGES IN EQUITY (HGB)

of PNE AG, Cuxhaven, for the financial year from 1 January to 31 December 2024

	Subscribed capital			Reserves		
	Subscribed capital	Treasury shares		Capital reserve		
in euro thousand	**Ordinary shares**	**Ordinary shares**	**Total**	**according to § 272 (2) No. 1–3 HGB**	**Retained earnings / loss**	**Total shareholders' equity**
Status as at 1 January 2023	**76,603**	**-267**	**76,337**	**59,095**	**251,571**	**387,003**
Capital increase/reduction						
Dividend	0	0	0	0	-6,107	-6,107
Net income	0	0	0	0	27,665	27,665
Status as at 31 December 2023/ 1 January 2024	**76,603**	**-267**	**76,337**	**59,095**	**273,129**	**408,561**
Capital increase/reduction						
Disposal of treasury shares	0	267	267	2,887	440	3,594
Dividend	0	0	0	0	-6,128	-6,128
Net income	0	0	0	0	6,394	6,394
Status as at 31 December 2024	**76,603**	**0**	**76,603**	**61,982**	**273,835**	**412,421**

SCHEDULE OF FIXED ASSETS (HGB)

of PNE AG, Cuxhaven, for the 2024 financial year

	Acquisition and manufacturing costs				Accumulated amortization and depreciation				Book values	
in euro thousand (differences due to rounding possible)	**Status as at 01.01.2024**	**Additions**	**Disposals**	**Status as at 31.12.2024**	**Status as at 01.01.2024**	**Additions**	**Disposals**	**Status as at 31.12.2024**	**Status as at 31.12.2024**	**Status as at 31.12.2023**
I. Intangible assets										
Acquire by purchase franchises, trademarks and similar rights as well as licences to such rights	1,037	267	0	1,304	639	86	0	725	579	398
	1,037	**267**	**0**	**1,304**	**639**	**86**	**0**	**725**	**579**	**398**
II. Property, plant and equipment										
1. Land and buildings including buildings on third party land	17,245	19	0	17,265	8,864	403	0	9,267	7,997	8,381
2. Technical equipment and machinery	244	8	0	252	163	9	0	172	80	80
3. Other plant and machinery, fixtures and fittings	3,032	373	4	3,401	2,332	426	4	2,754	646	700
4. Prepayments and plant under construction	0	10	0	10	0	0	0	0	10	0
	20,521	**411**	**4**	**20,927**	**11,359**	**838**	**4**	**12,194**	**8,733**	**9,161**
III. Financial assets										
1. Shares in affiliated companies	149,433	14,496	1,754	162,175	3,173	0	0	3,173	159,002	146,260
2. Participations	797	0	0	797	0	0	0	0	797	797
	150,230	**14,496**	**1,754**	**162,972**	**3,173**	**0**	**0**	**3,173**	**159,799**	**147,057**
	171,788	**15,173**	**1,758**	**185,203**	**15,171**	**925**	**4**	**16,092**	**169,111**	**156,616**

ACCOUNTS PAYABLE (HGB)

of PNE AG, Cuxhaven, as of 31 December 2024

in thousand euro (differences due to rounding possible) (prior years in brackets)	**Remaining maturities** Up to one year	One to five years	More than five years	**Total amount**	**Securities**
Type of liabilities					
1. Bonds	0	55,000	0	55,000	None
	(0)	(55,000)	(0)	(55,000)	
2. Liabilities to banks	6,704	853	2,116	9,673	1. Registered mortgage of EUR 4,170 thousand on the property at Peter-Henlein-Str. 2-4, Cuxhaven. As at 31.12.2024 EUR 3,100 thousand had been drawn down. 2. Assignment of the rental income from the property at Peter-Henlein-Str. 2-4, Cuxhaven.
	(6,487)	(767)	(2,334)	(9,587)	
3. Prepayments received on orders	107,401	0	0	107,401	None
	(69,666)	(0)	(0)	(69,666)	
4. Trade liabilities	8,521	0	0	8,521	No customary retention of title exists with regard to items delivered.
	(5,066)	(0)	(0)	(5,066)	
5. Liabilities to associated companies	18,298	0	0	18,298	None
	(6,739)	(0)	(0)	(6,739)	
6. Other liabilities					None
of which from taxes: EUR 544 (prior year: EUR 258 thousand)	6,488	0	0	6,488	
of which from social security: EUR 0 (prior year: EUR 0 thousand)	(1,742)	(0)	(0)	(1,742)	
Total	**147,411**	**55,853**	**2,116**	**205,380**	
	(89,700)	**(55,766)**	**(2,334)**	**(147,799)**	

INSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the financial statements of PNE AG give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company in the remaining financial year.

PNE AG, Board of Management

INDEPENDENT AUDITOR'S REPORT

To PNE AG, Cuxhaven

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of PNE AG, Cuxhaven, which comprise the balance sheet as at 31 December 2024, the statement of profit or loss for the financial year from 1 January to 31 December 2024, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management and group management report (hereinafter the "management report") of PNE AG for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of those components of the management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of those components of the management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Bases for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of the shares in PNE Erneuerbare Energien GmbH, Husum

For the accounting policies applied, please refer to section "IV. Accounting policies" of the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

In the annual financial statements of PNE AG as at 31 December 2024, financial assets as shares in affiliated companies with a carrying amount of EUR 159,002 thousand are reported, of which PNE Erneuerbare Energien GmbH has a significant share. The shares in affiliated companies accounts for 24.64% of total assets and thus has a material impact on the Company's net assets.

