

# **CONSOLIDATED FINANCIAL STATEMENTS 2024**

EEW Holding GmbH  
Helmstedt/Germany



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# CONSOLIDATED FINANCIAL STATEMENTS



## 1. Consolidated statement of profit and loss

in kEUR		2024	2023 adjusted*
<b>Revenue from contracts with customers</b>	5.1	<b>889,081</b>	<b>752,659</b>
<b>Own work capitalized</b>		<b>4,578</b>	<b>3,284</b>
<b>Other operating income</b>	5.2	<b>42,069</b>	<b>33,985</b>
<b>Cost of materials</b>	5.3		
Cost of raw materials, consumables and supplies and of purchased merchandise		-87,264	-90,075
Cost of purchased services		-339,243	-251,622
<b>Total cost of materials</b>		<b>-426,507</b>	<b>-341,697</b>
<b>Personnel expenses</b>	5.4		
Wages and salaries		-110,005	-104,492
Social security		-19,823	-18,159
Expenses for old-age pensions		-3,864	-3,700
Other personnel expenses		-97	-95
<b>Total personnel expenses</b>		<b>-133,789</b>	<b>-126,446</b>
<b>Amortization, depreciation and impairment</b>			
Amortization of intangible assets	6.1	-8,242	-9,334
Depreciation of property, plant and equipment	6.1	-95,495	-81,951
<b>Total amortization, depreciation and impairment</b>	6.1	<b>-103,737</b>	<b>-91,285</b>

## Consolidated statement of profit and loss

in kEUR		2024	2023 adjusted*
<b>Other operating expenses</b>	5.5	<b>-92,477</b>	<b>-96,343</b>
<b>EBIT</b>		<b>179,218</b>	<b>134,157</b>
Interest and similar income		3,502	4,534
Interest and similar expenses		-10,226	-6,626
Share of joint ventures accounted for using the equity method in earnings		-426	993
Investment result		570	554
<b>Financial result</b>	5.6	<b>-6,580</b>	<b>-545</b>
<b>Earnings before taxes</b>		<b>172,638</b>	<b>133,612</b>
<b>Income taxes</b>	5.7		
Current taxes*		-60,242	-32,787
Deferred taxes		6,597	5,813
<b>Total income taxes*</b>		<b>-53,645</b>	<b>-26,974</b>
<b>Consolidated profit for the period*</b>		<b>118,993</b>	<b>106,638</b>
- thereof shareholders of EEW Holding GmbH*		99,642	81,216
- thereof non-controlling interests		19,351	25,422

\* The prior-year figures have been adjusted due to error corrections (see section 2 "notes to the consolidated financial statements").

2. Consolidated statement of comprehensive income

in kEUR		2024	2023 adjusted*
<b>Consolidated profit for the period*</b>		<b>118,993</b>	<b>106,638</b>
<b>Items not reclassified to profit or loss in future periods</b>			
Actuarial gains/losses	6.7	1,050	-9,863
thereon income taxes		-314	2,963
Changes in the fair value of equity instruments		-2,728	1,368
<b>Items that will be reclassified to profit or loss in future periods under certain conditions</b>			
Exchange rate differences from the translation of foreign operations		2	18
- thereof unrealized changes		2	18
<b>Other comprehensive income</b>		<b>-1,990</b>	<b>-5,514</b>
<b>Total comprehensive income*</b>		<b>117,003</b>	<b>101,124</b>
- thereof shareholders of EEW Holding GmbH*		97,660	75,764
- thereof non-controlling interests		19,343	25,360

\* The prior-year figures have been adjusted due to error corrections (see section 2 "notes to the consolidated financial statements").

## Consolidated balance sheet

### 3. Consolidated balance sheet

ASSETS in kEUR		Dec. 31, 2024	Dec. 31, 2023 adjusted*	Jan. 1, 2023 adjusted*
<b>Non-current assets</b>				
Intangible assets*	6.1	40,463	38,038	36,600
Property, plant and equipment*	6.1	1,401,307	1,248,217	986,210
Joint ventures accounted for using the equity method	3	7,214	8,089	0
Sundry financial assets	6.2	17,439	22,668	29,446
<b>Receivables and other assets</b>				
Finance lease receivables	6.11	0	0	50,717
Other receivables and other assets	6.4	25,906	7,347	7,177
<b>Total receivables and other assets</b>		<b>25,906</b>	<b>7,347</b>	<b>57,894</b>
Deferred tax assets	6.5	24,619	18,463	15,323
<b>Total non-current assets*</b>		<b>1,516,948</b>	<b>1,342,822</b>	<b>1,125,473</b>
<b>Current assets</b>				
Sundry financial assets	6.2	1,250	0	0
Inventories*	6.3	100,592	32,935	29,481
<b>Receivables and other assets</b>				
Trade receivables	6.4	126,978	106,068	76,736
Contract assets	6.4	33,424	39,250	42,548
Reimbursement claims from income taxes	6.4	15,118	13,075	1,903
Reimbursement claims from other taxes	6.4	2,806	3,520	3,310
Finance lease receivables	6.11	0	43,867	11,659
Other receivables and other assets	6.4	44,191	18,976	22,264
<b>Total receivables and other assets</b>		<b>222,517</b>	<b>224,756</b>	<b>158,420</b>
Cash and cash equivalents		34,961	20,881	53,876
<b>Total current assets*</b>		<b>359,320</b>	<b>278,572</b>	<b>241,777</b>
<b>Total assets</b>		<b>1,876,268</b>	<b>1,621,394</b>	<b>1,367,250</b>

EQUITY AND LIABILITIES in kEUR		Dec. 31, 2024	Dec. 31, 2023 adjusted*	Jan. 1, 2023 adjusted*
<b>Equity</b>				
Subscribed capital	6.6	1,000	1,000	1,000
Capital reserves	6.6	275,900	275,900	275,900
Other revenue reserves/ profit or loss carryforward	6.6	205,678	181,144	155,942
Profit or loss attributable to controlling interests*		99,642	81,216	90,754
<b>Equity attributable to the shareholders of EEW Holding GmbH*</b>		<b>582,220</b>	<b>539,260</b>	<b>523,596</b>
<b>Non-controlling interests</b>	<b>3</b>	<b>64,665</b>	<b>64,828</b>	<b>56,818</b>
<b>Total equity*</b>		<b>646,885</b>	<b>604,088</b>	<b>580,414</b>
<b>Non-current liabilities</b>				
Pension provisions	6.7	58,805	58,889	49,119
Other provisions	6.8	22,627	28,003	21,014
Bonds	6.9	399,412	399,019	398,628
Liabilities to banks	6.9	1,999	1,997	19,982
Lease liabilities	6.11	10,510	7,876	6,999
Other financial liabilities	6.9	267,430	65,931	28,748
Investment grants	6.9	14,714	8,906	9,944
Other liabilities	6.9	707	375	860
Deferred tax liabilities	6.5	68,598	68,726	74,362
<b>Total non-current liabilities</b>		<b>844,802</b>	<b>639,722</b>	<b>609,656</b>
<b>Current liabilities</b>				
Other tax provisions	6.8	3,501	11,080	2,496
Other provisions	6.8	87,615	17,427	19,442
Bonds	6.9	722	722	722
Liabilities to banks	6.9	157,192	150,000	139
Lease liabilities	6.11	1,825	1,929	2,114
Other financial liabilities	6.9	7,133	24,043	0
Trade payables	6.9	57,892	87,096	92,308
Income tax liabilities*	6.9	30,375	23,127	38,027
Other liabilities	6.9	38,326	62,160	21,932
<b>Total current liabilities*</b>		<b>384,581</b>	<b>377,584</b>	<b>177,180</b>
<b>Total equity and liabilities</b>		<b>1,876,268</b>	<b>1,621,394</b>	<b>1,367,250</b>

\* The prior-year figures have been adjusted due to error corrections and changes to disclosures (see section 2 "notes to the consolidated financial statements").



## 4. Consolidated statement of cash flows

in kEUR			2024	2023 adjusted*
	<b>Consolidated profit for the period*</b>		<b>118,993</b>	<b>106,638</b>
+/-	Tax expense/tax income*	5.7	53,645	26,974
-	Investment result		-144	-1,547
-	Interest income		-3,502	-4,534
+	Interest expenses		10,226	6,626
+	Amortization, depreciation and impairment	6.1	103,737	91,285
+/-	Increase/decrease of pension provisions		-933	1,158
+/-	Increase/decrease of other tax provisions		-7,579	8,584
+/-	Increase/decrease of other provisions		70,323	-3,354
+/-	Other non-cash expenses and income		0	14,305
+/-	Losses/gains from the disposal of property, plant and equipment		1,104	2,380
-/+	Increase/decrease of inventories*		-74,074	-7,745
-/+	Increase/decrease of trade receivables		-15,084	-26,035
-/+	Increase/decrease of other receivables and other assets		853	21,638
+/-	Increase/decrease of trade payables		-26,967	-6,095
+/-	Increase/decrease of other liabilities*		15,032	-16,891
+	Dividends received		1,019	1,547
+	Interest received		2,972	4,523
-	Interest paid		-13,473	-2,524
-/+	Income tax payments/refunds		-55,037	-59,069
	<b>Cash flow from operating activities*</b>		<b>181,111</b>	<b>157,864</b>
-	Payments to acquire intangible assets*	6.1	-10,007	-7,555
+	Proceeds from disposal of property, plant and equipment*	6.1	371	307
-	Payments to acquire property, plant and equipment*	6.1	-234,706	-335,070
+	Proceeds from disposal of financial assets		1,250	0
-	Payments to acquire financial assets		0	7
	<b>Cash flow from investing activities</b>		<b>-243,092</b>	<b>-342,311</b>
+	Cash proceeds from current loans	7	25,000	154,042
-	Cash payments from repayment of current financial liabilities	7	-23,043	0
+	Cash proceeds from non-current financial liabilities	7	96,050	37,118
-	Cash payments from repayment of lease liabilities	7	-2,442	-2,350
-	Dividends paid to the shareholder of the Parent		0	-20,000
-	Dividends paid to non-controlling interests		-19,506	-17,358
	<b>Cash flow from financing activities</b>		<b>76,059</b>	<b>151,452</b>
	<b>Change in cash and cash equivalents</b>		<b>14,078</b>	<b>-32,995</b>
	<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>20,881</b>	<b>53,876</b>
+/-	Exchange rate-related change in cash funds		2	0
	<b>Cash and cash equivalents at the end of the financial year</b>		<b>34,961</b>	<b>20,881</b>

\* The prior-year figures have been adjusted due to error corrections (see section 2 "notes to the consolidated financial statements").

## Consolidated statement of changes in equity

### 5. Consolidated statement of changes in equity

in kEUR	Subscribed capital	Capital reserves	Other revenue reserves Profit/loss carryforward Consolidated profit for the year	Reserve for currency translation of foreign companies
<b>Balance as at Jan. 1, 2024</b>	<b>1,000</b>	<b>275,900</b>	<b>265,096</b>	<b>69</b>
Consolidated profit for the year	0	0	99,642	0
Other comprehensive income	0	0	0	2
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>99,642</b>	<b>2</b>
Dividends	0	0	-54,700	0
Other	0	0	0	0
<b>Balance as at Dec. 31, 2024</b>	<b>1,000</b>	<b>275,900</b>	<b>310,038</b>	<b>71</b>

in kEUR	Subscribed capital	Capital reserves	Other revenue reserves Profit/loss carryforward Consolidated profit for the year	Reserve for currency translation of foreign companies
<b>Balance as at Jan. 1, 2023</b>	<b>1,000</b>	<b>275,900</b>	<b>243,980</b>	<b>51</b>
Consolidated profit for the year	0	0	66,759	0
Restatements under IAS 8	0	0	14,457	0
Other comprehensive income	0	0	0	18
<b>Total comprehensive income*</b>	<b>0</b>	<b>0</b>	<b>81,216</b>	<b>18</b>
Dividends	0	0	-60,100	0
Other	0	0	0	0
<b>Balance as at Dec. 31, 2023 adjusted*</b>	<b>1,000</b>	<b>275,900</b>	<b>265,096</b>	<b>69</b>

Consolidated statement of changes in equity

in kEUR	Reserve for actuarial gains/losses	Reserve for changes in the fair value of equity instruments	Equity of the shareholders of EEW Holding GmbH	Non-controlling interests	Group equity
<b>Balance as at Jan. 1, 2024</b>	<b>-4,241</b>	<b>1,436</b>	<b>539,260</b>	<b>64,828</b>	<b>604,088</b>
Consolidated profit for the year	0	0	99,642	19,351	118,993
Other comprehensive income	734	-2,718	-1,982	-8	-1,990
<b>Total comprehensive income</b>	<b>734</b>	<b>-2,718</b>	<b>97,660</b>	<b>19,343</b>	<b>117,003</b>
Dividends	0	0	-54,700	-19,506	-74,206
Other	0	0	0	0	0
<b>Balance as at Dec. 31, 2024</b>	<b>-3,507</b>	<b>-1,282</b>	<b>582,220</b>	<b>64,665</b>	<b>646,885</b>

in kEUR	Reserve for actuarial gains/losses	Reserve for changes in the fair value of equity instruments	Equity of the shareholders of EEW Holding GmbH	Non-controlling interests	Group equity
<b>Balance as at Jan. 1, 2023</b>	<b>2,593</b>	<b>72</b>	<b>523,596</b>	<b>56,818</b>	<b>580,414</b>
Consolidated profit for the year	0	0	66,759	25,422	92,181
Restatements under IAS 8	0	0	14,457	0	14,457
Other comprehensive income	-6,834	1,364	-5,452	-62	-5,514
<b>Total comprehensive income*</b>	<b>-6,834</b>	<b>1,364</b>	<b>75,764</b>	<b>25,360</b>	<b>101,124</b>
Dividends	0	0	-60,100	-17,358	-77,458
Other	0	0	0	8	8
<b>Balance as at Dec. 31, 2023 adjusted*</b>	<b>-4,241</b>	<b>1,436</b>	<b>539,260</b>	<b>64,828</b>	<b>604,088</b>

\* The prior-year figures have been adjusted due to error corrections (see section 2 "notes to the consolidated financial statements").



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



## 1. General information

EEW Holding GmbH (EEW Holding, Brunswick Local Court, HRB no. 204030) has its registered office in Helmstedt/Germany. The address of the Company's registered office is:

Schöninger Str. 2-3  
38350 Helmstedt/Germany

The EEW Group designs, builds and operates thermal waste recovery plants that generate electricity, district heating and process steam. In 2024, 13 out of currently 17 plant sites were operated as independent businesses and four plants were managed by EEW on the basis of long-term operational management agreements. The EEW Group is the leading private-sector provider of waste incineration in Germany (in terms of annual waste incineration capacity) with further operations in Luxembourg and the Netherlands.

The ultimate parent of EEW Holding GmbH is Beijing Enterprises Holdings Ltd., Hong Kong/China (BEHL), which, as of December 31, 2024 holds all of the shares in EEW Holding, via Beijing Enterprises Holdings European Investment Management S.à r.l., Luxembourg/Luxembourg (BEHEIM). The financial statements of BEHL are available on the Hong Kong Stock Exchange website (HKEXnews, Listed Company Information).

The consolidated financial statements for the financial year from January 1 to December 31, 2024 include EEW Holding and its subsidiaries (EEW), whose financial years correspond to the calendar year.

The consolidated financial statements of EEW Holding and its subsidiaries were prepared in accordance with the IFRS<sup>®</sup> Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFIC) applicable and endorsed by the European Union as of the balance sheet date, and also in compliance with commercial law regulations applicable under Sec. 315e German Commercial Code (HGB).

The consolidated financial statements were prepared in euros. Unless otherwise noted, the amounts are stated in thousands of euros (kEUR). The amounts are commercially rounded in each case.

The consolidated financial statements were prepared by the board of management on April 22, 2025 and authorized for issuance.

## Basis of preparation

### 2. Basis of preparation

The consolidated financial statements are prepared on an amortized or depreciated cost basis. Certain financial assets are measured at fair value. See our notes on financial instruments for further information.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The consolidated balance sheet is classified using the current/non-current distinction. The consolidated statement of profit and loss is prepared according to the nature of expense method.

#### Recognition of revenue and expenses

##### Revenue from contracts with customers

Revenue from contracts with customers is recognized in accordance with IFRS 15, which provides that an entity shall recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled for the performance obligations assumed, i.e., in exchange for goods or services. This core principle is implemented using a five-step framework model:

1. Identifying the contract(s) with a customer
2. Identifying the separate performance obligations in the contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations under the contract
5. Recognizing the revenue upon fulfillment of the performance obligations by the entity

##### *1. Identifying the contract(s) with a customer*

In identifying contracts, EEW also takes into consideration arrangements resulting from legal regulations.

##### *2. Identifying the separate performance obligations in the contract*

As part of the second analysis step, the model identifies EEW's contractual performance obligations, i.e., the promised goods and services, and examines them to identify whether they are capable of being distinct and are distinct within the context of the contract. If the promised goods or services are not distinct, they are combined with other goods or services until the Company identifies a bundle of goods or services that is distinct. As a rule, EEW acts as the principal.

EEW assigns the customer contracts with similar performance obligations to the following categories:

Overview of the EEW contract categories		
Performance obligations	Contract types	Customer categories
Waste disposal	Waste contracts	Municipal
		Commercial
		Spot
		Imports
Energy marketing	Energy contracts	Electricity
		Heat/steam
		Other
Operational management	Operational management agreements	

The waste disposal category includes thermal waste recovery and thermal sewage sludge recovery. In the waste disposal category, similar contracts are combined into customer categories. Municipal and commercial contracts account for the largest contractual volume. Municipal contracts have terms of up to 35 years, while spot contracts have terms of less than 12 months. EEW flexibly manages the utilization of recovery capacities through contracts on the spot market. The performance obligation is fulfilled when the Company takes delivery of the waste at the thermal waste recovery plant and thus assumes its waste disposal obligation. A processing provision is recognized for the costs of the thermal recovery of waste not yet processed as of the balance sheet date.

In the energy marketing category, the Company distinguishes between electricity, heat and steam as well as other energy contracts. As a rule, long-term contracts are concluded for heat and steam supply and short-term contracts for electricity supply. The performance obligation under energy contracts consists of energy supply to customers. Energy is supplied over time. The volumes of supplied energy are determined using meters. For pricing arrangements based on annual volumes, the Company charges installment payments toward the final bill. Energy supplies that cannot yet be finally settled are recognized as contract assets at the balance sheet date.

In the operational management category, the performance obligation, i.e., the operation of a thermal waste recovery on behalf of a third party, is satisfied over time. The contracts are long term. For pricing arrangements based on annual volumes (e.g., waste acceptance volumes, quantity of steam or electricity supplied), the Company charges installment payments on the final invoice. Contract assets are recognized if final billing of this variable consideration has not taken place by the balance sheet date.

### *3. Determining the transaction price*

EEW's customer contracts include fixed and variable consideration components. Variable consideration components are estimated on the basis of the expected value. There are no rights of return, licenses, significant financing components, non-cash consideration or consideration payable to a customer. The payment terms are customary for the industry and generally range from 7 to 30 days.

### *4. Allocating the transaction price to the performance obligations under the contract*

The customer contracts contain only one distinct performance obligation. As a result, no allocation of the transaction price takes place, and revenue is recognized immediately upon performance.

### *5. Recognizing the revenue upon fulfillment of the performance obligations by the entity*

The right to consideration is established upon satisfaction of the performance obligations, i.e., the transfer of control over the services provided. For waste disposal, this takes place at a point in time. For energy marketing and operational management, the performance obligations are satisfied over time. No costs to obtain contracts are recognized as an asset due to their immateriality.

## Basis of preparation

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The contract analysis yielded the following results:

Performance obligation	Variable consideration	Significant payment terms
Waste disposal	None	Payment terms that are customary for the industry
		No financing component
Energy marketing	Yes – distinct and determinable on a monthly basis	Payment terms that are customary for the industry
		No financing component
Operational management	Yes – distinct and determinable on a monthly basis	Payment terms that are customary for the industry
		No financing component

### Interest income and expenses

Interest is recognized as an income or expense item in the period to which it relates using the effective interest method. Interest expenses incurred in connection with the acquisition or production of qualifying assets are recognized as assets if material. Transaction costs are also included where applicable.

### **Intangible assets and property, plant and equipment**

Non-current assets are measured at cost less accumulated amortization/depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment or of an intangible asset includes:

- the purchase price, including import duties and non-reimbursable turnover taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The residual carrying amounts and useful lives of each asset are reviewed at least at the end of every financial year. Intangible assets and property, plant and equipment are tested for impairment if events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Production costs comprise the full costs relating to production.

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Intangible assets and property, plant and equipment have limited useful lives and are amortized/depreciated using the straight-line method over the following useful lives:

Intangible assets

Software, licenses and patents	3 to 8 years
Customer-related intangible assets (contracts etc.)	up to 17 years

Property, plant and equipment

Land	no depreciation
Buildings	13 to 50 years
Plant and machinery	3 to 25 years
Other equipment, furniture and fixtures	3 to 13 years

Investment subsidies and investment grants from governments are not deducted from the cost of an asset; they are recognized as liabilities and released to income over the same period in which the subsidized asset is depreciated.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are recognized as an asset, if material, and are amortized or depreciated over the useful life of the facility. A qualifying asset is an asset that necessarily takes a substantial period of time to be prepared for its intended use or sale. Borrowing costs are calculated using a group-wide borrowing rate. For funds borrowed specifically for a qualifying asset, the interest rate on these borrowings is applicable.

**Leases**

EEW concludes agreements both as lessor and as lessee.

*Lessor*

For lease transactions in which EEW is the lessor, a distinction is made between operating leases and finance leases. Leases are recognized as finance leases if the significant risks and rewards of the use of the leased asset are transferred to the contractual partner. This assessment involves an examination of the lease as pertains to the duration of the lease compared to the asset's economic life, the terms of purchase and renewal options and the degree of specialization of the leased asset.

For finance leases, the present value of the outstanding lease payments (fixed and variable payments pegged to an index or to a reference interest rate) including, if applicable, the exercise price for any bargain purchase option (reasonably certain) for the underlying asset of the lease and/or any unguaranteed residual value is recognized as a receivable. Payments by the lessee are treated as repayments or interest income. The interest rate implicit in the lease is used for this purpose. Revenue is recognized using the effective interest method over the term of the lease.

