

2021

We embrace
energy
transition

Annual Report •
Encevo S.A.





We envision Encevo as leading and sustainable energy player in the Greater Region.

In the rapidly changing energy landscape, we will ensure a secure access and competitive supply of energy, and actively shape the transition to a sustainable energy sector by embracing technology, deploying innovative solutions and partnering with local communities.

Encevo people are empowered and strive for excellence. We mobilise all our forces to bring the energy of tomorrow to our customers.

VISION

Index

06

Message from the
Chairman:
Marco Hoffmann

09

Management
Reflections

14

Group
Structure

25

Corporate Social
Responsibility

26

Key
Figures

34

Our Integrated
Approach to
Sustainable
Development

41

Stakeholder
Engagement

50

Business Integrity:
General Compliance

57

Indirect Economic
Impacts

62

Product Impact

69

Employee
Well-being

80

Resource
Efficiency

85

About the Report

92

Governance Details

99

Management Report

109

Consolidated
Annual Accounts

147

Extract of the Annual
Accounts of Encevo S.A.

167

Imprint

A new energy world is dawning

In 2021, the Encevo Group was once again able to live up to its vision of being a leading sustainable energy player in the Greater Region.

We continued to ensure secure access to and competitive supplies of energy while actively shaping the transition to a sustainable energy sector by embracing technology, deploying innovative solutions and partnering with local communities. The energy world has changed dramatically in recent years, and so too has the Encevo Group, which is now centred around three pillars of activity. While the newest, technical services, was introduced just a few years ago, all three pillars help us achieve our goal of a sustainable energy transition.

In everything we do, we stay focused on ensuring secure supplies of energy to our customers. Continued high levels of investment into the grids help us achieve our central goal of assuring security of supply while also getting us ready for the energy landscape of tomorrow.

We are seeing more centralised and decentralised renewable energy production, different consumption patterns and new opportunities. Smart grids let us integrate those tasks into existing infrastructure. For example, thanks to the installation of smart meters, Creos is now ready to integrate “energy communities” into the grid, where consumers in different locations with different supply and production patterns can share their energy among themselves.

The energy transition is also rooted in energy efficiency and renewable energy production. Through awareness campaigns, we continued our efforts to boost the efficient use of energy among our domestic, commercial and industrial customers. And in 2021 energy savings hit the highest levels we have ever seen. As for renewable energy production, Enovos branched out from more traditional installations into innovative

concepts such as photovoltaics (PV) on carports or floating PV plants. We are also seeing innovation accelerating in supply products too – a prime example being the Energiepark Südeifel, whose PV production is partly passed on directly to customers via renewable Power Purchase Agreements (PPAs).

Energy efficiency, renewable energy production and innovative products are also key tools for cushioning the excessive price increases that have shaken the energy markets since last summer – and which threaten to continue to shape the economic environment in the coming months due to the precarious geopolitical situation.

A sustainable energy transition depends equally on technical services. Overall 2021 was a year of consolidation – the rebrand from “Enovos Services” to “Teseos” sharpened the profile of this still young cornerstone of the group. And with diego now set up, we can serve our customers even better to drive forward the energy transition at all levels and include as many stakeholders as possible.

The Encevo Group thus supports the goals of Luxembourg’s National Energy and Climate Plan while acknowledging its deep roots across the Greater Region. Investment and projects in Luxembourg, Germany, Belgium, the Netherlands and France underline our ambition to contribute towards international targets for climate protection.

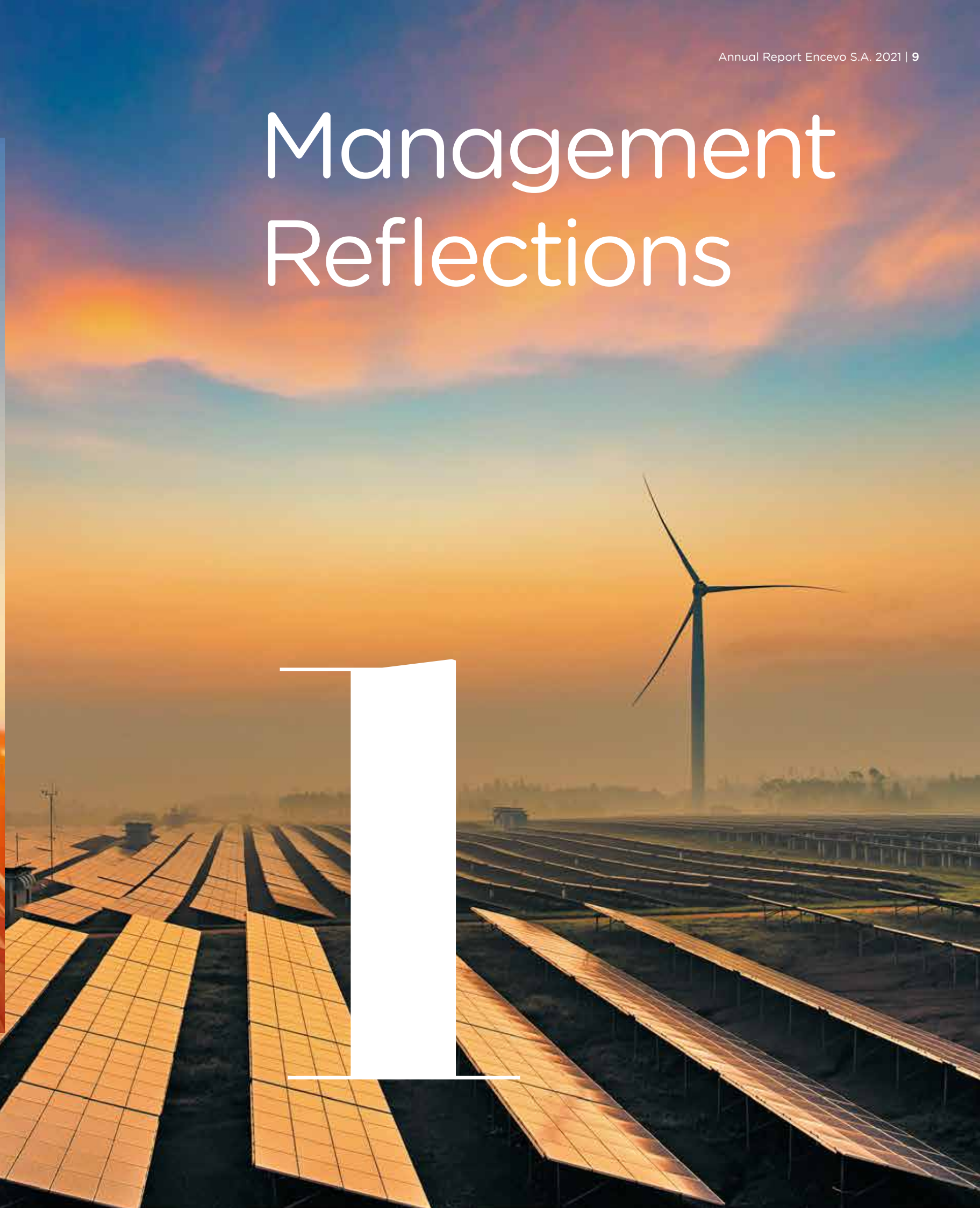
I am confident that 2022 will be another year of important milestones for the Encevo Group. We will continue to invest heavily in both grid operations and renewable energies, and, crucially, I know we can count on our employees’ commitment and expertise. I would like to take this opportunity to thank them all for their continued personal investment and ever-valuable work throughout the year.

We are seeing more centralised and decentralised renewable energy production, different consumption patterns and new opportunities.



Marco Hoffmann
Chairman of the Board of Directors

Management Reflections





Claude Seywert
CEO Encevo S.A.
Chairman of the Executive Committee

Up to the task

In yet another challenging year, dominated by soaring energy prices, Encevo Group continued to make progress towards a sustainable energy transition. Amid turbulent times, the group and its subsidiaries implemented crucial projects paving the way to a greener energy future.

2021 was another very unusual year. How would you rate the group's performance?

Our group had to face unique circumstances once again. Although we had already successfully adapted to the Covid situation, it still posed some indirect challenges, mainly in the supply chain. This led to delays for certain materials and affected our services and investments. But the biggest challenge was energy prices, which had really gone into a frenzy by the end of summer.

As a group, we managed to meet the overall budgets we set at the end of 2020, even exceeding expectations in some areas. Given the extraordinary circumstances in 2021, this is a monumental achievement and testament to the skill and dedication of our entire workforce.

You mentioned soaring energy prices, which became a global issue. How did the group handle them?

Energy prices went into a frenzy by the end of summer, starting with natural gas, and from then on it was a real rollercoaster ride. Suppliers were affected all over Europe and some could not stay afloat. Enovos navigated this challenge thanks to a clear and balanced hedging strategy. And our long-term sourcing strategy helped shield our residential customers from some of the price rises. The market situation will be with us for a while but we are striving to support and protect both residential and industrial customers as much as we can.

We made great progress in the field of renewable energies.

The biggest challenge – and really the only tool in our arsenal – is stringent risk management. Enovos' teams faced the situation head-on and did not panic. This is an excellent example of how important it is to have a solid foundation, including in financial terms, if you are to make it through such challenging times. It is also vital that our peers see us as a reliable partner, because without trust the markets do not work.

Did the Covid-19 pandemic still pose a challenge?

As our group had already largely adapted to the Covid situation during 2020, it did not have much more of an impact in 2021. Its effects were felt more indirectly, via supply chains where shortages caused delays, mainly in the field of technical services. With skyrocketing costs and poor availability for PV panels, some of Enovos' renewable energy projects were impacted. Creos investment projects were also hit to some extent.

Satisfactory performance in yet another crisis-hit year shows that there must have been some major achievements, is that right?

We made great progress in the field of renewable energies. In Luxembourg, Enovos inaugurated the country's biggest ground-mounted PV park, the biggest rooftop PV park, the first big PV carport and the first floating PV installation. Soler, Enovos' joint venture with SEO, commissioned new wind parks and repowered others.

In the Greater Region, we launched PV projects in the Netherlands and in Germany, where we connected the Affler PV park to the grid – the first 10 MW of a projected 214 MW, 11-park PV project in the Südeifel region (scheduled for 2022/23). As our group's largest renewable project so far, it is both a huge challenge and a great achievement for the Enovos teams – and it shows that our group is very much on track with its renewable energy projects.

In 2021, Enovos also achieved record energy savings with its client-partners. Energy efficiency is an equally essential part of a sustainable energy transition, and we are more than happy to step up to the plate in this area.

Grids play an essential role when it comes to the energy transition. What were the main developments this year?

Creos has a very ambitious investment plan. We need to expand and update our grid to feed in more and more renewable energies and increase electrification in general, starting with e-mobility. Even against the backdrop of the pandemic, our teams worked extremely hard and we were able to implement our plans and make the investments we had envisaged – a great success for us.

Creos was hit by the devastating summer floods. Even though the grids held up well and were only impacted to a limited extent, we are really thankful for our Creos teams – they reacted quickly, showed stellar commitment and did a great job at limiting the impact on our customers. With a new state-of-the-art dispatching centre in Bettembourg, Creos will now be in an even better position to address the challenge of implementing and expanding smart grids. And a new site in Merl now provides an optimal working environment for Creos teams to plan the future of Luxembourg's grid.

Were there any changes in technical services?

To really underscore that technical services is a key pillar within our group – just like

grid, supply and renewable energies – we changed its name from Enovos Services to Teseos. There were no new additions to the branch, but we decided to take a new approach with diego. Our aim is that through this we will be able to develop more robust solutions towards a sustainable energy transition and deliver them more quickly.

You mentioned renewable projects in Germany and the Netherlands – what other developments were there in the Greater Region?

Our group positioned itself in the field of hydrogen, firstly with the MosaHYc project through Creos Deutschland and secondly by starting the Grande Region Hydrogen initiative. Through this alliance, we are aiming to bring together a range of stakeholders, in line with the country's hydrogen strategy, and develop an ecosystem in the Greater Region. The scheme is still in its infancy, but as a group we are trying to take a leading role in this field.

In Germany, we restructured our group to bring Enovos and Creos closer together under a newly created Encevo holding company in Germany.

One goal we did not achieve in 2021 was selling Enovos' German B2B activities. With the markets so uncertain at the moment, it was just not possible to finalize the divestment of these sales operations.

What challenges do you see arising in the future?

The challenge facing us – and the energy world as a whole – is the energy transition; there are no two ways about it. We are eager to be the driving force behind the transition in the Greater Region, but the challenge is many-sided.

We need to expand renewable energy but, with Enovos for example, it is becoming ever more challenging to find opportunities and locations to develop big utility-size PV projects. This means that smaller installations will play a more central role, hence our development of diego. We want – and need – to help customers be

With a total projected capacity of

214 MW

the 11-park PV project in the Südeifel region is the group's largest renewable energy project

The challenge facing us – and the energy world as a whole – is the energy transition; there are no two ways about it.

part of the energy transition, so energy efficiency will also be a key issue for years to come.

We also have to expand and upgrade our electricity grids, not only to integrate more renewable energies but also to react to changing consumption patterns. For example, with e-mobility really taking off, Creos has continued to expand the Chargy and SuperChargy network. Yet at the same time this makes the issue of smart grids even more pressing. Creos' 380 project (creation of a new 380 kV power connection to Germany) was in the preliminary study phase last year, but the findings will be presented in 2022 and the project will really start to take shape. Another major challenge for the next few years is decarbonising our gas grids, which we will address in part with hydrogen.

Achieving our ambition of driving forward the energy transition requires huge long-term investments. We are investing

heavily in digitisation and renewable energies and are continuing to consolidate and invest in technical services to be ready for a decentralised energy world. Our grids, particularly power grids, still need enormous investment as well.

What makes you confident Encevo Group will be up to the task?

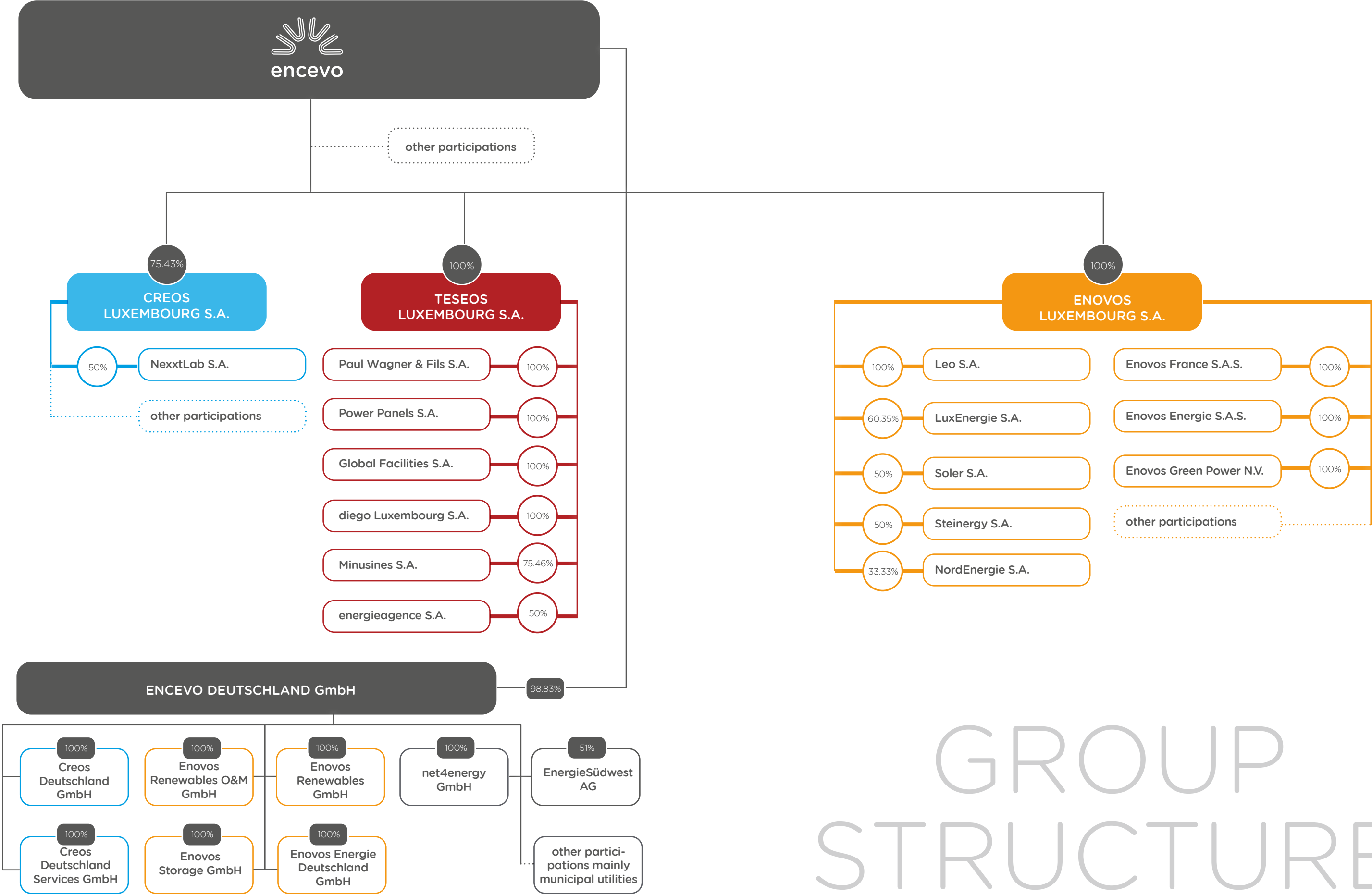
We have risen to the immense challenges posed by the last two years. We kept services running while also making great headway with key projects that will help drive the energy transition forward – be it in renewable energies, green energy supply, grid or technical services.

Our employees excelled and I want to thank them sincerely for their commitment. Our group boasts a wealth of knowledge and incredible skills across the entire energy value chain, and it is this that lets us act on so many fronts working towards a sustainable energy transition in the Greater Region.



We have risen to the immense challenges posed by the last two years.





2021: strong operational performance against a very challenging backdrop

Stronger financial results than previous years despite soaring energy market prices in H2 2021

The group’s operational results (EBITDA of EUR 239 million) have exceeded expectations and are some EUR 15 million higher than in 2020. This is despite volatility and gas, power and EUA prices soaring to unprecedented levels during the second half of 2021.

The improved EBITDA stems from robust performance in Markets, Technical Services and Renewable Energies (the EBITDA contribution from Grids stayed flat, albeit at a high level).

In this volatile environment, stringent risk management combined with good performance of the Energy Management & Trading teams was key.

Encevo’s overall investment activity was high over the year, hitting a new record of EUR 268 million – some EUR 16 million above 2020. Of note was the EUR 203 million invested in grid and EUR 38 million in renewables.

One significant impairment negatively impacted net profit in 2021 – our unsuccessful exit from B2B sales activities in Germany meant we had to book a provision for that activity in 2021. The group’s net profit for the year 2021 came to EUR 79.7 million, EUR 41.5 million higher than in 2020.

Lower working capital and strong operating cash flow thanks to solid cash management

In 2021, the group generated sustained sufficient cash flows to finance its record investment activities.

Encevo achieved
a new record
investment level of
EUR
268
million
in 2021

Operating cash flow of EUR 274 million exceeded the 2020 amount by EUR 12 million, largely due to improved results and lower working capital. Free cash flow of EUR -8 million decreased by EUR -44 million compared to 2020, driven by higher investments, increased loans to participations and the one-off positive cash impact in 2020 linked to the first consolidation of some Technical Services and Renewables companies.

The group successfully accessed the debt capital markets in late 2021, with proceeds of EUR 200 million from a green German Schuldschein.

Consequently, consolidated net financial debt increased only slightly to EUR 489 million at the end of 2021, and gearing – the ratio of net financial debt to total equity – stayed flat at 34.8%. Both indicators were at or close to their lowest levels since 2012.

Capital and reserves further increased to EUR 1,404 million. This represents 43% of total assets, illustrating the group’s continued strong balance sheet.

Challenging outlook for 2022 due to the ongoing Russia/Ukraine war and its impact; investments still expected to rise from 2021 record levels

Russia’s invasion of Ukraine in February 2022 and the ensuing war has significantly increased the risks related to the European energy sector. This is a continued source of uncertainty regarding the overall economic outlook as well as for market prices, counterparty risk and physical supply risk. At the same time, potential regulatory/governmental intervention to cap prices for B2C

customers cannot be excluded. The group will continue with its high levels of investment in grid infrastructure. It will further intensify and accelerate its efforts in developing renewable projects in its core markets of Luxembourg, Germany, Belgium and the Netherlands, as well as in France.

In addition, the group will continue to focus on supporting its customers on their digital journey towards more efficient and sustainable energy consumption. We will offer additional services and increased renewable generation capabilities while ensuring overall competitive sourcing in these very challenging conditions to minimise the impact of price increases on customers.

Given the insight gained from the first few months of 2022, and subject to a swift end to the uncertainties surrounding the Russia/Ukraine conflict, we expect to maintain our financial performance from previous years at operational level. Due to the increased market price levels and the continued growth in the group’s investments, it may be necessary to access the financial markets over the course of 2022.



Marc Schroeder
Chief Financial Officer
Encevo S.A.

Member of the Executive
Committee

Key figures consolidated	2021	2020
Sales volume gas (TWh)	21.1	24.1
Sales volume electricity (TWh)	13.2	10.8
Sales (EUR millions)	2,516.8	1,998.1
EBITDA	238.6	223.3
Operating cash flow	273.9	262.2
Free cash flow	(8.1)	36.2
Net profit for the year	79.7	38.2
Total assets	3,266.8	2,728.7
Capital and reserves	1,403.9	1,343.8
Net financial debt ^(*)	488.9	466.2
as a % of capital and reserves (gearing ratio)	34.8%	34.7%
Capital expenditures	268.4	252.1

^{*} including finance leasing obligations and net of cash and marketable securities

Digitising the energy transition

What were the main challenges Creos overcame in 2021?

In 2021, we entered the second year of the pandemic, and I'm proud to say that we handled the situation quite well. Our measures, such as fewer in-person meetings and remote working as much as possible, successfully helped limit the risks of infection without affecting our employees' sense of being part of a company – they have remained committed and motivated throughout.

This was particularly apparent during the unprecedented flooding we saw in July. Although the damage to our infrastructure was minimal, our teams had to respond to multiple emergency situations in order to restore the supply to affected buildings. In the middle of the night, in very difficult – even dangerous – conditions, our employees were able to intervene very quickly and prevent catastrophic situations. I would like to thank them once again for their tremendous effort.

The supply chain is presenting a more persistent challenge. Some of our projects – particularly ultra-fast charging stations – have been significantly delayed due to the worldwide shortage of components. But despite the challenges, these stations are proving to be a huge success and have been very popular with drivers of fully electric cars.

E-mobility seems to be ramping up in the same way as renewable energies. How are you handling this change as a grid operator?

We plan to install ultra-fast charging stations in several parking areas along the main motorways in Luxembourg. But we're also seeing a significant rise in demand for both private charging points and photovoltaic installations.

Our main challenge remains strengthening our grids and other infrastructure to support a sustainable energy transition.

This trend will undoubtedly accelerate in the next few years, which might be encouraging for a sustainable energy transition but will be challenging for us as a grid operator. This is precisely why we need to make further headway on smart grid infrastructure.

The myCreos portal, our customer relationship management tool, will be a key asset for dealing with customer requests. As it stands, almost all requests are sent via the portal and customer satisfaction is very high.

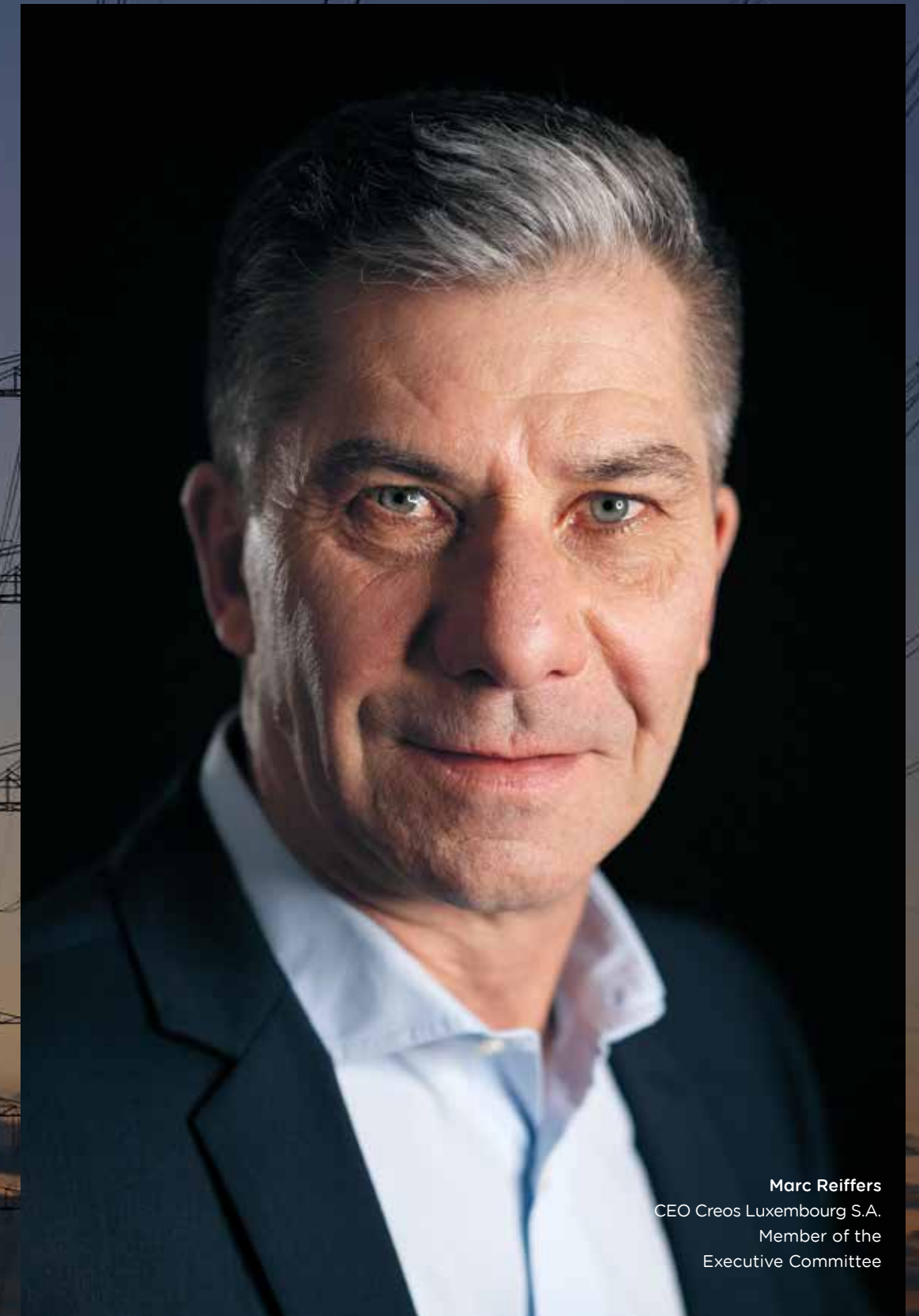
What are your predictions for the future?

Our main challenge remains strengthening our grids and other infrastructure to support a sustainable energy transition – something which will require high levels of investment.

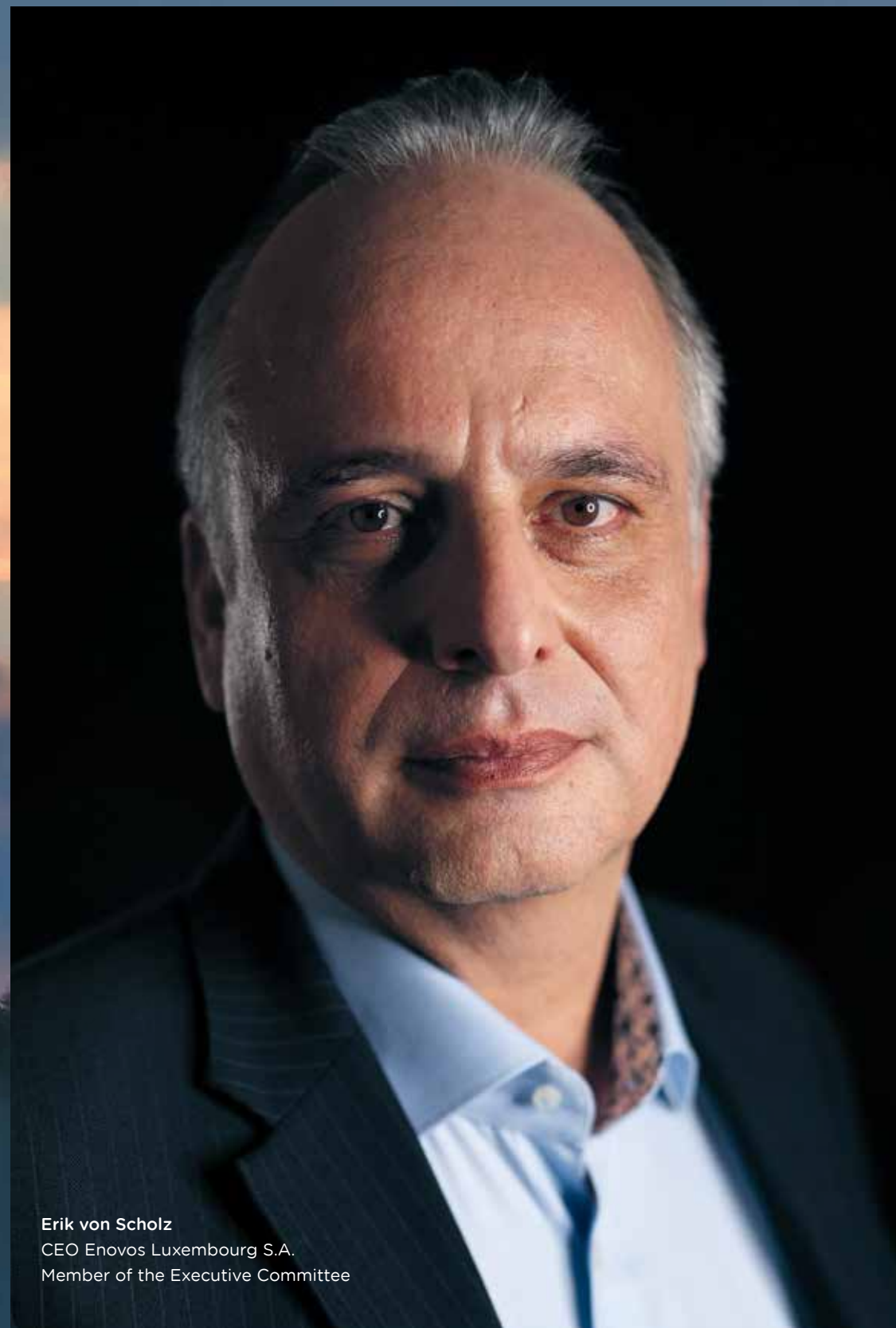
One success in this regard is our new site in Merl. Completed in 2021, this building marked the culmination of our modernisation strategy, which began with the construction of the Operations Centre and workshops in Roost in 2011 and continued with the extension of the Contern Centre in 2015 and the commissioning of the new dispatching facility in Bettembourg in 2020.

We will also continue to invest heavily in bolstering our electricity grids and transformers, digitising our infrastructure and developing smart systems to prepare the country for the energy transition.

What's more, we have been tasked with designing, planning and managing the future national IT platform for energy data, which will speed up the digitisation of the sector and simplify communication between all stakeholders. In the long term, our future lies in the wake of digitisation, an area where we have already made giant strides.



Marc Reiffers
CEO Creos Luxembourg S.A.
Member of the
Executive Committee



Erik von Scholz
CEO Enovos Luxembourg S.A.
Member of the Executive Committee

At our customers' side

2021 was marked by soaring energy prices. How did Enovos address this and what is the outlook going forward?

By the end of summer, we were seeing extreme price increases, which started with natural gas but gradually affected power too. By Q4, we were on the brink of an energy price crisis. But our business model proved robust and our risk management helped us tackle our customer supply challenges. And we demonstrated clearly how reliable we are as a supplier. This reliability is not a given – we saw suppliers all over Europe who could not cope with the market environment.

As it stands, we cannot say for sure whether the high prices are temporary or will be with us for longer. But we do not see prices going back to the low levels we have had in the past few years. We will continue with our approach and try our best to protect our customers. It is important that we face the situation head-on and keep adapting and improving our processes. In the long term, we have three courses of action that we can – and will – take.

What are these courses of action?

The first is customer centricity. Consistent, clear communication with our customers is paramount. All the efforts we have put into enhancing our call centre and customer platform have proven their worth. On top of that, we maintain strong ties with our partners, customers and the wider industry. Expanding renewable energies in the Greater Region is another key element. We made substantial progress in 2021 in Luxembourg with innovative

photovoltaic (PV) projects. Through Soler, we also further boosted our wind energy capacity in Luxembourg. And we have continued to build up our renewable assets in the Netherlands and Belgium. Our biggest current project has now started in the Südeifel region, where we have plans to build 11 PV projects for a total capacity of 214 MW.

Energy efficiency is an equally important course of action towards a sustainable energy transition. We have made incredible progress, achieving record energy savings of more than 181 GWh during 2021.

What lessons can be learned and what is your prediction for the future?

Our immediate challenge is the same as for our customers: high energy prices. So, we have to really speed up the energy transition. Renewable energy and energy efficiency can be important parts of the solution from a financial point of view too.

The energy world of tomorrow is strongly linked to global developments, and last year was a prime example. This is particularly apparent with natural gas. Yet there is a lot we can do locally to deal with this kind of crisis and prepare for the future. And a lot can be done at European level too.

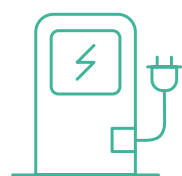
At Enovos, we are of course focusing on a local approach, expanding renewable energies and reducing energy consumption alongside our customers.

181
GWh

Enovos achieved a record of more than 181 GWh in energy savings in 2021

Ever more important

We are moving towards a world in which energy production and storage will be increasingly decentralised.



E-mobility is growing at an impressive rate

What were the main developments regarding technical services?

Last year was mainly one of consolidation. After three years of expansion, the technical services pillar now covers eight companies with more than 700 employees, both directly and through shareholdings. And a lot of work and thought have gone into making sure this pillar is set up for the future.

With technical services activities gaining in importance and maturity, the group decided the branch was in need of a rebrand. In doing so, we wanted a unique name that makes it clear that technical services is an independent pillar within the Encevo Group while still being closely tied to the other pillars, Creos and Enovos. And so, Teseos was born.

How did technical services fare in this turbulent year 2021?

Technical services had good results overall and we are very satisfied with the growth at our subsidiaries, which exceeded expectations across the board. They showed strong order books, with activities really picking up again after the Covid-related dip. The branch was affected by problems due to supply chain shortages, but that was a global phenomenon caused by Covid.

Regarding our workforce, we are finding it more and more difficult to recruit the right people, but general trends are very good. A good number of projects were implemented through our subsidiaries, mainly in the domains of e-mobility and photovoltaic installations.

What is the outlook moving forward?

The importance of a joint effort for the energy transition cannot be overstated, and technical services lets us get more stakeholders actively involved. We are moving towards a world in which energy production and storage will be increasingly decentralised. E-mobility is growing at an impressive rate, energy efficiency is becoming more and more important, and the models of energy communities and self-consumption are closer and closer to becoming a reality – if they are not already.

These are all topics that we are either looking at or already working on so that we can continue to drive the energy transition forward. We are already in an excellent position and our new approach with diego will only strengthen us even more. Our goal is also to continue to grow – first and foremost organically. Beyond that, we see ourselves as a key player in the energy transition in the Greater Region, and we also hope to take our first steps in the area of technical services in Germany soon.



Claude Seywert
CEO Encevo S.A.
Member of the
Executive Committee



Corporate Social Responsibility





2,332
Employees



374
MW
Renewable net
installed capacity



17,824
training hours



36g
average CO₂ emissions of our
leasing fleet (target 50g CO₂)



13.2
TWh
Energy
Sales Power

KEY FIGURES

Consolidated figures of Encevo Group



3,653 MWh
of green energy distributed
on Chargy network



705
GWh
Total renewable
energy production



21.1
TWh
Energy Sales
Gas



6,000
GWh
electric power
transported



41,640
GWh
of natural gas
transported

Restructuring of group activities in Germany

by creating a group structure similar to Luxembourg, i.e. a holding company as main shareholder of the operational subsidiaries (grid, supply & renewables, technical services).

New CFO

On 1 October 2021, Marc Schroeder is appointed as Chief Financial Officer of Encevo and Member of the Executive Committee as successor of Guy Weicherding.

Development of PV project Südeifel

in Germany and commissioning of the first of 11 PV parks with an overall planned capacity of 214 MW.

Successful close

of a new long-term financing transaction (Green Schuldschein) in order to finance green projects of the group.

New identity for the technical services

branch of the group: Enovos Services changes its name to Teseos.

Successful launch

of diego S.A. as own company owned by Teseos.

Ongoing investments in start-up companies

that offer promising solutions in the context of a sustainable energy transition. Increased participation in Energyency, entering shareholding of Ezzing Renewable Energies and Ewattch.

Heavy floodings in July

require Creos teams to respond to multiple emergency situations in order to restore the supply of affected buildings.

MILESTONES 2021

Establishment of long term oriented partnership

with Luxembourg's leading research institutes LIST (Luxembourg Institute of Science and Technology) and SnT (Interdisciplinary Centre for Security, Reliability and Trust of the University of Luxembourg).

Enovos achieves energy savings of more than 181 GWh

in the context of the Energy Efficiency Obligation Scheme and further development of the enoprimes programme with nearly 4,755 new applications.

Construction of a major biomass cogeneration plant in Strassen.

Four additional PV parks

commissioned in the Netherlands.

The myCreos customer portal

is launched and encounters great success: almost 100% of requests are sent via the portal.

Enovos doubles PV capacity in Luxembourg

with an additional 14.5 MW added. Among the seven new projects are a state-of-the-art carport and an innovative 3 MW floating installation.

Installation the first ultra-fast charging stations

(SuperChargy) at University of Luxembourg car park in Kirchberg and the P+R in Junglinster.

Move to new state-of-the-art headquarter

buildings for Creos in Luxembourg-Merl equipped with the latest technology.

Encevo Group Value Chain

Energy Supply

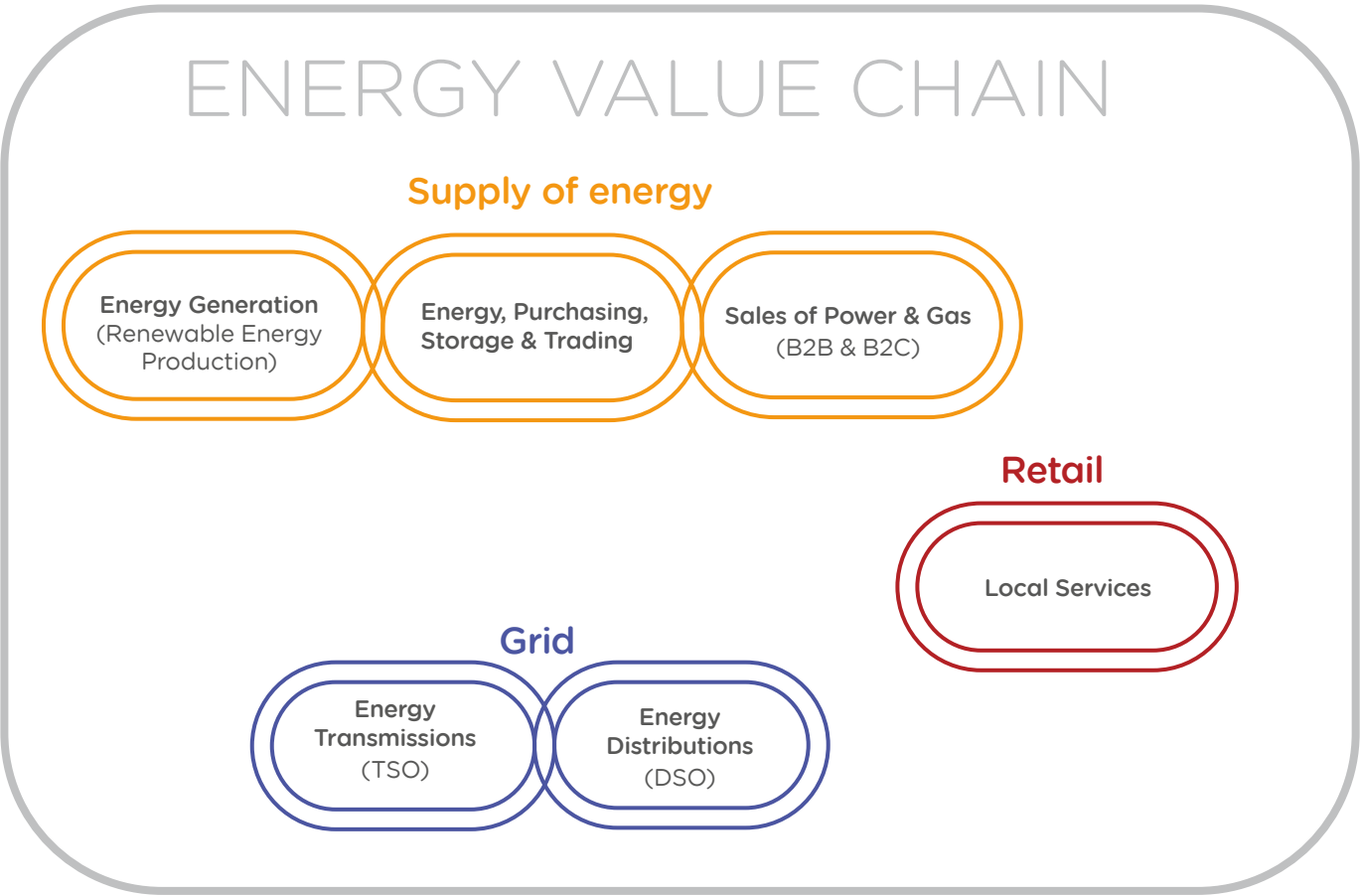
Enovos is Luxembourg's main energy supplier. Our mission consists of two main pillars. On the one hand, Enovos provides electricity, natural gas and renewable energies to a wide range of customers. On the other hand, Enovos is active in the development of renewable energy projects. Thus, Enovos continuously invests in renewable energy production, especially in the domains of photovoltaic energy and wind power. By doing so, Enovos ensures a sustainable and competitive energy supply for all its customers.

Grid

The mission of Creos is to viably ensure energy transportation and distribution via electricity and natural gas pipelines at transparent rates in the Grand Duchy of Luxembourg and the Greater Region. This role is executed with equal respect to; all suppliers, the company's public service responsibilities, and environmental protection obligations.

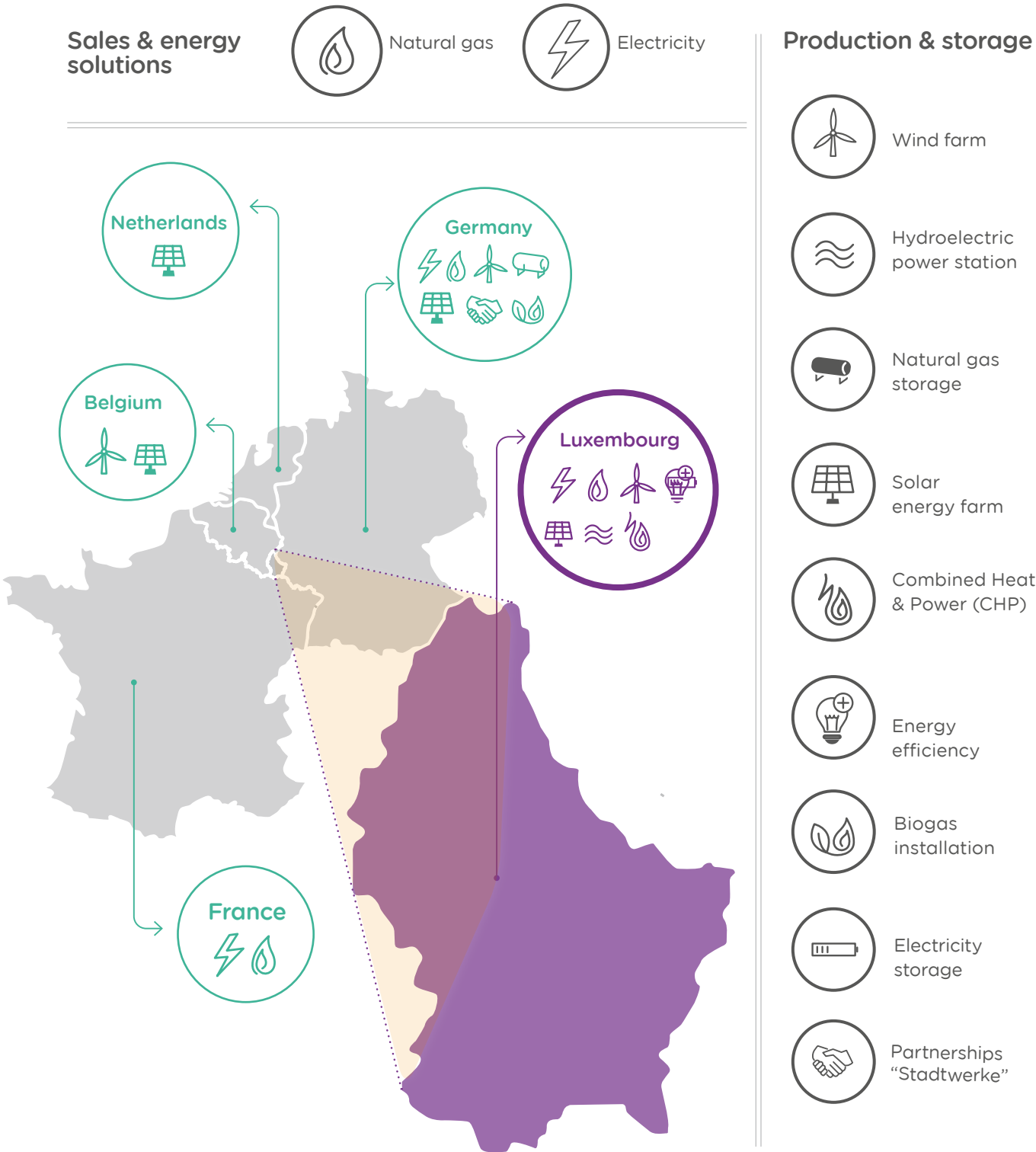
Retail

Teseos handles the group's presence and activities regarding installations and technical services in the domain of building equipment, distributed energy production, electro-mobility and energy efficiency. Teseos aims to be a catalyst for the energy transition going on in Luxembourg and within the Encevo Group; handling the group's presence and activities in installations and technical services.



Our Presence in the Greater Region

Luxembourg's main energy supplier is Enovos, which also operates in Germany, France, Belgium and the Netherlands. Enovos ensures a sustainable and competitive energy supply for all its customers.