Financial assets are recognised at cost or at their lower fair value in the case of impairment that is likely to be permanent. The Company calculates the fair value of the shares in PNE Erneuerbare Energien GmbH with the involvement of an external expert using a dividend discount method (Ertragswertverfahren).

The cash flows used for the valuation procedure are based on planning specific to the equity investment, and are extrapolated beyond the end of the planning periods as assumptions relating to constant rates of growth. The capitalisation rate is derived from the specific cost of capital. If the carrying amount exceeds the fair value, qualitative and quantitative criteria are used to examine whether the impairment is likely to be permanent.

The fair value calculation using the valuation procedure is complex and, in terms of the assumptions made, is dependent to a large extent on the estimates and judgements made by the Company. This applies in particular to the estimate of future cash flows and determination of the capitalisation rates.

The risk for the annual financial statements is that the shares in affiliated companies may be impaired.

Our audit approach

We began by assessing, based on the information gained in our audit, which shares in affiliated companies showed indications of impairment. We assessed the competence, skills and objectivity of the external expert and evaluated the valuation prepared by them.

With the involvement of our own valuation specialists, we then assessed the appropriateness of the material assumptions and the Company's valuation method for PNE Erneuerbare Energien GmbH. For that purpose, we also discussed the expected cash flows and the assumptions for the planning periods with those responsible for the planning. We also performed reconciliations with other available internal projections and the budget prepared by management and approved by the supervisory board.

Furthermore, we verified the historical quality of the Company's forecasts by comparing the planning projections for previous financial years with the actual results, and analysing any deviations.

We compared the assumptions and data underlying the capitalisation rate, i.e., the market risk premium and beta, with our own assumptions and publicly available data. To account for existing forecast uncertainty, we also examined the effects on the fair value of possible changes in the capitalisation rate, revenues, the EBITDA margin and capex, expanded to include assumptions regarding a long-term rate of growth, by calculating alternative scenarios and comparing these with the Company's valuation results (sensitivity analyses). To ensure the mathematical accuracy of the valuation methods applied, we used our own calculations to verify the valuation performed by the external expert.

Our observations
The procedure underlying the impairment testing on the shares in PNE Erneuerbare Energien GmbH is appropriate and is in line with the accounting policies. The Company's assumptions and data are appropriate.

Recognition of revenue from the design, construction and sale of wind farm projects

For the accounting policies applied, please refer to section "IV. Accounting policies" of the notes to the consolidated financial statements. Disclosures on the amounts of sales can be found in section 2.1 of the notes to the consolidated financial statements.

The financial statement risk
Revenue of EUR 101.7 million is reported in the annual financial statements of PNE AG for financial year 2024. Of that figure, EUR 84.6 million is attributable to the design, construction and sale of wind farm projects, which were mainly developed with affiliated companies for the purpose of building up the Company's portfolio of own operations.

PNE AG recognises revenue from the design, construction and sale of wind farm projects when the service is performed and/or when risk is transferred to the customer.

Given the sometimes complex contractual arrangements, the risk for the annual financial statements is that the revenue in the past financial year was not generated or is reported in an incorrect amount.

Our audit approach
To audit revenue recognition, we assessed the design and implementation of internal controls relating to the acceptance of performance and invoicing.

In addition, we assessed revenue recognition by comparing the invoices with the associated agreements, invoices and external delivery notes and/or acceptance protocols and construction progress reports, and in some cases by referring to payment records.

Our observations
PNE AG's procedure to recognise revenue is appropriate.

Other information
Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group referred to in the management report,
- the combined corporate governance statement of the Company and the Group referred to in the management report, and
- information extraneous to management reports and marked as unaudited.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual 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 annual financial statements, management is responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a 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 management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation 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 annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's 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 Company'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 annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective 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 Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file "PNE AG 2024 Einzelabschluss. zip" (SHA256-Hashwert: cdc161c494999eea490b6e6577c6da08faca10c6c608c77514db5e52265b78c7) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the management report, contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QS 1 (09.2022)).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the annual general meeting on 30 May 2024. We were engaged by the supervisory board on 20 December 2024. We have been the auditor of PNE AG without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the examined ESEF documents. The annual financial statements and the management report converted into ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Hanno Bötel.

Bremen, 21 March 2025

KPMG AG

Wirtschaftsprüfungsgesellschaft

signed Bötel
Wirtschaftsprüfer
[German Public Auditor]

signed Meyer
Wirtschaftsprüfer
[German Public Auditor]

IMPRINT

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Registration court: Tostedt
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This annual report is also available in an English translation; in the event of any discrepancies, the German version of the annual report takes precedence over the English translation. This annual report contains forward-looking statements that are subject to risks and uncertainties. They are estimates of the Board of Management of PNE AG and reflect its current views with regard to future events. Such forward-looking statements can be recognised by terms such as “expect”, “estimate”, “intend”, “may”, “will” and similar expressions relating to the Company. Factors that may cause or influence a deviation include, but are not limited to, the development of the wind market, competitive influences, including price changes, regulatory measures, risks associated with the integration of newly acquired companies and investments. If these or other risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, PNE AG’s actual results may be materially different from those expressed or implied by such statements. The Company assumes no obligation to update such forward-looking statements.

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