N.V. Eneco - Financial Statements

Consolidated financial statements for the year ended 31 March 2024

Consolidated income statement

For the year ended 31 March

x €1 million	Note	31 March 2024[1]	31 March 2023[2]
Revenues from energy sales and energy-related activities	3	8,223	13,285[3]
Purchases of energy and energy-related activities		-6,603	-11,319[3]
Gross margin		**1,620**	**1,966**
Other income	4	136	74
Gross margin and other income		**1,756**	**2,040**
Cost of contracted work and other external costs		-574	-618
Employee benefit expenses	5	-368	-378
Depreciation and impairment of property, plant and equipment	11, 12	-283	-337
Amortisation and impairment of intangible assets	13	-94	-152
Other operating expenses		-43	-75
Operating expenses		**-1,362**	**-1,560**
Operating profit		**394**	**480**
Share of profit of associates and joint ventures	7	64	54
Financial income	8	38	13
Financial expenses	9	-42	-39
Profit before income tax		**454**	**508**
Income tax	10	-86	-128
Profit after income tax		**368**	**380**
Attributable to			
Shareholders of N.V. Eneco		364	377
Non-controlling interests		4	3
Profit after income tax		**368**	**380**

1 12-month period from 1 April 2023 to 31 March 2024.
2 15-month period from 1 January 2022 to 31 March 2023, see note 1.2 Change in financial reporting period.
3 €140 million was a reclassification grossing up Revenues and Purchases for the purpose of comparability.

Consolidated statement of comprehensive income

For the year ended 31 March

x €1 million	Note	Year ended 31 March 2024[1]	Period ended 31 March 2023[2]
Profit after income tax		**368**	**380**
Unrealised gains and losses that will not be reclassified to profit or loss			
Remeasurement of defined-benefit pension plans	23	-1	1
Unrealised gains and losses that may be reclassified to profit or loss			
Currency translation differences			
- Current period	29	8	-11
Net investment hedge			
- Current period, change before tax	29	-8	5
- Income tax effect	29	2	-1
Cash flow hedges			
- Current period, change before tax	29	216	105
- Income tax effect	29	-55	-27
Share of unrealised profit of associates and joint ventures after tax	15, 29	-11	56
Total other comprehensive income		**151**	**128**
Total comprehensive income		**519**	**508**
Total comprehensive income attributable to:			
Shareholders of N.V. Eneco		515	505
Non-controlling interests		4	3
Total comprehensive income		**519**	**508**

1 12-month period from 1 April 2023 to 31 March 2024.
2 15-month period from 1 January 2022 to 31 March 2023, see note 1.2 Change in financial reporting period.

Consolidated balance sheet

x €1 million	Note	At 31 March 2024	At 31 March 2023
Non-current assets			
Property, plant and equipment			
- Owned assets	11	3,439	3,216
- Right-of-use assets	12	341	336
Intangible assets	13	1,115	1,043
Associates and joint ventures	15	346	317
Deferred tax assets	16	41	24
Derivative financial instruments	17	139	372
Other non-current assets	18	135	104
Total non-current assets		**5,556**	**5,412**
Current assets			
Assets held for sale		-	2
Intangible assets and inventories	13	286	630
Trade receivables	19	1,415	1,831[1]
Other current assets	20	679	761[1]
Current tax assets		25	2
Derivative financial instruments	17	466	1,314
Cash and cash equivalents	21	405	437
Total current assets		**3,276**	**4,977**
TOTAL ASSETS		**8,832**	**10,389**

1 €33 million was reclassified from Other current assets to Trade receivables for the purpose of comparability.

x €1 million	Note	At 31 March 2024	At 31 March 2023
Equity			
Equity attributable to shareholder of N.V. Eneco	22	3,643	3,317
Non-controlling interests	22	14	12
Total equity		**3,657**	**3,329**
Non-current liabilities			
Employee benefit obligations	23	4	5
Provisions	24	230	208
Deferred tax liabilities	16	249	167
Derivative financial instruments	17	250	775
Lease liabilities	12	305	302
Borrowings	25	583	619
Other liabilities	26	222	210
Total non-current liabilities		**1,843**	**2,286**
Current liabilities			
Employee benefit obligations	23	3	3
Provisions	24	15	10
Derivative financial instruments	17	408	1,149
Lease liabilities	12	41	31
Borrowings	25	945	59
Current tax liabilities		35	106
Trade creditors and other liabilities	26	1,885	3,416
Total current liabilities		**3,332**	**4,774**
TOTAL EQUITY AND LIABILITIES		**8,832**	**10,389**

Consolidated cash flow statement

x €1 million	Note	Year ended 31 March 2024[1]	Period ended 31 March 2023[2]
Profit after income tax		**368**	**380**
Adjustments for:			
- Financial income and expense recognised in profit or loss	8, 9	4	26
- Income tax recognised in profit or loss	10	86	128
- Share of profit of associates and joint ventures	7	-64	-54
- Depreciation, amortisation and impairment	11, 12, 13	377	487
- Result from sale of tangible and intangible assets		-	17
		771	**984**
Changes in:			
- Intangible current assets and inventories		349	-394
- Trade receivables		420	-538
- Other current assets		83	-251
- Non-interest bearing-debt		-1,539	1,266
- Provisions, derivative financial instruments and other		128	81[3]
Net cash flow from business operations		**212**	**1,148**
Interest paid	9, 12	-32	-36
Interest received		33	11
Other financial income and expenses		-5	-
Income tax paid/received		-179	-69
Net cash flow from operating activities		**29**	**1,054**

x €1 million	Note	Year ended 31 March 2024[1]	Period ended 31 March 2023[2]
Loans granted		-1	-13
Repayment of loans granted	18	1	3
Dividend received from associates and joint ventures		46	24
Acquisition of subsidiaries (net of cash acquired)	14	-77	-5
Acquisition of joint operations, joint ventures and associates	14	-28	-20
Disposal of joint operations, joint ventures and associates		-	4
Investments in property, plant and equipment	11	-584	-560
Disposal of property, plant and equipment		-	2
Investments in intangible assets	13	-59	-57
Net cash flow from investing activities		**-704**	**-622**
Dividend payments		-192	-104
Payment of lease liabilities	12	-31	-36
Repayment of borrowings	25	-343	-791
Proceeds from borrowings	25	1,208	282[3]
Purchase/sale of non-controlling interests		-	1
Net cash flow from financing activities		**642**	**-648**
Movement in cash and cash equivalents		**-33**	**-216**
Balance of cash and cash equivalents at 1 April 2023 and 1 January 2022		437	654
Translation gains and losses on cash and cash equivalents of subsidiaries		1	-1
Balance of cash and cash equivalents at 31 March 2024 and 31 March 2023		**405**	**437**

1 12-month period from 1 April 2023 to 31 March 2024.
2 15-month period from 1 January 2022 to 31 March 2023, see 1.2 Change in financial reporting period.
3 An amount of €16 million was reclassified from Provisions, derivative financial instruments and other to Proceeds from borrowings in relation to a bank overdraft.

Consolidated statement of changes in equity

x €1 million	Equity attributable to shareholders of N.V. Eneco[1]						
	Issued capital	Trans-lation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2022	**122**	**-8**	**-247**	**3,047**	**2,914**	**7**	**2,921**
Profit for the 15-month period ended 31 March 2023	-	-	-	377	377	3	380
Total other comprehensive income	-	-7	134	1	128	-	128
Total comprehensive income	**-**	**-7**	**134**	**378**	**505**	**3**	**508**
Dividend to shareholders of N.V. Eneco	-	-	-	-104	-104	-	-104
Other movements	-	-	-	2	2	-	2
Changes in non-controlling interests in subsidiaries	-	-	-	-	-	2	2
Total transactions with owners of the company	**-**	**-**	**-**	**-102**	**-102**	**2**	**-100**
At 31 March 2023	**122**	**-15**	**-113**	**3,323**	**3,317**	**12**	**3,329**
Profit after income tax	-	-	-	364	364	4	368
Total other comprehensive income	-	2	150	-1	151	-	151
Total comprehensive income	**-**	**2**	**150**	**363**	**515**	**4**	**519**
Dividend	-	-	-	-189	-189	-3	-192
Changes in non-controlling interests in subsidiaries	-	-	-	-	-	1	1
Total transactions with owners of the company	**-**	**-**	**-**	**-189**	**-189**	**-2**	**-191**
At 31 March 2024	**122**	**-13**	**37**	**3,497**	**3,643**	**14**	**3,657**

1 See note 22 Equity for further information on equity.

Notes to the consolidated financial statements

1. Accounting principles for financial reporting

1.1 General information

N.V. Eneco ('the company') is a company incorporated under Dutch law, with its registered office in Rotterdam. N.V. Eneco is the holding company of subsidiaries, interests in joint operations, joint ventures and associates (referred to jointly as 'Eneco' or 'the Group'). Mitsubishi Corporation (Tokyo, Japan) is the ultimate parent company of N.V. Eneco. The full large company regime applies to N.V. Eneco pursuant to the articles of association. The company is registered at the Chamber of Commerce under number 24246970.

In line with its mission of 'everyone's sustainable energy', the Group is investing in making the supply chain more sustainable with the aim of keeping energy clean, available and affordable for customers into the future. The Group focuses on innovative energy services and products that allow customers to save energy or generate sustainable energy jointly or alone and feed it into the energy network. New services are being developed for this, that form and shape the energy transition. These include innovative flexible services and services focusing on saving energy. In addition to the Netherlands, the Group operates in Belgium, Germany and the United Kingdom.

The Group's main strategic alliances are its investments and participating interests in onshore and offshore wind farms, solar farms, start-ups and memberships of co-operatives. These comprise:

- The joint investment with Inpex Renewable Energy Europe Limited in the Luchterduinen offshore wind farm.
- Investment with Nethys N.V. in the Norther wind farm in the North Sea.
- Investment with a number of others (Shell, INPEX, Swisslife Asset Managers, Luxcara, Octopus Energy Generation, NUVEEN, Glennmont Partners) in the Blauwwind (Borssele III & IV) offshore wind farm.
- Joint operation of the SeaMade wind farm developed off the Belgian coast.
- The CrossWind consortium, a joint investment between Shell and Eneco to build the Hollandse Kust Noord wind farm without subsidies.
- The Ecowende consortium, a joint investment between Shell and Eneco, to build the Hollandse Kust (west) site VI wind farm without subsidies.
- Partner of the Enecogen V.O.F. electricity station partnership and an interest in Greenchoice B.V.

The consolidated financial statements have been prepared by the company's Management Board. The financial statements for the year ended 31 March 2024 were approved by the Management Board during its meeting on 13 June 2024 and will be submitted for adoption by the General Meeting of Shareholders on 24 June 2024.

1.2 Change in financial reporting period

On 8 December 2021, the company's Management Board decided that the consolidated financial reporting period will change from the calendar year to a fiscal year running from 1 April to 31 March in order to align its financial reporting period with that of the ultimate parent, Mitsubishi Corporation.

Accordingly, the accompanying consolidated financial statements for the comparative financial reporting period cover a period of fifteen months, from 1 January 2022 to 31 March 2023. The current financial reporting period concerns twelve months, from 1 April 2023 to 31 March 2024, and hence are not directly comparable.

1.3 New and amended IFRS standards

Changes to existing IFRS standards or new IFRS standards applied by Eneco since 1 April 2023
A number of changes to existing IFRS standards or new IFRS standards adopted by the European Commission have been in force since 1 January 2023 and, where relevant, have been applied by Eneco since 1 April 2023. They are as follows:

- **New IFRS 17 'Insurance Contracts'.**
  IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, which means that this financial year is the first year in which Eneco has applied IFRS 17. This new IFRS replaces IFRS 4 'Insurance Contracts'. Eneco did not hold any insurance contract under IFRS 4. However, as a result of the broadened scope of IFRS 17, Eneco has performed a scoping assessment to identify contracts that may be considered insurance contracts under IFRS 17. Eneco's primary source of revenue from contracts with customers is based on commodity price indices. These are therefore a reflection of contracts with financial risk as defined by IFRS 17. The assessment concluded that the main revenue streams do not meet the insurance risk scope as defined by IFRS 17. Eneco has performed a risk-based review at its other material business units, identifying

and reviewing the largest contracts that may be considered insurance contracts. All of these contracts seek to provide our clients with a service at a fixed fee, without an individual customer risk assessment or other components reflecting or mitigating underwriting risk. Eneco meets the ‘fixed-fee service contracts’ scope exemption of IFRS 17.8 for all these revenue streams. In line with the initial assessment disclosed in the 2022 annual report, Eneco is applying the accounting policy option to account for these contracts as revenue under IFRS 15.

- **Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgements' - 'Disclosure of Accounting Policies'**
  These amendments require companies to disclose their ‘material’ accounting policies, instead of their ‘significant’ accounting policies and explain how to identify when accounting policy information is material. Although the amendments did not result in changes to the accounting policies themselves, they had a limited impact on the accounting policy information disclosed in note 2 of the consolidated financial statements of N.V. Eneco.

- **Amendments to IAS 1 ‘Presentation of Financial Statements’.**
  The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify (i) what is meant by a right to defer settlement (for which a definition has been provided), (ii) that a right to defer must exist at the end of the reporting period, and (iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right. A requirement has also been introduced for disclosure when a liability arising from a loan agreement is classified as non-current and the company’s right to defer settlement is contingent on compliance with future covenants within twelve months. Eneco early applies these amendments. They have been applied retrospectively from 1 April 2023 to align with the accounting policy of Eneco’s ultimate parent company. The amendments have no impact on the Group’s financial statements.

- **Amendments to IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors' - 'Definition of Accounting Estimates'**

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted. Further, these amendments clarify how changes inaccounting policies should be distinguished from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. In addition, they clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- **Amendments to IAS 12 ‘Income Taxes’ - 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
  These amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. These amendments do not have a material impact on Eneco.

- **Amendments to IAS 12 'Income Taxes' - 'International Tax Reform - Pillar Two Model Rules'**
  The scope of IAS 12 ‘Income Taxes’ is adjusted to also include income taxes arising from tax law enacted or substantively enacted to implement the ‘Pillar Two’ model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.
  The amendments introduce a temporary mandatory exception to the accounting requirements for deferred taxes for the top-up tax, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to ‘Pillar Two’ income taxes. The mandatory exception is effective immediately and is applied retrospectively.

New IFRS standards and amendments to existing standards to be applied by Eneco starting on 1 April 2024
New standards and amendments to existing standards, which Eneco has not adopted early, become effective from 1 January 2024 and will be applied by Eneco from the next reporting period (starting on 1 April 2024):

- **Amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures’ regarding supplier finance arrangements**
  The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The amendments are not expected to have a material impact on the Group’s financial statements.

- **Amendments to IFRS 16 'Leases' regarding a lease liability in a sale and leaseback**
  The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.The amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The amendments are not expected to have a material impact on the Group’s financial statements.

Other IFRS standards and amendments
Other new IFRS standards, amendments to existing standards and/or new interpretations that will apply in later reporting periods and/or that have not yet been adopted by the European Commission and/or that are not relevant to the Group, are not addressed further in these financial statements.

1.4 Basis of consolidation

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) in force at 31 March 2024, as adopted by the European Commission, and with the provisions of Part 9, Book 2 of the Dutch Civil Code. Where necessary, the accounting policies of joint operations, joint ventures and associates are brought into line with those of N.V. Eneco. The consolidated financial statements have been prepared on a going-concern basis using the accrual basis of accounting.

The company financial statements have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code, and the same measurement has been applied as in the consolidated financial statements as permitted by Section 362(8), Part 9, Book 2 of the Dutch Civil Code, except that subsidiaries are carried at net asset value determined on the basis of the IFRS accounting policies used in the consolidated financial statements.

The company income statement is presented in a condensed form pursuant to the provisions of Section 402, Part 9, Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise the financial statements of N.V. Eneco, its subsidiaries and the relevant proportion of the joint operations, non-consolidated joint ventures, associates and other capital interests. Judgement is applied to determine whether there is control, joint control or significant influence according to the shareholders' agreements.

Subsidiaries
A subsidiary is an entity where the company exercises control. This means that the company controls, directly or indirectly, that entity’s financial and business operations with the purpose of gaining economic benefits from the activities of that entity. Control is based on whether the investor (1) exercises ‘power’ over the entity, (2) is exposed, or has rights, to variable returns from the investment in the entity and (3) has the ability to affect those returns through its control. In general, the company holds more than half the shares in its subsidiaries.

The financial statements of a subsidiary are recognised in the consolidated financial statements from the date on which control is obtained until the date on which that control no longer exists. Potential voting rights which can be exercised immediately are also taken into account when determining whether control exists. Pursuant to the consolidation method, 100% of the assets, liabilities, income and expenses from subsidiaries are recognised in the consolidated financial statements. Intercompany balance sheet positions, transactions and results on such transactions between subsidiaries are eliminated.

Non-controlling interests consist of the capital interests of minority shareholders in the fair value of the identifiable assets and liabilities when a subsidiary is acquired and the non-controlling interest in subsequent changes to the equity. Non-controlling interests in the equity and results of subsidiaries are disclosed separately.

Joint operations/Joint ventures
Joint operations and joint ventures are entities for alliances in respect of which there are contractual undertakings with one or more parties under which they have joint decisive control over that entity. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Only the Group’s share of assets, liabilities, income and expenses of joint operations are consolidated, in accordance with the accounting policies of the Group. Joint ventures are recognised using the equity method in accordance with the accounting policies of the Group. Interests in joint operations and joint ventures are recognised from the date on which joint control is obtained until that joint control no longer exists.

Associates
An associate is an entity where there is significant influence over the financial and operating strategy, but not control. In general, 20% to 50% of the voting rights are held in an associate. The share in associates is recognised in the consolidated financial statements using the equity method, in which initial recognition is at the cost of acquisition of the interest in the associate. The carrying amount is then adjusted by the share in the result less dividends received. The cost of acquisition of an associate is the amount at which an associate was acquired by Eneco. If the cost is higher than the fair value of the net identifiable assets acquired, this difference is goodwill that is part of the value of the associate according to the equity method. Associates are recognised from the date on which significant influence has been obtained until the date on which that influence no longer exists. Results on transactions with associates are eliminated in proportion to the interest in the associate.

Losses on associates are recognised up to the amount of the net investment in the associate, including both the carrying amount and any loans granted to the associate. A provision is only formed for the share in further losses if the Group has assumed liability for those losses.

Other capital interests
Other capital interests are investments in entities in which the Group has an interest but where neither control nor significant influence can be exercised. These interests are carried at fair value with movements recognised through profit or loss.

1.5 Impact energy crisis

All amounts shown in the tables are in millions of euros unless stated otherwise

As a response to volatile and rising European energy prices, in 2022 and 2023, governments in Europe introduced certain customer support arrangements to partly compensate for the financial effects of higher energy prices for consumers and businesses. In addition, an inframarginal revenue cap was introduced by the European Union to transfer earnings made from the production of electricity with renewable assets above a certain threshold to the respective local government. The impact on N.V. Eneco's financial statements related to these customer support arrangements in the main countries Eneco operates in and the inframarginal revenue cap law, is explained in more detail below.

Customer support arrangements in response to high energy prices

The Netherlands

The Dutch government has implemented the following customer support arrangements:

Temporary contribution to energy bills for small-scale electricity connections in November and December 2022 ('Tijdelijke overbruggingsregeling tegemoetkoming energieprijzen kleinverbruikers 2022 (CEK22)'): For November and December 2022 a monthly compensation was granted of €190 per month to each small-scale electricity connection with a residential function. Final settlement with the Dutch government took place in February 2024.

Price cap for gas, electricity and district heating ('Subsidieregeling bekostiging plafond energietarieven kleinverbruikers 2023 (CEK23)'): For the period from 1 January 2023 to 31 December 2023 a temporary price cap on gas, electricity and district heating has been introduced for Dutch households and other small-scale users up to a specified level (volume) of consumption. It means that, up to a certain volume, these users will not pay more than a maximum tariff. The government requested suppliers of electricity, gas and district heating to execute the price cap arrangement by transferring compensation from the government to the households and other small-scale users. The amount of the compensation from the government to the energy supplier covers the difference between the energy price in the price cap and the average contractual energy price agreed with the customer multiplied by the volume of energy supplied up to the volume cap. The maximum tariffs (including taxes) applicable to the energy consumption ceilings are:

- €0.40 per kWh for 2,900kWh of electricity used;
- €1.45 per m³ for 1,200m³ of natural gas used;
- €47.38 per GJ for 37GJ of district heating used.

Final declaration and settlement with the Dutch government will be ultimately in June 2025.

When accounting for this arrangement, an uncertainty is noted related to the split between the receivable from/payable to the government versus customers, following from estimated volumes (including churn) and average prices as these can differ over time during the settlement period. The table below shows the amounts relating to these arrangements in the Netherlands:

The Netherlands

Arrangement	Period	Received from government	(to be) settled with customers	Note 20 - Other current assets	Note 26 - Trade creditors and other liabilities[1]
CEK22	November and December 2022	625	625	-	-
CEK23 - Eneco	January 2023 to December 2023	804	735[2]	-	66[3]
CEK23 - Oxxio	January 2023 to December 2023	131	115[2]	-	14[3]
CEK23 - Woonenergie	January 2023 to December 2023	36	32[2]	-	4[3]
CEK23 - Business	January 2023 to December 2023	9	8[2]	-	1[3]
CEK23 - Heat	January 2023 to December 2023	125	116[2]	-	9

1 Including receivable 'TUK'.
2 For CEK23 €114 million of these amounts relates to the revenues recognised for the period 1 April to 31 December 2023 under the price cap arrangement collected or to be collected from the government.
3 In April 2024, based on the February 2024 declaration, the following amounts have been paid: Eneco €63 million, Oxxio €13 million, Woonenergie €2 million and Business €4 million.