Our Value Creation Model

Sustainable energy transition is the foundation for our business, and leaders must have a positive track record that extends beyond mainstream topics. Current development shows how customers as well as employees, partners and financial investors are drawn to companies that demonstrate environmental, social and governance responsibility. Encevo being forward-thinking and sustainable can leverage these qualities and have a competitive advantage in our market. Expectations have been raised to include leadership in areas such as human rights and measuring sustainability risks through our value chain. Customers want simple, sustainable and more digital solutions. With more decentralised and smart solutions, Encevo will be expected to help their customers optimise their use to become more efficient and manage the interplay between them. Since many solutions, such as solar photovoltaic (PV), e-mobility and energy storage are available today, Encevo can provide integrated solutions that truly focus on customers' needs by leveraging expertise across our full energy value chain to maintain our strong competitive advantage.

Our offers with reliable and smart energy supply for the benefit of a growing and evolving country make sure that our communities take full advantage of our sustainable business model.

Our value creation model summarizes the input we use and the added value we create for our stakeholders through our core business activities. Furthermore, all the elements in our value creation model are linked to the respective sections of this report, which provide further detail.

Inputs

- **Strong balance sheet** to further develop sustainable and CO₂-free wind and solar power
- **Unique Portfolio** to drive growth investments in renewables. Investments in energy transition and smart grids. Maintenance investments
- **Innovation capabilities** including skills in engineering, services, market analysis, trading, market knowledge, digital competence and technical innovation
- **Stakeholder relations** ensuring credibility and trust as a partner and driver of the energy transition with customers, suppliers, governmental and local communities
- **High performing organisation** with our unique workforce and intellectual capital
- **Responsible resource use** within our CSR Sustainability Framework

Where we create value:

The following value creation is expressed in % related to our adjusted EBIT KPI:

- **Supply of Energy:** 39.86% contribution
- **Grid:** 57.34% contribution
- **Local Services:** 2.80% contribution

We aim to optimise the use of our resources. We fully integrate sustainability into our decision-making process to create more solid value for our stakeholders. Our business model focuses on 3 growth engines: 1) Energy supply and renewable energy production, 2) smart and reliable grid system ensuring security of supply, and 3) Services. With these strong businesses along our value chain, we ensure:

- A responsible and inclusive corporation
- The developing sustainable operation
- The sharing of value with communities.

The objective of Encevo's sustainable development strategy is to favour the sustainable creation of value. This is done by engaging in activities focused on our corporate objects, considering stakeholder's needs based upon their business interests and current institutional realities. Our list of stakeholders is detailed in the chapter of our materiality analysis.

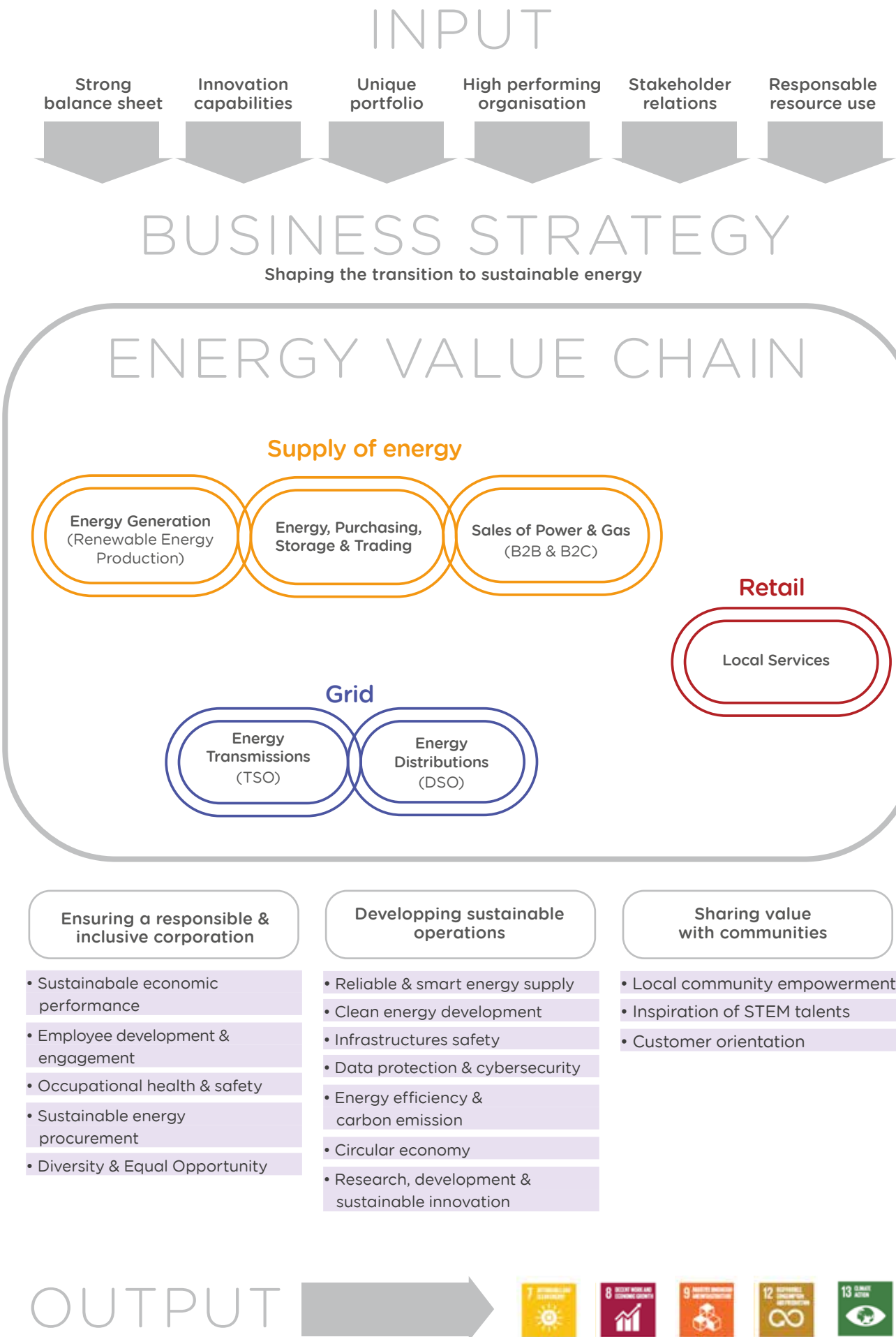
Output

Based on our group strategy, we pursue our plans to drive the energy transition forward. We are dedicated to the sustainable creation of value for all stakeholders, using environmentally-friendly energy sources to provide quality service, staying alert to opportunities offered by the knowledge economy, and to the SDGs; especially in relation to goals 7, 8, 9, 12 and 13.

The utilities sector is a significant driver of the economy. It continuously contributes to it through significant investment and the creation of high-quality jobs, both direct and indirect. Its function is to provide safe, competitive and sustainable energy supply.

The Encevo Group focuses its efforts on key Sustainable Development Goals where we see the group's most active and direct contribution.

*The KPIs GRI204,416,413 EU10/11/12/28/29/30 will be reported progressively as of Encevo Annual Report 2022. Please find full details of Grid Reliability indicators in our Creos Annual Report.





SDG 7: Sustainable and clean energy

Despite the extremely volatile energy prices and markets during the last quarter, we are still ensuring access to affordable, reliable and modern energy from renewable sources. Encevo Group is working hard to increase the number of projects of modern green energy, for example with the first large floating PV installation with 3MWp or innovative carport solutions (0,7MWp). We drive all our efforts and dedication to support the Luxembourgish Government 2030 target of 25% green power. In 2021, we have achieved outstanding renewables projects together with our industrial partners succeeding to a new installed capacity of 14,6 MW in 2021 in Luxembourg. The total installed capacity remained however at 184 MW, which is a temporary impact of the re-powering of old wind turbines with not yet commissioned new ones. At year's end the operational assets comprise 80 MW of onshore wind, 30 MW of photovoltaic installations, 41 MW of combined heat and power (CHP) and 32 MW of hydro power. Please find details in our detailed section related to product and services impact, where details can also be found related to our installed capacities in the Greater Region and related production figures.

SDG 8: Decent work and economic growth

We are proud of our pandemic crisis management during the second year as we could demonstrate our responsibility to ensure our staff have a safe work environment seriously. Our crisis management ensured security of supply but also an agile way to react to pandemic restrictions to protect our workforce and partners from the virus. End of the year, we implemented at a fast pace the "Covid law" which ensures through our Occupational Health, Safety and Environment department an excellent management (213,050 surgical masks type II and 11,050 antigen tests distributed to our employees). Thus, we were able to maintain an excellent level of service for our customers which consequently led, despite the challenging

conditions, to very good results. Encevo still focuses on increasing awareness of occupational health regulations and embedding behaviors that ensure health and well-being for staff, third-party contractors and impacted communities.

We achieved our objectives 2021 in recertifying our standards (SGS, Vision ZERO) and continuation for ISO 45001 preparation. Also, our new Creos Headquarter was inaugurated and our employees can benefit from the highest standards in terms of modern and sustainable office facilities.

SDG 9: Industry innovation and infrastructure

The journey of digitizing the customer interaction through updated Customer Relationship Management (CRM) systems continues and is embedded into our Strategy. The transition requires investment into a new, smarter approach to managing the system, which should be increasingly intelligent and flexible both at the level of the grid and in terms of the market. Encevo conducts innovation and technology-based projects to provide new capabilities to serve our customers better, conduct high performing operations and reduce the environmental impact of our day-to-day. These projects and initiatives are embedded into our strategic plans, make good progress and are conducted in various business units of the organisation.

During 2021, we concluded Memorandum of Understandings (MoU) leading into long-term contracts with the regional R&D institutions and have notably agreed to strengthen cooperation with the Luxembourg Institute of Science and Technology (LIST) and the Interdisciplinary Centre for Security, Reliability and Trust (SnT) of the University of Luxembourg with the aim to combine existing research expertise with the Encevo's industry knowledge.

We are proud of the achievements of our installed 800 loading stations in 2021 and the start of installing Super Chargers

(SuperChargy) with 160-320 kW charging capacity. The first super Chargys have been successfully deployed in 2021 and further will be deployed during 2022. Furthermore, we are proud to announce a very good result for one of our key indicators in our grids with an average SAIDI of 13.7 minutes per customer (System Average Interruption Duration Index). More details on our grid reliability and security of supply can be found in our Creos annual report.

SDG 12: Responsible consumption and production

Sustainable development is at the core of Encevo Group's vision and mission. Encevo increases customer centricity and develops innovative, smarter and more sustainable products and services with a focus on energy efficiency.

At the same time, we aim to minimise individual customers' energy consumption based on a full roll-out of digital smart meters and state-of-the-art digital tools. Our customer programs raise awareness regarding energy use and encourage effective energy management behavior. As in the previous year, considerable efforts were made in the Energy Efficiency Obligation Scheme (EEOS) in all sectors. Our enoprimes teams generated more than 4755 offers for new energy efficiency measures and in the same time could finalize more than 2066 initiatives. 2021 was a successful year for our enoprimes program, where we overachieved our annual objectives. Our group CEO advocates energy efficiency initiatives in public speeches such as for example a well-known format with "10x6 Paperjam Club" on CSR Strategies.

SDG 13: Climate action

Since 2014 our "Dark Green" and developing along our value chain energy efficiency services, we respond to the demand of decarbonized energy that helps to combat global warming. There is increasing urgency linked to climate change, and efforts to reduce emissions need to

accelerate. We are therefore working intensely on realizing through the "Bilan Carbone" methodology an inventory on group GHG emissions. We are proud that we could achieve during 2021 the full inventory (scope 1, scope 2 and scope 3) for our grid operation entities both in Luxembourg and Germany. There is also a need to adapt to a changing climate. Climate change affects Encevo through physical effects on our assets and operations (for example the flooding disaster during July), and through changes associated with the transition to a fossil-free society. We are committed to our sustainable energy transition plans and convinced that this will be enabling us to secure a resilient business and capitalise on future opportunities. We support the disclosure of climate-related risks and opportunities in accordance with the upcoming CSR-Directive and are preparing to include the risks and opportunities that climate change entail for our processes in our reporting. Hydrogen is clearly one opportunity, amongst others, to decarbonise the energy system. Our German grid led project "mosaHYc" is currently in the selection process of the Important Projects of Common European Interest (ICPEI) for the development of a pan-European hydrogen economy (pls. see further information on page 64).



Our Integrated Approach to Sustainable Development

Encevo’s sustainability context

The second year under pandemic restrictions was challenging, but our approach to sustainable development was further strengthened and our beliefs related to our energy sector context did not change.

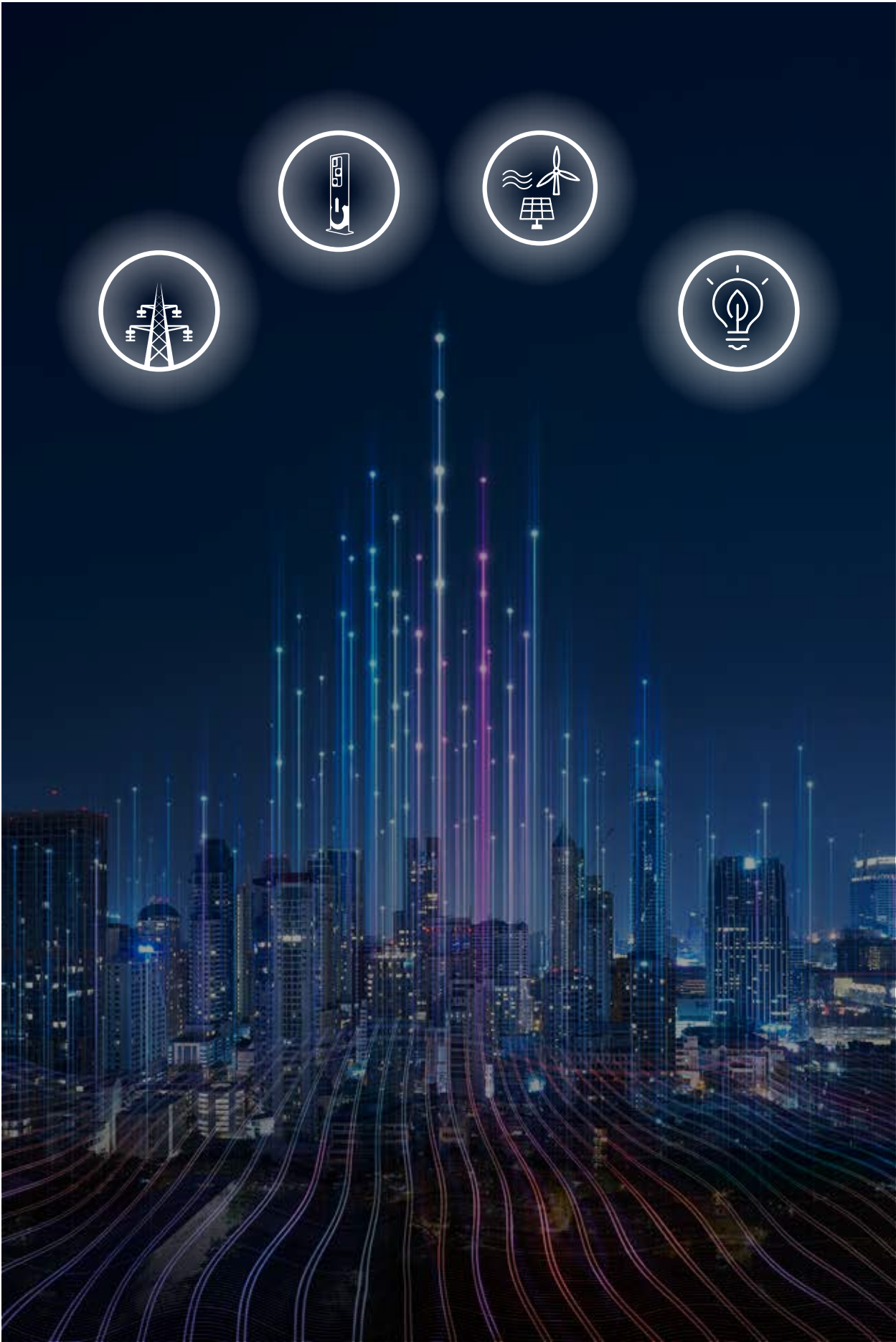
Careful management of stakeholder relations is needed to enable the progression of renewables and increase the grid’s reliability. Demand for fossil fuel-free electricity is growing as sectors continue to electrify. This requires a massive investment into renewables as well as the strengthening and modernisation of the current electricity grid infrastructure. Therefore, good stakeholder management and community engagement skills and dialogue will be fundamental enablers. Also, a good understanding of upcoming regulatory requirements such as EU Taxonomy and the CSRD will be paramount.



Digitisation of the entire energy value chain is necessary and is a key enabler for energy system flexibility. With a growing reliance on renewables and successive electrification across various sectors, it is essential to make better use of existing infrastructure and assets along with the potential for flexibility to continue delivering an optimised and efficient energy system. In this context, the ability to extract insights from data will be a necessary precondition for staying competitive in our product and services offering. Apart from the fact that this is relevant for managing assets and enabling flexibility, it will also provide customers with information and services they demand.

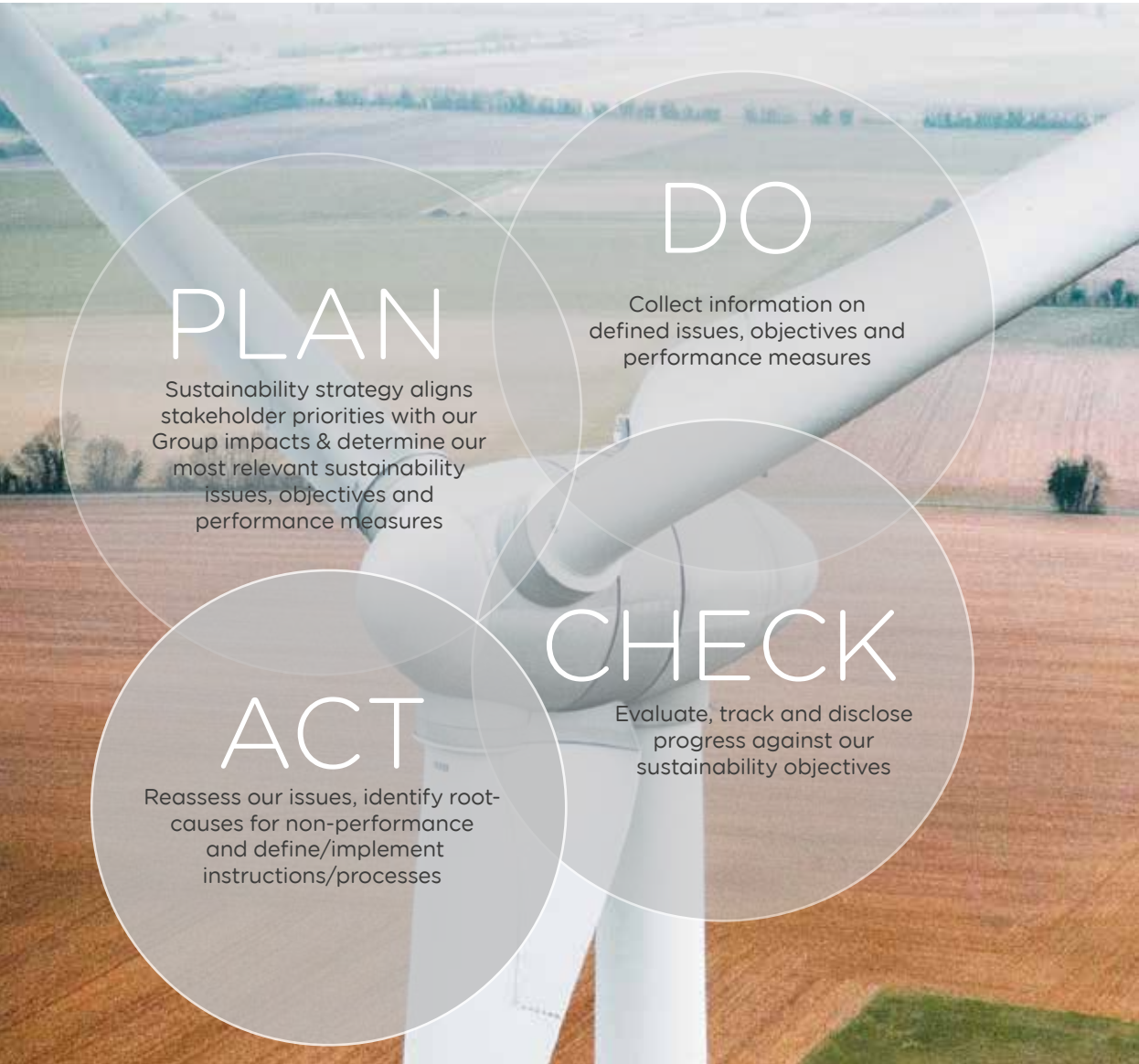
New competencies are critical in the sustainable energy transition as energy groups compete for top talent. As the energy industry transitions to new ways of interacting with customers, technology and society, new skill sets and competencies will continuously be required. To keep pace with changes in the energy landscape and subsequent adaptation of business models, it will be necessary to maintain a constant focus on identifying, attracting, enhancing and retaining talents. Especially during pandemic crisis, retaining of talent is key to ensure resilience of our businesses.

Operational Excellence (OpEx) such as cost efficiency and competitiveness are paramount for being successful in the energy industry. Efficient operations require good utilisation of people and assets, and lean, automated processes. Encevo Group will continue its optimisation to deliver more and with higher quality for the benefit of our customers.



Our Continous Improvement Framework

The formal and structured approach to determine our most relevant sustainability issues is used in our CSR management systems. We constantly challenge our status quo with expert reviews and advices, and adapt our plans where necessary. We are proud to demonstrate evidence for our success in the concrete achievements in our sustainability management plan dashboard. We track and disclose progress against our objectives, reassess our issues and adjust, where necessary, by reviewing instructions or processes. Our continuous improvement cycle is inclusive and embeds feedbacks from multiple stakeholders.



This CSR Continuous Improvement Cycle is embedded in our CSR Framework, which is used to ensure our management approach is well structured:



One of our key verifications is done through the three-year cycle of ESR certification, which was due and successfully achieved during 2021. We even extended the scope of our verified and certified entities on our 100%-owned entities in the technical services area. Organisation and governance ensure we can

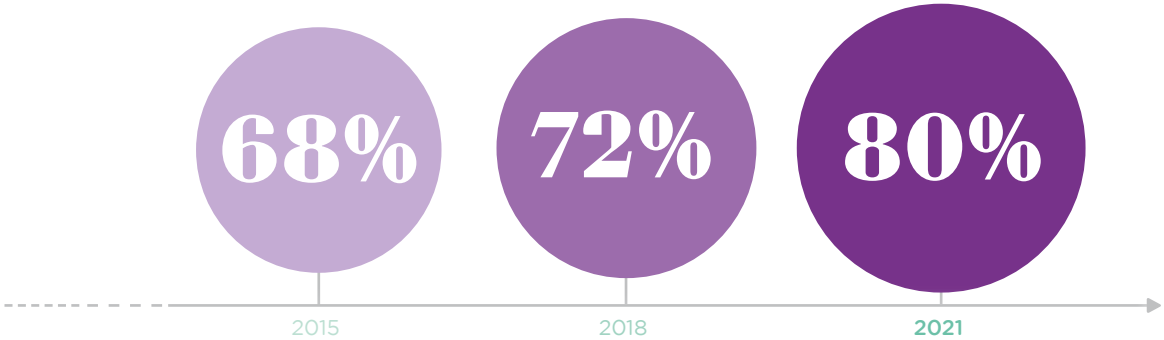
achieve these objectives, which are closely linked to the SDGs.

We are proud that we could present and validate our CSR strategy and roadmap at the highest levels of our governance structure (Group Strategy Committee, GSC)

Encevo Group recertifies the most important CSR label to successfully demonstrate good practices. The certification starts with an initial evaluation of all CSR-related dimensions:

- CSR Strategy
- CSR Governance
- Social
- Environmental

Since receiving certification for this important label, we have been able to demonstrate progressive improvements in our ESR maturity score:



We achieved the certification for the following encevo Group entities:

- Encevo S.A.
- Enovos Luxembourg S.A.
- Leo S.A.
- Creos Luxembourg S.A.
- Global Facilities S.A.
- Paul Wagner & Fils S.A.
- Power Panels S.A.

The certification is embedded into our progress-verification and indicates important improvement potentials in our CSR efforts.

- For example, the granularity of specific objectives and indicators could be further fine-grained.
- Furthermore, we aim to strengthen our due diligence process in relation to sustainability issues and report about potential negative impacts along the value chain.
- Consequently, measures taken to prevent, mitigate or remedy actual or potential adverse effects, and their results, need to be reported.

These mentioned improvement potentials will be covered progressively in the context of preparing for the new CSRD requirements that we expect to be applied as of Annual Report 2023.



Driving Sustainability: Our CSR Organisation and CSR Steering Committee

• **The Board of directors**

The Board is in charge of the management of the company and is vested with the broadest powers to take any actions necessary or useful to fulfil the company's corporate objective, except those reserved for the general assembly of shareholders. Once a year the Board is informed about, and reviews, CSR achievements of the previous year, upcoming challenges and priorities as well as how these can best be addressed. Executive Board members are systematically invited to and attend Board of Directors meetings. The company engaged with Board members in a CSR survey in 2019 and intends to do so again on a regular basis.

• **Board Committees**

Board committees are committees set up by the Board of Directors in different areas with the aim of assisting the Board in the preparation or supervision of items for which it is competent and/or in relation to which it is required to take a decision.

• **Audit Committee**

The AC has been set up primarily for the purpose of overseeing the following areas: financial statements, legal and regulatory compliance, external and internal auditor-related topics, system of internal controls and risk management. The Audit Committee is also the committee at which level governance and integrity issues are discussed, at least on an annual basis.

Risk management topics are followed up on a quarterly basis. Executive Board members are invited to the Audit Committee and at least the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of Encevo S.A. systematically attend the meetings.

• **Group Strategy Committee ("GSC")**

The GSC has been set up primarily to assist the Board in defining, developing and implementing a business strategy. The GSC is consulted once a year on CSR topics before a CSR item is put on the agenda of a Board meeting. Executive Board members are members of the GSC and attend the meetings.

• **Investment Committee ("IC")**

The IC has been established primarily for the purpose of assisting the Board in reviewing and providing advice or recommendations on significant investments before investment decisions are actually taken, as well as of periodically reviewing the performance of investments already made. The CEO and the CFO of Encevo S.A. are members of the IC.

• **Remuneration and Nomination Committee ("RemCo")**

The RemCo was established to assist the Board in matters relating to the appointment and/or dismissal of members of the Executive Board and non-executive directors. As well, this committee reviews

the remuneration conditions of the members of the Executive Board, non-executive directors, and executive directors other than the members of the Executive Board. It is also in charge with reviewing the global remuneration policy within the Encevo Group.

• **Executive Board**

The Executive Board is responsible for the daily management of Encevo S.A. CSR-related topics are periodically reported to the Executive Board, which also validates CSR objectives.

• **Corporate Social Responsibility Committee ("CSR") Committee**

Encevo S.A. has set up a CSR Committee, the mission of which is to define the group CSR policy and supervise its implementation. The CSR Committee is composed of the CEO of Encevo S.A., the Head of Group Organisation and Process Excellence in charge of the CSR programme, the Secretary General of Encevo S.A., in charge of governance, ethics and compliance as well as group communication, and the Head of Marketing of Enovos Luxembourg, who supports CSR activities at the level of the energy supplier Enovos Luxembourg S.A.

Sustainability is a key asset for the group, driving the success of Encevo’s strategy and performance, and a top priority for our leadership and all our people.

It is firmly embedded in our strategy and our decisions every day. This puts us in a strong position to seize new opportunities that arise as the move towards a more sustainable economy continues



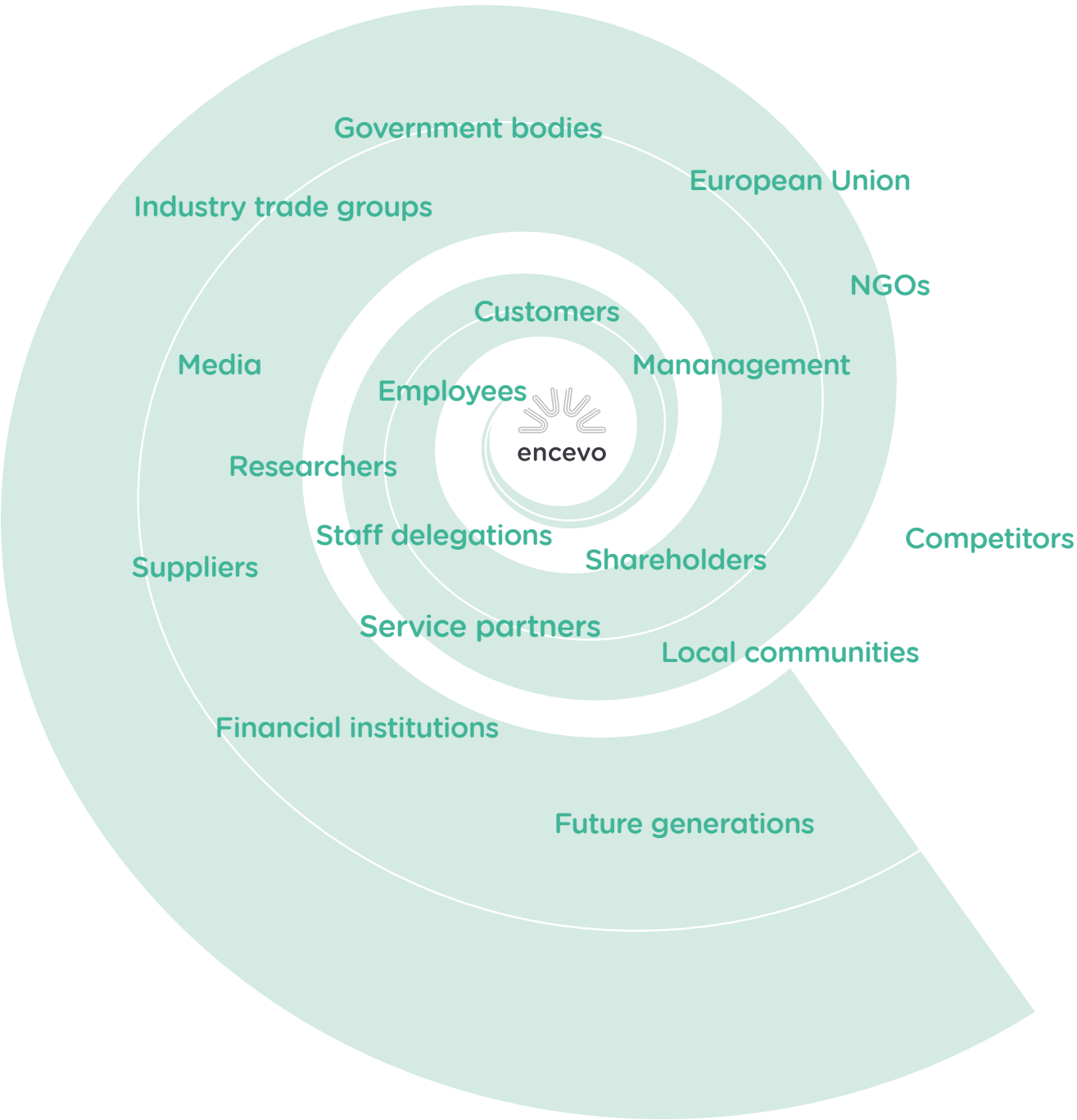
- 1** • selecting and evaluating CSR projects and initiatives to be undertaken
• providing senior expertise and contributing to the materiality analysis approach
• reviewing and validating the proposed CSR approach
• driving and enhancing the Encevo Group CSR Framework
• providing management attention by group CEO acting as Chair
- 2** • acting final authority over launch of CSR initiatives and projects, as well as the validation of the CSR approach and materiality analysis
- 3** • acting final authority over launch of CSR initiatives and projects, as well as the validation of the CSR approach and materiality analysis

- 4** • reviewing and proposing updates to the group’s CSR approach and materiality analysis
• coordinating the execution of the group’s CSR approach with appropriate stakeholders
• delivering the CSR report part of integrated Annual Report for the group
• acting as a point of contact and facilitator for CSR exchanges between stakeholders and the organisation.
• presenting the results to the Group Strategy Committee and the Executive Committee
• supporting the business with CSR requests from customers related to sustainability
• ensuring enough organisational weight as hierarchical direct reporting line to Group CEO

- 5** • raising specific CSR-related issues
• participating in materiality assessments
• providing data & information on current activities within their field of expertise
• analysing complex data used to determine the level of achievement in various areas
- 6** • contributing to CSR projects & actions
• integrating sustainability in day-to-day operations in their business entities

Stakeholder Engagement

Encevo Group believes that its relations with those stakeholders that may influence or be affected by the decisions or the value of the company and the group are significant. The value chain comprised of Encevo’s businesses means that there is a large number of stakeholders. The company has identified 17 different stakeholder categories:



Stakeholder Engagement

Encevo’s stakeholders include all the people and organisations with which we have relationships and engage in dialogue through our sustainable business model, which puts stakeholders at the centre of its strategy. The company’s objective is thus to build relationships of trust with the various stakeholders, as well as to deepen their participation, engagement and sense of belonging to Encevo.

We therefore have the following principles in our daily decisions, large and small:

- Two-way communication
- Active listening
- Equal treatment
- Transparency

We engage in our day-to-day business with our stakeholders in the following way (method and topics):

Shareholders

Methods of Engagement: Board of Directors Meetings, Questionnaires
Topics: Strategy Updates, Compliance, Regulations, Governance

Management

Methods of Engagement: Workshops, Interviews, Meetings, Audit & Risk Committee, Strategy Committee, CSR Committee, IC, Security Committee
Topics: Strategy Updates, Sustainability Plan and Objectives, Risk Evaluation and Strategy, Data Protection, IT/Cyber Security

Employees

Methods of Engagement: Surveys, Interviews, Workshops, Group Intranet Messages, TV/Screen Channel, Face-to-Face Meetings, Trainings, Knowledge Exchange Sessions
Topics: Well-being, Personal Development, Yearly Evaluation, Diversity and Inclusion, Strategy Update Communication, Awareness Raising on Health & Safety Topics (Anti-Flu Vaccination, Ergonomic Office, Burnout, etc.), Access to Information and Transparency (Working Conditions, Social Benefits, Policies & Procedures, Whistleblowing, Training Catalogues, etc.)

Staff Delegations

Methods of Engagement: Workshops, E-mails
Topics: Collective Work Agreements, CSR Materiality, Social Elections, Other Social and Economic Topics

Suppliers

Methods of Engagement: Meetings, E-mails, Phone Calls
Topics: Supplier Code of Conduct, Negotiations, Skills Development, Innovation

Customers

Methods of Engagement: Feedback through Meetings, E-mails, Phone Calls, Site Visits, Fairs and Events, Due Diligence Processes (B2B)
Topics: Grid Connection, Supply of Power & Gas, Technical Services, Sustainability Questionnaires, Innovation

During 2021, for example, we engaged with:

- **Our customers**, through updated customer centrality via our digital communication channels: We continued the journey to re-engineer the way we interact with our customers for the benefit of better and easier communication. We launched a new customer portal on the grid business side to integrate digital features to faster perform processes and reduce or eliminate waiting times for customers. Despite the increasing number of requests, we succeeded in reducing waiting times. We will further proceed to digital contract generation and enable a one-stop shop for a perfect user experience.
- **Our employees**, in the context of the European week of sustainability: We organised conferences and workshops to raise awareness among our employees related to the upcoming regulatory challenges on CSRD and EU Taxonomy. We further focused our interactions

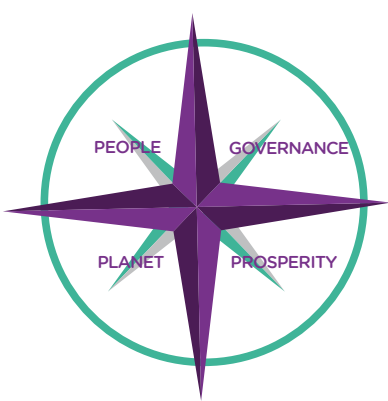
on carbon and the nutriscore of our meals offered in our company restaurants. We asked our employees in our Grid entities, through a structured online survey, about their commuting habits and consequently raised awareness, within carbon management, about responsible behaviour to further reduce our carbon footprint. We offered a new way to provide structured feedback and start dialogue on CSR initiatives through our new CSR-specific intranet website “neo”.

- **External R&D partners** for innovation topics: In order to strengthen and mature the group’s innovation strategy and roadmap, we are now following an open innovation approach to implement the identified innovation topics in the coming years. As one part of this approach, we have signed MoU with the leading regional R&D institutions such as LIST and SnT with the aim of combining existing research expertise with Encevo’s industry knowledge. We are convinced that this will be of benefit for the implementation of projects targeting the fundamental changes resulting from the rapidly advancing energy transition, such as digitalisation and flexibilisation.
- **The Luxembourg Chamber of Commerce**, by contributing to a CSR manifesto for Luxembourg: We continued active participation in workshops of the Luxembourg Chamber of Commerce, relying on a group of committed organisations. This “Sustainable Manifesto” sets ten commitments for

the Luxembourg business community to develop its business models by integrating the challenges of sustainable development. This manifesto, through its commitments, is a guide that will support each company in this necessary transformation. We are proud that we could contribute to this manifesto, which was co-constructed with a panel of companies from the industry, transport and finance sectors. The Chamber of Commerce presented the “Luxembourg Sustainable Business Principles” on 12 July 2021, which are designed as a compass, based on the four cardinal pillars of sustainable development (Governance, Prosperity, Planet, People). Finally, these ten guiding principles were established to guide and provide a strategic and coherent vision of the implementation of sustainable development at company level. It specifies the objectives quantified at the level of the Grand Duchy of Luxembourg, which will be supported by an operational action plan and broken down by sector, in partnership with the major players on the Luxembourg market.

- **The Luxembourg business federation FEDIL**, a multi-sector federation with ambitions to support industrial decarbonisation and sustainable development: We contributed to multiple workshops on industrial decarbonisation topics and to conferences such as to “Journée Economie” on panels with other industrial leaders to discuss challenges and solutions to sustainable energy transition.

As of 2021 and for the next decade, the Luxembourg Chamber of Commerce and its members, with the support of its partners, is assisting each company in implementing the following **10 INTERCONNECTED GUIDING PRINCIPLES**:



Please find more details at: www.cc.lu
(website of the Luxembourg Chamber of Commerce)

- 1 Define and publish a **purpose** that is compatible with sustainable development
- 2 Integrate **environmental, social and governance (ESG) criteria** into the corporate strategy and business model
- 3 Reinforce **corporate governance** to ensure that ESG criteria are factored into corporate strategy and navigate its progress
- 4 Assess the company’s performance through both **financial and non-financial indicators**
- 5 **Innovate and invest responsibly** to develop growth opportunities
- 6 Drive **value creation** for all stakeholders
- 7 Contribute to the **decarbonisation of the economy** by developing a net zero emissions trajectory
- 8 Embed the **circular economy principle** in the business model
- 9 Perform **due diligence** on human rights and environmental impacts throughout the value chain of the company
- 10 **Include and position employee stakeholders** in the sustainable development process and foster their engagement

Materiality Analysis & Sustainability Strategic Priorities

Our materiality analysis uses an inclusive approach with its stakeholders (three-year cycle – update scheduled during summer 2022). This analysis assessed the significance of the economic, social and environmental impacts of Encevo’s activities and their influence on stakeholders. Based on this analysis, priority issues were identified:

Sustainable economic performance	Action plans to guarantee results in uncertain environments. Economic value generated and distributed. Tax policy and strategy, cooperation with tax authority, tax contributions. Indirect economic impacts and creation of social value.
Reliable and smart energy supply	The energy transition requires smart devices such as smart meters or loading points for electric vehicles. At the same time data in the context of digital transformation must be managed and steered forward for a successful energy transition.
Clean energy development	Transition toward a low-carbon economy. Energy efficiency to reduce the industry’s energy requirements. Governmental objectives for renewable energies in the “mix”. Improvements in the systems for inclusion of renewable production within the grid.
Employee development and engagement	Encevo is one of the largest employers in Luxembourg. As such, we take our responsibility seriously to ensure a safe work environment for our staff. Our workforce is crucial to every aspect of our activity. Developing talent and enhancing employees’ competencies are key elements to motivate and unify our workforce.
Infrastructure safety	Ensure security of supply as critical infrastructure for the entire economy in Luxembourg. This is one of the key missions of our grid business in its role as TSO and DSO.
Data protection & cybersecurity	Compliance is important because it aligns with Encevo Group’s high ethical and governance standards. It protects the group’s reputation and its business. It is key to the long-term sustainability of the group. Due to our critical and sensitive infrastructure, we must ensure appropriate protection of the group’s physical and IT assets.
Occupational health & safety	Management of employee and contractor health and safety, prevention policies and plans. Establishment of goals and performance standards in accident and absenteeism rates. Employee, supplier and subcontractor training.
Responsible energy supply chain	Reduction or elimination of CO ₂ energy supply to contribute to climate change objectives.

6 secondary topics have been underlined:

- Energy efficiency
- Circular economy
- Local community empowerment
- Inspiration of STEM talents
- Diversity & equal opportunity
- Customer orientation & partnerships

Our sustainability strategy is structured around our materiality topics with identified sustainability issues and objectives. Each issue and how we manage it are detailed in the corresponding chapters of this report. We have defined our core challenges as follows:

[RE]

RESSOURCE EFFICIENCY

Accelerating carbon reduction through improved energy management

[BI]

BUSINESS INTEGRITY

Improving standards and controls for ethical business conduct that strengthen customer relationship, supplier partnerships and workplace integrity

[PI]

PRODUCT IMPACT

Delivering optimal products and ensuring security of supply

[EW]

EMPLOYEE WELL-BEING

Fostering a high performance, inclusive workplace culture that engages employees and creates rewarding career paths for our current and future workforce

Details on progress towards goal completion are in the related chapters of this report.

👍 Objective met but delayed ✅ Objective met ⚡ Objective partly met 🔄 Objective in progress

	Material Topics (Mat) & Secondary Topics (2 nd)	ID	Sustainability Management Plan as communicated in Annual Report 2021	Target Date (YEAR)	Progress
PRODUCT & SERVICES IMPACT (PI)	Reliable and Smart Energy Supply (Mat) EU 10, EU 28, EU 29, EU 30	P11	Build-up of public electric vehicle loading points (=800) and high speed loading points (=88)	2023	🔄
		P12	Digitalize assets, with particular focus on smart meters, remote control and system connectivity	2021	⚡
		P13	Build and implement national data platform for Luxembourg	2022	🔄
	Clean Energy Development (Mat) – Renewables Production	P14	Target renewable production (PV/wind/biomass via district heating) to support governmental objective of 25% green power	2030	🔄
	Infrastructure Safety (Mat)	P15	Planning phase for new interconnection of infrastructures with Germany to secure supply & demand challenges	2021	✅
		P16	Invest 200 M EUR Green Bond capital into group infrastructure	2024	🔄
	Energy Efficiency (2 nd)	P17	Increase energy efficiency services sales to increase energy savings (compared to 132GWh in 2019)	2021	✅
		P18	Increase training days in the field of sustainable/energy-efficient construction and mobility (e.g. engineers, architects, craftsmen, public education etc. – compared to 2020)	2021	✅
EMPLOYEE WELL-BEING (WE)	Employee Development & Engagement (Mat)	EW1	Ensure implementation of e-learning to facilitate access to trainings or personal development programs and thus trigger more learning time for our employees	2021	✅
	GRI 401 (Employment), GRI 404 (Training)	EW2	Perform regular employee satisfaction survey in 4-5 – years cycle and implement validated improvement action plan	2024	🔄
	STEM Talents (2 nd) and Local Communities (2 nd)	EW3	Social impact – pursue effort in coaching and being a reliable partner for ministries, local entities, students and jobseekers	2023	🔄
	Occupational Health & Safety (Mat) GRI 403	EW4	Re-certify SGS (Sécher & Gesond mat System) for Encevo and re-certify VISION ZERO (Creos)	2021	✅
		EW5	Evaluate and prepare for ISO 45001 Certification Lux Grid and Encevo	2023	🔄
		EW6	Adhere to national “Business and Human Rights Pact” charter in Luxembourg by 2023	2023	🔄
	Diversity and Equal Opportunity (2 nd)	EW7	Ensure equal opportunity for parental leave and part time for men and women – (Career Management & Work-Life-Balance)	2021	✅
		EW8	Ensure general management training focusing on unconscious bias	2021	✅
		EW9	Include Diversity & Inclusion in employer branding strategy to attract more women or other minorities	2025	🔄
BUSINESS INTEGRITY (BI)	Data Protection & Cybersecurity (Mat) – GRI 418	BI1	GDPR: Implementation of Continuous Improvement Program 2021-2023	2023	🔄
		BI2	Perform Due Diligence of Human Rights related to our Procurement and HR practices	2023	🔄
	Sustainable Energy Procurement (Mat) – GRI 204	BI3	Achieve Information Security Management System certification for Grid Operations Department	2020	👍
		BI4	Information Security Improvement Plan: Implementation of 2 years Cyber Security Plan	2020-2022	🔄
		BI5	Define criteria for sustainable (Energy) procurement and drive supplier code of conduct to next maturity level	2021	✅
RESOURCE EFFICIENCY (RE)	Energy Consumption GRI 302 (Energy Usage of Production) (2 nd)	RE1	Achieve and keep energy management certifications ISO 50001 in 3 year-cycle	2022	🔄
		RE2	Zero waste workshop – encourage employees about sustainable behaviour	2021	👍
	Carbon Mgt. (Mat) GRI 305 (Emissions of Production)	RE2	Measure emissions scope 2 (by 2022) and scope 3 (by 2023)	2022/2023	🔄

This sustainability management plan summarises our core sustainability topics, goals, target dates and progress, which we review and update on a yearly basis. We briefly explain here only the achievement of objectives due for 2021 or newly defined objectives. The status of ongoing objectives as well as of more details on 2021 objectives are further detailed in the specific chapters:

Product & Services Impact (PI)

- **PI2: Digitilize assets, with particular focus on smart meters, remote control and system connectivity**
Despite some challenges during pandemic times mainly linked to the availability of dedicated resources to install and activate smart meters for power, customers can now benefit from opportunities related to quarterly measurement of electricity consumption as well as possibilities to get detailed statistics of their consumption data in dedicated portals. For more details on this objective, please refer to the Creos Annual Report 2021. The focus will be on smart meters for the measurement of natural gas during 2022. Therefore, this objective is partially met and will be extended until the end of 2022.
- **PI5: Planning phase for new inter-connection of infrastructures with Germany to secure supply & demand challenges**
The planning phase for the 380 kV interconnection to Germany with a total investment of EUR 195 million was successfully achieved. This interconnection will ensure reinforcement of energy supplies and therefore contributes to Luxembourg’s security of energy supply.
- **PI6 (new objective): Invest EUR 200 million Green Bond Capital into group infrastructure by 2024**
Having successfully achieved a first Green Bond objective of EUR 250 million by 2020, our group is committed to further investing in sustainable energy transition assets. A detailed report is provided through the Sustainability framework.



focus on smart meters



e-learning



interconnection



certification



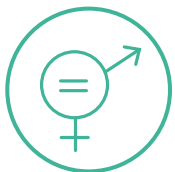
employee well-being

- **PI7 (update – as a recurrent objective):**
Energy efficiency surpassed in 2021 and the total savings of 181 GWh were increased compared to 2020
- **PI8: Increase training days in the field of sustainable/energy-efficient construction and mobility (e.g. engineers, architects, craftsmen, public education) compared to 2020**
Training sessions in the field of energy efficiency increased substantially compared to 2020. Also trainings on new legal framework for tertiary buildings and schools (energy efficiency and sustainability in general) increased over 2021 compared to 2020.
- **Employee Well-Being (EW)**
 - **EW1: Ensure implementation of e-learning to facilitate access to trainings or personal development programmes and thus trigger more learning time for our employees**
Several e-learning platforms covering several domains (e.g. technical, energy-related and soft skills) have been tested by our employees, and finally the platform was integrated successfully.
 - **EW3 (update – as a recurrent objective):**
Social impact – Pursue effort in coaching and being a reliable partner for ministries, local entities, students and jobseekers
Even in difficult times during Covid, we ensured our presence and continued to develop and strengthen our presence to support future STEM talents and local entities. Objective was achieved and updated for 2023.
 - **EW4: Re-certify SGS (Sécher & Gesond mat System) for Encevo and re-certify VISION ZERO (Creos) was successfully achieved**
 - **EW5 (new objective): Certify for ISO 45001 Certification Lux Grid and Encevo by 2023**
After some preparation for this extensive certification during the last year, our health & safety teams decided to certify both Grid and Sales entities by 2023. This will increase our maturity related to our health & safety practices.