The lessor receivables must be tested for impairment in accordance with the rules applicable to financial assets.

## Basis of preparation

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### *Lessee*

For transactions in which EEW acts as the lessee, an asset is recognized for the right of use granted and a lease liability is recognized starting from the commencement date of the lease.

At the commencement date, the liability is recognized at the present value of the lease payments that have not yet been made (fixed and variable payments pegged to an index or to a reference interest rate) including, if applicable, the exercise price for any bargain purchase option (reasonably certain) for the underlying asset of the lease. EEW's incremental borrowing rate is regularly used as the discount rate. The right-of-use assets comprise at initial measurement the corresponding lease liability, the lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. Subsequent measurement is carried out at cost less accumulated depreciation and any impairments.

The following approach will be adopted taking into account the options and practical expedients pursuant to IFRS 16:

- The recognition, measurement and disclosure requirements of IFRS 16 are not applied to short-term leases (up to 12 months) and leases of low-value assets.
- As a rule, the option to not separate lease components and non-lease components of an agreement and to account for them as a single lease component is not exercised. Accordingly, non-lease components are separated where necessary and accounted for in accordance with the applicable standards.
- IFRS 16 is not applied to leases of intangible assets.
- Right-of-use assets are stated under property, plant and equipment.
- Lease liabilities are recognized as a separate line item in the balance sheet.

The right-of-use asset is generally depreciated or amortized over the term of the lease. If a purchase option was included in measurement or if ownership of the asset is transferred to EEW at the end of the lease term, depreciation or amortization is charged over the economic life of the asset. Liability is measured using the effective interest method in subsequent periods.

When reassessing the lease term regarding the exercise of purchase or renewal options that were not previously taken into account, or in the event of contract amendments that are not recognized as separate leases, the lease liability is remeasured and the corresponding right-of-use asset is adjusted accordingly using an updated interest rate.

### **Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value, less costs of disposal and its value in use. The recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the expected future cash flows, which also reflect the asset-specific risks, are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

### **Inventories**

Raw materials, consumables and supplies are valued at the lower of acquisition or production cost using the average method and net realizable value. The CO<sub>2</sub> emission certificates are recognized at their acquisition cost.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances and are recognized at nominal values.

### **Financial instruments**

Financial instruments are contracts that give rise to a financial asset of one contractual party and a financial liability or equity instrument of another party.

#### Financial assets – first-time recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost (AC), fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

The business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at the individual financial instrument level.

## Basis of preparation

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Financial assets are measured at fair value, with the exception of receivables that do not contain a significant financing component or for which the practical expedient set out under IFRS 15 is applied for terms of up to 12 months (on the assumption that no financing component exists) and with the exception of loan receivables and cash and cash equivalents. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

### Financial assets measured at amortized cost (debt instruments held)

Financial assets measured at amortized cost are subsequently measured using the effective interest method and are subject to impairment tests. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The financial assets measured at amortized cost largely include loan receivables, trade receivables as well as cash and cash equivalents.

### Financial assets designated at FVTOCI (equity instruments held)

Valuation gains and losses from this category are never reclassified to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

Equity instruments classified as FVTOCI were irrevocably allocated to this category and are recognized under financial assets. The Group considers this classification to be more meaningful than recognizing short-term fluctuations in fair value in the statement of profit and loss, as these are strategic financial investments.

### Impairment of financial assets

If significant, an allowance for expected credit losses (ECLs) is recognized for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For financial instruments, for which there has not been a significant increase in credit risk since initial recognition, loss allowances are provided for expected credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those financial instruments for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

A financial asset is considered impaired if internally generated information or information obtained from external sources indicates that it is unlikely that the debtor will be able to meet its payment obligations. There is an objective indication of impairment if the debtor is experiencing significant financial difficulties or it is likely that the debtor will become bankrupt. In order to assess the credit risk, default estimates are applied that are based on data found to predict the exposure to loss. Such data primarily includes external credit reports, audited financial statements and available press releases.

For trade receivables and contract assets, a simplified approach in calculating ECLs is applied. Changes in credit risk are not tracked, but instead a loss allowance based on lifetime ECLs is recognized at each reporting date. Loss allowances are determined using a provision matrix that is based on the likelihood that a receivable will pass through consecutive stages of arrears. The loss rates are calculated based on the actual credit losses over the past few years, with each plant site calculated separately. The EEW Group has a low ECL risk due to the industry and its customer structure (e.g., municipal customers and large energy marketing partners).

The Group derecognizes trade receivables if there is no realistic prospect of payment, e.g., if the debtor is in insolvency proceedings.

The following tables provide information on the estimated exposure to credit risk and ECLs for trade receivables and contract assets.

Dec. 31, 2024	Impairment matrix			
Status	Expected loss rates (weighted average)	Gross carrying amount (in kEUR)	Valuation allowance (in kEUR)	Credit impairment
Not due	0.00%	137,299	0	no
1 to 30 days past due	0.15%	12,273	0	no
31 to 60 days past due	0.00%	704	0	no
61 to 90 days past due	0.13%	1,015	0	no
More than 90 days past due	3.23%	9,411	300	no
<b>Total</b>		<b>160,702</b>	<b>300</b>	

Dec. 31, 2023	Impairment matrix			
Status	Expected loss rates (weighted average)	Gross carrying amount (in kEUR)	Valuation allowance (in kEUR)	Credit impairment
Not due	0.00%	126,289	0	no
1 to 30 days past due	0.05%	10,180	0	no
31 to 60 days past due	0.02%	205	0	no
61 to 90 days past due	0.00%	318	0	no
More than 90 days past due	2.15%	8,327	0	no
<b>Total</b>		<b>145,318</b>	<b>0</b>	

The impairment losses resulting from the loss rates of items without recognized impairment losses are immaterial and are therefore not disclosed.

#### Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest method. At EEW, this category includes bonds, liabilities to banks, lease liabilities, trade payables, other financial liabilities and other current liabilities. Financial liabilities are derecognized when the obligations specified in the contract are discharged, canceled or expired.

## Basis of preparation

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### Income taxes

#### Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

#### Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, which at the time of the transaction does not affect the accounting profit or taxable profit or loss and does not give rise to taxable and deductible temporary differences on the same amount at the time of the transaction, and
- with regard to deferred tax liabilities resulting from taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to taxable and deductible temporary differences on the same amount at the time of the transaction, and
- with regard to deferred tax assets resulting from deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when it is probable that the temporary differences will not be reversed in the foreseeable future or no sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

### Global minimum taxation – Pillar Two

Laws have been enacted to implement global minimum taxation in accordance with the OECD “Pillar Two” guidelines in countries in which the EEW Group and the BEHL Group operate. The EEW Group is likely to fall within the scope of the laws that have been enacted or that will be enacted. As part of a Pillar Two impact analysis, EEW determined which obligations arise for the EEW Group from the Pillar Two regulations. The analysis found that the group companies have no obligations under Pillar Two. Insofar as further obligations arise for BEHL Group, we consider our shareholder, Beijing enterprises Holdings European Investment Management S.à r.l. in Luxembourg/ Luxembourg, to be responsible. We have informed our shareholder accordingly.

As a result, no deferred taxes were recognized in accordance with IAS 12.

### **Other provisions**

Provisions are recognized if there is a present legal or actual obligation as a result of a past event, an outflow of resources representing economic benefits to fulfill this obligation is likely and the probable amount of the necessary provision can be estimated reliably. Provisions are measured pursuant to IAS 37 at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Provisions are also recognized for contracts under which the unavoidable costs for contractual fulfillment are higher than the expected economic benefits. The unavoidable costs represent the lower of the two alternative amounts consisting of costs for fulfillment or compensation payments or penalties for non-fulfillment. The provisions are recognized in the amount of the loss.

The valuation of the provision for CO<sub>2</sub> emission allowances is based on the acquisition costs of the CO<sub>2</sub> certificates purchased.

Changes in the measurement of an existing provision for decommissioning, restoration or similar liability that result from changes in the estimated timing or amount of the outflow of resources representing economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related asset in the current period. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

The reversal of provisions is posted to other operating income.

### **Provisions for pensions and similar obligations**

Provisions for pensions and similar obligations are recognized for defined benefit obligations of the Group. In accordance with IAS 19, they are measured using the projected unit credit method. Future salary and pension trends are included in the calculation under this valuation method. The calculated pension obligation is reported net of the existing plan assets. According to IAS 19.8, plan assets are either assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are measured at their fair value.

## **Basis of preparation**

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Actuarial gains and losses resulting from changes in the underlying measurement parameters are recognized in full in the period in which they arise. They are presented in other comprehensive income (reserve for actuarial gains and losses) and will not subsequently be reclassified to profit or loss.

The defined benefit obligation recognized in the consolidated balance sheet represents the current shortfall or surplus of defined benefit plans in the Group.

Payments for defined contribution plans are recognized as expenses at the time the employees render the service.

## **Statement of cash flows**

The statement of cash flows presents the change in the balance of cash and cash equivalents which is reported in the consolidated balance sheet under the cash and cash equivalents item and includes cash and cash equivalents with a term of not more than three months. The cash flows are presented grouped into the areas of operating, investing and financing activities.

The cash inflow from operating activities is derived indirectly by adjusting the consolidated profit or loss for the period for non-cash effects and the financial result and supplementing it with changes in current assets and liabilities and paid and received interest and income taxes.

## **Judgments and estimates**

The preparation of the consolidated financial statements in accordance with IFRS requires to a certain extent management to make judgments, estimates and assumptions concerning the application of financial reporting methods and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates, judgments and assumptions; such changes may have a significant impact on the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments of estimates relevant for the financial reporting are considered in the period in which the change occurs if the change only relates to that period. Any changes affecting both the current and future periods are considered in both the current and in subsequent periods. Estimates are required in particular to value property, plant and equipment and intangible assets, specifically in connection with useful lives and purchase price allocations (note 6.1), and for the measurement of financial instruments at fair value (note 6.10), the measurement of pension and sundry provisions (notes 6.7 and 6.8) and for impairment testing in accordance with IAS 36 (note 2).

EEW's non-current assets mainly comprise intangible assets and property, plant and equipment with finite useful lives. An impairment test for these assets must only be performed when triggering events occur which could reduce the recoverable amount of the CGU. An asset is impaired when its carrying amount exceeds its recoverable amount. A CGU at EEW is a single plant site, as this is the smallest identifiable group of assets that is independent of the cash inflows from other assets or groups of assets.

The fair value of financial assets measured at FVTOPI is calculated using a discounted cash flow model based on the forecast. The underlying discount rate is estimated based on a risk-free market interest rate, adjusted by a suitable credit risk premium.

The basis for estimates with regard to other relevant topics are explained in the respective sections.

### Effects of climate-related issues

EEW is rising to the challenges and opportunities presented by climate change and constantly changing conditions such as economic and environmental change, the energy and heat transition and the limited availability of resources. The Company is already playing an important role in climate and resource protection.

By recycling sewage sludge in its own incineration plants, one of its business areas, EEW makes a contribution to the circular economy and enables phosphorus recovery in downstream processes. In addition to the sewage sludge mono-incineration plant already in operation in Helmstedt/Germany and Stavenhagen/Germany, three plants of the EEW Group are currently in trial operation or being built.

EEW is increasingly entering into cooperation agreements at various locations to feed heat generated in the plants into district heating networks. District heating provided by thermal waste recovery avoids the use of primary energy sources such as coal, oil and gas for heating and thus helps to reduce our carbon footprint. The increasing supply of district heating is leading to shifts between electricity and heat production and the associated revenue at EEW.

At the end of the past year, the German legislator amended the German Fuel Emissions Trading Act (BEHG). This means that the thermal waste recovery has been included in the German fuel emissions trading scheme from 2024. EEW passes the additional charges resulting from this on to its customers.

### Effects of new or revised accounting standards and interpretations

Standard/interpretation			Mandatory application in the EU	Endorsement
Amendment	IAS 1	Classification of Liabilities as Current or Non-current	Jan. 1, 2024	yes
Amendment	IAS 1	Non-Current Liabilities with Covenants	Jan. 1, 2024	yes
Amendment	IFRS 16	Lease Liability in a Sale and Leaseback	Jan. 1, 2024	yes
Amendment	IAS 7, IFRS 7	Supplier Financing Arrangements	Jan. 1, 2024	yes

The changes did not have any material effect on the consolidated financial statements for the EEW Group.

### New accounting standards and interpretations not yet applied

The following accounting standards and interpretations published by the IASB by the balance sheet date may be relevant for EEW but will only become effective at a later date. When they have already been endorsed by the EU, the date of mandatory first-time adoption in the EU is shown; otherwise, the date of mandatory first-time adoption stated by the IASB is shown. The EEW Group will adopt the amendments no earlier than the date of mandatory application.

## Basis of preparation

Standard/interpretation			Mandatory application according to the IASB	Endorsement
Amendment	IAS 21	Lack of Exchangeability	Jan. 1, 2025	yes
Amendment	IFRS 7, IFRS 9	Changes to the Classification and Measurement of Financial Instruments	Jan. 1, 2026	no
Amendment	IFRS 7, IFRS 9	Contracts Referencing to Nature-dependent Electricity	Jan. 1, 2026	no
Amendment	IAS 7, IFRS 1, IFRS 7, IFRS 9, IFRS 10	Annual Improvements to IFRS Accounting Standards – Volume 11	Jan. 1, 2026	no
New	IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	no
New	IFRS 19	Subsidiaries without Public Accountability	Jan. 1, 2027	no

The new IFRS 18 accounting standard, which replaces IAS 1, will have an impact on the consolidated financial statements of the EEW Group. The extent is currently being assessed. As it currently stands, the new IFRS 19 and the other amendments to the IFRS will not have any material effect on the EEW Group's consolidated financial statements.

### Error corrections and changes to disclosures

Due to the termination of the tax audit for the assessment periods from 2016 to 2019, the assessment of the uncertain tax positions as at December 31, 2023 would have had to be adjusted in accordance with IAS 10. This was corrected with retrospective effect using IAS 8.42. As a result, taxes on income and income tax liabilities of the prior year decreased by kEUR 14,457 and the consolidated profit for the period increased by the same amount.

According to IAS 16.8, spare parts are to be allocated to property, plant and equipment if they are expected to be used for more than one year. For the first time in the financial year 2024, the Group reports these spare parts under property, plant and equipment. The previous year's disclosure was adjusted in accordance with IAS 8.42. Property, plant and equipment increased by kEUR 8,437 in the previous year and inventories decreased by the same amount. The adjustment as at January 1, 2023 was kEUR 5,723 in each case.

Until the previous year, the Group was involved in European emissions trading with three plants. The purchased certificates were recognized under intangible assets. Since 2024, companies in the thermal waste recovery industry have been included in the national fuel emissions trading according to the BEHG. The EEW Group must therefore purchase CO<sub>2</sub> certificates in all thermal waste recovery plants from 2024. The EEW Group now considers that it is more appropriate to disclose all purchased certificates under inventories, since the purchase of the CO<sub>2</sub> certificates is an immediate necessity for the provision of the waste incineration service. As a result, the intangible assets recorded in the previous year decreased by kEUR 9,941 and inventories recorded in the previous year increased by kEUR 9,941. The adjustment as at Jan. 1, 2023 was kEUR 6,678 in each case.

In the statement of cash flows of the previous year, the corresponding items were also adjusted as a result of the corrections. The consolidated profit for the period increased by kEUR 14,457 and tax expense decreased by kEUR 14,457. The increase in inventories rose by kEUR 4,840, while other liabilities decreased by kEUR 4,292. As a result, cash flow from operating activities also decreased by kEUR 548. Cash flow from investing activities increased by kEUR 548. This is due to the decrease in the cash inflow from the disposal of intangible assets by kEUR 1,075, the decrease in the payments to acquire intangible assets by kEUR 7,553, the decrease in the proceeds from the disposal of property, plant and equipment by kEUR 3,216, and the increase in the payments to acquire property, plant and equipment by kEUR 2,714.

### 3. Consolidation

In addition to the group parent, EEW Holding, the following subsidiaries are included in the consolidated financial statements:

Name	Registered office	Capital share in % as of Dec. 31, 2024	Capital share in % as of Dec. 31, 2023
EEW Energy from Waste GmbH	Helmstedt/ Germany *	99.6	99.6
EEW Energy from Waste Göppingen GmbH	Göppingen/ Germany *	100	100
EEW Energy from Waste Grossräschen GmbH	Grossräschen/ Germany *	100	100
EEW Energy from Waste Hannover GmbH	Hanover/ Germany	85	85
EEW Energy from Waste Helmstedt GmbH	Helmstedt/ Germany *	100	100
EEW Energy from Waste Heringen GmbH	Heringen/ Germany *	100	100
EEW Energy from Waste Premnitz GmbH	Premnitz/ Germany *	100	100
EEW Energy from Waste Saarbrücken GmbH	Neunkirchen/ Germany *	100	100
EEW Energy from Waste Stapelfeld GmbH	Stapelfeld/ Germany *	100	100
EEW Energy from Waste Stavenhagen GmbH & Co. KG	Stavenhagen/ Germany *	100	100
EEW Energy from Waste Leudelage S.à r.l.	Leudelage/ Luxembourg	100	100
EEW Energy from Waste Delfzijl B.V.	Farmsum/ Netherlands	100	100
EEW Energy from Waste Polska Sp. z o.o.	Warsaw/Poland	100	100
IHKW Industrieheizkraftwerk Andernach GmbH	Andernach/ Germany *	100	100
Kraftwerk Schwedt GmbH & Co. KG	Schwedt a. d. Oder/Germany*	99	99
M+E Holding GmbH & Co. KG	Helmstedt/ Germany	94	94
Müllheizkraftwerk Rothensee GmbH	Magdeburg/ Germany	51	51
NEEW Ventures GmbH	Berlin/Germany*	100	100
Wasteer GmbH	Berlin/Germany	70	70

\* Applying the exemption pursuant to Sec. 264 (3) and Sec. 264b HGB with regard to preparation and disclosure

Unless stated otherwise, the share of capital corresponds to EEW's voting interest.

EEW Energy from Waste GmbH, Helmstedt/Germany, (EEW GmbH), is included in the exempting consolidated financial statements of EEW Holding. Furthermore, EEW GmbH made use of the exemption from the duty to prepare consolidated financial statements and a group management report pursuant to Sec. 291 HGB. The disclosures under Sec. 291 (2) no. 4 HGB were included in the notes to the consolidated financial statements of EEW Holding since EEW GmbH applied Sec. 264 (3) HGB and dispensed with the preparation of notes and a management report and also with the publication of the same.

50% equity investments are held in EBS Kraftwerk GmbH, Hürth/Germany (EBS), and Entsorgungszentrum Salzgitter GmbH, Salzgitter/Germany (EZS). Since January 1, 2023, EEW has accounted for shares in these companies using the equity method. EBS is the owner of a waste incineration plant. The EEW Group operates this plant and supplies refuse derived fuels. EZS primarily operates a municipal landfill site. EZS also operates a long-term storage facility for residual waste bales on behalf of the EEW Group.

The key financial information for these joint ventures is presented in the table below:

in kEUR	Dec. 31, 2024		Dec. 31, 2023	
	EBS*	EZS	EBS*	EZS
Non-current assets	21,150	10,777	23,592	11,270
Current assets	7,050	3,398	4,264	4,254
<i>thereof cash</i>	3,507	827	652	1,613
Non-current liabilities	-8,780	-1,344	-10,146	-1,388
<i>thereof non-current financial liabilities excluding trade payables, other liabilities and provisions</i>	-8,780	0	-10,146	0
Current liabilities	-13,342	-4,482	-10,566	-5,102
<i>thereof current financial liabilities excluding trade payables, other liabilities and provisions</i>	-1,250	0	-3,875	0
<b>Equity</b>	<b>6,078</b>	<b>8,349</b>	<b>7,144</b>	<b>9,034</b>
Group's share in equity (50%)	3,039	4,175	3,572	4,517
<b>Carrying amount of the Group's share</b>	<b>3,039</b>	<b>4,175</b>	<b>3,572</b>	<b>4,517</b>
Revenue	36,172	12,399	37,473	13,101
Amortization and depreciation	-2,033	-1,001	-1,878	-966
Interest income	13	0	7	0
Interest expenses	-386	-107	-259	-37
Income tax expense/income	113	-200	-2,475	-331
Profit and total comprehensive income (100%)	-1,066	213	1,108	878
<b>Group's share of profit and comprehensive income (50%)</b>	<b>-533</b>	<b>107</b>	<b>554</b>	<b>439</b>
Dividends received by the Group	0	449	611	437

\* EBS' financial information is based on HGB figures.

## Consolidation

A stake of at least 20% is held in the following companies. Full consolidation or accounting using the equity method was not applied for reasons of materiality. These equity investments are measured at FVTOCI and presented under non-current assets.

Name	Registered office	Capital share in %	Equity* Dec. 31, 2023 in kEUR	Profit for the year* 2023 in kEUR
<b>Non-consolidated subsidiaries</b>				
EEW Vermögensverwaltungs-GmbH	Helmstedt/ Germany	100	5	-2
Kraftwerk Schwedt Verwaltungsgesellschaft mbH	Schwedt a. d. Oder/ Germany	100	169	5
EEW Energy from Waste Stavenhagen Verwaltungs GmbH	Stavenhagen/ Germany	100	166	3
TREA Breisgau Betriebsgesellschaft mbH	Eschbach/ Germany	100	377	8
<b>Joint ventures</b>				
Slibverwerking Noord Oost Neederland B.V.	Opheusden/ Netherlands	50	20	0
<b>Associates</b>				
AVA Velsen GmbH	Saarbrücken/ Germany	49	5,115	0
TREA Breisgau Energieverwertung GmbH	Eschbach/ Germany	30	487	-400

\* Most recent financial statements according to local GAAP

The revenue and total assets of the non-consolidated subsidiaries amount to 1.6% and 0.2%, respectively, of those of the EEW Group.

## Non-controlling interests

There are significant non-controlling interests in the following companies:

Subsidiary name	Registered office	Shareholding and voting rights of non-controlling interests in %		Gain or loss attributable to non-controlling interests in kEUR		Cumulated non-controlling interests in kEUR	
		2024	2023	2024	2023	2024	2023
MHKW Rothensee GmbH	Magdeburg/ Germany	49	49	16,626	23,564	56,064	56,281
<b>Other subsidiaries with non-controlling interests</b>						8,601	8,547
<b>Total non-controlling interests</b>						<b>64,665</b>	<b>64,828</b>

The following table offers detailed information about Müllheizkraftwerk Rothensee GmbH (MHKW Rothensee GmbH) before consolidation.