As part of the price cap arrangement, the government requires energy suppliers to perform a margin test for the calendar year 2023. An energy supplier that has received compensation from the government regarding the price cap regulation is required to prove that the realised gross margin in 2023 has not exceeded the preliminary determined benchmark. The benchmark is based on an arithmetic average of the historical gross margins over the last four years. It is permitted to leave out one year from this calculation. The arrangement defines the gross margin as the difference between the sourcing costs of the energy supplied (including specific sourcing premiums to cover the risks of profiling, imbalance and weather) and the sales revenues of the energy supplied.

Eneco has performed this margin test for the calendar year 2023, according to the definitions and calculations as defined in the government regulation. The outcome of the margin test was that the gross margin for the calendar year 2023 did not exceed the benchmark. Consequently, no adjustment has been made in the financial statements.

The arrangement regarding the margin test is formulated to be applicable for the total energy sector with approximately 60 suppliers in the Netherlands. For that reason, the terms, definitions and formulas used in the regulation aim to be suitable for a broad range of business models, administrations and accounting policies. For the evaluation of the margin test the terms, definitions and formulas have been applied to Eneco's specific business model and administration.

For the costs incurred to execute the price cap arrangement, the energy suppliers receive a compensation of €4.31 (excl. VAT) per connection per year from the government (TUK – 'tegemoetkoming uitvoerings kosten').

Temporary energy emergency fund ('Noodfonds Energie'): In addition to the above customer support arrangements, a temporary energy emergency fund was also available in 2023 to support households with a low income to help them with their energy bills and to avoid energy debts. This temporary energy emergency fund was set up in 2022 by Eneco and other energy companies in cooperation with the Dutch government.

Germany
The German government has implemented the following customer support arrangements:

Emergency assistance ('Soforthilfe'): In November 2022, the German government has decided to financially relieve certain gas customers, by paying one-twelfth of the annual consumption forecast by the energy supplier at the take-off point in September 2022 and of the agreed gas price in December 2022. Energy suppliers were instructed not to collect the December prepayments from their customers. Instead, the federal government transferred the forecasted one-twelfth part of the yearly consumption of these customers to the energy suppliers. The calculation of the one-twelfth yearly consumption was defined by the government. The emergency assistance was only valid for the month of December 2022.

The final declaration for this arrangement will ultimately be in April 2024 aligned with the final annual settlements with customers. The final declaration to transmission must be submitted to the audit authority by 30 April 2024.

Electricity and gas price brake ('Strom- und Gaspreisbremse'): In December 2022, the German government decided to launch further price relief for gas and electricity customers.

- Gas: In order to relief households and small and medium-sized enterprises that consume less than 1.5 million kWh of gas, the German government paid the difference between the higher contract price and 12 cents gross per kWh, based on 80% of the customer's prior-year consumption of gas. The allocated amount was based on 80% of the projected annual consumption at September 2022.

For industries who use more than 1.5 million kWh, a price brake of 7 cents net based on 70% of previous year's consumption is applied. The amount allocated was based on 70% of the annual consumption in 2021.

The support arrangement was paid to LichtBlick through Kreditanstalt für Wiederaufbau (KfW - the state-owned investment and development bank).

- Electricity: In order to provide relief to households and small and medium-sized enterprises that consume less than 30,000 kWh of electricity, the German government paid the difference between the higher contract price and 40 cents per kWh, including all taxes, levies, surcharges and grid use fees, based on 80% of forecasted consumption.

On 3 August 2023, the arrangement was adjusted in relation to night storage heaters and heat pumps. As a result, the reference price for low tariffs (night-time electricity tariffs) was reduced from 40 to 28 cents per kWh for grid exit points with an annual consumption of less than 30,000 kWh and time-variable tariffs with high and low tariffs. The additional relief was paid out by 31 December 2023 at the latest. The corresponding adjustment in the Electricity Price Brake Act came into force on 3 August 2023.

For customers who consume above 30,000 kWh, the payment by the customers is limited to 13 cents per kWh plus taxes and levies, based on 70% of the annual consumption in 2021.

In the electricity arrangements, the forecasted consumption was based on either the consumption forecast provided by the grid operators or the customer's actual consumption in 2021.

The support arrangement was paid to LichtBlick through the transmission system operator.

- General: The price brake applies for the calendar year 2023.

The German Federal Cartel Office has informed LichtBlick that they will conduct an investigation into the gas and electricity rates applied for 2023 under the gas and electricity price brake regulation. The current assessment is that any adjustments are not considered material.

The final declaration for both arrangements will be made in the following year (2024) based on the annual final statements (invoice) with the customers. The final statement to the transmission system operators and KfW must be submitted by 31 May 2025, including an auditor's certificate.

The table below shows the amounts relating to these arrangements in Germany:

Germany

Arrangement	Period	Received from government/ grid provider	(to be) settled with customers	Note 20 - Other current assets	Note 26 - Trade creditors and other liabilities
Emergency assistance (gas)	December 2022	20	20	-	-
Electricity and gas price brake	January 2023 to December 2023	251	251[1]	-	-

1 €183 million of this amount relates to the revenues recognised for the period 1 April to 31 December 2023 under the price cap arrangement collected or to be collected from the government.

Belgium

The Belgian government has implemented the following customer support arrangements:

Heating premium ('Verwarmingspremie'): The federal heating premium of €100 is granted once to families who had a residential contract for electricity supply on 31 March 2022. This was received from the government and paid by Eneco to its customers in May and June 2022. The final declaration to the government was in May 2023 and paid to the government in December 2023.

Regular social tariff and Extended social tariff customers ('Sociaal tarief' and 'Uitgebreid sociaal tarief'): Customers are entitled to obtain social tariffs for gas and electricity, based on certain criteria determined by the government. The government pays the difference between the social tariff and a determined reference price. The social tariff regulation was already in place. Due to the energy crisis more customers became eligible for this regulation. Furthermore, in January 2022 a €80 compensation was given to the people with social tariff, this regulation is called the Social tariff forfait ('SOCTAR Forfait'). For the balance sheet position of €54 million in regard to the regular and extended social tariffs, €43 million was declared for calendar year 2023 and will be received in October 2024, after approval by the CREG (Belgian Federal Commission for Electricity and Gas Regulation). The remaining amount related to calendar year 2024 is to be declared in March 2025.

Basic energy package I and II ('Winterpremie'): Residential customers with a variable energy contract received for the period November 2022 to March 2023 an amount of €135 per month in regard to the gas invoices and €61 per month for the electricity invoices for their primary residence. Final declaration was submitted in March 2024.

The table below shows the amounts relating to these arrangements in Belgium:

Belgium

Arrangement	Period	Received from government	(to be) settled with customers	Note 20 - Other current assets	Note 26 - Trade creditors and other liabilities
Heating premium	31 March 2022	44	(44)	-	-
Social tariff (regular and extended)	January 2022 to March 2024	196	(250)	54	-
Social tariff forfait	30 September 2021	6	(6)	-	-
Basic energy package I	November and December 2022	83	(84)	-	(1)
Basic energy package II	January 2023 to March 2024	156	(135)	-	20

Accounting treatment

The way the customer support arrangements have been accounted for is described below.

Eneco is not the intended beneficiary of the above described customer support arrangements per country, but the households and other small-scale users/businesses are. Therefore, the amounts received from the government are processed through the balance sheet as transitory amounts and settled with households and other small-scale users/businesses. These received amounts from the government did not affect the amount of revenues presented in the income statement based on the application of IFRS 15 'Revenue from contracts with customers'. This is on the basis that Eneco remains entitled to receive full consideration for the supply of electricity, gas and district heating based on either the existing price cap structure or customers' fixed or variable priced contracts and such that the transaction price under IFRS 15 is unchanged. The trade receivables arising from the supply of energy are settled both by the customer and the government. Eneco considered the alternative application of IAS 20 'Accounting for government grants and disclosure of government assistance' specifically for the CEK23 arrangement in the Netherlands and the Electricity and Gas price brake arrangements in Germany and concluded that this would have resulted in a similar accounting outcome. Any uncertainties in the accounting applied are disclosed in the above described arrangements.

Inframarginal revenue cap

On 6 October 2022, the European Union has decided to temporarily levy the expected excess market revenues above a certain price cap for electricity producers, applicable from 1 December 2022 to 30 June 2023. This European directive has been translated into country-specific laws in Germany, Belgium, and a draft law in the Netherlands.

The rationale for this levy is that certain power-generating asset classes, such as solar and wind, are expected to benefit from the higher electricity revenues, while the production costs for these asset classes were only impacted by higher inflation.

The general market revenue ceiling is set at €130 per MWh for solar and wind assets or, if applicable, the higher subsidy obtained for that specific asset. For biomass the market revenue ceiling is set at €240 per MWh.

For all assets in scope of this levy, the estimated cost for this levy in 2022 and 2023 amounts to €26 million. This is recognised as part of 'Purchases of energy and energy-related activities' in the income statement and 'Trade creditors and other liabilities' in the balance sheet. In the balance sheet an 'other liability' of €13 million is recorded at 31 March 2024 (31 March 2023: €26 million).

The estimated costs for this levy are based on our own interpretation of the most recent draft law and discussions with and information received from the regulator/government. Based on that information, the electricity producer (regardless of whether the producer is part of a larger or integrated group) may choose from two methods to determine the realised market revenues. The producer cannot switch between the methods during the period mentioned. The methods to determine the market revenues are:

1. based on day ahead pricing;

2. based on the administration of the producer.

For the calculation of the estimated costs for this levy we used method 1.

2. Material accounting policies

2.1 General

The material accounting policies used when preparing the financial statements for the year ended 31 March 2024 are summarised below.

The accounting policies used in these financial statements are consistent with those set out in the financial statements for the 15-month period ended 31 March 2023, except for the effect of amended standards as set out in 1.3 New and amended IFRS standards.

Measurement basis
The consolidated financial statements have been prepared on an historical cost basis, except for assets and liabilities for which measurement at fair value is required, including derivative financial instruments and emission rights held for trading purposes.

Judgements, estimates and assumptions
In preparing the financial statements, management applied judgements, estimates and assumptions which affect the reported amounts and rights and obligations not disclosed in the balance sheet. The judgements, estimates and assumptions that have been applied are based on market information, knowledge, historical experience and other factors that can be deemed reasonable in the circumstances. Actual results may differ from these estimates. Judgements, estimates and assumptions are reviewed on an on-going basis.

Judgements
The following notes disclose information used when forming judgements when applying the accounting principles for financial reporting that have a significant effect on the amounts recognised in the consolidated financial statements:

- note 1.4 Basis of consolidation and the List of principal subsidiaries: whether the Group has control, joint control or significant influence over such an investment;
- note 1.5 Impact energy crisis section: application of customer support arrangements and inframarginal revenue cap law;
- notes 2.2 Revenues from energy sales and energy-related activities and 3 Revenues from energy sales and energy-related activities: whether the Group acts as agent or principal (regarding energy contracts and related grid fees); and
- note 12 Property, plant and equipment – right-of-use assets and lease liabilities and note 3 Revenues from energy sales and energy-related activities: whether a contract contains a lease or relates to a service contract.

Estimates and assumptions
Changes in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision also affects future periods, the change is made prospectively in the relevant periods. Notes that disclose information on the principal estimates and assumptions involving a risk of a change to the carrying amount of assets and liabilities or impact on the results include:

- note 3 Revenues from energy sales and energy-related activities: estimated consumption relating to energy deliveries as set out in note 2.2 (accounting policies for revenues);

- note 11 Property, plant and equipment – owned assets: the useful lives of property, plant and equipment;
- note 11 Property, plant and equipment – owned assets: the valuation of the existing district heating networks may change in the future, since the draft Heat Act may be subject to change and still needs to pass Dutch Parliament;
- note 12 Property, plant and equipment – right-of-use assets and lease liabilities: the useful lives of lease assets if different from the lease term and the exercise of renewal options in leases;
- note 13 Intangible assets: the useful lives of intangible assets and impairment and significant assumptions underlying realisable amounts when performing a goodwill impairment test;
- note 16 Deferred taxes: recognition of deferred tax assets and availability of future taxable profits against which transferrable tax losses can be used;
- note 17.4 Fair value hierarchy: the main assumptions for determining the fair value measurement of level 3 financial instruments;
- notes 19 Trade receivables and 29.1 Credit risk: the main assumptions for determining the provision for doubtful debts using the expected credit losses method; and
- note 24 Provisions: the estimates of future cash outflows regarding these provisions.

Accounting estimates and management judgements related to climate changes
The effects of climate change and the potential impact on the energy transition (including changes in the legal environment) are relevant to some of the economic assumptions in Eneco's estimates of future cash flows. The result of these developments, and the degree to which Eneco's activities will be affected by them are sources of uncertainty. Estimating energy demand and commodity prices towards 2035 is a challenging task, involving assessing future developments in supply and demand, the speed of electrification, the impact of the introduction of green hydrogen, other technology changes, taxation, tax on emissions and other important factors. By definition, actual outcomes will differ from assumptions and the related projected scenarios. This could result in significant changes to accounting estimates for Eneco's property, plant and equipment, such as useful life, value-in-use calculations, and residual values. It also affects depreciation periods, timing of decommissioning and impairment assessments.

Since Eneco is a front runner in sustainability, its existing asset base already consists largely of renewable assets. Eneco operates some smaller gas-fired combined heat and power (CHP) plants as part of Eneco's district heating infrastructure and we operate two gas-fired electricity plants as balancing plants when there is too little wind and solar energy. Eneco is developing a clear strategy on renewable heat sources to supply heat for Eneco's district heating operations. In time, we will investigate how to convert the existing natural-gas-fired plants to green gas and/or hydrogen.

Impairment of assets
There is evidence of an impairment when the carrying amount of an asset is higher than the recoverable amount. The recoverable amount of an asset is the higher of the sale price less costs to sell and the value in use. An asset's value in use is based on the present value of estimated future cash flows calculated using a pre-tax discount rate which reflects the time value of money and the specific risks of the asset. The recoverable amount of an asset which does not independently generate a cash flow and is dependent on the cash flows of other assets or groups of assets is determined for the cash-generating unit of which the asset is part.

A cash-generating unit is the smallest identifiable group of assets separately generating cash flows that are significantly independent of the cash flows from other assets or groups of assets. Cash-generating units are distinguished on the basis of the economic interrelationship between assets and the generation of external cash flows and not on the basis of separate legal entities.

Goodwill is allocated on initial recognition to one or more cash-generating units in line with the way in which the goodwill is assessed internally by the management. An impairment test on goodwill is performed each year to determine the recoverable amount. The sensitivity analysis in respect of the recoverable amount of goodwill is presented in note 13 Intangible assets.

The recoverable amount of the asset or cash-generating unit concerned is determined if an impairment trigger analysis provides evidence of impairment. If the carrying amount of assets allocated to a cash-generating unit is higher than the recoverable amount, the carrying amount is reduced to the recoverable amount. This impairment is recognised through the income statement. Impairment of a cash-generating unit is first deducted from the goodwill attributed to that unit (or group of units) and then deducted proportionately from the carrying amount of the other assets of that unit (or group of units).

Impairment may be reversed through the income statement if the reasons for it no longer exist or have changed. Impairment is only reversed up to the original carrying amount less regular depreciation. Impairment losses on goodwill are not reversed.

Foreign currencies
Foreign currency transactions
The euro (€) is the company's functional currency and the currency in which the financial statements are presented. Transactions in foreign currencies are translated into euros at the exchange rate prevailing on the date of the transaction.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates on the reporting date. Foreign currency exchange differences that arise on translation or settlement are recognised through the income statement as financial income or expense.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences that arise on this translation are recognised through the income statement.

Foreign currency exchange differences arising on this are recognised in the translation reserve via other comprehensive income.

Foreign operations
The results of foreign operations are translated into euros at the average rate. The difference between the profit for the period at the average rate and based on the exchange rate prevailing on the reporting date is recognised in other comprehensive income in the translation reserve.

Assets and liabilities of foreign operations denominated in foreign currency (including goodwill and fair value adjustments arising on acquisitions) are translated into euros at the exchange rate prevailing on the reporting date.

If an investment in a foreign operation is partially or fully disposed of, the related accumulated translation differences in the translation reserve are recognised through the income statement as part of the gain or loss on disposal.

Net investment hedges
The Group applies net investment hedge accounting to limit the translation gains and losses on its UK operations in the translation reserve and the income statement.

The foreign currency exchange differences on GBP forward or swap contracts have an opposite effect to the foreign currency exchange differences on the UK operations.

Both the foreign currency exchange differences on the UK operations and the GBP forward contracts or swap contracts are recognised in the translation reserve.

On partial or full divestment of the net investment, the relevant part of the translation reserve is recognised as follows:

- Disposal resulting in loss of control: the accumulated exchange rate differences of the subsidiary, including any associated hedges, are recognised in the income statement if a foreign exchange gain (loss) is realised on the sale transaction. Any foreign exchange gain (loss) is transferred to the line item in which the gain (loss) from the disposal is recognised.
- Disposal not resulting in loss of control: a proportionate share of the relevant accumulated exchange differences is transferred from the parent company shareholders’ interest in equity to the minority shareholders’ interest in equity.

Note 29.2 Market and regulatory risk provides further information on net investment hedge in a foreign operation, including a statement of the movements in the translation reserve.

Offsetting
Receivables and payables with a counterparty are offset if there is a contractual right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously. In the absence of an intention or actual netted settlement, the existence of an asset or liability is determined for each contract.

2.2 Revenues from energy sales and energy-related activities

Performance obligations
Revenues are recognised on the basis of the expected consideration when the performance obligation for a good or service has been met. The consideration may consist of a fixed price with a variable price supplement for some types of product. Eneco only recognises the variable price when it is highly probable that the cumulative amount of the consideration will not be reversed in the future once uncertainty associated with the variable price is known. Contracts and any separate performance obligations within them are identified to determine the revenues. There is a separate performance obligation if a good or service has a stand-alone value for the end user and delivery is not to a large extent dependent on other components of the contract. Once established, the transaction price is allocated to performance obligations by reference to the price at which the good or service is sold to customers.

Amounts invoiced and collected for the company’s own risk (if Eneco acts as principal) are recognised as revenue. Amounts invoiced and collected for third parties (where Eneco is agent) are not recognised as revenue. The Group’s payment terms are generally 15-30 days, depending on the type of customer.

The revenue for satisfied performance obligations regarding the delivery of energy is recognised 'over time'. The revenue for satisfied performance obligations regarding energy-related goods is recognised 'at a point in time'. The revenue for satisfied performance obligations regarding energy-related services is recognised 'over time' or 'at a point in time'. Eneco applies the practical expedient for financing components and does not adjust the consideration if the payment is made within one year or less of the transfer of the performance obligations.

Performance obligations that have been or are still to be performed and settled in the preceding or subsequent period create contract assets or contract liabilities respectively. A contract asset from revenues is a conditional right to compensation for the Group in exchange for goods or services to the customer. Once the goods or services have been transferred to the customer and the Group has no further risk in the transaction, this asset is presented as a receivable (debtor or 'amount to be billed'). These receivables do not form part of the contract assets.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received compensation. Amounts to be settled under advances paid for energy are part of other liabilities and do not form part of the contract liabilities.

Energy supply
Revenues from the sale of energy to end-users are recognised over the period in which energy is supplied to a customer.

Sales to large-volume consumers are billed monthly based on meter readings. Billing for sales to retail consumers is also based on actual meter readings or readings taken throughout the year. Part of the amount of energy supplied to retail consumers during the reporting period and the resulting revenues is, therefore, estimated from historical consumption figures, standard customer profiles, weather conditions and applicable energy tariffs. This estimation is corrected for e.g. re-delivery of electricity, because of yearly increasing number of customers with solar panels, and for gas savings by customers as a consequence of the energy crisis.

A difference between the instalments billed and the actual amount of energy delivered to retail consumers is recognised as amounts still to be billed or amounts to be settled at the end of the reporting period. Contributions by heating customers for connection charges are recognised as contract liabilities and are recognised through profit or loss on a straight-line basis over the estimated useful life.

Revenues for energy delivered under ongoing energy contracts correspond directly with the amount consumed by the customer. Eneco is applying the practical expedient when the consideration corresponds with the value of the performance obligations completed and does not disclose the value of future performance obligations and only discloses delivery obligations in line with 'Commitments, contingent assets and liabilities' (see note 27).

Energy-related activities
Revenues from the construction, maintenance and leasing of energy installations and equipment, the sale of solar panels, rental of smart thermostats and electric vehicle charging solutions are recognised as revenues from energy-related activities. Revenue from installing equipment and sales of solar panels, heat pumps, smart thermostats and electric vehicle charging solutions is recognised when control of the good passes to the customer. Revenue from other energy-related activities is recognised over the period of supply.

Government grants
Government grants are recognised when it is reasonably certain that the conditions related to receiving the grants have been or will be met and that the grants have been or will be forthcoming. Grants related to income as a contribution to costs are recognised as revenues in the period in which those costs are incurred.

2.3 Purchases of energy and energy-related activities

Purchases of energy comprise directly attributable costs for the sale of energy to end-users. The purchase cost of energy and commodities contracts entered into with the intention of actually acquiring energy ('own use') is recognised in the same period as that in which the sales revenue is realised.

Additional costs incurred to win contracts are capitalised as prepaid expenses and amortised over the term of the contract provided that they will be recovered. The amortisation charge is presented under 'Purchases of energy and energy-related activities' in the income statement.

2.4 Financial income and expenses

Financial income and expenses comprise interest income from loans granted, dividend revenues from other capital interests, interest charges on borrowings, interest charges arising from the periodic addition of interest to provisions and lease liabilities, foreign exchange rate gains and losses and gains and losses on interest hedging instruments recognised through the income statement. Interest income and expenses are recognised using the effective interest method.