- **EW6 (new objective): Adhere to national “Business and Human Rights Pact” charter in Luxembourg by 2023**
Encevo Group leads by example and demonstrates its willingness and motivation to engage in this process by adhering to the national pact “Business and Human Rights Pact” launched during 2021 and initiated by the National Institute for Sustainable Development and Corporate Social Responsibility (INDR) and the Luxembourg Employers’ Association (UEL). The adherence to the national pact will be signed by the Encevo Group CEO and actions and measures implemented will be verified by the INDR during 2023.
- **EW7: Ensure equal opportunities for parental leave and part-time work for men and women (career management & work-life balance)**
Every demand is generally carefully analysed and in 2021 Encevo positively accepted all requests and supported parental leave (in any form requested) and part-time requests in order to adjust the best work-life balance of our employees.
- **EW8: Ensure general management training focusing on unconscious bias**
The objective was fully achieved as multiple trainings were offered such as “The impact of stereotypes conference”, “Encevo Diversity & Inclusion” conference live with the presence of the minister or “D&I (stereotypes)” – e-learning.



sustainable
behaviour



equal
opportunities



information
security
management



sustainable
code of conduct

Business Integrity (BI)

- **BI1 (new objective related to GDPR): Implementation of continuous improvement program 2021-2023 due for 2023**
After successful conclusion of the programme, GDPR is now in cruising mode where the remaining work is organised on a three-year roadmap (please refer to data protection and cyber security chapters).
- **BI2 (new objective): Perform due diligence of human rights** related to our procurement and HR practices by 2023.
- **BI3: Achieve information security management system (ISMS) certification for Grid Operations department**
This objective was successfully achieved with some delay because of pandemic restrictions on auditors visiting our buildings.
- **BI5: Define criteria for sustainable (energy) procurement and drive supplier code of conduct to next maturity level**
Process and questionnaire to implement supplier code of conduct, which is linked to the Know Your Supplier (KYS) process, were successfully defined and implemented.

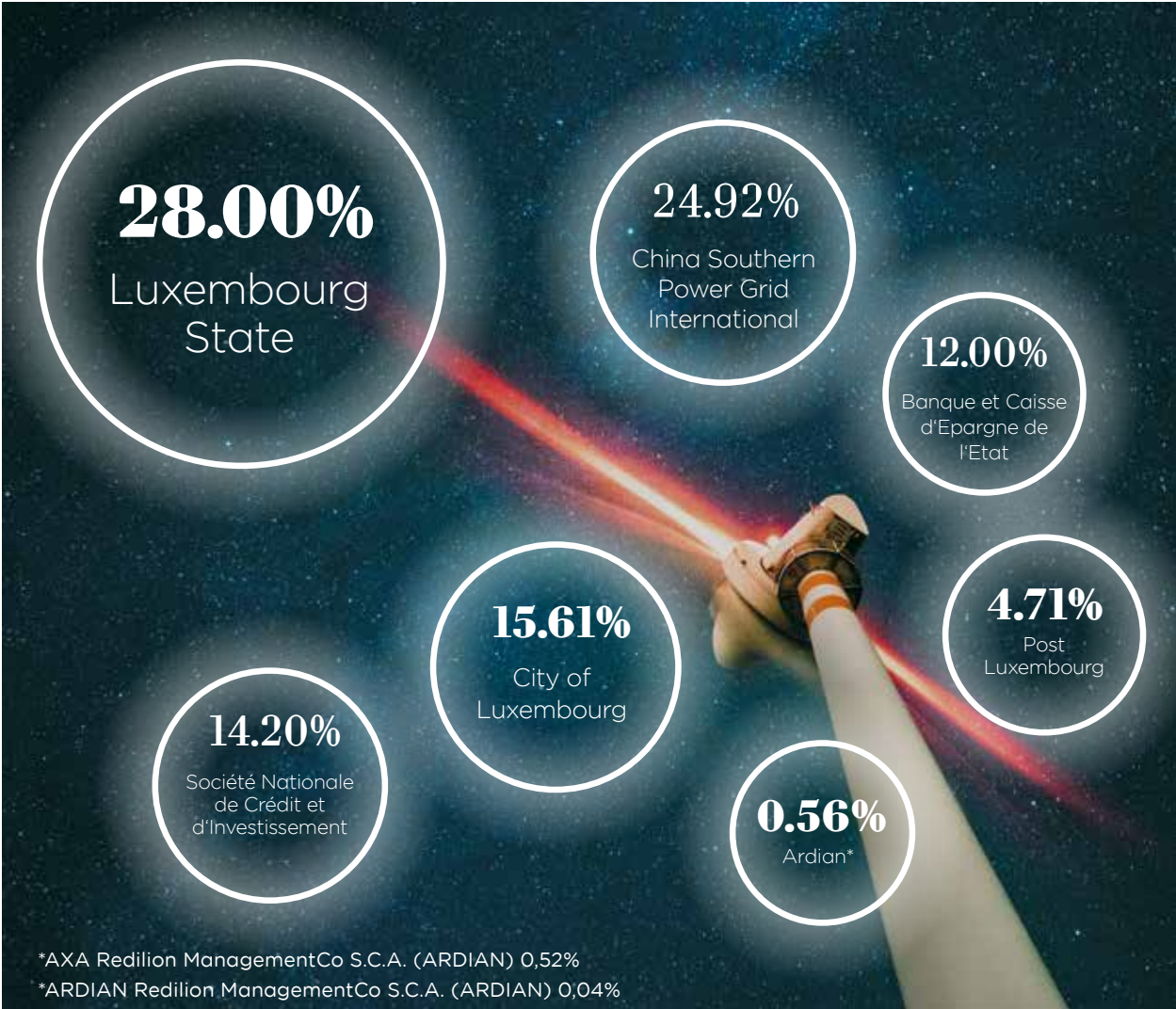
Resource Efficiency (RE)

- **RE2: Zero waste workshop – encourage employees about sustainable behaviour**
During the European Sustainable Development Weeks in autumn, we organised several workshops and conferences to raise awareness among our employees on sustainable behaviour in different dimensions such as waste, nutriscore and carbon management in company restaurants, work safety and upcoming regulatory requirements.

Business Integrity: Transparent Governance ^[1] & Compliance

The Shareholders

As of December 31st, 2021, Encevo S.A. share capital was distributed between the various shareholders as follows:



In accordance with its by-laws, the annual general meeting of shareholders (“AGM”) took place on 11 May 2021. Having acknowledged the management’s report and the independent statutory auditor’s reports, the shareholders unanimously approved the statutory accounts of Encevo S.A. as well as of Encevo Group consolidated with respect to the year 2020.

In addition to the decision to distribute a dividend of EUR 10.12 per share, the AGM appointed two new directors, granted full and unrestricted discharge to all directors having held a mandate in 2020 and appointed an external auditor for the financial years 2021 and 2022.

[1] More details on the overall governance of Encevo, in particular on the role of the various corporate bodies, can be found in the Corporate Governance Chart, which is accessible on www.encevo.eu

Business Integrity: General Compliance

Why is it Important?

At Encevo, integrity is considered a key component of the way business is to be done and seen as a significant requirement of the overall sustainability of the group.

Organisation & Management

Encevo's compliance framework is basically composed of a Group Compliance Policy, which defines the compliance governance in the group, and of a Code of Business Conduct setting out the basic ethical and legal rules expected to be complied with by employees and directors.

The Secretary General of Encevo S.A. is the Group Compliance Officer, reporting to the group CEO and Chairman of the Executive Board. Dedicated compliance managers are responsible for compliance in significant subsidiaries and their respective subsidiaries. As for personal data protection compliance^[2], dedicated Data Protection Officers (DPOs) operate at group level and in significant subsidiaries. With respect to grid activities, compliance officers have also been appointed to ensure compliance with unbundling requirements.

At the initiative of the Compliance function and in line with the internal audit performed in 2020, the compliance programme is still in the process of being further strengthened and consolidated. A number of working groups were set up in 2021 on various topics including governance, processes and due diligence.

The Group Compliance Policy was updated in 2021 with the aim of further defining the role of the entity compliance managers, who are responsible for compliance at the level of Encevo's significant subsidiaries, for describing the implications of their reporting line with the group Compliance Officer and for setting out the key building blocks of the compliance programme. Further, the criteria based on which an Encevo Group subsidiary is considered significant enough to have the full programme deployed have also been explicitly defined. As a minimum, Encevo aims to ensure that the same Code of

Conduct applies to all employees of controlled subsidiaries, and that they all receive Code of Business Conduct training. In significant subsidiaries, a compliance manager is appointed, and risk assessments are periodically conducted with a view to identifying specific risks and, to the extent needed, improve the existing internal control system. Furthermore, the Code of Conduct was updated in 2021 and the final version, which is available in the three most spoken languages of the group, has been approved by Encevo's Executive Board. Importantly, these changes also apply to the more recent technical services segment, which is in the process of implementing the group's compliance programme.

As usual, the Group Compliance Officer presented the annual compliance report to the Audit Committee and reported its activities to the Executive Board twice in 2021.

Progress 2021

Compliance focused particularly on the following subjects in 2021:

- The governance framework was made more specific and the applicability of the compliance programme throughout the Encevo Group was clearly set out.
- The Code of Business Conduct of the group was updated to further improve and clarify rules and processes.
- In accordance with the action plans put in place further to the compliance risk assessments conducted at Encevo S.A., Enovos Luxembourg, Creos Luxembourg, Enovos Germany and Creos Germany, a fraud risk assessment initiative was launched in 2021, and an assessment of the fraud risk within Enovos Luxembourg S.A. was performed; the rest of the review to be performed in 2022 has been prepared.

- Progress continued to be made in the area of KYC^[3], due diligence and economic sanctions compliance in terms of process improvements, especially in terms of further clarifying escalation processes and ensuring that due diligence processes (including the use of a professional compliance database) apply to all group activities, following a risk-based approach.
- Under the leadership of Encevo's DPO, Encevo's compliance improvement action plan in relation to personal data protection, with a focus on Encevo S.A., Enovos Luxembourg and Creos Luxembourg, was completed in 2021 and entered into a continuous improvement phase.

Regarding anti-corruption compliance, the group continued to apply its zero-tolerance policy set out in its Code of Business Conduct. As a result, in line with Encevo's Code of Business Conduct, existing online Code of Business Conduct training includes modules dedicated to anti-corruption, whistleblowing and escalation of compliance issues. The intention is to continue deploying this training, covering newly hired employees and extending the scope to technical services subsidiaries. Also, Encevo's whistleblowing policy was further updated with a view to improving processes and will be further reviewed in the light of new upcoming legislation implementing the EU Whistleblowing Directive and/or more generally aiming at further regulating this area. As a reminder, whistleblowing ensures that improper or illegal practices, especially cases of fraud and corruption can be reported confidentially through specific channels without the risk of retaliation. In addition, one of the channels enables anonymous reporting. This channel is also promoted on Encevo's website. It is also foreseen to further promote the whistleblowing channel across the Encevo organisation through a dedicated internal campaign. In addition, the aforementioned fraud risk assessments will contribute to raise the level of awareness on fraud and corruption and to further strengthen anti-fraud processes. Furthermore, the group continues to apply its conflict-of-interest procedure, which requires members of the Executive Board and senior management reporting to an Executive Board member to complete a conflict-of-interest declaration form on an annual basis. This process is now being digitised in order to increase efficiency and ultimately be in a position to extend its scope.

The percentage of operations assessed for risks related to corruption is approximately 66% (Energy Grid and Sales Operations). It is planned to gradually assess the remaining operations of the group.

With respect to antitrust compliance, the antitrust compliance online (e-learning) module developed in line with the anti-competition section of the Code of Conduct and included in Encevo's Code of Conduct training programme will continue to be deployed along with the other modules (see above). Moreover, the whistleblowing policy also explicitly covers possible violations of antitrust regulations.

No group company received any penalty or any other coercive antitrust-related measure in relation to any potential anti-competitive behaviour or violations of antitrust regulations (e.g. competition authorities or jurisdiction).



^[2] For more details on personal data protection compliance, see section Business Integrity: Data Protection & Cybersecurity.

^[3] "KYC" stands for "Know Your Customer" and essentially refers to anti-money laundering and economic sanctions-related compliance requirements.

Business Integrity: Data Protection & Cybersecurity

Material Topic

Materiality

In the context of evolving threats through massive cyberattacks against organisations, or data breaches attracting fines from the supervising agencies, it is absolutely critical to maintain an excellent level of trust in our stakeholder relationships. As we operate critical infrastructures and assets to guarantee security of supply for a very large customer base in Luxembourg and the Greater Region, we are continuously working hard to improve our standards to maintain this high-trust relationship with customers and partners. In this context, we take the lawful and confidential handling of our customers’ enterprise partners’ and employees’ data very seriously. We welcomed the GDPR, which took effect on 25 May 2018, as the data protection laws in individual countries provide individuals with rights to control and protect the use of their personal data. “Personal data” means any information relating to an identified or identifiable natural person. It is of utmost importance for us to ensure our key mission of ensuring supply of energy through increased cyber security defence and by applying regulatory requirements such as the EU Network and Information Security (NIS) Directive for the benefit of our customers.

Organization & Management

Encevo Group has had the GDPR framework in place since 2017, so the major cross-cutting GDPR programme could be concluded successfully to successfully achieve our set standards. The organisation and management of various dimensions was implemented through the policies and procedures including DPOs for each fully consolidated group entity. All DPOs are registered at the respective national supervising agencies and have a direct reporting line to the respective CEOs. Our policies and procedures provide guidance to our fully consolidated entities, which have implemented the necessary processes in their organisations as well. The entities continued the discussions during the regular annual “DPO Group Conference” to update on improvements and exchange best practices. This way, the DPOs exchange and share information with each other on a regular basis and report their performance indicators to Encevo Group. We continue to fully respect the DPO reporting line to the highest level in our entities, making sure GDPR compliance is taken seriously and decisions can be taken quickly in case of urgency. We closely work together with our colleagues from various other departments



such as Legal, Compliance, IT and IT security (Chief Information Security Officer) to name a few. We are convinced that only a true collaborative and cross-cutting approach to this complex topic unlocks the value for our customers, suppliers and employees, maintaining or even enhancing the high-trust relationship.

In the context of our progress in digital transformation, the mitigation of cyber risks is always critical as our system landscape evolves. Data protection and cyber security is therefore a material topic with clear goals as indicated in our Sustainability Management Plan.

Progress 2021

2021 was an extremely busy and successful year as regards GDPR and IT security measures.

BI1 (new objective related to GDPR): Implementation of continuous improvement programme 2021-2023 due for 2023
After successful conclusion of the programme, GDPR is now in cruising mode where the continuous improvement work is organised on a three-year roadmap. During 2021, we archived documents by applying relevant retention periods, we finalised the anonymisation of our key development systems and we performed an audit on three key GDPR processes (Privacy by Design, GDPR Governance and Data Cycle Management) together with LIST. The outcome showed compliance with GDPR, which was further evidence of the successful efforts to increase maturity in GDPR compliance. The improvement potentials were integrated into our GDPR roadmap. We closely monitor the mandatory GDPR training enrolment of our new joiners, ensuring with this systematic approach that all employees understand the importance of GDPR and apply and behave in accordance with our data privacy principles. We kept our efforts on Change Management high with a balanced mix of trainings, conferences and communications through our different channels. We held our regular DPO Conference 2021 with contributions from all group entities (Enovos Luxembourg, Creos Luxembourg, LuxEnergie, Enovos Deutschland, EnergieSüdwest, Creos Deutschland, Paul Wagner & Fils, Global Facilities, Minusines and Power Panels). DPOs discussed progress and best



practices. Amongst other topics, the data privacy dimensions in relation to the pandemic crisis and the “Covid Law” in Luxembourg, applicable as of 15 January 2022, were discussed.

BI2 (new objective): Perform due diligence of human rights related to procurement and HR practices for core entities of Encevo, Enovos Luxembourg and Creos Luxembourg
Encevo should continuously make every effort, within our means, to identify and assess the nature and context of our operations, and to determine whether our activities and business relationships cause, contribute to or are directly related to any potential or actual adverse impacts on human rights, environment or good governance, using a risk-based monitoring methodology that takes into account the likelihood, severity and urgency of potential or actual human rights, environmental or good governance impacts. In the context of the new CSRD, the European Union is working on a regulation to encourage European companies to implement due diligence on subcontractors. Companies such as

Encevo will be required to put in place mechanisms to prevent human rights abuses and environmental damage throughout their value chain. With this objective we will further increase our maturity in this respect. In a first step, we will assess the core entities with our material topics such as procurement and HR practices.

BI3: Achieve Information Security Management System (ISMS) certification for Grid Operations department
We are proud that we achieved, with some delay linked to the challenges of the pandemic, the goal of final ISMS (ISO 27001) certification for Grid Operations. Due to the Covid-19 pandemic restrictions, the final external audit had to be postponed several times. Another factor which contributed to the delay was the fact that Grid Operations moved to a new dispatching building in Bettembourg in October 2020. We finally managed to have the external audit during November 2021. As the ISO 27001 has a basic principle, the continuous improvement of the certified entities, Creos Grid Operations is bound to continually update its procedures and documentation in order to keep its certification. As ISMS certification will soon be legally required (via the forthcoming Network Code Cyber Security and the revision of the NIS Directive), Grid Operations made their necessary preparations in that respect.

BI4: Information security improvement plan – implementation of two-year cyber security plan (2020-2022)
We are working hard to implement our two-year cyber security plan that enables a safe and secure

digital transformation of our core systems and communication. One concrete action of this plan is an update on Group IT and Group IT Security Governance which will further improve the effectiveness of the IT function through a consistent approach towards information security, data privacy, disaster recovery, compliance with European regulations, directives and national laws, interoperability of relevant systems and collaboration platforms, and the efficiency of the IT function.

BI5: Define criteria for sustainable (energy) procurement and drive supplier code of conduct to next maturity level
During 2021, a cross-department team consisting of Compliance, Procurement and CSR reviewed the current situation and defined and implemented a comprehensive supplier questionnaire. Also, a new business process was defined with the aim to process the sending, filling and signing in a completely digital format. This way, we could achieve an efficient process which is convenient for both Encevo and suppliers. Next, we linked this process to the “KYS” process, in which systematic due diligence is performed with the support of professional external databases.

Reporting on our GRI 418-1: During 2021, for one of our fully consolidated subsidiaries, we registered one notification to the National Commission for Data Protection (CNPD) within 72 hours. After finalisation of the forensic IT report by an external expert team, this was not justified as no forensic evidence of this data breach could be identified.

GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

		Data 2019	Data 2020	Data 2021
Total complaints	Total in numbers	0	0	0
Total	complaints received from outside parties (eg. customers, associations, etc.) and substantiated by the organization	0	0	5
Total	complaints from regulatory bodies/supervising authority	0	0	0
Total leaks, thefts, losses	Total in numbers	0	0	0
Total	identified leaks reported to supervising authority	0	0	1
Total	identified thefts reported to supervising authority	0	0	0
Total	identified losses of customer data (=data breach) reported to supervising authority	0	0	0

In relation to cyber-security, we do not disclose performance data deemed competitive and proprietary.

Procurement Practices for Energy

Material Topic

Materiality

A fully functioning and interconnected internal energy market is crucial for maintaining security of energy supply. That is why Creos Luxembourg complies with all the European rules regarding interconnection with adjacent countries, at infrastructure level and in direct contact with adjacent transmission system operators in order to coordinate all the changes that might occur. An appropriate degree of harmonisation in technical, operational and communication areas is key to overcome potential barriers to the free flow of energy. On the gas side, Luxembourg receives molecules from Belgium and Germany and on the electricity side, it receives electrons from Germany.

Organisation and Management

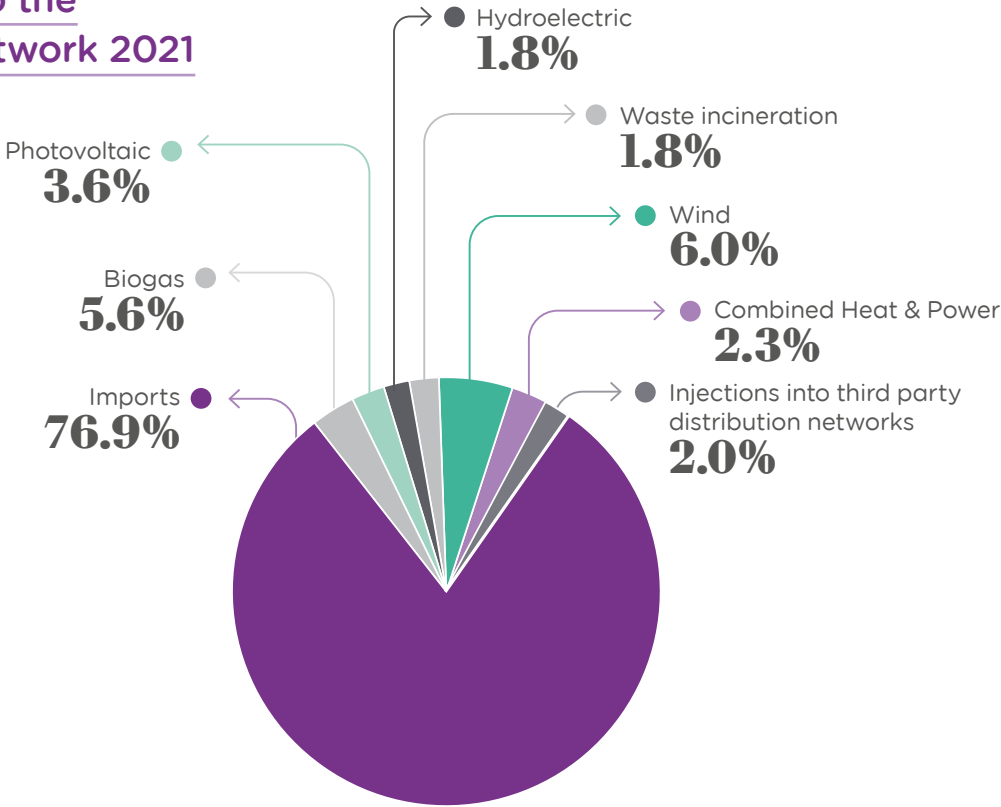
On the grid side, the Network Codes on electricity and gas enable the necessary harmonisation of interconnection agreements and a common set of rules, therefore leading to effective market functioning. On the procurement side, our Procurement & Logistics team ensures full compliance of professional procurement practices, e.g. by providing procurement checklists, procedures and guidelines. The performance of our procurement processes is closely monitored with process performance management software ensuring high process performance. Compliance with the applicable procurement procedures is mandatory within our group.

Progress 2021

Encevo Group, a big player in the energy transition, has a strong policy of integrating renewable energy. Even though most of the electricity comes from imports (76.9% in 2021), we can report an increase of the renewable electricity percentage injected into Creos's grid (3.6% of PV in 2021, 0.5% increase compared to 2020; 5.6% biogas in 2021, 0.1% increase compared to 2020).

2021 Statistics (for more details, please check Creos Luxembourg's annual report)

Injection into the electrical network 2021



As with the previous year, no direct nuclear electricity production can be reported at national level, and the percentage of renewable electricity injection is continuously increasing.

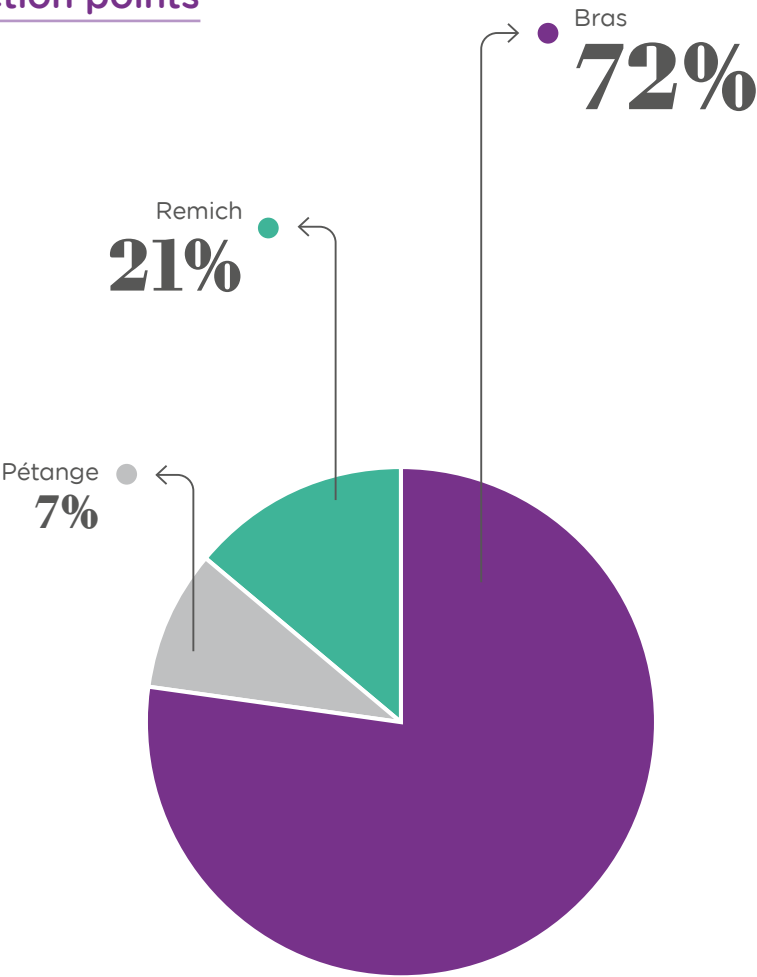
Concerning gas and gas flow injection into our transmission pipelines, the majority comes from Belgium via the interconnection points Bras/Pétange, and the rest from Germany, via the interconnection

point Remich. Most of the gas flow (72%) enters via the Bras entry (Belgium). Germany and Belgium are countries with an active policy of switching to greener gases.

Compared to 2020, electricity imports increased by 7.8%.

Our group accounts for about two-thirds of biogas injection into the DSO grid via Enovos and Leo.

Flow distribution at interconnection points



Indirect Economic Impacts (Tertiary Topic)

Materiality

Through our presence we influence the lives, work and economic conditions of people in Luxembourg and the Greater Region. At our locations, we invest, pay taxes and levies, work with local companies and partners, and offer employment opportunities. We are aware that every corporate decision also has indirect economic consequences, which is why we act responsibly at international, national, regional and local level, and as a living part of the respective communities and locations. Furthermore, it is essential for us to be perceived as a trustworthy and reliable partner.

Organisation & Management

We are dedicated to clear principles that form the framework for our corporate and social activities. Within the framework of these principles, Encevo Group is actively involved, as a company and with its employees, in shaping the community and influencing local conditions for the better. We fulfil the tax obligations triggered by our activities. We see tax payments as a fair contribution to the financing and development of successful communities in all countries in which we operate. We therefore see it as part of our social responsibility to make our tax activities as

transparent as possible, and to disclose this information within the legally prescribed framework.

In addition to the statutory payments of taxes and levies, we are also voluntarily committed to the common good through the Fondation Enovos (EUR 330,000 donation per year), which is a non-profit foundation which aims to enhance and develop renewable energy sources in Luxembourg and the Greater Region; it contributes actively to research in the fields of environment and sustainable development and supports social projects. **2021 was the tenth year that the Fondation Enovos awarded the Prix d'Excellence to five young engineers to encourage and enhance their professional career and recognise their graduate work.**

- The mission of our foundation is the following:
- Enhancement and development of renewable energy sources in Luxembourg and the Greater Region.
 - Active promotion of research in the fields of environmental studies and sustainable development by supporting scientific projects in the field of energy, particularly renewable energy.
 - Social projects.



For more information on our foundation, please see fondation-enovos.lu



Progress 2021

Encevo Group is part of society as a whole and is committed to the integration of the social dimension into its modus operandi. Throughout the year, Encevo Group supported various NGOs with donations. This list presents the most important projects supported by Enovos and our commercial activities in Luxembourg:

“Festival of Migration, Cultures and Citizenship” organised by the Comité de liaison des associations étrangères (liaison committee of immigrants’ associations, CLAE)

Enovos was a silver partner of the 38th edition of the Festival of Migration, Cultures and Citizenship organised for the first time online by CLAE from 5-7 March 2021 to show its solidarity with people with an immigrant background.

“Relais pour la Vie 2021” by Cancer Foundation

The 2021 edition of the charity run “Relais pour la Vie”, organised for many years by the Cancer Foundation to support the fight against cancer, was a digital edition. As a long-time partner of the event, Enovos gave its financial support by a donation and also participated in the Trophies of Hope with two teams – an in-house team and its Facebook community – and collected some funds.

“10X6 Women” conference organised by Maison Moderne

As part of our policy of diversity and integration of women in February 2021 Enovos was a gold partner of the “10X6 Women” conference organised by the Paperjam Club of Maison Moderne.

“The Hands of Innovation 2021” organised by the Chambre des Métiers du Luxembourg

The Hands of Innovation organised by the Chambre des Métiers rewards craft businesses that stand out for their innovative approach and entrepreneurial spirit. As a silver partner, Enovos was a member of the jury and handed over one of the awards at the award ceremony.



Relais pour la vie



COSL Spillfest



Luxembourg Pride Week

APEMH and Parc Merveilleux de Bettembourg

As a partner of the APEMH Foundation (association of parents of mentally handicapped children) since 2019, Enovos also supported the “Parc Merveilleux de Bettembourg” in 2021 by again sponsoring the golden-headed lion tamarin and the white-fronted lemur enclosures.

Comité Olympique et Sportif Luxembourgeois (COSL)

For many years, Enovos has been supporting sport in Luxembourg through its partnership with COSL, the Luxembourg Olympic and sports committee, and is normally always present with activities for children at the “COSL Spillfest” and the “Olympia Dag”.

Luxembourg Pride Week 2021 organised by Rosa Lëtzebuerg

Enovos was co-head partner of the 2021 online edition of the Luxembourg Pride Week and supported especially the Online Pride that took place on 11 July with great success.

The aim of this partnership was to underline Enovos’ solidarity with the LGBT+ community, to defend and promote the rights of LGBT+ people and to fight against all forms of discrimination.

Luxembourg Sustainability Forum 2021 organised by IMS

In 2021, Enovos was again an official partner of the tenth edition of the Luxembourg Sustainability Forum that was live-streamed on 13 October at the Tramsschapp with the presence of some guests.

This year, Luxembourg’s key CSR and sustainable development event had an environmental focus with highlights on biodiversity, climate change and carbon neutrality.

ICOM – d’Stater Muséeën

The 2021 edition of the “Night of the Museums”, a great event for culture and heritage enthusiasts in Luxembourg, organised by the seven museums of the “groupement d’stater muséeën”, was powered by Enovos. This event brings together all the stories of the world. Culture knows no borders and brings people together through events but also through common emotions.

Jonk Entrepreneuren Luxembourg

For several years, Enovos has been supporting the non-profit association “Jonk Entrepreneuren Luxembourg”, whose aim is to promote the creativity of young people in Luxembourg through a partnership between the economic world and the world of education, and to introduce young people to professional life.

INFOGreen by Picto Communication Partner

In 2021, Enovos again signed a partnership with Picto Communication Partner for INFOGreen, the first daily newspaper dedicated to the challenges of sustainable development in Luxembourg and its neighbours (www.infogreen.lu). It was also a partner of the digital event In4Green on 28 January.

LUCA (Luxembourg Centre for Architecture)

To support LUCA’s annual activities, Enovos has signed a one-year partnership agreement and thus joined the foundation’s Partners’ Circle.

Round Table “Diversity and Inclusion/ LGBT+”

On 16 October 2021, in the framework of its partnership with 11Friends on the occasion of the digital event “Luxembourg Gaming Experience” (LGX online) powered by Enovos, Enovos organised a round table on the themes of diversity



Nuit des musées



enomag 14 - children videos “sustainability & environmental protection”



enoblog stories - Fatima Rougi

and inclusion/LGBT+, with the presence of the Minister of Integration, Corinne Cahen, and other important guests.

Dribble d’Or 2021 by Mental!

Another event sponsored by Enovos to demonstrate and strengthen its commitment to diversity and the integration of women was the event “Dribble d’Or” organised in December 2021 by the newspaper “Mental!”. At this occasion, Enovos presented an award to the best female football player of the 1st Women’s League in Luxembourg.

enomag 14

One of the themes of the Enovos magazine “enomag 14” was sustainability and environmental protection. In this regard, different videos were created to analyse the reaction of children and teenagers aged 4 to 14 to everyday actions that are not environmentally friendly.

The aim was to raise awareness among young people of the need to adopt good habits.

enoblog stories

- **Fatima Rougi – a modern and energetic feminist**
In honour of Women’s Day and to show its daily commitment to the defence of the values of equality and to promote varied professional careers for all, without bias or stereotype, Enovos did an interview with Fatima Rougi, thanks to whom sanitary products are no longer considered as “luxury” products and are now finally taxed as basic needs.
- **Enovos promotes diversity and inclusion**
Enovos strongly believes that diversity and inclusion promote innovation, effectiveness of organization and the well-being of everyone. That is why it encourages diversity and inclusion in all its actions and activities on a daily basis.
Enovos wants to contribute to the development of an ecosystem in which all its employees, partners and customers are treated with fairness, dignity and respect and feel included.

• **Support of the local economy**

For Enovos, supporting the local economy is just as important as producing local energy. So, in 2021, Enovos encouraged people to work together to protect our country and our planet.

With the slogan “We give you local energy. You support the local economy.”, Enovos launched a competition #letzsupportlocal on Facebook to support local businesses and restaurants.

SOS Villages Enfants

In 2021, Enovos also supported the association SOS Villages Enfants by donating gadgets to Goodyear for their charitable activities.

UNICEF

As a long-standing partner of the humanitarian organisation UNICEF Luxembourg, in 2021 Enovos supported its “Conceptos Plasticos” project. This project aims to build schools in Côte d’Ivoire from recycled plastic waste and also helps to clean up pollution in a country that is facing a serious waste management crisis.

PADEM

In 2019 Enovos signed a partnership agreement with the non-governmental development organisation PADEM (Programmes d’Aide et de Développement pour les Enfants du Monde) in order to co-finance over four years (2020-2023) a school electrification project in Senegal called ECLAT.

Enovos will provide financial support to the project, pass on its expertise in electrification and promote the project in all its forms according to its motto “Energy for today. Caring for tomorrow”. This project, for which Enovos will raise funds through numerous internal actions, like sales of gadgets and tickets on greenstore and Christmas action, and external actions, reflects the values of our company and the commitment we want to show on a daily basis.

Enovos Foundation and its partnerships

The foundation reflects Enovos’ leitmotiv to act as a responsible company towards the current and future generations and has three different aspects:

Social Aspect

In 2021, the Enovos Foundation supported following associations/projects:

- A parenthesis non-profit association: support for the assessment of a respite home
- Trisomie 21 Lëtzebuerg: Implementation of the “T21 concept”
- University of Luxembourg: support for vulnerable students (Covid-19 action)
- University of Luxembourg: Scienteens lab programme
- ASTI: Food vouchers for refugees and migrants (Covid-19 action)
- Fondation Kriibskrank Kanner
- A.L.P.A.P.S. – Special Olympics Luxembourg
- Päerd’s Atelier A.s.b.l. – Project

Innovation & Research Aspect

- University of Luxembourg: SnT Project Inductive
- Prix d’Excellence: Scholarships for young engineers

Environmental Aspect

fonds nova naturstrom

The non-profit organisation “fonds nova naturstrom” receives EUR 200,000 a year from the Enovos Foundation to award bonuses for projects related to renewable energy, energy efficiency, eco-technologies or effective use of resources in Luxembourg.

In 2021, 96 grants were awarded for an amount of EUR 126,528.

The details on Creos support can be found in the Creos annual report.

In total the indirect contributions in donations and manpower for the entire group are as follows (GRI 203-1):

Data in EUR millions	Data 2019	Data 2020	Data 2021
	0.810	0.682	0.590

Due to the second year of the pandemic crisis, live events were unfortunately still cancelled or postponed, which impacted our contributions in 2021. Where possible, we still maintain our high level of commitments supporting our partners and local communities.

Direct Economic Impact

During 2021, Encevo Group further strengthened its position as a driving force of the energy transition in Luxembourg and the Greater Region. Besides considerable growth of the renewable energies asset base, the group kept up with an evolving value chain to be prepared for tomorrow’s energy world.

Financially speaking, the group is looking at a good year with results similar to the previous year and in line with expectations. The group’s strategy remains unchanged, further expanding renewable energy production throughout the Greater Region to produce energy locally from renewable sources, all in the context of a sustainable energy transition.

Progress 2021

PI6 (new objective): Invest EUR 200 million Green Bond Capital into group infrastructure by 2024

In 2021 Encevo successfully issued its second Green Schuldscheindarlehen (“SSD”), a type of privately-placed German debt, after having issued a first green SSD in 2018. The proceeds of the latter had been completely invested in green projects by the end of 2019.

The proceeds of EUR 200 million will be invested in the following green projects:

- Renewable energy projects.
- Energy transmission, distribution and smart grid projects.
- Sustainable real estate.
- Clean transportation solutions.

In this context, Encevo is obliged to report to its investors on a yearly basis about the progress of the allocation of the funds and the positive impact on the environment achieved thereby. The 2021 report is the first edition of the Green Schuldschein Report and covers the full allocation of Encevo’s 2021 Green Schuldschein proceeds.

For further details, please consult our Green Schuldschein Framework and detailed reporting: <https://www.encevo.eu/en/accueil/financial-information>

Our direct financial performance for 2021 compared to previous years is as follows:

Data in EUR millions		2019	2020	2021
Direct economic value generated*	Revenues	2,105.9	2,003.4	2,526.8
Economic value distributed**	Total	356.0	360.3	389.9
Direct economic value generated and distributed***	Total	2,461.9	2,363.7	2,916.7
Economic value retained****	“Total (revenues economic value distributed)”	1,749.8	1,643.1	2,136.8

* Revenues: Sum of net sales plus revenues from financial investments and sales of assets.

** Economic value distributed: Operating costs, payments to government, payments to providers of capital, employee wages and benefits, community investments.

*** Direct economic value generated and distributed: Direct economic value generated plus economic value distributed.

**** Economic Value Retained: Direct economic value generated less economic value distributed.

Further details on our economic performance 2021 can be found in our Management Report and related Consolidated Annual Accounts Sections.

Product Impact (Assets & Services)

Reliable & Smart Energy Supply;

Infrastructure Safety (Priority Material topics)

Creos is a key player in the national energy sector and is managing highly critical infrastructure. Creos owns and operates electricity and natural gas grids in Luxembourg, Saarland and Rhineland-Palatinate. The company is responsible for planning, maintaining and operating these networks. In order to secure the power and gas supply, and to meet the increasing energy demand, Creos continuously reinforces its assets. Creos attaches great importance to quality. We expressly commit to continuously improving the quality management system and meeting customer requirements. Our work corresponds to the current safety requirements.

Creos is responsible for the planning, construction, maintenance and operation of the high, medium and low-voltage electrical lines and the high, medium and low-pressure natural gas pipelines it owns and manages.

As the operator of the electricity and natural gas networks, Creos takes its responsibility as a public utility company seriously and plans its infrastructure to meet changing demand for electricity and natural gas. Security of supply and the reliability of energy networks are central to Creos's concerns. In addition, when planning network maintenance or development, the company takes great care in integrating its structures into the landscape and makes considerable efforts to minimise the resulting impact on the environment. Today, the majority of low-voltage power lines (more than 90% in Luxembourg) and most of the medium-voltage lines (more than 70% for Luxembourg) are buried.

Organisation & Management

In order to guarantee security of supply, to ensure the continuous functioning of the electricity and gas system and to enable energy exchanges between the different markets, common EU-wide rules involving all relevant stakeholders of the different member states are necessary.

These rules, called "Network Codes" or guidelines, govern the cross-border transactions in the electricity and gas market and the operation of power and gas grids. They should facilitate the harmonisation,

integration and efficiency of the European electricity and gas market. The transport grid for electricity managed by Creos Luxembourg S.A. meets the rules imposed by national legislation as well as supplemental valid operating, planning and safety standards. These standards are jointly established by the European Network for Transmission System Operators for Electricity (ENTSO-E) and are published on the ENTSO-E website (www.entsoe.eu).

Similarly, the transport pipelines system for gas managed by Creos Luxembourg S.A. complies with rules imposed by national legislation, as well as supplemental valid operating, planning and safety standards. These standards are jointly established by the European Network for Transmission System Operators for Gas (ENTSO-G) and are published on the ENTSO-G website (www.entsog.eu).

Progress 2021

2021 was a successful year at Creos Luxembourg. Some of the key achievements in 2021 were:

- No loss in customer security of supply due to Covid.
- Digital CRM highly appreciated.
- Smooth move of Creos's headquarters from Strassen and Hollerich to Bové.
- Trouble-free take-up of new SCADA centre Bettembourg.
- July floods: engagement and solidarity by Creos teams.
- Successful start of National Energy Data Platform project.
- Start of 380 project and of SuperChargy.

In the framework of continuously reinforcing its infrastructure, Creos Luxembourg carried out a number of works in 2021:

PI1: Build-up of public electric vehicle loading points (=800) and high-speed loading points (=88)
This objective is currently ongoing. The first high-speed loading points were delivered in 2021 and are fully operational (please refer to the Creos annual report for further details).

PI2: Digitise assets, with particular focus on smart meters, remote control and system connectivity
This objective is currently ongoing. Electric smart meters were all deployed and activated; during 2022, these efforts will be continued with the natural gas smart meters (please refer to the Creos annual report for further details).

PI3: Build and implement national data platform for Luxembourg
This project is currently ongoing (please refer to the Creos annual report for further details).

PI5: Planning Phase for new interconnection of infrastructures with Germany to secure supply & demand challenges
The electrification challenge is Creos's core business. Among the major works for electricity network at the 220 kV and 110-65 kV levels carried out during 2021 are summarised below. In order to maintain the level of security of the Creos network, the conductors of the 220 kV interconnection lines between the Bauler substation in Germany and our 220 kV substation in Bissen have been replaced on the Bauler-Flébour and Flébour-Bissen sections with high-performance conductors. This modification aims to avoid any overload that could possibly occur in future years

before the implementation of the 380 kV solution. At the same time as this change of conductors, the extension works concerning the addition of two 220 kV bays at the Flébour substation were commissioned. This modification increases the operational flexibility of the 220 kV transmission network. In the same vein, work at Senningerberg substation has made good progress with the construction of a building that will replace the old 65/20 kV overhead substation with a 220/110-65/20 kV substation. The latter will contribute to strengthening the security of supply around Luxembourg City. The new position of Niedercorn, intended to replace the current position of Biff, is being finalised. The civil works have been completed and the high-voltage equipment has been installed. This substation will contribute, with the new 65 kV link planned between Sanem and Lamadelaine, to strengthening the 65 kV loop in the south-west of the country. Other reinforcement, renewal or preparation work for the 110 kV transition was carried out, for example at the 65 kV Troisvierges substation, which is now "110 kV READY". The objective is to prepare all 65 kV substations and lines in the northern region for a transition to a higher voltage plan of 110 kV in order to allow the integration of all the renewable energy sources planned in this region.

<div>Time period</div> <div>Voltage level</div>	2020	<div>2030</div> <div>380 kV & 220kV HTLS</div> <div>+</div> <div>Reinforced 65 kV</div>	<div>2040</div> <div>380 kV & 220kV HTLS</div> <div>+</div> <div>110 kV (North, East, West)</div>	<div>Grid Reinforcement</div> <div>Increase the grid capacities</div> <div>Reinforce the grid infrastructure</div>
HV 220kV	980MW	<div>✔</div> > 2000MW	<div>✔</div> > 2000MW	<ul style="list-style-type: none">• Switch from 220 -> 380 and• HTLS in the North for emergency
HV 65kV (110kV)	960MW	<div>✔</div> 1800MW	<div>✔</div> 2200MW	<ul style="list-style-type: none">• Additional 65 kV grids• Switch from 65 -> 110 kV
MV	1200MW	≥ 1700MW	≥ 2000MW	<ul style="list-style-type: none">• New design criteria defined• Additional grid• Additional local transformer stations needed
LV	1000 MW	≥ 1700MW	≥ 2000MW	
Smart Grid <div>Optimise the utilisation of the (existing) infrastructure & defer required grid reinforcements</div>		<div>Tarification, Flexibility (shift consumption to different times & operate the grid closer to its limit, connection agreements)</div> <div>Optimise the grid calculation (find the future hot spot, monitor the grid closely in order to reinforce where first needed)</div>		

Major Works for Gas Pipelines Carried Out During 2021

Transport Network

As part of the modernisation of the gas transport infrastructure, the following work was carried out in 2021:

- Replacement of the DN200 PN40 valve group at the expansion station in Leudelange and modification of the control lines.
- Laying of the DN200 PN40 pipe for the future connection of the new pressure reduction station in Hollerich.
- Diversion DN200 PN40 as part of the road project of the Administration des Ponts et Chaussées in Noertzange.
- Modernisation of the ADO pressure reduction station in Dommeldange (replacement of the control lines and metering devices, replacement of the boiler and renewal of the electrical installations).