<b>MHKW Rothensee GmbH in kEUR</b>	<b>2024</b>	<b>2023</b>
Revenue	135,852	128,522
Current assets	56,692	48,822
Non-current assets	317,416	261,363
Current liabilities	57,778	25,220
Non-current liabilities	202,341	170,534
<b>Profit for the period</b>	<b>33,804</b>	<b>47,910</b>
<b>Other comprehensive income</b>	<b>3</b>	<b>-35</b>
<b>Total comprehensive income</b>	<b>33,807</b>	<b>47,875</b>
<b>Dividends paid to non-controlling interests</b>	<b>16,782</b>	<b>14,672</b>
Cash flows from operating activities	66,136	54,408
Cash flow from investing activities	-62,741	-103,539
Cash flow from financing activities	-4,274	48,138
<b>Total cash flows</b>	<b>-879</b>	<b>-993</b>

### Consolidation principles

The consolidated financial statements are prepared on the basis of the annual financial statements of the companies included in the consolidated financial statements, which were prepared according to uniform accounting and valuation rules as of December 31, 2024.

Due to materiality considerations, all subsidiaries are included over which EEW Holding has control within the meaning of IFRS 10. They are included (fully consolidated) in the consolidated financial statements from the date on which control is transferred to the Group. EEW Holding has control when it has existing rights that give it the current ability to direct the relevant activities. The relevant activities are the activities that significantly affect the company's returns. Normally the power of control is based on EEW Holding's indirect or direct majority of voting rights. They are deconsolidated when control ends.

The recognition and measurement methods of the consolidated subsidiaries correspond to the recognition and measurement methods that are uniform throughout the Group, as presented here.

Intra-group transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

As soon as EEW Holding loses control over a subsidiary, all assets and liabilities and also the non-controlling interests and accumulated amounts in other comprehensive income (except the measurement effects attributable thereon relating to pensions and changes in fair value relating to specific financial assets) are derecognized. The deconsolidation result is presented in other operating income or other operating expenses.

## Foreign currency translation

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### 4. Foreign currency translation

EEW Holding's functional currency and the EEW Group's reporting currency is the euro.

Where the annual financial statements of foreign subsidiaries are prepared in a functional currency other than the euro, the assets and liabilities are translated at the exchange rate on the balance sheet date. Expenses and income are translated at the annual average rate. Differences on currency translation are reported in equity in "reserve for the currency translation of foreign companies" without affecting profit or loss. If group companies leave the consolidated group, the relevant currency translation difference is released to profit or loss.

The following exchange rates were used for currency translation in the annual financial statements of EEW Energy from Waste Polska Sp. z o.o.:

	2024		2023	
	Average rate in EUR	Closing rate in EUR	Average rate in EUR	Closing rate in EUR
1 Polish zloty	0.23	0.23	0.22	0.23

## 5. Notes to the consolidated statement of profit and loss

### 5.1 Revenue from contracts with customers

Revenue primarily resulted from the recovery and disposal of waste and the sale of the energy generated thereof (kEUR 691,236; prior year: kEUR 620,282) as well as from the operational management of individual waste incineration facilities (kEUR 72,999; prior year: kEUR 81,578). This includes revenues of kEUR 4,231 (prior year: kEUR -339) from performance obligations that were met in previous periods.

#### Revenue breakdown

The following tables show the breakdown of the Group's revenue from contracts with customers:

in kEUR	2024		
Revenue recognition	Time-related revenue recognition	Period-related revenue recognition	Total
<b>Type of goods or service</b>			
Waste	379,671	0	379,671
Energy	0	311,565	311,565
Operational management	0	72,999	72,999
Other revenue	120,415	4,431	124,846
<b>Total</b>	<b>500,086</b>	<b>388,995</b>	<b>889,081</b>

in kEUR	2023		
Revenue recognition	Time-related revenue recognition	Period-related revenue recognition	Total
<b>Type of goods or service</b>			
Waste	350,338	0	350,338
Energy	0	269,944	269,944
Operational management	0	81,578	81,578
Other revenue	44,033	6,766	50,799
<b>Total</b>	<b>394,371</b>	<b>358,288</b>	<b>752,659</b>

Other revenue is primarily closely related to waste revenue. This mainly includes revenue from residual waste recovery (kEUR 14,131; prior year: kEUR 13,096) and from freight fees as well as other service fees (kEUR 17,952; prior year: kEUR 14,179) and expenses passed on from the inclusion in the fuel emission trading or incineration tax, respectively (kEUR 88,974; prior year: kEUR 17,461). In order to ensure a gross presentation of incineration revenue, other revenue is stated separately.

in kEUR	2024	2023
<b>Geographical markets</b>		
Germany	771,923	640,168
Netherlands	96,119	91,617
Luxembourg	21,039	20,874
<b>Total</b>	<b>889,081</b>	<b>752,659</b>

**Contract balances**

in kEUR	Dec. 31, 2024	Dec. 31, 2023
Trade receivables	126,978	106,068
Contract assets	33,424	39,250
Contract liabilities	-750	-800
<b>Total</b>	<b>159,652</b>	<b>144,518</b>

**5.2 Other operating income**

in kEUR	2024	2023
<b>Other operating income</b>		
Income from the reversal of provisions	13,790	8,191
Refunds and damages	11,222	4,438
Income from the allocation of costs for goods and services	7,745	9,613
Income from energy tax refunds	4,285	2,159
Income from the release of investment grants	699	1,038
Income from sales of scrap and materials	519	449
Rental and lease income	277	273
Income from the reversal of bad debt allowances	215	1,470
Income from allocation of amounts paid relating to the skimming of windfall profits	0	1,684
Sundry other operating income	3,317	4,670
<b>Total other operating income</b>	<b>42,069</b>	<b>33,985</b>

The increase in income from the reversal of provisions is mainly due to the reversal of a provision for risks from operational management agreements. The sharp increase in the income from refunds and damages is mainly due to insurance refunds for damage in two incineration plants.

**5.3 Cost of materials**

The cost of raw materials, consumables and supplies and of purchased merchandise (kEUR 87,264; prior year: kEUR 90,075) primarily includes materials consumption for servicing and maintenance (kEUR 18,907; prior year: kEUR 17,410) and for the operation of facilities (kEUR 39,596; prior year: kEUR 40,786) and fuel for the generation of electricity and heat (kEUR 28,761; prior year: kEUR 31,879).

The cost of purchased services (kEUR 339,243; prior year: kEUR 251,622) includes purchased maintenance services (kEUR 73,405; prior year: kEUR 68,085), waste flow costs (kEUR 63,743; prior year: kEUR 80,230), the costs of disposing of ash, slag and flue gas cleaning residues (kEUR 84,236; prior year: kEUR 76,577) as well as other purchased services (kEUR 117,859; prior year: kEUR 26,730). The sharp rise in other purchased services is mainly due to expenses arising from the first-time inclusion of the thermal waste recovery industry in national fuel emissions trading (kEUR 92,926).

#### 5.4 Personnel expenses

On an annual average the Group employed (excluding members of the management board):

	2024	2023
Wage earners	828	798
Salaried employees	650	625
Inactive employees	8	14
<b>Total</b>	<b>1,486</b>	<b>1,437</b>

#### 5.5 Other operating expenses

in kEUR	2024	2023
<b>Other operating expenses</b>		
IT costs	15,802	11,344
Insurance premiums, fees and contributions	14,998	15,483
Other purchased services and allocation of costs for goods and services	14,802	13,696
Audit and advisory fees	8,191	5,772
Rents and leases	6,298	4,377
Training, travel expenses	6,031	5,637
Other taxes	5,225	13,782
Advertising and marketing expenses	4,179	2,497
Expenses for insurance claims	2,599	575
Repair and maintenance expenses	1,425	1,266
Losses on the disposal of intangible assets and property, plant and equipment	1,219	2,417
Impairment losses on current assets	1,096	7,881
Court, notary and lawyers' fees	1,034	517
Voluntary social benefits	912	880
Office expenses	493	476
Sundry other operating expenses	8,173	9,743
<b>Total other operating expenses</b>	<b>92,477</b>	<b>96,343</b>

The increase in IT expenses is related to the restructuring of the IT infrastructure within the EEW Group.

#### 5.6 Financial result

Interest income mainly includes income from finance leases (see note 6.11).

Interest expenses include the interest expense from external financing as well as the unwinding of discounts on pensions and other non-current provisions.

Interest expenses are stated net of capitalized borrowing costs of kEUR 8,031 (prior year: kEUR 2,643). Due to the utilization of the revolving credit facility, the group-wide borrowing rate increased from 1.25% to 1.85% from December 2024. The interest rate for a loan taken out to finance a qualifying asset was increased from 1.6% to 4.7% due to the current financing conditions.

Apart from this, the other investment result includes profit transfers and dividends.

## 5.7 Income taxes

The following table reconciles the expected tax expense for the financial year with the reported tax expense. The expected tax expense results from an overall tax rate of 30% – unchanged on the prior year – and earnings before taxes. The overall tax rate comprises the corporate income tax rate including a solidarity surcharge of 16% and the effective average trade tax rate of 14%.

Due to the increase in earnings compared to the previous year and the out-of-period tax income recognized in the previous year resulting from the tax audit for the years 2016-2019 amounting to kEUR 14,457, there was a significant increase in tax expenses. Tax expense came to kEUR 53,645 (prior year: kEUR 26,974) in the reporting year. In addition to the aforementioned effects from out-of-period tax income of the previous year due to the tax audit (kEUR 14,457), the increase is due to the reduced tax effects from trade tax corrections (kEUR+1,301). These effects are offset by a tax incentive in Delfzijl/Netherlands (kEUR -1,855) and a decline in the effects from permanent differences (kEUR -1,544). As a result, the effective tax expense increased from 20% to 31%.

in kEUR	2024	2023
Consolidated profit before income taxes	172,638	133,612
<b>Expected tax expense 30% (prior year: 30%)</b>	<b>-51,791</b>	<b>-40,084</b>
Income tax reductions on distributed dividends and sale proceeds	0	334
Tax effects on tax-free income	1,855	0
Tax effects on non-deductible operating expenses	-2,337	-2,817
Tax effects from trade tax add-backs/deductions	194	1,495
Out-of-period taxes*	-1,585	15,055
Effects from differences between entity and group tax rates	827	1,570
Loss/interest carryforwards	2	-173
Permanent differences	-810	-2,354
Other	0	0
<b>Effective tax expense*</b>	<b>-53,645</b>	<b>-26,974</b>
<b>Effective tax rate*</b>	<b>31%</b>	<b>20%</b>

\* The prior-year figures have been adjusted due to error corrections (see section 2 “notes to the consolidated financial statements”).

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## 6. Notes to the consolidated balance sheet

### 6.1 Intangible assets and property, plant and equipment

#### Intangible assets

EEW has significant intangible assets with a finite useful life, comprising the contractual customer relationships identified in the purchase price allocation (PPA) recognized when control was obtained by EEW Holding on March 31, 2013 as well as from technology-related intangible assets. Customer-related intangible assets of kEUR 19,766 (prior year: kEUR 25,640) mainly include long-term disposal agreements with municipalities and operational management agreements. The customer relationships were valued on the acquisition date using the multi-period excess earnings method. The revenue from the customer relationships of the individual companies in the EEW Group was taken from the EEW Group's business plan. The useful life is the contractual term. The agreements are amortized over their remaining useful lives of up to five years. Amortization of intangible assets amounted to kEUR 8,242 (prior year: kEUR 9,334) in the financial year 2024. As in the previous year, no impairment losses were recognized in the financial year 2024.

Research and development expenses of kEUR 4,050 (prior year: kEUR 1,869) were recognized in the statement of profit and loss in the financial year 2024.

#### Property, plant and equipment

The carrying amount of property, plant and equipment includes the carrying amount of right-of-use assets from leases of kEUR 15,976 (prior year: kEUR 13,309). Additions of right-of-use assets during the financial year 2024 came to kEUR 5,124 (prior year: kEUR 3,234).

Depreciation of property, plant and equipment totaled kEUR 95,495 (prior year: kEUR 81,951) in the financial year 2024. This includes depreciation of recognized right-of-use assets from leases in the amount of kEUR 2,308 (prior year: kEUR 2,054). As in the previous year, no impairment losses were recognized in the financial year 2024.

Prepayments and assets under construction are reclassified, in particular, to the items plant and machinery and buildings, including buildings on third-party land.

The development of intangible assets and property, plant and equipment is presented in the following overview:

2024

## Intangible assets and property, plant and equipment (including right-of-use assets)

## Development of cost

in kEUR	Balance as at Jan. 1, 2024	Additions	Disposals	Reclassifications	Balance as at Dec. 31, 2024
Customer-related intangible assets	272,734	0	0	0	272,734
Technology-related intangible assets	20,553	10,007	-257	703	31,006
<b>Intangible assets</b>	<b>293,287</b>	<b>10,007</b>	<b>-257</b>	<b>703</b>	<b>303,740</b>
Land and land rights (owned)	30,075	241	-257	3,034	33,093
Rights of use for land	7,389	201	-223	0	7,367
<b>Land and land rights</b>	<b>37,464</b>	<b>442</b>	<b>-480</b>	<b>3,034</b>	<b>40,460</b>
Buildings, including buildings on third-party land (owned)	167,652	8,328	-218	18,967	194,729
Rights of use for buildings, including buildings on third-party land	2,867	3,415	-746	0	5,536
<b>Buildings, including buildings on third-party land</b>	<b>170,519</b>	<b>11,743</b>	<b>-964</b>	<b>18,967</b>	<b>200,265</b>
Plant and machinery (owned)	1,148,010	43,985	-5,165	75,906	1,262,736
Rights of use for plant and machinery	10,214	0	-104	0	10,110
<b>Plant and machinery</b>	<b>1,158,224</b>	<b>43,985</b>	<b>-5,269</b>	<b>75,906</b>	<b>1,272,846</b>
Other equipment, furniture and fixtures (owned)	28,487	3,187	-298	528	31,904
Rights of use for other equipment, furniture and fixtures	3,782	1,508	-2,041	0	3,249
<b>Other equipment, furniture and fixtures</b>	<b>32,269</b>	<b>4,695</b>	<b>-2,339</b>	<b>528</b>	<b>35,153</b>
<b>Prepayments and assets under construction</b>	<b>528,076</b>	<b>190,003</b>	<b>0</b>	<b>-99,138</b>	<b>618,941</b>
<b>Property, plant and equipment</b>	<b>1,926,552</b>	<b>250,868</b>	<b>-9,052</b>	<b>-703</b>	<b>2,167,665</b>
<b>Intangible assets and property, plant and equipment</b>	<b>2,219,839</b>	<b>260,875</b>	<b>-9,309</b>	<b>0</b>	<b>2,471,405</b>

## Accumulated amortization, depreciation and impairment and net carrying amounts

in kEUR	Balance as at Jan. 1, 2024	Additions	Disposals	Balance as at Dec. 31, 2024	Carrying amount as at Dec. 31, 2024
Customer-related intangible assets	-247,094	-5,874	0	-252,968	19,766
Technology-related intangible assets	-8,155	-2,368	214	-10,309	20,697
<b>Intangible assets</b>	<b>-255,249</b>	<b>-8,242</b>	<b>214</b>	<b>-263,277</b>	<b>40,463</b>
Land and land rights (owned)	-255	-1	0	-256	32,837
Rights of use for land	-1,226	-302	135	-1,393	5,974
<b>Land and land rights</b>	<b>-1,481</b>	<b>-303</b>	<b>135</b>	<b>-1,649</b>	<b>38,811</b>
Buildings, including buildings on third-party land (owned)	-55,076	-6,601	67	-61,610	133,119
Rights of use for buildings, including buildings on third-party land	-2,566	-611	746	-2,431	3,105
<b>Buildings, including buildings on third-party land</b>	<b>-57,642</b>	<b>-7,212</b>	<b>813</b>	<b>-64,041</b>	<b>136,224</b>
Plant and machinery (owned)	-593,590	-83,402	4,215	-672,777	589,959
Rights of use for plant and machinery	-4,677	-423	73	-5,027	5,083
<b>Plant and machinery</b>	<b>-598,267</b>	<b>-83,825</b>	<b>4,288</b>	<b>-677,804</b>	<b>595,042</b>
Other equipment, furniture and fixtures (owned)	-18,471	-3,183	225	-21,429	10,475
Rights of use for other equipment, furniture and fixtures	-2,474	-972	2,011	-1,435	1,814
<b>Other equipment, furniture and fixtures</b>	<b>-20,945</b>	<b>-4,155</b>	<b>2,236</b>	<b>-22,864</b>	<b>12,289</b>
<b>Prepayments and assets under construction</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>618,941</b>
<b>Property, plant and equipment</b>	<b>-678,335</b>	<b>-95,495</b>	<b>7,472</b>	<b>-766,358</b>	<b>1,401,307</b>
<b>Intangible assets and property, plant and equipment</b>	<b>-933,584</b>	<b>-103,737</b>	<b>7,686</b>	<b>-1,029,635</b>	<b>1,441,770</b>

2023

**Intangible assets and property, plant and equipment (including right-of-use assets)**

**Development of cost**

in kEUR	Balance as at Jan. 1, 2023	Additions	Disposals	Reclassifications	Balance as at Dec. 31, 2023
Customer-related intangible assets	272,734	0	0	0	272,734
Technology-related intangible assets	9,892	7,555	-151	3,257	20,553
<b>Intangible assets*</b>	<b>282,626</b>	<b>7,555</b>	<b>-151</b>	<b>3,257</b>	<b>293,287</b>
Land and land rights (owned)	25,103	3,324	-82	1,730	30,075
Rights of use for land	5,250	2,139	0	0	7,389
<b>Land and land rights</b>	<b>30,353</b>	<b>5,463</b>	<b>-82</b>	<b>1,730</b>	<b>37,464</b>
Buildings, including buildings on third-party land (owned)	135,117	21,618	-26	10,943	167,652
Rights of use for buildings, including buildings on third-party land	2,883	108	-124	0	2,867
<b>Buildings, including buildings on third-party land</b>	<b>138,000</b>	<b>21,726</b>	<b>-150</b>	<b>10,943</b>	<b>170,519</b>
Plant and machinery (owned)	1,072,820	49,959	-8,108	33,339	1,148,010
Rights of use for plant and machinery	10,213	1	0	0	10,214
<b>Plant and machinery</b>	<b>1,083,033</b>	<b>49,960</b>	<b>-8,108</b>	<b>33,339</b>	<b>1,158,224</b>
Other equipment, furniture and fixtures (owned)	26,124	2,103	-175	435	28,487
Rights of use for other equipment, furniture and fixtures	3,485	986	-689	0	3,782
<b>Other equipment, furniture and fixtures</b>	<b>29,609</b>	<b>3,089</b>	<b>-864</b>	<b>435</b>	<b>32,269</b>
<b>Prepayments and assets under construction*</b>	<b>308,185</b>	<b>269,623</b>	<b>-28</b>	<b>-49,704</b>	<b>528,076</b>
<b>Property, plant and equipment*</b>	<b>1,589,180</b>	<b>349,861</b>	<b>-9,232</b>	<b>-3,257</b>	<b>1,926,552</b>
<b>Intangible assets and property, plant and equipment*</b>	<b>1,871,806</b>	<b>357,416</b>	<b>-9,383</b>	<b>0</b>	<b>2,219,839</b>

\* The prior-year figures have been adjusted due to error corrections and changes to disclosures (see section 2 "notes to the consolidated financial statements").

## Accumulated amortization, depreciation and impairment and net carrying amounts

in kEUR	Balance as at Jan. 1, 2023	Additions	Disposals	Balance as at Dec. 31, 2023	Carrying amount as at Dec. 31, 2023
Customer-related intangible assets	-239,995	-7,099	0	-247,094	25,640
Technology-related intangible assets	-6,031	-2,235	111	-8,155	12,398
<b>Intangible assets*</b>	<b>-246,026</b>	<b>-9,334</b>	<b>111</b>	<b>-255,249</b>	<b>38,038</b>
Land and land rights (owned)	-259	4	0	-255	29,820
Rights of use for land	-923	-303	0	-1,226	6,163
<b>Land and land rights</b>	<b>-1,182</b>	<b>-299</b>	<b>0</b>	<b>-1,481</b>	<b>35,983</b>
Buildings, including buildings on third-party land (owned)	-52,801	-2,287	12	-55,076	112,576
Rights of use for buildings, including buildings on third-party land	-2,114	-452	0	-2,566	301
<b>Buildings, including buildings on third-party land</b>	<b>-54,915</b>	<b>-2,739</b>	<b>12</b>	<b>-57,642</b>	<b>112,877</b>
Plant and machinery (owned)	-524,840	-74,548	5,798	-593,590	554,420
Rights of use for plant and machinery	-4,244	-433	0	-4,677	5,537
<b>Plant and machinery</b>	<b>-529,084</b>	<b>-74,981</b>	<b>5,798</b>	<b>-598,267</b>	<b>559,957</b>
Other equipment, furniture and fixtures (owned)	-15,556	-3,066	151	-18,471	10,016
Rights of use for other equipment, furniture and fixtures	-2,233	-866	625	-2,474	1,308
<b>Other equipment, furniture and fixtures</b>	<b>-17,789</b>	<b>-3,932</b>	<b>776</b>	<b>-20,945</b>	<b>11,324</b>
<b>Prepayments and assets under construction*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>528,076</b>
<b>Property, plant and equipment*</b>	<b>-602,970</b>	<b>-81,951</b>	<b>6,586</b>	<b>-678,335</b>	<b>1,248,217</b>
<b>Intangible assets and property, plant and equipment*</b>	<b>-848,996</b>	<b>-91,285</b>	<b>6,697</b>	<b>-933,584</b>	<b>1,286,255</b>

\* The prior-year figures have been adjusted due to error corrections and changes to disclosures (see section 2 "notes to the consolidated financial statements").

### 6.2 Sundry financial assets

Sundry financial assets include investments in affiliates, joint ventures and associates of kEUR 9,936 (prior year: kEUR 12,665) which for reasons of immateriality are neither consolidated nor accounted for using the equity method. Changes in fair value are recorded under other comprehensive income. Information about the methods used to determine fair value is provided in note 6.10.