2.5 Income taxes

Income tax comprise current tax, changes in deferred taxes and adjustments in respect of previous years. These amounts are recognised through the income statement unless they concern items that are related to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that the global minimum top-up tax, which it is required to pay under 'Pillar Two' legislation, is an income tax within the scope of IAS 12 'Income taxes'. Eneco has applied a temporary relief from deferred tax accounting and does not account for 'Pillar Two' effects.

Current tax
Current tax is the likely amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year under review and any adjustments in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. Current income tax is calculated based on applicable tax legislation and rates (enacted or substantively enacted at the reporting date) in the countries in which Eneco operates and generates taxable income or incurs a tax loss.

Income taxes comprise all taxes based on taxable profits and losses, including taxes which subsidiaries, associates or joint ventures must pay on distributions to the Group.

Additional income taxes on the result before dividend distributions are recognised at the same time as the obligation to distribute that dividend is recognised.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset tax assets against tax liabilities, it is Eneco's intention to settle on a net basis and where the current tax assets and liabilities relate to taxes levied by the same taxation authority on the same fiscal unity.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are calculated using the balance sheet method for the relevant differences between the carrying amount and taxable value of assets and liabilities. Deferred taxes are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on applicable tax rates and tax legislation that have been enacted or substantively enacted at the reporting date. Deferred taxes are recognised at face value.

Deferred tax assets are recognised for temporary differences available for relief, tax losses carried forward and the settlement of unused tax credits. This is only permitted if and to the extent it is probable that future taxable profit will become available, so enabling unrelieved tax losses and unused taxed credits to be offset.

Deferred tax assets for all temporary differences available for relief relating to investments in subsidiaries, joint operations and interests in associates and joint ventures are only recognised if it is probable that the temporary difference will be settled in the near future and that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences arising from investments in subsidiaries, joint operations and interests in associates and joint ventures, unless the Group can determine the time at which the temporary difference will be settled and it is probable that the temporary difference will not be settled in the near future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax assets against tax liabilities, it is Eneco's intention to settle on a net basis and where the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same fiscal unity.

2.6 Property, plant and equipment - owned assets

Property, plant and equipment ('PP&E') is recognised at cost less accumulated depreciation and impairment. Cost comprises the initial acquisition price plus all directly attributable costs. Cost of assets constructed by the company comprises the cost of materials and services, direct labour and other directly attributable costs including depreciation charges for the right-of-use assets and interest expenses in respect of lease liabilities from the commencement date of the lease. Cost includes an estimate of the present value of the cost of dismantling, demolishing and removing the item when it ceases to be used and of restoring the site on which it is located, if there is a legal or constructive obligation to do so.

Financing costs (interest) directly attributable to the purchase, construction or production of an eligible asset are recognised in cost. If an asset comprises multiple significant components with differing useful lives, these components are recognised separately.

Government grants
Government grants are recognised when it is reasonably certain that the conditions related to receiving the grants have been or will be met and that the grants have been or will be forthcoming. Grants contributing to the cost of an asset are deducted from the asset's cost and reflected in the depreciation throughout the useful life of the asset.

Expenditure incurred subsequent to initial recognition
Subsequent costs, for example in connection with the replacement of parts of an item of PP&E, are recognised in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group from the expenses incurred. Any residual value of the replaced parts is recognised in the income statement as a loss on disposal of non-current assets. Other repair and maintenance expenses are recognised through the income statement in the period in which the costs are incurred.

Depreciation
Depreciation commences when the asset is available for use. The depreciation charge for each period is recognised through the income statement using the straight-line method based on estimated useful life, taking into account the estimated residual value. Useful lives and residual values are reassessed annually and any changes are recognised prospectively. Land, sites and assets under construction are not depreciated.

The following useful lives are applied:

Category	Useful life in years
Buildings	25 - 50
Machinery and equipment	10 - 50
Other operating assets	3 - 25

2.7 Property, plant and equipment - leased assets

Eneco as a lessee

Recognition
Leases are recognised in the balance sheet as a right-of-use asset with a corresponding lease liability on the date on which the lease asset becomes available for use at Eneco. The assessment of whether a contract is or contains a lease is carried out at the start of that contract. If payments include non-lease components (such as maintenance or service charges), these are not recognised in the balance sheet but are charged to the result over the period to which the performance relates.

Lease of underlying assets with a low-value or leases with a lease term of less than 12 months are exempt from recognition of a right-of-use asset and lease liability.

Measurement of lease liabilities
Liabilities arising from a lease are initially measured as the present value of fixed and variable payments that depends on an index or a rate, payments for residual value guarantees, exercise prices of purchase options and/or payments for terminating the lease, if any.

A lease liability is initially discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, the incremental borrowing rate of the relevant class of asset is used. Generally, the Group uses its incremental borrowing rate as the discount rate.

After initial recognition, the lease liabilities are decreased by lease payments and increased by the addition of interest (interest implicit in the lease or the incremental borrowing rate). The interest charge from adding interest to the lease liabilities is recognised through the income statement in 'Financial expenses'.

Eneco reassesses a lease and remeasures the lease liability and associated right-of-use asset if:

- The lease term is changed or there is a change in the assessment of exercising a purchase option;
- There is a change in future fixed or variable lease payments resulting from a change in an index or a rate used to determine those payments, or a change in the amount expected to be payable under the residual value guarantee; and
- A lease is modified and the modification of the lease is not accounted for as a separate lease.

Measurement of right-of-use assets
Right-of-use assets are initially recognised at cost comprising the following:

- The amount of the initial measurement of the lease liability, as explained in 'Measurement of lease liabilities' above;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs; and
- Restoration (dismantling) costs if required by the contract.

The right-of-use asset is subsequently depreciated and charged to the result on a straight-line basis over the shorter of the useful life and the lease period of the asset. Depreciation commences when the right-of-use asset is available for use, being the commencement date of the lease.

The following useful lives are applied:

Category	Useful life in years
Land and buildings	5 - 40
Machinery and equipment	6 - 15
Other operating assets	2 - 8

Amounts not included in the measurement of lease liabilities
These are the following amounts:

- Payments related to short-term leases and low-value leases. Short-term leases are those with a lease term of 12 months or less and low-value lease assets are mainly ICT equipment and small items of office furniture; and
- Variable lease payments that do not depend on an index or a rate.

These payments are recognised in the period in which an event or condition occurs and are charged to the income statement in line item 'Cost of contracted work and other external costs'.

Eneco as a lessor

A lease under which Eneco, as lessor, has all the benefits and risks of ownership is designated as an operating lease. In other cases, agreements are recognised as finance leases.

PP&E made available to third parties under an operating lease is recognised in accordance with the accounting policies for 'property, plant and equipment - owned assets' and presented in that line item in the balance sheet. Lease income is recognised in the income statement on a straight-line basis over the lease term unless a different allocation is more in line with the pattern of the revenues obtained from the leased asset. Any charges, for example for service and repairs, included in the lease instalments are recognised in accordance with the criteria for providing services.

PP&E made available to third parties under a finance lease is recognised as a receivable for the net investment in the assets. Lease instalments are then broken down into interest and repayment components based on a constant periodic rate of interest. The interest component is recognised through the income statement in the relevant period. The repayment component is deducted from the lease receivable.

2.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. Any shortfall is recognised as a gain (bargain purchase) through the income statement.

Goodwill is measured at cost less impairment. Goodwill is allocated to one or more cash-generating units. Goodwill is tested for impairment annually.

Goodwill purchased on acquisition of subsidiaries and joint operations is recognised in the balance sheet in intangible assets. Goodwill paid to acquire an interest in a joint venture or associate is included in the cost of acquisition.

2.9 Other intangible assets

Other intangible assets comprise customer databases, software and software licences, concessions, permits, other rights, trade names and development expenditure. The related costs are capitalised if it is probable that these assets will have an economic benefit and their costs can be reliably measured. Other intangible assets are recognised at cost less accumulated amortisation and impairment.

Customer databases
A customer database obtained from an acquiree in a business combination or asset acquisition is initially recognised at fair value, including purchased capitalised contract acquisition costs. This value is determined on the date of acquisition on the basis of the most recent comparable transactions if the economic conditions are comparable or, if they are not, the fair value is determined from the present value of the estimated future net cash flow from this asset.

Software and software licences
Software is capitalised at cost. Cost of standard and customised software comprises the one-time costs of software licences plus the costs of making the software ready for use. All costs attributable to software which qualifies as an intangible asset are recognised at cost. Costs of software maintenance are recognised as an expense in the period in which they are incurred. Expenditure on configuring or customising application software in a Software as a Service (SaaS) arrangement is generally recognised as an expense in the period in which it is incurred. When the expenditure meets both the definition of an intangible asset and the recognition criteria, it is capitalised at cost.

Concessions, permits and other rights

Concessions, permits and other rights (obtained or purchased as part of a business combination) relate mainly to the use of PP&E (for example, wind and solar farms) and the related rights and obligations, such as subsidy and other formal decisions by the government. These are initially recognised at cost or at fair value in the case of a business combination.

Trade names

If, for commercial reasons, the Group decides to retain the trade name of a party acquired as part of a business combination, it is recognised initially at fair value, determined using the 'relief from royalty method' on the acquisition date.

Development expenditure

Development expenditure represents the payments for applying knowledge acquired through research by the company or a third party for a plan or design for the manufacture or application of improved materials, products, processes, systems or services, prior to the commencement of commercial manufacture or use. Development expenditure is only capitalised if they can be regarded as intangible assets. If this is not the case, they are recognised as an expense in the period in which they are incurred. Research costs are recognised through the income statement in the period in which they are incurred.

Amortisation

Amortisation commences when the intangible asset is available for use. Amortisation is recognised as an expense on the basis of the estimated useful life from the time that the relevant asset is taken into use. Other intangible assets are amortised using the straight-line method. The residual value of these assets is nil.

The following useful lives are applied:

Category	Useful life in years
Customer databases	6 - 20
Software and software licences	3 - 5
Concessions, permits and other rights	3 - 30
Trade names	20
Development expenditure	5 - 15

2.10 Emission rights

Emission rights are classified on initial recognition either as rights intended for the company's own use, measured at cost, or rights held for trading (held for sale in the ordinary course of business), measured at fair value through profit or loss.

Emission rights held for the company's own use are redeemed with the government for actual CO_2 emissions. These rights are measured at cost and recognised as current intangible assets. A liability is recognised for the redemption obligation of these CO_2 emission rights, measured at the cost of the rights obtained. If a shortfall is expected in the quantity of rights required for redemption and rights purchased, a liability for the obligation to deliver emission rights is recognised on the balance sheet and through the income statement as 'Purchases of energy and energy-related activities'. The liability to deliver this shortfall of emission rights is measured at the lower/higher of market value and the penalty expected to be due for that shortfall.

Emission rights held for trading purposes are recognised as 'Inventory' on the balance sheet. Changes in fair value of these rights are recognised in the income statement and presented as part of 'Purchases of energy and energy-related activities'.

2.11 Derivative financial instruments

General

Derivative financial instruments are contracts (i) under which their value changes in response to the change in a specific underling variable (including forward gas or electricity prices or interest or currency rates), (ii) that requires no or limited initial investment and (iii) are settled in the future.

Own use

Commodity contracts are classified for 'own use' if they are settled by physical delivery or receipt of energy commodities or emission rights in line with the company's needs. Transactions based upon these contracts are recognised through the income statement in the period in which delivery or receipt takes place (accrual accounting). These contracts are out of scope of the recognition and measurement criteria for derivative financial instruments, which is a consequence of the application of the 'own use exemption' in IFRS 9 'Financial Instruments'.

Measurement and recognition

Derivative financial instruments are initially recognised when Eneco becomes a party to the contractual provisions of the instrument and are measured at fair value. Related transaction costs are recognised through the income statement. The best evidence of the initial fair value is usually the transaction price.

If the fair value on initial recognition differs from the transaction price, that instrument will be recognised at fair value initially and the difference is recognised:

- Through the income statement when the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets;
- As deferred income or expense and recognised in the balance sheet and is recognised as a gain or loss through the income statement on an appropriate basis over the contract period of the instrument.

Subsequently, changes in the fair value of derivative financial instruments are recognised directly through the income statement, unless the derivative financial instruments are included in a hedging relationship for which hedge accounting is applied.

Fair value measurement of derivative and other financial instruments depends on their level in the fair value hierarchy:

Level 1
The fair value of financial instruments in level 1 is based on using unadjusted quoted prices in active markets for identical instruments.

Level 2
The fair value of financial instruments in level 2 is based on market prices or pricing statements and other available information. Where possible, the measurement method uses observable market prices. Level 2 energy commodity contracts are measured using market prices or pricing statements for periods in which an active market exists for the underlying commodities such as electricity, gas (title transfer facility) and emission rights. Other contracts are measured by agreement with the counterparty, using observable interest rate and foreign currency forward curves.

Level 3
The fair value of financial instruments in level 3 is based on calculations involving significant inputs that are not based on observable market data. The fair value of these electricity contracts is determined using Eneco's internal valuation models for forecasting energy prices. These models use statistical methods such as linear mathematical programming and include observable information such as quoted market prices (observable for a maximum of five years ahead) and market prices from external sources commonly used in the electricity industry. The models also use unobservable information such as historical data on wind and solar generation, relationships with historical commodity prices, the electrification of demand and the development of renewable and conventional electricity assets in Western Europe in relation to climate goals set by governments. Eneco updates the scenarios periodically in line with current market circumstances and/or changes in government policy. The scenarios and their inputs are independently reviewed and approved by Eneco's Commodity Risk Team. The models present long-term scenarios for electricity and other prices which differ primarily in their assumptions on the achievement of government climate goals and the way the market responds to this. The fair value of the contracts is measured using the expected trends in the energy price included in these scenarios and volatility in cases where the contracts have option characteristics.

Presentation in the balance sheet
Derivative financial instruments with a positive value are recognised as current (settlement within one year) or non-current (settlement after one year) assets. Instruments with a negative value are recognised as current or non-current liabilities. Assets and liabilities with each counterparty and with the same maturity date are offset on a monthly basis if there is a contractual right and the intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedge accounting
Cash flow hedges
Contracts are classified as hedging instruments if they mitigate the risk of fluctuations in future cash flows that could affect the result. More specifically, if the hedge can be attributed to a particular risk or to the full movement in the transaction (energy contracts) associated with an asset, liability or highly probable forecast transaction, the attributed derivative financial instruments are recognised as hedging instruments. The cash flow hedging instruments are mainly energy contracts agreed with other market parties in order to mitigate price risks of Eneco's energy positions. This reserve also recognises the effective portion of hedging with interest rate swaps and currency contracts.

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions; and
- The hedge relationship meets all of the hedge effectiveness requirements, including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not materially alter the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

If the conditions for hedge accounting are met, the effective portion of the changes to the fair value of the derivative financial instruments concerned is recognised in other comprehensive income and presented in the cash flow hedge reserve. The ineffective portion is recognised through the income statement.

Amounts recognised in the cash flow hedge reserve are subsequently recognised through the income statement when the hedged transaction is settled. When a hedging instrument expires, is sold, terminated or exercised, or when the conditions for hedge accounting are no longer met, although the underlying future transaction has yet to take place, the accumulated result remains in the cash flow hedge reserve until the forecast future transaction has taken place. If the forecast future transaction is no longer likely to take place, the cumulative result is transferred directly from equity to the income statement.

Hedges of net investment in a foreign operation
Net investment hedge accounting is applied to mitigate translation differences on operations with a functional currency other than the euro. Application of net investment hedge accounting means that foreign currency exchange differences arising from translation of foreign operations and on financial instruments (such as loans or currency foreign exchange contracts) allocated to the hedge relationship are recognised in other comprehensive income and presented in the translation reserve (taking into account deferred tax) until the end of the hedging relationship or earlier termination.

2.12 Other non-current assets

These assets mainly concern long-term items with a term of more than one year, such as loans, receivables due from associates, joint ventures or third parties, prepayments in respect of energy and other forms of purchase contracts, a deferred asset in respect of the initial valuation of a level 3 financial instrument and contract acquisition costs related to energy sale contracts (IFRS 15).

Long-term receivables and loans
Long-term receivables and loans are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. To the extent necessary, other receivables and loans are impaired using the expected credit losses method in IFRS 9. See note 2.14 Trade receivables and other current assets for more information on this method and note 29.1 Credit risk (subparagraph 'Debtor risk') for the specific application of this method.

Prepayments
Prepayments are initially recognised at nominal value and are recognised through the income statement, based on the related terms and conditions in the related purchase contracts.

Capitalised contract acquisition costs
Capitalised contract acquisition costs are the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs (for example, sales commission). These expenses are initially measured at nominal value and are recognised in the income statement based on the related terms and conditions in those energy sale contracts. As a practical expedient, Eneco recognises the incremental costs of obtaining a contract with a customer as an expense when incurred if the amortisation period of the asset that the entity would otherwise have recognised is one year or less.

Regular way purchases or sales are purchases or sales of financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by conversion in the marketplace.

2.13 Inventories

Inventories are recognised at the lower of weighted average cost and net recoverable amount. Cost of inventories is the purchase price including directly attributable costs incurred to bring the inventories to their current location and state. Net recoverable amount is the estimated sales price in the ordinary course of business less forecast costs of sale. Impairment of inventories is recognised through the income statement if the carrying amount exceeds the net recoverable amount.

See note 2.10 Emission rights for the accounting policy for emission rights held for trading purposes.

2.14 Trade receivables and other current assets

Trade and other receivables
Trade and other current assets are receivables with a term of less than one year. Performance delivered by Eneco at the reporting date but not yet billed to the customer, including amounts that have still to be invoiced on the reporting date in addition to the advances already invoiced are recognised as 'Amounts to be invoiced'. Receivables are recognised at fair value and subsequently measured at amortised cost less impairment losses using the expected credit losses method in IFRS 9.

Impairment of trade receivables is determined over the full lifetime of the asset ('lifetime expected credit losses method' in IFRS 9). This is done for trade receivables using a provision matrix based on historical figures for losses on each category/type of debtor, adjusted for non-recurring past effects, that reflects relevant information on current circumstances and offers a reasonably reliable forecast and the implications for the expected losses. This measurement is made for other receivables (current and non-current) using the 12-month expected credit losses method. See note 29.1 Credit risk (subparagraph 'Debtor risk') for the specific application of this method.

A default on a financial asset is the non-compliance of a counterparty with its contractual obligations towards Eneco, such as payment obligations.

Trade receivables are written off when there is no reasonable expectation of receiving full or partial payment of the receivable or amount still to be invoiced.

Impairment of trade receivables is presented as 'Other operating expenses' in the operating profit. Later reversals of amounts written off are credited to the same line in the income statement.

Receivables with a term of less than one year are not measured at present value on initial recognition. In view of their short-term nature, the carrying amount of trade and other receivables at the reporting date is equal to their fair value.

Other current assets
For capitalised contract acquisition costs and prepayments, see note 2.12 Other non-current assets.

Paid margin calls are initially recognised and measured at nominal value. See note 29.1 Credit risk and note 29.2 Market and regulatory risk (subparagraph 'Price risk') for a more detailed explanation of these margin calls.

Customer support arrangements concern amounts receivable from governments related to the various financial measures that local authorities have taken to reduce energy costs for retail customers and small businesses, especially those most in need. See note 1.5 Impact energy crisis for more information and the financial impact.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and deposits with a maturity of approximately three months or that can be called within approximately three months.

2.16 Employee benefits

Defined-contribution pensions
Pension liabilities of almost all Dutch business units have been placed with the industry-wide pension funds: Stichting Pensioenfonds ABP (ABP) and the Stichting Pensioenfonds Metaal en Techniek (PMT). There is a state pension plan for employees in Germany; contributions are collected with the social security charges on the employee's salary. A limited number of employees have individual plans insured with various insurance companies.

In the event of future shortfalls, the pension funds may only adjust future contributions and only within a limited range. Under IFRS, the ABP and PMT plans are classified as multi-employer defined-contribution plans. A defined-contribution plan is a plan in which a fixed contribution is paid for the benefit of an employee without any further claim by or liability to that employee. Liabilities in respect of contributions to pension and related plans on the basis of available contributions are recognised as an expense in the income statement in the period to which they relate.

The amount of the pension in the Netherlands depends on age, salary and years of service. Employees may opt to retire earlier or (with the Group's agreement) later than the state retirement age, in which case their pension is adjusted accordingly. At ABP this is between 60 and the state retirement age plus 5 years and at PMT between 10 years before and 5 years after the state retirement age.

Defined-benefit plans
Defined-benefit plans are obligations to pay out future pension entitlements. The defined-benefit entitlements depend on age, years of service and salary. The liabilities under defined-benefit plans are calculated actuarially for each plan separately. This applies for the pensions plans in Belgium, which are classified as defined-benefit plans since the employer has issued a certain guarantee on returns.

Liabilities for defined-benefit plans are based on the actuarial present value of the liability determined using the projected unit credit method that is based on a straight-line accrual of rights using projected salaries and takes into account aspects such as future salary increases and inflation. The net liabilities are determined as the net amount of the actuarial present value of the liabilities and the fair value of the fund assets according to actuarial reports. Service charges and net interest are included in employee benefits. Gains and losses on settlement of a defined-benefit plan are taken and recognised in the result at the time of settlement. Actuarial gains and losses on the revaluation of a net pension liability are recognised in the statement of comprehensive income.

Other provisions for employee benefits
A provision is recognised for the obligation to pay out amounts related to long-service benefits and on the retirement of employees. A provision is also recognised for the obligation to contribute towards the health insurance premiums of retired employees, salary payments in the event of illness and the employer's risk under the Unemployment Act. Where appropriate, these liabilities are calculated actuarially at the reporting date using the projected unit credit method, using a pre-tax discount rate which reflects the current market assessment of the time value of money.