Distribution Network

Roost & Luxembourg City Centres

In the territory of Luxembourg City, the modernisation of the distribution network (8.1 km MP/LP) and the replacement of 508 connections continued thanks to intensive efforts.

In general, work on the extension of the medium-pressure (MP) distribution network continued over

4.9 km in 2021 (Luxembourg City: 1.5 km / Roost: 3.4 km).

The extension of the low-pressure (LP) distribution network over 19.6 km continued with the same workload as the previous year (Luxembourg City: 1.1 km / Roost: 18.5 km).

In total, 24.5 km of new distribution pipes were laid in the year 2021.

Creos Germany:

Creos Germany continued the same policy of reinforcing its assets in 2021 in order to meet the energy demand.

In the gas grid of Creos Germany, the northern bypass in St. Ingbert (DN300 DP70) is one of the major projects. In 2021 the first and second construction sections were successfully built.

Furthermore, the pipeline connection Überherrn was started and the pipeline biogas feed-in plant Westheim was commissioned (DN500 DP40). In 2021, the total amount of biogas fed into the grid was 83 GWh.

With regard to gas pressure regulating stations, the Frankenthal Tanklager district pressure regulator station has been reconstructed.

In the Creos Germany power grid, the cross

regulator AT04 at Weiher was erected and the construction of the electricity pylon in Reden was completed.

In addition to that, Creos Germany continued the reflections on how to make natural gas grids decarbonised ready to be able to manage the forthcoming arrival of decarbonised gases, and the respective work in the mosaHYc project, together with GRTgaz S.A. (French TSO) in order to create a 100% pure hydrogen infrastructure, connecting the Saar (Germany), Lorraine (France) and the Luxembourg border.

MosaHYc is a cross-border project promoting the development of a Hydrogen Valley in the heart of the Greater Region with the aim of reducing the carbon footprint of heavy industries (steel, chemicals, etc.) and of mobility in Saarland (Germany), Lorraine (France) and Luxembourg.

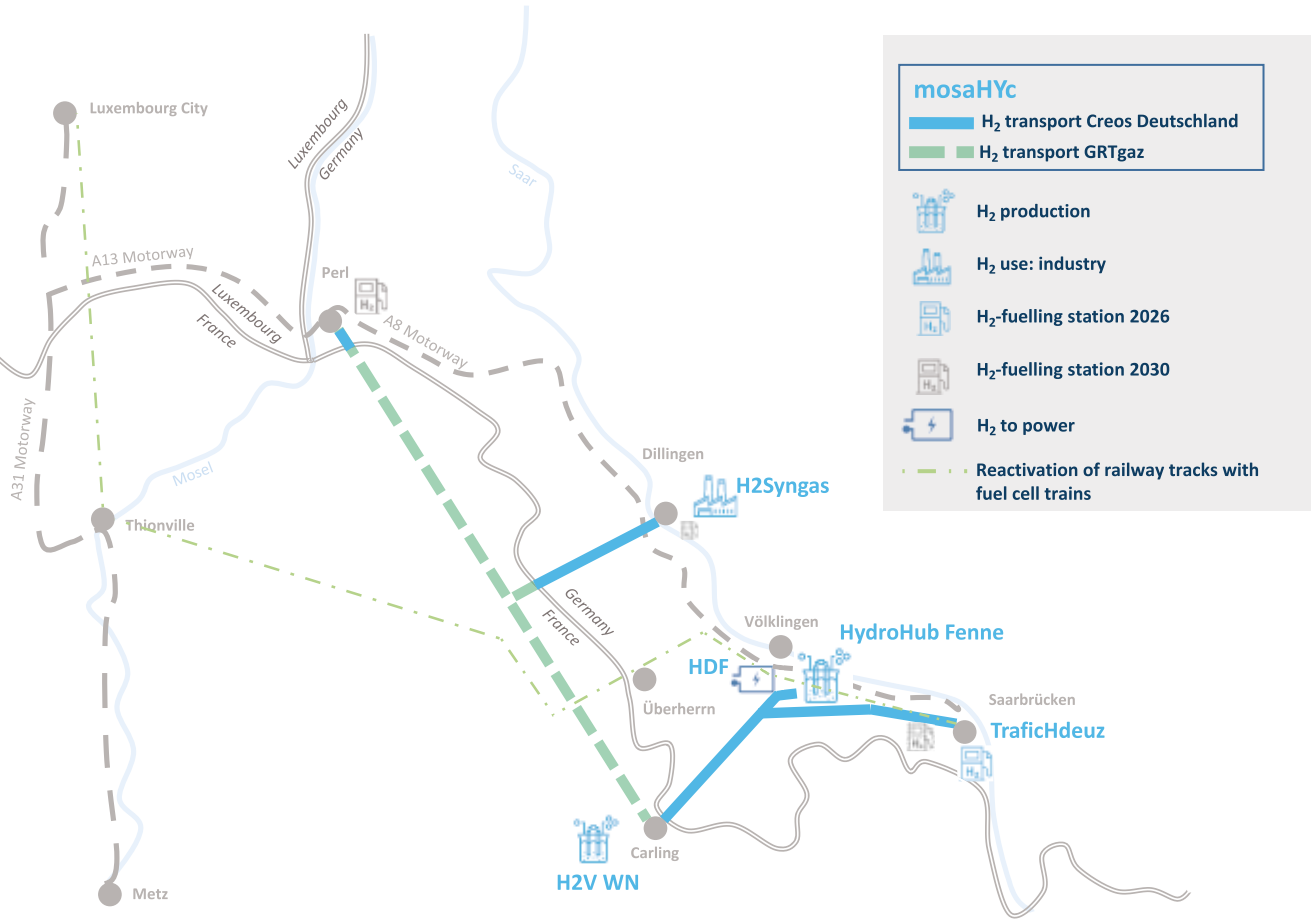
MosaHYc will also foster local economic development with innovative projects that are part of the energy transition (rehabilitation of the former coal power plants – Saint Avold & Völklingen).

Developed by GRTgaz, Creos Deutschland and Encevo, the project will rely on the existing natural gas network already linking France, Germany and the Luxembourg border to transport pure hydrogen. The 100-km network will connect Völklingen, Carling, Bouzonville and Perl for a capacity of 75,000 m3/h (6,800 kg/h).

Aiming to be operational by 2026, this pioneer network marks the first stages in the development of the European hydrogen backbone. This hydrogen infrastructure is also ideally located to support and connect further hydrogen developments foreseen in industrial clusters in Saarland and Lorraine, which historically have been strongly integrated. The mosaHYc project will also strengthen the economic and industry attractiveness in this area.

Another milestone in the push for decarbonised gases was set in August 2021, when a European Economic Interest Grouping (EEIG) with the name “Grande Region Hydrogen” (GRH) was created.

By the end of 2021, the GRH had reached eight members with interests ranging from production, transmission and usage (industry) of hydrogen. The members of the EEIG have, each individually and partially together, set themselves the goal of establishing an integrated cross-border energy system in the Greater Region by linking cross-sector projects (hydrogen production, transport and acceptance). The focus area is the federal state of Saarland



Production



Transmission



Energy



Electricity



Industry



(Germany), the Lorraine Region (France) and the Grand Duchy of Luxembourg. The aim is to develop a hydrogen economy along the entire value chain using the outstandingly suitable structural conditions of the focus area. The purpose of the EEIG is to facilitate and develop the related economic activities of its Members (for example mosaHYc). The EEIG sees itself as the nucleus of a regional hydrogen-related value chain with the aim of initiating a sustainable transformation process of industry and mobility towards hydrogen technologies in the border region. Within this framework, more and more people are to be won over to become members of the EEIG.

The GRH wants to establish a hydrogen economy in the Greater Region. The GRH sees itself as a platform for mutual exchange and cooperation between infrastructure providers, hydrogen producers, hydrogen consumers and stakeholders from all sectors.

Clean Energy Development

(priority material topics)

Encevo Group has a **strong policy** related to the **development of renewable energies** in Luxembourg and abroad.

The group is also currently analysing how to make our natural gas grids decarbonised ready to be able to manage the forthcoming arrival of decarbonised gases. During 2021, Encevo Group continued to dig deeper into the possibilities offered by new energy vectors like hydrogen.

Encevo, a big player in the energy transition and the holding company of Creos DE, also participates in the pilot project mosaHYc mentioned above, concerning the repurposing of a natural gas network into a cross-border hydrogen transport network in the Greater Region. Project partners signed a collaboration agreement to promote the use of hydrogen as an energy and fuel source in the Saar-Lor-Lux region.

In 2021, Creos Luxembourg S.A. joined the European Hydrogen Backbone (EHB) initiative consisting of more than 23 European gas infrastructure companies, working together to plan a pan-European dedicated hydrogen transport infrastructure.

Renewable gas used in existing gas infrastructure can play an important role to achieve net zero greenhouse gas emissions in the EU by 2050.

A European hydrogen infrastructure is needed for Europe to achieve its climate and energy objective. Next to electrification, hydrogen and other decarbonised gases are seen as important parts of the solution.

Activities carried out in 2021 in the framework of EHB:

- Discussing the EHB plan with key stakeholders in the value chain, and with gas infrastructure companies from other European countries.
- Expanding the EHB map with the countries covered by the new members joining the group.
- Assessing the supply side – what would be the renewable electricity capacity required to provide the green hydrogen demand foreseen in the European energy transition?

According to the most recent political developments, the topic of hydrogen is seen as a priority of cooperation. In the framework of the mosaHYc project, the potential prolongation of the targeted pipeline from Germany to Luxembourg will be assessed via a technical-economic feasibility study.

As a driving force of the energy transition in the Greater Region, Encevo Group joined the European Clean Hydrogen Alliance in 2020 and continued to be a member in 2021. The purpose of the alliance is to create a facilitating platform (meetings, discussions, pipeline of projects, potential cooperation) among stakeholders (companies, MS, political experts, etc.) that support climate neutrality related to hydrogen initiatives. This alliance intends to be an important element helping decarbonisation and supporting climate neutrality, and being part of it reflects our commitment to a sustainable energy transition.



hydrogen
transport
network



clean
energy

Organisation & Management

Enovos strives to make meaningful contributions to Luxembourg's climate ambitions by enabling increased production of local power from renewable sources. Enovos Luxembourg is actively developing its wind, PV and CHP business by:

- Engaging in collaborations with customers, strategic partners and communities in a territory with ambitious growth targets.
- Applying our strong local market knowledge and expertise in asset development and operations.
- Continuously growing wind activities.
- Focusing strongly on pipeline development and construction of additional assets to deliver business growth.

PV – ambitious growth potential for solar power:

- Follow a multi-annual plan for PV tenders, including installation categories and sizes to be issued.
- Identify addressable areas and determine inspiring, actionable business approaches to deliver additional assets.
- Ensure excellence and competitiveness in development, construction and operation of PV assets.

CHP – advance Luxembourg's sustainable energy plan as a leader in energy contracting:

- Continue core business in LuxEnergie's energy contracting with the installation and operation of district heating & cooling infrastructure via pellet-based CHPs.
- Develop innovative business areas, i.e. low-temperature heating infrastructure.
- Provide modular green energy heating systems to fulfil temporary needs.

Evolution of renewables in Luxembourg 2021

PV Energy

- Four projects (5.4 MWp) were awarded a Feed-in-Premium in the 2021 tender round; commissioning will be in 2022.
- Seven projects commissioned in 2021 (14.6 MWp), of which two novelties with one floating PV (3 MWp) and one carport (0.7 MWp).
- Development of biodiversity concepts with extensive grazing of sheep on ground-mounted installation sites.
- Continued project pipeline development.

Wind Energy

- Commissioning of Windpark Garnich in Q1/2021 (6.4 MW).
- Dismantling of ten wind turbine generators (WTG) (17 MW): Windpark Kehmen-Heischent (12.6 MW) and Hengischt (5.4 MW) and start of repowering

of those wind parks -> reduced number of WTG to five for increased capacity to 21 MW.

- Start of construction of four new wind parks including the repowering projects with commissioning in 2022 (29.4 MW).
- Continued project pipeline development.

LuxEnergie

- Continued construction of Strassen biomass co-generation plant (7.44 MWth, 1.12 MWe).
- Replacement of gas boiler with two wood pellet boilers (900 kW per unit) in Dudelange.
- Installation of plug-and-heat (1 MW) in Differdange.
- Continued replacement of gas-fired assets with biomass as well as development of new projects for eco districts.

Evolution of Renewables in Germany & International 2021

PV Germany

- CoD Lauperath (8 MW) and Leiwen (14.7 MW)
- PV project Südeifel (214 MW, of which 160 MW PPA-based): financial close ongoing; 12 projects with CODs 2021-2023

PV Netherlands

- CoD Brakel I&II and Gradussen (in total 3.2 MW)
- Acquisition De Vlaas (2.7 MW)
- FRISS: SDE request approved; file approved by IC/Board; FRISS (Greenhouse farm) financial close delayed (to be finalised in Q1/2022).

PV Italy

- ESI II: Past FIT already received (EUR 11.9 million out of a total of EUR 13.5 million);
- Aveleos/EAM: legal procedures in Italy and Norway ongoing

Wind Germany

- Schiffweiler (3 MW): Finalisation of the construction of one additional WTB

Wind Belgium

- CondrEole (15 MW project near Liège): EPC contract and financial close finalised; construction to start in 2022

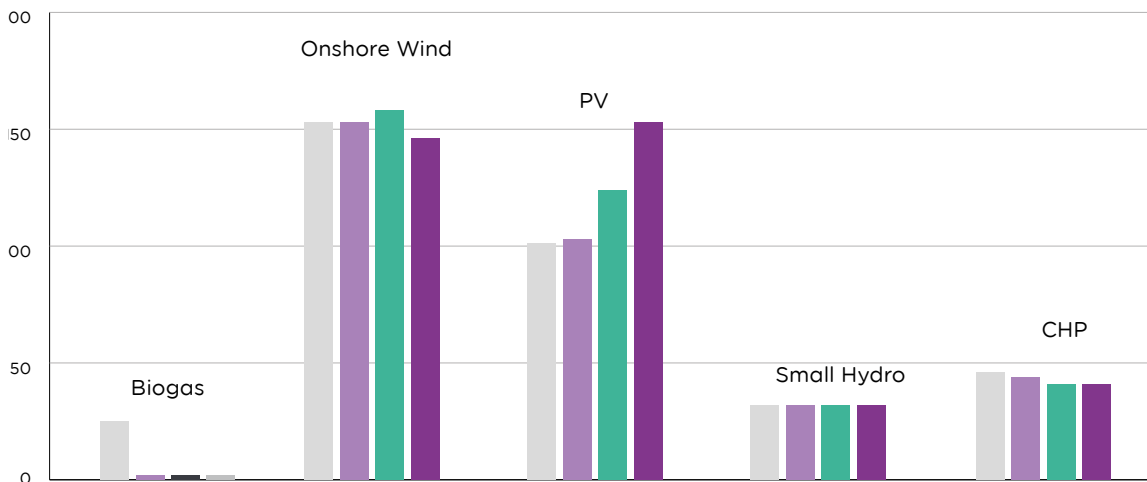
O&M

- Lauperath (8.0 MWp, duration 5 years, contract volume EUR 166,000, client Enovos/SüdeifelStrom eG)
- Leiwen (14.7 MWp, duration 5 years, contract volume EUR 303,000, client Enovos/Entega)
- Krames-Klausen (2.3 MWp, duration 4 years, contract volume EUR 37,000, client Ruppert)
- Österberg (6.3 MWp, duration 15 years, contract volume EUR 494,000, client Stadler/Solarkonzept).

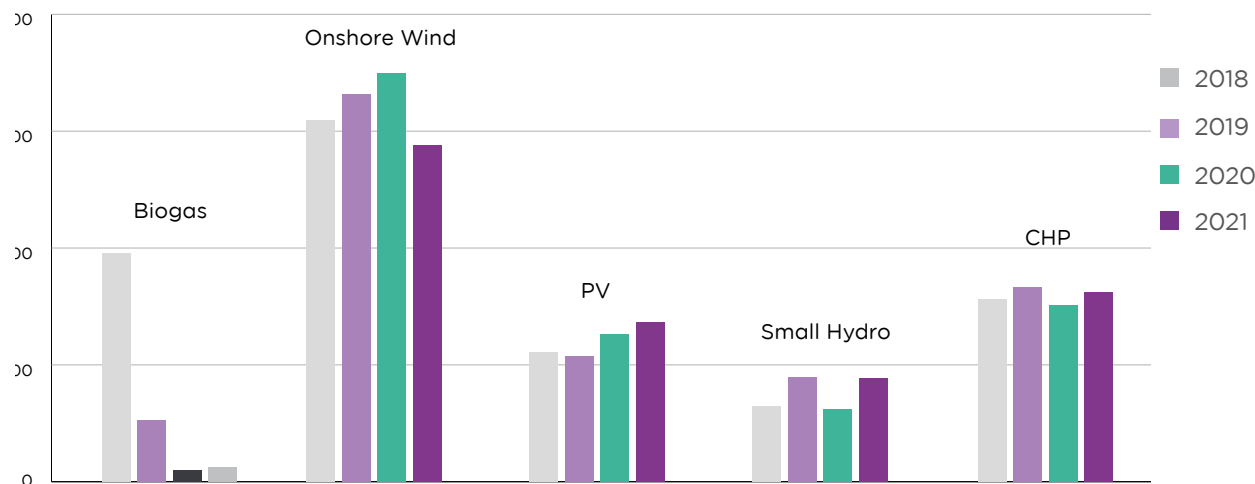
Progress in 2021

PI4 Target renewable production (PV/wind/biomass via district heating) to support government objective of 25% green power

Capacity per year and technology [MW]



Electrical production per year and technology [GWH]



Our Encevo Group Equity Investments in EUR millions

Please note that as of 2021 we are also reporting our CAPEX investments from our German and International segments.



Employee Well-Being

Employee Development & Engagement

(Priority Material Topic)

A well-structured training programme helps employees to continuously improve their knowledge and skills, while providing them with a clear picture of their strengths and weaknesses. This is vital in a continuously changing business world. From an organisational perspective, it minimises weak points and also helps the company increase employee retention, gain their loyalty and ultimately boost organisational productivity.

Organisation and Management

Well-being – STEM Talents and Local Communities

In 2021 we continued to recruit employees and offered internships and student jobs. Our proactive presence in schools and local initiatives led us to become an employer of choice for young graduates. We welcome and train young apprentices in various fields, including the energy sector (mechatronics, logistics and administrative management, etc.). We offer internships and maintain contact for our future hirings. We welcome student jobs in students' fields of study to enable them to gain initial experience.

Progress 2021

Employee Development & Engagement

Ensure implementation of e-learning to facilitate access to training or personal development programmes and thus trigger more learning time for our employees

- Several e-learning platforms covering several domains (e.g. technical, energy-related and

soft skills) have been tested by our employees.

- Striving for a balance between business success and employee well-being, we integrated Development Centres in our HR strategy to gather insight and guide employees and our people and their managers in their personal and professional growth.

EW3: Social impact – Pursue efforts in coaching and being a reliable partner for ministries, local entities, students and jobseekers

STEM Talents and Local Communities

Even in difficult times during Covid, we ensured our presence and continued to develop and strengthen our presence to support future STEM talents and local entities.

Students:

- Continue offering internships and student jobs.
- Offer our presence in local technical schools to promote the energy sector and propose visits to students (e.g. Arts & Métiers, Emile Metz).
- Advise and coach local

students (job or intern search) and teachers (identify suitable content).

- Prix d'Excellence – reward best engineering Master's thesis of local students.
- Prix Germain Dondelinger at the Université of Luxembourg – reward best Master's thesis of a selected student.
- Keep contact and support local STEM students, ANEIL – Association Nationale des Étudiants Ingénieurs Luxembourgeois (e.g. participate in their yearly "Table Ronde" meeting).

Jobseekers:

- Regular contact with ADEM – local jobseeker agency.
- Support local initiatives for job-seeker fairs (e.g. Job dag fair).

We will further promote the energy sector with initiatives in order to attract the young generation to pursue STEM studies and further support STEM students.

We will strengthen our relationship with the students who did an in-house internship and closely follow their academic path.

Diversity and Equal Opportunities

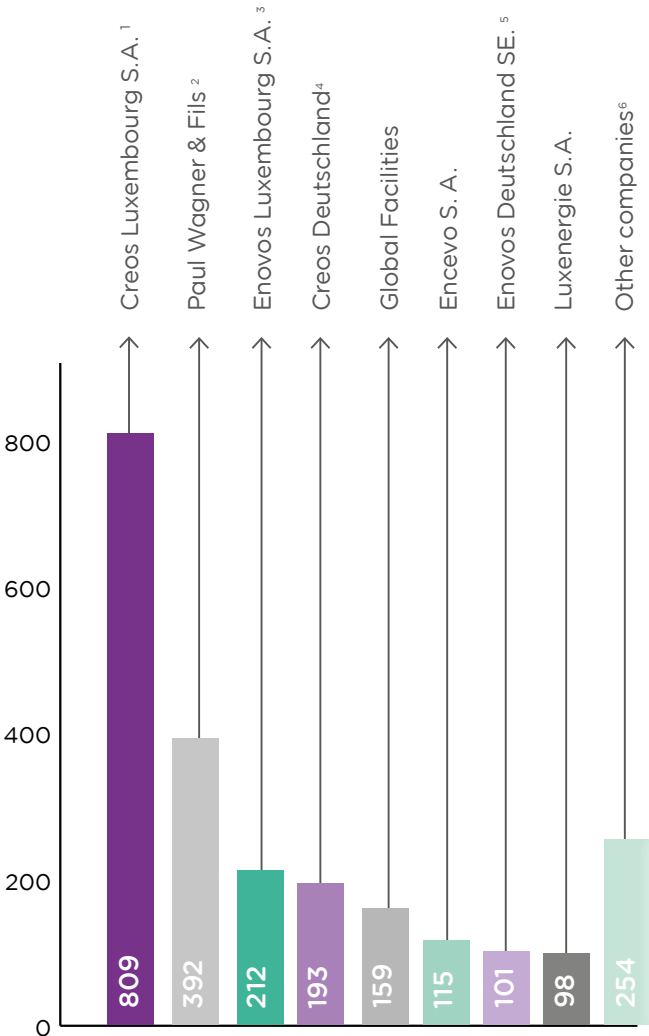
EW7: Ensure equal opportunities for parental leave and part-time work for men and women (career management & work-life balance)

Every demand is carefully analysed and in 2021 we positively accepted and supported parental leave (in any form requested) and part-time requests in order to adjust the best work-life balance of our employees.

Encevo Group average headcount

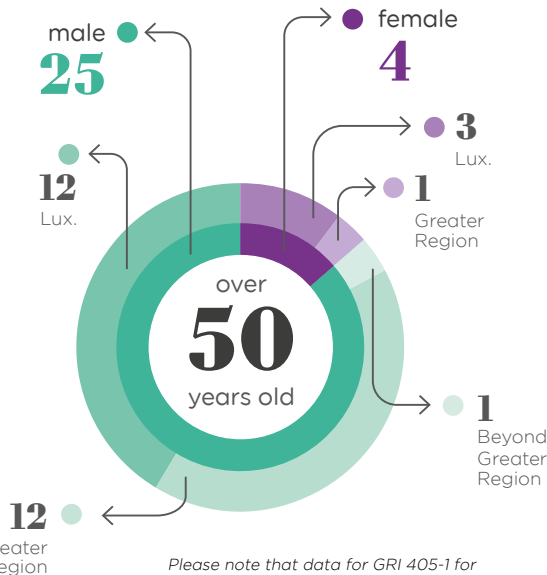
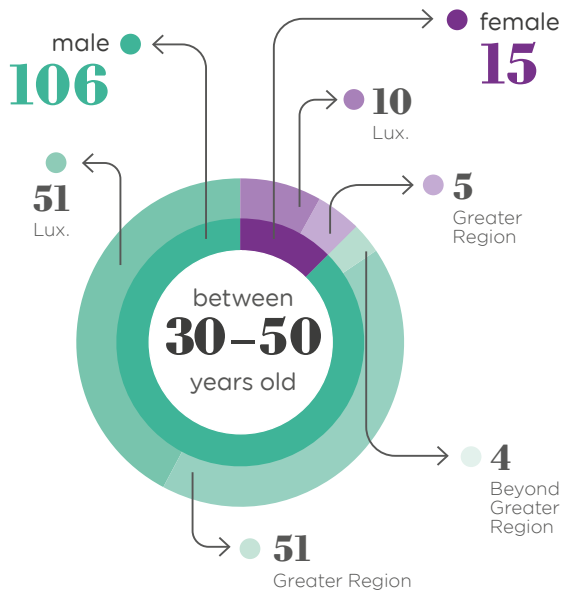
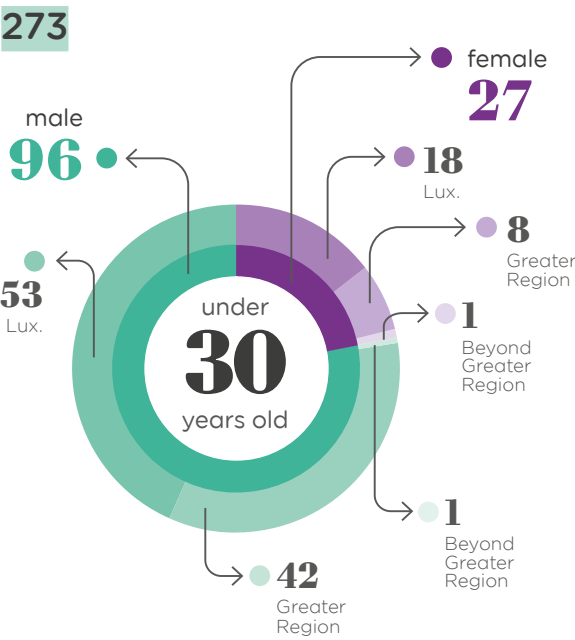
(without trainees & parental leaves) | Data 2021

2,332



¹ Ville de Luxembourg included
² Hoffmann S.A.S, Electricité Wagner S.A., Blitzschutzbau Rhein-Main incl.
³ Leo S.A. & Enovos France SAS incl.
⁴ Creos Deutschland Services, net4energy GmbH incl.
⁵ Enovos Energie Deutschland GmbH, Enovos Renewables O&M GmbH, Enovos Renewables GmbH, Enovos Storage GmbH incl.
⁶ EnergieSüdwest AG, EnergieSüdwest Netz GmbH, EnergieSüdwest Projektges. GmbH, EnergieSüdpfalz Shared Service GmbH, NPG Energy NV, DISUN Deutsche Solarservice GmbH, Power Panels S.A., Minusines S.A.

Number of new employees 2021:



In 2021, we added our indicators related to parental leave (GRI 401-3)

Total number of employees that took parental leave	71
Male	46
Female	25

The retention rate defined as “employees that returned to work after parental leave ended that were still employed 12 months after their return to work” is 100%.

We see a constant and positive trend in an increasing number of employees taking parental leave and especially related to male employees. We will continue to report on this KPI in the future annual reports.



Occupation health & safety

(Priority Material Topic)

Encevo Group’s CEO, Mr Claude Seywert, confirmed that “...health and safety at work is the number one priority”. (Interview: Driving Luxembourg’s Green Energy Push, with Mr Claude Seywert, CEO of Encevo | ILA - Institut Luxembourgeois des Administrateurs)

Encevo Group acknowledges the importance of healthy and safe work conditions for its workers. The prevention of work-related injuries and ill health is given highest priority in all processes and decisions. Encevo Group handles health and safety topics with the utmost care. Dedicated Health, Safety & Environment (HSE) teams work to ensure reliable HSE support and information is supplied to all personnel. Ongoing activities to raise awareness including training sessions and information campaigns are organised regularly.

Organisation & Management

The goal of HSE management is to ensure that every employee is as safe in the workplace as at home. Family and friends must be confident that each of our employees will return home safe and healthy every day. In order to achieve this, Encevo Group has developed and promotes a culture of prevention, offers security-related trainings, has an approved rehabilitation scheme and impresses upon our workers their involvement and responsibility for safety. The tools include policies for risk analyses at any intervention, organisational and medical follow-up of every incident and accident, as well as close collaboration between responsible HSE personnel and the “travailleur designé”.

HSE’s focus is the overall health and safety of our constituents. The Creos HSE department’s mission is to:

- 1) Guarantee occupational health and safety, particularly by preventing risk.
- 2) Ensure compliance with and the application of standards and directives.
- 3) Protect our employees (our most valued resource), citizens and the environment.

First and foremost, HSE’s concern is to ensure that the whole population follows HSE principles, and to improve awareness regarding behaviours that are required for a healthy and safe workforce. The infrastructure area is where most hazards occur. This area of activity has risks, and electricians and gas line installers must be especially vigilant to always follow safe behaviour best practices.

Possible risks are both physical (electrical, thermal, machines and engines, work at height, traffic) as well as chemical (usage of chemical products). A list with activities and their associated risks has been put in place. Best practice criteria have been used to identify the risks and to define the corrective actions. Creos strives to optimise its work processes and does not hesitate to equip itself with the latest safety technology, with a view to reducing accidents at work. To ensure that employees maintain a heightened level of awareness regarding possible risks and mitigation behaviour which will prevent accidents at work, the Creos HSE department regularly organises safety conferences and training sessions.

Creos Luxembourg ensures compliance with the standard ISO 45001:2018 (uncertified) and labour laws. Creos Luxembourg is also a member of the VISION ZERO programme, which requires a common and integrated approach to safety. The goal is to reduce occupational diseases and accidents and their severity while commuting and at work.

For Creos Germany, occupational health and safety is regulated by the principles of prevention found in the Health and Safety at Work Act (Arbeitsschutzgesetz). It uses different measures to ensure safety and compliance (e.g. member of the employers’ liability insurance association, designation of safety officers, committee for occupational safety, risk assessment, trainings).

All employees are subject to the regulations of the Health and Safety at Work Act. Regular inspections of construction sites by the department heads of Asset Service and the HSE team include superiors and/or members of the HSE team discussing deficiencies with employees to raise awareness. The HSE team is in close contact with the safety officer and makes regular risk assessments.

Work-related dangers are determined by drawing up risk assessments. In these risk assessments dangers and risks are recorded and protective measures are described in order to eliminate dangers and to minimise risks. The risk assessments are drawn up by the occupational safety professionals in cooperation with the departments. The quality of processes is monitored by regular checks.

For dangerous work, there are work instructions to which workers must adhere. The work instructions are in written form and each worker must have received an on-site instruction when carrying out the work for the first time. The work instructions describe safety requirements and specify the point at which dangerous work must be interrupted.

Employees regularly visit the company doctor to confirm fitness and that they are still capable of performing high-risk work safely and comfortably. Regular occupational safety conferences, which are mandatory for workers in risk-prone or high-risk areas, are held to inform employees regarding the latest safety news and updates (e.g. safety equipment, processes, rules, personal protective equipment (PPE), analysis of accidents).

The company physician has to advise the employer on occupational safety and accident prevention, in particular with regard to:

- Planning, execution and maintenance of operating facilities and of social and sanitary facilities.
- Procurement of technical work equipment and introduction of work processes and materials.
- Work-related physiological, psychological and other ergonomic and hygiene issues, in particular the rhythm of work, working hours and rules for breaks, the design of workplaces, workflow and work environment.
- Questions on the change of workplace as well as on integration and reintegration of disabled people into the work process.
- Examination of employees, work-related medical evaluation and advice for the employees as well as the recording and assessment of the examination results.

Furthermore, the company physician has to:

- Observe the implementation of occupational safety and accident prevention and in connection with it.
- Inspect the workplaces at regular intervals and inform the employer or the person responsible for occupational health and safety about the detected deficiencies, suggest measures to remedy these deficiencies and work towards their implementation.
- Pay attention to the use of body protection (protective clothing).
- Investigate causes of work-related diseases, record and evaluate the test results and suggest measures to the employer on how to prevent these diseases.

The HSE manager reports to the CEO regularly.

For other subsidiaries like LuxEnergie, an HSE management system has been put in place in order to fulfil all legal requirements towards AAA and ITM as well as to help achieve the internal goals on worker health and safety. The HSE management system covers all workers throughout their time at LuxEnergie, regardless of the type of activity and the physical location of their workplace.

A global risk assessment sheet based on the specifications of the AAA recommendations lists all standard activities and gives a clear indication on the presence and nature of the risks involved in any situations as well as guidelines in order to reduce exposure to these risks. For non-standard activities, the workers and/or the HSE officer perform a dedicated risk analysis. Where applicable the HSE officer gives out recommendations and sets rules. Quality and competence are guaranteed by training and training updates compliant with AAA recommendations of all people involved.

LuxEnergie relies on the STI (Service de santé au travail de l’Industrie A.s.b.l.) to perform health services for its employees. The frequency of workers’ health check-ups has been defined together with the STI according to the various job profiles and the related exposure to risks and hazards. In addition to these, workers may have supplementary check-ups on request.

All LuxEnergie workers must attend an introductory health and safety training performed by the HSE officer. Generic safety trainings such as first aid trainings and trainings on fire extinguishers are proposed to all workers on a regular basis.

Workers that do specific work such as interventions on electrical items, usage of cranes and machines, and working at height are subject to a habilitation scheme as proposed by the AAA which includes the required training.

The policy to remove themselves from work situations that they believe could cause injury or ill health is clearly described in Luxembourg Law. Every worker starting at LuxEnergie gets an explanation of this policy. Furthermore, workers are encouraged to inform the HSE officer directly in order to avoid any reprisal.

In the event of work-related incidents, like accidents or near-accidents, an investigation is started by the HSE officer. Interviews are conducted with all workers involved, as well as their hierarchy. Corrective actions are determined on a common basis and improvements are made immediately with highest priority.

Above all, a programme regarding promotion of worker health is put in place by LuxEnergie. LuxEnergie promotes and finances the participation of employees in business sports activities such as business runs and cycling events. This is not an isolated practice, but a common one put in place by several subsidiaries within Encevo Group. For example, Paul Wagner & Fils maintains a well-equipped fitness room, which all employees have access to in their free time. It also supports the voluntary participation of all workers in various sporting events and offers first aid courses.

The occupational health and safety management system at Paul Wagner & Fils is based on the recognised ISO 45001 standards and guidelines and is implemented for detailed work hazards to analyse and continuously improve the health and safety of all workers. The management approach is regularly evaluated via internal and external audits, and meetings of the Safety Committee (ASA) on a regular basis underline the importance of the topic. Each and every incident is internally discussed and analysed.

Every workplace and every worker are covered by the occupational health and safety management system. The work hazards of every workplace are analysed, the occupational safety measures are implemented and the workers are informed.

The guidelines of the ISO 45001 and AAA are used to identify work-related hazards and assess risks. All

workers are trained to use this analysis method before starting work. Work processes are continuously adapted at recent situations. Continuous trainings remind workers to apply the safe work procedures. Regular safety audits by the safety officer and management ensure safe work processes. The annual external ISO 45001 audit evaluates the occupational health and safety management system.

The ASA, with the company management, the safety officer and workers' representatives for occupational safety, meets four times a year to review the safety items and, if necessary, decide on system modifications. The ASA's report is published on the company intranet and communicated at the safety meetings with workers

Progress 2021

EW4: Re-certify SGS (Sécher & Gesond mat System) for Encevo and re-certify VISION ZERO (Creos)
The national strategy VISION ZERO follows a common and integrated approach with the aim of reducing the number and severity of occupational accidents, commuting accidents and occupational diseases in Luxembourg. This strategy is the



GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4
GRI 403-5 | GRI 403-6

GRI 103-3 | GRI 403-1 | GRI 403-2 | GRI 403-3
GRI 403-4 | GRI 403-5 | GRI 403-6 | GRI 403-8

expression of the solidarity-based will of the national partners to give a new dynamic to health and safety at work and to mobilise all stakeholders at employer and worker level. Creos Luxembourg S.A. has been a member since 6 December 2016 and has followed the recommendations of VISION ZERO since then.

EW5: Certify for ISO 45001 certification Grid Luxembourg, Enovos Luxembourg and Encevo by 2023
to the last two years were used to prepare for ISO 45001 with different measures. Although Creos has not yet applied for certification, many aspects of work organisation have already been implemented according to the new standard ISO 45001. We will seek formal certification for our Grid Luxembourg, Enovos Luxembourg and Encevo holding entities by the end of 2023.

Managing the Covid Pandemic
The Covid-19 pandemic remained challenging in its second year and forced companies to cut or discontinue their activities. With its critical infrastructure responsibility and important role in society, Encevo faced the challenge of delivering system-critical electricity, natural gas and services despite the many restrictions with the second wave and third wave. The company succeeded in keeping its operations running throughout 2021, while ensuring that its employees stayed safe and healthy. During 2021 a total of more than 213,050 surgical masks

type II and 11,050 antigen tests were distributed to our employees. Similar to the first wave, Encevo Group continued the successful contact with the relevant authorities and acted in line with the government's instructions, e.g. for the implementation of the Covid Law at the end of 2021. Also, the responsibility for all decisions regarding the health emergency, which was assigned to a special crisis committee chaired by the CEO and consisting of the heads of involved departments, was highly effective.

A critical factor in securing the supply of services is the well-being of Encevo's employees. With many people working from home, both mental and physical health could be challenged, and numerous steps were taken by Encevo Group. Supported by digital tools, creative solutions were developed to maintain social contact and encourage physical activities among colleagues. On Encevo's NEO intranet, inspirational content was posted to stimulate collaboration.

Overall, this second pandemic year worked well and the measures demonstrated the commitment of our management to protect employees and provide a safe working environment, and the ability to cope with the challenges presented by a crisis. We are proud of our employees for having strictly applied our safety instructions and going the extra mile to ensure the continuation of business operations and services for our customers.

GRI 403-8: Workers covered by an occupational health and safety management system

		Data 2019	Data 2020	Data 2021
Workers: employees & persons who are not employees but whose work and/or workplace is controlled by the organisation	Total number	1174	1218	1259
Workers covered by an H&S management system	Total number	1174	1218	1279
	Percentage (some zero, some 100%)	100%	100%	100%
Workers covered by an H&S management system that has been internally audited	Total number	1073	1113	1146
	Percentage (some zero, some 100%)	100%	100%	100%
Workers covered by an H&S management system that has been audited or certified by an external party	Total number	323	323	322
	Percentage	28%	27%	25%

Please note that data for 403-8 and 403-9 for Paul Wagner & Fils is not available.

Diversity and Equal Opportunities

(Secondary Material Topic)

Diversity and Inclusion

As a purpose-led and values-driven organisation, Encevo Group is an **equal opportunities employer** that deeply believes that the most diverse teams are the most innovative. **Employees who have different backgrounds and experiences bring new skills and perspectives.** We are convinced that a more inclusive and diverse workforce is essential to create a sense of belonging in order to leverage a company’s full potential.

Organisation & Management

Responsibilities include:

1. Managers’ responsibilities

- Implement this diversity and inclusion policy as part of their day-to-day management of employees, and apply policies and practices in a fair and equitable way.
- Recognise unacceptable behaviour and take immediate appropriate action. This action can vary depending on the occurrence or the severity/impact of an unacceptable behaviour towards an individual.

2. Employees’ responsibilities

- Implement the diversity and inclusion policy in their day-to-day tasks and responsibilities with colleagues and customers.
- Report inappropriate behaviour to the line manager or (if appropriate) to the Head of Group Human Resources.

3. Diversity & Inclusion Working Group (DIWG) – a consultative team responsible for the following assignments across the group:

- Carry out a diagnosis and define the areas for priority actions for diversity and inclusion.
- Develop and pilot the action plan.
- Evaluate progress.
- Communicate on the implemented actions.
- Exchange and discussion platform.
- Welcome and analyse suggestions.

Progress 2021

EW8: Ensure general management training focusing on unconscious bias

We firmly believe that holding everyone accountable is the key to greater inclusion in the workplace. Thus, we have reinforced our #YesToDiversity campaign, which aims to further raise awareness of unconscious bias in the workplace.

An unconscious bias is a firm belief, conviction or “cliché” that people display towards an individual or group, based on attributes like physical appearance, age, gender, religion, physical or mental capacity, etc. An unconscious bias can be in favour of, neutral towards or against an individual or group. It is crucial for the success of our organisation that our people know that unconscious biases exist and that they understand to which extent they impact their perception and therefore their relationships. We aim to take the necessary steps to reduce/limit scenarios where these biases impact our business and/or people decisions. It is important to note that they are not necessarily ill-intentioned, but if not properly managed they can become a prejudice and a threat to employees’ performance, engagement and overall well-being. It is indeed a cognitive mechanism which initially helps us process and make sense of the world around us. The challenge lies in becoming aware of our own unconscious biases, so we can identify them when they rise and instead make a conscious decision to think and act differently.

In the past year, this topic has been brought to our management teams through keynote speakers aiming to raise awareness on how unconscious bias, such as stereotypes, prejudice or micro-aggressions, may affect the well-being of our employees. Our top management was clearly engaged in these events and showed a willingness to push diversity and inclusion further. Since we are all concerned with this topic, it is an organisational priority which requires efforts and participation at all levels. Everything that can be learned can be unlearned and we all need to proactively question ourselves on potential biases that guide both our actions and decision-making.

Following the conferences, we issued posters related to micro-aggressions associated with stereotypes that may be encountered within the workplace, be it as a victim or witness. Furthermore, we have trained our workforce by launching an

e-learning covering more specifically the impact of gender stereotypes and what each of us can do to reduce them. Gender stereotypes affect both men and women, trapping them into roles in which they do not necessarily recognise themselves. It is essential that each individual within our organisation understands how our beliefs related to others can generate discrimination, sexism and at times even self-censorship.

EW9: Include diversity & inclusion in employer branding to attract more women or other minorities

Today, we acknowledge the importance of perseverance when it comes to diversity and inclusion. We will continue to make efforts in a way that is steady and consistent, aiming to provide all of our employees with a work environment which is healthy and allows them to unfold.



Learning and Development

Materiality

Encevo Group is committed to supporting the development of all our employees throughout their journey across all ages, positions and career stages.

Continuous learning and development is part of our core competences, as one of its multiple benefits is the ability to prepare for the unexpected and quickly adapt to change. This could not have been more evident than in the turbulent times in 2020. As instructor-led classrooms, conferences and live seminars mostly came to a standstill, closing skill gaps became even more challenging in a drastically changing environment.

Progress 2021

EW1: Ensure implementation of e-learning to facilitate access to trainings or personal development programmes and thus trigger more learning time for our employees

The worldwide outbreak of Covid-19 has brought unexpected stress and anxiety for many people. As the well-being of our employees is of utmost importance to us, we believe that learning is one of the healthy habits we constantly promote in our organisational culture. The willingness to learn and develop new skills or behaviours increases confidence and nurtures a growth mindset. It opens new perspectives, creates connections and leads to new experiences. The combination of all these factors supports our employees' well-being.

During the past year, we initiated the first edition of our group-wide learning newsletter, suggesting internal trainings, external webinars and links to webinar recordings to all our companies. Learning content such as mindfulness or emotional



e-learning & trainings

intelligence, which aims to reduce people's stress and anxiety and to increase self-compassion and self-care, has been included in this offering. It addresses current challenges besides the more technical trainings related to the energy sector.

Energy is one of the most vital industries in the world, and its diversity is what makes it so unique and such a great sector to work in. Given the nature of our business, it is of course particularly important for the group to ensure that we understand the nature and scope of a sector in which we will be spending our working hours. Last year we launched a group-wide learning programme designed to give employees who are less familiar with the different components of the energy sector an overview of the sector. For more advanced profiles in the related topics, we have been regularly adding and promoting new learnings in our internal catalogue, which we offer under various formats such as virtual classes, live webinars or recordings.

Throughout the organisation, our employees continuously build and maintain their expertise. Sharing knowledge helps our staff perform better together and grow in their careers by passing on their area of expertise to others. Today, the evolution of technology allows us to offer intuitive e-learning authoring tools enabling our employees to create courses, checklists and how-to lists by themselves. This way we can teach important topics and respond quickly to learning needs and ensure that all staff are trained on specific topics. We believe this is a real motivator



sharing knowledge

as we recognise our employees' knowledge and experience as a valuable asset for the functioning of our activities.

To drive our business and the well-being of our employees even further, we have integrated the added value of Development Centres in our strategy to better support our employees and their

managers in their personal and professional growth. The aim is to provide employees with a sharper awareness of their strengths, potential or development needs. After a detailed report and structured follow-up, they can create their personal development plan, which flows seamlessly into our annual development talks.



Training hours			Data 2020	Data 2021
Total number of training hours during the reporting period	Management/Cadre/Führungskraft	Male	2,556	3,888
		Female	626	1,030
Total number of training hours	Management/Cadre/Führungskraft		3,183	4,918
Average number of hours	Management/Cadre/Führungskraft		8.08	11.49
Total number of training hours during the reporting period	Employee under Collective Work Agreement	Male	12,997	10,684
		Female	1,541	2,222
Total number of training hours	Employee under Collective Work Agreement		14,538	12,907
Average number of hours	Employee under Collective Work Agreement		8.26	6.85
Total number of training hours	Total	Male	15,553	14,572
		Female	2,167	3,252
Average number of hours		Male	8.84	7.70
		Female	5.47	7.72
Average number of hours per employee	Total		8.22	7.71

Resource Efficiency (Environmental)

Energy efficiency (secondary material topic)

Encevo Group ensures optimisation in the use of energy throughout its entire energy chain (production, transmission, distribution, supply and end use). By contemplating energy efficiency as an electricity supplier, it hopes to contribute to a more efficient use of energy by consumers, through information, promotion and supply of solutions and technologies that help them improve their energy efficiency and reduce the environmental impact of their energy habits and consumption.

Energy consumption (energy sold) and, consequently, the energy intensity ratio are elements that influence profitability and the environmental footprint. Continuous supervision and regular monitoring and comparison of the energy intensity ratios with benchmarks have proven to be a reliable method to fulfil the targets.



Organisation & Management

For LuxEnergie, the main goal is a continuous energy supply using highly efficient installations. To reduce the ecological impact, non-renewable fuels are being replaced more and more with renewables. Supervised 24/7, these installations guarantee a continuous supply for clients. The energy ratio as well as other parameters (water consumption, etc.) are regularly monitored by the R&D department to guarantee highly efficient and clean energy production.

In the past, the continuous supervision and the regular monitoring along with the comparison of the energy intensity ratios with benchmarks has been a reliable method to fulfil the targets. Any major deviations are immediately communicated to the department responsible for the operation of the installation.

ESW AG is a regional supplier for electricity, gas, district heating and water in and around Landau in der Pfalz. ESW AG is the asset owner of the electricity, gas, heat and water grids in and around Landau in the Palatinate region. The grids of the electricity and gas divisions are leased to ESW Netz on the basis of long-term contracts; at the same time, it is responsible for the operation of the water grid. While the core business, the supply of electricity, gas and water, by ESW AG, the supply of district heating is carried out to ESW Projektentwicklung. In the area of electricity, EnergieSüdwest AG ensures that the electricity provided to the customer is from a renewable source.