Furthermore, loans issued to joint ventures accounted for using the equity method of kEUR 8,750 (prior year: kEUR 10,000) and loans issued to third parties of kEUR 3 (prior year: kEUR 3) are included under financial assets.

### 6.3 Inventories

Inventories include raw materials, consumables and supplies (kEUR 26,311; prior year: kEUR 22,994) and CO<sub>2</sub> emission certificates (kEUR 74,281; prior year: kEUR 9,941). Reversals of impairment losses of kEUR 92 (prior year: kEUR 463) were recognized through profit and loss in the financial year. The increase in CO<sub>2</sub> emission certificates results from the first-time inclusion of the thermal waste recovery industry in the national fuel emissions trading.

### 6.4 Receivables and other assets

The following table shows the composition of trade receivables and contract assets by maturity.

in kEUR	Dec. 31, 2024	Dec. 31, 2023
<b>Unimpaired receivables</b>		
Neither past due nor impaired	137,299	125,530
1 to 30 days past due, unimpaired	12,273	10,180
More than 31 days past due, unimpaired	6,303	8,760
<b>Total unimpaired receivables</b>	<b>155,875</b>	<b>144,470</b>
<b>Impaired receivables</b>		
Gross receivables	5,762	1,564
Specific bad debt allowances	-935	-716
<b>Total impaired receivables</b>	<b>4,827</b>	<b>848</b>
<b>Expected credit losses (ECL)</b>	<b>-300</b>	<b>0</b>
<b>Total</b>	<b>160,402</b>	<b>145,318</b>

Trade receivables include receivables amounting to kEUR 13,692 (prior year: kEUR 7,463) from unconsolidated affiliates, joint ventures and BEHL group companies (Beijing Enterprise Holdings Ltd., Hong Kong/China, and Beijing Enterprises Holdings Environment Technology Co., Ltd., Hong Kong/China).

Bad debt allowances comprise specific bad debt allowances. The cost of allocations to bad debt allowances is recognized in the statement of profit and loss in the other operating expenses item.

The development of the specific bad debt allowances on trade receivables is presented below.

in kEUR	2024	2023
<b>As of Jan. 1</b>	<b>716</b>	<b>5,394</b>
+ Additions	534	880
- Utilizations (realized impairments)	0	-3,808
- Reversals (impairments no longer required)	-315	-1,750
<b>As of Dec. 31</b>	<b>935</b>	<b>716</b>

The remaining receivables and other assets are measured at amortized cost. Other non-current receivables and other assets of kEUR 25,906 (of which financial assets of kEUR 24,175) mainly comprise the non-current portion of a purchase price receivable from a terminated lease (note 6.11), prepaid expenses and a loan receivable from a minority shareholder of a subsidiary. Other current receivables and other assets of kEUR 44,191 (of which financial assets of kEUR 24,525) mainly include the current portion of the purchase price receivable from the lease, receivables from related parties (note 9), reimbursement claims and prepayments made.

### 6.5 Deferred taxes

in kEUR	Dec. 31, 2024		Dec. 31, 2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
<b>Deferred taxes</b>	<b>24,619</b>	<b>68,598</b>	<b>18,463</b>	<b>68,726</b>
thereof recognized in profit or loss	6,469	128	177	5,636
thereof other comprehensive income	-314	0	2,963	0

The change in deferred tax assets attributable to other comprehensive income relates exclusively to provisions.

The following table shows the deferred tax assets and liabilities by item in the balance sheet of financial position.

in kEUR	Dec. 31, 2024	Dec. 31, 2023
Deferred tax assets on intangible assets	124	0
Deferred tax assets on property, plant and equipment	1,211	1,665
Deferred tax assets on financial assets	82	74
Deferred tax assets on inventories	3,053	112
Deferred tax assets on provisions	16,177	14,973
Deferred tax assets on liabilities	2,337	1,247
Deferred tax assets on loss carryforwards	1,635	392
<b>Total deferred tax assets</b>	<b>24,619</b>	<b>18,463</b>

## Notes to the consolidated statement of financial position

in kEUR	Dec. 31, 2024	Dec. 31, 2023
Deferred tax liabilities on intangible assets	5,739	7,525
Deferred tax liabilities on property, plant and equipment	59,816	56,003
Deferred tax liabilities on receivables and other assets	2,839	4,616
Deferred tax liabilities on provisions	155	0
Deferred tax liabilities on liabilities	49	582
<b>Total deferred tax liabilities</b>	<b>68,598</b>	<b>68,726</b>

Deferred taxes are based on tax rates of 16% for corporate income tax (including solidarity surcharge) and 14% for trade tax.

In the start-up phase of its business activities, WASTEER GmbH generated tax losses in 2023 and 2024 on which deferred tax assets were recognized in the amount of kEUR 897. According to the company's profitability analysis, the loss carryforwards are expected to be utilized in the short term from 2025.

### 6.6 Subscribed capital and reserves

The development of the individual equity items is presented separately in the consolidated statement of changes in equity.

EEW Holding's subscribed capital amounts to kEUR 1,000 (prior year: kEUR 1,000) and is fully paid in. The shares have a nominal value of EUR 1. Each company share entitles the holder to one vote and to dividends.

The balance of the capital reserves as of the balance sheet date is kEUR 275,900 (prior year: kEUR 275,900). The capital reserves contain contributions to equity made by shareholders.

Other revenue reserves include actuarial gains and losses, differences from currency translation and changes in the value of equity instruments. In future periods, it will not be possible to reclassify actuarial gains and losses or changes in the value of equity instruments to profit or loss, whereas exchange differences on the translation of foreign operations are reclassified to profit or loss under certain circumstances.

Distributions to the shareholders of EEW Holding for the financial year 2023 of kEUR 54,700 were declared in financial year 2024. Of this, kEUR 51,700 were made available as loans, so that there was no cash outflow. The remaining amount of kEUR 3,000 is recognized under other liabilities.

The profit for the previous year remaining after the distributions is shown in other revenue reserves/profit or loss carryforward.

### 6.7 Pension provisions

Provisions for pensions and similar obligations are recognized for defined benefit obligations within the Group. The calculated pension obligation is reported net of the existing plan assets. Obligations for the pension entitlements of former and active employees of the EEW Group amounting to kEUR 96,762 (prior year: kEUR 93,884) contrast with plan assets with a fair value of kEUR 37,957 (prior year: kEUR 34,995) as of December 31, 2024.

In accordance with IAS 19, they are measured using the projected unit credit method. The provisions for pensions and similar obligations and the related pension costs are calculated using actuarial models. The valuations are based on a range of assumptions such as current actuarial probabilities (including discounting factors, increase in the cost of living), assumptions on future employee turnover and the probability of pension or lump-sum payments. As markets and the economic situation change, the probabilities assumed for these factors may differ from actual developments.

Future salary and pension trends are included in the calculation under this valuation method. Actuarial gains and losses resulting from changes in the underlying measurement parameters are recognized in full in the period in which they arise. They are presented in the Group's other comprehensive income.

### **Pension plans**

There are company pension commitments to most former and active employees in the EEW Group as a supplement to the benefits of state and private pension schemes. Commitments are made under both defined benefit plans and defined contribution plans.

There is an employee pension scheme for active and – after completion of the vesting period – former employees and their surviving dependents. This is financed partly by the employer and by employees in the form of salary conversion.

EEW regularly reviews the pension commitments existing in the Group with regard to their financial risks. Typical risk factors for defined benefit commitments are longevity, investment risks, nominal interest rate changes and increases in inflation and salaries.

### **Defined contribution plans**

The companies of the EEW Group have predominantly made defined contribution commitments to active employees. The contributory commitments granted are based on contractual or legal regulations. The related payments are made to state or private pension insurers. There is no obligation on the part of the employer beyond these payments.

The employer contributions to the statutory pension insurance scheme came to kEUR 7,554 (prior year: kEUR 6,961) in the financial year 2024. The additional expenses totaling kEUR 1,373 (prior year: kEUR 1,350) recognized in the consolidated statement of profit and loss represent the Group's contributions owed to these pensions plans in accordance with the contribution rates regulated therein.

### **Defined benefit plans**

In addition to the defined contribution commitments there are defined benefit plans within the Group. The entitlements under the defined benefit plans as of the balance sheet date relate to around 1,378 (prior year: 1,400) beneficiaries, including 801 (prior year: 794) active employees, 265 (prior year: 270) former employees with vested benefits and 312 (prior year: 336) pensioners and surviving dependents.

The majority of the benefit obligations to active beneficiaries relate to a pension building block system (occupational pension scheme) or to a variant thereof which emerged from the harmonization of a large number of pension commitments granted in the past. Under this variant, in addition to the defined contribution pension building blocks, final pay-linked formulae are also taken into account in calculating benefits. These plans are closed to new entrants.

The only pension commitment open to new employees is a capital account system with the payout options of pension, proportionate one-off payment, or installment payments. Under the other commitments, regular pension benefits are usually paid.

## Notes to the consolidated statement of financial position

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Future pension adjustments are guaranteed at 1% p.a. for a large part of the active beneficiaries. Pension adjustments for former employees and pensioners are made in line with the rate of inflation, normally in a three-year cycle, in some cases more frequently.

The defined benefit obligation recognized in the consolidated balance sheet represents the current shortfall or surplus of the Group's defined benefit plans. Benefits are paid on reaching retirement age, invalidity and death. The pension provision consists solely of domestic obligations.

Two contractual trust arrangements (CTAs) which are endowed in accordance with the level of the obligation were established to partially secure the obligations. The CTAs for the German group companies are administered in trust by Helaba Pension Trust e.V., Frankfurt am Main/Germany. The CTAs relate to plan assets which are earmarked and can be set off against the pension obligations pursuant to IAS 19. There is a strict obligation for the Company to make additional contributions for one CTA.

A large portion of the plan assets is invested in this CTA. Repayments to the trustors can only be made in accordance with the cases regulated in the trust agreement:

- to refund benefits payments fulfilled by the trustor
- insofar as there is an overendowment in the level of the trust assets
- if the trustor has no further benefit obligations or
- if the associated plan expires due to the withdrawal of all the trustor's beneficiaries.

The CTA's investment committee consists exclusively of employees of EEW Energy from Waste GmbH.

To a minor extent one company's plan assets are also held at the VK GFA and VK BAG pension funds.

Due to the pension commitments on hand, the Group is normally exposed to the following actuarial risks:

- **Investment risk**

The present value of the defined benefit obligation under the plan is calculated using a discount rate which is determined on the basis of the yields on high-quality, fixed-rate corporate bonds. A shortfall arises if the income from the plan assets is lower than this interest rate.

- **Interest rate risk**

A decline in the bond interest rate results in an increase in the plan liability. This effect is partially compensated for by an increase in the fair value of fixed-income debt instruments.

- **Longevity risk**

The present value of the defined benefit obligation under the plan is calculated on the basis of the best estimate of the mortality of the beneficiary employees, both during and after employment. An increase in the life expectancy of the beneficiary employees leads to an increase in the plan liability.

- **Salary risk**

The present value of the defined benefit obligation under the plan is calculated on the basis of the future salaries of the beneficiary employees. Salary increases for the beneficiary employees thus lead to an increase in the plan liability.

There were no plan adjustments in the current period.

Additional pension benefits were granted under the early retirement agreements to compensate for reductions in the statutory pension.

The development of pension obligations and the plan assets is evidenced by actuarial reports.

The most important assumptions on which the actuarial valuation was based are presented in the following table:

Actuarial assumptions	2024	2023
Interest rate	3.30%	3.30%
Expected salary increase in %	2.50%	2.50%
Pension increase	1.75%	1.75%

The interest rate is determined by reference to market yields on high-quality, fixed-rate corporate bonds.

The beneficiaries' life expectancy was calculated on the basis of Prof. Dr. Klaus Heubeck's 2018 G mortality tables.

The amounts in connection with the defined benefit plans listed in the following table are recognized in total comprehensive income:

in kEUR	2024	2023
Service costs	2,254	2,054
Net interest expense	1,892	1,778
<b>Contributions to defined benefit plans in the statement of profit and loss</b>	<b>4,146</b>	<b>3,832</b>
Remeasurement of net liability under a defined benefit plan		
Income (-) and losses (+) from plan assets	-1,588	91
Actuarial gains (-) and losses (+) from changes in financial assumptions	0	5,770
Actuarial gains (-) and losses (+) from experience adjustments	538	4,002
<b>Components of amounts for defined benefit plans recognized in other comprehensive income</b>	<b>-1,050</b>	<b>9,863</b>
<b>Total</b>	<b>3,096</b>	<b>13,695</b>

The remeasurement of the net liability under one defined benefit plan is recognized in other comprehensive income.

## Notes to the consolidated statement of financial position

The amount reported in the balance sheet based on the Company's obligation under defined benefit plans is composed as follows:

Carrying amount of defined benefit obligations in kEUR	Dec. 31, 2024	Dec. 31, 2023
Present value of covered defined benefit obligations	96,762	93,884
Fair value of plan assets	-37,957	-34,995
<b>Net defined benefit obligation</b>	<b>58,805</b>	<b>58,889</b>

The changes in the projected defined benefit obligation (DBO) during the financial year are presented below:

Development of defined benefit obligations in kEUR	2024	2023
<b>Opening balance of defined benefit obligation</b>	<b>93,884</b>	<b>81,739</b>
Service costs	2,254	2,054
Interest expenses	3,051	2,994
Gains (-) and losses (+) from remeasurement:		
Actuarial gains and losses from changes in financial assumptions	0	5,770
Actuarial gains and losses from experience adjustments	538	4,002
Benefits paid	-2,965	-2,621
Other payments	0	-54
<b>Closing balance of defined benefit obligations</b>	<b>96,762</b>	<b>93,884</b>

The relevant actuarial assumptions used for calculating the defined benefit obligation are the discount rate, expected salary and expected pension increases and mortality rates.

The sensitivity analyses presented below were based on reasonably possible changes in the relevant assumptions as of the balance sheet date, with the other assumptions remaining unchanged.

- If the discount rate were to rise (fall) by 0.5 percentage points, the defined benefit obligation would decline by kEUR 7,249 (prior year: kEUR 7,119) (rise by kEUR 8,230 (prior year: kEUR 8,090)).
- If the expected salary increase were 0.25 percentage points higher (lower), the defined benefit obligation would increase by kEUR 120 (prior year: kEUR 158) (decline by kEUR 113 (prior year: kEUR 154)).
- If the expected pension increase were 0.25 percentage points higher (lower), the defined benefit obligation would increase by kEUR 434 (prior year: kEUR 463) (decline by kEUR 416 (prior year: kEUR 443)).
- If life expectancy were to fall (rise) by one year, the defined benefit obligation would decline by kEUR 1,638 (prior year: kEUR 1,582) (rise by kEUR 1,848 (prior year: kEUR 1,784)).

The above sensitivity analysis as of December 31, 2024 shows how the present value of the commitment would change in response to a change in actuarial assumptions. Correlations between the individual assumptions were not taken into account. When one assumption was varied, the other assumptions were kept unchanged.

## Notes to the consolidated statement of financial position

In the above sensitivity analysis, the present value of the defined benefit obligation was determined as of the balance sheet date using the projected unit credit method, the same method used to calculate the defined benefit obligation recognized in the consolidated balance sheet.

The plan assets measured at fair value developed as follows during the financial year:

Development of plan assets in kEUR	2024	2023
<b>Opening balance of plan assets measured at fair value</b>	<b>34,995</b>	<b>32,620</b>
Interest income	1,158	1,216
Gains (+) and losses (-) from remeasurement:		
Income/expense from plan assets	1,588	-91
Contributions by employer (+)/refunds to employer (-)	359	1,101
Benefits paid	-4	-3
Change in excess of plan assets over pension provisions	-139	152
<b>Closing balance of plan assets measured at fair value</b>	<b>37,957</b>	<b>34,995</b>

The actual income (+)/expense (-) from the plan assets amounted to kEUR 2,746 (prior year: kEUR 1,125).

The main investment classes of the plan assets as of December 31, 2024 are presented in the following table:

Main investment classes of plan assets in kEUR	Dec. 31, 2024	Dec. 31, 2023
Debt instruments	21,147	18,750
Real estate and infrastructure funds	8,957	9,013
Equity instruments	7,259	6,376
Cash and cash equivalents	508	775
Employer's pension liability insurance	86	81
<b>Total</b>	<b>37,957</b>	<b>34,995</b>

The debt instruments reflect a diversified structure of public-sector bonds, government-guaranteed bonds, covered bonds and corporate bonds. The fair values of the CTA's equity and debt instruments were determined on the basis of prices quoted in active markets. Real estate and infrastructure funds are not traded on active markets. The fair values were determined on the basis of expert opinions on real estate and infrastructure properties.

The investment strategy and thus also the management of risk are determined by the fund's investment policy and are resolved at investment committee meetings.

## Notes to the consolidated statement of financial position

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The pension fund's policy document contains the following risk management guidelines:

- A maximum of 20% of the fund's assets may be invested in shares, subscription rights, participation certificates similar to shares, etc.
- A maximum of 10% of the fund's assets may be invested in high yield and emerging markets bonds.
- A maximum of 15% of the fund's assets may be invested in real estate funds and infrastructure investments.

Analyses are performed at regular intervals to determine the target portfolio structure for the individual plan asset holdings. In this connection, disbursements in respect of pension payments are also taken into account in regular liquidity planning.

The average term of the defined benefit obligation as of December 31, 2024 is 17 years (prior year: 17 years).

The following maturities of the undiscounted payments for defined benefit pensions and similar obligations are expected in subsequent years:

<b>Expected payments for pensions and similar obligations in kEUR</b>	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Less than 1 year	3,009	2,883
Between 1 and 5 years	14,906	14,071
Between 5 and 10 years	23,355	22,381
<b>Total</b>	<b>41,270</b>	<b>39,335</b>

In the coming financial year, the Group expects to make a contribution amounting to kEUR 0 (prior year: kEUR 430) to the defined benefit plan.

## 6.8 Other tax provisions and other provisions

A summary of other tax provisions and other provisions is presented in the following statement of changes in provisions.

in kEUR	As of Jan. 1, 2024	Unwinding of a discount/ discounting	Additions	Utilization	Reversals	As of Dec. 31, 2024
Electricity tax risks	11,037	0	883	-2,928	-5,491	<b>3,501</b>
Sundry tax risks	43	0	0	0	-43	<b>0</b>
<b>Total other tax provisions</b>	<b>11,080</b>	<b>0</b>	<b>883</b>	<b>-2,928</b>	<b>-5,534</b>	<b>3,501</b>
Other personnel- related obligations	2,313	179	653	-434	-25	<b>2,686</b>
Site restoration, demolition obligations, etc.	19,253	437	661	-92	0	<b>20,259</b>
Risks from operational management agreements	7,439	0	0	-1,000	-6,439	<b>0</b>
Processing obligations	7,085	0	8,097	-5,990	0	<b>9,192</b>
Obligations arising from litigation, liability, etc.	215	0	3,102	-20	0	<b>3,297</b>
CO <sub>2</sub> emission allowances	6,623	0	74,231	-6,417	-206	<b>74,231</b>
Obligation to transfer profits	1,503	0	0	0	-1,503	<b>0</b>
Other obligations	999	7	156	-502	-83	<b>577</b>
<b>Total other provisions</b>	<b>45,430</b>	<b>623</b>	<b>86,900</b>	<b>-14,455</b>	<b>-8,256</b>	<b>110,242</b>

If the effect of discounting non-current provisions is material, the provisions are recognized at the present value of the expected future cash flows.

Other tax provisions mainly relate to electricity tax risks. In a letter from the General Directorate of Customs dated March 4, 2021 entitled "Information on tax-privileged use of electricity for power generation in accordance with Sec. 9 (1) no. 2 German Electricity Tax Act" (StromStG) the tax authorities significantly restricted the option of tax benefits for electricity used for power generation in thermal waste recovery plants. According to the General Directorate of Customs, this restriction is solely a clarification, such that the letter is to be applied retroactively from 2018 onwards. From the legal perspective of EEW and the thermal waste recovery plant associations, this letter does not reflect the applicable legal situation. As a result, EEW is challenging the notices issued on the basis of the above-mentioned letter for the years from 2018 onwards. To clarify the legal issues, an action was filed by EEW Energy from Waste Hannover GmbH, among others. Provisions were recognized at the relevant power generation entities of the EEW Group in order to cover the additional risks resulting from the current decree. The provision is revalued annually based on past experience of electricity tax

## Notes to the consolidated statement of financial position

audits. In the reporting year, the Düsseldorf and Hamburg fiscal courts issued first-instance rulings in the pending proceedings, which support EEW's legal opinion. The tax authorities appealed both rulings before the German Federal Tax Office (Bundesfinanzhof). In light of the two rulings, the risk was reassessed, resulting in existing provisions being reduced.

Other personnel-related obligations primarily include provisions for phased retirement and long-service award obligations.

Provisions for phased retirement take account of obligations under phased retirement agreements. They are recognized at present value using a discount rate of 2.8% (prior year: 3.7%) and an expected annual increase in income of 2.5% (prior year: 2.5%).

Long-service award obligations are calculated using a vested benefit trend of 2.5% (prior year: 2.5%) and a discount rate of 3.1% (prior year: 3.7%).

The obligations for site restoration and demolition primarily include obligations caused by the retirement of facilities. The major item is the obligation to retire facilities in 2052. The expected future payments for these asset retirement obligations amount to kEUR 37,837. These obligations have been recognized on the basis of an expert opinion, with the expected cost increases taken into account in the measurement. The present value of the obligations was determined by applying a risk-free interest rate of 2.54% (prior year: 2.26%).

The provision for risks from operational management agreements was reversed, because an operational management agreement was modified and the agreement reached no longer required the initial risk provision.

The provision for processing obligations is recognized for waste not yet disposed of as of the balance sheet date. Measurement uses the expected costs of the thermal recycling of waste volumes minus the energy revenue resulting from incineration.

The obligations for litigation include legal costs and risks from existing contractual relationships.

The provision for emission allowances includes emission certificates to be surrendered. The strong increase compared to the previous year is due to the fact that since 2024, the companies operating in the thermal waste recovery sector have been included in the national fuel emissions trading under the BEHG. The EEW Group must therefore purchase and surrender CO<sub>2</sub> emission certificates for all plants.