2.17 Provisions

A provision is recognised when, due to a past event, there is a present legal or constructive obligation that is of an uncertain size or that will occur at an uncertain future date, and where its settlement will probably lead to outgoings of an economic nature.

Provisions that will be settled within one year of the reporting date, or that are of limited material significance, are recognised at face value. Provisions are recognised at the present value of the expected expenditure. The specific risks inherent to the relevant obligation are taken into account when determining this expenditure. The present value is calculated using a pre-tax discount rate which reflects the current market assessment of the time value of money. The determination of the expected expenditure is based on detailed plans in order to limit the uncertainty regarding the amount.

Decommissioning
A provision is recognised that equals the present value of the expected costs where there is an obligation to dismantle, demolish or remove an item of PP&E when it ceases to be used. The present value is calculated using a pre-tax rate which reflects the current market assessment of the time value of money and the risks specific to the liability, with a minimum of 0%. No decommissioning provision is formed if there is only a 'possible' or 'remote' likelihood of an outflow of resources under the obligation. The initial recognition of the decommissioning provision for an asset is included in the cost of that asset. If a subsequent assessment shows that the present value of the estimated decommissioning and restoration costs differs considerably from the provision, the difference is settled as an addition or release against the cost of the asset concerned. The adjusted cost is then depreciated over the remaining useful life of that asset. Any increase in the provision due to the passage of time is recognised as interest expense.

2.18 Borrowings

On initial recognition, borrowings are carried at fair value of the consideration received less the directly attributable transaction costs (including any premium/discount). Subsequent to initial recognition, borrowings are recognised at amortised cost using the effective interest method.

2.19 Trade creditors and other liabilities

Trade creditors and other liabilities are recognised at fair value and subsequently at amortised cost. Payables with a term of less than one year are not discounted on initial recognition. In view of their short-term nature, the carrying amount of trade and other liabilities at the reporting date is equal to their fair value.

Contributions received from district heating customers for connection costs and amounts received in advance from business customers are part of the contract liabilities.

2.20 Cash flow statement

The cash flow statement has been prepared using the indirect method, which is applicable to the category 'net cash flow from operating activities'. To reconcile the movement in cash and cash equivalents, the profit for the period is adjusted for items in the income statement and movements in the balance sheet that did not affect receipts and payments.

The cash flow statement distinguishes between cash flows from operating, investing and financing activities:

- 'Net cash flow from operating activities' includes interest and income tax payments and interest receipts;
- 'Net cash flow from investing activities' comprises payments in connection with the purchase and sale of non-current assets such as intangible assets, PP&E, investments in subsidiaries, joint operations, joint ventures and associates. Dividend receipts from these investments are also included;
- 'Net cash flow from financing activities' comprises changes in the size or composition of borrowings, payment of lease liabilities and receipts or payments related to equity, such as dividend payments.

2.21 Commitments, contingent assets and liabilities

Commitments, contingent assets and liabilities (except for guarantees and lease liabilities) are measured at present value, calculated using a discount rate that reflects current market assessments of the time value of money.

Notes to the consolidated income statement

All amounts shown in the tables are in millions of euros unless stated otherwise.

3. Revenues from energy sales and energy-related activities

The nature of the revenues from energy sales and energy-related activities is shown below:

	Year ended 31 March 2024	Period ended 31 March 2023
Electricity	5,348	7,824[1]
Gas	2,289	4,773[2]
Heat	434	562
Energy-related activities	152	126[1]
Total	**8,223**	**13,285**

1 An amount of €84 million was reclassified from energy-related activities to electricity in relation to Eneco eMobility-related activities.
2 An amount of €140 million was reclassified, resulting in a grossing up of gas revenues.

Government grants of €52 million (15-month period ended 31 March 2023: €13 million) are included in electricity revenue.

Each year, the Group settles prior-year revenues with its customers. Negative revenue of €112 million that related to earlier years of supply was recognised, being a negative amount of €56 million which relates to the Netherlands, a positive amount of €9 million to Belgium and a negative amount of €65 million to Germany (15-month period ended 31 March 2023: a positive amount of €92 million in total, of which a positive amount of €50 million related to the Netherlands, a positive amount of €14 million to Belgium and a positive amount of €28 million to Germany).

The revenue per country of sales is shown below:

	Year ended 31 March 2024	Period ended 31 March 2023
Netherlands	5,338[1]	8,991[2]
Germany	1,711[1]	2,252[3]
Belgium	977	1,825
United Kingdom	197	217
Total	**8,223**	**13,285**

1 Amounts related to the revenues recognised for the period 1 April 2023 to 31 March 2024 under the price cap arrangement collected or yet to be collected from the government are included. See note 1.5 Impact energy crisis.
2 Amounts related to the revenues recognised for the period 1 January 2023 to 31 March 2023 under the price cap arrangement collected or yet to be collected from the government are included. See note 1.5 Impact energy crisis. Amount restated for comparative purposes.
3 Amounts related to the revenues recognised for the period 1 January 2023 to 31 March 2023 under the price cap arrangement collected or yet to be collected from the government are included. See note 1.5 Impact energy crisis.

Revenue included transmission charges of €347 million (15-month period ended 31 March 2023: €389 million) invoiced by grid operators and €178 million (15-month period ended 31 March 2023: €333 million) of environmental and other levies and taxes, both from operations in Germany as, under local regulations, Eneco is acting as principal for these items.

4. Other income

Other income mainly concerns the recharge of costs to retail customers for the use of manual payment transfers instead of direct debit, fines paid by retail customers in the event of early termination of their contracts, settlement of claims, release from the Energy Investment Allowance (tax credit) to be amortised and income from sales of tangible and intangible assets and partial or full disposal of subsidiaries and joint operations, if applicable. In the current financial reporting period, Other income includes the result from the sale of a part of the Group's interest in Ecowende (HKW).

5. Employee benefit expenses

	Year ended 31 March 2024	Period ended 31 March 2023
Wages and salaries	-306	-303
Social security contributions	-38	-42
Pension contributions	-25	-32
Other employee benefits	-30	-40
Total employee benefits	**-399**	**-417**
Capitalised as PP&E – owned assets / Assets under construction	23	27
Presented as Purchases of energy and energy-related activities	8	12
Total	**-368**	**-378**

Number of employees in Full Time Equivalents (FTE)

	Year ended 31 March 2024	Period ended 31 March 2023
Average for the period		
FTEs employed	3,678	3,119
of whom, working outside the Netherlands	1,171	878
At 31 March		
FTEs employed	3,810	3,340
FTEs employed at 31 March by country		
The Netherlands	2,616	2,376
Germany	837	640
Belgium	357	324
Total	**3,810**	**3,340**

6. Remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board

The remuneration policy for the members of the Management Board[1] as proposed by the Supervisory Board was approved by the General Meeting of Shareholders and took effect on 24 March 2020.

The General Meeting of Shareholders adopted an amendment to the remuneration policy regarding the financial targets of the Management Board with effect from 1 April 2021 and the last amendment to the remuneration policy regarding the non-financial targets of the Management Board is dating from 29 March 2022 and took effect on 1 April 2022 (both as explained below). The remuneration of the Management Board is determined by the Supervisory Board on the recommendation of its Remuneration, Selection and Appointments Committee.

In addition to a fixed salary, the policy provides for variable remuneration consisting of a 'short-term incentive' (STI) and a 'long-term incentive' (LTI). The STI is granted on the basis of targets set each year by the Supervisory Board for the financial result (with a weight of 60%), for customer satisfaction (measured via Relationele KTV, with a weight of 10%), employee engagement (measured via eNPS, with a weight of 10%), safety (measured via RIF, with a weight of 5%) and sustainability (measured via Mtonne CO2eq, with a weight of 15%). The on-target level of the STI is set at 30% of base salary including holiday allowance. Pay-out starts at the threshold level of 20% of base salary including holiday allowance and is maximised at an above-target of 40% of base salary including holiday allowance. The 2023 STI applies from 1 April 2023 to 31 March 2024. Most targets for STI 2023 have been achieved and the related amounts are disclosed in the 'Remuneration of the Management Board' table on the next page.

The grant of LTI is fully dependent on the improvement of the financial performance over a period of three years. The on-target annual grant level of the LTI is set at 30% of base salary including holiday allowance. The pay-out starts at the threshold level of 20% of base salary including holiday allowance and is maximised at an above-target of 40% of base salary including holiday allowance. This grant is conditional upon the continued employment of the members of the Management Board during a period of three years. The level of achievement is assessed at the end of the relevant three-year period. The 2021-2023 LTI applies from 1 April 2021 to 31 March 2024, the 2022-2024 LTI applies from 1 April 2022 to 31 March 2025 and the 2023-2025 LTI applies from 1 April 2023 to 31 March 2026. The target for LTI 2021-2023 has been realised and the related amount is disclosed in the 'Remuneration of the Management Board' table on the next page.

1 Members of the Management Board and Supervisory Board are regarded as key management personnel pursuant to IAS 24 'Related Party Disclosures'.

In 2021 the financial targets of the Management Board were aligned with the financial targets of the Bonus Score Card, resulting in a change from EBITDA to the normalised[1] net result for both the STI and the LTI. The STI/LTI arrangements were based on EBITDA until 1 April 2021 and since then on net result. Two non-financial targets (safety and sustainability) were implemented for the STI in 2022.

The pension entitlements of the members of the Management Board have been placed with Eneco's standard pension plan. Since 1 January 2015, tax facilities for accrual of pension entitlements have been limited to an indexed maximum gross annual salary of €128,810 (2023)/ €137,800 (2024). As a result, the contribution to pensions for the part of the gross salary in excess of €128,810 (2023)/ €137,800 (2024) is presented in the 'Other pension compensation' column in the Remuneration of the Management Board table below.

The employment contracts with the members of the Management Board are for an unlimited time with a period of notice of four months for the company and two months for the members of the Management Board. The members of the Management Board have been appointed for a period of four years. The members of the Management Board are entitled to a payment of 12-month salary including the holiday allowance if the employment contract is terminated by or at the initiative of the company.

Ms De Lathouder was appointed as COO Assets on 1 November 2023, but her employment contract commenced on 1 October 2023.

Mr Sakuma's four-year term as CCIO ended on 23 March 2024 and he was reappointed as CCIO for the period from 24 March 2024 up to and including 30 April 2024. Mr Sakuma will stay on as an adviser in the month of May 2024 and his employment contract will end on 1 June 2024 (or earlier if agreed).

Mr Asakura was appointed as CCIO on 1 May 2024, but his employment contract commenced on 1 April 2024.

No sign-on bonuses or recruitment incentive payments were paid to the members of the Management Board nor were clawbacks applied during the reporting period.

1 The Supervisory Board has discretionary authority to apply normalisations to the reported net result.

Total remuneration was as follows:

Remuneration of the Management Board[1]

(12 months) x €1,000	Gross salary[2]	Variable remuneration (STI)[3]	Variable remuneration (LTI)[4]	Pension contributions	Other pension compensation	Other[5]	Total for year ended 31 March 2024
A.C. Tempelman	695	251	246	26	70	-	1,288
C.J. Rameau	520	182	178	25	46	-	951
J.M.J. Tijhaar	513	182	178	25	46	-	944
H. Sakuma	514	182	178	25	46	-	945
S.M. Thurer	510	182	91	25	46	-	854
K.M. de Lathouder[6]	257	91	24	13	23	-	408
Total	**3,009**	**1,070**	**895**	**139**	**277**	**-**	**5,390**

1 'Gross salary' (including social security contributions and mobility benefits) and 'variable remuneration (STI)' meet the definition of short-term employee benefits in IAS 19 'Employee Benefits' and IAS 24 'Related Party Disclosures'. 'Variable remuneration (LTI)' is covered by the definition of other long-term employee benefits in both IFRS standards. 'Pension contributions' and 'Other pension compensation' are in line with the definition of post-employment benefits. The remuneration in the 'Other' column is in line with the definition of termination benefits in IAS 19 and IAS 24.
2 These amounts are based on a 12-month period (1 April 2023 to 31 March 2024).
3 Includes the 2023 STI (April 2023 to March 2024 based on a 'best estimate' of the achievement of the financial and non-financial targets). The 2023 STI for Ms De Lathouder is calculated on a pro rata basis for the period October 2023 to March 2024.
4 Three LTI cycles overlap in 2023: LTI 2021-2023: Net result (April 2021 to March 2024), LTI 2022-2024: Net result (April 2022 to March 2025) and LTI 2023-2025: Net result (April 2023 to March 2026). This amount has been calculated as a 'best estimate' of the achievement for the completed LTI cycle (LTI 2021-2023) and for the continuing LTI cycles assuming on-target achievement of the financial targets after the three-year period. The LTI amounts are calculated on a pro rata basis, if applicable, dependent on the start date of the employment of the individual board member.
5 Not applicable in financial year 2023.
6 Ms De Lathouder was appointed with effect from 1 November 2023, but was remunerated from 1 October 2023.

Remuneration of the Management Board[1] (15 months) x €1,000	Gross salary[2,3]	Variable remuneration (STI)[4]	Variable remuneration (LTI)[5]	Pension contributions[2]	Other pension compensation[2]	Other[6]	Total for period ended 31 March 2023
A.C. Tempelman	792	309	265	48	87	-	1,501
C.J. Rameau	598	224	196	41	58	-	1,117
J.M.J. Tijhaar	586	224	98	41	58	-	1,007
F.C.W. van de Noort	595	224	196	41	58	566	1,680
H. Sakuma	597	224	196	41	58	-	1,116
S.M. Thurer[7]	426	139	40	29	42	-	676
Total	**3,594**	**1,344**	**991**	**241**	**361**	**566**	**7,097**

1 'Gross salary' (including social security contributions and mobility benefits) and 'variable remuneration (STI)' meet the definition of short-term employee benefits in IAS 19 'Employee Benefits' and IAS 24 'Related Party Disclosures'. 'Variable remuneration (LTI)' is covered by the definition of other long-term employee benefits in both IFRS standards. 'Pension contributions' and 'Other pension compensation' are in line with the definition of post-employment benefits. The remuneration in the 'Other' column is in line with the definition of termination benefits in IAS 19 and IAS 24.
2 These amounts are based on a 15-month period (1 January 2022 to 31 March 2023).
3 Amounts are restated for comparative purposes.
4 Includes the 2021 STI (January 2022 to March 2022 based on actual result), an adjustment for the actual realisation of the 2021 STI for the period from April 2021 to December 2021: €218 and the 2022 STI based on actual result (April 2022 to March 2023). The 2022 STI for Ms Thurer is calculated on a pro rata basis for the period May 2022 to March 2023.
5 Three LTI cycles overlap: LTI 2020-2022: EBITDA (April 2020 to March 2023), LTI 2021-2023: Net result (April 2021 to March 2024) and LTI 2022-2024: Net result (April 2022 to March 2025). This amount has been calculated on actual achievement for the completed LTI cycle (LTI 2020-2022: €186) and for the continuing LTI cycles assuming on-target achievement of the financial targets after the three-year period. If applicable, the LTI amounts are calculated on a pro rata basis, dependent on the start date of the employment of the individual board member. For Mr Van de Noort, this includes a settlement of the LTI 2021-2023 and LTI 2022-2024 related to the end of his employment for an amount of €98.
6 Mr Van de Noort: continued payment of salary for the period 1 April 2023 to 1 July 2023 during which Mr Van de Noort is not required to work and the compensation at the end of employment (1 July 2023) as contractually agreed.
7 Ms Thurer was appointed with effect from 9 May 2022, but was remunerated from 1 May 2022.

Remuneration of the Supervisory Board

The General Meeting of Shareholders adopted the remuneration policy for the Supervisory Board with effect from 24 March 2020.

The remuneration of the chairperson of the Supervisory Board is €80,000 per year. The other members of the Supervisory Board each receive an annual fee of €60,000. The chairperson and members of the Audit & Risk Committee receive additional annual fees of €10,000 and €7,500 respectively. The chairperson and members of the Remuneration, Selection and Appointments Committee receive additional annual fees of €8,500 and €6,500 respectively. Each member of the Supervisory Board receives a fixed expense allowance of €1,150 per year.

Total remuneration was as follows:

Year ended 31 March 2024 (12 months) x €1,000	Remuneration	Committees: Audit & Risk Committee	Committees: Remuneration/ Selection and Appointments Committee	Expenses	Total for year ended 31 March 2024
J.M. Kroon, chair person	80	7	7	1	95
M. Enthoven	60	10	9	1	80
J.M. Roobeek	60	-	7	1	68
K. Sugimori[1]	-	-	-	-	-
A. Matsunaga[1,2]	-	-	-	-	-
S. Hamada[1,3]	-	-	-	-	-
G. Yaguchi[1,4]	-	-	-	-	-
Y. Okafuij[1,2]	-	-	-	-	-
Y. Ohashi[1,3]	-	-	-	-	-
H. Umezawa[1,4]	-	-	-	-	-
Total	**200**	**17**	**23**	**3**	**243**

1 These members have voluntarily waived their remuneration entitlements.
2 Mr Okafuij was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Matsunaga, who stepped down on the same date.
3 Mr Ohashi was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Hamada, who stepped down on the same date.
4 Mr Umezawa was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Yaguchi, who stepped down on the same date.

Period ended 31 March 2023 (15 months) x €1,000	Remuneration	Committees: Audit & Risk Committee	Committees: Remuneration/ Selection and Appointments Committee	Expenses	Total for period ended 31 March 2023
J.M. Kroon, chair person	100	10	8	1	119
M. Enthoven	75	13	11	1	100
J.M. Roobeek	75	-	8	1	84
G. Yaguchi[1]	-	-	-	-	-
K. Nakanishi[1,2]	-	-	-	-	-
A. Matsunaga[1,2]	-	-	-	-	-
Y. Kashiwagi[1,3]	-	-	-	-	-
S. Hamada[1,3]	-	-	-	-	-
H. (Hiroki) Sato[1,4]	-	-	-	-	-
K. Sugimori[1,4]	-	-	-	-	-
Total	**250**	**23**	**27**	**3**	**303**

1 These members have voluntarily waived their remuneration entitlements.
2 Mr Matsunaga was appointed as member of the Supervisory Board on 9 March 2022 and succeeded Mr Nakanishi who stepped down on the same date.
3 Mr Hamada was appointed as member of the Supervisory Board on 9 March 2022 and succeeded Mr Kashiwagi who stepped down on the same date.
4 Mr Sugimori was appointed as member of the Supervisory Board on 1 October 2022 and succeeded Mr Sato who stepped down on the same date.

7. Share of profit of associates and joint ventures

The associates and joint ventures are included in the List of principal subsidiaries in these financial statements.

	Year ended 31 March 2024	Period ended 31 March 2023
Share in net profit and result on sales of associates and joint ventures	68	54
Impairment	-4	-
Total	**64**	**54**

8. Financial income

	Year ended 31 March 2024	Period ended 31 March 2023
Interest income	16	4
Interest on margin calls	18	4
Negative interest on Euro Commercial Paper borrowings	-	1
Other	4	4
Total	**38**	**13**

9. Financial expenses

	Year ended 31 March 2024	Period ended 31 March 2023
Interest expenses	-27	-29
Interest added to provisions and lease liabilities	-11	-8
Other	-4	-2
Total	**-42**	**-39**

See note 25 Borrowings for the average interest rate on the debt.

10. Income tax on the result

The table below shows the tax on the result:

	Year ended 31 March 2024	Period ended 31 March 2023
Current tax expense	-91	-161
Movements in deferred taxes	5	33
Income tax	**-86**	**-128**

The corporate income tax rates for the Netherlands, Belgium, Germany and the United Kingdom were not adjusted in the period from 1 April 2023 to 31 March 2024 and are 25.8%, 25%, 32.28% and 25% respectively for the high rate.

Current income tax charges are €91 million (2022: €161 million), including prior year adjustments of €3 million (2022: €2 million).

Deferred income tax gains are €5 million (2022: €33 million). The release of the Energy Investment Allowance to the income statement is no longer included in the line item 'Income tax', but instead has been moved to 'Other revenues' (2022: €4 million release of the Energy Investment Allowance was included under income tax).

Pillar Two rules ensure that international groups pay at least a minimum tax rate (2024: 15%) per country. For all those countries the new enacted tax legislation regarding Pillar Two is applicable as from 1 January 2024, which means FY2024, starting 1st April 2024, for Eneco. Eneco operates mainly in The Netherlands, Belgium, Germany and the United Kingdom (UK). All of these countries have a tax regime combining a statutory rate of 25% or over and limited deductions and reliefs. Eneco expects no material impact on our tax position in the near future based on the preliminary assessment carried out for this purpose.

The table below shows the effective income tax burden expressed as a percentage of the profit before income tax and the equivalent amount of income tax:

	Year ended 31 March 2024		Period ended 31 March 2023	
Profit before income tax		**454**		**508**
Nominal tax rate (in the Netherlands)	25.8%	-117	25.8%	-131
Effect of:				
- Participation exemption	-8.1%	37	-2.8%	14
- Non tax-deductible expenses	0.8%	-4	2.4%	-12
- Tax incentives	-0.2%	1	-0.8%	4
- Adjustment of prior years results (current and deferred taxes)	-0.7%	3	0.4%	-2
- Investment allowances and foreign loss relief	0.0%	0	-0.6%	3
- Tax effect of different foreign tax rates	1.1%	-5	1.0%	-5
- Tax-exempt income and other	0.2%	-1	-0.2%	1
Effective tax rate	**18.9%**	**-86**	**25.2%**	**-128**

Notes to the consolidated balance sheet

All amounts shown in the tables are in millions of euros unless stated otherwise.