Enovos Luxembourg Sales works mainly in the B2C business but also with municipalities and industrial customers. Enovos continues to be the benchmark energy supplier in Luxembourg.

Enovos implemented the EU Energy Efficiency Directive using enoprimes. Enoprimes encourages energy and costs savings and provides support for energy-efficient renovations. Furthermore, our entity Energy Agence provides a full portfolio of energy savings and efficiency services.

Progress 2021

P17: Increase energy efficiency services sales to increase energy savings (compared to 132 GWh in 2019);
During 2021 Enovos also continued its efforts to encourage customers to increase their energy consumption awareness. Continuous efforts were made by customers and Enovos to support the achievement of Luxembourg’s ambitious goals related to energy efficiency.

As in the previous year, considerable efforts were made in the EEOS in all sectors.

Our enoprimes teams generated more than 4,755 offers for new energy efficiency measures and at the same time was able to finalise more than 2,066 initiatives.

2021 was a successful year for our enoprimes programme, where we surpassed our annual objectives.

		Data 2019	Data 2020	Data 2021
Total fuel consumption within the organization from non-renewable sources	Total GWh	835	688	842
Total fuel consumption within the organization from renewable sources	Total GWh	140	144	154
Electricity consumption (purchased or self-generated)	Total GWh	178	271	273
Heating consumption (purchased or self-generated)	Total GWh	463	361	461
Cooling consumption (purchased or self-generated)	Total GWh	0.37	1.27	0.86
Steam consumption (purchased or self-generated)	Total GWh	0.00	0.00	0.00
Electricity sold	Total GWh	273	223	227
Heating sold	Total GWh	339	329	372
Cooling sold	Total GWh	28.9	25.2	23.1
Steam sold	Total GWh	0.21	0.12	0.27
Total energy consumption	Total GWh	1,617	1,463	1,729

Emissions: Energy and Carbon Management

(secondary material topic)

The majority of greenhouse gas emissions arise from our production and consumption of energy.

In December 2020, EU leaders agreed on a more ambitious goal for cutting greenhouse gases – reducing them by 55% by 2030 from a 1990 baseline rather than 40% (2030 climate & energy framework | Climate Action (europa.eu)), paving the way to update the bloc’s contribution under the UN Paris Agreement.

As awareness of climate change steadily increases, businesses and countries alike are stepping up their CO₂ reduction plans. For Encevo, protecting the environment is an overall concern and the group is actively committed to the reduction of energy consumption and the increase of renewable energy in order to reduce resource use and emissions of greenhouse gases.

Sustainability targets for group operations aim at reducing the group’s carbon footprint by turning its automotive fleet electric, reducing the impact of its buildings and burying power lines, among other measures. We also have an ongoing research project looking into how hydrogen could replace natural gas (Interview: “Driving Luxembourg’s green energy push” with Mr Claude Seywert, CEO of Encevo | ILA – Institut Luxembourgeois des Administrateurs).

Organisation & Management

For LuxEnergie, the reduction of the greenhouse gas emissions of the installations concerned by the ETS is more and more important with rising CO₂ prices and clean environment awareness. Generally, for all of the installations, the reduction of greenhouse gas emissions will reduce the environmental footprint. As the emissions are directly influenced by the energy consumption, the continuous supervision and monitoring as well as regular maintenance of the installations ensure a minimisation of greenhouse gas emissions.

Creos Germany, as a network operator, has the goal of acting efficiently and in an environmentally friendly way.

- Concerning the gas division, there are two main effects causing emissions:**
- Gas preheating – consumption of heating gas necessary to balance the Joule Thomson Effect.
 - Gas blow-outs – gas emissions in connection with pipeline maintenance and construction projects.

Creos causes emissions due to its work as network operator, i.e. the loss/amount of blown-out gas is dictated by the location and number of measures.

Concerning the electricity division, there are no emissions known to be reported.

The responsibilities are regulated by the Gas Technology division and are known to the heads of department. Possibilities for the reduction of methane emissions have been determined and evaluated initially in a project. An internal working group consisting of various departments was established. The goals of the working group are:

- Monitoring of methane emissions.
- Monitoring of national/ European initiatives/legislative procedures.
- Evaluation/participation in DVGW research projects, e.g. ME DSO/TSO.
- Development of concepts for the reduction of methane emissions, e.g. technical operating instructions for the reduction of methane emissions.
- Selection/evaluation of technical application possibilities (state of the art).
- Cost-effectiveness analysis of technical solutions – public relations/position paper.

Creos Germany evaluates its management approach by external audits (e.g. energy audit DIN EN 16 247) and internal project presentations and working group sessions.

Progress 2021

Direct GHG emission (Scope 1)		Data 2019	Data 2020	Data 2021
Total	Total in Teq CO ₂	83,865.9	76,185.7	84,658.6
Total	CO ₂	80,315.0	73,307.7	82,710.6
Total	CH ₄	3,550.0	2,877.0	1,947.0
Total	N ₂ O	0.0	0.0	0.0
Total	HFC	1.0	1.0	1.0
Total	PFC	0.0	0.0	0.0
Total	SF ₆	0.0	0.0	0.0
Total	NF ₃	0.0	0.0	0.0

Please note that data GRI 305-1 for Enovos DE, Paul Wagner & Fils and Minusines are not available.

Encevo’s Carbon Management Programme

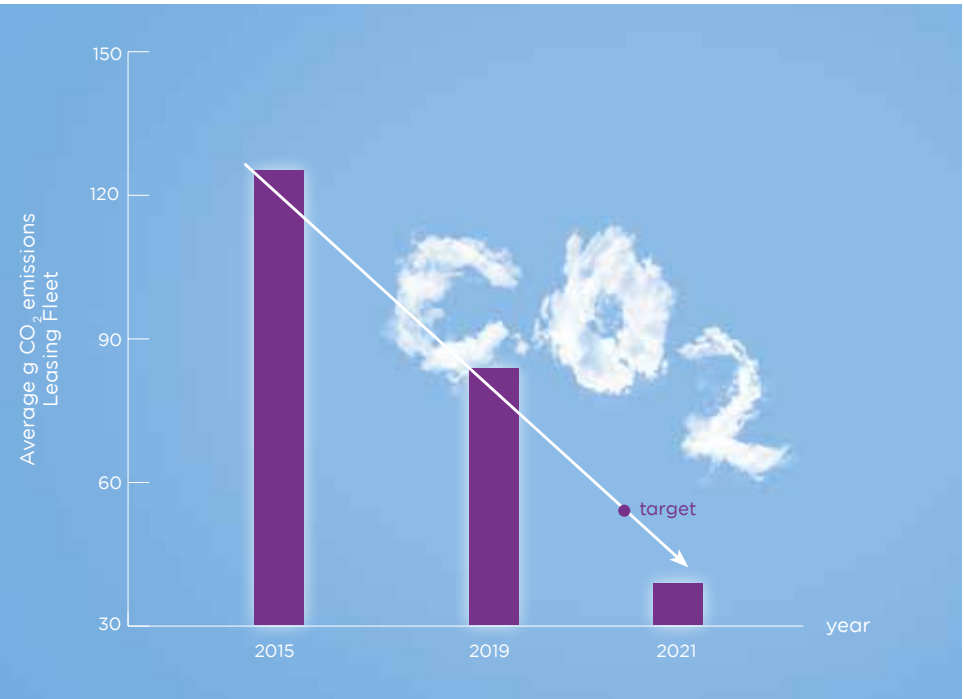
RE3: Measure emissions scope 2 (by 2022) and scope 3 (by 2023)

During 2021 we pursued our efforts in producing an inventory of our emissions by using the “Bilan Carbone” method including scopes 1, 2 and 3. In the past we have conducted the inventory for Encevo and Enovos and can report the successful completion for our Grid entities in Germany and Luxembourg. We will pursue our efforts for an emissions inventory of the remaining entities, which will be fully consolidated to propose a roadmap to achieve a “net zero” strategy through the new requirement in the CSRD, with 22 well-defined actions

to reduce the carbon footprint of our activities.

While executing the measures defined in our carbon inventories since 2012 through continuous improvement, we continue to enhance digital signatures to eliminate paper. Other actions which have led to a significant reduction in our CO₂ emissions have been a significant increase in regional products in our company restaurant and the replacement of our automobile fleet with electric cars.

Since 2015, our leasing fleet has emitted on average 132 g CO₂. We reduced this to 74 g CO₂ in 2019, with an overperformance of 52 g CO₂ for 2020 (target 2020: 60 g CO₂) and a performance of 36 g CO₂ in 2021 (target 50 g CO₂).



Via Creos, we are installing “Chargy” terminals throughout the country, and “enodrive” services, with recharge cards offered by Enovos, allow for easy use. At building level, we have built the new headquarters in Esch to the highest possible standard and currently we are in the finalisation phase of the new Creos headquarters.

Other objectives are also controlling the consumption of our buildings through ISO 50001 (RE1: Achieve and keep energy management certifications ISO 50001 in three-year cycle). Enovos certification, as an energy producer, is constantly increasing its local or even regional production of green energy, focusing above all on PV and wind energy. The recertification process will start during 2022.

During 2021, the previously launched new green product for all residential customers, namely “natur-gas”, climate-neutral natural gas through our energy supplier Enovos, was well accepted by our customers. This consumption volume corresponded to approximately 598,830 tons of CO₂ in 2021. This is a significant increase compared to 380,000 tons of CO₂ during 2020. This consumption was offset by Verified Carbon Standards (VCS) certificates from Nicaragua, Ghana, India, Taiwan and Namibia. Enovos is the only supplier in Luxembourg to have its climate-neutral natural gas verified from top to bottom every year, by an independent institute. The CO₂ offset certificates for this climate-neutral natural gas come, among other things, from climate protection projects in partner countries of Luxembourg’s development aid. The support for these projects is based on selected emission certificates, which, among other things, meet the Gold Standard and are compatible with VCS-VER (www.naturgas.lu).

During 2021, the eno4climate climate product was successfully sold to customers as well as public associations and municipalities. CO₂ emissions from transport, carbon footprint and energy consumption can be offset with eno4climate. Thanks to its many years of experience, Enovos can offer its customers CO₂ compensation projects from projects around the world. The necessary carbon footprint calculation can be determined by our subsidiary “Energieageance” using a “Bilan Carbone” method.

Replacement of IT Equipment for Circular Cycle

During 2021, we recycled 6.4 tons of IT equipment, ensuring a circular cycle. As a second part of our circular economy initiatives, we supported the ‘Mind The Gap’ project to reduce the digital divide of schools and students in Africa: 115 screens were donated to the Luxembourgish Raoul Follereau Foundation.



About the report

This report is the official publication of Encevo’s sustainable development achievements and performance for 2021. This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) standards, knowing that we are preparing the transition to the new GRI 2021 for the next Annual Report 2022. It covers all Encevo S.A. activities and entities for the period from 1 January to 31 December 2021, corresponding to the company’s fiscal year. Our fully consolidated companies have been included – consequently, Minusines has been added into the scope. The reporting

cycle is annual. The previous publication was released in 2021 and covered Encevo’s sustainable development achievements and performance for 2020. The next publication will be released in 2022 and will cover Encevo’s sustainable development achievements and performance for 2021.

This report was supported by the sustainability advisory firm Forethix, which provided the methodology for the materiality analysis shown on page 86. The report’s Content Index refers to general and topic specific disclosures from the GRI standards.

Please find GRI index on page 88.

All of our publications are available on our website: www.encevo.eu. Encevo is at your disposal to provide any other information on our sustainability approach. To this end, we are providing a dedicated email address to our stakeholders, who we encourage to give feedback on their expectations and concerns: CSR@encevo.eu. Under this address, you will contact Jan Ricken, the Head of Group Organisation & Process Excellence, who is responsible for Encevo Group’s CSR standards.

GRI content principles note

Our materiality analysis was supported by an independent sustainability advisory firm during 2019 and will be updated during summer 2022 and consisted of the following steps:

Topic Identification

27 topics were initially identified based on the following methodology:

- A documentary analysis including Encevo’s previous annual reports and sustainable development reports as well as the GRI standards and electric utilities sector supplement.
- A comparative sectoral study of energy companies based on their sustainable development reports.

Impact Assessments

The significance of the economic, social and environmental impacts of Encevo’s activities was assessed through a workshop with the CSR Committee (headed by the CEO of Encevo S.A.). Two assessment criteria were used:

- The impact level [from 1 (not significant) to 4 (very significant)].
- The level of performance [from 1 (high performance) to 4 (low performance)].

Contributions to the SDGs

In order to refine the impact analysis carried out as part of developing the materiality matrix and better identify our contributions to the SDGs, a risk and opportunity analysis throughout the value chain was carried out with the CSR Committee. The methodology was based on UN Global Compact (UNGC) and GRI recommendations (“Integrating the Sustainable Development Goals into Corporate Reporting: A Practical Guide”, 2018). An assessment scale from 1 (low) to 4 (very significant) was used to assess the positive and negative impacts throughout the value chain.

Stakeholder Engagement

Encevo has a responsible and sustainable business model, which puts stakeholders at the centre of its strategy. The company’s objective is thus to build confidence and relationships based upon trust with stakeholders. Encevo also seeks to deepen stakeholder participation, engagement and sense of connection with Encevo. We therefore hold two-way communication, transparency, active listening and

equal treatment as fundamental principles. At the same time, we take into consideration the legitimate interests of the stakeholders and effectively disclose the activities and businesses of the group.

The stakeholders to be engaged in the materiality analysis were defined as follows:



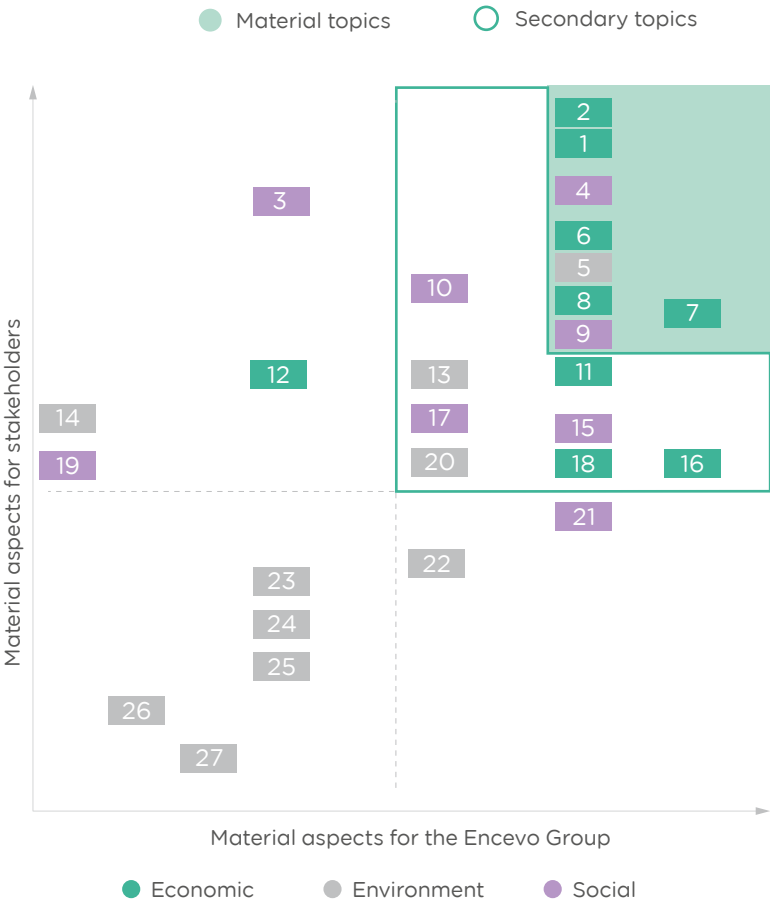
The stakeholders were identified and mapped by the CSR Committee according to both their level of influence on Encevo and their level of dependence towards Encevo. An action plan for stakeholder engagement was designed in a three-year plan for the years 2019-2021. Each stakeholder group has been weighted identically. According to our action plan, we engaged with customers, employees, R&D

partners and the FEDIL as explained in the chapter stakeholder engagement. The materiality will be substantially updated during 2022.

Selection of Material Topics

Through analysing the activities’ economic, social and environmental impacts and engaging stakeholders, the following materiality matrix was created:

- 1. Sustainable Economic Performance
- 2. Reliable and smart energy supply
- 3. Labor relations quality
- 4. Employee development & engagement
- 5. Clean energy development
- 6. Infrastructure safety
- 7. Responsible supply chain - energy
- 8. Data protection & cybersecurity
- 9. Occupational health & safety
- 10. Talent attraction & retention
- 11. Circular ecosystem integration & development
- 12. Transparent & sustainable governance
- 13. Research & development & sustainable innovation
- 14. Materials management
- 15. Diversity & equal opportunity
- 16. Energy efficiency
- 17. STEM development
- 18. Customer orientation & partnerships
- 19. Product safety
- 20. Emissions reduction
- 21. Reduction of energy poverty
- 22. Community empowerment
- 23. Responsible supply chain - non energy
- 24. Environmentally responsible products across their lifecycle
- 25. Biodiversity & soil
- 26. Water management
- 27. Effluents & waste management



Priority and secondary topics were established using a materiality threshold determined collectively by the CSR Committee:

- Eight topics were identified as “material”, with coordinates greater than or equal to (3;3) as disclosed in the dark-grey area of the matrix.
- Six secondary topics were defined with coordinates greater than or equal to (2,5;2,5) as disclosed in the light-grey area of the matrix.

For 2022, Encevo will continue to engage with the Luxembourg government and our employees with a mix of workshops and surveys. The materiality analysis, recorded improvement items and constructive feedback from our stakeholders will provide insights that will be used in the continuous improvement process.

Expert Advice and Review

For its annual Sustainability Report 2021, covering the financial year 2021, Encevo Group has confided in Forethix Sàrl to carry out an expert advice in alignment with the principles of content by the Global Reporting Initiative Standards 2016. The report is published on Encevo Group’s website.

Scope: The review Forethix has conducted ensures the alignment of Encovo Group’s Sustainability report 2021 with the GRI standards and covers the time period from January 1st 2021 to December 31st 2021. The expert advice, as well as the review have been performed in accordance with the GRI Standards “core option”.

Responsibility: Data collection, analysis and reviewing processes, systems and protocols have been realized by Encevo Group. It bears full responsibility for the sustainability disclosures, content, figures and presentation included in this report. The responsibility of Forethix is to certify that all this information is clearly labeled, referenced and presented in the GRI Content Index as required by the GRI indicator 102-55 for the core option.

Findings, conclusions and recommendations:

- Develop key performance indicators to insure the respect of human rights within the group and in the value chain
- Renew internal and external stakeholders engagement to rate all sustainability matters affected by or having an effect on the group
- Prepare the impact assessment according to the concept of inside-out and outside-in perspectives (double materiality)
- Strengthen the description of the integration of ESG criteria in the highest governance bodies

Limitations: This verification does not replace the validation of the Global Reporting Initiative, but gives a first preliminary review.

Date: 20th April 2022

GRI Content Index

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

Disclosure	Omission	Pages
GRI 101: FOUNDATION 2016		
Organizational profile		
GRI 102-1	Name of the organization	Select14
GRI 102-2	Activities, brands, products, and services	Select28
GRI 102-3	Location of headquarters	Select29
GRI 102-4	Location of operations	Select29
GRI 102-5	Ownership and legal form	Select14
GRI 102-6	Markets served	Select29
GRI 102-7	Scale of the organization	Select26
GRI 102-8	Information on employees and other workers	Select70
GRI 102-9	Supply chain	Select28, 55, 56
GRI 102-10	Significant changes to the organization and its supply chain	Select28
GRI 102-11	Precautionary Principle or approach	Select34
GRI 102-12	External initiatives	Select37
GRI 102-13	Membership of associations	Select37
Strategy		
GRI 102-14	Statement from senior decision-maker	Select6, 11, 12, 13
Ethics and integrity		
GRI 102-16	Values, principles, standards, and norms of behavior	Select3
Governance		
GRI 102-18	Governance structure	Select40
GRI 102-19	Delegating authority	Select40
GRI 102-20	"Executive-level responsibility for economic, environmental, and social topics"	Select40
GRI 102-22	Composition of the highest governance body and its committees	Select92, 93, 94, 95
GRI 102-23	Chair of the highest governance body	Select92
GRI 102-25	Conflicts of interest	Select95
Stakeholder engagement		
GRI 102-40	List of stakeholder groups	Select41
GRI 102-41	Collective bargaining agreements	Select79
GRI 102-42	Identifying and selecting stakeholders	Select42
GRI 102-43	Approach to stakeholder engagement	Select42
GRI 102-44	Key topics and concerns raised	Select42

Disclosure	Omission	Pages
Reporting Practices		
GRI 102-45	Entities included in the consolidated financial statements	Select85
GRI 102-46	Defining report content and topic Boundaries	Select86
GRI 102-47	List of material topics	Select44
GRI 102-48	Restatements of information	Select85
GRI 102-49	Changes in reporting	Select85
GRI 102-50	Reporting period	Select85
GRI 102-51	Date of most recent report	Select85
GRI 102-52	Reporting cycle	Select85
GRI 102-53	Contact point for questions regarding the report	Select85
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Select85
GRI 102-55	GRI content index	Select88, 89, 90
GRI 102-56	External assurance	Select87

MATERIAL TOPICS		
ECONOMY		
Material topic: GRI 201 - Economic Performance 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select61
GRI 103-2	The management approach and its components	Select61
GRI 103-3	Evaluation of the management approach	Select61
GRI 201-1	Direct economic value generated and distributed	Select61
Material topic: GRI 203 - Indirect Economic Impacts 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select58
GRI 103-2	The management approach and its components	Select58, 59, 60
GRI 103-3	Evaluation of the management approach	Select60
GRI 203-1	Infrastructure investments and services supported	Select60
Material topic: GRI 204 - Procurement Practices 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select55, 56
GRI 103-2	The management approach and its components	Select55, 56
GRI 103-3	Evaluation of the management approach	Select55, 56
GRI 204-1	Proportion of spending on local suppliers	Select55, 56
Material topic: GRI 205 - Anti-corruption 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select50, 51
GRI 103-2	The management approach and its components	Select50, 51
GRI 103-3	Evaluation of the management approach	Select50, 51
GRI 205-1	Operations assessed for risks related to corruption	Select50, 51
GRI 205-2	Communication and training about anti-corruption policies and procedures	Select50, 51
GRI 205-3	Confirmed incidents of corruption and actions taken	Select50, 51

GRI Content Index

Disclosure	Omission	Pages
ENVIRONMENT		
Material topic: GRI 302 - Energy 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select80
GRI 103-2	The management approach and its components	Select65, 67, 80
GRI 103-3	Evaluation of the management approach	Select67, 81
GRI 302-1	Energy consumption within the organization	Select64
Material topic: GRI 305 - Emissions 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select82
GRI 103-2	The management approach and its components	Select82
GRI 103-3	Evaluation of the management approach	Select83
GRI 305-1	Direct (Scope 1) GHG emissions	Select83
SOCIAL		
Material topic: GRI 401 - Employment 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select69
GRI 103-2	The management approach and its components	Select69
GRI 103-3	Evaluation of the management approach	Select70
GRI 401-1	New employee hires and employee turnover	Select70
GRI 401-3	Parental leave	Select71
Material topic: GRI 403 - Occupational Health and Safety 2018		
GRI 103-1	Explanation of the material topic and its Boundary	Select72
GRI 103-2	The management approach and its components	Select72
GRI 103-3	Evaluation of the management approach	Select75
GRI 403-1	Occupational health and safety management system	Select72, 73, 74, 75
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Select72, 73, 74, 75
GRI 403-3	Occupational health services	Select72, 73, 74, 75
GRI 403-4	"Worker participation, consultation, and communication on occupational health and safety"	Select72, 73, 74, 75
GRI 403-5	Worker training on occupational health and safety	Select72, 73, 74, 75
GRI 403-6	Promotion of worker health	Select72, 73, 74, 75
GRI 403-8	Workers covered by an occupational health and safety management system	Select75
Material topic: GRI 404 - Training and education 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select78
GRI 103-2	The management approach and its components	Select78
GRI 103-3	Evaluation of the management approach	Select79
GRI 404-1	Average hours of training per year per employee	Select79

Disclosure	Omission	Pages
Material topic: GRI 405 - Diversity and Equal Opportunity 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select76
GRI 103-2	The management approach and its components	Select76
GRI 103-3	Evaluation of the management approach	Select70
GRI 405-1	Diversity of governance bodies and employees	Select70
Material topic: GRI 418 - Customer privacy 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Select52
GRI 103-2	The management approach and its components	Select52
GRI 103-3	Evaluation of the management approach	Select54
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Select54

Governance Details APPENDIX

The Board of Directors

The main governance principles as to the appointment of Board members are as follows:

- All directors are non-executive, two of them are employee representatives and they are appointed in principle for a period of six years.
- All directors are appointed at the request of the shareholders in accordance with the shareholders agreement the latter have entered into.
- The file of each person who has been nominated by a shareholder is examined by the Remuneration and Nomination Committee before the candidacy of a person for Board membership is submitted to the general assembly of shareholders (for final appointment) or, as the case may be, to the Board of Directors (for provisional appointment).

As of 31 December 2021, the Board of Directors of Encevo S.A. was composed of the following members:

Marco HOFFMANN (Chair)
Danielle CASTAGNA
Daniel DA CRUZ ¹
Jeff FELLER
Stefan GRÜTZMACHER
Mike KIRSCH
Aloyse KOHLL
Romain LANNERS
Uwe LEPRICH ²
Olaf MÜNICHSDORFER
Georges REUTER
Min SHEN (Third Vice-Chairman)
Geneviève SCHLINK
Joachim SCHERER ³
Tom THEVES (Second Vice-Chairman) ⁴
Yu XUE (First Vice-Chairman)

The Board met five times in 2021: on 2 April, 12 May, 25 June, 30 September and 10 December.

The average attendance rate for all meetings, either physically or by phone conference, reached 97% on average.

The meetings were also attended by the members of the Executive Board.

All meetings were chaired by Mr Marco Hoffmann, who was appointed at the request of the largest shareholder^[5]. The secretary of the Board is the Secretary General of Encevo S.A.

Biographical Note on Marco HOFFMANN, Chairman of the Board:

Marco Hoffmann was born on 11 January 1966 in Luxembourg.

He graduated in electrotechnical engineering from the University of Kaiserslautern (Germany). In 1992, Marco Hoffmann started his career at General Motors Luxembourg before entering the Ministry of Energy in 1996, where he currently acts as Senior Advisor to the Luxembourgish Government. In 1999, he was appointed Chairman and Executive Director of SOTEG S.A. and, in 2002, he was appointed to the same positions at Luxgaz Distribution S.A. Subsequent to the constitution of Enovos Group (now Encevo Group), Marco Hoffmann was appointed Chairman and Executive Director of Enovos Luxembourg S.A. and Vice-Chairman of the Board of Enovos International S.A. (now Encevo S.A.).

With effect from 2 February 2012, Marco Hoffmann was appointed Chairman of the Board of Directors of Enovos Luxembourg S.A. and Chairman of the Board of Directors of Encevo S.A. (at the time of appointment Enovos International S.A.).

You can contact Marco Hoffmann at marco.hoffmann@energie.etat.lu

Board Committees Several board committees assisted the Board in its supervisory role, in the preparation of the information it receives and in its decision-making process.

Audit Committee

The Audit Committee met eight times in 2021: on 11 March, 19 March, 22 March, 11 June, 18 June, 30 June, 17 September and 19 November.

The Chairman of the Audit Committee is a director appointed at the request of the second largest shareholder.^[6] The secretary of the Audit Committee is the Head of Group Internal Audit.

The average attendance rate for all meetings, either physically or by phone conference, reached 91% on average.

As of December 31 2021, the Audit Committee was composed of the following directors:

Vafa MOAYED (Chair)
Marco HOFFMANN
Aloyse KOHLL
Romain LANNERS
Uwe LEPRICH
Georges REUTER
Geneviève SCHLINK
Yu XUE

Biographical note on Vafa MOAYED

Chairman of the Audit Committee

Vafa Moayed was born to of Iranian parents in Casablanca (Morocco) on 7 August 1958.

He is a graduate in management and engineering from the University of Mons (Belgium) and a Réviseur d’Entreprises (certified

public accountant) since 1987.

Vafa Moayed began his career with Deloitte in Luxembourg in 1983. His professional experience focused spanning 33 years on statutory audit, risk management and forensic assignments for the banking and financial services industry for 33 years.

He was appointed partner in 1993 and served in various capacities within the firm: audit partner, Deloitte Group Risk & Reputation Managing Partner (2005-2017), leader of the “Risk & Attest” department of Deloitte Consulting (2007-2015), member of the Executive Committee (2005-2017). He also served as Deloitte Luxembourg Chief Ethics Officer (2005-2010) and created and led Deloitte Luxembourg Russia & CIS desk (1998-2015).

Vafa Moayed is currently serving as an independent director with a few number of companies and not-for-profit organisations.

Group Strategy Committee (“GSC”)

The GSC met four times in 2021: on 17 March, 10 June, 17 September and 18 November.

The average attendance rate for all meetings, either physically or by phone conference, reached 97% on average.

As of 31 December 2021, the GSC was composed of the members of the Executive Board and of the following directors:

Marco HOFFMANN (Chair)
Stefan GRÜTZMACHER
Aloyse KOHLL

Romain LANNERS
Uwe LEPRICH
Georges REDING
Min SHEN
Geneviève SCHLINK

The secretary of the GSC is the secretary of the Board of Encevo S.A.

Investment Committee (“IC”)

The IC met four times in 2021: on 29 January, 10 June, 17 September and 22 September.

The average attendance rate for all meetings, either physically or by phone conference, reached 89% on average.

As of 31 December 2021, the IC was composed of the Chairman of the Executive Board, the Group CFO, the Head of Corporate Strategy and of the following directors:

Marco HOFFMANN (Chair)
Danielle CASTAGNA
Yu GONG
Aloyse KOHLL
Yingpeng SHI
Geneviève SCHLINK
Tom THEVES

The secretary of the IC is the secretary of the Board of Encevo S.A.

¹ Mr Da Cruz resigned with effect as from February 22nd, 2022 and was replaced by Mr Christian Tock as of April 1st, 2022.
² Mr Uwe Leprich represents the Board member “Ville de Luxembourg”
³ Mr Scherer resigned with effect as of December 31st, 2021 and was replaced by Mrs Monika Scholz as from April 1st, 2022.
⁴ Mr Theves resigned with effect as from March 31st, 2022 and was replaced by Mr Luc Decker as of April 1st, 2022.

^[5] ^[6] The state of Luxembourg, SNCI and BCEE are counted as one shareholder for this purpose.

Remuneration and Nomination Committee (“RemCo”)

The RemCo met four times in 2021: on 3 February, 31 March, 5 July and 26 November.

The average attendance rate for all meetings, either physically or by phone conference, reached 100% on average. As of 31 December 2021, the RemCo was composed of the following directors:

Marco HOFFMANN (Chair)

Aloyse KOHLL

Vafa MOAYED

Olaf MÜNICHSDORFER

Christiane SCHAUL

Min SHEN

The secretary of the RemCo is an external adviser from KPMG, who supports the committee’s work based on his expertise in this area.

Executive Board

In accordance with Article 20.8 of the Articles of Association, the daily management of Encevo S.A. is delegated to an Executive Board.

The Executive Board held 47 meetings in 2021. It is composed of four members, it being understood that a quorum of three members is required for the Executive Board to take decisions.

As of 31 December 2021, the Executive Board was composed of the following persons:

Claude SEYWERT
CEO of Encevo S.A.

Claude Seywert was born on 13 July 1971 in Luxembourg.

He graduated in physics from the Eidgenössische Technische Hochschule (Zürich, Switzerland). He continued his studies in the United States and holds an MSc and PhD in aeronautics from the California Institute of Technology, (CalTech).

He started his professional career as a strategy consultant with McKinsey in Germany. In 2002, he joined the group controlling department of Arcelor (now ArcelorMittal) at its Luxembourg headquarters and subsequently held several senior positions within the ArcelorMittal Group before being appointed COO (Chief Operating Officer) Finishing, ArcelorMittal Florange (France).

He joined Creos Luxembourg S.A. in 2012 (having previously served on various boards of directors in the Enovos Group). Beginning 2014, he was appointed Deputy CEO of Creos Luxembourg S.A.

As of 1 August 2015, Claude Seywert was appointed CEO and member of the Board of Directors of Creos Luxembourg S.A. He has also been a member of the Executive Board of Encevo S.A. since that date and exercised this responsibility until 15 September 2018, when he started to assume the position of Chairman of the Executive Board of Encevo S.A. and Group CEO. In this capacity, Claude Seywert is in charge of Acquisition & Strategic Foresight, Group Strategy and Innovation Management, Group Human Resources, Legal, Corporate Governance, Compliance and Corporate Communication. In addition, he is also in charge of Technical Services.

Claude Seywert can be reached at claude.seywert@encevo.eu

Erik VON SCHOLZ
CEO of Enovos Luxembourg S.A.

Erik von Scholz was born on 26 June 1969 in Brussels, graduated in Civil Engineering and Economics at Technische Universität Berlin and has an MBA from Heriot-Watt University from Edinburgh.

From 1995-1998, Erik von Scholz worked for PWC in the Audit and Corporate Finance Services departments.

From 1998 to 2015, he held several senior management positions in the Engie Group in

Brussels and Berlin. Between 2003 and 2015 he was CEO of Engie in Germany and from 2009, Executive Committee member of the Energy Europe Division.

After joining Encevo in 2016, he was appointed Member of the Executive Board of Encevo S.A. in September of that year, in charge of Corporate Development and Strategy. He has also been in charge of Renewables since 1 March 2017.

He took over the responsibility of CEO and member of the Board of Directors of Enovos Luxembourg S.A. on 15 September 2018. He is a Member of the Executive Board of Encevo S.A. in this capacity.

Erik von Scholz can be reached at erik.vonscholz@enovos.eu

Marc REIFFERS
CEO of Creos Luxembourg S.A.

Marc Reiffers was born on 3 August 1960 in Ettelbruck (Luxembourg). He graduated in mechanical engineering from the Compiègne University of Technology (France). He has a Master of Science in offshore engineering from the Cranfield Institute of Technology (England) and holds a degree in business administration from the Institute of Business Administration in Aix-en-Provence (France).

From 1986-2009, Marc Reiffers held several senior positions in the steel industry group ARBED, Arcelor and ArcelorMittal. In 2009, he joined Enovos Luxembourg S.A. as Head of Markets Strategy & Controlling and was appointed COO in January 2011.

On 1 August 2015, Marc Reiffers was appointed CEO and member of the Board of Directors of Enovos Luxembourg S.A. as well as, in this capacity, member of the Executive Board of Encevo S.A. He took over the responsibility of CEO and member of the Board of Directors of Creos Luxembourg S.A. on 15 September 2018. He is a Member of the Executive Board of Encevo S.A. in that capacity.

Marc Reiffers can be reached at marc.reiffers@creos.net

Marc SCHROEDER
CFO of Encevo S.A.

Marc Schroeder was born on 23 April 1964 in Luxembourg.

He graduated with a Master in Economics from the University Louis Pasteur in Strasbourg (France).

Marc started his professional career in 1989 in the Treasury department of the steel industry group ARBED (now ArcelorMittal) in Luxembourg.

Between 1989 and 2014, he held various executive positions in the ARBED, Arcelor & ArcelorMittal Group including nine years as General Manager Finance and Legal at ArcelorMittal WireSolutions (2005-2014), six years as Vice President Strategy of TrefilArbed Arkansas (USA) (1995-2001) and four years as Treasurer of ARBED (1991-1995).

In May 2014, Marc Schroeder joined the aviation group Luxair as Executive Vice President Finance and member of the Executive Board of the Luxair Group.



Claude Seywert | Erik von Scholz | Marc Schroeder | Marc Reiffers

Finally in February 2021, he joined the Encevo Group as deputy CFO before being appointed to his current position as CFO and member of the Executive Board in October 2021, in charge of Finance, Tax, Treasury, Accounting, Controlling, Internal Audit, Information Security, Risk Management, Business Continuity, Insurance & Finance Transformation.

Marc Schroeder can be reached at marc.schroeder@encevo.eu

Conflicts of Interest Reported in Corporate Bodies

In accordance with applicable law, the by-laws and the Board of Directors' internal procedure of Encevo S.A., members of the Board as well as members of the Executive Committee are obliged to report possible conflicts of interest using a declaration of conflict form.

No conflict which would have needed reporting to the Executive Board, the Board of Directors and/or, as the case may be, the general meeting of shareholders under applicable law was reported in 2021.

Risk Management, Compliance and Audit

Risk Management

Encevo's Executive Board established a dedicated Group Risk Policy and assigned specific responsibilities and resources to risk management. The CFO acts as Chief Risk Officer; he reports to the Executive Board and has the ultimate responsibility for effective risk management operations. Under his lead, the Group Risk Manager coordinates the implementation of the policy, the methodology and tools as well as the meetings of the local risk committees.

Based on the Enterprise Risk Management (ERM) model of Encevo Group, risk management deals with operational risks, specific energy market risks, regulatory and strategic risks. Appropriate risk management requires the establishment and promotion of a lively risk culture in the various departments of all group companies and the realisation of formal assessments as well as reporting of potential risks.

Group risks were reported each quarter to the Executive Board, which acted as Group Risk Management Committee, as well as to the Audit Committee.

- **Compliance (see details above)**
- **Internal Audit**

The activities of the Internal Audit function were exercised in accordance with the annual audit plan, declined from the four year audit plan which was reviewed and approved by the Audit Committee. The four year audit plan is based on a risk assessment.

The Internal Audit function also monitored the implementation of its internal control recommendations and reported the status to the Executive Board and the Audit Committee.

The Group Internal Audit function was staffed by a team of three people; the Head of Group Internal Audit, a senior auditor (at 80%) and an auditor.

In 2021, the following areas were audited in accordance with the annual audit plan: strategy and compliance in Encevo Ré, renewables activities in the main German and Luxembourgish entities, group and business IT in the Luxembourgish entities and anti-money laundering and countering of financial terrorism in Encevo Ré.

External Audit

Ernst & Young S.A. was appointed statutory auditor for the years 2021 and 2022, following the resolution of the annual general meeting of shareholders held in 2021. The statutory auditor regularly reported on its work to the Executive Board and to the Audit Committee.



Management Report



Encevo S.A. is the holding company of the Encevo Group. Its main subsidiaries in Luxembourg are the energy supplier Enovos Luxembourg S.A. and the technical service provider Teseos Luxembourg S.A. (previously named Enovos Services Luxembourg S.A.) which are both not regulated, and the grid operator Creos Luxembourg S.A. which is a regulated entity. In addition, following an internal restructuring in 2021, it holds the German subsidiaries of the group via Encevo Deutschland GmbH. The consolidated annual accounts include those of Encevo S.A. and those of its affiliates (the “group”), including 65 companies, of which 43 are fully consolidated and 22 are consolidated under the equity method.

Highlights

As in the previous year, 2021 was marked by the Covid-19 pandemic which had an impact on the Company and its main subsidiaries, without however causing any major disruption of services. In contrast to 2020 when lockdowns and decreasing commodity prices dominated, we observed this year a global economic recovery with significant catch-up effects. This led to strongly rising commodity prices. European Gas prices were further impacted by uncertainty around Russian deliveries and hit all-time highs so far in Q4 2021 with spot prices more than 500% above last year. Consequently, extreme levels were also recorded on the Power wholesale market leading in both commodities to high risks on flexible customer contracts.

Within this challenging environment, knowing and assessing the risks of the company was critical. While market risks have reached record highs along with the increasing and volatile commodity prices, the same holds true for credit risks and for operational risks. In such a dynamic context, operational excellence has gained further importance. Although the above-mentioned topics strongly influenced day-to-day operations and required an intensive customer relationship, further progress was made on the operational side and in business development.

In the group’s sales activities, focus remained on further improving customer centricity, which helped maintain good customer relations. The operational teams maintained ongoing high service levels and the SME sector in France continued to progress. In

Germany, the focus was on reducing risks related to flexible energy supply contracts. The group’s energy sales of 2,155 MEUR in 2021 increased compared to prior year’s level by some 27% mainly driven by positive volume effects in electricity sales as well as positive price effects in gas sales.

In the area of renewable assets, another 14.6 MW of PV capacity were connected to the grid in Luxembourg, while the group further grew its project pipeline of wind assets in Luxembourg through its joint venture Soler S.A. In Germany, the group consolidated its position among the market leaders in Operation & Maintenance, while the renewable asset base expanded and performed above expectations in Belgium and the Netherlands with a capacity of 5.8 MW built in 2021.

With regards to the Italian renewable activities, in the main litigation in Italy, after a Cassation judgement rendered in October 2021, part of the case is referred for a re-examination by another section of the Court of Appeal of Milan. Regarding Enovos Solar Investments II S.r.l. Unipersonale (ESI II), the criminal acquittal has become definitive in June 2021 after no cassation request was filed by the Public Prosecutor, and the Italian Justice Fund has hence released a bank guarantee amounting to EUR 7.5 million posted by Enovos Luxembourg S.A. in 2014.

Additionally, EAM Solar ASA has filed on 28 May 2021 a writ of summons against Enovos Luxembourg S.A. before the Oslo District Court,

invoking Norwegian rules on private criminal proceedings. Management estimates the risks associated with these proceedings as remote and consequently no provision has been recorded. In 2021, grid investments continued at a high pace despite the effects of the health crisis and the difficulties encountered in the supply and logistics chains. Creos Luxembourg S.A. invested a record amount of EUR 169.2 million (2020: EUR 152.9 million), thus contributing to overall grid sales of EUR 167 million.

Regarding the expansion and development strategy of the technical services pillar within the Encevo Group, Enovos Services Luxembourg S.A. was renamed Teseos Luxembourg S.A. at the end of 2021 and acquired an additional 2.75% in Minusines S.A. which was already owned at 72.71% as of December 2020. In addition, the company diego Luxembourg S.A. was created in 2021 in order to be active in the B2C market in Luxembourg. diego Luxembourg S.A. is wholly owned by Teseos Luxembourg S.A..

Continuing its investments in innovative companies in the energy domain, Encevo S.A. increased its participation in Energiency (from 11.48% in 2020 to 22.86% in 2021), took minority participations in the French company EWATTCH which offers promising solutions for the domain of energy efficiency (12%) and in the Spanish company Ezzing Renewable Energies, S.L. which provides an all-in-one tool that simplifies PV project management and allows companies to develop distributed generation (7.32%).

Overall, the consolidated turnover increased in 2021 due to positive market conditions and recovery from the covid-19 crisis, achieving a total of EUR 2,517 million, compared to EUR 1,998 in 2020, i.e. +27% year on year while it decreased by 5.1% in 2020. While the EBITDA increased to EUR 239 million in 2021 and exceeds the 2020 performance by EUR 15 million, the total consolidated profit before taxation for the financial year amounts to EUR 102 million and is EUR 54 million above prior year mainly due to the high impairments and provisions booked in 2020 for EUR -47 million, while the impairments impact amounts to -11 MEUR in 2021 and comprises an additional provision for future losses on the German B2B activity of EUR 13 million, partially compensated by a reversal of impairment on fixed assets of an amount of EUR 2 million booked at the light of the latest developments of the litigation on Italian Renewable activities. This improvement of EUR 54 million is lowered at the level of the total consolidated profit after taxation that amounts to EUR 80 million in 2021 and is EUR 41 million higher than in 2020. The taxes, including deferred taxes, amount to EUR 22 million and are EUR 12 million higher

compared to 2020 from the exceptional impact of the deferred taxes review done in prior year with a positive effect of EUR 12 million in 2020, while the deferred taxes review had an impact of a charge of EUR 1 million in 2021.

Following a restructuring of the Encevo Group’s activities in Germany, Creos Luxembourg’s stake in Creos Deutschland Holding GmbH was sold to Enovos Deutschland SE. Both entities were subsequently merged and renamed Encevo Deutschland GmbH. Enovos Luxembourg S.A. then sold its shares owned in Encevo Deutschland GmbH to Encevo S.A..

The composition of the Executive Committee of Encevo S.A. changed during the year, following the retirement of the Group Chief Financial Officer, Guy Weicherding. As a result of this departure, the Board of Directors of Encevo S.A. has taken the decision to appoint Marc Schroeder as Chief Financial Officer (CFO) of Encevo S.A. and Member of the Executive Committee effective October 1, 2021.

Evolution of operational activities in 2021

Sales Luxembourg

In mid of December 2021, one of Luxembourg’s energy suppliers had to declare incapacity to continue delivering for its power customers and as a result of the difficulties in the energy market, also had to stop its natural gas supply activities in mid January 2022. Enovos Luxembourg S.A., in its different public service roles of supplier of last resort and default supplier, took over the power and gas customer portfolio at short notice. This extraordinary situation was well managed by the whole organisation. The continued strong commitment of all employees in 2021 enabled a good operational performance in a challenging global and local context. Market shares remained stable, and Enovos Luxembourg S.A. strengthened its position as the benchmark supplier in Luxembourg.

Although gas tariff increases in Luxembourg were necessary in the light of the commodity price crisis, our long-term sourcing approach for our customers ensured both that the increases in electricity tariffs for our residential customers could be avoided despite the evolution observed on the market and that our contractual commitments with our industrial customers were fulfilled.

All customer segments previously hit by the Covid-19 pandemic recovered in 2021. After a dip in 2020, Electricity sales are up 0.3 TWh to 4.7 TWh and Gas sales recovered 0.7 TWh to 7.0 TWh. As in the previous year, considerable efforts were made in the Energy Efficiency Obligation Scheme (EEOS) in all sectors. The “enoprimes” program was further developed, and with 4,755 new applications in 2021, the strong figures from 2020 were exceeded by 1,005 additional applications.

Energy Management and Trading (EMT) and Sales France

The execution of strategic risk management and intense portfolio management activities made it possible to counterbalance negative impacts related to higher volumes at higher prices in our sales activities. Spreads for gas storage and transport capacities were optimised during the year, leading to negative results in 2021 that will be compensated for by positive results in 2022. Furthermore, teams worked successfully to improve automated trading activities and to increase our portfolio of renewable assets with automated direct marketing.

French sales activities continued their growth in the SME segment. The financial performance was negatively impacted by the optimisation of French Storage volumes and a provision for an invoice dispute with a French customer. Despite the Covid situation, we managed to successfully collect overdue invoices in France.

Renewables Luxembourg

Renewable assets in Luxembourg maintained their positive momentum from previous years. Nevertheless, the total installed capacity remained stable at 183.6 MW (2020: 184.4 MW), which is a temporary impact of the repowering of old wind turbines with ones that are not yet commissioned. At year-end the operational assets comprised 80.2 MW (2020: 95.0 MW) of onshore wind, 30.2 MW (2020: 15.7 MW) of photovoltaic (PV) installations, 40.9 MW (2020: 41.4 MW) of combined heat and power (CHP) and 32 MW (2020: 32 MW) of hydro power.