An overview of the maturities of other provisions is presented below:

in kEUR	Dec. 31, 2024	
	Current	Non-current
Other personnel-related obligations	244	2,442
Site restoration, demolition obligations, etc.	355	19,904
Processing obligations	9,192	0
Obligations arising from litigation, liability, etc.	3,297	0
CO <sub>2</sub> emission allowances	74,231	0
Other obligations	296	281
<b>Total</b>	<b>87,615</b>	<b>22,627</b>

## 6.9 Liabilities

The following table shows the maturity structure of the contractual, undiscounted cash flows of interest and principal payments of liabilities to banks and other financial liabilities. The cash flows resulting from lease liabilities are presented in note 6.11.

in kEUR	Dec. 31, 2024	Dec. 31, 2023
<b>Bonds</b>	<b>400,134</b>	<b>399,741</b>
<b>Cash flows with a residual term of</b>		
Up to 1 year	1,774	1,773
1 to 2 years	401,248	1,052
2 to 3 years	0	401,248
3 to 4 years	0	0
4 to 5 years	0	0
More than 5 years	0	0
<b>Total expected cash flows</b>	<b>403,022</b>	<b>404,073</b>
<b>Liabilities to banks</b>	<b>159,191</b>	<b>151,997</b>
<b>Cash flows with a residual term of</b>		
Up to 1 year	160,585	153,498
1 to 2 years	45	44
2 to 3 years	2,045	45
3 to 4 years	0	2,045
4 to 5 years	0	0
More than 5 years	0	0
<b>Total expected cash flows</b>	<b>162,675</b>	<b>155,632</b>
<b>Other financial liabilities</b>	<b>274,563</b>	<b>89,974</b>
<b>Cash flows with a residual term of</b>		
Up to 1 year	18,233	26,028
1 to 5 years	248,297	25,108
More than 5 years	70,957	46,933
<b>Total expected cash flows</b>	<b>337,487</b>	<b>98,069</b>

Liquidity needs are satisfied by credit lines from banks totaling kEUR 330,000 (prior year: kEUR 330,000). As of December 31, 2024, kEUR 213,167 of this amount had been used, thereof kEUR 155,000 for the utilization of the revolving credit facility and kEUR 58,167 for the provision of bank guarantees. The revolving credit facility is unsecured and subject to variable interest rates and has a term until June 30, 2026.

Furthermore, a revolving credit facility (kEUR 250,000) of Good Champion Investments Limited is available to cover liquidity requirements, from which kEUR 184,800 was drawn as of December 31, 2024. The loan is unsecured and subject to variable interest rates and has a term until December 31, 2029. Assignment agreements were concluded between Beijing Enterprises Holdings European Investment Management S.à r.l. and Good Champion Investments Limited for the outstanding dividends for the financial years 2022 (kEUR 40,100) and 2023 (kEUR 51,700). The dividend liabilities were transferred from EEW Holding GmbH to EEW Energy from Waste GmbH. The settlement was made through an existing shareholder loan agreement between the two companies. The resulting liability of EEW Energy from Waste GmbH was settled through the loan with Good

## Notes to the consolidated statement of financial position

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Champion Investment Limited. A further kEUR 93,000 of the loan was used to meet the liquidity requirements. The existing credit line of kEUR 95,000 has been canceled.

In August 2017, EEW Energy from Waste GmbH issued a promissory note loan of kEUR 407,000. The remaining fixed tranche of kEUR 2,000 that has not yet been repaid will bear interest at a fixed margin of 2.269%. The promissory note loan is not collateralized.

In June 2021, a green bond of kEUR 400,000 was issued with a term of five years in order to repay the variable tranches of the promissory note loan. The green bond has an interest rate of 0.361% and is unsecured.

The increase in other financial liabilities is due to the loan of kEUR 184,800 granted by Good Champion Investment Limited and a further loan of kEUR 22,050 (prior year: kEUR 41,160) taken out for the purpose of financing expansion investments. The interest rate of the loan increased from 1.6% to 4.7% as of April 1, 2024. Since June 30, 2024, the loan has to be repaid quarterly in the amount of kEUR1,347.

Trade payables mainly relate to investments, regular maintenance costs, material procurement, and residual waste disposal.

Investment grants were provided, in particular, in relation to new construction projects.

Income tax liabilities include corporate income taxes (kEUR 13,181; prior year: kEUR 11,893) and trade taxes (kEUR 17,194; prior year: kEUR 11,234).

Other liabilities include, in particular, other tax liabilities and personnel-related liabilities. This includes financial liabilities of kEUR 5,009 (prior year: kEUR 41,689).

### 6.10 Financial instruments

The EEW Group is exposed to financial risks as a result of its operations. The EEW Group defines risk as unexpected events having a negative effect on the achievement of the stated aims and expectations. Risks having a major influence on the assets, liabilities, financial position and financial performance are relevant. The Group's risk management system analyzes various risks and attempts to minimize negative effects on the Group's financial position.

Risk management is performed in compliance with existing guidelines. For the measurement and management of material individual risks, the Group distinguishes between liquidity, credit and market risks.

#### Liquidity risk

Liquidity risk is the risk that present or future payment commitments cannot be met or can be met only on unfavorable terms. The Group generates liquidity predominantly from business operations.

The EEW Group's long-term financing is ensured by the current cash flows from operating activities and the availability of sufficient short and long-term debt finance.

At the EEW group level, a consolidated and integrated liquidity forecast is prepared according to the most recent status of the business budget/forecasts, including additional special effects foreseeable in the short term.

For the maturity structure please refer to note 6.9. Liabilities.

The EEW Group has not violated any payment terms with regard to its financial liabilities.

The non-discounted cash flows are subject to the condition that the repayment of liabilities relates to the earliest due date.

### **Credit risks**

Credit risks arise due to the complete or partial default of a customer, for example owing to insolvency, and in relation to investment of funds. The maximum default risk is equal to the carrying amounts of all financial assets. Bad debt allowances on trade receivables and sundry receivables and impairment losses on assets are recognized according to group-wide uniform rules and cover all foreseeable credit risks.

As a part of risk management, minimum requirements for creditworthiness and upper limits for the exposure are specified for all business partners of the EEW Group.

Identifiable default risks in the receivables portfolio are taken into account by recognizing an adequate level of bad debt allowances. The development of the bad debt allowances on trade receivables is presented in note 6.4. Receivables and other assets.

As our customer portfolio is diversified and our receivables management is stringent, there is no material credit risk relating to the EEW Group's trade receivables or finance lease receivables.

### **Market risks (interest rate and currency risks)**

The EEW Group defines market risk as the risk of a loss which can arise as a result of a change in market parameters (currency, interest rate, price) relevant to valuation.

#### Currency risks

The Group primarily operates in the euro area. Currency risks arise from project business in Poland.

#### Interest rate risks

Interest rate risks can arise predominantly due to changes in market interest rates leading to changes in the expected cash flows. The EEW Group currently has no interest rate hedges.

#### Other price risks

Other price risks primarily arise from changes in market prices for raw materials, electricity and gas. However, the EEW Group does not hold any financial instruments which carry such risks. They therefore constitute operational risks.

### **Concentration risk**

EEW has a customer base that is diversified across regions and customer categories and is therefore not exposed to any significant concentration risk.

## Notes to the consolidated statement of financial position

### Carrying amounts and fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see IFRS 13.9). The following table presents the carrying amounts and fair values of the financial assets:

Dec. 31, 2024			Carrying amount under IFRS 16	Total	
in kEUR	At FVTOCI	At amortized costs		Carrying amount	Fair value
Item of the balance sheet	Carrying amount	Carrying amount		Carrying amount	Fair value
Sundry financial assets	9,936	8,753	0	18,689	18,689
Trade receivables and contract assets	0	160,402	0	160,402	160,402
Other financial assets	0	48,700	0	48,700	48,700
Cash and cash equivalents	0	34,961	0	34,961	34,961
<b>Total</b>	<b>9,936</b>	<b>252,816</b>	<b>0</b>	<b>262,752</b>	<b>262,752</b>

Dec. 31, 2023			Carrying amount under IFRS 16	Total	
in kEUR	At FVTOCI	At amortized costs		Carrying amount	Fair value
Item of the balance sheet	Carrying amount	Carrying amount		Carrying amount	Fair value
Sundry financial assets	12,665	10,003	0	22,668	22,668
Trade receivables and contract assets	0	145,318	0	145,318	145,318
Finance lease receivables	0	0	43,867	43,867	43,523
Other financial assets	0	5,539	0	5,539	5,539
Cash and cash equivalents	0	20,881	0	20,881	20,881
<b>Total</b>	<b>12,665</b>	<b>181,741</b>	<b>43,867</b>	<b>238,273</b>	<b>237,929</b>

The following table presents the carrying amounts and fair values of the financial liabilities:

Dec. 31, 2024		
in kEUR	At amortized cost	Total
Item of the balance sheet	Carrying amount	Fair value
Bonds	400,134	382,928
Liabilities to banks	159,191	159,106
Other financial liabilities	274,563	273,341
Trade payables	57,892	57,892
Other financial liabilities	18,736	18,736
<b>Total</b>	<b>910,516</b>	<b>892,003</b>

## Notes to the consolidated statement of financial position

Dec. 31, 2023	At amortized cost	Total
in kEUR		
Item of the balance sheet	Carrying amount	Fair value
Bonds	399,741	365,635
Liabilities to banks	151,997	151,159
Other financial liabilities	89,974	85,372
Trade payables	87,096	87,096
Other financial liabilities	54,983	54,983
<b>Total</b>	<b>783,791</b>	<b>744,245</b>

### Fair value hierarchy for measuring financial instruments at fair value

The fair values of the financial instruments were calculated on the basis of the market information available as of the balance sheet date and using the methods and premises presented below. Under IFRS 13 they must be assigned to one of three levels of the fair value hierarchy.

The fair values of level 1 financial instruments are determined on the basis of observable prices in active markets for identical assets and liabilities. At level 2, the fair value is determined by inputs which can be derived from observable market values. Level 3 financial instruments are measured on the basis of inputs which cannot be derived from market data.

### Measurement of financial instruments at fair value

It is not possible to directly determine the fair value of financial assets measured at FVTOCI (sundry financial assets) using observable market prices or observable input factors derived directly from the market. This relates primarily to shares in non-consolidated subsidiaries, joint ventures not accounted for using the equity method and associates. The fair value is calculated using a discounted cash flow model based on the most recent forecast (level 3). The underlying discount rate is derived from a risk-free market interest rate, adjusted by a suitable credit risk premium.

A discount rate of 6.15% was applied (prior year: 5.41%). Cash flows that go beyond internal forecasts are calculated in accordance with suitable growth rates. The growth rates applied are based on long-term real growth and amounted to 1.0% and 0.0%, respectively (prior year: 1.0% and 0.0% respectively).

For the fair values of the sundry financial assets, a change in one of the significant not observable input factors considered possible, while maintaining the other input factors, would have the following effects.

Sensitivity analysis	Other comprehensive income	
	Increase (in kEUR)	Reduction (in kEUR)
Discount rate (change of 0.5 percentage points)	-948	1,129
Growth rates (change of 1 percentage point)	785	-530

## Notes to the consolidated statement of financial position

### Fair values of assets measured at amortized cost

In the case of trade receivables and contract assets, other financial receivables and cash and cash equivalents the fair values are approximately equal to the carrying amounts of these financial instruments, owing to the short maturities.

In addition, there are non-current financial assets that are not recognized at fair value in the balance sheet. In the case of these instruments, the fair value does not differ materially from the carrying amount since they earn interest at a rate that approximates the current market rate.

### Measurement of the carrying amount under IFRS 16

The fair value of the receivables under finance leases is calculated using a discounted cash flow model. The underlying discount rate is derived from a risk-free market interest rate, adjusted by a suitable credit risk premium (level 3).

### Fair values of liabilities measured at amortized cost

The fair value of the bonds is determined using quoted market prices (level 1).

The fair value of liabilities to banks and other financial liabilities is calculated using a discounted cash flow model. The underlying discount rate is derived from a risk-free market interest rate, adjusted by a suitable credit risk premium. The credit risk premium is modeled taking market-like trends into account (level 2).

In the case of trade payables, the carrying amount is equal to the fair value since they either accrue interest at a rate that approximates the current market rate or the instruments have short maturities.

### Net result from financial instruments by measurement category

The following table presents the net gains or losses from financial instruments taken to profit or loss by measurement category.

<b>Dec. 31, 2024</b>				
<b>in kEUR</b>	<b>Interest</b>	<b>Impairments /reversal of impairments</b>	<b>Investment income</b>	<b>Net result</b>
Financial assets at FVTOCI	0	0	570	570
Loans and receivables measured at amortized cost	1,120	-881	0	239
Liabilities measured at amortized cost	-6,906	0	0	-6,906
<b>Total</b>	<b>-5,786</b>	<b>-881</b>	<b>570</b>	<b>-6,097</b>

<b>Dec. 31, 2023</b>				
<b>in kEUR</b>	<b>Interest</b>	<b>Impairments /reversal of impairments</b>	<b>Investment income</b>	<b>Net result</b>
Financial assets at FVTOCI	0	0	554	554
Loans and receivables measured at amortized cost	238	440	0	678
Liabilities measured at amortized cost	-3,992	0	0	-3,992
<b>Total</b>	<b>-3,754</b>	<b>440</b>	<b>554</b>	<b>-2,760</b>

Not included are in particular interest income and expenses from assets and liabilities outside the scope of IFRS 7 (unwinding of discounts on net pension provisions).

### Sensitivity analysis

Interest rate risks arise from a change in the market interest rates which can have an effect on interest to be received or paid and on the market value of the financial instrument. This can result in corresponding effects on earnings and/or equity. Under IFRS 7, interest rate risks must be presented in a sensitivity analysis. This is based on the following assumptions:

The effect on earnings and/or equity determined in the sensitivity analysis relates to the portfolio as of the balance sheet date and shows the hypothetical effect for one year.

Changes in the market interest rate of non-derivative floating-rate financial instruments have an effect on net interest income and are considered in the earnings-related sensitivity analysis.

Changes in the market interest rate of non-derivative fixed-interest financial instruments which are recognized at amortized cost have no effect on earnings and/or equity and are therefore not considered in the sensitivity analysis. They are subject to an interest rate risk on re-investment, which is, however, not taken into account in the reporting-date sensitivity analysis.

A change of 0.5 percentage points in the level of interest rates as of the balance sheet date would have resulted in an improvement or deterioration in net interest income of kEUR 509, as the revolving credit facility contains both a variable interest component and a fixed margin.

The EEW Group is not subject to any other material market risks relating to financial instruments.

No material financial instruments denominated in a foreign currency are held as of the balance sheet date.

## 6.11 Leasing

### EEW as a lessee

In order to carry out its business operations, the Group primarily leases land, plant and machinery and vehicles. Expenses and cash outflows from leases in the current financial year are presented in the table below.

in kEUR	2024	2023
Short-term lease expense	3,936	2,794
Expense relating to leases of low-value assets	1,370	1,391
Interest expenses on lease liabilities	583	415
Repayments of lease liabilities	2,442	2,350
<b>Cash outflows for leases</b>	<b>8,331</b>	<b>6,950</b>

## Notes to the consolidated statement of financial position

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The future undiscounted cash flows of the lease liabilities of kEUR 12,335 (prior year: kEUR 9,805) in place as of December 31, 2024 are as follows:

in kEUR	Minimum lease payments	
	Dec. 31, 2024	Dec. 31, 2023
Up to 1 year	2,317	2,300
1 to 5 years	5,028	3,212
More than 5 years	9,786	8,559
<b>Total</b>	<b>17,131</b>	<b>14,071</b>

### EEW as lessor (finance leases)

The Group has constructed a facility, leased it out and taken on its operational management. The total term of the contract was 13.5 years, and it ended in the financial year 2024. The lessee exercised its contractually agreed purchase option in the financial year 2023. A purchase price of kEUR 35,473 was agreed. The purchase price is payable in two equal installments as of December 31, 2025 and December 31, 2026. The purchase price receivable is recognized in other receivables and other assets.

Interest income from lease receivables was generated in the amount of kEUR 2,345 (prior year: kEUR 4,249).

## 6.12 Capital management

The objectives of capital management in the Group are:

- ensuring the Group's and its subsidiaries' ability to continue as a going concern so that they can continue to generate returns for their shareholders and benefits for other stakeholders, and
- optimizing the capital structure to reduce the capital costs and secure long-term financing of growth projects.

The Group's overall strategy remains unchanged compared to 2023.

The Group's capital structure consists of net liabilities (defined as the borrowings disclosed in the notes to the consolidated financial statements in notes 6.7, 6.9 and 6.11 less cash and bank balances) and the equity of the Group. This consists of the share capital, the capital reserve and other reserves, the revenue reserves and the non-controlling interests as stated in the consolidated balance sheet or in the notes to the consolidated financial statements in note 6.6.

During the financial year 2024, the Group's credit ratings were downgraded by one notch to BBB-. The reason for this is increased debt due to the investment activity.

The Group's strategy is to maintain its investment grade credit ratings.

The Group's treasury department regularly reviews the capital structure.

The Group has agreed upon a financial policy with the owner regarding a range for the net debt ratio and dividend payments. In line with the agreed dividend policy, a range of 60% to 80% of the profit for the period of EEW Holding GmbH has been agreed with the owner for annual distributions. Any remaining profit for the period will be allocated to reserves to strengthen equity.

The Group is not subject to any externally imposed capital requirements.

## Notes to the consolidated statement of cash flows

### 7. Notes to the consolidated statement of cash flows

The cash flows from investing activities are calculated as the cash inflows from the disposal of assets and the cash outflows for investments in property, plant and equipment as well as intangible assets and financial assets. kEUR 244,713 was invested in property, plant and equipment as well as in intangible assets.

The cash inflow from financing activities was primarily shaped by the cash received from long-term financial loans. In addition, dividends of kEUR 19,506 were distributed to non-controlling interests.

The following table provides a reconciliation of the change in financial liabilities as recognized in the balance sheet to the amounts presented in the statement of cash flows:

<b>Financial liabilities</b> <b>in kEUR</b>	<b>Balance</b> <b>as at</b> <b>Jan. 1, 2024</b>	<b>cash</b> <b>change</b>	<b>non-cash</b> <b>change</b>	<b>Balance</b> <b>as at</b> <b>Dec. 31, 2024</b>
Non-current bonds	399,019	0	393	399,412
Non-current liabilities to banks	1,997	0	2	1,999
Other non-current financial liabilities	65,931	96,050	105,449	267,430
<b>Non-current financial liabilities</b>	<b>466,947</b>	<b>96,050</b>	<b>105,844</b>	<b>668,841</b>
Current bonds	722	-1,444	1,444	722
Current liabilities to banks	150,000	6,654	538	157,192
Other current financial liabilities	24,043	-12,141	-4,769	7,133
<b>Current financial liabilities</b>	<b>174,765</b>	<b>-6,931</b>	<b>-2,787</b>	<b>165,047</b>
<b>Lease liabilities</b>	<b>9,805</b>	<b>-3,025</b>	<b>5,555</b>	<b>12,335</b>
thereof cash flows from operating activities		-583		
thereof cash flows from financing activities		-2,442		
<b>Total</b>	<b>651,517</b>	<b>86,094</b>	<b>108,612</b>	<b>846,223</b>

## Notes to the consolidated statement of cash flows

<b>Financial liabilities</b>	<b>Balance</b>	<b>cash</b>	<b>non-cash</b>	<b>Balance</b>
<b>in kEUR</b>	<b>as at</b>	<b>change</b>	<b>change</b>	<b>as at</b>
	<b>Jan. 1, 2023</b>			<b>Dec. 31, 2023</b>
Non-current bonds	398,628	0	391	399,019
Non-current liabilities to banks	19,982	0	-17,985	1,997
Other non-current financial liabilities	28,748	41,216	-4,033	65,931
<b>Non-current financial liabilities</b>	<b>447,358</b>	<b>41,216</b>	<b>-21,627</b>	<b>466,947</b>
Current bonds	722	-1,444	1,444	722
Current liabilities to banks	139	129,474	20,387	150,000
Other current financial liabilities	0	20,000	4,043	24,043
<b>Current financial liabilities</b>	<b>861</b>	<b>148,030</b>	<b>25,874</b>	<b>174,765</b>
<b>Lease liabilities</b>	<b>9,113</b>	<b>-2,765</b>	<b>3,457</b>	<b>9,805</b>
thereof cash flows from operating activities		-415		
thereof cash flows from financing activities		-2,350		
<b>Total</b>	<b>457,332</b>	<b>186,481</b>	<b>7,704</b>	<b>651,517</b>

The non-cash change in other non-current financial liabilities in the reporting year is primarily due to the conversion of outstanding dividend payments for the years 2022 and 2023 into non-current loans. Please refer to note 6.9 of the notes to the consolidated financial statements.

### 8. Contingent liabilities and other financial obligations

The other financial obligations are as follows:

<b>in kEUR</b>	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Investments in property, plant and equipment	116,873	145,207
Current contracts placed	220,037	320,251
<b>Total</b>	<b>336,910</b>	<b>465,458</b>

There are no contingent liabilities.

## Related parties

### 9. Related parties

Associates, joint ventures and non-consolidated subsidiaries as well as persons who have a significant influence on the financial and operating policies of EEW are designated as related parties. The latter includes all personnel in key positions (members of the management board) and their close family members.

BEHL, which holds all the shares in EEW Holding via Good Champion Investments Limited and BEHEIM as of December 31, 2024, is the ultimate parent company.

Note 3 Consolidation provides information about the Group's structure and the subsidiaries.

All business relationships with related parties were arranged on arm's length terms. Essentially, they relate to services and loans. Outstanding balances are unsecured and repayable in cash.

In the following overview, expenses and income with related companies and also receivables and liabilities as of the balance sheet date are listed.

2024	Goods delivered and services provided and interest income and dividends	Goods and services received and interest expenses	Receivables	Liabilities
in kEUR				
BEHL Group	2	1,173	2,795	189,543
Non-consolidated subsidiaries	18,697	47	2,020	371
Joint ventures	30,087	32,759	20,302	1
Associates	505	0	132	0

2023	Goods delivered and services provided and interest income and dividends	Goods and services received and interest expenses	Receivables	Liabilities
in kEUR				
BEHL Group	0	571	2,793	60,671
Non-consolidated subsidiaries	13,976	19	2,510	335
Joint ventures	28,251	32,358	12,860	0
Associates	508	0	0	0

#### Non-consolidated subsidiaries

The cost of goods and services received from and interest expenses for non-consolidated subsidiaries essentially consist of general partner compensation. The income from goods delivered and services provided to and interest income from non-consolidated subsidiaries consists in particular of operational management fees.