11. Property, plant and equipment – owned assets

	Land and buildings	Machinery and equipment	Other operating assets	Assets under construction	Total
Cost					
At 1 January 2022	**89**	**4,745**	**45**	**359**	**5,238**
Investments	-	18	4	538	560
Acquisitions	-	-	-	1	1
Disposals	-2	-28	-2	-7	-39
Reclassified from/to assets held for sale	1	-12	-	-1	-12
Changes in decommissioning provision	-	19	-	-	19
Reclassified assets	5	442	2	-451	-2
Translation differences	-	-17	-	-	-17
At 31 March 2023	**93**	**5,167**	**49**	**439**	**5,748**
Investments	1	28	2	553	584
Acquisitions	-	-	1	-	1
Disposals	-	-13	-	-128	-141
Changes in decommissioning provision	-	17	-	-	17
Reclassified assets	-	488	-	-491	-3
Translation differences	-	9	-	-	9
At 31 March 2024	**94**	**5,696**	**52**	**373**	**6,215**

	Land and buildings	Machinery and equipment	Other operating assets	Assets under construction	Total
Accumulated depreciation and impairment					
At 1 January 2022	**30**	**2,203**	**40**	**-**	**2,273**
Annual depreciation and impairment	4	291	3	-	298
Disposals	-2	-17	-2	-	-21
Reclassified from/to assets held for sale	-	-11	-	-	-11
Reclassified assets	1	-	-1	-	-
Translation differences	-	-7	-	-	-7
At 31 March 2023	**33**	**2,459**	**40**	**-**	**2,532**
Annual depreciation and impairment	3	245	1	-	249
Disposals	-	-10	-	-	-10
Translation differences	-	5	-	-	5
At 31 March 2024	**36**	**2,699**	**41**	**-**	**2,776**
Carrying amount					
At 1 January 2022	59	2,542	5	359	2,965
At 31 March 2023	60	2,708	9	439	3,216
At 31 March 2024	**58**	**2,997**	**11**	**373**	**3,439**

Useful lives

See note 2.6 Property, plant and equipment - owned assets for the useful lives applied.

Draft Dutch Heat Act

In 2023, the bill Collective Heat Supply Act ("Wcw" or new heat act) became public with its submittance by the Minister of Economic Affairs and Climate to the Council of State. The new heat act intends to regulate heat tariffs on a remuneration of efficient costs and a reasonable return on investment. The parameters of the new tariff regulation will only be published after adoption of the new heat act and may therefore result in a higher or lower heat tariff than the currently gas-linked heat tariff. Furthermore, the new heat act intends that future ownership of district heat networks will shift to a mandatory minority stake for private investors, like Eneco being one of the largest operators of district heating networks in the Netherlands. The carrying value as per reporting date is material.

It is expected that the networks held by private investors will be transferred at market value at the end of a transition period. This transition period will be determined per network and covers least 14 years and not more than 30 years after inception of the new heat act.

Since the announcement of the new heat act in 2022, significant uncertainty for new investments have surfaced, resulting in an almost stand-still for expansion of district heat networks and transforming the existing networks to become climate neutral.

The anticipated inception date of the net heat act is 1 January 2025. However, the bill is not yet submitted to the Dutch parliament. At this moment, the date for submittance of the bill (and its final contents) to parliament is unknown. Pending the adoption of the Collective Heat Supply Act, the current heat act will remain unaffected and in force.

Capitalised interest
Attributable interest capitalised for PP&E was €1 million (15-month period ended 31 March 2023: €2 million). The capitalisation rate of interest was 1.11% (15-month period ended 31 March 2023: 1.11%).

Assets under construction
Assets under construction consist mainly of solar farms, onshore and offshore wind farms and investments in district heating networks.

Leases – property, plant and equipment leased by Eneco ('lessor')
Equipment and energy installations (such as domestic water heaters and solar panels) leased to customers for periods of 5 to 20 years remain the property of the Group. The lease terms cover both making the equipment available to users and the maintenance costs. Lease revenues of €21 million (15-month period ended 31 March 2023: €26 million) have been recognised through the income statement.

The carrying amount of assets as shown in the table above, include assets subject to operating leases by Eneco as lessor:

	At 31 March 2024	At 31 March 2023
Machinery and equipment	30	30
Total	**30**	**30**

The minimum receivables (nominal amounts) from non-terminable lease agreements fall due as follows:

	At 31 March 2024	At 31 March 2023
Within 1 year	21	20
From 1 to 2 years	19	18
From 2 to 3 years	18	17
From 3 to 4 years	16	16
From 4 to 5 years	15	15
After 5 years	73	58
Total	**162**	**144**

12. Property, plant and equipment – right-of-use assets and lease liabilities

The classification and movements in the rights-of-use for the lease assets were as follows:

	Land and buildings	Machinery and equipment	Other operating assets	Total
Cost				
At 1 January 2022	**257**	**57**	**21**	**335**
Additions[1]	72	20	-	92
Revaluation	45	-	3	48
Disposals	-3	-	-	-3
Translation differences	-1	-	-	-1
At 31 March 2023	**370**	**77**	**24**	**471**
Additions[2]	19	-	4	23
Acquisitions	4	-	-	4
Revaluation	9	-	6	15
Disposals	-1	-5	-	-6
Translation differences	1	-	-	1
At 31 March 2024	**402**	**72**	**34**	**508**
Accumulated depreciation and impairment				
At 1 January 2022	**58**	**28**	**11**	**97**
Annual depreciation and impairment	30	4	5	39
Disposals	-3	-	-	-3
Translation differences	2	-	-	2
At 31 March 2023	**87**	**32**	**16**	**135**
Annual depreciation	25	4	5	34
Disposals	-	-3	-	-3
Translation differences	1	-	-	1
At 31 March 2024	**113**	**33**	**21**	**167**

	Land and buildings	Machinery and equipment	Other operating assets	Total
Carrying amount				
At 1 January 2022	199	29	10	238
At 31 March 2023	283	45	8	336
At 31 March 2024	**289**	**39**	**13**	**341**

1 The new 'Land and buildings' leases for the 15-month period ended 31 March 2023 include €16 million of leases with a commencement date in 2021.
2 The new 'Land and buildings' leases for the 12-month period ended 31 March 2024 include €6 million of leases with a commencement date in 2022.

Movements in lease liabilities were as follows:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**333**	**233**
New leases	28[1]	92[2]
Lease payments	-39	-43
Interest added to lease liabilities (financial expenses)	8	7
Acquisition of group companies	3	-
Changes of contract period, indexation	15	48
Disposal of contracts	-3	-3
Translation differences	1	-1
At 31 March 2024 and 31 March 2023 respectively	**346**	**333**
Classification		
Current	41	31
Non-current	305	302
At 31 March 2024 and 31 March 2023 respectively	**346**	**333**

1 The new 'Land and buildings' leases for the 12-month period ended 31 March 2024 include €6 million of leases with a commencement date in 2022.
2 The new leases for the 15-month period ended 31 March 2023 include €16 million of leases with a commencement date in 2021.

Eneco's leasing activities as lessee

The Group rents or leases assets such as land for wind and solar farms, roofs of commercial buildings for solar panels, solar panel equipment, offices, warehouses, ICT and other equipment and company cars. Leases are usually entered into for fixed periods ranging from 1 to 40 years but may include extension and termination options. No leases impose covenants but lease assets may not be used as collateral for financing purposes.

Useful lives
See note 2.7 Property, plant and equipment - leased assets for the useful lives applied.

Amounts for leases recognised in the income statement

	Year ended 31 March 2024	Period ended 31 March 2023
Depreciation charge for right-of-use assets	34	39
Interest added to lease liabilities	8	7
Costs for short-term and low-value leases[1]	2	3

1 This concerns the costs for 'short-term leases', costs of 'low-value leases' not included in 'short-term leases' and costs relating to variable lease payments that are not included in the lease liabilities.

Amounts for leases recognised in the cash flow statement
Total lease payments were €41 million (lease repayments of €31 million, interest of €8 million and costs for short term and low value leases of €2 million), 15-month period ended 31 March 2023 €46 million (lease repayments of €36 million, interest of €7 million and costs for short term and low value leases of €3 million).

Variable lease payments
Eneco has a number of leases containing arrangements on variable lease payments. These relate in particular to leases for land for the wind farm activities in the United Kingdom. These variable components depend in particular on the amount of electricity generated.

Other possible lease payments and liabilities
See note 27 Commitments, contingent assets and liabilities for future lease payments resulting from renewal or termination options in leases. Leases which have been entered into but are not yet in force amount to €229 million (31 March 2023: €2 million) of which €225 million relates to variable lease payments. Residual value guarantees are not applicable to Eneco. Leases do not otherwise include any special arrangements involving restrictions or covenants that could lead to a restriction on the use of the lease assets. No 'sale-and-lease-back' transactions have been entered into.

13. Intangible assets

	Goodwill	Customer databases	Software and software licences	Concessions, permits, trade names and other rights	Development expenditure	Total
Cost						
At 1 January 2022	**542**	**792**	**182**	**174**	**19**	**1,709**
Investments	-	1	48	-	8	57
Acquisitions	10	1	2	1	-	14
Disposals	-	-5	-9	-1	-1	-16
Reclassified assets	-4	4	2	4	-	6
Translation differences				-1		-1
At 31 March 2023	**548**	**793**	**225**	**177**	**26**	**1,769**
Investments	-	-	59	-	-	59
Acquisitions	38	-	-	66	-	104
Disposals	-	-	-6	-	-	-6
Reclassified assets	-	-	10	3	-11	2
At 31 March 2024	**586**	**793**	**288**	**246**	**15**	**1,928**
Accumulated amortisation and impairment						
At 1 January 2022	**-**	**400**	**118**	**60**	**10**	**588**
Annual amortisation and impairment	29	78	26	12	7	152
Disposals	-	-5	-8	-1	-	-14
At 31 March 2023	**29**	**473**	**136**	**71**	**17**	**726**
Annual amortisation and impairment	-	54	28	11	1	94
Disposals	-	-	-7	-	-	-7
Reclassified assets	-	-	4	-	-4	-
At 31 March 2024	**29**	**527**	**161**	**82**	**14**	**813**
Carrying amount						
At 1 January 2022	542	392	64	114	9	1,121
At 31 March 2023	519	320	89	106	9	1,043
At 31 March 2024	**557**	**266**	**127**	**164**	**1**	**1,115**

Useful lives
See note 2.9 Other intangible assets for the useful lives applied.

Goodwill
Goodwill was €557 million (31 March 2023: €519 million) and consisted mainly of €152 million (31 March 2023: €152 million) of goodwill relating to the group of cash-generating units in the Netherlands, €191 million (31 March 2023: €191 million) relating to the group of cash-generating units in Belgium, €197 million (31 March 2023: €159 million) relating to the group of cash-generating units in Germany and €17 million (31 March 2023: €17 million) relating to the cash-generating unit in the United Kingdom.

An impairment analysis was performed on this goodwill at 31 December 2023 which showed that the recoverable amount of each group of cash-generating units (determined by the value in use) was higher than their carrying amount.

In the financial statements for the 15-month period ended 31 March 2023, Eneco recognised two impairments: €21 million to the goodwill in the cash-generating units in Belgium and in addition the total goodwill of €8 million for the cash-generating unit Eneco eMobility – Germany was impaired. These amounts were recognised in the income statement in line item 'Amortisation and impairment of intangible assets'.

The following assumptions were used to establish the value in use:

- the value in use of the cash-generating units was based on expected future cash flows for five years as in the Group's long-term plans (based in part on historical figures) and thereafter extrapolated on the expected life of the assets of these cash-generating units, which is generally longer than the five-year period;
- a terminal growth rate and a long-term growth rate of about 2.3% have been taken into account from 2028;
- these expected future cash flows are based on the Business Plan 2024–2028, for which, where applicable, changes were made based on planned investments to determine the recoverable amount of the cash-generating units; and
- the pre-tax discount rates, which reflect the risks of the activities of the relevant cash-generating units, were 5.4% - 14.1% (in 15-month period ended 31 March 2023: 6.9% - 16.8%). These discount rates are based on the weighted average cost of capital (WACC) calculated using parameters derived from data from a peer group and market information.

The calculation of the value in use of these assets is sensitive to the following assumptions: the discount rate, the growth figure applied for extrapolating cash flows beyond the five-year plan and the average useful life of the assets. Of these factors, the discount rate is the most sensitive and an increase of 0.5 percentage point would reduce the value in use of the total cash-generating units by some €0.6 billion and would not lead to an impairment.

Customer databases
Customer databases relate to LichtBlick and Eni (acquired in 2017) and E.ON Benelux Levering (acquired in 2018). The customer databases of Robin Energie and the customer databases and charging points of several companies with electric vehicle activities were acquired in 2019. In 2020 Eneco acquired customer contracts from E.ON Energie in Germany. In 2021 Eneco acquired the business customer contracts of Essent Energie Verkoop Nederland B.V. (renamed Eneco Midzakelijk B.V.).

Concessions, permits, trade names and other rights
Concessions, permits, trade names and other rights consist mainly of the capitalised trade name of LichtBlick and permits and development rights for wind farms and solar parks in Belgium, Germany and the United Kingdom.

Current intangible assets and inventories
Current intangible assets and inventories were €286 million (31 March 2023: €630 million). €203 million (31 March 2023: €525 million) related to green certificates and emission rights and the remaining €83 million (31 March 2023: €105 million) to other inventories. Of these green certificates and emission rights, none were measured at fair value (31 March 2023: €358 million) in the fair value hierarchy.

14. Business combinations and other changes in the consolidation structure

Acquisition of remaining shares in Installion GmbH
On 1 April 2023, Eneco completed the purchase of the remaining 67.4% interest in Installion GmbH. Installion supports the energy transition by installing solar panels, batteries and e-charging stations throughout Germany. This contributes to the Group's energy as a service concept. Before the acquisition, Eneco held a share of 32.6%, resulting in a profit due to revaluation to fair value as part of the acquisition price of €4 million. The goodwill in this acquisition relates to the skilled workforce and the synergy benefits for future integration.

Acquisition of 100% shares in solargrün GmbH
On 18 December 2023, Eneco acquired all the shares in solargrün GmbH. Solargrün's business model is developing solar parks in Germany. Solargrün will contribute to the Group's ambition to obtain more sustainable energy-generating assets in Germany. The goodwill in this acquisition relates to the skilled workforce and the early-stage project pipeline.

The combined disclosures of the acquisitions of Installion GmbH and solargrün GmbH are presented below on the next page.

Identified assets or liabilities	Fair value
Trade names	3
Development rights	63
Property, plant and equipment and right of use assets	5
Deferred taxes	-15
Working capital and other liabilities	-17
Total fair value of net assets acquired	**39**
Consideration paid	77
Goodwill	**38**

The goodwill is not tax deductible. The impact of these acquisitions on revenues and net result of this financial year 2023 is not material.

Sale of 30% interest in Ecowende wind farm
On 1 February 2024, Eneco signed a Share Sale and Purchase Agreement ('SPA') with Chubu Electric Power (20% shareholder of N.V. Eneco), for the sale of a 30% in the Ecowende wind farm for some €0.2 billion. The gain of some €80 million is recognised in the income statement in line item 'Other income', see also note 4 Other income. This leaves Chubu Elecric Power with a 30% interest in the Ecowende wind farm and Eneco with a 10% interest. The legal transfer of the shares and receipt of the transaction price was concluded and executed on 8 May 2024.

15. Associates and joint ventures

The Group participates with one or more parties in businesses in the form of associates or joint ventures to perform shared operations.

The carrying amount of the associates and joint ventures was:

		At 31 March 2024	At 31 March 2023
Interest in Greenchoice (30%)	Associate	98	87
Interest in Norther wind farm (50%)	Joint venture	204	202
Other associates		19	22
Other joint ventures		25	6
Total		**346**	**317**

The carrying amount of interest in Greenchoice increased with €11 million. This concerns our share in their estimated result for the 12-month period minus dividends received. Other joint ventures increased due to a new acquisition in a joint venture of some €18 million.

The tables below summarises the financial information of the interests in Greenchoice and Norther. The figures were drawn from their most recent published financial information (Greenchoice) or available internal information (Norther). Where necessary, they have been restated for differences between their accounting policies and IFRS. The table also shows a reconciliation between the summary financial information for each investment and the carrying amount of Eneco's interest in it.

Greenchoice

Balance sheet information (based on most recent available information)	At 31 December 2022	At 31 December 2021
Non-current assets	137	161
Current assets	519	474
Non-current liabilities	40	69
Current liabilities	429	423
Net assets (100%)	**187**	**143**
Eneco's share of net assets	56	43
Carrying amount of interest in Greenchoice (incl. acquired goodwill)	**78**	**66**

Comprehensive income information (based on most recent available information)	At 31 December 2022	At 31 December 2021
Revenues (100%)	1,043	566
Profit for the period (100%)	58	29
Total other comprehensive income (100%)	-	-
Total comprehensive income (100%)	58	29
Group's share of total comprehensive income (30%)	**17**	**9**

Norther

Balance sheet information	At 31 March 2024[1]	At 31 March 2023[2]
Non-current assets	868	968
Current assets	236	195
- of which cash and cash equivalents	171	116
Non-current liabilities	729	817
- of which non-current financial liabilities (excl. trade creditors, other obligations and provisions)	673	736
Current liabilities	143	130
- of which current financial liabilities (excl. trade creditors, other liabilities and provisions)	63	62
Net assets (100%)	**232**	**216**
Eneco's share of net assets	116	108
Carrying amount of interest in Norther (incl. acquired premium)	**204**	**202**

1 Applying IAS 28.34, the February 2024 figures are presented (one month delay).
2 Applying IAS 28.34, the February 2023 figures are presented (one month delay).

Comprehensive income information	At 31 March 2024[1]	At 31 March 2023[2]
Revenues (100%)	251	234
Depreciation, amortisation and impairment (100%)	-52	-65
Financial income (100%)	5	1
Financial expenses (100%)	-20	-26
Tax charge or gain (100%)	-29	-16
Profit for the period (100%)	114	69
Total other comprehensive income (100%)	-22	112
Total comprehensive income (100%)	92	181
Group's share of total comprehensive income	**46**	**91**

1 Applying IAS 28.34, the figures for March 2023 to February 2024 are presented (one month delay).
2 Applying IAS 28.34, the figures for December 2021 to February 2023 are presented (one month delay).

Total comprehensive income (the Group's share) for the other associates was €1 million negative (15-month period ended 31 March 2023: €3 million negative) and for the other joint ventures €3 million negative (15-month period ended 31 March 2023: €0 million).

16. Deferred taxes

Carrying amounts and movements in deferred taxes for the period from 1 April 2023 to 31 March 2024 were as follows:

	Net balance at 1 April 2023	Recognised in profit or loss[1]	Recognised in other comprehensive income	Other (including business combinations)	Net balance at 31 March 2024	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment[2]	-143	8	-	-	-135	-	-135
Intangible assets	-66	6	-	-20	-80	10	-90
Leases[2]	3	1	-	-	4	85	-81
Hedges and derivatives	55	-	-53	-1	1	14	-13
Receivables	-13	-15	-	1	-27	6	-33
Loss carry forwards	18	4	-	6	28	28	-
Losses at non-resident participating interests	-10	1	-	-	-9	-	-9
Provisions[2]	13	-	-	-3	10	10	-
Tax liabilities (assets) before offsetting	**-143**	**5**	**-53**	**-17**	**-208**	**153**	**-361**
Offsetting deferred taxes						-112	112
Total						**41**	**-249**

1 This amount is included in the 'Movements in deferred taxes' as part of 'Income tax on the result'. See note 10 Income tax on the result.
2 IAS12 amendment 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' has been applied for the first time in this financial year. The opening balances are adjusted. Further reference is made to note 1.3 New and amended IFRS standards.

Carrying amounts and movements in deferred taxes for the period from 1 January 2022 to 31 March 2023 were as follows:

	At 31 December 2021	Recognised in profit or loss[1]	Recognised in other comprehensive income	Other (including business combinations)	At 31 March 2023	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment[2]	-161	17	-	1	-143	-	-143
Intangible assets	-80	13	-	1	-66	15	-81
Leases[2]	1	1	-	1	3	83	-80
Hedges and derivatives	83	-	-28	-	55	69	-14
Receivables	-9	-3	-	-1	-13	5	-18
Loss carry forwards	16	-	-	2	18	18	-
Losses at non-resident participating interests	-11	1	-	-	-10	-	-10
Provisions[2]	13		-	-	13	13	-
Tax liabilities (assets) before offsetting	**-148**	**29**	**-28**	**4**	**-143**	**203**	**-346**
Offsetting deferred taxes						-179	179
Total						**24**	**-167**

1 This amount is included in the 'Movements in deferred taxes' as part of 'Income tax on the result'. See note 10 Income tax on the result.
2 IAS12 amendment 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' has been applied for the first time in this financial year. The comparative figures are adjusted. Further reference is made to note 1.3 New and amended IFRS standards.

No deferred tax asset has been recognised on pre-consolidation and other losses (including tax facilities not yet used) of €6 million (31 March 2023: €7 million) since it is not certain whether sufficient taxable profits will be available in the future at the companies and permanent establishment which are not members of the fiscal unity. The tax regulations in the relevant jurisdiction state that these losses can be carried forward indefinitely (31 March 2023: indefinitely).