The total electrical production for the year 2021 reached 461 GWh. The production loss from the decommissioned wind turbines undergoing repowering was compensated for by the new PV assets and the extraordinary performance of hydro assets. The floods of July 2021 caused major damage to

the hydro assets in Rosport, which have remained out of action since then with an estimated production loss of 7 GWh for 2021.

PV installations saw a doubling of capacity in 2021, adding 14.5 MW. Altogether seven new projects were successfully commissioned, including a state-of-the-art carport and an innovative 3 MW floating installation, the first of its kind in Luxembourg. Other projects include rooftop installations and the extension of the ground-mounted installation at Beidweiler using bifacial PV modules for increased full load hours. Five projects (10 MW) are under construction, four of which (5.5 MW) were successfully granted a Feed-in Tariff in 2021.

Soler S.A. successfully commissioned the second wind turbine of the Garnich project. In summer 2021 the repowering of wind turbines at Kehmen-Heischent and Hengischt was initiated, and the works are advancing as planned. Ten old wind turbines (18 MW) were all decommissioned by year-end. They will be replaced with five new wind turbines with a total capacity of 21 MW in 2022.

LuxEnergie S.A. recorded another successful year by efficiently operating its CHP assets. The construction of the major biomass cogeneration project in Strassen (7.5 MWth and 1 MWe) progressed well and on schedule in 2021, so the first injection of heat could take place in December 2021 with power generation following in January 2022. Having secured several other biomass projects, LuxEnergie S.A. continues to achieve its objective to replace fossil fuel sources with wood energy in its heating and CHP installations.

Renewables International

Continuing on from previous years, 2021 has been driven by the implementation of the strategy involving expanding the footprint in renewable energies, focusing on PV development in the Netherlands. As a result, four additional parks for a capacity of 5.8 MW have been achieved, bringing the total capacity in the Netherlands to 15.3 MW. Furthermore, the project pipeline has increased substantially.

The operational performance of the existing assets ended below target due to slightly unfavourable wind conditions for the park in Sankt Vith, combined with poor sun levels in both Belgium and the Netherlands. However, higher energy wholesale prices have enabled a good financial performance. Furthermore, the financial close for a wind project

in Engis near Liège has been successfully reached, with construction planned for 2022 and commissioning for 2023.

Enovos Luxembourg S.A. also initiated the development of PV activities in France, focusing on the Grand Est Region. This involves setting up a development team to structure and start the scouting activity, which may make it possible to define ambitious potential mid-term development objectives.

With regard to the Italian renewable activities, in the main litigation in Italy, after a Cassation judgement rendered in October 2021, part of the case was referred for re-examination by another section of the Court of Appeal of Milan. Regarding Enovos Solar Investments II S.r.l. Unipersonale (ESI II), the criminal acquittal became definitive in June 2021 after no cassation request was filed by the Public Prosecutor, and the Italian Justice Fund has hence released a bank guarantee amounting to EUR 7.5 million posted by Enovos Luxembourg S.A. in 2014.

Additionally, on 28 May 2021 EAM Solar ASA filed a writ of summons against Enovos Luxembourg S.A. before the Oslo District Court, invoking Norwegian rules on private criminal proceedings. Management continues estimating the risks associated with these proceedings to be remote and consequently no provision has been recorded.

The operational performance of the ESI I and ESI II assets was slightly below expectations as well due to sun levels, offset by good asset management.

Sales, Renewables, and Participations Germany

Despite the challenging market setting, the municipal utilities in the participation portfolio of Encevo Deutschland GmbH achieved strong operational results in 2021. However, the substantially increasing purchase prices for Power and Gas combined with the highly volatile market environment has increased the operational risks in the sales activities of the municipal utilities.

ESW AG, one of our key strategic partners in Rhineland-Palatinate, has continued its strategic development into a full-service provider for integrated energy concepts. To support the grid activities in ESW Group, ESW also acquired a share in REGAB GmbH, a local civil engineering company, in 2021. Energis, one of our key strategic partners in Saarland, has successfully initiated a new operational business field via a rollout and

commercialisation of FTTH grids (fibre to the home), including cross-selling potentials with the sales activities for power and gas.

Due to unfavourable weather conditions, the existing German renewable energy plants were unable to achieve the planned production volumes, with 90 GWh (wind) and 80 GWh (PV) significantly below average year 2020. However, due to high market prices especially in the second half of 2021, the planned results were nevertheless exceeded.

PV development activities of the German renewables team were marked by the implementation planning of PV project Südeifel in 2022 and 2023, with a planned capacity of 214 MWp by 11 production sites in Rhineland-Palatinate. In addition, PV project Lauperath (8 MWp) was finalised in July 2021 and the first construction phase of PV project Leiwen (11 MWp) started in October 2021. Other PV projects in earlier stages as part of the current pipelines of Enovos Renewables as well as of WES Green have further progressed.

The activities in the development of wind projects in 2021 were characterised by the commissioning of the extension of the Schiffweiler-Wiebelskirchen wind farm by one additional WTG with 3 MWp to 15.5 MWp in total.

The O&M Renewable teams based in in Berlin and Waghäusel successfully managed 1 GWp of PV installations mainly located in Germany. Due in particular to the unfavourable weather conditions, the result of German O&M activities could not achieve the exceptional results of previous years.

For the sales activities in Germany, the year was marked by high price and market risks. Increases in energy prices, particularly in the second half of the year, combined with colder temperatures compared with previous years, led to losses in the gas portfolio that were more than offset by gains in the electricity portfolio. In addition, services and physical green power products (“Power Purchase Agreements”) have been successfully concluded.

Technical Services Luxembourg

Since 2017, Encevo Group has been developing the technical services business. In 2018 the operational holding company Enovos Services Luxembourg was launched with a dedicated management team. In 2021, the Group decided to rename Enovos Services Luxembourg to Teseos Luxembourg S.A. and

thereby give it an independent identity. The name Teseos Luxembourg, although independent from the other entities of the Group, nevertheless displays a connection to the other Group companies. This new identity will also help to better distinguish this activity from grid and energy supply.

In addition, the company diego Luxembourg S.A. was created in December 2021 in order to be directly active in the B2C market in Luxembourg. diego Luxembourg S.A. is wholly owned by Teseos Luxembourg S.A..

After four years of development the technical services activity now includes 9 subsidiaries with more than 750 employees. While 2021 activities were still marked by complications because of the Covid pandemic - such as availability of personnel, delays of supplies, and increase of material prices -, overall activity in the construction sector in Luxembourg was brisk. As a result, both personnel and turnover continued to grow and order entry was very strong.

The year of Global Facilities was further marked by the transfer of its headquarters from Strassen to Esch in immediate vicinity of Teseos Luxembourg S.A..

Grid Luxembourg (regulated activity)

In 2021, Creos Luxembourg S.A. has invested EUR 169.2 million to reach a new record (EUR 152.9 million in 2020), despite the effects of the health crisis and the difficulties encountered in the supply and logistics chains. This large investment program is mainly due to the electricity sector (EUR 122.9 million) and the ongoing digitalisation efforts, the recharging infrastructure for electromobility, as well as the communication infrastructure to make the network smart. EUR 33.6 million were invested in new buildings in 2021, most of which was invested in the new headquarters and Luxembourg City operations center located in Luxembourg-Merl. In the gas sector, network component replacement activity remains high, while network areas have not been expanded. With almost 700 additional gas connections made in 2021, the number of active natural gas meters in the Creos network reached 48,993, 97% of which were smart meters. In total, 8,655 GWh were transported through the gas network, which extends to over 2,176 km.

In power, the number of electricity meters installed in the Creos network reached 289,786 low voltage meters and 11,306 medium voltage meters. The

deployment of smart meters has reached 99%. In total, 5,132 GWh were transported through the network, which extends to over 10,267 km.

Besides reinforcing its own national grid, Creos Luxembourg S.A. has remained highly active at the European level by working together with the adjacent transmission system operators (TSOs) with the aim of further regional market integration and of creating new connections between adjacent markets. In order to further strengthen the power interconnections to Germany, Creos pursued the “Project 380” to rebuild its existing high-voltage lines to raise the voltage level from 220 kV to 380 kV.

In application of the tasks assigned to the network operators by the law on the organisation of the electricity market, Creos launched a joint electric mobility project with the other DSOs in 2016 under the brand name “Chargy” to deploy 800 charging stations (741 for Creos) for electric cars. In addition to the mission to build, operate and maintain the charging stations, the mission includes the installation, operation and maintenance of a common system that manages all the information and services needed by electric car customers and offers wide availability of non-discriminatory access to charging service providers and station operators (Chargy OK and SuperChargy OK). Following the constraints imposed by European legislation, the Ministry of Energy launched a market test at the end of 2021 in order to ascertain the possible interest of third parties in taking over this activity set up by the Luxembourg electricity network operators. By the end of 2021, a total of 538 charging stations (1,076 charging points) were installed and put into operation in the national system, in addition, 354 communal or private charging stations (708 charging points) have been integrated into the common system and are also available for public access.

Finally, Creos Luxembourg confirmed its commitment to Balansys S.A., a company owned 50/50 with Fluxys Belgium, which is active in the management of gas balancing in the joint Belgian-Luxembourg zone, as well as its participation in Ampacimon S.A., which develops new technologies in the field of dynamic and intelligent monitoring of electricity grids, and in Nexxtlab, which is active in the development of innovative solutions in the field of energy management.

Grid Germany (regulated activity)

In Germany, investments in the gas and power grids continued and amounted to EUR 31 million (2020: 26.2 million). Furthermore, in 2021 Creos Deutschland launched the preparation for future conversion/feeding-in of hydrogen and was selected as one of the 62 German IPCEI projects in the frame of the implementation of the mosaHYc project which is part of the Grande Region Hydrogen initiative.

Personnel

The average number of employees of the Encevo Group further increased from 2,164 people in 2020 to 2,332 in 2021. The increase compared to 2021 is mainly related to Grids and Technical Services.

As mentioned above the year was characterized by some extraordinary challenges: the Covid pandemic was mitigated in all group companies by relying heavily on remote working, the energy price explosion which was managed through increased customer exchanges and stringent risk management and the heavy flooding on July 14th/15th that Luxembourg had to face in the Alzette and Sûre valleys and which led to power outages. All situations were mastered by the personnel of the group and the Board of Directors and the Management of Encevo S.A. would like to thank all group employees for their flexibility, reactivity and commitment, for their contribution throughout the year and for their full support provided to reliable and strong operations of the group's core activities.

Financials

The consolidated operating profit (EBITDA) of EUR 238.6 million exceeds 2020 value of EUR 223.3 million by EUR 15.3 million. Improved results mainly in Germany in both Sales and Grids, in renewable assets and in Technical Services in Luxembourg overcompensating the lower results in EMT & Grids in Luxembourg.

Total consolidated profit for the financial year increased by EUR 41.5 million to EUR 79.7 million from higher EBITDA of 15.3 MEUR, and due to several adverse exceptional items booked in 2020 whereas such elements had a lower impact in 2021. In 2020, the Board of Directors decided to fully

depreciate the remaining book value of EUR 35.8 million of the 50 MW lignite asset.

Following the decision to exit the B2B business in Germany, in 2020, the Group had booked an exceptional goodwill amortization of EUR 2.4 million and a provision for future losses of EUR 19.2 million. In 2021, the Group decided to make an additional provision for future losses of EUR 13.1 million. These elements are partly compensated the lower reversals on impairments in ESI II with a total impact at net profit in 2021 amounting to EUR 1.7 million, while the impact in 2020 amounted to EUR 4.4 million at depreciation level. Furthermore, a positive variation of EUR 12.4 million was booked in 2020 following the review of the deferred tax liabilities leading to a revaluation of the tax charges based on current applicable rates, while the impact of the deferred taxes review only amounted to a charge of EUR 0.6 million in 2021.

Furthermore, on top of the above-listed exceptional items, regular depreciations are EUR 7.7 million higher than in 2020 from the continuously increasing investment plan. Finally, participations increased their results by EUR 4 million mainly in Stadtwerke for EUR 3.1 million and in Renewables Luxembourg for EUR +0.9 million. Thus, the contribution from participating interests (non-consolidated) companies and companies accounted for under the equity method in 2021 amounted to 30.4 MEUR (2020: 26.7 MEUR).

Risk Management and Regulatory Affairs

As a result of the strongly increasing commodity prices and the related increase in both credit risk (versus our wholesale counterparts) and market risk due to the flexibility inherent to customer contracts, the Board of Directors needed to significantly increase the Risk Capital limits for the core business activities and should this risk realize it may have a significant impact.

The Regulatory Affairs team, next to its activities regarding EMIR and REMIT transaction reporting and trade surveillance, reflected the changes in the rules for the ancillary activities exemption under the Directive 2014/65/EU on markets in financial instruments (MiFID II). On its basis, Enovos Luxembourg S.A. will continue to file for an exemption from MiFID II in 2022.

The Market Risk team successfully further increased transparency on positions and risks in the Sales, Trading and asset portfolios to support all internal stakeholders in their decision-making processes and to design effective hedging approaches in these volatile market conditions.

In the current volatile markets, the Credit Risk team tracked the counterpart and customer situation even more closely, where significantly increased exposures were noted on the wholesale side due to the sharp price increase combined with Enovos Luxembourg S.A.’s role as a net buyer. Also, the Credit team negotiated a new insurance contract that is more in line with the development of Enovos’ customer portfolio to cover customer defaults on their payments and adapted internal policy accordingly.

On the grid side, the main operational risks the company must manage are accidents involving people (in-house and third parties) and network damage due to certain climatic events. Challenges linked to a general electrification of the economy (i.a. e-mobility, energy efficiency in industry, heating and transport, distributed renewable energy generation) over the next decade, aligned to the National Energy and Climate Plan of the Government, are continuously addressed by Creos’ Asset Management team and inserted in the mid-term investment plan based on detailed project studies.

Finally, additional focus has been put on IT risks, and more specifically on IT security risks, in order to ensure that adequate policies and measures are being put in place regarding the group’s core IT systems.

Outlook

The COVID-19 crisis is still not entirely overcome beginning 2022 and potentially new upcoming variants make a prediction of the further development difficult. Impacts from material supply shortages and the energy price crisis increases must be expected.

The most recent developments in the Russia/ Ukraine conflict are strongly influencing European Gas and Power prices. This is a continued source of uncertainty regarding the overall economic outlook and regarding energy market prices, counterparty credit risk as well as physical supply risk. In the

same context, potential regulatory/governmental intervention to cap the prices for B2C customers cannot be ruled out.

Besides these uncertainties, the main focus is to keep the leading position in a steadily growing Luxembourgish market. In this challenging environment, the Group focusses even more in serving its customers, energy efficiency and Renewable energy production. Encevo Group will continue to develop its risk management capabilities, invest into operational excellence and digitalization.

The mid-term financial perspective is marked by a stable contribution from sales in Luxembourg and a strong collaboration with Stadtwerke participations of the Encevo Group in Germany, an increasing contribution from Renewables activities and an expected positive evolution of our sales activities in France.

In a challenging environment with volatile markets, the EMT department of Enovos Luxembourg S.A. will support position handling on behalf of sales, keeping flexibility and structure risks under control. EMT continues contributing with profitable arbitrage, optimisation of results, as well as the management of up-stream assets.

Towards decarbonisation, the Encevo Group will further play a key role in the energy transition. Investments in local green-source power production playing an integral role in Luxembourg’s clean energy transition. Furthermore, Enovos is continuing its activities in the area of renewable energies in the neighbouring countries, focusing on PV and Wind projects in Germany, The Netherlands, Belgium and potentially in France.

Group investment plan is to reach a total EUR 322 million in 2022, thereof EUR 192 million in Grids, EUR 22 million in Markets, EUR 94 million in Renewables and EUR 10 million in Technical Services.

After a strong growth in the past years, the Technical Services business unit will consolidate its activities in order to leverage the know-how and expertise of the various entities in scope in order to further develop the services for the group’s customers in Luxembourg. In parallel the group intends to start developing a technical services activity in Germany.

Finally, following the decision taken in 2020 to sell B2B sales activities of the group in Germany,

the sales process of the shares in Enovos Energie Deutschland GmbH was initiated in 2021 but did not come to a conclusion because of the highly volatile market environment in the second half of 2021. The Russia/Ukraine conflict has introduced further uncertainty, so that this transaction is currently under evaluation. A final decision on the matter is expected in 2022.

Other information

Some research and development activities have been performed within affiliated undertakings. In particular in 2021 Creos Luxembourg S.A. has created a department dedicated to innovation in the field of flexibility of electrical networks and electromobility.

Encevo S.A. does not hold own shares and does not perform any research and development activities.

Changes in 2021 in the Board of Directors of Encevo S.A.

No changes occurred in 2021 in the shareholding of Encevo S.A.

Regarding board members, Mrs Li Sun and Mr Changqing Ji resigned from their mandates on May 11, 2021 and were replaced by Mrs Min Shen and Mr Yu Xue on the same day with a remaining mandate running until the AGM to be held to approve the accounts for the financial year ending on December 31, 2025.

As of September 30, 2021, Mr Jeff Feller was appointed as a new board member due to the resignation of Mr Paul Konsbruck

The board members were at the end of the year 2021:

Marco Hoffmann, Chairman
Yu Xue, 1 st Vice-Chairman*)
Tom Theves, 2 nd Vice-Chairman**)
Min Shen, 3 rd Vice-Chairman*)
Danielle Castagna, Director
Daniel Da Cruz, Director***)

Jeff Feller, Director
Stefan Grützmacher, Director
Aloyse Kohll, Director
Mike Kirsch, Director
Romain Lanners, Director
Uwe Leprich, Director
Olaf Münichsdorfer, Director
Georges Reuter, Director
Joachim Scherer, Director****)
Geneviève Schlink, Director

*) Mr Xue and Mrs Shen were appointed by the Annual General Meeting of Shareholders on May 11th, 2021 following the resignations of Mr Changing Ji and Mrs Li Sun.
**) Mr Theves resigned with effect of March 31st, 2022 and was replaced by Mr Luc Decker as of April 1st 2022 .
***) Mr Da Cruz resigned with effect of February 22nd, 2022 and was replaced by Mr Christian Tock as of April 1st, 2022.
****) Mr Scherer resigned with effect of December 31st, 2021 and was replaced by Mrs Monika Scholz with effect as from April 1st, 2022.

Auditor

The mandate of the external independent statutory auditor, Ernst & Young, initially appointed for a three-year term at the annual general meeting of shareholders held on 8 May, 2018, expired with the audit review of the financial year 2020. Considering the Board of Directors’ recommendation, the shareholders appointed Ernst & Young for a new mandate for the financial years 2021 and 2022 during the annual general meeting of shareholders held on 11 May, 2021.

The board of Directors

Esch-sur-Alzette, 28th April 2022



Consolidated Annual Accounts

4

2.1 Consolidated balance sheet as of 31st December 2021
Denominated in EU

ASSETS	Notes	31/12/2021	31/12/2020
		€	€
A. Goodwill on first consolidation	Note 4	55,411,740	61,517,253
B. Formation expenses	Note 6	1,927	1,894
C. Fixed assets		2,227,860,087	2,078,509,406
I. Intangible assets	Note 7	69,892,970	72,900,104
2. Concessions, patents, licences, trademarks and similar rights and assets, if they were			
a) acquired for valuable consideration and need not be shown under C.I.3.		37,986,816	38,046,382
3. Goodwill, to the extent that it was acquired for valuable consideration		15,949,704	24,537,352
4. Payments on account and intangible assets under development		15,956,449	10,316,370
II. Tangible assets	Note 8	1,910,752,269	1,787,324,380
1. Land and buildings		233,210,994	203,354,664
2. Plant and machinery		1,418,606,106	1,330,044,751
3. Other fixtures and fittings, tools and equipment		89,380,893	45,627,704
4. Payments on account and tangible assets in the course of construction		169,554,275	208,297,261
III. Financial assets		247,214,849	218,284,922
1. Companies consolidated under the equity method	Note 9.1	129,036,399	121,968,008
2. Investments carried at cost	Note 9.2	83,595,144	76,261,572
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests		33,875,210	19,194,672
5. Investments held as fixed assets		1,441	14,532
6. Other loans		706,655	846,137
D. Current assets		952,375,168	555,164,454
I. Stocks	Note 10	54,862,172	51,153,998
1. Raw materials and consumables		16,257,828	12,257,848
2. Work in progress		26,677,852	23,059,094
3. Finished goods and goods for resale		11,926,492	15,837,056
II. Debtors		660.293.683	413.326.841
1. Trade debtors	Note 11.1	578,768,636	342,398,213
a) becoming due and payable within one year		578,760,454	342,398,213
b) becoming due and payable after more than one year		8,182	0
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	Note 11.2	19,527,926	12,525,010
a) becoming due and payable within one year		19,501,926	12,499,010
b) becoming due and payable after more than one year		26,000	26,000
4. Other debtors	Note 11.3	61,888,767	58,282,914
a) becoming due and payable within one year		58,442,860	57,680,274
b) becoming due and payable after more than one year		3,445,907	602,641
5. Deferred tax assets	Note 11.4	108,355	120,704
III. Investments	Note 12	308,776	717,067
3. Other investments		308,776	717,067
IV. Cash at bank and in hand	Note 13	236,910,537	89,966,548
E. Prepayments	Note 14	31,192,150	33,499,291
TOTAL ASSETS		3,266,841,073	2,728,692,297
The notes in the annex form an integral part of the consolidated annual accounts.			

Figures above including reclass of EUR 2,489,872 from financial item line D.IV. (cash at bank and in hand) to item E. (Prepayments) in 2020 (see notes 13, 14 and 25)

CAPITAL, RESERVES AND LIABILITIES	Notes	31/12/2021	31/12/2020
		€	€
A. Capital and reserves, group share	Note 15	1,144,818,904	1,063,039,194
I. Subscribed capital		90,962,900	90,962,900
II. Share premium account		387,028,449	387,028,449
IV. Consolidated reserves		527,244,398	489,875,297
IV.b Other non available reserves		23,615,758	23,615,758
V. Profit or loss brought forward		48,186,733	47,269,985
VIII. Capital investment subsidies		5,378,132	5,890,632
Consolidated Profit or loss for the financial year, group share		62,402,534	18,396,173
A.1. Minority interests		259,040,525	280,731,491
A.2. Capital and reserves, total		1,403,859,429	1,343,770,686
B. Provisions		274,279,479	241,757,630
1. Provisions for pensions and similar obligations	Note 16.1	129,204,675	122,957,747
3. Other provisions	Note 16.2	145,074,804	118,799,882
C. Creditors		1,430,553,671	1,109,539,359
1. Debenture loans			
b) Non convertible loans	Note 17	569,311,268	399,296,122
i) becoming due and payable within one year		2,311,268	32,296,122
ii) becoming due and payable after more than one year		567,000,000	367,000,000
2. Amounts owed to credit institutions	Note 18	92,932,562	91,216,491
a) becoming due and payable within one year		26,318,134	13,332,633
b) becoming due and payable after more than one year		66,614,428	77,883,858
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	Note 19	29,766,797	23,014,669
a) becoming due and payable within one year		29,766,797	23,014,669
b) becoming due and payable after more than one year		0	0
4. Trade creditors	Note 20	455,525,245	335,907,254
a) becoming due and payable within one year		455,402,735	335,708,363
b) becoming due and payable after more than one year		122,510	198,891
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	Note 21	7,579,208	7,194,937
a) becoming due and payable within one year		7,579,208	7,194,937
b) becoming due and payable after more than one year		0	0
8. Other creditors	Note 22	176,152,788	163,391,543
a) Tax authorities		46,575,792	59,275,877
b) Social security authorities		6,343,079	5,612,778
c) Other creditors		123,233,917	98,502,888
i) becoming due and payable within one year	Note 23	57,160,640	28,264,892
ii) becoming due and payable after more than one year		66,073,277	70,237,996
9. Deferred income tax	Note 24	99,285,803	89,518,343
D. Deferred income	Note 25	158,148,493	33,624,623
TOTAL CAPITAL, RESERVES AND LIABILITIES		3,266,841,073	2,728,692,297
The notes in the annex form an integral part of the consolidated annual accounts.			

2.2 Consolidated profit and loss account for the year ended 31st December 2021 – Legal presentation

Denominated in EUR

PROFIT AND LOSS ACCOUNT	Notes	31/12/2021 €	31/12/2020 €
1. Net turnover	Note 26	2,516,821,627	1,998,086,390
3. Work performed by the undertaking for its own purposes and capitalised	Note 1	56,533,112	48,846,621
4. Other operating income	Note 27	18,676,578	20,195,239
5. Raw materials and consumables and other external expenses	Note 28	(2,114,766,080)	(1,630,850,645)
a) Raw materials and consumables		(2,004,960,477)	(1,537,290,344)
b) Other external expenses		(109,805,602)	(93,560,301)
6. Staff costs	Note 29	(225,407,289)	(207,603,210)
a) Wages and salaries		(181,160,236)	(166,520,517)
b) Social security costs			
i) relating to pensions		(15,694,345)	(12,418,422)
ii) other social security costs		(22,063,561)	(17,503,780)
c) Other personnel costs		(6,489,148)	(11,160,490)
7. Value adjustments		(144,468,765)	(169,738,578)
a) in respect of formation expenses and of tangible and intangible fixed assets	Notes 4, 6, 7, 8	(141,148,637)	(168,955,542)
b) in respect of current assets	Note 10	(3,320,128)	(783,036)
8. Other operating expenses	Note 30	(9,983,255)	(4,604,653)
9. Income from participating interests		9,024,294	9,281,402
b) other income from participating interests	Note 31	9,024,294	9,281,402
11. Other interest receivable and similar income		2,552,235	1,542,633
b) other interest and similar income	Note 32	2,552,235	1,542,633
12. Share of profit or loss undertakings accounted for under the equity method	Note 33	21,403,039	17,378,793
13. Value adjustments in respect of financial assets and of investments held as current assets	Note 34	(13,059,004)	(19,170,000)
14. Interest payable and similar expenses		(15,780,711)	(15,423,797)
b) other interest and similar expenses	Note 35	(15,780,711)	(15,423,797)
15. Tax on profit or loss	Note 36	(20,191,036)	(7,040,859)
Consolidated Profit or loss after taxation		81,354,745	40,899,336
17. Other taxes not shown under items 1 to 15		(1,667,675)	(2,711,346)
Consolidated Profit or loss for the financial year		79,687,071	38,187,990
Minority interests		(17,284,537)	(19,791,817)
Consolidated Profit or loss for the financial year, group share		62,402,534	18,396,173

The notes in the annex form an integral part of the consolidated annual accounts.

2.2 Consolidated profit and loss account for the year ended 31st December 2021 – List presentation

Denominated in EUR

PROFIT AND LOSS ACCOUNT	31/12/2021 €	31/12/2020 €
Net turnover	2,516,821,627	1,998,086,390
Other operating income	15,623,756	15,522,528
Gain on disposal of fixed assets	128,571	89,620
Work performed by the undertaking for its own purposes and capitalised	56,533,112	48,846,621
Cost of sales	(2,004,960,477)	(1,537,290,344)
Staff costs	(225,407,289)	(207,603,210)
Other operating expenses	(120,184,734)	(94,364,900)
Ordinary operating profit (EBITDA)	238,554,566	223,286,706
Value adjustments in respect of formation expenses and of tangible and intangible fixed assets	(141,148,637)	(168,955,542)
Operating profit (EBIT)	97,405,928	54,331,164
Income from investments carried at cost	9,024,294	9,281,402
Gain on disposal of financial assets	0	0
Other interest receivable and similar income	2,552,235	1,542,633
Share in result of companies accounted under the equity method	21,403,039	17,378,793
Interest and other financial charges	(28,839,715)	(34,593,797)
Consolidated Profit or loss before taxation	101,545,781	47,940,195
Current income tax (including net wealth tax)	(12,077,247)	(13,348,229)
Deferred income tax	(9,781,463)	3,596,024
Consolidated Profit or loss after taxation	79,687,071	38,187,990
Minority interests	(17,284,537)	(19,791,817)
Consolidated Profit or loss for the financial year, group share	62,402,534	18,396,173

2.3 Consolidated cash flow statement for the year ended 31st December 2021

Denominated in EUR

	31/12/2021	31/12/2020
	€	€
Result for the financial year, group share	62,402,534	18,396,173
+ Minority interests	17,284,537	19,791,817
+ Amortization and depreciation	141,148,637	168,549,605
+/- Capital gain/loss on disposals financial assets	0	0
- Capital gain on disposals fixed assets	(128,571)	(89,620)
+/- Change in provisions	32,521,849	22,712,871
- Share in result of companies accounted under the equity method	(21,403,039)	(17,378,793)
+ Dividends received from companies accounted for under the equity method	16,190,063	16,746,188
+ Current and deferred income taxes	21,858,710	9,752,205
- Taxes paid	(24,834,978)	(2,022,843)
- Increase / (+) Decrease in current assets	(247,745,366)	38,491,468
+ Increase / (-) Decrease in current liabilities	276,565,017	(12,783,904)
Operating cash flow	273,859,392	262,165,167
- Capital expenditures on intangible assets	(20,218,624)	(17,588,965)
- Capital expenditures on tangible assets	(237,945,996)	(191,821,527)
- Capital expenditures on financial assets	(7,333,573)	(3,147,231)
- Net Capital expenditures on purchases of subsidiaries	(2,892,608)	(39,496,886)
- Cash received from disposal of fixed assets	933,989	3,983,764
+ Cash received from disposal of financial assets	0	24,500
+ Net cash received from disposal of subsidiaries	0	0
+ Impact of change in scope	130,395	19,250,107
+/- Change in loans to participations (Not consolidated)	(14,680,538)	2,836,666
Cash flow from investing activities	(282,006,955)	(225,959,572)
- Dividends paid to the group shareholders	(9,205,445)	(24,878,353)
- Dividends paid to the minorities of consolidated companies	(10,696,572)	(9,713,643)
+ Change in equity	304,053	(4,105,161)
+ Subsidies received	60,135	503,974
- Net change in financial liabilities	171,731,217	(9,499,166)
+ Proforma reclass on opening balance	2,489,872	(2,489,872)
Cash Flow from financing activities	154,683,260	(50,182,221)
CHANGE IN CASH	146,535,697	(13,976,626)
Situation at the beginning of the year	90,683,615	104,660,241
Situation at the end of the year	237,219,313	90,683,615

Cash position as at 2020 of EUR 90,683,615 includes the proforma reclass of EUR 2,489,872 done at balance sheet level for comparability purposes.

2.4 Notes to the consolidated annual accounts

Table of contents	
Note 1	Summary of significant accounting principles
Note 2	Creation of the Encevo Group
Note 3	Authorisations
Note 4	Goodwill on first consolidation
Note 5	Scope of consolidation and list of consolidated companies
Note 6	Formation expenses and similar expenses
Note 7	Intangible assets
Note 8	Tangible assets
Note 9	Financial assets
Note 10	Stocks
Note 11	Debtors
Note 12	Investments
Note 13	Cash at bank and in hand
Note 14	Prepayments
Note 15	Capital and reserves
Note 16	Provisions
Note 17	Debenture loans
Note 18	Amounts owed to credit institutions
Note 19	Payments received on account of orders
Note 20	Trade creditors
Note 21	Amounts owed to undertakings with which the group is linked by virtue of participating interests
Note 22	Tax authorities
Note 23	Other creditors
Note 24	Deferred income tax
Note 25	Deferred income
Note 26	Net turnover
Note 27	Other operating income
Note 28	Raw materials and consumable and other external expenses
Note 29	Staff costs
Note 30	Other operating expenses
Note 31	Income from participating interests
Note 32	Other interest receivable and similar income
Note 33	Share of profit or loss undertakings accounted for under the equity method
Note 34	Value adjustments in respect of financial assets and of investments held as current assets
Note 35	Interest payable and similar expenses
Note 36	Current and deferred income tax expense
Note 37	Remuneration paid to members of the administration and management bodies
Note 38	Auditor's fees
Note 39	Financial derivatives
Note 40	Off-balance-sheet liabilities and commitments
Note 41	Subsequent events

Note 1 – Summary of significant accounting principles

Basis of preparation

The consolidated annual accounts of Encevo S.A. (the “Company”), together with its subsidiaries, (the “group”) have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Commercial Law dated 10th August 1915 as amended and the amended Law of 19th December 2002, determined and applied by the Board of Directors. The amounts are rounded to the nearest EUR.

The object of the group is to supply electricity, gas and energy related services to customers in Luxembourg and abroad. The group is active all along the energy value chain: Production, storage, supply, transport, trading, distribution and grid operations.

The preparation of consolidated annual accounts requires the use of certain critical accounting judgements and estimates. More particularly, Management continuously evaluates underlying judgements and estimates for impairment testing and for the evaluation of long-term contracts, based on experience, available facts and expected future events and evolutions. Changes in assumptions may have a significant impact on the consolidated annual accounts in the period in which the assumptions changed as well as in the following years.

The Board of Directors believes that the underlying judgements and estimates are appropriate and that the consolidated annual accounts fairly present the financial position and the results of the year. The financial year starts on

1st January and ends on 31st December of each year.

2021 Covid-19 pandemic

The world economy has been affected by the spread of the COVID-19 virus during 2021. Various measures were taken by governments in the countries where Encevo Group and its core subsidiaries and participations operate, to mitigate the negative impacts from this crisis. For the Group as well as its core subsidiaries, all key functions were maintained, and measures were taken to ensure the safety of the employees, energy supply and grid stability. Despite the pandemic the operating results were maintained with limited impact overall. During the year 2021 the management adapted to the measures and is continuously analyzing the risks resulting from the COVID-19 pandemic.

Scope of consolidation

The consolidated annual accounts include those of Encevo S.A. and those of its affiliates, including jointly controlled entities, and its associated companies. Together they form the group (the “Group”). The consolidated companies are listed in Note 5, “Scope of consolidation and list of consolidated companies”. All consolidated companies prepare their statutory annual accounts as of 31st December. Significant accounting policies The main valuation rules applied by the group are the following:

Consolidation methods

The methods used are:

- Full consolidation in the case of those companies that the Encevo Group directly or indirectly controls (generally with more than 50% of the voting rights). With this method, the

assets and liabilities of the consolidated companies are incorporated into the consolidated accounts, rather than the book value of the equity interests held by the group in the companies concerned. Use of this method can lead to goodwill on consolidation and minority interests being reported. Similarly, the income and expenses of these subsidiaries are consolidated with those of the parent company and their results for the financial year are apportioned between the group and the minority interests. Intercompany accounts and transactions are eliminated.

- The equity method in the case of those companies over which the Encevo Group exercises either joint control with a limited number of associates or significant influence. With this method, the parent company’s share of its affiliate’s equity, based on its equity interest, is entered in its balance sheet, rather than the acquisition cost of the equity holding itself. The difference thus generated is posted to group capital and reserves. The dividends received by the respective parent company are eliminated. The other balance sheet and income statement items are not affected, and intercompany accounts and transactions are not eliminated.
- Goodwill on consolidation is calculated at the time of acquisition or consolidation of an equity interest. Goodwill on first consolidation represents the excess of the acquisition price over the group’s interest share in the equity of the acquired entity. Negative goodwill is

accounted for in profit and loss or in provisions if it relates to anticipated future losses. Positive goodwill is recorded as an asset and depreciated over the expected economic life of the underlying assets. The positive and negative goodwills resulting from the restructuring process in 2009 have been by exception recorded in 2009 against the consolidated reserves in the shareholder’s equity.

- If the Board of Directors considers that an impairment must be recognized on goodwill on consolidated entities, a corresponding value adjustment is posted.

Foreign currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date, exchange losses and realized gains are recorded in the profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The realised and unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account while the net unrealised exchange gains are not recognised.

All group companies use EUR as their functional currency.

Formation expenses

Formation expenses are written off on a straight-line basis over a period of 5 years.

Intangible assets

Intangible assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off. The depreciation rates and methods applied are as follows:

	Depreciation rate	Depreciation method
Concessions, patents, licences, trademarks and similar rights and assets	10% - 33.33%	Straight-line
Goodwill, to extent that it was acquired for valuable consideration	5% - 20%	Straight-line
Customer contracts	6.67% - 20%	Straight-line
Long-term tolling contract	4%	Straight-line

Where the group considers that an intangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. Except for goodwill, these value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost.

The acquisition price is made up of the purchase price, including customs due and non-refundable taxes, after deduction of commercial discounts and rebates,

and any cost directly attributable to the asset's transfer to its place of operation and any adaptation needed for its operation.

Depreciation is recorded on the basis of an asset's useful life under the straight-line method. The estimated useful lives of the main components of tangible assets are as follows:

	Depreciation rate	Depreciation method
Buildings	2% - 10%	Straight-line
Plant and machinery	2% - 10%	Straight-line
Other fixtures and fittings, tools and equipment	10% - 33.33%	Straight-line

For the grid assets in Luxembourg, when a part of grid assets is to be replaced and cannot be separately identified, no disposal of assets is accounted for and the replaced assets continue to be depreciated with normal rates. This accounting principle has been agreed with the Regulator for the determination of grid tariffs.

Where the group considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Tangible assets under development are valued at cost, based on the direct and indirect costs of the group and are reviewed for impairment annually.

Work performed by the undertaking for its own purposes and capitalised
The costs incurred on assets under development created by the group itself are recorded in the profit and loss account under financial statement line

item "Payments on account and tangible assets in the course of construction" during the year and are transferred at balance sheet date to the appropriate balance sheet line item.

Investments carried at cost and investments held as fixed assets
Investments carried at cost and not consolidated in these accounts are recorded in the balance sheet at their acquisition costs including the expenses incidental thereto. In the case of an impairment that the Board of Directors considers as permanent in nature, value adjustments are made in respect to these long-term investments to apply the lower value to be assigned to them at the balance sheet date. These value adjustments are not maintained when the reasons for making them have ceased to exist.

Investments held as fixed assets are classified as long-term financial assets if they are not available for sale. A value adjustment is recorded where the market value is lower than the purchase price.

Raw materials and consumables
Raw materials and consumables are valued at the lower of purchase price calculated on the basis of weighted average cost and market value. Value adjustments are recorded when the estimated

realisable value of stocks is lower than the weighted average cost. Their value adjustments are not maintained if the reasons for recording them have ceased to exist.

Finished goods and work in progress
Inventories of finished goods and work and contracts in progress are valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the product/contract in question and a proportion of the costs indirectly attributable to the product/contract in question, and realisable value. A value adjustment is recorded where the market value is below the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors
Debtors are recorded at their nominal value. Value adjustments are recorded when there is a risk that all or part of the amounts concerned may not be recovered. These value adjustments are not maintained if the reasons for recording them have ceased to exist.

Short-term investments
Other investments are valued at their purchase price, including expenses incidental thereto, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to the latest available quote on the

valuation day for investments listed on a stock exchange or traded on another regulated market.

For non-listed investments or for investments where the last quote is not representative, the market value corresponds to the probable realisation value estimated with due care and in good faith by the Board of Directors.

Derivative financial instruments
The group may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. The group records initially derivative financial instruments at cost.

At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. In the case of hedging of an asset or a liability, unrealised gains or losses on the hedge as well as the underlying asset/liability are deferred until the recognition of the realised gains or losses on the hedged item.

Cash at bank and in hand
Cash at bank and in hand are recorded at their nominal value.

Prepayments
This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

Temporarily tax exempted capital gains
Temporarily tax exempted capital gains include gains for which the taxation is deferred by virtue of Article 54 LIR (Income tax law). Such gains, which are rolled over, are recorded at their initial value. Reinvested gains are written off using the same method and over the same period as the assets to which they relate. This financial statement line item is disclosed

under "Other non-available reserves" on the balance sheet.

Provisions
The aim of provisions is to cover clearly defined charges and liabilities, which, on the balance sheet date, are either probable or certain but for which the amount or date of occurrence cannot be determined with certainty. A review is carried out at year-end to determine the provisions to be recorded for the group's liabilities and charges. Provisions recorded in previous years are reviewed annually and those no longer needed are released.

Provisions may be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for pensions and similar obligations
Different group companies offer their employees a defined benefit plan and a defined contribution plan. Those plans are provided for based on acceptable principles in the different countries of the group companies.

Defined benefit plan
A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Provisions for pensions and similar obligations
The liability recognized in the balance sheet in respect of defined benefit pension plans is

the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to historical evolution of long-term interest rates.

Defined contribution plan
A defined contribution plan is a pension plan under which the group pays fixed contributions to a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions paid are directly registered in the profit and loss account during the year in which they are paid. The commitment of the group is limited to the contributions that the group agreed to pay into the fund on behalf of its employees.

Provisions for contractual agreements
Enovos Luxembourg S.A. (through the Energy Management & Trading department ("EMT")) is the entity in charge of purchasing electricity and gas for all Encevo group companies. EMT purchases on behalf of the sales entities in Luxembourg, Germany, France and Belgium. Within a consistent risk framework, EMT provides sales entities with electricity & gas sourced via bilateral procurement contracts with large energy producers (with maturities ranging from 2025 to 2037), via EFET (European Federation of Energy Traders) agreements and via energy exchanges mainly in Germany, France, Belgium and the Netherlands.

Additionally, it is EMT’s role to balance the physical and financial exposure on the sales side with the overall sourcing commitments across the group. The procurement side is managed based on the expected total consumption of all sales contracts. There is no direct link between a specific sourcing contract and a specific customer or group of customers. Accordingly, the Group regroups all contracts related to a commodity portfolio when assessing onerous contract requirements.

The power & gas supply contracts are tested within a global portfolio approach based on the overall Gross Profit Margin (GPM) expectation to be achieved for Enovos Luxembourg sales contracts based on the mid-term planning extrapolated until the end of the maturity of the Long-Term Contracts (LTC’s).

The GPM is determined by comparing the total sales and the total purchases for a given commodity (i.e., power, gas), irrespective of the contract type and duration.

If the overall GPM for each commodity portfolio is expected to remain positive for the duration of the commitment in the LTC, no provision for onerous contracts is recorded. If the overall GPM for each commodity portfolio is expected to be negative, then a provision for onerous contracts is recorded for the amount of the negative margin.

GPM is computed based on the expected commodity sales prices (using contracted quantities and prices and extrapolated volume and price assumptions) net of any taxes/grid fees minus contracted or expected purchase prices for the equivalent sales volumes.

In case a Long-Term supply Contract can be linked directly to a sale contract in a one-to-one relationship, the GPM is then computed for such relationship and if negative, a provision for onerous contract is recorded.

Creditors
Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method. All fixed costs related to setting up the facilities are depreciated over the duration of the loan.

Deferred income
This item includes income received during the financial year but relating to a subsequent financial year.

Current and deferred income tax
Provisions for current income tax include the current taxes charged. Deferred taxes are recorded on the temporary differences existing between the tax rules and those used for preparing the consolidated annual accounts. Deferred taxes are calculated in accordance with the variable carrying forward method based on the tax rate expected at the time that the receivable or liability materialises. Deferred tax assets are recorded only if it is likely that future taxable profits will be available.

Net turnover
Net turnover relates to transportation and distribution of electricity and gas, sales of gas and electricity, cogeneration provided as well as related services as part of the group’s ordinary activities, net of discounts, value-added tax and other taxes directly linked to sales.

In energy supply, revenue is recognised at the time of physical delivery except for supplies of electricity and gas to residential and commercial customers from Enovos Luxembourg S.A. and Leo S.A. for which revenue recognition is based on five respectively eleven flat-rate advance payments and one detailed final billing following meter reading as invoiced annually.

Other operating income
Other operating income comprises all income only indirectly linked to usual business activities.

Cost of sales
The EMT (Energy Management and Trading) department within Enovos Luxembourg S.A. provides sales entities with gas and electricity sourced via bilateral procurement contracts. As both the procurement side as well as the sales sides are being managed as interdependent portfolios, there is no precise link possible between a specific sourcing contract and a specific customer or group of customers. It is EMT’s role to balance the physical and financial exposure on the sales side with the overall sourcing commitments on the upstream side.

Income from participating interests
Dividend income is recorded when dividends are paid.

Note 2 – Creation of the Encevo Group (formerly Enovos Group)

Encevo S.A. (formerly Enovos International S.A.) was incorporated under the name of Soteg S.A. in Luxembourg on 5th February 1974. The Company is registered under RCS nr. B11723. In the context of the below described operations, the Company has been renamed Enovos International S.A. in 2009. The registered office of the Company is established in Esch-sur-Alzette.

As of 23rd January 2009, the shareholders of Cegedel S.A. and Saar Ferngas AG contributed their respective shares into Soteg S.A. Soteg S.A. then launched a mandatory public offer on all Cegedel S.A. shares not yet in its possession and Cegedel S.A. was delisted after a successful squeeze-out process. A process of restructuring took place thereafter and resulted in a new energy group named Enovos consisting of the parent company, Enovos International S.A. (formerly Soteg S.A.) and its two main subsidiaries, Creos Luxembourg S.A. (formerly Cegedel S.A.) in charge of grid activities and Enovos Luxembourg S.A. (formerly Cegedel Participations S.A.) dealing with energy generation, sales and trading activities. This restructuring has been made with retroactive effect as of 1st January 2009. Enovos Luxembourg S.A. has a subsidiary, Enovos Deutschland SE, (former Enovos Deutschland AG), for the German market and Creos Luxembourg S.A. has a subsidiary, Creos Deutschland Holding GmbH (former Creos Deutschland GmbH), for the German grid.

In the context of this restructuring, former Cegedel S.A. and Soteg S.A. sales activities were contributed to Enovos Luxembourg S.A. against issuing

new shares. Enovos Luxembourg S.A. acquired 86.2% of Enovos Deutschland SE (former Enovos Deutschland AG). Cegedel Participations S.A. was sold to Soteg S.A. and the former Cegedel S.A. sales activity has been contributed to Enovos Luxembourg S.A. in exchange for shares. Former Soteg S.A. grid activities have been contributed to Creos Luxembourg S.A. in exchange for shares.

In October 2016, Enovos International S.A. has been renamed Encevo S.A., the parent company of the Encevo Group.

In early 2019, the group reorganized its activities of energy related services by integrating all of the affiliated undertakings that are active in this field under the newly founded company Teseos Luxembourg S.A. (formerly named Enovos Services Luxembourg S.A.), a 100% subsidiary of Encevo S.A.. As of 31st December 2021, Teseos Luxembourg S.A. thus manages the participations held in Global Facilities S.A., Paul Wagner & Fils S.A., Power Panels S.A., Minusines S.A., diego Luxembourg S.A. and Agence de l’Energie S.A..

Finally, in 2021, in the frame of project Gamos, the group reorganized the structure of its activities in Germany in order to have a holding company on top of all German subsidiaries. In a first step, Enovos Luxembourg S.A. sold the shares it owned in Enovos Deutschland S.E. (88.98%) to Encevo S.A. for the amount of EUR 331,444,271. Encevo S.A. became then the sole shareholder of Enovos Deutschland SE. Enovos Luxembourg S.A. realized a gain on sale amounting to EUR 229,575,026 (nil impact at group

level). This exceptional result was reversed to Encevo S.A. through an interim dividend of EUR 229,600,000. In a second step, Creos Luxembourg S.A. (owned at 75.43% by the Group) sold the shares it owned in Creos Deutschland Holding GmbH (96.88%) for the amount of EUR 178,162,320 to Enovos Deutschland S.E. (owned at 100% by the group) generating a change in the Group minority share in Creos Deutschland Holding GmbH and its affiliates. Creos Luxembourg S.A. realized a gain on disposal of EUR 136,162,320. Finally, Creos Deutschland Holding GmbH was merged into Enovos Deutschland S.E. The resulting entity was renamed Encevo Deutschland, and its legal form changed from S.E. to GmbH. Encevo Deutschland GmbH is now owned by the Group at 98.83%. The external minority shareholders remain those of the previously named Creos Deutschland Holding GmbH.