**Joint ventures and associates**

There is a loan receivable of kEUR 8,750 (prior year: kEUR 10,000) from EBS Kraftwerk GmbH, Hürth/Germany. The loan bears interest at a fixed rate of 1.0% until December 31, 2023. From January 1, 2024, the interest rate is 4.0% and can be adjusted annually if necessary. The loan has a total term until December 31, 2031 and must be repaid in quarterly installments as contractually agreed, starting in the financial year 2024. The loan is unsecured. The sundry receivables relate to trade receivables.

The Group's relationships with joint ventures predominantly relate to expenses for waste incineration and slag disposal, income from waste disposal services rendered and operational management fees.

**Shareholders**

Receivables from the BEHL Group relate to interest receivables and other receivables.

Furthermore, a resolution was adopted in 2024 to distribute a dividend for the financial year 2023 to the shareholder of EEW Holding in the amount of kEUR 51,700. Please refer to note 7 of the notes to the consolidated financial statements.

Please refer to note 6.9 of the notes to the consolidated financial statements for information on loan liabilities.

**Related persons**

The total remuneration of the members of the management board amounts to kEUR 2,207 in the reporting year (prior year: kEUR 2,213). It consists solely of short-term benefits.

Pension provisions of kEUR 6,071 (prior year: kEUR 6,034) were recognized for entitlements of former members of the management board. Payments for the financial year 2024 amounted to kEUR 227 (prior year: kEUR 165).

No transactions that require reporting have been concluded with the members of the management board or persons related to them.

### 10. Auditor's fees

The other operating expenses item includes the fees of the statutory auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft (previous year: EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft), amounting to kEUR 690 (prior year: kEUR 938). kEUR 690 (prior year: kEUR 679) of these expenses relate to audit services, kEUR 0 (prior year: kEUR 144) to other audit-related services, kEUR 0 (prior year kEUR 104) for tax advisory services, and kEUR 0 (prior year: kEUR 11) to other services. Subsequent audit services of EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in the amount of kEUR 190 were also recognized.

### 11. Events after the balance sheet date

There were no events after December 31, 2024 that would be reportable in accordance with IAS 10 (Events after the balance sheet date).

## 12. Board of management

The members of the management board of EEW Holding are:

Timo Poppe (chairman of the board of management)

Dr. Joachim Manns (COO)

Stefan Schmidt (CFO), since March 1, 2024

Helmstedt/Germany, April 22, 2025

EEW Holding GmbH

Board of management

Signed:  
Poppe

Signed:  
Manns

Signed:  
Schmidt

# **GROUP MANAGEMENT REPORT2024**

EEW Holding GmbH  
Helmstedt/Germany



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### 1. Background of the Group

EEW Energy from Waste is Germany's market leader in terms of annual waste incineration capacity in the production of environmentally friendly energy from thermal waste recovery. The EEW Group develops, builds and operates energy from thermal waste recovery plants. The Group's current 17 sites in Germany and neighboring countries generated energy from the incineration of around 5.0 million metric tons (mt) of waste and sewage sludge in the reporting year. EEW transforms the energy contained in waste into process steam for industrial plants, district heating for residential areas and sustainable electricity for around 700,000 households at present. With biogenic substances accounting for an average 50% of waste, EEW generates energy from renewable sources in accordance with the German Renewable Energy Act (EEG). This energy recovery from the waste incinerated in EEW's facilities conserves fossil resources and recovers valuable raw materials.

The EEW Group is managed by the management board of EEW Holding GmbH, Helmstedt/Germany. EEW Holding GmbH holds 94% (directly) or 99.64% (including indirect holdings) of the shares in EEW Energy from Waste GmbH, Helmstedt/Germany. The management board and the EEW Group's other senior executives are primarily organized according to their functional responsibilities.

The EEW Group's business activities are segmented from a geographical point of view. In terms of waste incineration capacity of its plants, the EEW Group leads the market in Germany with a share of approximately 17.0%. The market share in Luxembourg remains at 100% and in the Netherlands at 7%.

In 2024, the EEW Group sold 1.7 TWh of self-generated electricity and about 3.4 TWh of heat and steam, the latter of which is normally sold under long-term agreements to energy suppliers, network operators and marketed directly to selected industrial customers.

The EEW Group operates a total of 19 waste recovery plants, including currently two sewage sludge mono-incineration plants. Of these 19 plants, 17 are classified as thermal waste recovery plants. Four of these 17 thermal waste recovery plants are run on the basis of long-term operational management agreements.

The German thermal waste recovery market, comprised of almost 100 facilities, is highly fragmented. The largest groups of plant operators in Germany comprise municipalities or companies under the majority control of municipalities. Other private-sector operators with several facilities are Remondis, MVV, PreZero, EnBW and RWE. In 2024 the total gross processing capacity of all waste incineration plants in Germany of around 27.1 million mt p.a. was available to handle waste quantities in Germany that were almost on the same level as in 2023, which continues to be impacted by an unprecedented political and economic situation and uncertain economic developments.



<sup>1</sup>Chart 1: Overview of the plants operated by EEW in Germany, the Netherlands and Luxembourg

The legal framework comprises approvals for production activities, environmental regulations, and tax, commercial and company law regulations.

The EEW Group’s management system is based on financial and technical indicators. Important technical key figures include time availability, throughput and overall equipment effectiveness (OEE), as well as key figures for the use of raw materials, consumables and supplies. The key parameters of financial reporting are revenue from waste and energy operations resulting from waste volume, electricity volumes, steam sales and district heating volumes, and the indicators EBITDA and cash flow. EBITDA in the statement of profit and loss is calculated by adding depreciation and amortization to EBIT as a positive value. Cash flow is calculated as the change in the cash and cash equivalents items

<sup>1</sup> Legend reads as follows: red: own plants; white: in operational management; green: plants under construction

between the reporting dates of the current and prior fiscal years.

## 2. Economic report

### 2.1 Overall economic and industry-specific background

#### Market situation 2024

Germany's macroeconomic performance faltered in 2024 in a still uncertain environment. According to the Federal Statistical Office (Destatis), preliminary calculations show that in 2024 the price-adjusted gross domestic product was 0.2% lower than in the previous year, and thus only 0.3% higher than in 2019, the last year before the coronavirus pandemic. Private and government consumer spending rose, while gross fixed capital formation and exports declined. In 2024, the inflation rate was 2.2%. High prices at all stages in the economic process put a damper on economic growth. This has been compounded by unfavorable financing conditions due to higher interest rates. Adjusted for price, total economic value added fell by 0.4% in 2024. According to Destatis, the development of gross value added was very mixed in the individual sectors of economic activity in 2024. Economic performance in industry, excluding construction, declined considerably, contracting by 3.0%, due to much lower production in the automotive industry and in mechanical engineering. Production and value added in energy-intensive industrial branches, such as the chemical and metal industry, also remained at a low level in 2024, after economic performance in these sectors had already declined particularly sharply in 2023 in response to rising energy prices. According to Destatis, high interest rates were also noticeable in the construction industry, in addition to continuing high construction costs. Destatis states that, in total, the construction industry saw a price-adjusted decline of 3.8% in 2024. Most service sectors could have expanded their economic activities again compared to the previous year and could have supported the economy in 2024, but the development varied across different sectors of economic activity. Consumer prices remained at a high level in 2024. Adjusted for prices, private consumption rose by 0.2% compared to the previous year. Consumer spending of private households rose year-on-year, particularly in the areas of health (+2.8%) and transport (+2.1%), while consumer spending in the areas of food services and accommodation (-4.4%) and clothing and footwear (-2.8%) declined. Government consumer spending rose by 2.6% compared to the previous year, mainly due to the rise in social benefits in kind provided by the government. In 2024, construction investment fell by 3.5% compared to the previous year, after adjustments for price effects. Construction prices remained at a very high level in 2024. However, public construction investment increased, with a focus on the expansion and restructuring of public infrastructure. In contrast, investments in machinery, equipment and vehicles decreased considerably compared to 2023 (-5.5%), after adjustment for price effects. The sharp rise in new commercial registrations of passenger cars in 2023, due to the eco-bonus for electric company cars that remained in place until 2023, declined by 2.9% in 2024. The decline in investment in equipment and machinery by 6.7% was even greater. According to Destatis, the economic performance in 2024 was achieved by an average of 46.1 million persons in employment whose place of employment was in Germany — more than ever before in Germany. The immigration of foreign workers and a rising labor force participation of the domestic population were some of the reasons why employment rose in 2024. The employment growth seen in 2024 was almost entirely attributable to the service branches.

Contrary to many expectations and market assessments, 2024 has led to an oversupply of waste on the waste disposal market. Despite the poor economic situation, which has led to a lower volume of commercial waste, various factors have led to an oversupply of waste, so that the waste incineration plants were well utilized and operating at near capacity.

In addition to the absence of the seasonal winter effect, which already caused more waste volumes at the beginning of the year, other reasons for the increased supply of waste volumes were as follows:

The capacity bottlenecks at thermal waste recovery plants affected, in particular, commercial waste, prompting some waste incineration plants to impose acceptance stops on market competitors. Supra-

regional traders delivered quantities to recycling companies, where the waste also accumulated and exacerbated the disposal bottlenecks. Throughout Germany, some plants were affected by downtimes, from which the EEW plants have benefited increasingly. One reason for the relatively high number of downtimes was that the waste incineration plants in Germany require more maintenance and servicing due to the higher average age.

In the fall of 2023, a fire broke out at the second largest waste incineration plant in the Netherlands (NL), the AVR Rozenburg in Rotterdam/Netherlands, which has an approved capacity of 1,300 kta, resulting in a prolonged shutdown of the plant. This incident has had a sustained impact on waste streams in Germany, the Netherlands, Great Britain, Denmark and Sweden, as the remaining Dutch thermal recovery plants were only able to take on small additional quantities until the end of 2024. Storage volumes accumulated during the downtime can be temporarily stored for up to three years. The downtime is expected to have an impact on the Dutch market until the end of 2025, even if the plant is running again. The currently high storage levels must first be reduced before new volumes can be taken on. In the meantime, the Dutch waste recovery market will only be able to accept smaller volumes. This means that the waste streams previously imported from Germany and Great Britain have now shifted as follows: Higher volumes remained in Germany, especially from the border region of North Rhine-Westphalia. Export flows from Great Britain shifted to Denmark and Sweden, so these two countries imported less waste from Germany. The pressure on volumes has thus intensified in Germany.

Despite the weak economy, the commercial sector experienced a recovery shortfall, as the high-calorific refuse-derived fuels were increasingly used in waste incineration plants and less for the co-incineration in the cement plants. In addition, due to the high-calorific refuse-derived fuels, the waste incineration plants processed less waste, and the volumes could not be discharged as effectively due to downtimes and inspections.

In May 2024, there was flooding in Saarland, Bavaria and parts of Rhineland-Palatinate and Baden-Württemberg. As a result, there was an increase in bulky waste, which was incinerated by plants (both EEW and competitive plants) in the affected regions. As a result, the plants had lower capacities for household waste (i.e., acceptance of household waste by EEW from competitor plants in the so-called emergency alliance). EEW assisted with the recovery of waste and recovered some of it in the MHKW Pirmasens, AHKW Neunkirchen and MVA Göppingen.

According to assessments by market participants, the volume of household waste increased in 2024. Possible reasons cited include a recovery in consumption and population growth due to immigration (EUWID assessment of market participants). There may also have been the effect that more volumes from the commercial sector (waste for recovery volumes) were offered or delivered via the municipalities.

Already at the beginning of the Russia-Ukraine war and the resulting rise in construction costs and raw material prices, planned projects have either been postponed or, in some cases, canceled entirely. Meanwhile, new incineration capacities that were due to go into operation in 2024 have been delayed. For 2025, new capacities of 220 kt/a are expected on the German market.

Waste incineration was included in the national emission trading system (nationales Emissionshandelsystem, nEHS) in Germany from 2024. This decision was made within the framework of the German Fuel Emissions Trading Act (BEHG). Since 2024, waste incineration plants have had to set up monitoring, reporting and testing systems to determine fuel emissions. The Emissions Reporting Ordinance (EBeV 2030) serves as the basis for this. However, the previously expected lower volume supply due to the economic situation and the introduction of the CO<sub>2</sub> levy on the basis of the BEHG, as well as geopolitical crises and high energy costs has not yet materialized (increase in the cost of

incineration in Germany as a result of increased exports). Instead, the capacity shortage caused by the special effects described above has led to a high volume supply on the waste disposal market.

At European level, the EU Council and the EU Parliament agreed to include waste incineration plants in the European Emissions Trading System (EU ETS) from 2028. The EU Commission will examine by the end of 2026 whether the waste incineration sector can be included in the EU ETS from 2028 and whether exceptions are necessary until 2031. This agreement has yet to be formally confirmed by the member states and the EU Parliament.

Following the plunge in prices and volumes in the fall of 2022, disposal prices have been trending upwards again since 2023. As a result of the increasing pressure on volumes, this development continued in 2024. For the coming year, market participants expect stable to rising incineration prices. In addition to the continued high volume supply, this assessment is due to rising costs for operating resources and residual waste disposal as well as rising personnel-related and transportation costs.

While imports to Germany (waste for thermal recovery) increased to > 1 million tons in 2023 (+25% compared to 2022) with a simultaneously decline in exports (-8% compared to 2022), these are likely to be comparatively low in 2024 due to the oversupply (EUWID assessment of market participants – statistics not yet available). However, plant operators continue to rely on the long-term volume guarantees or are bound by contracts to this effect. The German waste incineration market is currently still dominated in particular by import flows from Poland, Italy and France, which are also pushing into the German market. The current volume availability in the Netherlands is good, and there is still a deficit in recovery capacity in Poland and Italy.

### Company development

EEW wants to further expand its leading role in the circular economy and energy industry through sustainable innovations and strengthen the circular economy. EEW is an integral part of the circular economy and exploits opportunities arising from digitalization and AI. EEW is also already making a significant contribution to climate and environmental protection as well as resource conservation by providing climate-friendly energy in the form of process steam, district heating and electricity, and by permanently eliminating hazardous pollutants. This conserves primary energy resources and recovers valuable raw materials.

The EEW Group is currently growing in the field of thermal recovery and core business areas in Germany and neighboring countries. This includes project activities in thermal waste recovery, thermal sewage sludge recovery operations and the development of products along the value chain of thermal waste recovery. EEW aims to further increase its contribution to the energy transition by, among others, expanding the supply of district heating and is currently promoting projects for battery storage (grid balancing), which leads to grid stabilization and thus to positive price effects, as well as large-scale heat pumps (heat extraction).

In the area of thermal waste recovery, two new construction projects are currently nearing completion to secure the future of the locations in the long term, boost energy efficiency and availability as well as meet the statutory environmental standards. The new replacement waste plant is currently being commissioned at the EEW site in Stapelfeld/Germany. This new plant is expected to commence regular operations in mid-2025 and will replace the existing plant with the same capacity and significantly higher energy efficiency. Since the third quarter of 2021, the fifth waste incineration line has been built at the Rothensee site as a growth project and put into test operation in the third quarter of 2024. Both investment projects contribute to ensuring regional waste disposal security and replace fossil fuels.

In the field of thermal sewage sludge recovery, the sewage sludge mono-incineration plants in Helmstedt/Germany, Stavenhagen/Germany and Rothensee/Germany, were completed in 2022, 2023 and 2024 respectively and put into regular or trial operation. These three sewage sludge mono-

incineration plants are currently in their three-year start-up phases until full control power is achieved. In addition, the work on the construction of another sewage sludge recovery plant at the Delfzijl site continued in the reporting year 2024 (start of construction: second quarter of 2022, planned commissioning: first quarter of 2025). In order to leverage synergies, the development of a growth project for another sewage sludge mono-incineration plant was pushed ahead at the Stapelfeld site alongside the replacement of the existing thermal waste recovery plant. However, due to the current market situation, this growth project has been suspended and postponed for the time being. After commissioning the new waste incineration plant, EEW will decide when to continue with the sewage sludge mono-incineration plant project.

EEW's strategy focuses on sustainability, adapting the business to the changing market environment in the long term and using new, innovative technologies. The aim is to reduce CO<sub>2</sub> emissions in the long term, conserve resources, close the cycle of matter and make processes more efficient. Such initiatives also include research activities to obtain additional valuable materials from incineration residues and returning them to the cycle.

As part of the digitalization process, the EASY project and thus the implementation of SAP S4/HANA software was continued in 2024 in order to further improve automation through end-to-end process models, strengthen the internal control system and support the management of the transformation process within the EEW Group based on a central data management. In 2024, a group-wide business process management system and a centralized and standardized operational data collection were also established.

Since its establishment in 2021, NEEW Ventures GmbH, as part of the EEW Group, has been pursuing the goal of developing and implementing innovative digital business models along the waste management value chain. In 2024, progress was made on existing and new initiatives.

### 2.2 Business development

The financial year 2024 was marked by a shrinking German economy combined with uncertainty about the economic development. From a macroeconomic perspective, the rise in interest rates has led to subdued investment activity, which has persisted despite interest rate cuts by the European Central Bank. In the area of waste incineration, the CO<sub>2</sub> pricing (BEHG) came into force.

The development of waste volumes on the market over the course of the year was better than expected at the beginning of the year. Thanks to the warm winter of 2023/2024 and the fact that only some of the waste volumes from the above-average winter stocks of the waste incineration plants were required, the plants operated throughout the winter season without any load reductions. Both the municipal and commercial waste markets stabilized in the spring of 2024. However, due to the lack of demand for co-incineration in the cement industry and the long-term downtime of the second largest Dutch thermal recovery plant, the volumes of waste available on the market led to an increasing volume pressure on the waste disposal market and thus to full utilization of the waste incineration plants, so that the previously expected tight volume situation (due to the BEHG, high energy costs, etc.) did not materialize.

As a result of this situation, the EEW Group was able to increase the total quantity of waste accepted compared to the previous year due to a rise in volumes in the commercial and spot markets. The revenue level for municipal quantities was slightly higher than in the previous year due to price and quantity, and the price levels for tenders were also higher compared to the previous year. Furthermore, there was a price increase in waste revenues in the commercial sector and thus also an increase in revenues.

In order to secure the supply of heat to households for the winter period 2023/2024, EEW had taken the precaution of filling potential winter storages and also honored waste acceptance agreements with foreign customers, mainly from Poland, Italy and France. As a result of the introduction of the BEHG at the beginning of 2024, the delivery of the waste was not transferred to the following year as in previous years, because the customers' storages had been completely emptied by the end of 2023 in order to avoid the additional costs of CO<sub>2</sub>.

As a cause of the challenging economic situation, wholesale prices for fossil fuels stabilized at a relatively high level in 2024. Last year, the German electricity price level fell further compared to the previous year. This means that the decline, which began in 2023, continued in comparison to the years of crisis. However, the price reduction was lower in 2024 than in the previous year, when the price level had been sharply reduced. High price peaks, strong price volatility and continued high price spreads have shaped the market activity on the electricity market.

In 2024, electricity consumption (grid load) in Germany was 1.3% higher than in the previous year, while electricity generation fell by 4.2%. The share of renewable energies in total generation increased further and once again reached a record level of 62.7% on average. The average wholesale electricity price on the EPEX spot market fell by 17.5% to EUR 78.51/MWh last year. In addition to the lower demand, the higher share of renewables in total generation, but also the slight fall in gas prices, for example, contributed to this.

Emissions from the electricity industry fell sharply again over the course of 2024, which can be attributed in particular to the almost 16% decline in coal-based power generation. The fact that Germany imported significantly more electricity than it exported in 2024 is another driver.

The prices for the CO<sub>2</sub> emission certificates in the European Emissions Trading System were mostly around EUR 60 - 80/t of CO<sub>2</sub> in the course of 2024, but tended to be below the EUR 70 mark in the second half of the year. The average price for the year was around EUR 66.50/t of CO<sub>2</sub> and therefore

below the price level of the previous year. Despite the climate crisis, global demand for coal rose to a record level. While consumption is declining in the industrialized countries, it is continuing to rise particularly in the emerging markets.

Although wholesale prices for gas have fallen sharply again since the peak of the energy crisis in 2022, they are still significantly higher than in previous years. The reasons for this are other sources of supply and origin for gas, more diverse factors influencing energy prices compared to the past, and greater geopolitical uncertainties. Natural gas consumption in Germany rose by 3.3% to 835 billion kWh in 2024, thus recovering slightly from a very low level. The slightly lower price level compared to 2023 has led to higher demand. Despite the sluggish economy, gas consumption in the industry was also up again. This development was dampened by a generally mild weather during the heating period.

In 2024, EEW's procurement market for raw materials, consumables and supplies was shaped by various developments. Energy prices (gas, heating oil) were slightly below the previous year's average. However, following a low at the beginning of the year, the price for natural gas, in particular, recorded a steady increase from the second quarter of 2024 until the end of the year. This was due to the ongoing uncertainties regarding future supplies from Russia to Europe as well as lower inventories at the end of the year, in connection with higher consumption in the winter months and the statutory obligation to fill the gas storages. This development was reflected in respective monthly price increases for ammonium hydroxide and urea solution. In the sodium bicarbonate sector, costs in 2024 were significantly lower than in the previous year, due to the lower energy prices and the good availability provided by the two main suppliers. On average, the prices of other operating resources such as lime, caustic soda and hearth furnace coke have risen by an amount that compensates for inflation. The main price drivers were wage increases at suppliers, higher transportation costs and increased costs due to stricter environmental regulations at suppliers. The availability of raw materials, consumables and supplies was not restricted in 2024, also due to the respective contractual safeguards.

The supply of all locations was guaranteed in 2024 thanks to the conclusion of fixed supply agreements and the implementation of multiple-supplier strategies. Due to the still volatile market environment and the extraordinary fluctuations in energy prices in previous years, prices for most raw materials, consumables and supplies will continue to be fixed for a maximum of one year, and more often only for one quarter. Longer-term price commitments are either rejected by the suppliers or are associated with high-risk premiums and are therefore not economically viable. In 2024, however, some index-based contracts (caustic soda, sodium bicarbonate) also showed increased price stability, which is likely to be due to the partly compensating market developments described above.