17. Derivative financial instruments

17.1 Financial instruments of the Group

The table below shows the fair value of the derivative financial instruments:

Financial assets	At 31 March 2024	At 31 March 2023
Interest rate swap contracts	19	29
Currency swap contracts	3	2
Energy commodity contracts	558	1,632
CO_2 emission rights	25	23
Total	**605**	**1,686**
Classification		
Current	466	1,314
Non-current	139	372
Total	**605**	**1,686**

Financial liabilities	At 31 March 2024	At 31 March 2023
Currency swap contracts	6	6
Energy commodity contracts	645	1,909
CO_2 emission rights	7	9
Total	**658**	**1,924**
Classification		
Current	408	1,149
Non-current	250	775
Total	**658**	**1,924**

The fair value of the energy commodity contracts decreased by some €1.1 billion (15-month period ended 31 March 2023: decrease by some €0.9 billion) in respect of derivative assets and some €1.3 billion (15-month period ended 31 March 2023: decrease by some €0.9 billion) in respect of derivative liabilities. This decrease is mainly the result of the further decrease in the average (long-term) market price for electricity and gas.

17.2 Financial instruments recognised through the income statement

The table below shows the fair value of derivative financial instruments on the reporting date, for which the movements in fair value have been recognised through the income statement:

Financial assets	At 31 March 2024	At 31 March 2023
Currency swap contracts	3	2
Energy commodity contracts	443	1,369
CO_2 emission rights	25	23
Total	**471**	**1,394**
Classification		
Current	346	1,049
Non-current	125	345
Total	**471**	**1,394**

Financial liabilities	At 31 March 2024	At 31 March 2023
Currency swap contracts	2	3
Energy commodity contracts	491	1,381
CO_2 emission rights	7	9
Total	**500**	**1,393**
Classification		
Current	379	1,104
Non-current	121	289
Total	**500**	**1,393**

The total amount recognised in the income statement for financial assets and liabilities measured at fair value through profit or loss (including recycling and other effects of financial assets and liabilities allocated to hedge accounting) was €51 million gain (15-month period ended 31 March 2023: €41 million loss).

17.3 Financial instruments recognised in equity - cash flow hedge accounting

The table below shows the fair value of derivative financial instruments on the reporting date, for which movements in fair value have been recognised in equity through the cash flow hedge reserve:

Financial assets	At 31 March 2024	At 31 March 2023
Interest rate swap contracts	19	29
Energy commodity contracts	115	263
Total	**134**	**292**
Classification		
Current	120	265
Non-current	14	27
Total	**134**	**292**

Financial liabilities	At 31 March 2024	At 31 March 2023
Currency swap contracts	4	3
Energy commodity contracts	154	528
Total	**158**	**531**
Classification		
Current	29	45
Non-current	129	486
Total	**158**	**531**

These instruments are used in cash flow hedge transactions to hedge interest rate, currency and energy price risks and the currency risks in a net investment in a foreign operation.

17.4 Fair value hierarchy

See note 2.11 Derivative financial instruments for the main assumptions for determining the fair value measurement of level 1, 2 and 3 financial instruments. The hierarchy of derivative financial instruments measured at fair value was as follows:

At 31 March 2024	Level 1	Level 2	Level 3	Total
Assets				
Energy commodity contracts and CO_2 emission rights	441	127	15	583
Interest rate and currency swap contracts	-	22	-	22
	441	**149**	**15**	**605**
Liabilities				
Energy commodity contracts and CO_2 emission rights	107	371	174	652
Interest rate and currency swap contracts	-	6	-	6
	107	**377**	**174**	**658**

At 31 March 2023	Level 1	Level 2	Level 3	Total
Assets				
Energy commodity contracts and CO_2 emission rights	1,137	514	4	1,655
Interest rate and currency swap contracts	-	31	-	31
	1,137	**545**	**4**	**1,686**
Liabilities				
Energy commodity contracts and CO_2 emission rights	188	1,237	493	1,918
Interest rate and currency swap contracts	-	6	-	6
	188	**1,243**	**493**	**1,924**

The level 3 derivative financial instruments are mainly contracts for hedging purposes of future market prices relating to wind farms that have a limited subsidy or are unsubsidised. As Eneco has hedged the variable market price against the fixed contract price of these contracts, future cash flows or income will be offset by higher future electricity sale proceeds.

The valuation techniques, main assumptions and sensitivity analysis are shown below.

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input on fair value
Forward electricity contract	Discounted cash flow method	Average price €71 per MWh for the measurement period (period ended 31 March 2023: €117)	A 5% increase or decrease would result in a change in fair value of €15 million (period ended 31 March 2023: €28 million)
Option contract	Option pricing model	Average price €68 per MWh for the measurement period (period ended 31 March 2023: €111)	A 5% increase or decrease would result in a change in fair value of €17 million (period ended 31 March 2023: €21 million)
		Volatility	A 10% increase or decrease would result in a change in fair value of €13 million (period ended 31 March 2023: €17 million)

The movements in the level 3 derivative financial instruments are set out below.

Changes in fair value of level 3 energy commodity contracts and CO_2 emission rights	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**-489**	**-283**
Included in income statement	-22	-12
Included in statement of comprehensive income	351	-225
Purchases	19	3
Sales and settlements	-18	28
At 31 March 2024 and 31 March 2023 respectively	**-159**	**-489**
Classification		
Financial assets	15	4
Financial liabilities	-174	-493
At 31 March 2024 and 31 March 2023 respectively	**-159**	**-489**

17.5 Cash flow hedges

Movements in the cash flow hedge reserve are presented in note 29.2 Market and regulatory risk.

The cash flow hedging instruments are derivative financial instruments that are subject to net settlement between parties. The table below shows the periods in which the cash outflows from the cash flow hedges are expected to be realised:

	At 31 March 2024	At 31 March 2023
Expected cash flow		
Within 1 year	-236	-535
From 1 to 5 years	31	205
After 5 years	46	292
Total	**-159**	**-38**

The total cash flow hedges that will be reclassified through the income statement in the future are recognised in the cash flow hedge reserve after deduction of taxes. The table below shows the periods in which the cash flows from the cash flow hedges are expected to be realised:

	At 31 March 2024	At 31 March 2023
Expected recognition in result after tax		
Within 1 year	82	178
From 1 to 5 years	-25	-125
After 5 years	-20	-166
Total	**37**	**-113**

18. Other non-current assets

	At 31 March 2024	At 31 March 2023
Loans	7	4
Other capital interests	5	3
Other assets and prepayments	44	53
Contract acquisition costs	79	44
Total	**135**	**104**

See note 20 Other current assets for the movements in contract acquisition costs.

19. Trade receivables

The table below shows the trade receivables:

	At 31 March 2024	At 31 March 2023
Trade receivables	1,153	1,308
Amounts to be invoiced	384	628[1]
Less: Loss allowance	-122	-105
Total	**1,415**	**1,831**

1 €33 million was reclassified from Prepayments and accruals, see note 20 Other current assets, to Trade receivables for the purpose of comparability

The table below shows the aged analysis of the outstanding receivables:

	At 31 March 2024			At 31 March 2023		
	Nominal receivables	Loss allowance	Percentage for loss allowance	Nominal receivables	Loss allowance	Percentage for loss allowance
Not past due	1,247	-22	2%	1,488	-22	1%
After due date						
- under 3 months	96	-13	14%	295	-16	5%
- 3 to 6 months	49	-16	33%	58	-13	22%
- 6 to 12 months	60	-19	32%	41	-17	41%
- over 12 months	85	-52	61%	54	-37	69%
Nominal value	**1,537**	**-122**		**1,936**	**-105**	
Less: Loss allowance	-122			-105		
Total	**1,415**			**1,831**		

The table below shows the movements in loss allowance:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**-105**	**-64**
Additions	-39	-55
Withdrawals	22	14
At 31 March 2024 respectively 31 March 2023	**-122**	**-105**

See note 2.14 Trade receivables and other current assets for the main assumptions for determining the provision for doubtful debts using the expected credit losses method.

20. Other current assets

	At 31 March 2024	At 31 March 2023
Contract acquisition costs	46	31
Prepayments and accruals	357	159[1]
Margin calls	222	346
Customer support arrangements[2]	54	225
	679	**761**

1 €33 million was reclassified from Prepayments and accruals to Amounts to be invoiced, see note 19 Trade receivables, for the purpose of comparability.
2 See note 1.5 Impact energy crisis.

The movements in contract acquisition costs were as follows:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**75**	**62**
Capitalisation	96	66
Amortisation (included in 'Purchases of energy and energy-related activities')	-46	-53
At 31 March 2024 and 31 March 2023 respectively	**125**	**75**
Classification		
Current	46	31
Non-current (see note 18)	79	44
At 31 March 2024 and 31 March 2023 respectively	**125**	**75**

21. Cash and cash equivalents

Cash and cash equivalents comprised bank balances, cash and deposits of €405 million (31 March 2023: €437 million). Term deposits and blocked accounts, which are not at the free disposal of the Group, were €147 million (31 March 2023: €168 million).

22. Equity

Share capital
N.V. Eneco's authorised share capital is €341.25 million divided into 341,250,000 shares with a nominal value of €1 each. At 31 March 2024, 121,693,390 shares had been issued and fully paid. N.V. Eneco has only issued ordinary shares.

Translation reserve
The foreign currency translation reserve comprises:

- exchange rate adjustments arising on translation of the financial statements of entities with a currency that is not the Group's presentation currency;
- exchange rate adjustments relating to loans that form part of Eneco's net investment in such entities; and
- the effective portion of any exchange rate adjustments relating to hedging transactions on Eneco's net investment in such entities.

On disposal or partial disposal of the net investment, the exchange rate adjustments are recognised through the income statement if a foreign exchange gain (loss) is realised by the divested entity.

Cash flow hedge reserve
The cash flow hedge reserve recognises the effective portion of gains and losses in respect of the net change in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges for which the hedged transaction has not yet been settled. The cash flow hedge reserve is not freely at the disposal of the shareholders.

Note 29.2 Market and regulatory risk provides further information on cash flow hedge and translation reserves, including a statement of the movements.

Non-controlling interests
Non-controlling interest presents the interest of other (third-party) shareholders in consolidated subsidiaries.

23. Employee benefit obligations

	Long-service benefits	Other	Total
At 1 January 2022	**6**	**4**	**10**
Addition	1	2	3
Withdrawals	-2	-2	-4
Release	-	-1	-1
At 31 March 2023	**5**	**3**	**8**
Current	-	3	3
Non-current	5	-	5
At 31 March 2023	**5**	**3**	**8**
Addition	-	2	2
Withdrawals	-1	-1	-2
Release	-	-1	-1
At 31 March 2024	**4**	**3**	**7**
Current	-	3	3
Non-current	4	-	4
At 31 March 2024	**4**	**3**	**7**

Long-service benefits
This provision covers the obligation to pay amounts to employees achieving a certain number of years of employment and on retirement.

There are some defined-benefit pension plans, but as the net liability (liabilities for pension commitments less the plan assets) is not material, at some €2 million (31 March 2023: €2 million), no disclosures for defined-benefit plans pursuant to IAS 19 'Employee Benefits' have been presented.

The following actuarial assumptions were used for the obligations:

Presumptions	At 31 March 2024	At 31 March 2023
Long-service benefits (NL)		
Discount rate at reporting date	3.42%	3.40%
Future salary increases	0.6%-2.0%	0.6%-4.0%
Mortality table	GBM & GBV 2016-2021	GBM & GBV 2016-2021
Pension liabilities (BE)		
Discount rate at reporting date	3.50%	3.50%
Future salary increases	2.25%/scale +0.5% 2.25%/scale +2.0%	2.25%/scale +0.5% 2.25%/scale +2.0%
Mortality table	MR-5/FR-5 IABE 2015	MR-5/FR-5 IABE 2015

Expenditures from the employee benefit obligations are made over the long-term. The obligations are remeasured annually using current employee information and properly reflect the expected cash flows.

Other employee benefits

The other employee benefit obligations include the obligations for salary payments in the event of illness and unemployment benefits since the Group bears this risk under the Unemployment Act. In view of their predominantly short-term nature, these obligations are measured at nominal value.

24. Provisions

Non-current	Decommissioning	Onerous contracts	Other[1]	Total
At 1 January 2022	**182**	**-**	**4**	**186**
Addition	40	3	8	51
Withdrawals	-	-	1	1
Release	-2	-	-1	-3
Adjustment for change in inflation and discount rate	-18	-	-	-18
Other	-	-	1	1
At 31 March 2023	**202**	**3**	**13**	**218**
Current	-	3	7	10
Non-current	202	-	6	208
At 31 March 2023	**202**	**3**	**13**	**218**
Addition	30	1	11	42
Withdrawals	-1	-	-1	-2
Release	-	-3	-4	-7
Adjustment for change in inflation and discount rate	-6	-	-	-6
At 31 March 2024	**225**	**1**	**19**	**245**
Current	-	1	14	15
Non-current	225	-	5	230
At 31 March 2024	**225**	**1**	**19**	**245**

1 This category concerns restructuring provision and other provisions.

Decommissioning

The decommissioning provision has a long-term nature. The cash flows will generally occur after ten but within thirty years. The amounts recognised are the best estimate at the reporting date of the expected expenditure for the machinery, transport, materials and labour that will be required. These amounts are reviewed annually for expected future movements in the cost of removing assets, allowing for inflation in a range of 1.9% to 2.2% (15-month period ended 31 March 2023: 2.3% to 2.5%). The amounts estimated for decommissioning are inherently uncertain since it is expected that some assets will not be dismantled for several years and only limited historical data is available. For unwinding of the present value, discounts rates range from 2.2% to 2.8% (15-month period ended 31 March 2023: ranging from 2.2% to 2.5%).

25. Borrowings

The Group's borrowings related largely to financing wind farms and general financing.

	At 31 March 2024	At 31 March 2023
Non-recourse (mainly financing wind farms)	344	381
Other loans and liabilities	1,184	297
Total	**1,528**	**678**

See note 29 Financial risk management for details of the periods over which the repayments will be made.

The movements in borrowings were as follows for the periods ended:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**678**	**1,192**
Amounts drawn	1,208	282[1]
Repayments	-343	-791
Other changes	-15	-5
At 31 March 2024 and 31 March 2023 respectively	**1,528**	**678**
Current	945	59
Non-current other liabilities	583	619
At 31 March 2024 and 31 March 2023 respectively	**1,528**	**678**

1 An amount of €16 million was reclassified to 'Amounts drawn' in relation to a bank overdraft.

Project-specific collateral has been provided for the borrowings for financing wind and solar farms, in the form of mortgages, and pledges of shares in the legal entities, of bank balances, of accounts receivable and of energy purchase contracts and/or grant contracts. The outstanding principal on these loans was €376 million (31 March 2023: €381 million). No collateral has been provided for the other borrowings.

The liability for loans of a fixed-rate nature (fair value risk) was €519 million (31 March 2023: €309 million). Other loans are at market-linked variable rates. Repayment obligations for the first year after the reporting date are recognised under current liabilities.

The average annual interest rate was 2.4% (15-month period ended 31 March 2023: 2.0% per annum). This was calculated as the weighted average monthly interest expense directly related to the borrowings, excluding other financial expenses.

The fair value of the loans was €1,458 million (31 March 2023: €608 million) and was calculated using the income approach, based on relevant market interest rates for comparable debt. Consequently, the information for establishing value is covered by level 2 of the fair value hierarchy.

26. Trade creditors and other liabilities

	At 31 March 2024	At 31 March 2023
Trade and energy creditors	990	1,468
Contributions received for connections and other long-term contract liabilities	209	196
Accruals	445	469
Margin calls	-	839
Customer support arrangements and inframarginal revenue cap[1]	126	232
Pension contributions	7	3
Other liabilities	330	419
Total	**2,107**	**3,626**
Classification		
Current	1,885	3,416
Non-current	222	210
Total	**2,107**	**3,626**

1 See note 1.5 Impact energy crisis.

Trade and energy creditors include advances already invoiced if they are higher than the actual or estimated energy consumption during the reporting period. Contributions received for connections are considered contract liabilities for amounts paid by customers towards connections to district heating networks.

The table below shows the movements in contributions received for connections and other long-term contract liabilities:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	196	163
Additions	19	37
Disposals	-2	-
Releases to the income statement (in revenues)	-4	-4
At 31 March 2024 and 31 March 2023 respectively	**209**	**196**
Current	8	5
Non-current	201	191
At 31 March 2024 and 31 March 2023 respectively	**209**	**196**

Due to the current nature of trade creditors and other financial liabilities, their carrying amounts approximate their fair value.

27. Commitments, contingent assets and liabilities

Energy purchase and sale commitments
The Group has energy purchase commitments of €7.4 billion (31 March 2023: €15.8 billion) under contracts relating to 2024 and later years. €1.7 billion falls due within 1 year (31 March 2023: €3.6 billion), €2.7 billion between 1 and 5 years (31 March 2023: €6.6 billion) and €3.0 billion after 5 years (31 March 2023: €5.6 billion). There are energy sale commitments, relating largely to the business market, of €6.5 billion (31 March 2023: €8.0 billion) for 2024 and later years. €2.5 billion falls due within 1 year (31 March 2023: €3.5 billion), €3.1 billion between 1 and 5 years (31 March 2023: €3.3 billion) and €0.9 billion after 5 years (31 March 2023: €1.2 billion).

The Group has commitments of €0.6 billion (31 March 2023: €0.9 billion) for the purchase of heat until 2055. These purchase commitments consist of the heat that is required to be purchased from suppliers for the duration of existing contractual agreements. The heat that is required to be purchased consists of both contractually agreed volumes as well as additional volumes based on expected sales. The expected perpetual annual commitments for the sale of heat are €0.4 billion per year (31 March 2023: €0.6 billion).

Investment obligations
The Group had entered into investment obligations totalling €0.4 billion of which €0.1 billion relates to district heating projects for which Eneco has contractual obligations to project developers and municipalities to realise the projects, which entails entering into agreements with suppliers after the balance sheet date (31 March 2023: €1.0 billion, of which €0.7 billion relates to the offshore wind farm Hollandse Kust (west) site VI, conditional on finalising the permits; these permits were finalised and assigned to Eneco in May 2023).

Commitments under leases not recognised in the balance sheet
The minimum commitments for short-term leases, low-value leases and variable lease payments not recognised as lease liabilities in the balance sheet are €16 million (31 March 2023: €10 million), of which €2 million falls due within 1 year (31 March 2023: €2 million), €7 million between 1 and 5 years (31 March 2023: €3 million) and €7 million after 5 years (31 March 2023: €5 million).

Potential future cash outflows of €70 million (31 March 2023: €59 million) have not been included in the lease liabilities because it is not reasonably certain that the lease contracts will be extended (or they may be terminated early).

Other (contingent) obligations
There were other contractual obligations of €0.7 billion (31 March 2023: €0.7 billion), mainly under maintenance contracts.

Guarantees
The Group has issued several guarantees to third parties involving material amounts on which the possibility of any outflow of resources for settlement has been assessed as remote (31 March 2023: remote).

Fiscal unity
N.V. Eneco heads a fiscal unity for corporate income tax purposes which includes almost all of its Dutch subsidiaries and N.V. Eneco also heads a fiscal unity for VAT purposes which includes almost all of its Dutch subsidiaries.

LichtBlick Holding GmbH heads a fiscal unity for corporate income tax purposes which includes most of the operative German subsidiaries. LichtBlick Holding GmbH also heads a fiscal unity for VAT purposes which includes most of the operative German subsidiaries.

All companies in a fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

Cash pools
As a result of its participation in the Group cash pools, N.V. Eneco is jointly and severally liable, with the other participants, for deficits in the pools as a whole.

Legal proceedings
The Group is involved either as plaintiff or defendant in various legal and regulatory claims and proceedings related to its operations. Management ensures proper representation in these matters. The amounts claimed in some of these proceedings may be significant to the financial statements.

Liabilities and contingencies in connection with these claims and proceedings are assessed periodically based on the latest information available, usually with the assistance of lawyers and other specialists. A liability is only recognised if an adverse outcome is probable and the amount of the loss can be reasonably estimated. The actual outcome of proceedings or a claim may differ from the estimated liability and, consequently, could have a material adverse effect on the financial performance and position of the Group.

Since the start of the energy crisis, price levels and volatility in the electricity and gas markets have been very high. Consequently, the sector has experienced more frequent adjustments of consumer tariffs. The legal validity of various tariff changes has been challenged by a number of consumer customers who have filed complaints. It is still unclear if and how this will evolve.

28. Related party disclosures

The Group's related companies (the shareholder and its subsidiaries which are not part of the Group), associates, joint ventures and board members are considered as related parties.

Sales to and purchases from related parties are on terms of business normally prevailing with third parties. Receivables and liabilities are not covered by collateral and are paid by bank transactions. Eneco has issued bank and group guarantees to its associates and joint ventures of some €10 million (15-month period ended 31 March 2023: €10 million).

The table below shows the trading transactions with the principal related parties:

	Sales		Purchases	
	Year ended 31 March 2024	Period ended 31 March 2023	Year ended 31 March 2024	Period ended 31 March 2023
Shareholder N.V. Eneco and related companies	2	7	-	3
Associates	-	1	2	4
Joint ventures	-	-	118	85

	Receivables		Liabilities	
	Year ended 31 March 2024	Period ended 31 March 2023	Year ended 31 March 2024	Period ended 31 March 2023
Shareholder N.V. Eneco and related companies	6	5	950	250
Associates	3	3	1	-
Joint ventures	-	4	-	13

See note 6 Remuneration of the Management Board and Supervisory Board for the remuneration of Management Board and Supervisory Board. In the reporting period from 1 April 2023 to 31 March 2024 and in the 15-month period ended 31 March 2023, seven members of the Supervisory Board voluntarily waived their remuneration entitlements representing a departure from arm's length remuneration.

If board members are energy customers of the Group, there is no other relationship than that of customer and supplier.

In 2021, the Group has agreed a loan facility of €1 billion with Mitsubishi Corporation Finance Plc. An amount of €250 million had been drawn at 31 March 2024 (31 March 2023: €250 million). On 27 September 2022, a five-year committed working capital facility of €2,500 million was closed with Mitsubishi Corporation Finance Plc. At 31 March 2024 €700 million had been drawn from this facility (31 March 2023: nil).