Note 3 – Authorisations

Following the two European directives 2003/54 and 55, of 26th June 2003, concerning common rules for the internal markets in electricity and natural gas, and the laws that transposed these directives into national law, namely the laws of 1st August 2007, as amended by the Laws of 18th December 2009, 17th October 2010 and 7th August 2012, regarding

the organisation of the electricity and natural gas markets, transportation and distribution grid-management activities have been legally separated from the other activities of electric or gas power generation and sale.

Note 4 – Goodwill on first consolidation

Goodwill on acquisitions is recognised on the asset side and is depreciated over the expected economic life of the underlying assets. As of 31st December 2021, the group has recognised goodwill on the following acquisitions (see also note 5):

	31/12/2021	31/12/2021	31/12/2020	31/12/2020
	"Goodwill	"Goodwill	"Goodwill	"Goodwill
	Gross value"	Net value"	Gross value"	Net value"
	€	€	€	€
Leo S.A.	21,157,085	5,641,889	21,157,085	7,052,362
Minusines	15,020,649	13,374,863	14,339,195	14,339,195
Enovos Luxembourg S.A. (Luxgas S.à r.l.)	14,871,586	3,304,797	14,871,586	4,296,236
Paul Wagner & Fils S.A.	13,123,167	7,976,933	12,722,485	8,905,739
Creos Deutschland GmbH	9,721,789	6,310,849	9,721,789	6,958,969
Creos Luxembourg S.A.	9,285,305	2,063,401	9,285,305	2,682,421
Enovos Energie Deutschland GmbH	7,296,109	0	7,296,109	0
Global Facility	6,077,451	4,861,960	6,077,451	5,469,706
NPG Energy Group	5,767,968	594,578	5,767,968	682,309
Enovos Renewables O&M GmbH (**)	3,243,786	2,977,075	3,243,786	2,977,075
Enovos Solar Investment II S.r.l. Unipersonale	3,035,199	0	3,035,199	0
ESW Energie Südwest AG	2,205,965	772,088	2,205,965	919,152
Encevo Deutschland GmbH	1,992,075	796,830	1,992,075	929,635
DiSUN Deutsche Solarservice GmbH	1,106,662	663,997	1,106,662	737,775
Power Panels SA	7,090,421	5,785,671	5,815,415	5,233,874
Enovos Solar Investment I S.r.l. Unipersonale	805,849	0	805,849	0
Surré S.A.	989,661	0	989,661	0
Encevo Deutschland GmbH (CDH GmbH share)	689,966	286,805	689,966	332,803
	123,480,694	55,411,740	121,123,552	61,517,253

Value adjustments have been recorded using a straight-line depreciation method:

	31/12/2021	31/12/2020
	€	€
Gross book value - opening balance	121,123,552	100,932,392
Additions for the year	2,357,142	20,191,160
Disposals for the year	0	0
Transfers for the year	0	0
Gross book value - closing balance	123,480,694	121,123,552
Accumulated value adjustment - opening balance	(59,831,785)	(50,295,380)
Allocations for the year	(8,318,934)	(7,104,369)
Opening balance correction	81,764	0
Disposals for the year	0	0
Exceptional depreciation for the year	0	(2,432,036)
Accumulated value adjustment - closing balance	(68,068,955)	(59,831,785)
Net book value - closing balance	55,411,740	61,517,253

The additions of the year concern the earnout paid for Paul Wagner & Fils S.A. amounting to EUR 400,682 (fully allocated to Goodwill), the partial deferred payment for the acquisition of Power Panels S.A. for an amount of EUR 1,275,006 (fully allocated to Goodwill) and an additional acquisition of a stake of 2.75% in Minusines for an amount of EUR 1,216,920 generating an additional goodwill of EUR 681,454.

In 2020, an exceptional depreciation of EUR 2,432,036 was booked on the remaining goodwill of Enovos Energie Deutschland GmbH in the context of losses incurred by the company and the uncertainty of the future of these activities. In 2021, the Board of Directors is of the opinion that no additional impairment is necessary.

Note 5 – Scope of consolidation and list of consolidated companies

The consolidation scope is as follows as of 31st December 2021:

Fully consolidated group companies:

Name	Country	Percentage of control 2021	"Percentage of interest 2021"	Percentage of control 2020	"Percentage of interest 2020"	Main activity
Encevo S.A.	Luxembourg	100.00%	100.00%	100.00%	100.00%	Holding company and shared service provider
Enovos Luxembourg S.A.	Luxembourg	100.00%	100.00%	100.00%	100.00%	Supply of power and gas
Creos Luxembourg S.A.	Luxembourg	75.47%	75.47%	75.47%	75.47%	Transport and distribution of gas and power
Encevo Re S.A.	Luxembourg	100.00%	100.00%	100.00%	100.00%	Reinsurance
Enovos Energie S.A.	Luxembourg	100.00%	100.00%	100.00%	100.00%	Supply of power and gas
LuxEnergie S.A.	Luxembourg	60.35%	60.35%	60.35%	60.35%	Production of heat and power
Surré S.A.	Luxembourg	100.00%	60.35%	100.00%	60.35%	Production of heat and power
Panhelios S.A.	Luxembourg	51.00%	51.00%	51.00%	51.00%	Production of power
Voltranovos S.A.	Luxembourg	51.00%	51.00%	51.00%	51.00%	Production of power
Heliovos S.A.	Luxembourg	51.00%	51.00%	51.00%	51.00%	Production of power

Leo S.A.	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Supply of power and gas
Real Estate Enovos Esch S.A.	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Real estate
Enovos Real Estate Luxembourg S.A.	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Holding company in Real estate
Paul Wagner & Fils Group (*)	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Technical services provider
Power Panels S.A.	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Technical services provider
Minusines S.A.	Luxem- bourg	75.46%	75.46%	72.71%	72.71%	Technical services provider (acquired in 2020)
Global Facilities S.A.	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Facility management
Teseos S.A.	Luxem- bourg	100.00%	100.00%	100.00%	100.00%	Holding company in technical services
Enovos Solar Investment I S.r.l. Unipersonale	Italy	100.00%	100.00%	100.00%	100.00%	Production of power
Enovos Solar Investment II S.r.l. Unipersonale	Italy	100.00%	100.00%	100.00%	100.00%	Production of power
Windpark Mosberg GmbH & Co KG	Germany	100.00%	100.00%	100.00%	100.00%	Production of power
Encevo Deutschland GmbH	Germany	98.83%	98.83%	100.00%	100.00%	Holding company and shared service provider
Enovos Energie Deutschland GmbH	Germany	100.00%	98.83%	100.00%	100.00%	Supply of power and gas
Enovos Renewables O&M GmbH	Germany	100.00%	98.83%	100.00%	100.00%	Operation & maintenance of solar- and windparks
Enovos Storage GmbH	Germany	100.00%	98.83%	100.00%	100.00%	Gas Storage
Enovos Renewables GmbH	Germany	100.00%	98.83%	100.00%	100.00%	Holding company for power producers
Enovos Power GmbH	Germany	100.00%	98.83%	100.00%	100.00%	Supply of power
Energie Südpfalz Shared Service GmbH	Germany	64.00%	32.26%	64.00%	32.64%	Service provider
Creos Deutschland Holding GmbH	Germany	0.00%	0.00%	98.03%	73.70%	Holding company and shared service provider
Creos Deutschland GmbH	Germany	100.00%	98.83%	100.00%	73.70%	Transport and distribution of gas
Creos Deutschland Services GmbH	Germany	100.00%	98.83%	100.00%	73.70%	Service provider
Net4Energy GmbH	Germany	100.00%	98.83%	100.00%	100.00%	Operation of digital infrastructures
EnergieSüdwest AG	Germany	51.00%	50.40%	51.00%	51.00%	Supply of power. gas and heat
EnergieSüdwest Netz GmbH	Germany	100.00%	50.40%	100.00%	51.00%	Transport and distribution of gas. power. water and heat
EnergieSüdwest Projektentwicklung GmbH	Germany	100.00%	50.40%	100.00%	51.00%	Supply of heat / Provider of services in gas and power
Solkraftwerk Frauental GmbH	Germany	90.40%	53.12%	90.40%	53.75%	Production of power
DiSUN Deutsche Solarservice GmbH	Germany	80.00%	79.06%	80.00%	80.00%	Operation & maintenance of solar- and windparks
Neustromland Energieprojekt 1 GmbH & Co. KG	Germany	100.00%	98.83%	100.00%	100.00%	Production of power
Neustromland Energieprojekt 2 GmbH & Co. KG	Germany	100.00%	98.83%	100.00%	100.00%	Production of power
Enovos Green Power Group (**)	Belgium	100.00%	100.00%	100.00%	100.00%	Production of power
Queichtal Energie Offenbach Netz GmbH	Germany	100.00%	98.83%	0.00%	0.00%	Transport and distribution of gas. power. water and heat
Enovos France SAS	France	100.00%	100.00%	0.00%	0.00%	Supply of power and gas
Conosolar S.A.	Luxem- bourg	51.00%	51.00%	0.00%	0.00%	Production of power

(*) Paul Wagner & Fils Group comprises following entities: Paul Wagner & Fils S.A., Electricité Wagner, Traisvirges S.A., Hoffmann SAS and Blitzschutzbauphein-Main Adam Herbert GmbH.
(**) Enovos Green Power Group comprises following entities: Enovos Green Power NV, NPG Green I NV, NPG Green II NV, NPG Willebroek NV, Wind Farm Spkht Vith NV, Enovos Green Power NL NV, NPG Solar Dedemsvaart B.V., NPG Solar Boekel B.V., Solar Rijssen B.V., Solar Bocholtz B.V., Zon op NL-Snelwegen B.V., EGP Solar Brakel I B.V., EGP Solar Brakel II B.V., Condr'Eole S.A., Solar EGP NL South B.V. and EGP Solar De Vlaas.

In 2021, in Germany, the shares in the company Creos Deutschland Holding GmbH were bought by Enovos Deutschland SE from Creos Luxembourg S.A. The German Grid company was further merged into Enovos Deutschland SE and the resulting entity was renamed Encevo Deutschland GmbH. The Group owns 98.83% of the shares in the new German holding, generating minority interests changes in all German affiliated undertakings (see note 2).

In 2021, Conosolar S.A., Enovos France SAS and Queichtal Energie Offenbach Netz GmbH were fully consolidated for the first time following the development of their respective activities (see note 9.2)

In February 2021, Teseos Luxembourg S.A. (previously named Enovos Services Luxembourg S.A.)

purchased an additional stake of 2.75% in Minusines SA. for an amount of EUR 1,216,920. A goodwill of EUR 681,454 was posted on that operation (see note 4).

Finally, in 2020 Enovos Green Power NL, the mother company of Renewable activities in the Netherlands (held itself at 100% by Enovos Green Power n.v.) installed the entities EGP solar Brakel I b.v., EGP solar Brakel II b.v., Solar EGP NL South b.v. and EGP Solar De Vlaas b.v. that are dedicated to operating PV assets, these entities were fully consolidated in 2021 following the full development of their capacities. All those entities are owned at 100% by the Encevo Group and are included in the sub-consolidation of Enovos Green Power Group.

Companies consolidated under the equity method:

Name	Country	Percentage of control 2021	"Percentage of interest 2021"	Percentage of control 2020	"Percentage of interest 2020"	Scope variation	Main activity
Steinergy S.A.	Luxembourg	50.00%	50.00%	50.00%	50.00%	0.00%	Supply of power
Soler S.A.	Luxembourg	50.00%	50.00%	50.00%	50.00%	0.00%	Production of power
Cegyco S.A.	Luxembourg	50.00%	50.00%	50.00%	50.00%	0.00%	Production of steam
Nordenergie S.A.	Luxembourg	33.33%	33.33%	33.33%	33.33%	0.00%	Supply of power
Airportenergie S.A.	Luxembourg	50.00%	30.18%	50.00%	30.18%	0.00%	Production of heat and power
Datacenterenergie S.A.	Luxembourg	50.00%	30.18%	50.00%	30.18%	0.00%	Production of heat and power
Kiowatt S.A.	Luxembourg	50.00%	30.18%	50.00%	30.18%	0.00%	Production of power
Aveleos S.A.	Luxembourg	59.02%	59.02%	59.02%	59.02%	0.00%	Production of power
Pfalzgas GmbH	Germany	50.00%	49.42%	50.00%	50.00%	-0.58%	Supply of energy
Projecta 14 GmbH	Germany	50.00%	49.42%	50.00%	36.85%	12.57%	Holding company
Energis GmbH	Germany	28.06%	27.73%	28.06%	28.06%	-0.33%	Supply of energy
Windpark Wremen GmbH & Co. KG	Germany	40.00%	29.85%	40.00%	30.20%	-0.35%	Production of power
SK Ahorn GmbH & Co. KG	Germany	49.10%	48.53%	49.10%	49.10%	-0.57%	Production of power
NSL Projekt 2 GmbH	Germany	75.00%	62.02%	75.00%	62.75%	-0.73%	Production of power
Solkraftwerk Barderup GmbH & Co. KG	Germany	32.50%	19.45%	32.50%	19.68%	-0.23%	Production of power
NPG Willebroek NV	Belgium	50.00%	50.00%	50.00%	50.00%	0.00%	Production of power
Bioenergie Merzig GmbH	Germany	39.00%	38.54%	39.00%	39.00%	-0.46%	Production of power
WES Green GmbH	Germany	50.00%	49.42%	50.00%	50.00%	-0.58%	Production of power
ESW Grüne Energie GmbH	Germany	84.90%	42.79%	84.90%	43.30%	-0.51%	Production of power
Energie Sudpfalz GmbH & Co KG	Germany	50.00%	25.20%	50.00%	25.50%	-0.30%	Production of power
Solarpark Lauperath GmbH&Co.KG	Germany	59.25%	59.25%	0.00%	0.00%	59.25%	Production of power
Condre'Eole S.A.	Belgium	40.00%	40.00%	0.00%	0.00%	40.00%	Production of power

In April 2021, Solarpark Lauperath GmbH & Co. KG was incorporated in Germany in partnership with Südeifel Strom eG.. Enovos Renewables GmbH owns 59.95% of the shares of the Company (thereof 9.95% held for sale). The Company was first

consolidated under the equity method in 2021 following the development of its activities.

Furthermore, the entity Condre'eoie S.A. was founded in joint venture in Belgium on 3rd August 2021 and

has a shareholding that is constituted as follows: 40% owned by Enovos Green Power N.V. (a 100 % group held entity), 32% owned by Bewatt SRL, 20% owned by Vent D'enfan SC and 8% owned by Cost Agri SA. Condreole S.A. that specializes in wind energy; and owns parks that are under construction is thus consolidated under the equity method as of

2021 (included in the sub-consolidation of Enovos Green Power Group). Finally, the participation interest of all German entities under Encevo Deutschland GmbH changed as a result of the Gamos project. (see note 2)

No other changes occurred in the scope of consolidation under the equity method in 2021.

Note 6 – Formation expenses and similar expenses

Formation expenses comprise costs incurred in the course of the creation of the Company.

Movements of the year are as follows:

	31/12/2021	31/12/2020
	€	€
Gross book value - opening balance	317,522	314,511
Additions for the year	0	0
Disposals for the year	0	0
Transfers for the year	1,052	0
Change in consolidation scope	0	3,011
Gross book value - closing balance	318,574	317,522
Accumulated value adjustment - opening balance	(315,628)	(314,109)
Allocations for the year	(849)	(639)
Reversals for the year	0	0
Transfers for the year	(170)	0
Change in consolidation scope	0	(880)
Accumulated value adjustment - closing balance	(316,647)	(315,628)
Net book value - closing balance	1,927	1,894

The Board of Directors considers that no value adjustments are needed as of 31st December 2021.

Note 7 – Intangible assets

Movements for the year are as follows:

	Concessions, patents, licences, trademarks and similar rights and assets	Goodwill acquired for valuable consideration	Payments on account and intangible fixed assets under development	31/12/2021	31/12/2020
	€	€	€	€	€
Gross book value - opening balance	247,271,451	125,280,000	12,095,363	384,646,814	367,749,486
Additions for the year	3,522,578	0	16,666,329	20,188,907	17,529,118
Disposals for the year	(59,951)	0	(42,000)	(101,951)	(1,845,833)
Transfers for the year	11,014,176	0	(10,984,250)	29,927	127,687
Change in consolidation scope	26,171	0	0	26,171	1,086,356
Gross book value - closing balance	261,774,426	125,280,000	17,735,442	404,789,868	384,646,814
"Accumulated value adjustments - opening balance"	(209,225,070)	(100,742,648)	(1,778,993)	(311,746,711)	(252,024,428)
Allocations for the year	(14,587,610)	(8,587,648)	0	(23,175,258)	(25,238,763)
Exceptional depreciation for the year	0	0	0	0	(35,807,402)
Reversals for the year	48,542	0	0	48,542	1,765,868
Transfers for the year	(196)	0	0	(196)	(67,224)
Change in consolidation scope	(23,275)	0	0	(23,275)	(374,761)
Accumulated value adjustment - closing balance	(223,787,610)	(109,330,296)	(1,778,993)	(334,896,899)	(311,746,710)
Net book value - closing balance	37,986,816	15,949,704	15,956,449	69,892,969	72,900,104

The goodwill acquired for valuable consideration relates to the customers of Leo S.A. for an amount of EUR 120,000,000 and Enovos Luxembourg S.A. for EUR 5,280,000. The transfers for the year of EUR 11,014,176 relate mainly to Creos Luxembourg S.A.'s software required for operations, standardised electronic

market communication and smart meter systems. The additions for the year concern mainly other software investments to support the grid and sales businesses. The Board of Directors is of the opinion that no exceptional value adjustments of the intangible assets are necessary in 2021.

Note 8 – Tangible assets

Movements for the year are as follows:

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Payments on account and tangible fixed assets in the course of construction	31/12/2021	31/12/2020
	€	€	€	€	€	€
Gross book value - opening balance	291,496,905	2,810,817,233	158,564,253	208,297,261	3,469,175,651	3,263,676,182
Additions for the year	614,822	24,999,938	6,123,206	202,249,451	233,987,417	188,130,681
Disposals for the year	(117,915)	(1,971,328)	(1,716,370)	(140,260)	(3,945,873)	(9,060,806)
Transfer of fairvalue from conso to local (merger)	0	0	0	0	0	0
Transfers for the year	36,849,579	156,494,523	51,003,036	(240,844,361)	3,502,776	(10,541,700)
Change in consolidation scope	0	2,677,679	410,385	(7,816)	3,080,248	36,971,295
Gross book value - closing balance	328,843,390	2,993,018,045	214,384,510	169,554,275	3,705,800,220	3,469,175,651
Accumulated value adjustment - opening balance	(88,142,241)	(1,480,772,481)	(112,936,549)	0	(1,681,851,272)	(1,592,596,488)
Allocations for the year	(7,582,203)	(94,842,298)	(11,586,602)	0	(114,011,103)	(102,801,738)
Exceptional depreciation for the year	0	1,729,000	0	0	1,729,000	4,446,892
Reversals for the year	92,049	1,493,788	1,614,698	0	3,200,535	5,646,188
Transfers for the year	0	(1,738,049)	(1,734,997)	0	(3,473,046)	10,485,650
Change in consolidation scope	0	(281,899)	(360,167)	0	(642,065)	(7,031,776)
Accumulated value adjustment - closing balance	(95,632,396)	(1,574,411,938)	(125,003,617)	0	(1,795,047,951)	(1,681,851,272)
Net book value - closing balance	233,210,994	1,418,606,106	89,380,893	169,554,275	1,910,752,268	1,787,324,380

In past years, Enovos Luxembourg S.A. had participated in the construction of the 11th turbine at the Vianden pumping station of SEO S.A.. This investment qualifies as a finance lease from a tax point of view and consequently has been recorded in the books of Enovos Luxembourg S.A.. Production at the pumping station has started on 1st August 2015. The depreciation period mirrors the duration of the contract between the Company and SEO S.A. which ends in 2063. The total gross value for that project amounts to EUR 111,346,944. The remaining balance of the finance obligation towards SEO S.A. of EUR

58,982,100 (2020: EUR 63,897,150) is posted under the financial statement line item “Other creditors becoming due and payable after more than one year” and EUR 4,915,050 (2020: EUR 4,915,050) is posted under the financial statement line item “Other creditors becoming due and payable within one year” (see also note 23).

The item transfers of the year are mainly linked to Creos Luxembourg S.A. and Creos Deutschland GmbH transfers from payment on accounts to electricity and gas grid.

In 2021, Creos Luxembourg S.A. invested EUR 93,132,617 (2020: EUR 82,858,521) in the electricity grid and EUR 21,503,774 (2020: EUR 19,502,736) in the gas grid and EUR 45,634,059 in other assets (2020: EUR 44,991,863). As of 31st December 2021, investment projects by Creos Luxembourg S.A. of EUR 216,313,493 (2020: EUR 110,659,468) have been definitively closed and transferred to their respective asset class.

Also, Creos Deutschland GmbH invested EUR 27,934,855 (2020: EUR 20,708,436) in its electricity and gas grid. As of 31st December 2021, investment projects of EUR 19,480,466 (2020: EUR 11,596,919) have been definitively closed and transferred to their respective asset class.

The caption exceptional depreciation for the year accounts for an impairment reversal on the fixed assets of ESI II of EUR 1,729,000 following the latest developments in the frame of the litigation on Italian renewable assets (2020: EUR 4,446,892 see note 11.4).

The item “change in consolidation scope” concerns the first consolidation of Conosolar S.A. and new entities under Enovos Green Power N.V..

The Board of Directors is of the opinion that no additional value adjustments of tangible assets are necessary.

Note 9 – Financial assets

9.1. Companies consolidated under the equity method

Companies consolidated under the equity method are companies in which the group has a significant influence (see note 5). The undertakings consolidated accordingly break down as follows:

	31/12/2021	31/12/2020
	€	€
energis GmbH	41,623,990	38,497,173
Pfalzgas GmbH	23,051,980	22,785,810
Soler S.A.	22,270,465	21,457,971
Projecta 14 GmbH	13,531,587	13,702,302
Datacenterenergie S.A.	6,229,605	5,714,105
Kiowatt S.A.	5,127,850	4,594,931
Cegyco S.A.	2,768,097	2,522,893
SK Ahorn GmbH & Co. KG	2,069,421	2,190,145
ESW - Grüne Energie GmbH	1,825,081	1,753,403
EnergieSüdpfalz GmbH & Co. KG	1,382,922	1,573,196
NSL Projekt 2 GmbH	1,512,365	1,507,671
NPG Willebroek NV & Condr'Eole S.A.	1,485,146	686,748
Bioenergie Merzig GmbH	1,387,746	1,325,677
SKW Barderup GmbH&CoKG	1,372,129	1,457,349
Solarpark Lauperath	1,023,289	0
Windpark Wremen GmbH & Co. KG	715,335	733,960
Nordenergie S.A.	795,100	724,051
Airportenergy S.A.	294,885	325,704
WES Green GmbH	292,519	135,107
Steinergy S.A.	276,890	279,814
Aveleos S.A.	0	0
	129,036,399	121,968,008

Please note that Aveleos S.A. is a company consolidated under the equity method. Aveleos S.A. had been fully impaired in year 2014.

9.2. Investments carried at cost

Investments carried at cost are recorded at acquisition cost. This financial statement line item also includes companies which are not consolidated because of minor significance of the group on these entities or for which the activities have not yet started as of 31st December 2021:

Name	Location	2021		2020	
		Percent- age owned	Net value €	Percentage owned	Net value €
Stadtwerke Bad Kreuznach GmbH	Germany	24.52%	15,000,000	24.52%	15,000,000
Vialis S.A.	France	10.00%	11,100,000	10.00%	11,100,000
Stadtwerke Pirmasens Versorgungs GmbH	Germany	12.99%	7,367,000	12.99%	7,367,000
Enovos Pfalzwerke BG St. Ingbert GmbH	Germany	50.00%	5,000,000	50.00%	5,000,000
Stadtwerke Trier Versorgungs GmbH	Germany	24.90%	5,544,586	24.90%	5,329,532
Pfalzwerke AG	Germany	1.86%	4,628,000	1.86%	4,628,000
GasLINE GmbH & Co. KG	Germany	5.00%	4,062,519	5.00%	3,387,519
Stadtwerke Sulzbach GmbH	Germany	15.00%	3,306,062	15.00%	3,306,062
Stadtwerke Völklingen Netz GmbH	Germany	17.60%	4,345,274	17.60%	3,232,302
AMPACIMON S.A.	Belgium	21.98%	2,509,212	21.98%	2,509,201
SEO S.A.	Luxembourg	4.46%	1,971,596	4.46%	1,971,596
Solar Kraftwerk Kenn GmbH	Germany	49.00%	1,749,526	49.00%	1,749,526
Energiency S.A.	Luxembourg	22.86%	1,595,078	11.48%	1,131,542
Encevo Ezzing Renewable Energies S.L.	Luxembourg	7.32%	1,499,946	0%	0
Stadtwerke Blietal GmbH	Germany	23.50%	1,333,000	23.50%	1,333,000
SWT Erneuerbare Energien GmbH & Co. KG	Germany	49.00%	1,225,000	49.00%	1,225,000
Queichtal Energie Offenbach GmbH & Co.KG (former VG Offenbach GmbH & Co. KG)	Germany	49.00%	1,173,650	49.00%	1,173,650
Stadtwerke Völklingen Vertrieb GmbH	Germany	17.60%	1,100,000	17.60%	1,100,000
E-WATTCH S.A.S.	Luxembourg	12.00%	999,984	0%	0
REGAB GMBH	Germany	49.50%	976,235	0%	0
Datathings S.A.	Luxembourg	10.31%	695,455	10.31%	695,455
Windpark Meckel/Gilzem GmbH & Co. KG	Germany	10.00%	560,340	10.00%	560,340
Solkraftwerk Niersbach GmbH	Germany	37.50%	551,309	37.50%	551,309
Nexxtlab S.A.	Luxembourg	50.00%	500,000	50.00%	500,000
Trifels Gas GmbH	Germany	49.00%	492,250	49.00%	492,250
Werner Rübsam Elektrotechnik GmbH	Germany	40.00%	440,000	40.00%	440,000
WES10 Projektgesellschaft GmbH & Co	Germany	59.95%	433,139	0%	0
Solarpark Nordband GmbH & Co. KG	Germany	49.00%	363,090	49.00%	363,090
Anteile Versorger Allianz 450 MHz	Germany	1.63%	360,500	0%	0
Encasol S.A.	Luxembourg	50.00%	320,000	50.00%	320,000
Stadtwerke Lambrecht GmbH	Germany	15.00%	259,608	15.00%	259,608
energieagence S.A.	Luxembourg	50.00%	233,736	50.00%	233,736
Stadtwerke Homburg GmbH	Germany	10.67%	233,452	10.67%	233,452
JAO S.A. (former CASC EU S.A.)	Luxembourg	5.00%	209,809	5.00%	209,809
Solkraftwerke Trier-Land GmbH & Co. KG	Germany	100.00%	202,000	0%	0
diego Luxembourg S.A.	Luxembourg	100.00%	200,000	0%	0
Solarpark Leiwen-Sonnenberg Verwaltung GmbH	Germany	59.95%	181,349	0%	0
Neustromland GmbH & Co. KG	Germany	5.56%	145,215	5.56%	145,215
EnergieSüdpfalz PV-Anlage Leinefelde-Worbis GmbH & Co. KG	Germany	10.00%	127,500	10.00%	127,500
Blue Wizzard Beteiligungsverwaltungsgesellschaft GmbH	Germany	8.26%	125,000	8.26%	125,000
Solarpark St. Wendel GmbH	Germany	15.00%	112,500	15.00%	142,500
Windaprk Saarwellingen GmbH & Co	Germany	100.00%	101,000	0%	0
IZES GmbH	France	100.00%	67,700	100.00%	67,700
BALANSYS S.A.	Luxembourg	50.00%	50,000	50.00%	50,000
Windpark Gimbweiler & Mosberg Infr. GbR	Germany	100.00%	26,493	100.00%	34,347
ESWL.CAB GmbH	Germany	100.00%	25,000	100.00%	25,000
Energie Südpfalz Verwaltung GmbH	Germany	50.00%	12,500	50.00%	12,500

My green e Beteiligungsgesellschaft GmbH	Germany	49.00%	12,250	49.00%	12,250
Solarpark Bartreng S.A.	Luxembourg	100.00%	30,000	0%	0
Haus zum Maulbeerbaum eG	Germany	15.00%	30,000	0%	0
Neustromland Projekt 1 GmbH	Germany	100.00%	5,000	100.00%	5,000
GasLINE Geschäftsführungs GmbH	Germany	5.00%	1,278	5.00%	1,278
Solkraftwerke Speicherer Land GmbH & Co. KG	Germany	100.00%	1,000	0%	0
Enovos France SAS	Germany	50.00%	0	50.00%	70,000
QEO Netz GmbH	Germany	100.00%	0	100.00%	25,000
Conosolar S.A.	Luxembourg	51.00%	0	51.00%	15,300
			83,595,144		76,261,572

Entities Enovos France SAS, Queichtal Energie Offenbach Netz GmbH and Conosolar S.A. were fully consolidated as of 1st January 2021.

Encevo Deutschland GmbH has participated in equity contributions to the capital reserves of GasLINE KG of EUR 675,000 and Stadtwerke Trier Versorgungs GmbH of EUR 215,054 in 2021.

Encevo Deutschland GmbH further purchased jointly with Energie Südwest AG a stake of 49.5% in the entity REGAB GmbH for an amount of EUR 976,235.

A reimbursement of equity of EUR 30,000 was made by Solarpark St Wendel GmbH to Enovos Renewables GmbH in 2021 which resulted in an equivalent reduction of the participation

Furthermore, Enovos Renewables GmbH acquired WES 10 PG GmbH & Co. KG from WES Green GmbH in 2021 for an amount of EUR 433,139 and the following entities were created: SKW Trier Land GmbH & Co. KG, SP Leiwen-Sonneberg Verwaltung GmbH, Windpark Saarwellingen GmbH & Co KG, SKW Speicherer Land GmbH & Co. KG.

An accession to a shareholders’ agreement to Versorger Allianz 450 Beteiligungs GmbH & Co KG with effect of 01.01.2021 was done by Creos Deutschland

Holding GmbH. At a later stage there has been a capital increase. Subsequently to the restructuring of the Group in Germany and the merger of Creos Deutschland Holding GmbH into Encevo Deutschland GmbH, the current mother company is Encevo Deutschland GmbH. The total percentage of ownership acquired is 1.63% for an amount of 360,000 EUR.

In 2021, Encevo S.A. took a stake of 12% in the French company Ewattch. for EUR 999,984 (including capitalized costs). Furthermore, Encevo S.A. subscribed to two capital increases in Energiency of EUR 156,168 and EUR 307,368 respectively. Finally, on 30th September 2021, the Company paid EUR 1,499,946 for a stake of 7.32% in the Spanish private limited liability company Ezzing Renewable Energies, S.L..

In the frame of the development of the technical services activities, the company diego Luxembourg S.A. was created in 2021 with a capital of EUR 200,000 in order to be active in the B2C market in Luxembourg. diego Luxembourg S.A. is wholly owned by Teseos Luxembourg S.A. and is not yet consolidated in 2021 since the activity is not fully launched. Nevertheless, the entity will be fully consolidated in the Encevo Group accounts as of 1st January 2022.

The Board of Directors is of the opinion that no value adjustments are necessary for all the investments considered as financial fixed assets.

Note 10 – Stocks

Raw materials of EUR 16,257,828 (2020: EUR 12,257,848) consist mainly of inventory of Creos Luxembourg S.A. and Minusines S.A..

Work and contracts in progress of EUR 26,677,852 (2020: EUR 23,059,094) are mainly made up of work in progress for grid customers of Creos Luxembourg S.A. and for technical services of Paul Wagner & Fils which will be invoiced to customers once completed.

Finished goods of EUR 11,926,492 (2020: EUR 15,837,056) mainly consist of gas stocks held in France and Germany. No value adjustment was recognised in 2021 under the financial statement line item “Value adjustments in respect of current assets” (2020: EUR 0).

Note 11 – Debtors

11.1. Trade debtors

Trade receivables are mainly related to energy sales, transportation and distribution of electricity and gas.

	31/12/2021 €	31/12/2020 €
Trade debtors - Gross value	591,285,785	353,421,717
Value adjustment	(12,517,148)	(11,023,504)
Trade debtors - Net value	578,768,636	342,398,213

11.2. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests

Receivables due by undertakings with which the group is linked by virtue of participating interests relate to commercial activities mainly due within 30 days and to shareholder loans.

11.3. Other debtors

This financial statement line item mainly includes taxes receivable in Luxembourg of EUR 10,847,428 (2020: EUR 25,345,131) and in Germany of EUR 15,834,525 (2020: EUR 9,599,802).

Furthermore, VAT recoverable in Luxembourg amounts to EUR 1,809,144 (2020: EUR 3,343,573).

As of 31st December 2020, this financial statement line item also comprised a receivable on the "Institut Luxembourgeois de Régulation" (“ILR”) of EUR 1,446,765 in the context of the “Mechanism of compensation” for Creos Luxembourg S.A.. In 2021, the corresponding amount is a payable amounting to EUR 21,160,574 (see note 23).

11.4. Deferred tax assets

Deferred tax assets have been computed by ESI II as a result of the partial non-deductibility of

11.5. Deferred tax liabilities

Trade receivables are mainly related to energy sales, transportation and distribution of electricity and gas.

	31/12/2021 €	31/12/2020 €
Trade debtors - Gross value	591,285,785	353,421,717
Value adjustment	(12,517,148)	(11,023,504)
Trade debtors - Net value	578,768,636	342,398,213

interest costs and a change in law concerning depreciation duration for photovoltaic plants.

Note 12 – Investments

The amounts in Investments relate mainly to cash for payment of pension liabilities in Germany and CO2 certificates and guarantees of origin certificates in Luxembourg.

Note 13 – Cash at bank and in hand

This financial statement line item comprises sight & term deposits for investment periods of less than three months. Cash at bank of EUR 236,910,537 (2020: EUR 89,966,548) increased from proceeds of new SSD largely not yet used for group investments and still held as cash at year-end (see note 17).

Note 14 – Prepayments

In 2018, Encevo S.A. decided to issue a new German Certificate of Indebtedness (“Schuldschein”) amounting to EUR 250,000,000. In order to pre-hedge this amount, five forward swaps have been done: The first on 9th February 2018 with an amount of EUR 100,000,000 (starting

on 13th July 2018 with a tenor of 10 years), the second one on 15th of February 2018 with an amount of EUR 50,000,000 (starting on 13th July 2018 with a tenor of 7 years), the third one on 20th February 2018 again with an amount of EUR 50,000,000 (starting on 20th July 2018 with a tenor of 7 years), the fourth and fifth one on 6th July 2018 with an amount of EUR 25,000,000 each (starting on 27th July 2018 with a tenor of 12 years and 15 years respectively). The average tenor of all five pre-hedges is 9.5 years – close to the average tenor of the new “Schuldschein”. On 27th July 2018, one day after the issuance of the new “Schuldschein”, all forward swaps have been unwound and the related costs of EUR 6,341,590 were deferred, as part of the financing fees, over the lifetime of the underlying Schuldschein financing.

As of 31st December 2021, an amount of EUR 4,288,740 was posted under the financial statement line item “Prepayments” (2020: EUR 4,931,356) related to these forward swap contracts, EUR 642,616 having been transferred to P&L in 2021 (2020: EUR 644,376).

In 2021, this financial statement line item includes French capacity guarantees with delivery year 2022 for an amount of EUR 3,872,229 (2020: EUR 1,031,782) and sales commissions for an amount of EUR 1,470,930 (2020: EUR 1,986,849) relating to the subsequent year. Prior year, the caption also included realised power portfolio positions for an amount of EUR 3,674,168, while this year this position is on the liabilities side (see note 25). In 2020, this financial statement line item included a prepaid electricity invoice for an amount of EUR 1,462,406.

According to the regulation scheme, the amount of revenues (grid tariffs) deriving from regulated activities is authorised on an annual basis by the Regulator ILR. The difference between actual and authorised revenues is assessed each year by the Regulator. This difference is considered in the determination of the electricity and gas grid tariffs for subsequent years. In case actual revenues are over (respectively under) revenues as accepted by the ILR, tariffs for subsequent years will be reduced (respectively increased) and consequently such difference is recorded in prepayments or deferred income. According to the regulation scheme, a cumulated difference (2021 and prior years) is calculated individually for each regulated activity and is recorded, when positive, in the financial statement line item “Prepayments” for an amount of EUR 4,308,703 (2020: EUR 2,086,720) and when negative, in the financial statement line item “Deferred income” for an amount of EUR 31,506,077 (2020: EUR 23,118,673; see note 25).

Note 15 – Capital and reserves

As of 31st December 2021, the share capital of Encevo S.A. amounted to EUR 90,962,900. It was fully paid-up and was represented by 909,629 ordinary shares (2020: 909,629), with a nominal value of EUR 100 per share and with no preferential rights.

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Consolidated capital and reserves, group share

	31/12/2020	Distribution of dividends	Appropriation of profit	Change in scope	Other	Profit for the year	31/12/2021
	€	€	€	€	€	€	€
Subscribed capital	90,962,900	0	0	0	0	0	90,962,900
Share premium	387,028,449	0	0	0	0	0	387,028,449
Consolidated Reserves	489,875,297	0	8,273,891	18,872,782	10,222,428	0	527,244,398
Legal Reserve	9,096,290	0	0	0	0	0	9,096,290
Reserve of 1 st consolidation	(58,546,186)	0	0	0	0	0	(58,546,186)
Consolidation reserves	474,393,040	0	8,273,891	18,872,782	10,222,428	0	511,762,141
Other reserves	64,932,152	0	0	0	0	0	64,932,152
Retained earnings	47,269,985	0	916,748	0	0	0	48,186,733
Capital investment subsidies	5,890,632	0	0	0	(512,500)	0	5,378,132
Temporarily not taxable capital gains	23,615,759	0	0	0	0	0	23,615,758
Profit for the year	18,396,173	(9,205,445)	(9,190,639)	0	0	62,402,534	62,402,534
Total shareholder's equity Group share	1,063,039,194	(9,205,445)	0	18,872,782	9,709,927	62,402,534	1,144,818,904
Minority interest	280,731,491	(10,696,572)	0	(15,405,045)	(12,873,887)	17,284,538	259,040,525
Total shareholder's equity	1,343,770,686	(19,902,017)	0	3,467,737	(3,163,960)	79,687,071	1,403,859,429

Furthermore, Creos Luxembourg S.A. participated early 2013 together with the other grid operators in Luxembourg in the “Luxmetering GIE” to develop an IT platform dedicated to the smart metering system. The GIE has no capital and the financial stake of Creos Luxembourg S.A. in the GIE corresponds to the ratio number of meters owned by Creos Luxembourg S.A. / number of meters owned by all GIE members and is around 80%. Cash advances of EUR 2,190,268 paid to Luxmetering G.I.E. are posted under the financial statement line item “Prepayments” (2020: EUR 6,114,165).

An amount of EUR 1,108,664 represents advance leasing payments by Enovos Solar Investment I S.r.l. Unipersonale for the year 2021 (2020: EUR 1,258,532).

Note 16 – Provisions

16.1. Provisions for pensions and similar obligations

This financial statement line item includes provisions relating to pension commitments. Under a supplementary pension scheme, Encevo S.A., Enovos Luxembourg S.A., Creos Luxembourg S.A., Leo S.A., Encevo Deutschland GmbH and its subsidiaries (including Creos Deutschland GmbH) have contracted defined benefit schemes. The amount reported in the balance sheet is based on the following assumptions:

- retirement age taken into account for financing: 60 years (for Luxembourg), 62 years (for Germany)
- yearly discount rate of 2.79%
- estimated salary at time of retirement based on past experience
- turnover rate of employees

All actuarial gains and losses are recorded in the provision for pensions.

16.2 Other provisions

The financial statement line item “Other provisions” comprises provisions to cover the following risks:

	31/12/2021	31/12/2020
	€	€
Provisions for regulatory and environmental risks	64,291,741	60,221,829
Provisions for staff costs	19,293,049	18,764,922
Provisions for sales risks	4,510,823	4,468,135
Provisions for derivatives	90,670	304,334
Provisions for litigation	841,563	927,963
Other provisions	56,046,959	34,112,700
	145,074,804	118,799,882

The caption includes a provision of EUR 9,794,880 (2020: EUR 9,919,880) related to guarantees issued in the context of the Company’s participations in Enovos Solar Investments I S.r.l. Unipersonale (“ESI I”) and Aveleos S.A. and to cover the litigation risks in relation with

Enovos Solar Investments II S.r.l. Unipersonale (“ESI II”). The Board of Directors decided to partially release provisions for risks of EUR 125,000 for ESI II in 2021.

Enovos Luxembourg S.A. has entered into an interest rate swap agreement in 2013 in relation with the financing of Enovos Solar Investment II S.r.l. Unipersonale. As of 31st of December 2021, the notional amount equals EUR 9,153,655 (2020: EUR 10,713,137) with a fair value of EUR -680,685 (2020: EUR -1,083,684).

Furthermore, “Other provisions” comprise provisions to cover risks related to energy trading for an amount of EUR 90,670 (2020: EUR 304,334), representing the negative impact against the market valuation of the Enovos Luxembourg S.A.’s proprietary trading positions when netting by commodity type and by maturity year. For all commodity types and maturities together, the net position is a loss of EUR 4,716 (2020: loss of EUR 1,183,954 – see note 39).

The provision in Enovos Energie Deutschland S.A. for commercial risks in the biogas supply contract with Bioenergie Merzig GmbH amounts to EUR 3,908,143 (2020: EUR 4,143,609).

Finally, In the frame of the exit of the activities in B2B Germany, a provision for future losses for an amount of EUR 13,059,004 was booked in Enovos Deutschland SE (2020: EUR 19,170,000 see note 34). The total cumulated provision amount to EUR 32,229,004 as of December 2021.

Note 17 – Debenture loans

On 26th June 2013, the Company issued a first German Certificate of Indebtedness (“Schuldschein”) of EUR 102,000,000 with tenors of 7, 10, 12 and 15 years. In 2018, the Schuldschein bearing a tenor of 7 years has been reimbursed early (EUR 35,000,000). The remaining Schuldschein bared a fixed interest rate of 2.814%, 3.224% and 3.5% for the 10, 12 and 15 years tenors respectively. The interests on the fixed tenors are paid in June every year. The accrued interests payable as of 31st December 2021 amount to EUR 1,083,193 (2020: EUR 1,083,193).

On 21st November 2014, the Company issued an additional German Certificate of Indebtedness (“Schuldschein”) of EUR 80,000,000 with tenors of 7, 10 and 12 years. The Schuldschein bears a fixed interest rate for the 7 years of 1.547%, 2.004% for the 10 years and 2.297% for 12 years. The interests on the fixed tenors are paid in November every year. The accrued interests payable as of 31st December 2021 amount to EUR 110,483 (2020: EUR 157,098).

On 26th July 2018, Encevo S.A. issued a third (green) German Certificate of Indebtedness (“Schuldschein”) of EUR 250,000,000 with tenors of 7, 10, 12 and 15 years with two different pay-out dates – the first pay-out date was on 23rd August 2018 (EUR 150,000,000) for the 7 and 10 years tranches and the second pay-out date was on 23rd October 2018 (EUR 100,000,000) for the 12 and 15 years tranches. One of the two 7 years tranches as well as one of the two 10 years tranches bear a floating interest rate. The remaining tranches bear fixed interest rates of 1.158%, 1.641%, 1.926% and 2.257% for the 7, 10, 12 and 15 years maturities respectively.

Both floating interest rate tranches have been hedged on the date of the closing on 26th July 2018. The interests for the floating 7 years tenor and 10 years tenor are paid twice a year in April and October whereas the interests on the fixed 7 and 10 years tenors are paid once in October every year and the fixed 12 and 15 years tenors are paid once in August every year. The accrued interests payable as of 31st December 2021 amount to EUR 1,054,514 (2020: EUR 1,055,831).

	Within one year	After one year and within five years	After more than five years	Total 2021	Total 2020
	€	€		€	€
Non-convertible debenture loans	2,311,268	240,000,000	327,000,000	569,311,268	399,296,122
Total	2,311,268	240,000,000	327,000,000	569,311,268	399,296,122

Note 18 – Amounts owed to credit institutions

On 17th August 2016, Encevo S.A. successfully completed the replacement of the agreement linked to the Revolving credit Facility (“RCF”) of 2013, with a committed amount of EUR 200,000,000 with 7 banks. This credit line had an initial tenor of 5 years until August 2021. In August 2017, all participating banks agreed to extend the credit facility by one year, and in July 2018, all participating banks again agreed to extend the credit facility by one more

On 16th December 2021, Encevo S.A. issued a fourth (green) German Certificate of Indebtedness (“Schuldschein”) of EUR 200,000,000 with tenors of 7, 10, and 15 years with pay-out date 16th December 2021. One of the two 7 years tranches as well as one of the two 10 years tranches bear a floating interest rate. The remaining tranches bear fixed interest rates of 0.60%, 0.832%, and 1.375% for the 7,10- and 15-years maturities respectively. The interests for the floating 7 years tenor and 10 years tenor are paid twice a year in June and December whereas the interests on the fixed 7, 10 years and 12 years tenors are paid once in December every year. The accrued interests payable as of 31st December 2021 amount to EUR 63,078 (2020: EUR 0).

In November 2021 the 7-year tranche of the 2013 SSD for an amount of EUR 30,000,000 was reimbursed.

Below the detailed maturities of all non-convertible debenture loans:

year, until August 2023. The amount drawn on the committed RCF as of 31st December 2021 is EUR 0 (2020: EUR 0).

Interests to be paid are based on Euribor plus a margin, which may vary depending on the consolidated gearing ratio (ratio of net financial debt to equity on a consolidated basis) as well as on the utilization rate of the credit facility.

The amounts owed to credit institutions break down as follows:

	31/12/2021 €	31/12/2020 €
Current financial liabilities due to financial institutions		
due within one year	26,318,134	13,332,633
Non-current financial liabilities due to financial institutions		
due after one year and within five years	37,333,956	37,508,960
due in more than five years	29,280,473	40,374,899

The main outstanding current financial liabilities are loans of EUR 9,436,449 due by NSL Energieproject 2 GmbH & Co.KG, EUR 8,847,494 due by Luxenergie S.A., EUR 1,929,175 due by Conosolar S.A., EUR 1,479,823 due by Real Estate Enovos Esch S.A., EUR 1,260,000 due by NSL Energieproject 1 GmbH & Co.KG, and EUR 995,993 due by Enovos Green Power N.V..