In the residual waste disposal segment, the situation regarding metal recovery remained tense in 2024. Slag collectors continue to have trouble marketing the metals extracted from slag, which is why they saw ever fewer profits. In addition, the Substitute Building Materials Ordinance is introducing changes, creating a degree of uncertainty regarding the use of processed slag in contingency measures, so that refining slags are partly deposited to landfills and thus are disposed of. As regards the disposal of flue gas cleaning residues, the shortage of the backfill cavity in mines has become evident due to significant price hikes, with some increases being particularly substantial. In particular, filter dust containing sodium bicarbonate can only be accepted to a very limited extent, which is why EEW has secured capacity through long-term contracts.

In this difficult economic environment, the Group's revenue went up thanks to higher waste revenues and higher energy revenues. Despite higher personnel costs and depreciation, earnings before taxes increased compared to the previous year.

The management board considers the business development of the EEW Group in the financial year 2024 as overall good.

## 2.3 Assets, liabilities, financial position and financial performance

### Financial performance

The consolidated financial statements for the financial year from January 1 to December 31, 2024 include the Company and its subsidiaries (EEW Group). The following tables comprise the presentation of the EEW Group according to IFRSs. The following section presents the development of earnings in 2024 in comparison to the prior year.

in kEUR	2024	2023
Revenue from contracts with customers	889,081	752,659
Own work capitalized	4,578	3,284
Other operating income	42,069	33,985
Cost of materials	-426,507	-341,697
Personnel expenses	-133,789	-126,446
Amortization, depreciation and impairment	-103,737	-91,285
Other operating expenses	-92,477	-96,343
EBIT	179,218	134,157
Financial result	-6,580	-545
Earnings before taxes	172,638	133,612
Income taxes	-53,645	-26,974
Consolidated profit for the period	118,993	106,638
— thereof shareholders of EEW Holding GmbH	99,642	81,216
— thereof non-controlling interests	19,351	25,422

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## Statement of profit and loss for the period from January 1 to December 31, 2024

Revenue (kEUR 889,081; prior year: kEUR 752,659) was primarily derived from the recovery and disposal of waste, the sale of the energy generated from it and the operational management of individual energy from waste plants and other revenue. In 2024, revenue from the recovery and disposal of waste and the sale of the energy generated from it amounted to kEUR 691,236 (prior year: kEUR 620,282) and from the operational management of individual plants amounted to kEUR 72,999 (prior year: kEUR 81,578). Both waste and energy revenues exceeded the previous year's level. Other revenue (kEUR 124,846, previous year: kEUR 50,799) includes, in particular, the passing on of CO<sub>2</sub> costs due to the provisions of BEHG relating to the CO<sub>2</sub> pricing of thermal waste recovery (BEHG), which came into force in Germany on January 1, 2024. The legislator has obliged the plant operators to determine the CO<sub>2</sub> emissions caused by the waste incineration according to the polluter-pays principle and to collect the required quantity of CO<sub>2</sub> certificates and deliver them to the state authority. The plant operators will charge waste customers accordingly. This increases both the other revenue and the cost of materials for EEW.

The increase in other operating income (kEUR 42,069, prior year: kEUR 33,985) is mainly due to income from the reversal of provisions as well as income from refunds and compensation for damages.

Cost of materials (kEUR 426,507; prior year: kEUR 341,697) includes expenses for servicing, maintenance and inspection work, waste flow costs for honoring fuel supply agreements, disposing of residual waste, slag and other waste, costs for consumables, energy procurement costs and expenses for other services. The change against the prior year is primarily due to higher costs for purchased services. Purchased services exceeded the previous year's level, primarily due to increased expenses for waste disposal and maintenance services as well as other purchased services, which include CO<sub>2</sub> costs in accordance with BEHG. Under raw materials, consumables and supplies, the use of materials for servicing and maintenance increased, while the expense for energy purchases decreased.

Personnel expenses (kEUR 133,789; prior year: kEUR 126,446) include expenses for old-age pensions (kEUR 3,864; prior year: kEUR 3,700) in addition to current personnel costs. The rise in personnel expenses is attributable to an increase in headcount from 1,437 to 1,486 due to the hiring of commercial and technical specialists for current and future projects as well as pay rises under collective wage agreements.

Other operating expenses (kEUR 92,477; prior year: kEUR 96,343) are primarily influenced by other purchased services, IT expenses, insurance premiums, audit and advisory fees, rents and leases, travel expenses, training costs, advertising and marketing costs and miscellaneous operating expenses. Within other operating expenses, expenses for information technology, insurance premiums and expenses for audit and consulting increased, while expenses from other taxes saw a decline.

Amortization and depreciation of kEUR 103,737 (prior year: kEUR 91,285) include amortization of intangible assets of kEUR 8,242 (prior year: kEUR 9,334). The increase in depreciation of property, plant and equipment is mainly due to the investments in plants in Premnitz/Germany, Pirmasens/Germany, Delfzijl/Netherlands and Stavenhagen/Germany.

The financial result of kEUR -6,580 (prior year: kEUR -545) mainly relates to higher interest expenses and lower interest income. Higher interest expenses result from the utilization of the revolving credit facility and the increased interest rate level. The financial result also includes investment results of kEUR 144 (prior year: kEUR 1,546).

Due to the increase in earnings compared to the previous year and the out-of-period tax income recognized in the previous year from the reversal of a provision for tax audit risks amounting to kEUR 14,457 for the years 2016-2019, there was a significant increase in tax expenses. Tax expense came to kEUR 53,645 in the reporting year (prior year: kEUR 26,974). In addition to the aforementioned

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effects from out-of-period tax income of the previous year due to the tax audit (kEUR 14,457), the increase is due to the reduced tax effects from trade tax add-backs (kEUR+1,301). These effects are offset by a tax incentive in Delfzijl/Netherlands (kEUR -1,855) and a decline in the effects from permanent differences to the tax balance sheet (kEUR -1,544). As a result, the tax rate increased from 20% to 31%.

In the reporting period, EBIT of kEUR 179,218 (prior year: kEUR 134, 157) was achieved after deducting depreciation and amortization in the amount of kEUR 103,737 (prior year: kEUR 91,285) from EBITDA of kEUR 282,955 (prior year: kEUR 225,955). This increase in EBIT compared to the previous year is mainly due to increased waste and energy revenues. Net of the financial result and the tax result totaling kEUR -60,225 (prior year: kEUR -27,519), consolidated profit for the year amounted to kEUR 118,993 (prior year: kEUR 106,638).

### **Financial position**

EEW continues to have good internal financing power, with cash flow from operating activities amounting to kEUR 181,111 in the reporting period and thus being higher than in the previous year. The cash outflow from investing activities in the amount of kEUR -243,092 is mainly due to high investments in new waste and sewage sludge recovery plants. In addition to operating investments in existing plants, the EEW Group primarily invested in growth projects such as the new waste incineration facility in Stapelfeld/Germany, the fifth incineration line and sewage sludge mono-incineration plant in Rothensee/Germany, and the sewage sludge recovery plants in Stavenhagen/Germany, and Delfzijl/Netherlands in 2024. Cash flow from financing activities (kEUR 76,059) is impacted by the repayment and additional loans raised as well as dividends paid. As a result of the above, cash and cash equivalents increased by kEUR 14,078 to kEUR 34,961 as of year-end 2024.

Since June 2021, the EEW Group's financing structure has basically been based on the first green bond issued by the EEW Group. Credit facilities of kEUR 330,000 with banks are used to cover short-term liquidity requirements. Of this, kEUR 213,167 have been utilized as at December 31, 2024, of which kEUR 58,167 have been used for the provisioning of bank guarantees. In addition, the revolving credit facility was utilized for liquidity requirements (kEUR 155,000). Furthermore, a revolving credit facility (kEUR 250,000) of Good Champion Investments Limited is available to cover liquidity requirements, from which kEUR 184,800 was drawn as of December 31, 2024. The existing credit line of kEUR 95,000 has been canceled.

Solvency was ensured during the entire financial year 2024. Owing to the positive liquidity position as well as credit lines available in the short term, no risks to liquidity are identifiable.

<b>ASSETS</b> in kEUR	<b>December</b> <b>31, 2024</b>	<b>December</b> <b>31, 2023</b>
<b>Non-current assets</b>		
<b>Intangible assets</b>	<b>40,463</b>	<b>38,038</b>
<b>Property, plant and equipment</b>	<b>1,401,307</b>	<b>1,248,217</b>
<b>Financial assets</b>	<b>24,653</b>	<b>30,757</b>
<b>Receivables and other assets</b>	<b>25,906</b>	<b>7,347</b>
<b>Deferred tax assets</b>	<b>24,619</b>	<b>18,463</b>
<b>Total non-current assets</b>	<b>1,516,948</b>	<b>1,342,822</b>
<b>Current assets</b>		
<b>Miscellaneous financial assets</b>	<b>1,250</b>	<b>0</b>
<b>Inventories</b>	<b>100,592</b>	<b>32,935</b>
<b>Receivables and other assets</b>		
Trade receivables and contract assets	160,402	145,318
Other receivables and other assets	62,115	79,438
<b>Total receivables and other assets</b>	<b>222,517</b>	<b>224,756</b>
<b>Cash and cash equivalents</b>	<b>34,961</b>	<b>20,881</b>
<b>Total current assets</b>	<b>359,320</b>	<b>278,572</b>
<b>Total assets</b>	<b>1,876,268</b>	<b>1,621,394</b>

<b>EQUITY AND LIABILITIES</b> in kEUR	<b>December</b> <b>31, 2024</b>	<b>December</b> <b>31, 2023</b>
<b>Equity</b>		
Subscribed capital	1,000	1,000
Capital reserves	275,900	275,900
Other revenue reserves/profit or loss carryforward	205,678	181,144
Profit or loss attributable to controlling interests	99,642	81,216
<b>Equity attributable to the shareholders of EEW Holding GmbH</b>	<b>582,220</b>	<b>539,260</b>
<b>Non-controlling interests</b>	<b>64,665</b>	<b>64,828</b>
<b>Total equity</b>	<b>646,885</b>	<b>604,088</b>
<b>Non-current liabilities</b>		
Pension provisions	58,805	58,889
Other provisions	22,627	28,003
Bonds	399,412	399,019
Liabilities to banks	1,999	1,997
Other non-current liabilities	293,361	83,088
Deferred tax liabilities	68,598	68,726
<b>Total non-current liabilities</b>	<b>844,802</b>	<b>639,722</b>
<b>Current liabilities</b>		
Other tax provisions	3,501	11,080
Other provisions	87,615	17,427
Bonds	722	722
Liabilities to banks	157,192	150,000
Lease liabilities	1,825	1,929
Trade payables	57,892	87,096
Income tax liabilities	30,375	23,127
Other liabilities	45,459	86,203
<b>Total current liabilities</b>	<b>384,581</b>	<b>377,584</b>
<b>Total equity and liabilities</b>	<b>1,876,268</b>	<b>1,621,394</b>

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## Financial position

The balance sheet total of the EEW Group increased from kEUR 1,621,394 in the prior year to kEUR 1,876,268, mainly due to higher property, plant and equipment, receivables and other assets as well as inventories on the asset side, as well as the increase in equity, provisions and other non-current liabilities. This includes, among others, a loan from Good Champion Investments Limited in the amount of kEUR 184,800 to EEW.

As of the balance sheet date, financial assets primarily comprise equity investments and loans to other investees and investors as well as non-consolidated subsidiaries.

Current receivables and other assets (kEUR 222,517, prior year: kEUR 224,756) mainly include trade receivables and contract assets of kEUR 160, 402 and other receivables and other assets of kEUR 62,115.

Cash and cash equivalents increased from kEUR 20,881 at the end of the financial year 2023 to kEUR 34,961 at the end of the financial year 2024. The increase in cash and cash equivalents is due to the fact that the cash outflow from investing activities was fully financed by the cash inflow from operating activities and the cash inflow from financing activities and the additional amount that flowed in increased cash and cash equivalents.

The equity ratio fell from 37.3% to 34.5% due to the increased borrowing requirements for investment projects.

The non-current liabilities mainly include the Green Bond of kEUR 399,412, pension provisions of kEUR 58,805 and other non-current liabilities of kEUR 293,361. Current liabilities mainly comprise liabilities to banks of kEUR 157,192, trade payables of kEUR 57,892 and other liabilities of kEUR 45,459. There was a sharp increase in provisions for emission allowances due to the CO<sub>2</sub> pricing of thermal waste recovery (BEHG), which came into force in Germany on January 1, 2024.

### 3. Outlook, opportunities and risks

#### 3.1 Outlook

The EEW Group's consolidated profit is largely shaped by current developments in the waste market, the energy market and the corresponding capacity utilization of the plants. Quantities not secured by long-term contracts in the spot and commercial markets can be subject to significant fluctuations, while municipal waste quantities reflect consumer behavior. Added to this is the influence of the overall economic situation, which continues to be characterized by weak economic development in Germany compared to other EU countries. Geopolitical developments (Russia-Ukraine war, Israel-Hamas conflict, shipping and logistics risks in the Red Sea, tariff policy of the US administration) and legislative influences such as the appointment of the members of the future federal government are causing or exacerbating existing uncertainties among companies and consumers. For 2025, the EEW Group anticipates an increase in its waste acceptance volume due to the increase in import volumes to utilize expanded capacities. In the commercial and spot markets, both volumes and market price levels are expected to increase overall. Overall, the higher waste volumes should lead to a full utilization of the incineration capacities. After a reduction in the price level for 2025, EEW is forecasting a further slight decline in specific electricity revenues from 2026 onwards and a stabilization for the following years. In terms of volume, an increase is still expected for 2025 and 2026, and a slight decrease for the following years. In 2024, electricity revenue was up by around mEUR 43 compared to 2023. However, based on this high level the planned electricity revenue in 2025 will fall by around mEUR 35 compared to 2024. In CO<sub>2</sub> emissions trading, costs are expected to continue to rise, subject to volatility, in both national and European emissions trading. In terms of heat sales, EEW is expecting sales volumes to rise in the coming year. The weather always has a significant impact on district heating revenue. Revenue from sales of process steam is expected to decline slightly in 2025 due to sales volumes. In terms of cost of materials, the EEW Group expects costs to rise, particularly for disposals, and maintenance to remain at the same level. The cost of raw materials, consumables and supplies is also expected to climb. The EEW Group's growth course with a large number of investment projects means that they will have an increased need for personnel in the coming years. It is also necessary to recruit replacements for the employees retiring from the plants in order to ensure business continuity. As a result of the economic forecast data presented and the influencing factors mentioned above, for 2025 the EEW Group expects an increase in revenue and waste acceptance volumes and a decrease in EBITDA compared to the same period last year. Other uncertainties include geopolitical developments such as the Russia-Ukraine war, the Israel-Hamas conflict and the US administration's tariff policy.

Targets 2024	Result 2024	Target achievement 2024	Forecast for 2025
Total revenue (kEUR)	889,081	Goal achieved	Significant increase compared to the prior year
EBITDA (kEUR)	282,955	Goal achieved	Slight decline compared to the previous year
Waste accepted at waste incineration plants (in thousands of metric tons)	4,846	Goal achieved	Significant increase compared to the prior year

### 3.2 Major opportunities and risks of future development

The German legislator has set itself the objective of making the energy transition a driver of energy efficiency, modernization, innovation and digitalization in power and heat generation. The goal is to achieve a climate-neutral energy system by 2045. While this development poses risks for thermal waste recovery plants, it also presents opportunities as they can offer various system services for the power grid related to flexibilization. EEW's product range currently includes the supply of the minute reserve and revenue from avoided grid use.

The German legislator considers waste disposal to be an essential service. This is shown in the Federal Ministry of the Interior's response to a joint position paper of the Interest Group of Thermal Waste Treatment Plants (ITAD, Interessengemeinschaft der Thermischen Abfallbehandlungsanlagen) in Germany and the Federal Association of German Hazardous Waste Incineration Plants (Bundesverband Deutscher Sonderabfallverbrennungsanlagen, BDSAV). EEW's plants must therefore be afforded special protection in the event of another pandemic. The Company addresses this task with a variety of measures.

Overall, the thermal waste recovery and the generation of energy are well positioned thanks to the regionally diversified facilities and customer structure.

Key indicators for all known risks are systematically analyzed and the necessary measures for risk prevention are initiated as required. Monthly reporting is made use of, in particular on plant operation, waste throughput, electricity sales and on the development of revenue and costs, and operationally supplemented by weekly reports from the plants. Apart from the operational risks arising from the operation of facilities, risks arise in particular from developments in the respective markets for waste and energy marketing. There are currently no risks to the Group's ability to continue as a going concern. The risk situation is regarded as manageable thanks to the mechanisms installed. The major risks are explained below.

#### Market risks

In 2024, German GDP contracted by 0.2%. The forecasts for the economy in Germany for 2025 are based on a slight growth. The German federal government expects the economic performance to grow by 0.3%. Leading economists believe that the German economy will grow by less than 1% in 2025. Cyclical fluctuations in particular bear risks for business development. The plants operate with a high proportion of fixed costs. Changes in the sales markets could thus have a major impact on revenue and thus on earnings. Expiring long-term contracts can have positive or negative effects on earnings. Impending contract renewals and associated contract periods are carefully reviewed in good time with a view to potential economic impacts.

Due to the continued expansion of renewable energy, electricity prices are expected to remain highly volatile in 2025. The now high share of renewable energy in electricity production proves that climate policy is being driven forward through consistent implementation. Despite lower electricity prices, momentum in the electricity demand sectors of industry, buildings and transportation remains poor.

Market risks remain in the rising volatility of the energy markets. The electricity market is particularly susceptible to considerable earnings fluctuations as some quantities of electricity can only be sold in the short term given the process requirements of thermal waste recovery. EEW's internal energy risk committee takes these special considerations into account in a marketing strategy which they issue several times a year, making recommendations on the use of opportunities and minimization of risks. Based on this marketing strategy, annual, quarterly and monthly volumes are traded on the forward market and volumes sold on the spot market and through intra-day trading. Price volatilities on the forward and spot markets are estimated using statistical analysis instruments.

## Outlook, opportunities and risks

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The price for the disposal of raw slag (EEW approx. 1,200 kt/a) is also influenced by the marketing revenue for the metal extracted from the slag. If marketing revenues fall below a contractually fixed level, EEW must pay compensation (metal price compensation). The EEW Group incurs about 290 kt flue gas cleaning residues annually, which is mostly used in backfilling with limited capacities. At the end of 2024, several contracts for the disposal of the flue gas cleaning residues expired. Due to the planned commissioning of the MHKW Stapelfeld and the sewage sludge incineration at the site in Delfzijl/Netherlands, the waste disposal market in the backfilling segment was extensively examined. This showed a clear gap in the disposal of flue gas cleaning residues containing sodium bicarbonate. Only a few disposal operators have the ability to process this material, which is why it was only possible to secure its disposal after lengthy processes and negotiations. In order to reduce the disposal risk for the EEW Group, in particular for filter dust containing sodium bicarbonate, a long-term framework agreement has been concluded.

Opposing market trends are expected to continue for raw materials, consumables and supplies in 2025. On the one hand, forecasts of a continuing weak economy in Germany indicate a falling demand and thus price reductions for raw materials, consumables and supplies. On the other hand, price-driving factors such as the investment required for a climate-neutral production of raw materials, consumables and supplies, as well as the global conflicts and the associated uncertainties (particularly with regard to energy supply), will still be in place in 2025. For example, the consequences of the termination of the gas transmission contracts between Russia and Ukraine pose a risk of shortages and price increases. Global demand may also increase; for example, demand for liquefied natural gas is rising in Asia. In the sodium bicarbonate sector, there was a sharp rise in demand for the food sector in South Africa at the end of 2024. In addition, a producer with a manufacturing plant in the UK has completely withdrawn from the production of technical sodium bicarbonate and closed the plant. The missing quantities must be compensated for with existing market capacities. This has already led to a significant shortage of sodium bicarbonate and significant price increases for 2025. In the lime market, it has also been announced that a production plant is to be closed down completely and that volumes will be withdrawn from the market.

In light of the market developments, one EEW project relating to the processing of sodium bicarbonate from filter dust is becoming more significant, as it can ensure independence from market prices and volumes.

Energy prices, which are still high by global standards, pose challenges for national producers of raw materials, consumables and supplies if they are to withstand the pressure of international competition. Any intensification of this situation could entail both opportunities and risks for EEW. On the one hand, the possibility of production cuts may impact the availability situation. However, if price-driven declines in domestic production can be offset by cheaper import volumes, there is a chance that prices will fall again. At present, however, it is not economically viable for EEW to procure its raw materials, consumables and supplies globally. Procurement will continue to focus on ensuring the supply and on strategic cooperation with the relevant suppliers in the coming years. Alongside the established methods such as the conclusion of fixed supply agreements, priority is also being given to the optimization of inventory and logistics strategies. Establishing alternative suppliers and joining purchasing groups associations remain key instruments for improving EEW' own market position and supply situation. By constantly monitoring the procurement markets, EEW can respond swiftly to market developments and identify new suppliers, products and technologies.

### Operational risks

As part of the thermal waste recovery, EEW offers its customers process steam and district heating as well as electricity generated from steam turbines as products. The energy produced must be provided to the customers in contractually defined periods. The operation of thermal waste recovery plants can be restricted or even stopped by certain factors that EEW cannot influence or only to a limited extent.

This includes planned or unplanned operational interruptions, plant shutdowns, extended maintenance periods as well as shortage of waste. Furthermore, the disposal of raw slag and filter ash is a critical aspect in plant operation. Unapproved delivered waste fractions could lead to emission limit breaches or fires and thus damage to plant parts. If EEW is not able to fulfill its obligations to supply electricity, steam or district heating in accordance with contract arrangements and the official requirements, there is a risk of compensation payments to customers and loss of reputation. Since possible operational disruptions, emission limit breaches and plant shutdowns can have a significant negative impact on the financial performance, the incineration parameters are monitored continuously by the plant control room using control technology in order to mitigate the risk. Compliance with the emission values through adjustment of the flue gas cleaning is ensured through measurement and control technology. The facilities are regularly checked and maintenance is performed in the course of inspections. If extended, unscheduled plant outages nevertheless occur, it is possible to redirect waste in the EEW facility network with internal and external warehouse capacities. The probability of these risks occurring is moderate.

In order to address various operational risks such as fire and lightning, insurance has been taken out for plants, companies and their assets and employees which covers specific losses, taking into account deductibles, policy limits and premium costs. However, these insurance policies and the contractual provisions may not cover all cases of damage, lost income or increased expenses. EEW is insured at the individual plant level against risks such as damage from natural forces, operational disruptions, etc. However, non-insurable events pose a certain residual risk. EEW classifies the risk for the entire Group as manageable due to the implemented processes and safeguards and the estimated low probability of occurrence.