During the financial year 2023, Eneco sold 30% of its interest in the Ecowende wind farm to one of its shareholders (Chubu Electric Power). Reference is made to note 14 Business combinations and other changes in the consolidation structure for a more detailed explanation.

29. Financial risk management

This note explains Eneco's exposure to financial risks and how those risks could affect the future financial performance of the Group. Eneco's normal business activities involve exposure to credit, commodity market, foreign currency, interest rate, inflation and liquidity risks that are a natural part of Eneco's business activities. The Group's risk management policy is designed to monitor these risks and minimise the adverse consequences of unforeseen circumstances on its financial results.

The unprecedented market volatility caused by the war in Ukraine subsided somewhat in 2023. While at the start of 2023 the commodity prices (including futures) were still very high, prices gradually fell during the financial year. Commodity prices (including futures) still exceed pre-war levels. In response to the high prices, the Group had intensified the risk control measures described below. It is monitoring developments very closely and actively managing its business and commodity portfolios as there is a chance that the market volatility could return. See note 1.5 Impact energy crisis for a general description of the financial impact of the energy crisis on Eneco.

The Management Board is responsible for risk management. Procedures and guidelines have been drawn up and they are evaluated at least once a year and adjusted if required. In this context, the Management Board sets out procedures and guidelines and ensures they are complied with. Authority to enter into commitments on behalf of the Group is specified in the Eneco Authority Structure. Mandates are in place for all business units and management, including the Group's trading department, the business units with energy and heating production and the sales channels, to manage the above risks such as commodity (electricity, gas, heating, emission rights and fuels) risks. All of Eneco's business units are subject to endorsed Credit Mandates which state the terms and conditions under which transactions may be entered into with external parties.

The Management Board and senior business unit management regularly review and discuss the figures in the income statement, key figures such as changes in KPIs and the trading position, the principal risks (and any concentration of certain risks) and the measures to manage them. Stress tests are developed for the principal identified risks and incorporated in the long-term financial plan. This clarifies the impact of risks on business operations. Senior business unit management reports this regularly to the Management Board and confirms this yearly by means of an official In Control Statement.

The Commodity Risk Team and Investment Risk Team, whose members include several Management Board members, are in charge of the formulation and monitoring of the Group's financial risk policy, decide on business and other proposals and advise the Management Board accordingly.

29.1 Credit risk

Credit risk is the risk of a loss for the Group if a counterparty or its guarantor to meet its contractual obligations. For the purposes of managing this risk, a distinction is drawn between debtor risk (on trade and other receivables) and counterparty risk. The maximum credit risk[1] exposure is the carrying amount of the financial assets including the derivative financial instruments, which are disclosed in notes 17 Derivative financial instruments, 18 Other non-current assets, 19 Trade receivables, 20 Other current assets and 21 Cash and cash equivalents.

Debtor risk

Debtor risk is the risk that a debtor (primarily customers) fails to pay a receivable due. There are large numbers of debtors and most receivables from debtors are of a limited size. There is, therefore, a limited concentration of risk.

Credit risk policy is designed not to provide customers with any credit going beyond normal supplier credit as set out in the applicable conditions of supply. Policy is also formulated at a decentralised level within the organisation. The effectiveness of that policy is monitored at the corporate level and adjustments are made if required.

Measures in place to limit debtor risk are:

- an active debt collection policy;
- credit limits, bank guarantees and/or margining (cash collateral) for business customers; and
- using the services of debt collection agencies, cooperation with municipalities and debt relief agencies, further alternative collection methods for current and former customers; and
- credit insurance, if necessary, to cover settlement exposures for B2B customers (in the Netherlands and Belgium) and Agro energy customers.

Trade receivables

The Group applies the IFRS 9 'simplified approach' for determining expected credit losses on trade receivables using the lifetime expected credit losses method. This method is based on the inherent risk that a debtor will not pay or fully pay the receivable. Consequently, this risk has to be recognised from the initial recognition of the receivable and a provision is formed for part of the amount of trade receivables that have not reached their due date and the amounts to be billed. A provision matrix is used to ascertain the expected credit losses on receivables from retail and SME customers. This classifies trade receivables by shared credit risk characteristics and the number of days that the receivables are outstanding.

The provision matrix incorporates different percentages for the various phases of collection of receivables, such as first reminder, dispute, debt collector or bankruptcy, related to the risk profile for ascertaining the expected losses. The percentages have been established from historical figures adjusted for non-recurring past effects. The percentages have been set taking account of current and forward-looking information on macro-economic

1 Without taking account of any collateral held or other credit enhancement (e.g. netting agreements that do not qualify for offset in accordance with IAS 32 'Financial Instruments: Presentation' such as the ISDA agreements related to the derivative financial instruments for the energy commodities).

factors for each country that could affect customers' ability to pay the receivables. The provision matrix is also segmented into the different customer classifications, such as different customer propositions, and countries.

This procedure also applies to large business customers but is in that case supplemented by an individual assessment involving credit ratings (if available), financial statements, press releases and specific contractual agreements with those customers (credit limits, bank guarantees and/or margining (cash collateral)).

In the financial year, the credit risk was still higher compared to the levels seen before the war in Ukraine. This is a consequence of what are still unprecedentedly high electricity and gas prices. Although there was a decrease in gross trade receivables at 31 March 2024 compared to last year, this amount is still well above the levels seen before the war in Ukraine. The impact of the continuing high debtor risk has been continuously reviewed during this financial year. This resulted in an increase of €17 million (16%) of the loss allowance for trade receivables. The increased debtor risk (and increase of the loss allowance for trade receivables) has been partly mitigated by the measures taken by the governments in the Netherlands, Belgium and Germany in calendar years 2022 and 2023 as a result of the energy crisis. See note 1.5 Impact energy crisis for further details of these governmental measures.

The expected credit losses on trade receivables at 31 March 2024 were ascertained in this way. See note 19 Trade receivables for the figures (carrying and nominal amounts of trade receivables at the reporting date, amounts of the loss allowance and movements during the reporting period and percentages for loss allowance).

Other receivables
The expected credit losses on other current and non-current receivables measured at amortised cost are calculated using the 12-month expected credit losses method unless a significant increase in credit risk has arisen for these receivables since initial recognition. In that case, any impairment is established using the lifetime expected credit losses method according to IFRS 9. To this end, there is an individual assessment of each receivable, incorporating credit ratings (if available), financial statements, press releases and specific contractual agreements with those customers.

Counterparty risk

Counterparty risk is the likelihood or probability that a trading partner (counterparty) cannot or will not meet its delivery or payment obligations. This risk is primarily encountered in trading in energy commodities (and also emission rights, green certificates and fuel (or 'feedstock') for Eneco's biomass electricity stations), interest rate and foreign currency hedge transactions. The basis for the management of this risk is set out in the Credit Mandates and Commodity Mandates.

The size of the counterparty risk is primarily determined by the replacement value of the future deliveries and the commodity delivered which has not yet been paid for. The replacement value is calculated almost every day for each counterparty based on current market prices for future deliveries. The risk position is measured against the risk tolerance. That tolerance is drawn up for each counterparty on the basis of an assessment of the creditworthiness of that counterparty derived from a public or internal rating and/or alternative assessment methods.

Counterparty risk is managed through the following measures:

- setting financial limits based on the financial strength of the trading partner;
- setting trading restrictions for each counterparty (position management);
- use of standard agreements, in particular based on EFET and ISDA terms;
- use of third-party margining and clearing;
- use of bilateral margining agreements with counterparties;
- executing risk-reducing transactions with counterparties leading to an offset, or by exchange-for-physical swaps;
- requiring additional guarantees from counterparties, such as bank guarantees; and
- credit insurance taken if necessary to cover exposures exceeding the credit limits.

There were large counterparty exposures at the beginning of the year that fell rapidly as commodity prices decreased. As well as the standard methods described above, there was a focus on making trades with large, creditworthy and system-critical counterparties. Trades were still mainly carried out via the exchange (see note 29.2 Market and regulatory risk for more detailed comments). In January 2024, the credit insurance policy that covers counterparty risk was discontinued due to the relatively low counterparty exposures in the portfolio. This insurance can be taken out again if needed.

Third-party margining and clearing is in place for exchange-traded futures. This transfers the counterparty risk of a forward contract to a clearing bank. This bank is linked to a clearing house that facilitates settlement of futures transactions through exchanges such as ICE ENDEX (Intercontinental Exchange European Energy Derivatives Exchange N.V.) and the EEX (European 3 Energy Exchange A.G.). Every day, the clearing house settles interim changes in market value with its clearing banks which in turn settle with the market parties concerned (margin calls). This neutralises counterparty risk for each party to the contract.

Bilateral margining arrangements are also concluded with counterparties. This implies periodic (daily, weekly, etc.) settlement directly with the counterparty to the transaction. The contract with the counterparty sets individual limits (thresholds) based on the creditworthiness of both parties. Bilateral margining is only applied if the thresholds are exceeded.

The margining system creates liquidity risk (see note 29.3 Liquidity risk). Risk policy is set to monitor and manage the margin, liquidity and counterparty risk. There is a system for monitoring internal limits using regular reports, scenario analyses and stress tests to manage both risks. The liquidity requirement relating to margining increased during the financial reporting period on the back of falling commodity price levels, but fell again as the winter volumes went into delivery. Eneco managed to keep the liquidity need for margining under control through active position management between the over-the-counter market and the exchange as well as adapting the product offerings to customers. Eneco also maintained credit facilities via Mitsubishi Corporation and external banks, so that the Group has sufficient liquidity. These facilities were partly used in the financial year.

29.2 Market and regulatory risk

Market risk is the exposure to changes in the fair value or future cash flows of financial instruments arising from changes in market prices, market interest rates and exchange rates. Changes in contract volumes, offtake patterns, predictability and the spot price impact of customers also pose a market risk. Regulatory risk is the risk that a change in laws and regulations will materially impact a security, business or market. In the financial year, the regulatory measures taken at a national and European level to manage the energy crisis were gradually ended.

The financial measures to reduce energy costs for retail customers and small businesses were also gradually phased out. Socials funds for customers who have difficulty paying their bills are still available. Another effect that is still there is the reduced consumption of power and gas by the customers. Consumption dropped during the period of very high prices.

Price risk

Price risks inherent in the energy generation, purchasing and supply portfolios are managed using a structure of mandates and limits adopted by the Management Board using volume limits, mark to-market limits and sensitivity assessment measures. Appropriate limits are determined for each business activity. The Financial Risk Managers and commodity traders monitor and make sure that the respective limits are followed. Limit infringements are reported in line with escalation procedures.

The price risk inherent in the commodity portfolios for purchasing and delivering to customers is initially limited by back-to-back transactions for purchase and sale obligations. Structured hedging strategies are used where back-to-back hedging is not possible, or only with excessively high bid-ask costs. In these cases, positions are hedged temporarily in other commodities, delivery periods and/or countries which have a historically strong correlation with the price risks to be hedged. Gas storage, trading on the short-term gas market and volume flexibility under the Group's own and contracted positions are used to respond to short-term fluctuations in demand and supply, for example, as a result of changes in the weather.

The price risk inherent in the Group's own 'must run' generation and long-term structured commodity purchase contracts is also limited through back-to-back transactions and structured hedging strategies as described above. The expected rewards for hedging are weighed up against the costs and downward risk for controllable generation in the portfolio. It should be noted that there is no liquid energy trading market for exposures that lie far away in the future and they are difficult or impossible to hedge.

The positions from the above activities that can be hedged in the markets are combined so that the Group's aggregated price risk is clear. Management and strategic decisions on these positions take account of prevailing market conditions, along with the expected short and medium-term demand for and supply of energy by the Group. These decisions are taken exclusively by the trading department for the entire Group and the other business units must at all times immediately hedge their exposure with the trading department. There is a residual risk in the above activities given the inherent existing imperfections between the positions to be hedged and available hedging instruments, limited market liquidity and movements between commodity prices (for example, between different commodities, delivery periods and/or countries).

The sensitivity analysis of electricity and gas derivative financial instruments is based on volumes and market prices at year end. Changes in fair value that are recognised in the income statement arise mainly from movements in the electricity and gas prices. An increase or decrease in the market prices of electricity and gas by 5% would change the profit before income tax by €1.2 million (15-month period ended 31 March 2023: €1.7 million). The electricity and gas prices drive the changes in fair value of hedge accounting recognised in other comprehensive income. An increase or decrease in the market price of electricity and gas by 5% would change other comprehensive income by €38.3 million (15-month period ended 31 March 2023: €68.1 million).

The Group applies cash flow hedge accounting to its energy generation, purchasing and delivery portfolios and recognises temporary movements through equity for the effective portion of the hedging relationship. The Group aims for a one-on-one hedge accounting relationship between the volumes of the hedged risks and forward contracts (hedging instruments). Unforeseen changes in electricity and gas consumption and generation of electricity may lead to ineffectiveness in the hedging relationship.

For quantitative information on these hedges, see 'Quantitative information hedges' below.

Foreign currency risk

Foreign currency risk is the exposure to changes in value of financial instruments arising from changes in exchange rates. The Treasury department is responsible for managing the Group's foreign currency risk. Companies included in the consolidation are not permitted to maintain open positions in foreign currencies (excluding commodity-related financial instruments) in excess of €250,000 without the Treasury department's approval. Based upon the aggregate foreign currency position and the associated limit set for open positions, the Treasury department determines whether hedging is desirable and the hedging strategy to be followed. Eneco uses derivatives to mitigate foreign exchange risk. The derivatives used have counteracting risk profiles and the same underlying currency, principal and timing as the risk arising from commercial operations, leading to an effective hedge on which hedge accounting is applied. This approach also aims to minimise ineffectiveness in currency hedges. Foreign currency risk attaching to commodity related financial instruments is managed in accordance with the price risk.

Eneco has entered into hedging instruments for future cash outflows of its foreign operations in a currency other than the functional currency of the Group (cash flow hedging) and partly for the net asset value of the business operations in the UK (hedge of net investment in a foreign operation). The Group applies cash flow hedge accounting and a hedge of net investment in a foreign operation to its foreign currency risks and recognises temporary movements through equity for the effective portion of the hedge. The Group aims for a one-on-one hedge accounting relationship between the notional sterling amount hedged and the related forward contracts. Changes in receipts of cash flows in foreign currency may lead to ineffectiveness in the hedging relationship.

For quantitative information on the cash flow and net investment hedges, see table 'Quantitative information hedges' below.

The sensitivity of the translation reserve in equity to a 5% movement in the sterling/euro exchange rate was €5.5 million (after application of net investment hedge accounting) (15-month period ended 31 March 2023: €6.0 million).

Interest rate risk

Interest rate risk is the exposure to changes in value in financial instruments arising from changes in market interest rates. The interest rate risk policy is aimed at managing the net financing liabilities through fluctuations in market interest rates. A specified range for the proportions of loans at fixed and variable interest rates serves as a primary steering mechanism.

The Group may use derivative financial instruments such as interest rate swap contracts to achieve the desired risk profile. The Group holds interest rate swaps for risk-management purposes which are designated as cash flow hedging relationships. If all other variables remain constant, it is estimated that a general increase of 100 basis points in Euribor (for a period of twelve months) would lead to a decrease in profit before income tax of €8.1 million (after application of cash flow hedge accounting using interest rate swaps) (15-month period ended 31 March 2023: €0.2 million).

The Group applies cash flow hedging to its interest rate risks and recognises temporary movements through equity for the effective portion of the hedging relationship. The Group aims for a one-on-one hedge accounting relationship between the volumes of the hedged risks and contracted derivative financial instruments (hedging instruments).

For quantitative information on these hedges, see 'Quantitative information hedges' on the next page.

Quantitative information hedges

Nature of risk	Energy price	Interest rate	Currency	Currency
Nature of hedges	**Cash flow**	**Cash flow**	**Cash flow**	**Net investment**
At 31 March 2024				
Hedged volumes				
Unity	**GWh**	**in €1 million**	**in £ million**	**in £ million**
12 months or less	5,616	30	3	171
More than 12 months	10,185	235	27	-
Total	**15,801**	**265**	**30**	**171**
Unity	**Average price per MWh (€)**	**Average interest rate**	**Average currency rate (£/€)**	**Average currency rate (£/€)**
Average price or rate	45.77	1.08%	0.98	0.87
x € million				
Gross contract value of the derivative financial instruments (often settled net compared with market price)	723	265	31	197
Carrying amount of derivative financial instruments	-39	19	-2	-2
Movements in elements for assessing hedging relationships				
Movement in fair value of derivative financial instruments presented in the balance sheet	226	-10	-	-1
Movement in fair value of derivative financial instruments that do not affect the hedge reserve (sales, purchases or other transactions)	1	-	-1	-
Movement in fair value of derivative financial instruments to determine possible ineffectiveness	**227**	**-10**	**-1**	**-1**
Hedge ineffectiveness in the cash flow hedges	-	-	-	-
Movement in fair value of hedged risks to determine possible ineffectiveness	-227	10	1	1

Nature of risk	Energy price	Interest rate	Currency	Currency
Nature of hedges	**Cash flow**	**Cash flow**	**Cash flow**	**Net investment**
At 31 March 2023				
Hedged volumes				
Unity	**GWh**	**in €1 million**	**in £1 million**	**in £1 million**
12 months or less	5,230	30	2	157
More than 12 months	12,608	265	30	-
Total	**17,838**	**295**	**32**	**157**
Unity	**Average price per MWh (€)**	**Average interest rate**	**Average currency rate (£/€)**	**Average currency rate (£/€)**
Average price or rate	64.78	1.08%	0.97	0.89
x €1 million				
Gross contract value of the derivative financial instruments (often settled net compared with market price)	1,156	295	33	176
Carrying amount of derivative financial instruments	-265	29	-2	-1
Movements in elements for assessing hedging relationships				
Movement in fair value of derivative financial instruments presented in the balance sheet	50	53	-	2
Movement in fair value of derivative financial instruments that do not affect the hedge reserve (sales, purchases or other transactions)	9	-1	1	3
Movement in fair value of derivative financial instruments to determine possible ineffectiveness	**59**	**52**	**1**	**5**
Hedge ineffectiveness in the cash flow hedges	-6	-1	-	-
Movement in fair value of hedged risks to determine possible ineffectiveness	**-53**	**-51**	**-1**	**-5**

Derivative financial instruments are recognised as ‘Derivative financial instruments’ in non-current and current assets and liabilities in the balance sheet, see note 17.3 Financial instruments recognised in equity - cash flow hedge accounting.The reclassified amounts and ineffectiveness of cash flow hedges for commodity risks are recognised in the ‘Purchases of energy and energy-related activities’ and for foreign currency and interest rate risks in ‘Financial income’ or ‘Financial expenses’ in the income statement. The unrealised gains and losses on commodity, foreign currency risks and interest rate risk are recognised in the ‘Unrealised gains and losses on cash flow hedges' in the statement of comprehensive income. The unrealised gains and losses on hedges of a net investment in a foreign operation are recognised in the 'Net investment hedge' in the statement of comprehensive income.

Cash flow hedge reserve

The movements in the cash flow hedge reserve for the reporting period from 1 April 2023 to 31 March 2024 and from 1 January 2022 to 31 March 2023 were:

	Energy commodities	Interest rate swap contracts	Currency swap contracts	Total
At 1 January 2022	**-208**	**-37**	**-2**	**-247**
Movements in derivatives	40	50	-	90
Reclassification of cash flow hedge reserve to the consolidated income statement	19	2	1	22
Ineffective portion of cash flow hedges recognised in income statement	-6	-1	-	-7
Movements in derivatives, Reclassification and Ineffective portion	**53**	**51**	**1**	**105**
Deferred tax liabilities	-14	-13	-	-27
Share of movements in cash flow hedges of associates and joint ventures, after tax	-	56	-	56
At 31 March 2023	**-169**	**57**	**-1**	**-113**
Movements in derivatives	481	-3	-1	477
Reclassification of cash flow hedge reserve to the consolidated income statement	-254	-7	-	-261
Ineffective portion of cash flow hedges recognised in income statement	-	-	-	-
Movements in derivatives, Reclassification and Ineffective portion	**227**	**-10**	**-1**	**216**
Deferred tax liabilities	-58	3	-	-55
Share of movements in cash flow hedges of associates and joint ventures, after tax	-	-11	-	-11
At 31 March 2024	**-**	**39**	**-2**	**37**

Translation reserve

The foreign exchange risk in hedging a net investment in a foreign operation affects the translation reserve. The table below shows the effect of the foreign exchange hedges on this reserve:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**-15**	**-8**
Translation gains and losses during the reporting period	8	-11
Movements in hedges of net investment in a foreign operation	-8	5
Tax effects value changes in hedges of net investment in a foreign operation	2	-1
At 31 March 2024 and 31 March 2023 respectively	**-13**	**-15**

The amount remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting has no longer been applied on 31 March 2024 was €12 million (31 March 2023: €6 million).

29.3 Liquidity risk

The Group is a capital-intensive business. Its financing policy is aimed at growing into an optimum financing structure taking into account its current asset base and investment programme while maintaining and further developing them. The criteria are access to the capital market and flexibility with acceptable financing costs and conditions.

The Group uses both corporate financing and non- or limited-recourse project financing to fund its sustainable assets, according to the project characteristics and financing costs and conditions. In addition to its own electricity generation, the Group also buys energy on standardised physical supply contracts and long-term structured purchasing contracts with third parties to source its energy supplies. A downgrading in the Group's credit rating may, without further mitigation, lead to a significant increase in the capital requirement for providing collateral and/or guarantees.