The main outstanding non-current financial liabilities are loans of EUR 30,129,700 due by Luxenergie S.A., EUR 16,200,000 due by Real Estate Enovos Esch S.A. and EUR 12,600,000 due by NSL Energieprojekt 1 GmbH & Co.KG.

Pfalzgas GmbH which is also a major gas supplier. Furthermore, this financial statement line includes bridge financings to new renewable participations in Germany.

Note 22 – Other Creditors - Tax authorities

This financial statement line item includes corporate income taxes, value added tax (VAT) liabilities, taxes on gas and electricity sales, and social taxes on pensions and salaries.

Encevo S.A. is subject to all taxes applicable to Luxembourg companies and the tax provisions have been provided in accordance with the relevant laws. Since 2009, Encevo S.A. is part of the fiscal unity with Enovos Luxembourg S.A., Teseos Luxembourg S.A. (formerly Enovos Services Luxembourg S.A.) and Encevo RE S.A.. Beginning 2012, LEO S.A. has joined that fiscal unity. In 2014, Enovos Real Estate Luxembourg S.A. and Real Estate Enovos Esch S.A. have joined the fiscal unity. On January 1st, 2021, Paul Wagner et Fils S.A., Power Panels S.A. and Global Facilities S.A. have joined the fiscal unity. In the frame of the fiscal unity, the taxes in the accounts are recorded as follows:

- Tax expenses are booked in the subsidiaries' accounts as would be the case if no tax unity exists;
- Tax savings relating to a loss-making subsidiary are recorded as a deduction of tax expenses in the head of the fiscal unity;
- Encevo S.A., as the head of the fiscal unity, books the tax provisions on the basis of the consolidated results of the companies included in the scope of the fiscal unity.

Note 19 – Payments received on account of orders

Are recorded under this financial statement line item down-payments received, largely on works performed for third party grid customers.

Note 20 – Trade creditors

Trade creditors are mainly related to energy purchases / supplies and trading activities.

Note 21 – Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests

This financial statement line item includes mainly provisions on accrued interests related to the financing of the investment in machine 11 in the SEO pumping station in Vianden and receivables on

In order to benefit from the fiscal unity regime, the companies concerned have agreed to be part of the fiscal unity for a period of at least five financial years. This means that if the conditions laid down in Article 164bis LIR (Income tax law) are not met at any time during these five years period, the fiscal unity ceases to apply, retroactively, as from the first year in which it was granted.

There are two other fiscal unities in Germany, one for Encevo Deutschland GmbH, regrouping since 2021 Creos Deutschland GmbH, Creos Deutschland Services GmbH, Enovos Energie Deutschland GmbH, Enovos Renewables GmbH and Enovos Storage GmbH and a second one since 2020 regrouping Enovos Power GmbH and Enovos Renewables O&M GmbH.

Note 23 – Other creditors

In the course of the financing agreement reached with SEO S.A. over the financing of the 11th turbine at the Vianden pumping station of SEO, an amount of EUR 63,897,150 (2020: EUR 68,812,200) has been posted under this financial statement line item in 2021, of which EUR 58,982,100 are due after more than one year (2020: EUR 63,897,150 - see also note 8).

As of 31st December 2021, Encevo Deutschland GmbH and Enovos Renewables GmbH have a long-term liability of EUR 1,700,000 and 1,500,000 respectively towards “Pensionskasse der Encevo Deutschland VVaG” (2020: EUR 1,700,000 and EUR 1,500,000).

Furthermore, in the context of the financing of renewable projects, Energie Südwest AG has a liability towards its customers of EUR 2,684,475 (2020: EUR 2,702,150), which becomes due in 2029.

Finally, the caption also comprises a payable of EUR 21,160,574 (2020: receivable of EUR 1,446,765) in the context of the mechanism of compensation and salaries to be paid (see note 11.3).

Note 24 – Deferred income tax

The deferred income tax liability is mainly related

- to the different depreciation methods used in consolidated accounts (linear) compared with the statutory accounts (degressive) of several group companies
- to the different calculation method of the pension obligations in consolidated accounts compared with statutory accounts of several group companies
- to a provision reversal at Encevo Re S.A. in the consolidated accounts.

Note 25 – Deferred income

As described in note 14, Creos Luxembourg S.A. has posted under the financial statement line item “Deferred income” an amount of EUR 31,506,077 (2020: EUR 23,118,673) related to the regulated activities (see note 14).

This heading also includes EUR 13,303,325 relating to derivatives which are used to hedge operations to be settled in subsequent years (2020: EUR 9,009,005).

Furthermore, the line item also relates to European Commodity Clearing (ECC) performed in the context of Energy Management and Trading activities. Thereof, cleared unmatured realized trading transactions for future deliveries for an amount of EUR 52,026,192 (2020: EUR - 3,674,168 in prepayments) and unmatured unrealized trading transactions (net of “initial margin” and “variation margin”) for an amount of EUR 58,454,479 (2020: - 2.489.872, reclassified from cash to prepayments – see notes 13 and 14). Considering the current situation on the energy markets, ECC positions are volatile and may be subject to high fluctuations. The balance sheet reflects the situation as of 31 December 2021 and may be subject to positive and/or negative fluctuations on a daily basis.

Note 26 – Net turnover

Sales break-down is as follows:

	2021	2020
	€	€
Sales electricity	1,502,491,001	1,131,858,235
Sales gas	619,720,045	528,837,860
Other energy sales	32,889,605	35,672,936
Grid sales electricity	52,346,624	60,171,512
Grid sales gas	115,088,385	112,516,028
Sales Technical Services	122,601,153	76,609,360
Other sales	75,652,844	56,213,389
Rebates & discounts	(3,968,028)	(3,792,932)
Total sales	2,516,821,627	1,998,086,390

Other sales include sales of services to electricity and gas customers like metering and costs for grid connections. Sales relating to gas and electricity trading are shown net of purchases under “Raw materials and consumables”.

Geographical sales break down as follows:

	2021		2020	
	€		€	
Luxembourg	950,550,837	37.77%	746,759,697	37.37%
Germany	1,420,659,102	56.45%	1,064,170,051	53.26%
France	121,144,230	4.81%	126,703,121	6.34%
Belgium	13,157,511	0.52%	50,335,366	2.52%
Other countries	11,309,944	0.45%	10,118,155	0.51%
Total sales	2,516,821,627	100.00%	1,998,086,390	100.00%

Note 27 – Other operating income

The financial statement line item “Other operating income” includes mainly the activities unrelated to the supply of gas and electricity, such as reversals of value adjustments, income from asset sales, renting fees, income from employees, re-insurance fee.

Note 28 – Raw materials and consumables and other external expenses

	2021	2020
	€	€
Electricity supplies	1,586,893,328	1,171,994,227
Trading sales electricity	(626,828,827)	(428,473,887)
Gas supplies	1,655,611,235	1,110,854,726
Trading sales gas	(1,112,543,610)	(670,506,033)
Other supplies	504,498,838	356,763,880
Derivatives	(2,670,486)	(3,342,568)
Total Raw materials and consumables	2,004,960,477	1,537,290,344

The financial statement line item “Raw material and consumables” includes energy procurement and energy trading costs. Electricity and gas trading sales

are shown net of cost of sales, since they were made partly to reduce procurement costs. The margin achieved on trading activities is therefore included under "Raw materials and consumable and other external expenses", as well as the realised profit or loss and the unrealised loss on derivative financial instruments. The financial statement line item "Other external expenses" includes amongst others professional fees, subcontracting and maintenance costs, marketing and communication costs, rental costs and insurance premiums.

Note 29 – Staff costs

The group had on average 2,253 Full Time Equivalent employees in 2021 (2020: 2,088). The figure in 2021 includes the staff of the City of Luxembourg made available to Creos Luxembourg S.A., 51 employees (2020: 57 employees), whose costs are shown under wages and salaries for EUR 6,021,655 (2020: EUR 6,393,576).

Note 30 – Other operating expenses

The financial statement line item "Other operating expenses" comprises mainly provisions for risks, attendance fees, losses on receivables, extraordinary charges and sundry taxes.

Note 31 – Income from participating interests

Income from participating interests relates to dividends received from entities held at acquisition costs.

Note 32 – Other interest receivable and similar income

The amount of EUR 2,552,235 (2020: EUR 1,542,633) in the financial statement line item Other interest receivable and similar income is composed of interests received on short-term bank deposits.

Note 33 – Share of profit or loss undertakings accounted for under the equity method

The share of profit or loss undertakings accounted for under the equity method breaks down as follows:

	2021 €	2020 €
energis GmbH	9,149,098	6,547,789
Pfalzgas GmbH	4,484,086	3,949,551
Soler S.A.	2,457,360	1,998,295
Datacenterenergie S.A.	1,597,699	1,590,827
Kiowatt S.A.	1,375,678	954,810
Projecta 14 GmbH	505,778	353,389
Solarkraftwerk Ahorn GmbH & Co. KG	389,677	489,590
Cegyco S.A.	245,204	281,069
NPG Willebroek NV	170,798	206,780
Nordenergie S.A.	171,038	147,353
WES Green GmbH	158,979	61,237
Airportenergy S.A.	120,080	133,598
Bioenergie Merzig GmbH	112,939	142,925
Neustromland Projekt 2 GmbH	92,860	71,023
ESW - Grüne Energie GmbH	92,375	111,281
Windpark Wremen GmbH & Co. KG	68,764	79,604
Steinergy S.A.	57,076	74,362
Solarkraftwerk Barderup GmbH & Co. KG	62,797	131,877
Solarpark Lauperath GmbH&Co.KG	62,518	0
EnergieSüdpfalz GmbH & Co. KG	28,234	53,432
Total	21,403,039	17,378,793

Note 34 – Value adjustments in respect of financial assets and of investments held as current assets

In the frame of the uncertain future of the activities in B2B Germany, a provision for future losses of an amount of EUR 13,059,004 was booked in Encevo Deutschland GmbH (2020: 19,170,000 see note 16.2).

Note 35 – Interest payable and similar expenses

The financial statement line item "Interest payable and similar expenses" is mostly composed of interests paid on bank loans, on the bond and on the German certificates of indebtedness, as well as of the depreciation of the hedge costs related to the 2012 bond issuance and the 2018 German certificate of indebtedness. An additional SSD was issued in December 2021 for an amount of EUR 200 million, nevertheless, the charge related to this new financing is not significant in 2021 (see note 17).

Note 36 – Current and deferred income tax expense

The current tax provisions have been provided in accordance with the relevant laws applicable in Luxembourg, Germany, Belgium, France and Italy.

Deferred taxes are recorded on the time differences existing between the tax rules and those used for preparing the consolidated annual accounts. Deferred taxes are calculated in accordance with the variable carrying forward method based on the tax rate expected at the time that the receivable or liability materialises. Deferred tax assets are recorded only if it is likely that future taxable profits will be available.

Note 37 – Remuneration paid to members of the administration and management bodies

Remuneration paid to members of the administration and supervisory bodies totalled EUR 611,500 (2020: EUR 628,700). No advance or loan were granted to members of the administration and supervisory bodies, nor was any commitment given on their behalf in respect of any form of guarantee.

Note 38 – Auditor’s fees

Audit and audit-related fees for the year 2021 amount to EUR 637,673 (2020: EUR 491,197). Non-audit related fees amount to EUR 0 (2020: EUR 0).

Note 39 – Financial derivatives

The group is further engaged in spot and forward electricity and gas trading on organised markets and by private sales. These transactions are made using different instruments. Among these instruments are forward contracts, which imply final delivery of electricity and gas, swap contracts, which entail promises of payment to and from counterparties in conjunction with the difference between a fixed price and a variable price indexed on underlying products, options or other contractual agreements.

These contracts are not accounted for in the balance sheet as the group has chosen to not apply the option to use fair value accounting in its annual accounts. Only the unrealized losses are accounted for in the profit and loss account according to principles disclosed in Note 1 to the accounts.

Unrealised losses on sell positions increased by EUR 588 million while unrealised gains on buy positions increased by EUR 589 million due to strong increase of commodity prices.

Derivative financial instruments – Unrealised gains (losses) on Sell positions:

	31/12/2021	31/12/2020
	€	€
Financial derivatives on electricity futures	(497,795,700)	(30,416,665)
Other financial derivatives (gas, CO ₂ certificates, coal)	(132,869,176)	(12,517,188)
Total	(630,664,876)	(42,933,853)

Derivative financial instruments – Unrealised gains (losses) on – Buy positions:

	31/12/2021	31/12/2020
	€	€
Financial derivatives on electricity futures	497,799,186	29,569,439
Other financial derivatives (gas, CO ₂ certificates, coal)	132,870,406	12,180,460
Total	630,669,592	41,749,899

The total nominal value (purchases and sales) of derivatives contracts and the net fair value break down as follows:

	31/12/2021		31/12/2020	
	€		€	
	Nominal value	Fair value	Nominal value	Fair value
Financial derivatives on electricity futures	393,250,030	3.486	177.088.441	(847.227)
Other financial derivatives (gas, CO ₂ certificates, coal)	154,674,587	1.230	75.035.191	(336.727)

The net fair value of the derivative contracts, consisting of unrealised gains (losses) on sell and buy positions, amounts to a gain of EUR 4,716 (2020: loss of EUR 1,183,954), thereof EUR -90,670 unrealized losses. A provision of EUR 90,670 is recorded in the books of the company to account for these negative positions (see note 16.2).

Note 40 – Off-balance sheet liabilities and commitments

Commercial commitments

Enovos Luxembourg S.A. concluded a number of forward contracts for the purchase and sale of electricity and gas as part of its usual operations. The company has thus contracted purchase commitments for physical delivery of electricity and gas amounting to EUR 2.84 billion, as of 31st December 2021 (2020: EUR 2.15 billion). The amount of the aforementioned forward purchase contracts includes only forward contracts signed with counterparties. In addition, the company holds long-term electricity-sourcing contracts amounting to EUR 38 million (2020: EUR 51 million) and a natural gas purchase commitment until 2025 for a volume of 19.8

TWh. The cross-border gas-transportation capacity commitments account for EUR 19.8 million and run until 2025 (2020: EUR 23 million).

Enovos Luxembourg S.A. furthermore has a lignite-based power-sourcing contract running until 2037 with a total volume outstanding of 7 TWh, with costs linked to CO₂ prices and fixed & variable operating costs. Management performs on a regular basis an assessment of the impact of those above-described long-term power & gas contracts on the overall power & gas procurement costs. This assessment done with the support of external advisors is based on different scenarios depending on the

assumed evolution of key parameters i.e. power & gas.

As explained under Note 1, those contracts are accounted for under the portfolio approach and therefore no provision has been recorded.

Enovos Luxembourg S.A. further entered into a variety of financially settled derivative contracts (mainly futures and swaps in gas, electricity and allowances) in order to hedge the procurements for customer business and assets. As of 31st December 2021, the unrealised gain of these transactions amounts to EUR 187.83 million (2020: unrealized gain of EUR 3.23 million).

Financial commitments

Enovos Luxembourg S.A. provided a letter of comfort amounting to EUR 200,000 (2020: EUR 200,000) to a bank in order to ensure commitments arising from a bank loan agreement entered into by Windpark Mosberg GmbH.

Enovos Luxembourg S.A. has also provided a guarantee of EUR 4,796,788 (2020: EUR 4,796,788) to ensure commitments arising from a loan agreement between SW Saarbrücken Netz AG und Encevo Deutschland GmbH (formerly Enovos Deutschland SE).

Within the framework of the sales process of photovoltaic installations held by Aveleos S.A., Enovos Luxembourg S.A. provided parent company guarantees amounting to EUR 20,946,075 (2020: EUR 20,946,075) to hold the buyer harmless from contingent liabilities. A provision of EUR 8,600,000 has been posted in 2017 to cover the remaining risks on part of these guarantees.

Enovos Solar Investment I S.r.l. Unipersonale has outstanding operating lease obligations for a total amount of EUR 6,357,720 (2020: EUR 6,998,549) maturing in 2029. All leasing obligations are guaranteed by a comfort letter issued by Enovos Luxembourg S.A..

Bank and parent company commitments

Encevo S.A. has given customary parental support letters to several energy providers and trading counterparts of Enovos Luxembourg S.A. amounting to EUR 120,000,000 (2020: EUR 130,000,000).

For the electricity and gas trades, Enovos Luxembourg S.A. has received from counterparties parental support letters totalling EUR 125,000,000 (2020: EUR 100,000,000). By order of Enovos Luxembourg S.A., the Company’s core banks have issued a number of bank guarantees to its suppliers, in the context of its regular business, totalling EUR 11,743,645 (2020: EUR 11,546,521).

In the context of the litigation in Italy, Enovos Luxembourg S.A. ordered a bank guarantee for the account of Enovos Solar Investments II S.r.l. Unipersonale amounting to EUR 7,494,558 in 2014. This Guarantee was maintained until 2020. Since the criminal acquittal has become definitive in June 2021 after no cassation request was filed by the Public Prosecutor, the Italian Justice Fund has hence released the bank guarantee amounting to EUR 7.5 million posted by Enovos Luxembourg S.A. in 2014.

In the context of the financing of the group’s new administrative building in Esch, Real Estate

Enovos Esch S.A. has granted to the lending bank a mortgage on its property in Domaine Schlassgoard for a maximum amount of 50% of the outstanding debt, or EUR 8,775,000 at the end of 2021 (2020: EUR 9,450,000).

Enovos Luxembourg S.A. ordered two bank guarantees for the account of its subsidiary Enovos Energie S.A. for a total amount of EUR 1,087,983 (2020: EUR 1,004,601). Enovos Luxembourg S.A., as the sister company and former parent company of Enovos Energie Deutschland GmbH (“EED”), has entered into a “Vertragseintrittvereinbarung” with one of the suppliers of EED to guarantee the financial commitments stemming from future energy deliveries for a total amount of EUR 17,198,295 (2020: EUR 18,435,795).

LuxEnergie S.A., together with Société de l’Aéroport de Luxembourg S.A., has provided a joint and several guarantees in the context of the financing of their joint-venture Airport-Energy S.A., for an initial amount of EUR 15,800,000. The remaining balance as of 31st December 2021 amounts to EUR 6,155,699 (2020: EUR 6,776,144).

In the context of the sale of Real Estate Strassen S.A., holding the administrative building in Strassen, Encevo S.A. has provided the buyer with a parent company guarantee of EUR 6,630,000 (2020: EUR 6,630,000). Furthermore, Encevo S.A. provided a bank guarantee of EUR 325,000 (2020: EUR 325,000) to Real Estate Strassen S.A. to guarantee its commitments under the lease agreement entered into with that company.

Encevo S.A. provided several parent company guarantees by order and for account of its subsidiary Paul Wagner et Fils S.A. amounting to EUR 1,562,443 (2020: EUR 1,824,759).

Encevo Deutschland GmbH and Enovos Renewables GmbH have granted various shareholder loans to non-consolidated participations for which the undrawn portions amount to EUR 4,565,000 on total (EUR 4,095,000 in 2020).

Paul Wagner & Fils S.A. and its three subsidiaries have provided various guarantees to its customers for a total amount of EUR 11,664,077 (2020: EUR 13,100,500).

Creos Luxembourg S.A. has issued bank guarantees in the context of its regular business for a total amount of EUR 3,250,992 (2020: EUR 1,000,992).

Other off-balance guarantees
Under the shareholder agreement to which Encevo S.A. is a signatory, and as mentioned in the bylaws of the Company, the Luxembourg State (the "State"), and/or Société Nationale de Crédit et d'Investissement (the "SNCI"), a Luxembourg public law banking institution, and/or the Banque et Caisse d'Epargne de l'Etat (the "BCEE"), an "établissement public autonome" under the laws of Luxembourg, shall obtain at any time upon one or more successive requests from the State individually or the State and the SNCI jointly, or the State and the BCEE jointly, or the State, the SNCI and the BCEE jointly, if applicable each time for a portion (and regardless of the level of participation

of Encevo S.A. in the subsidiaries) a direct participation and if so requested even a qualified (e.g. two third) majority in the share capital of Creos Luxembourg S.A. and the shareholders shall take the necessary actions, resolutions and approvals to be taken to such effect (including by Encevo S.A.) and in particular to cause the resolutions of the shareholders and/or the subsidiaries to be taken in order to allow the State and/or the SNCI and/or the BCEE to obtain the participation(s) as set forth here above in one or more successive operations. All transactions necessary in that respect must respect the arm's length principle. The State and/or the SNCI and/or the BCEE, as applicable, agree not to transfer for commercial reasons, during a period of ten (10) years, starting at the date of the acquisition of the relevant shares in Creos Luxembourg S.A., all or part of the shares it/they has/have acquired in the share capital of Creos Luxembourg S.A., subject to certain exceptions, including transfers between the State and SNCI, or between the State and the BCEE, transfers to their affiliates or municipalities or public bodies or transfers pursuant to legal or regulatory constraints or a court order.

Subject to the same exceptions, if at any time after the above 10 years period, the State and/or the SNCI and/or the BCEE (or the affiliates, municipalities or public bodies referred to in the preceding sentence), as applicable, propose to make a transfer of all or part of such shares, Encevo S.A. has a pre-emption right over such shares.

Transfer of shares in Encevo S.A. by the shareholders will be subject to pre-emption rights (with certain exceptions in case of transfer to affiliates) which are largely reflected in the Articles of Association of Encevo S.A.. The same pre-emption rights apply in case of a change of control of a shareholder. The Board of Directors is of the opinion that all necessary provisions have been made to cover potential losses out of the off-balance sheet liabilities and commitments.

Note 41 – Subsequent events

The most recent developments in the Russia/Ukraine conflict strongly influence European Gas and Power prices. This is a continued source of uncertainty regarding the overall economic outlook and regarding energy market prices, counterparty credit risk as well as physical supply risk. In the same context, potential regulatory/governmental intervention to cap the prices for B2C customer cannot be excluded.



Ernst & Young
Société anonyme
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tel: +352 42 124 1
www.ey.com/luxembourg
B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B 47 771
TVA LU 16063074

Independent auditor's report

To the Shareholders of
Encevo S.A.
2, Domaine du Schlassgoard
4327 Esch-sur-Alzette

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Encevo S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated profit and loss account and consolidated cash flow for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and the consolidated cash flow for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report "consolidated profit and loss account for the year ended 31 December 2021 – List presentation" but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

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 to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of 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 our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Olivier Lemaire

Monika Reschka

Luxembourg, 28 April 2022

Extract of the Annual Accounts of Encevo S.A.



5

The main activity of Encevo S.A. the “Company”, as the parent company of the Encevo Group, is the holding of financial interests in affiliated companies and the providing to the latter of financing and corporate services.

The balance sheet and profit and loss account are therefore largely influenced by the financing needs of the group’s subsidiaries, by the dividend income from the subsidiaries, as well as by the income from corporate services and the costs associated with providing these services, costs which are re-allocated to group companies based on specific keys or individual projects. Purely holding related costs are kept at Encevo S.A. level.

As the Company is centralising the financing for the main subsidiaries, management follows external net financial debt as one of the key performance indicators. Adequate treasury tools are implemented, and management ensures a strict cash flow follow-up, including daily reporting of consolidated cash in the Company’s cash pool system which regroups 27 subsidiaries (2020: 17 subsidiaries), as well as a monthly cash forecast, in order to support the development of the group and to always ensure sufficient liquidity. The number of subsidiaries increased significantly compared to 2020 mainly from the newly incorporated renewable entities in the Netherlands.

2021 Highlights

As in the previous year, 2021 was marked by the Covid-19 pandemic which had an impact on the Company and its main subsidiaries, but without causing any major disruption of services. The Encevo S.A. Executive Committee, together with the managers of core subsidiaries and support departments closely monitored the evolution of the pandemic, and more particularly ensured continued operations while protecting the well-being of all employees. In that respect, remote working rules were in place all year.

The composition of the Executive Committee of Encevo S.A. changed during the year, following the retirement of the Group Chief Financial Officer, Guy Weicherding. As a result of this departure, the Board of Directors of Encevo S.A. took the decision to appoint Marc Schroeder as Chief Financial Officer of Encevo S.A. and Member of the Executive Committee effective 1 October 2021.

Encevo S.A. Board of Directors approved the proposal of Management to restructure its activities in Germany with the objective to re-sharpen the image of the group in Germany towards its customers and its partners by creating in Germany a group structure like the one in Luxembourg i.e., a holding company as the main shareholder of the operational subsidiaries (grid, markets, renewables and services) and delivering corporate services to these group companies. Encevo Deutschland GmbH is repositioning itself as a partner for all energy related services for Stadtwerke, grid, renewables, or at a later stage, technical services.

In this context, Enovos Deutschland S.E. and Creos Deutschland Holding GmbH merged to form Encevo Deutschland GmbH; as a result of the following changes in the group structure:

- Enovos Luxembourg S.A. sold all its shares (89%) held in Encevo Deutschland GmbH (formerly Enovos Deutschland SE) to Encevo S.A. (Luxembourg) who thus becomes the sole shareholder of the latter
- Creos Luxembourg S.A. sold all its shares held in Creos Deutschland Holding GmbH (96.88%) to Encevo Deutschland GmbH

Financial activities

On 16 December 2021, the Company successfully closed a new long-term financing transaction, issuing a Green German Certificate of Indebtedness (“Schuldscheindarlehen”, SSD) of EUR 200,000,000 in order to finance green projects of the Encevo Group. This financing is composed of several tranches with tenors of 7, 10 respectively 15 years. The 7 and 10-year tranches have both a fixed and a floating interest rate component.

In November 2021 the 7-year tranche of the 2013 SSD for an amount of EUR 30,000,000 was reimbursed.

The amount drawn on the Revolving Credit Facility (“RCF”) – maturing in August 2023 with a committed amount of EUR 200,000,000 with 7 banks – is EUR 0 as of 31st December 2021 (2020: EUR 0).

As a result of the above, non-convertible loans amount to EUR 569,311,268 at year-end (2020: EUR 399,296,112).

On the other hand, loans granted to affiliated undertakings and participations increased to EUR 519,902,891 (2020: EUR 397,290,906) mainly from new loans of EUR 59 million to Encevo Deutschland GmbH for the purchase of the shares of Creos Deutschland Holding GmbH from Creos Luxembourg S.A. (remaining amount financed by a capital increase), EUR 21 million to Teseos Luxembourg S.A. (formerly named Enovos Luxembourg S.A., renamed in 2021) to refinance the purchase of the shares in Minusines S.A., EUR 31 million to Creos Luxembourg S.A. and EUR 10 million to Creos Deutschland Holding GmbH to finance their Capex investments, as well as to EGP NL (EUR 5 million) to finance its working capital needs. New loans were also granted for two new participations: Solarkraftwerke Südeifel (EUR 2.5 million) and WES 7 Projektgesellschaft (EUR 7 million). Total reimbursements of EUR 14 million were received by affiliated undertakings on previous loans coming to maturity.

During the year, the Company distributed a dividend of EUR 9,205,445 (EUR 24,878,353 in 2020).

Cash and cash equivalents of the Company increased significantly from EUR 19,854,039 in 2020 to EUR 158,970,385 in 2021 largely from the proceeds received from the 2021 Schuldschein of EUR 200 million; partly compensated by the reimbursement of the EUR 30 million tranche of the 2014 SSD that matured in 2021.

As of 31st December 2021, the total cash managed on behalf of the subsidiaries with which the Company entered into a cash pooling agreement is EUR 425,481,152 (2020: EUR 109,726,776). This increase is mainly due to higher deposits from Enovos Luxembourg S.A from, among other things the proceeds of the sale of Encevo Deutschland GmbH and positive initial/variation margin on a cleared trading position. Furthermore, Creos Luxembourg deposited a higher amount since the entity is cash-rich due to the sale of Creos Deutschland Holding GmbH to Encevo Deutschland GmbH. These two increases were partially compensated by lower deposits from Encevo Deutschland GmbH.

Consequently, the Net Financial Debt increased from EUR 393,474,181 at the end of 2020 to EUR 410,368,471 at the end of 2021 (EUR +16 million) mainly due to the new Schuldschein partially

compensated by reimbursement of a previous SSD tranche (net EUR +170 million), and partially compensated by the cash increase from SSD proceeds still held at bank at year-end (EUR -139 million) and an amount of EUR 14 million considered as LT financial debt in 2020 and shifted to the cash pool in 2021.

Technical services

Since 2017, Encevo Group has been developing the technical services business. In 2018 the operational holding company Enovos Services Luxembourg was launched with a dedicated management team. In 2021, the Group decided to rename Enovos Services Luxembourg, Teseos Luxembourg S.A. and thereby give it an independent identity. The name Teseos Luxembourg, although independent from the other entities of the Group, nevertheless displays a connection to the other Group companies. This new identity will also help to better distinguish this service from grid and energy supply.

In addition, the company Diego S.A. was created in 2021 in order to be active in the B2C market in Luxembourg. Diego S.A. is wholly owned by Teseos Luxembourg S.A.

Corporate venture capital activities

In the context of its venture capital activities, Encevo S.A. continued investing in innovative companies in the energy domain. Encevo S.A. increased its participation in Energiency (from 11.48% in 2020 to 22.86% in 2021), took minority participations in the French company EWATTCH which offers promising solutions for the domain of energy efficiency (12%) and in the Spanish company Ezzing Renewable Energies, S.L. which provides an all-in-one tool that simplifies PV project management and allows companies to develop distributed generation (7.32%).

Information technology (IT)

To address the rapid growth of our group in recent years and to remain agile, efficient and state of the art while integrating this growth and the underlying complexity of the various businesses of the group, the OneFinance Wave 2 project was launched following a public tender. The main objective of the project is to transform the finance function, with the

migration to SAP S/4HANA. This will allow the automation of the reporting and the digitization of some key processes as well as the regular implementation of the latest SAP upgrades and functionalities. This project is also covering the harmonisation and standardisation of financial processes within the group and the transformation of the "Finance" function into a true Business Partner to align the accounting and reporting structure with the strategic business segmentation. The project also meets the strategic objective of switching from on premise IT hosting solutions to cloud platforms.

Personnel

The number of employees slightly decreased from 111 FTE at year end 2020 to 108 FTE year end 2021.

The Board of Directors and the Management of Encevo S.A. would like to thank all employees for the fulfilment of their duties, for their contribution throughout the year, and for their full support in providing reliable and strong operational support for the group's core activities.

Financial results

In 2021, the net turnover amounted to EUR 28,672,330 (2020: EUR 24,745,919) and is mainly generated by the service level agreements with affiliated companies. The shared services are related to central services for Facility Management, Human Resources, Communication, Finance and Tax, Acquisition and Strategic Foresight, Group Strategy and Innovation Management, Risk Management, Insurance, Business Continuity, Legal, Internal Audit, Management, Controlling, and Regulatory & Public Affairs provided by Encevo S.A. to the main subsidiaries and re-invoiced through a transparent and systematic allocation key or through specific projects for which the Company has rendered these services.

The net turnover amount includes the proceeds from re-invoicing of the provision for the depollution of Strassen (EUR 2 million) to Enovos Luxembourg S.A. This provision covers the obligation to clean up the site pursuant to the sales contract and is based on the estimation by LuxPlan including depollution for EUR 939,900 and restoration for EUR 1,100,000. The net turnover increased mainly resulting from the re-invoicing of the provision for the depollution and from higher staff costs included in the re-invoiced cost basis to affiliated companies due to the

indexation related to the collective work agreement as from January and the further CCSS index as from October.

Income from participating interests increased from EUR 16,046,900 in 2020 to EUR 255,568,617 in 2021 mainly due to the extraordinary dividend received from Enovos Luxembourg S.A in December 2021 (EUR 229.6 million), related to the gain on sale realised on the disposal of shares held in Encevo Deutschland GmbH, and due to the regular dividend paid in May 2021 from Enovos Luxembourg S.A. for EUR 11 million whereas no dividend was received from Enovos Luxembourg S.A. in 2020.

Interest payable and similar expenses slightly increased to EUR 8,947,608 in 2021 (EUR 8,733,920 in 2020). Similarly, other interest receivable and similar income increased to EUR 10,932,374 in total in 2021 (EUR 9,582,083 in 2020) mainly relating to the interest received on the shareholder loans granted to the group companies which increased due to higher loan amounts.

Risk management

The Group Risk Management department is centralising all risk management reporting from the core group companies including i.a. market risks related to the commercial activities of the Company's subsidiaries, and reports to the Group Risk Committee who monitors the main risks identified across the Encevo Group.

During 2021, Group Risk Management designed and implemented an inhouse risk management on-line training course and further enhanced the risk management tool (Eagle) to enable reporting of opportunities or "positive" risks.

Specific risks directly managed at Company level relate to the financial liquidity risk, the credit risk of the subsidiaries supported by financings from Encevo S.A. as well as the interest rate risk. While the credit risk of the subsidiaries is tracked on monthly basis for the core companies and on a quarterly basis for the non-core companies by the Group Controlling department, the liquidity risk is mitigated by the Group Finance & Tax department through the setting up of a EUR 200,000,000 revolving credit facility ("RCF") which is designed to ensure sufficient liquidity to the main group companies.

As a result of the strongly increasing commodity prices and the related increase in both Credit risk, versus our wholesale counterparts, and in Market risk due to the flexibility inherent to customer contracts, the Board of Directors needed to significantly increase the Risk Capital limits for the core business activities and if this risk realizes it can have a significant impact.

Group Finance & Tax is monitoring the evolution of short- and long-term interest rates on a continuous basis to evaluate the need to hedge the interest rate risk. It should be noted that for the SSD's existing before 2021 (for an amount of EUR 367,000,000), the interest rate risk has been mitigated as the interest rates on the various maturities are all fixed rates, either directly fixed by the underwriter, or fixed via Interest Rate Swaps for a total amount of EUR 35,000,000 on the day of the closing of the underlying SSD transaction. Out of the EUR 200,000,000 of the new 2021 SSD, 3 tranches of 7-, 10- and 15- years respectively for an amount of EUR 108,500,000 bear fixed interest rates. It has been decided so far that for the remaining tranches for an amount of EUR 91,500,000 the variable interest rate would not be hedged.

With regards to the Italian renewable activities, in the main litigation in Italy, after a Cassation judgement rendered in October 2021, part of the case is referred for a re-examination by another section of the Court of Appeal of Milan. Regarding Enovos Solar Investments II S.r.l. Unipersonale (ESI II), the criminal acquittal has become definitive in June 2021 after no cassation request was filed by the Public Prosecutor, and the Italian Justice Fund has hence released a bank guarantee amounting to EUR 7.5 million posted by Enovos Luxembourg S.A. in 2014.

Additionally, EAM Solar ASA has filed on 28 May 2021 a writ of summons against Enovos Luxembourg S.A. before the Oslo District Court, invoking Norwegian rules on private criminal proceedings. Management continues estimating the risks associated with these proceedings as remote and consequently no provision has been recorded.

Outlook

The Encevo Group positions itself as a driving force of the energy transition in the Greater Region around Luxembourg. As such the group will continue to invest in grid activity, to expand renewable production capacities, and to grow in the technical services field, while consolidating the supply

business. The Company will continue to provide corporate services to support the various business units to achieve their respective targets.

The Company will provide further financing means to implement the ambitious green investment program of its subsidiaries in the Greater Region mainly into the power grid and the renewable energy generation activities by using the proceeds of the 2021 Green Schuldschein held as cash at year-end.

During 2021, Encevo S.A. established the cornerstones of a trilateral, long term-oriented partnership with the leading Luxembourg research institutes LIST (Luxembourg Institute of Science and Technology) and SnT (Interdisciplinary Centre for Security, Reliability and Trust of the University of Luxembourg). The objective of this partnership is the support of the implementation of the energy transition by conducting joint research and innovation projects, combining the expertise and know-how of the partners. Initial projects are planned to be started with different entities of the Encevo Group in 2022. One research topic is focusing on the analysis and simulation of the future flexibility potentials of the energy system and of user behaviour to address the consequences of the increasingly distributed energy system from the grid's perspective. A second project will conduct an analysis to develop a granular forecasting model for i) intraday continuous prices at the wholesale markets with a 5-minute resolution and for ii) the intraday generation of renewable energy systems, considering short term weather data to optimise energy sourcing and the direct marketing of renewable energy assets.

The OneFinance project involving the migration of the core finance systems to the new SAP S4/Hana platform progressed according to plan in 2021. The project is currently scheduled to go live on 1 January 2023.

Finally, following the decision taken in 2020 to sell B2B sales activities of the group in Germany, the sales process of the shares in Enovos Energie Deutschland GmbH was initiated in 2021 but did not come to a conclusion because of the highly volatile market environment in the second half of 2021. The Russia/Ukraine conflict has introduced further uncertainty, so that this transaction is currently under evaluation. A final decision on the matter is expected in 2022.

In the context of the Covid-19 pandemic, Management took the view that there would not

be any major impact in the business plan for 2022. Like in 2020 and 2021, Management will continue to closely monitor the evolution of the pandemic and the potential impact on its workforce and its operations, to be able to take the necessary mitigation steps if needed.

The most recent developments in the Russia/ Ukraine conflict strongly influence European Gas and Power prices. This is a continued source of uncertainty regarding the overall economic outlook and regarding energy market prices, counterparty credit risk as well as physical supply risk. In the same context, potential regulatory/governmental intervention to cap the prices for B2C customer cannot be excluded.

Other information

Research and development activities have been performed within the affiliated undertaking Creos Luxembourg S.A. which has created a department dedicated to innovation in the field of the flexibility of electrical networks and electromobility.

The Company does not hold own shares.
The Company does not operate any branches.

Board of Directors of Encevo S.A.

No changes occurred in 2021 in the shareholding of Encevo S.A.

Regarding board members, Mrs Li Sun and Mr Changqing Ji resigned from their mandates on May 11, 2021 and were replaced by Mrs Min Shen and Mr Yu Xue on the same day with a remaining mandate running until the AGM to be held to approve the accounts for the financial year ending on December 31, 2025.

As of September 30, 2021, Mr Jeff Feller was appointed as a new board member due to the resignation of Mr Paul Konsbruck.

The board members are:
Marco Hoffmann, Chairman
Yu Xue, 1st Vice-Chairman*)
Tom Theves, 2nd Vice-Chairman**)
Min Shen, 3rd Vice-Chairman*)
Danielle Castagna, Director
Daniel Da Cruz, Director***)
Jeff Feller, Director
Stefan Grützmacher, Director
Aloyse Kohll, Director
Mike Kirsch, Director

Romain Lanners, Director
Uwe Leprich, Director
Olaf Münichsdorfer, Director
Georges Reuter, Director
Joachim Scherer, Director****)
Geneviève Schlink, Director

*) Mr Xue and Mrs Shen were appointed by the Annual General Meeting of Shareholders on May 11th, 2021 following the resignations of Mr Changing Ji and Mrs Li Sun.
) Mr Theves resigned with effect of April 1st, 2022 and was replaced by Mr Luc Decker with effect on the same date.
) Mr da Cruz resigned with effect of April 1st, 2022 and was replaced by Mr Christian Tock with effect on the same date.
) Mr Scherer resigned with effect of December 31st, 2021 and was replaced by Mrs Monika Scholz with effect as from April 1st, 2022.

Auditor

The mandate of the external independent statutory auditor, Ernst & Young, initially appointed for a three-year term at the annual general meeting of shareholders held on 8 May 2018, expired with the audit review of the financial year 2020. Considering the Board of Directors’ recommendation, the shareholders appointed Ernst & Young for a new mandate for the financial years 2021 and 2022 during the annual general meeting of shareholders held on 11 May 2021.

Proposed appropriation of net profit

The profit available for appropriation of EUR 300,527,123 includes the profit for the year of EUR 252,340,389 and the profit brought forward of EUR 48,186,733.

The Board of Directors proposes to the Annual Shareholder’s Meeting to be held on 10 May 2022 the following appropriation of net profit:

Dividend of 0 Euros per share*	0
Allocation to the legal reserve	0
Allocation to the blocked reserve	0
Allocation to other reserves	0
Amount carried forward	300,527,123
	300,527,123
* Number of shares 909,629	

The Board of Directors
Esch-sur-Alzette, 28th April 2022

Balance sheet as at 31st December 2021
Denominated in EUR

ASSETS	Notes	2021 €	2020 €
C. Fixed assets		1,797,038,378	1,206,220,486
I. Intangible assets		4,500,958	2,818,467
2.Concessions, patents, licences, trade marks and similar rights and assets, if they were	Note 3	2,303,254	2,007,045
a) acquired for valuable consideration		2,303,254	2,007,045
4. Payments on account and intangible assets under development		2,197,704	811,422
II. Tangible assets	Note 4	514,212	568,533
3. Other fixtures and fittings, tools and equipment		504,931	568,533
4. Payments on account and tangible assets in the course of construction		9,281	0
III. Financial assets	Note 5	1,792,023,208	1,202,833,486
1. Shares in affiliated undertakings		1,267,329,854	803,715,583
2. Loans to affiliated undertakings		510,402,891	397,290,906
3. Participating interests		4,790,463	1,826,997
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests		9,500,000	0
D. Current assets		304,335,255	89,370,889
I. Stocks		798,378	0
3. Finished goods and goods for resale	Note 6	798,378	0
II. Debtors		144,566,492	69,516,850
1. Trade debtors		179,415	1,053
a) becoming due and payable within one year		179,415	1,053
2. Amounts owed by affiliated undertakings		143,734,452	69,138,579
a) becoming due and payable within one year	Note 7	143,734,452	69,138,579
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests		116,494	39,385
a) becoming due and payable within one year		116,494	39,385
4. Other debtors	Note 8	536,131	337,833
a) becoming due and payable within one year		528,131	328,833
b) becoming due and payable after more than one year		8,000	9,000
IV. Cash at bank and in hand		158,970,385	19,854,039
E. Prepayments	Note 9	6,162,869	6,343,131
TOTAL ASSETS		2,107,536,502	1,301,934,506

The notes in the annex form an integral part of the annual accounts.

Balance sheet as at 31st December 2021
 Denominated in EUR

CAPITAL, RESERVES AND LIABILITIES	Notes	2021	2020
		€	€
A. Capital and reserves	Note 10	949,492,600	706,357,656
I. Subscribed capital		90,962,900	90,962,900
II. Share premium account		387,028,449	387,028,449
IV. Reserves		170,974,128	170,974,128
1. Legal reserve		9,096,290	9,096,290
4. Other reserves, including the fair value reserve		161,877,838	161,877,838
a) other available reserves		161,438,164	161,438,164
b) other non available reserves		439,674	439,674
V. Profit or loss brought forward		48,186,734	47,269,986
VI. Profit or loss for the financial year		252,340,389	10,122,193
B. Provisions		11,530,439	8,804,623
1. Provisions for pensions and similar obligations	Note 11.1	7,346,212	7,324,256
3. Other provisions	Note 11.2	4,184,227	1,480,367
C. Creditors		1,146,346,776	586,772,227
1. Debenture loans	Note 12	569,311,268	399,296,122
b) Non convertible loans		569,311,268	399,296,122
i) becoming due and payable within one year		2,311,268	32,296,122
ii) becoming due and payable after more than one year		567,000,000	367,000,000
2. Amounts owed to credit institutions	Note 13	27,588	25,083
a) becoming due and payable within one year		27,588	25,083
4. Trade creditors		3,440,452	2,093,760
a) becoming due and payable within one year		3,440,452	2,093,760
6. Amounts owed to affiliated undertakings	Note 7	569,132,673	181,020,527
a) becoming due and payable within one year		569,132,673	167,020,527
b) becoming due and payable after more than one year		0	14,000,000
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests		0	22,224
a) becoming due and payable within one year		0	22,224
8. Other creditors		4,434,795	4,314,511
a) Tax authorities	Note 14.1.	1,474,433	1,349,649
b) Social security authorities		432,679	422,018
c) Other creditors		2,527,683	2,542,844
i) becoming due and payable within one year	Note 14.2.	2,523,483	2,538,644
ii) becoming due and payable after more than one year		4,200	4,200
D. Deferred income		166,687	0
TOTAL CAPITAL, RESERVES AND LIABILITIES		2,107,536,502	1,301,934,506

The notes in the annex form an integral part of the annual accounts.

Profit & Loss account for the year ended 31st December 2021
 Denominated in EUR

PROFIT AND LOSS ACCOUNT	Notes	2021	2020
		€	€
1. Net turnover	Note 15	28,672,330	24,745,919
3. Work performed by the undertaking for its own purposes and capitalised	Note 16	241,821	99,720
4. Other operating income		398,630	447,281
5. Raw materials and consumables and other external expenses		(15,938,491)	(13,740,737)
a) Raw materials and consumables		(1,021,244)	(11,258)
b) Other external expenses		(14,917,247)	(13,729,479)
6. Staff costs	Note 17	(19,624,021)	(18,295,382)
a) Wages and salaries		(16,591,054)	(15,049,424)
b) Social security costs		(1,676,468)	(1,523,049)
i) relating to pensions		(986,562)	(928,830)
ii) other social security costs		(689,906)	(594,219)
c) Other staff costs		(1,356,499)	(1,722,909)
7. Value adjustments		(1,185,393)	(1,377,338)
a) in respect of formation expenses and of tangible and intangible fixed assets	Notes 3,4	(1,185,393)	(1,377,338)
8. Other operating expenses		(1,319,239)	(1,192,080)
9. Income from participating interests	Note 18	255,568,617	16,046,900
a) derived from affiliated undertakings		255,568,617	16,046,900
11. Other interest receivable and similar income		10,932,374	9,582,083
a) derived from affiliated undertakings		10,860,437	9,553,701
b) other interest and similar income		71,937	28,382
14. Interest payable and similar expenses		(8,947,608)	(8,733,920)
a) concerning affiliated undertakings		(3,322)	(10,895)
b) other interest and similar expenses	Note 5	(8,944,286)	(8,723,025)
15. Tax on profit or loss	Note 14.1	3,661,369	2,684,822
16. Profit or loss after taxation		252,460,389	10,267,268
17. Other taxes not shown under items 1 to 16		(120,000)	(145,075)
18. Profit or loss for the financial year		252,340,389	10,122,193

The notes in the annex form an integral part of the annual accounts.

The Encevo Annual Report is published in English.

We would like to thank all those involved in the preparation and publication of this annual report.

Publication team

Under the leadership of the Corporate Communication Department of Encevo

Design: binsfeld

Production: Corporate Communication

Portrait photos: Heiko Riemann

Stock photos: Adobe Stock, iStock, Unsplash: Gonz DDL, Cristian Escobar, Philipp Katzenberger, Paul Keiffer, Morgan David de Lossy, Natalya Letunova, Nuno Marques, Marc Marchal, Nasa, Il Vagabiondo, Joe Yates

Printers: Reka





Encevo S.A.
2, Domaine du Schlassgoard
L-4327 Esch-sur-Alzette
Postal address: B.P. 558
L-2015 Luxembourg
Tel.: (+352) 2737-9000
encevo.eu