EEW regularly invests in projects that are subject to various official approval processes to secure and expand its own market position. Planning and bidding processes require long-term preparations and communication with the responsible authorities and other involved parties. This process can be delayed due to extensive local public hearings, legislative amendments, local ordinances or other external factors. EEW counteracts this at an early stage with a communications strategy geared to the relevant stakeholder groups, continuous monitoring of ongoing and planned legislation and by anticipating other potential factors. The development and implementation of such projects entails risks with regard to the uncertainty of the underlying assumptions concerning investment volume and the time of completion as well as risks from the application and impact of innovative technologies. Projects may have to be discontinued with the loss of the capital invested. The general project risks also include risks of cost increases and delays in the process.

In addition to its own thermal waste recovery plants, EEW also manages the operations of public and private thermal waste recovery plants based on long-term agreements. If operational management agreements were terminated or were not extended after expiry or were extended on less favorable terms, EEW could lose revenue and earnings.

EEW continuously strives to optimize its operational processes and use more efficient processes and technologies. However, it is possible that the initiated measures will not lead to the expected results, or that competitors will develop procedures to make the thermal waste recovery process cheaper. If EEW does not benefit from such process optimizations, this could have negative impacts on revenue, profitability and the economic value of the facilities.

EEW's own information systems and that of its providers and suppliers are threatened by increasing and continuously evolving cybersecurity risks that could arise in different forms (such as Trojans, viruses). Therefore, EEW has concluded service agreements with leading providers of hardware, software and telecommunications services. In 2024, 24/7 security operation center services were implemented. The implementation of a company-wide Information Security Management System (ISMS), based on ISO 27001:2022, began in August 2023. The objective of the ISMS project is to ensure

## Outlook, opportunities and risks

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the availability and functionality of the plants. In addition, the ISMS project aims to meet the requirements of the German Act for Critical Infrastructure Protection (KRITIS). Since April 1, 2024, EEW plants have been considered to be the operator of critical infrastructure in the municipal waste disposal sector. The target date for completion of the ISMS project is the end of the first quarter of 2026.

The EEW Group's ability to meet future operational targets is significantly dependent on the unwavering commitment of its management and workforce. Hiring, training, retaining and motivating highly qualified employees is therefore of key importance. Employees receive intensive training in numerous training units and comprehensive occupational health and safety measures are also taken. In 2024, all standard systems (DIN EN ISO 9001, 14001, 50001 and DIN ISO 45001) included in the integrated management system of EEW were successfully guided through the prescribed surveillance audits. At all sites of the EEW Group (with the exception of the MHKW Rothensee, which has its own successful certification system), compliance with the standards was verified.

### Environmental and regulatory risks

The EEW Group's revenue is dependent on the one hand on the development of the waste and energy market and on the other on the development of listed electricity prices. The legal framework for EEW's "energy from waste" business model is defined by EU regulations as well as national laws and ordinances including, for example, the German Closed-Loop Recycling Act (KrWG), the German Packaging Act (VerpackG), the German Commercial Waste Ordinance (GewAbfV), the German Sewage Sludge Ordinance (AbfKlärV) or a new climate protection law with more stringent reductions of greenhouse gas emissions.

#### German Commercial Waste Ordinance (GewAbfV)

The 2017 amendment of the GewAbfV and the subsequent amendments were a major propellant behind the further expansion of the recycling potential of commercial municipal waste and construction and demolition waste in the Federal Republic of Germany. Despite the new obligations, the provisions of the ordinance have not been able to fully achieve their intended effect. This applies in particular to achieving the envisaged recycling rate for the pre-treatment (sorting) of mixed waste. According to experts, waste that needs to be collected separately is still too often collected as mixed waste and pre-treatable waste is too frequently incinerated for energy recovery. The findings of a study commissioned by the German Federal Environmental Agency in 2023 revealed that this is because of a lack of clarity in the wording of the ordinance, inadequate implementation by waste producers/holders and deficits in official enforcement.

In April 2024, the draft bill for the amendment of GewAbfV was presented. The aim of the bill is to make the ordinance more stringent and enforceable, to strengthen official control over the separate collection of commercial municipal waste and construction and demolition waste and to ensure that the envisaged recycling rate is achieved during pre-treatment.

In view of the deficits in official enforcement, the planned changes can and should be accompanied by further measures by the federal states based on current law. In particular, there are plans for stricter official controls of waste incineration plants to check for compliance with the pre-treatment obligation. Another change relates to the limitation of the cascade treatment of commercial waste to a maximum of two plants connected in series.

Subsequently, the amendment was adopted by the Bundeskabinett (Federal Cabinet) in November 2024 and was sent to the German Bundestag. At the end of January 2025, the amendment was debated in the German Bundestag and then sent back to the Committee on the Environment (Umweltausschuss) for further discussion. The draft bill will also be discussed in the German Bundesrat in March 2025. There are likely to be some serious disagreements on a few points. At their conference

at the end of November, the environment ministers of the German federal states concluded that there was still “considerable need for discussion and change” regarding the amendment to the GewAbfV. Following this, the new government will have to address this matter. According to the plans of the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMVT), the amendment of the GewAbfV will come into force on July 1, 2026, six months later than originally planned.

In particular, there are risks arising from the German Commercial Waste Ordinance, new recovery capacities (which have already been postponed or canceled in many places due to the current political and economic situation) and the continued push for separate collection of organic waste.

In 2022 and 2023, the net export situation seen in the last couple of years as a result of high capacity utilization (Germany had been a net exporter of refuse derived fuel (RDF) in 2020 and 2021) changed back to a net import situation (as prior to 2020), with a strained volume situation due to the current economic and political conditions. According to market information, several notification procedures are currently in the pipeline, mainly from Italy, followed by Poland, Great Britain and France. In France, the carbon tax on landfill is increasing. The increase of the incineration tax in the Netherlands and the introduction of an incineration tax in Sweden in 2020 as well as restrictions on RDF imports in Denmark are expected to curb future exports to these countries.

Risks for EEW arising from these legislative activities consist, in particular, in a potential volume risk and further bureaucratization.

### National emissions trading (BEHG): inclusion of waste incineration from 2024

At the start of 2024, thermal waste recovery will be subject to reporting and surrender obligations under the national emissions trading scheme which is based on the BEHG dated December 12, 2019 (German Federal Law Gazette (BGBl. I p. 2728), as last amended by Art. 7 of the Act dated December 22, 2023 (BGBl. 2023 I no. 412). These most recent amendments are price changes that have brought the certificate prices back up to the original level of EUR 45 as a fixed price for 2024 and EUR 55 as a fixed price for 2025. The reporting obligation requires plant operators to monitor CO<sub>2</sub> and report to the competent authority, the German Emissions Trading Authority (DEHSt) at the Federal Environmental Agency (UBA). There are two methods available: Monitoring using continuous emissions measurement (CEMS) or using the calculation approach, which is largely based on standard emission factors specified by the authorities. EEW uses the approach based on standard emission factors, as this allows the costs incurred to be allocated transparently to the individual deliveries. These costs can therefore then also be adequately passed on to the customers. The surrender obligation means that the plants have to purchase the required quantity of national emission trading certificates at the prices stipulated by law for the monitored and reported emissions and then surrender these certificates to the competent authority (DEHSt) in accordance with the relevant legislation, this being the German Ordinance on Emissions Reporting 2030 (EBeV 2030). This combination of reporting and surrender obligations applies to each calendar year as a reporting year and requires close cooperation between the plants and central departments as well as a nuanced response to market conditions.

The introduction of CO<sub>2</sub> pricing in thermal waste treatment from 2024 onwards, based on the BEHG (increase in the cost of incineration in Germany), has not yet resulted in a noticeable increase in exports. Whether this risk will materialize remains to be seen in the coming years. In addition, there are legal uncertainties regarding the costs incurred in connection with the BEHG for the procurement

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of CO<sub>2</sub> certificates and the passing on of these costs to the public waste disposal agencies in accordance with the polluter-pays principle.

Since the CO<sub>2</sub> pricing for waste incineration plant operators, which came into effect in 2024, represents a high cost/risk factor due to the possibility that the additional costs incurred cannot be fully passed on to customers.

### European Emission Trading(EU-ETS): inclusion of waste incineration from 2028

EEW is currently not required to act on waste incineration due to the applicable exemption under the EU ETS — except IHKW Andernach (due to waste and other fuels) as well as the plants in Stavenhagen/Germany and Göppingen/Germany (only standby boiler facilities, since they are greater than 20 MW). However, the trilogue agreement with the European Council and European Parliament required the European Commission to present a plan by mid-2026 on how to include waste incineration facilities in the EU Emissions Trading System (ETS) and to what extent other relevant topics, such as the landfilling of waste, which is still used extensively in the EU, can be integrated into the legislation. This integration of waste recovery is currently planned for 2028. In the meantime, plans are in place for the ETS 2, which will also include “buildings” and “transport” sectors in emissions trading, albeit separately. From a present-day perspective, waste recovery is to be integrated into the current emissions trading system for the industry, which will then be called the ETS 1. However, the European Commission requires a meaningful set of data for its evaluation phase, which is why a reporting obligation for thermal waste recovery in European emissions trading will apply as of January 1, 2024. The actual rules for this reporting require these rules to be transposed into European law. This was done by the so-called “TEHG amendment,” “the Act to Amend the Greenhouse Gas Emissions Trading Act in Line with the Amendment of Directive 2003/87/EC (TEHG European Law Adaptation Act 2024),” which was passed by the Bundestag on January 31, 2025, and by the Bundesrat on February 14, 2025. By all accounts, the German authorities are hoping to harmonize reporting as far as possible at both national and European level. There is no obligation to pay in this context, but such an obligation is expected to be transferred from the German to the European system as of 2028. It is not yet clear to what extent the German legislator will adapt the rules for this transitional period.

### German Packaging Act (VerpG): Higher recycling rates from 2022 — no significant effects

The amended VerpackG requires considerably higher volumes of waste to be recycled. Since January 1, 2022, higher recycling quotas have applied for packaging in Germany that had to be implemented by the dual system operators. The higher recycling quotas of the VerpackG can also contribute to achieving the European target of recycling 50% of plastic packaging from 2025 (according to the output method). More recycling of household packaging is expected to only have a minor impact on waste incineration, as packaging collection currently includes a large proportion of residual waste after sorting and incorrectly sorted waste and technical feasibility is still inadequate even in modern sorting facilities. The VerpackG did not have a significant effect on the thermal waste recovery business for EEW in the financial year 2024.

### Material Flow Management

Rising prices for the storage of waste for winter stocks may pose a risk to earnings, but at the same time may offer EEW the opportunity to develop a new line of business in interim storage and possibly also in the pre-treatment of waste.

The EEW Group may encounter logistics risks as a result of higher costs for its own transport organization in the event of having to redirect waste or transport it to storage facilities in response to changes in the legal framework (e.g., toll increases due to CO<sub>2</sub> pricing). There could also be bottlenecks in transport capacities as a result of smaller operations or transporters filing for insolvency because

they cannot fully pass on inflation and cost increases to customers. Transport capacities could also be lost if the economic situation causes the construction industry (e.g., cement plants) to produce less or even shut down production sites. As a result, it may no longer be possible to make round trips, as it is especially difficult in the bulk goods sector to switch to alternative transport goods.

### Green Financing Framework

In keeping with its aim of contributing to climate-friendly energy generation and its role in the circular economy, in 2021, EEW established a Green Financing Framework that will connect sustainable projects with sustainable financing. The Green Financing Framework creates the basis for the use of sustainable instruments to finance and refinance sustainable projects and activities offering a clear benefit for the environment and society. It defines, based on various voluntary standards on transparency and openness, the conditions for targeted investment in suitable sustainable projects and activities of EEW. Sustainable projects may include projects aimed at energy efficiency, avoiding and controlling environmental pollution as well as products, production technologies and processes designed for the circular economy. EEW wants to provide added benefit for all partners with this approach to sustainability. The Green Financing Framework is based on the following international standards: the Green Bond Principles published by the International Capital Market Association (ICMA) and the Green Loan Principles issued by the Loan Market Association (LMA). Inclusion in the taxonomy would be a recognition of the circular economy and would also boost the image of thermal waste recovery and offer the prospect of better conditions for future financing.

### **Legal risks**

Due to different legal views between EEW companies and contractual partners, legal risks can materialize, resulting in the necessity to clarify disputes with the help of court or arbitration proceedings. The outcome of such proceedings can in some cases have a significant effect on the operating results of the individual companies. These risks are limited by the early involvement of the Group's own legal department in the negotiation, conclusion and execution of major contracts. External legal advisors are used to assess and mitigate imminent risks from a legal perspective, where necessary.

### **Financial risks**

The EEW Group works with various customers, providing waste disposal services and supplying energy through electricity and heating/steam. Based on the invoiced services, incoming payments on outstanding accounts are regularly reviewed and reminders sent out within the framework of receivables management. Furthermore, credit reports on customers are obtained. Close consultation is maintained between the sales department and receivables management. Since EEW performs its activities in Europe and invoices them almost exclusively in euros, foreign currency risks can only arise through project activities in foreign currencies.

Interest expenses are expected to rise due to the current interest rate trend within the scope of the planned financing of the Green Bond and the revolving credit facility in the financial year 2026.

In the course of its business activities, EEW is exposed to financial market risks relating to assets, interest and discount and inflation rates. A change in the interest rate, for instance, affects the present value of pension provisions. In the course of investing its available cash and cash equivalents, EEW mostly uses time deposits with short notice periods.

### **Opportunities**

Several areas offer growth and related opportunities to boost the EEW Group's earnings in the relevant target waste disposal and energy markets. The new plant to replace the existing facility in

## Outlook, opportunities and risks

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Stapelfeld/Germany will cement the EEW Group's significance in the Hamburg and Schleswig-Holstein regions for the long term. The delivery of district heating from the second incineration line, EVE2, in Premnitz/Germany will make a significant contribution to the sustainable supply of district heating to the town of Brandenburg in the future. EEW's internal analysis of the development of the electricity and heating market in Germany and the resulting opportunities will be used to establish a new energy marketing business model — including grid system services with battery storage and the integration of heat pumps. Creating flexibility will provide added value and contribute to the stabilization of the grids.

As in 2024, EEW as a company will follow up on data and their appropriate use to streamline processes, make forecasts and increase customer satisfaction in the next years. For example, peak loads in the power grids of the general supply into which the plants feed can already be predicted with a certain degree of probability using well-trained algorithms. This tool is updated regularly. Currently, work is also being done on expanding the data provision for the EEW plants, designed to enable improved revenue generation from the plants in terms of energy revenues.

In the area of sewage sludge disposal, the necessary infrastructure is being expanded, having started at the latest after the legal amendment in 2017. This is due to the entry into force of the AbfklärV in 2017 and the tightening of the German Fertilizers Ordinance (DüMV) since 2019 as well as the obligation to recover phosphorous for municipalities above a certain size. In Germany, major investments are being made in the construction of new mono-incineration capacities for thermal sewage sludge treatment and phosphorous recovery. Once again, the sewage sludge disposal situation did not improve substantially in the financial year 2024 due to the crisis surrounding the Russia-Ukraine war. Prices for mineral fertilizers — especially nitrogen and phosphorous — remain high. Accordingly, there is still high demand from farmers for soil-based use of sewage sludge. Large quantities of sewage sludge were also used for co-incineration in coal-fired power plants in 2024, marking a continuation of the trend toward co-incineration in waste incineration plants, coal-fired power plants and cement plants. The price for the disposal of sewage sludge for thermal recovery did not recover in the financial year 2024 due to excess disposal capacity and stagnated at a low level. The obligation to recover phosphorous from sewage sludge applicable as of 2029 means that disposal by co-incineration and soil-based use of sewage sludge will largely no longer be possible after this point. Thus, the EEW expects a significant market recovery and improvement in the profitability of sewage sludge recovery as of 2029 at the latest.

There are discussions at EU level on amending the 1986 EU Sewage Sludge Directive. The amendment process is still ongoing and was not completed in 2024. An EU-wide consultation of associations (public consultation) was held in 2023 but has so far failed due to a lack of consensus among EU member states. The amendment process is expected to take until 2025.

EEW also sees growth potential in the rest of Europe. In Austria, the Benelux states and France the political and social acceptance of the use of sewage sludge as a fertilizer in agriculture is decreasing due to the contained hazardous substances, such as microplastics, pathogens and heavy metals.

The national subsidiary EEW Polska is involved in the acquisition of waste in Poland, which is thermally recovered within the EEW Group in Germany. The distribution services of EEW Polska include the procurement and notification of waste as well as material flow management. At the same time, EEW Polska is monitoring the development of the Polish waste market in terms of identifying investment opportunities, as the market for thermal waste treatment in Poland has a significant shortage of treatment capacity.

In addition to building new energy from waste and sewage sludge recovery plants, EEW is also working on expanding its product and service portfolio in the waste segment: Chemical recycling of plastic

waste or thermal treatment of electronic waste for the purpose of recovering precious metals and rare earth elements are examples of innovations throughout the current value chain.

Projects and activities in connection with residual waste disposal include recovery of operating resources (sodium bicarbonate), preparation of flue gas cleaning residues for use as an additive in the construction materials industry or securing capacities for disposal of flue gas cleaning residues in the long term.

Digitalization will also contribute to process optimization and efficiency enhancements at EEW. Several projects were implemented, continued and initiated in 2024. As in this year, EEW as a company will follow up on data and their appropriate use to streamline processes, make forecasts and increase customer satisfaction in the next years.

The EU Waste Framework Directive and especially the Landfill Directive, with its target of reducing the landfill volume to under 10% by 2035 (2022 status quo: 23.1%), have a future potential of 30-40 million mt (depending on the scenario: only existing plants or projects in comparison to the waste quantities, as well as acceptance of sorting residues, etc.) even with the achievement of the set recycling targets, which all EU states have been required to calculate using the output method and report to the European Commission since 2020. This development again leads to a dramatic drop in recycling rates and enormous efforts by EU countries, including Germany. According to the latest Eurostat data for 2022, Germany's recycling rate is 69.3%, which is by far the highest in the EU. The volume of municipal waste in the EU fell by 3.4% in 2022. There is an obvious connection to the subsiding of the coronavirus pandemic, which is likely to have been partly responsible for the significant increase in the volume of household waste in the two prior years. In 2022, EU countries recycled less municipal waste for the first time in almost 30 years. In fact, the proportion of landfill increased again: 48.6% recycled (2021: 49.8%) and 23.1% landfilled (2021: 22.9%). The majority of the 27 member states still have a long way to go if they are to meet the EU target of reducing the amount of municipal waste sent to landfill to 10% or less by 2035. This provides an opportunity to increase demand for EEW incineration capacities.

In addition, the shutdown of coal-fired power plants by 2038 at the latest, according to the German government's coal phase-out plan (2020), has had positive effects. The coalition agreement of the former traffic light coalition government sets out plans for an earlier coal phase-out by 2030. Most coal-fired power plants – except for the one from Leag – have already complied with the plan of an earlier phase-out. Mechanical-biological waste treatment plants are affected by shutdowns or a declining input, resulting in an increasing volume potential for waste incineration plants in Germany, which represents an opportunity for EEW.

The construction industry continues to forecast a revenue decline in real terms of 2.5% in 2025, which follows a decline of 4% in 2024 (Zentralverband Deutsches Baugewerbe). The construction industry faces considerable challenges and demand is lagging behind investment requirements. The trend toward lower demand for the treatment of high-calorific RDF in the co-incineration in the cement industry in favor of use in waste incineration plants will therefore continue until the construction industry picks up again and with it the demand for cement. This will lead to a positive effect regarding the commercial volumes. However, it remains to be seen to what extent the weak economy will lead to an overall reduction in industrial waste and how these effects will offset each other. The German government is still forecasting a growth of 0.3% in 2025 (2024: -0.2%), while other economic research institutes are more pessimistic.

Increasing requirements for municipal waste (increased statutory recycling ratios), raised targets for minimum recycling components in plastic packaging and rising costs for fossil CO<sub>2</sub> emissions (EU ETS and BEHG) are creating new opportunities for the construction of more plastic pre-sorting plants (as in Delfzijl/Netherlands).

**Outlook, opportunities and risks**

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As the fleet of plants, including those of competitors, ages, short-term, unplanned downtimes will continue to occur more frequently, giving EEW the opportunity to absorb these volumes on favorable terms thanks to its extensive network of plants (see AVR downtime in the Netherlands in the third quarter 2023). The downtime of AVR Rozenburg in Rotterdam (special effect) has also had an impact on 2024 and is expected to continue until the end of 2025. Although the first lines of the AVR have been back in operation since October, volumes held in storage are gradually being reduced as a consequence of the shutdown. In addition, due to plant shutdowns and revisions, there will still be an oversupply of quantities.

**Future development**

EEW intends to expand its role in resource conservation and sustainable energy generation for industry and households in Europe and thus enhance the circular economy. EEW contributes to reducing its emission footprint by increasing energy efficiency and using renewable energy sources at its plant locations as well as boosting recycling of residual waste and reducing greenhouse gas emissions. Investments in technological innovations and process efficiency, development of new products and services and continuous optimization of the plants lead to better processes for the long term and strengthens the circular economy. EEW positions itself as an attractive and forward-looking employer through personnel development programs, enhanced customer satisfaction, intensified stakeholder management and hazard mitigation plans at plant sites.

Helmstedt/Germany, April 22, 2025

EEW Holding GmbH  
The board of management

Signed:  
Poppe

Signed:  
Manns

Signed:  
Schmidt

**INDEPENDENT AUDITOR'S REPORT**

To EEW Holding GmbH, Helmstedt/Germany

**Audit Opinions**

We have audited the consolidated financial statements of EEW Holding GmbH, Helmstedt/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at December 31, 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of EEW Holding GmbH, Helmstedt/Germany, for the financial year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

**Basis for the Audit Opinions**

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

**Responsibilities of the Executive Directors for the Consolidated Financial Statements and the Group Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to 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, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that as a whole provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than 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 control.
- 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 group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Magdeburg/Germany, April 22, 2025

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

Signed: Dr. Jan Fürwentsches  
Wirtschaftsprüfer  
(German Public Auditor)

Signed: Michael Bornkampf  
Wirtschaftsprüfer  
(German Public Auditor)