A specific liquidity risk arises from margining energy contracts through clearing houses and contracts with bilateral margin obligations. There are limits in the mandate for the purchasing and trading department ('Commodity Trading Mandates') to cover both the outstanding balance and price change sensitivity. This risk is the subject of regular reports to business unit management and the Commodity Risk Team.

Great importance is attached to managing all the above risks to avoid a position in which the financial obligations cannot be met. The necessary management reports, applications and back-up facilities have been set up for this. In addition, liquidity needs are planned on the basis of cash flow forecasts with a medium-term horizon. The cash flow forecasts incorporate operating and investing cash flows, dividends, interest payable and debt redemption, as well as the periodicity of the cash flows, also allowing for sensitivity to weather influences. The Treasury department sets this capital requirements against available funds. A report is submitted to the Management Board every month. Reporting frequency was increased and additional stress tests were set up because of the relatively high margin needs in the financial reporting period. Funding was based on these stress tests, which were updated on a regular basis to ensure that Eneco could meet the margin calls even in extreme situations. These stress scenarios were made by the Financial Risk Management department and discussed on a regular basis with the Management Board.

Uncommitted credit and guarantee facilities

Uncommitted credit and guarantee facilities totalling €6,228 million (31 March 2023: €3,814 million) have been agreed with a number of banks and Mitsubishi Corporation Finance Plc.; €1,199 million of these facilities had been drawn at 31 March 2024 (31 March 2023: €1,101 million). Included in this amount of €6,228 million is a €1,250 million Euro Commercial Paper programme (31 March 2023: €1,250 million) of which €200 million had been drawn at 31 March 2024 (31 March 2023: €0 million).

Committed credit facilities

On 22 June 2021, N.V. Eneco entered into two new Revolving Credit Facilities totalling €800 million. Both facilities have a term of five years. Eneco increased these two facilities during 2022 to a combined total of €1,250 million. Moreover, a five-year committed working capital facility of €2,500 million was closed with Mitsubishi Corporation Finance Plc. on 27 September 2022. Furthermore, an additional €750 million committed working capital facility was signed with a number of banks on 14 December 2022 with a two-year tenor, but was cancelled on 22 April 2024. In total €4,500 million relates to committed credit facilities, €700 million of which had been drawn at 31 March 2024.

Cash outflows on financial instruments and lease obligations

The table below includes the remaining contractual maturities at the reporting date for:

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows;
- all non-derivative financial liabilities; and
- lease obligations.

The amounts disclosed in the table below are the contractual undiscounted cash flows, and include contractual interest payments and exclude the impact of netting agreements. Amounts due within 12 months equal their carrying values as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

At 31 March 2024	Within 1 year	From 1 to 5 years	After 5 years	Total
Derivative financial instruments	-128	8	62	-58
Lease obligations	43	144	218	405
Borrowings	993	197	476	1,666
Trade and other payables	1,535	-	-	1,535
Total	**2,443**	**349**	**756**	**3,548**

At 31 March 2023	Within 1 year	From 1 to 5 years	After 5 years	Total
Derivative financial instruments	-416	102	218	-96
Lease obligations	33	135	224	392
Borrowings	81	229	542	852
Trade and other payables	3,066	-	-	3,066
Total	**2,764**	**466**	**984**	**4,214**

29.4 Netting financial assets and financial liabilities

Where the Group meets the presentation criteria for netting, financial assets and financial liabilities are netted and recognised net in the balance sheet. Transactions in derivative financial instruments use standardised terms and conditions and contract types such as the master netting agreements based on ISDA and EFET terms. Most of the Group's contracts for derivative financial instruments meet the netting criteria since there is a legally enforceable right to set off the recognised amounts and also because all amounts relating to netted financial assets and financial liabilities are settled as a single sum.

The table below sets out only the financial assets and financial liabilities in the balance sheet netted in accordance with the criteria in IAS 32. As the table does not include all the financial assets and liabilities in the balance sheet, it is not possible to reconcile these figures with the net amounts presented in the balance sheet.

At 31 March 2024	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Assets						
Derivative financial instruments	2,725	-2,120	605	-50	-	555
Other financial instruments	868	-85	783	-	-217	566
Total	**3,593**	**-2,205**	**1,388**	**-50**	**-217**	**1,121**

At 31 March 2024	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Liabilities						
Derivative financial instruments	2,778	-2,120	658	-50	-217	391
Other financial instruments	1,112	-85	1,027	-	-	1,027
Total	**3,890**	**-2,205**	**1,685**	**-50**	**-217**	**1,418**

At 31 March 2023	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Assets						
Derivative financial instruments	7,706	-6,020	1,686	-290	-839	557
Other financial instruments	477	-132	345	-	-223	122
Total	**8,183**	**-6,152**	**2,031**	**-290**	**-1,062**	**679**

At 31 March 2023	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Liabilities						
Derivative financial instruments	7,944	-6,020	1,924	-290	-223	1,411
Other financial instruments	1,145	-132	1,013	-	-839	174
Total	**9,089**	**-6,152**	**2,937**	**-290**	**-1,062**	**1,585**

30. Capital management

The primary aim of the Group's capital management is to maintain good creditworthiness and healthy solvency to support operations and minimise the cost of debt. The Group regards both capital and net debt as relevant elements of its financing and so of its capital management. The Group can influence its capital structure by altering the proportions of equity and debt.

The Group monitors its capital using the Financial Boundaries Framework. This includes the Return on average capital employed (ROACE), Adjusted FFO/Net debt (rolling average) and Return on equity, which are regularly monitored by the Management Board. The metrics for the period ended 31 March 2023 include the period April 2022 to March 2023.

	Year ended 31 March 2024	Period ended 31 March 2023
ROACE[1]	7.8%	7.2%
Average FFO/Net debt (rolling average)[2]	51.7%	71.5%
Return on equity[3]	10.5%	8.9%

1 ROACE: the ratio between (EBIT plus profit from associates and joint ventures less corporate income tax) and the average of (fixed assets plus adjusted net working capital less non-current non-interest-bearing debt).
2 Adjusted FFO/Net debt (rolling average): the ratio between (EBITDA plus dividend received from associates and joint ventures minus cash interest paid minus cash taxes paid) and the average of (non-current & current interest-bearing debt minus accessible cash plus asset retirement obligations net of corporate income tax plus pension obligation). The rolling average is based on the monthly positions in the period.
3 Return on equity: the ratio between (net income) and the average of (shareholders' equity).

31. Events after the reporting date

Two material events or transactions have been identified after the balance sheet date which are disclosed separately in note 14 Business combinations and other changes in the consolidation structure (regarding the legal transfer of a 30% interest in Ecowende wind farm) and in note 29.3 Liquidity risk (regarding the cancellation of one of the committed credit facilities).

List of principal subsidiaries, joint operations, joint ventures and associates

This is a list of the principal subsidiaries, joint operations, joint ventures and associates at 31 March 2024. See note 1.1 General information for further details of the Group's activities and composition.

Subsidiaries

Name	Seat	Share
AgroPower B.V.*	Delft	100%
Axel Ventus B.V.*	Heerenveen	100%
BioEnergieCentrale Delfzijl B.V.	Rotterdam	100%
CEN B.V.*	Hilversum	100%
Eneco B.V.*	Rotterdam	100%
Eneco Belgium NV	Mechelen (B)	100%
Eneco Bio Golden Raand C.V.	Rotterdam	100%
Eneco Consumenten B.V.*	Rotterdam	100%
Eneco Consumenten Nederland B.V.*	Rotterdam	100%
Eneco DCO B.V.*	Rotterdam	100%
Eneco eMobility B.V.*	Rotterdam	100%
Eneco Energy Trade B.V.*	Rotterdam	100%
Eneco Gasspeicher B.V.*	Rotterdam	100%
Eneco Heat Production & Industrials B.V.*	Rotterdam	100%
Eneco HKN B.V.	Rotterdam	100%
Eneco HKW-A B.V.	Rotterdam	100%
Eneco HKW-B B.V.	Rotterdam	100%
Eneco Installatiebedrijven B.V.*	Rotterdam	100%
Eneco Installatiebedrijven Groep B.V.*	Rotterdam	100%
Eneco Installatiebedrijven TI B.V.*	Rotterdam	100%
Eneco Leiding over Noord B.V.	Rotterdam	100%
Eneco Liberis B.V.*	Rotterdam	100%
Eneco Midzakelijk B.V.*	Rotterdam	100%
Eneco Mistral B.V.*	Rotterdam	100%
Eneco Services B.V.*	Rotterdam	100%
Eneco Smart Energy B.V.	Rotterdam	100%
Eneco Solar B.V.*	Rotterdam	100%
Eneco Solar Belgium N.V.	Gent (B)	100%
Eneco UK Limited	Leeds (UK)	100%
Eneco Verda B.V.*	Rotterdam	100%
Eneco Vortex B.V.*	Rotterdam	100%
Eneco Warmte & Koude B.V.*	Rotterdam	100%
Eneco Warmte & Koude Leveringsbedrijf B.V.*	Rotterdam	100%
Eneco Warmtenetten B.V.*	Rotterdam	100%
Eneco Warmteproductie Utrecht B.V.*	Rotterdam	100%
Eneco Wind B.V.*	Rotterdam	100%
Eneco Wind Belgium Holding NV	Brussels (B)	100%
Eneco Wind Belgium NV	Wavre (B)	100%
Eneco Windenergie Delfzijl B.V.*	Rotterdam	100%
Eneco Windmolens Offshore B.V.*	Rotterdam	100%
Eneco Windpark Autena B.V.*	Rotterdam	100%
Eneco Zakelijk B.V.*	Rotterdam	100%
Eneco Zakelijk Nederland B.V.	Rotterdam	100%
LichtBlick Holding GmbH	Hamburg (G)	100%
LichtBlick SE	Hamburg (G)	100%
Nordgröön Energie GmbH	Medelby (G)	100%
Oxxio Nederland B.V.*	Rotterdam	100%
Solargrün GmbH	Saulheim (G)	100%
Speciosa B.V.*	Rotterdam	100%
Spontanae B.V.	Rotterdam	100%
Warmtebedrijf Eneco Delft B.V.*	Rotterdam	100%
Windpark de Beemden B.V.*	Rotterdam	100%
Windpark De Graaf B.V.*	Oosterhout	100%
Windpark Houten B.V.*	Rotterdam	100%

Name	Seat	Share
Windpark Maasvlakte II B.V.	Rotterdam	100%
Windpark Martina Cornelia B.V.*	Rotterdam	100%
Windpark Nieuwe Waterweg B.V.*	Hilversum	100%
Windpark van Pallandt B.V.*	Rotterdam	100%
WNW W.T. B.V.*	Heerenveen	100%
WP HZP B.V.*	Heerenveen	100%

* N.V. Eneco has issued a declaration of joint and several liability for the subsidiaries marked with *, pursuant to Section 403(1f), Part 9, Book 2 of the Dutch Civil Code.

Joint operations

Name	Seat	Share
Blauwwind Management II B.V.	Rotterdam	10%
CrossWind Beheer B.V.	The Hague	20.1%
Enecogen V.O.F.	Rotterdam	50%
Ecowende Beheer B.V.[1]	The Hague	40%
Q10 Offshore Wind B.V.	Rotterdam	50%
SeaMade NV	Ostend (B)	12.5%
Zonnepark Ameland B.V.	Ballum	33.3%

1 See note 14 Business combinations and other changes in the consolidation structure

Joint ventures

Name	Seat	Share
Norther NV	Ostend (B)	50%
Rotterdam Shore Power B.V.	Rotterdam	50%

Associates

Name	Seat	Share
Greenchoice B.V.	Rotterdam	30%

A full list of companies has been filed with the trade registry in Rotterdam pursuant to Section 379 of Part 9, Book 2 of the Dutch Civil Code.

Company financial statements for the year ended 31 March 2024

All amounts in millions of euros unless stated otherwise.

Company income statement

For the year ended 31 March 2024

x €1 million	Year ended 31 March 2024	Period ended 31 March 2023
Share of profit of subsidiaries	345	355
Other results after income tax	19	22
Profit for the period	**364**	**377**

Company balance sheet

Before profit appropriation

x €1 million	Note	At 31 March 2024	At 31 March 2023
Fixed assets			
Intangible fixed assets		1	8
Property, plant and equipment		-	1
Financial fixed assets	3	4,757	4,151
Total fixed assets		**4,758**	**4,160**
Current assets			
Receivables from group companies	4	1,952	1,449
Other receivables		8	5
Cash and cash equivalents	5	149	161
Total current assets		**2,109**	**1,615**
TOTAL ASSETS		**6,867**	**5,775**

x €1 million	Note	At 31 March 2024	At 31 March 2023
Equity			
Share capital		122	122
Translation reserve		-13	-15
Cash flow hedge reserve		37	-113
Other legal reserves		158	140
Retained earnings		2,975	2,806
Undistributed profit		364	377
Total equity	6	**3,643**	**3,317**
Provisions			
Provisions	7	23	13
Total provisions		**23**	**13**
Long-term liabilities			
Debts to credit institutions	8	250	250
Other liabilities	8	-	2
Total long-term liabilities		**250**	**252**
Current liabilities			
Debts to credit institutions	8	900	17
Liabilities to group companies	9	1,879	1,840
Liabilities for tax and social security premiums	10	156	326
Pension premiums		7	3
Trade and other liabilities		9	7
Total current liabilities		**2,951**	**2,193**
TOTAL EQUITY AND LIABILITIES		**6,867**	**5,775**

Notes to the company financial statements

All amounts in millions of euros unless stated otherwise.

1. Material accounting policies

General information
The company financial statements have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code, and the same measurement has been applied as in the consolidated financial statements as permitted by Section 362(8), Part 9, Book 2 of the Dutch Civil Code, except that subsidiaries are measured at net asset value determined on the basis of the IFRS accounting policies used in the consolidated financial statements.

The company income statement is presented in a condensed form pursuant to the provisions of Section 402, Part 9, Book 2 of the Dutch Civil Code.

Valuation of subsidiaries with negative net asset value
Subsidiaries with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the subsidiaries. If N.V. Eneco partially guarantees the debts of the relevant subsidiary or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by N.V. Eneco on behalf of the subsidiary.

Investments in foreign operations
If an investment in a foreign operation is partially or fully disposed of, the related accumulated translation differences in the translation reserve are recognised through the income statement as part of the gain or loss on disposal. The translation reserve is not freely at the disposal of the shareholders.

The descriptions of the activities and structure of the enterprise as stated in the Notes to the consolidated financial statements also apply to the company financial statements.

For the principal interests in entities of N.V. Eneco, see note 3 Financial fixed assets.

Change in financial reporting period
On 8 December 2021, the company's Management Board decided that the company's financial reporting period will change from the calendar year to a fiscal year running from 1 April to 31 March in order to align its financial reporting period with that of the ultimate parent, Mitsubishi Corporation.

Accordingly, the accompanying company's financial statements for the comparative financial reporting period cover a period of fifteen months, from 1 January 2022 to 31 March 2023. The current financial reporting period covers a period of twelve months, from 1 April 2023 to 31 March 2024, and hence are not directly comparable.

2. Employee benefit expenses

Average number of FTEs
The average number of FTEs employed by N.V. Eneco is 24 (15-month period ended 31 March 2023: 29). The average number of FTEs working abroad is 2 (15-month period ended 31 March 2023: 0).

Remuneration of the Management Board and Supervisory Board
See note 6 Remuneration of the Management Board and Supervisory Board to the consolidated financial statements for the remuneration of the Management Board and Supervisory Board pursuant to Section 383, Part 9, Book 2 of the Dutch Civil Code.

3. Financial fixed assets

	Subsidiaries	Receivables from subsidiaries	Other receivables	Deferred tax assets	Total
At 1 January 2022	**2,033**	**1,608**	**1**	**4**	**3,646**
Share of profit of subsidiaries	355	-	-	-	355
Movements in loans to subsidiaries	-	14	-	-	14
Movement in cash flow hedges	133	-	-	-	133
Movements in deferred tax assets	-	-	-	-2	-2
Translation differences	-5	-6	-	-	-11
Movement participation value	15	-	-	-	15
Movement in other receivables	-	-	1	-	1
At 31 March 2023	**2,531**	**1,616**	**2**	**2**	**4,151**
Share of profit of subsidiaries	345	-	-	-	345
Movements in loans to subsidiaries	-	89	-	-	89
Movement in cash flow hedges	150	-	-	-	150
Movements in deferred tax assets	-	-	-	3	3
Translation differences	8	-	-	-	8
Movement participation value	11	-	-	-	11
At 31 March 2024	**3,045**	**1,705**	**2**	**5**	**4,757**

4. Receivables from group companies

Receivables from group companies included current granted loans receivable related to inhouse banking facilities and short-term intererst-bearing debt of €1,718 million (31 March 2023: €1,259 million) and non-interest-bearing receivables of €234 million related to intercompany accounts (31 March 2023: €190 million).

5. Cash and cash equivalents

Cash and cash equivalents comprised bank balances, cash and deposits of €149 million (31 March 2023: €161 million). All cash and cash equivalents are at the free disposal of the Company.

6. Equity

Movements in the equity of N.V. Eneco were as follows:

	Paid-up and called-up share capital	Translation reserve	Cash flow hedge reserve	Other legal reserves	Retained earnings	Undistri-buted profit	Total
At 1 January 2022	**122**	**-8**	**-247**	**73**	**2,765**	**209**	**2,914**
Profit for the period	-	-	-	-	-	377	377
Profit appropriation 2021	-	-	-	-	105	-105	-
Dividend paid	-	-	-	-	-	-104	-104
Other movements	-	-7	134	67	-64	-	130
At 31 March 2023	**122**	**-15**	**-113**	**140**	**2,806**	**377**	**3,317**
Profit for the period	-	-	-	-	-	364	364
Profit appropriation for the 15-month period ended 31 March 2023	-	-	-	-	188	-188	-
Dividend paid	-	-	-	-	-	-189	-189
Other movements	-	2	150	36	-37	-	151
At 31 March 2024	**122**	**-13**	**37**	**176**	**2,957**	**364**	**3,643**

See note 22 Equity to the consolidated financial statements for details of individual components of equity.

Distributable results

N.V. Eneco distributed a dividend of €189 million in financial year 2023 (15-month period ended 31 March 2023: €104 million).

Non-distributable reserves

Legal reserves are recognised pursuant to Part 9, Book 2 of the Dutch Civil Code and are non-distributable. N.V. Eneco's legal reserves are a translation reserve, cash flow hedge reserve, reserve for undistributed profit of participating interests and a reserve for development expenditure. These last two reserves are combined in the above table to form the Other legal reserves. The development expense reserve was nil (31 March 2023: €4 million). The total amount of the Other legal reserves of €176 million was deducted in full from Retained earnings. In determining the non-distributable amount, the legal reserves have been accumulated on an individual basis.

In addition to the carrying amounts included in these non-distributable reserves, an amount is included in Retained earnings of €101 million (31 March 2023: €385 million), which is also non-distributable. The amount consists of the debit amounts in the cash flow hedge reserve (€88 million) (31 March 2023: €370 million) and debit amounts in the translation reserve (€13 million) (31 March 2023: €15 million).

The total amount of the non-distributable reserves at 31 March 2024 is €301 million (31 March 2023: €397 million).

7. Provisions

The provisions of €23 million (31 March 2023: €13 million) consist for €20 million of a provision for subsidiaries with a negative equity for which the Company is liable (31 March 2023: €12 million).

8. Debts to credit institutions

The company's borrowings related mainly to general financing, and consists of financing drawn under short-term facilities at banks.

	Debts to credit institutions	Other liabilities	Total
At 1 April 2023	**267**	**2**	**269**
Proceeds from borrowings drawn	900	-	900
Repayments of borrowings	-17	-2	-19
At 31 March 2024	**1,150**	**-**	**1,150**
Maturity within 1 year	900	-	900
Maturity after 5 years	250	-	250
Total	**1,150**	**-**	**1,150**

The liability for fixed interest-rate loans (fair value risk) was €250 million (31 March 2023: €250 million). Other loans are at market-linked variable rates.

The average interest rate was 2.8% per annum (15-month period ended 31 March 2023: 1.2% per annum). This was calculated as the weighted average monthly interest expense directly related to the borrowings, excluding other financial expenses.

9. Liabilities to group companies

Liabilities to group companies included current borrowings related to inhouse banking facilities and cash pool accounts of €1,853 million (31 March 2023: €1,802 million) and non-interest-bearing liabilities related to intercompany creditors of €26 million (31 March 2023: €38 million).

10. Liabilities for tax and social security premiums

Liabilities for income tax, VAT and social security premiums comprised current amounts related to tax liabilities of €152 million (31 March 2023: €326 million).

11. Commitments, contingent assets and liabilities

Liability
N.V. Eneco has issued a declaration of joint and several liability pursuant to Section 403(1)(f), Part 9, Book 2 of the Dutch Civil Code for the principal subsidiaries marked with an * in the 'List of principal subsidiaries, joint operations, joint ventures and associates'.

Fiscal unity
N.V. Eneco heads a fiscal unity for corporate income tax purposes which includes almost all of its Dutch subsidiaries and N.V. Eneco is a member of a fiscal unity for VAT purposes which includes almost all of its Dutch subsidiaries. All companies in a fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

Cash pools
As a result of its participation in the Group cash pools, N.V. Eneco is jointly and severally liable, with the other participants, for deficits in the pools as a whole.

Guarantees
See note 27 Commitments, contingent assets and liabilities to the consolidated financial statements for the guarantees issued by N.V. Eneco.

12. Auditor's fees

The fees below relate to the fee for services provided by Eneco's external auditor, Deloitte Accountants B.V., as defined in Section 1.1 of the Audit Firms Supervision Act (Wet toezicht accountantsorganisaties - Wta), and includes those charged by entities associated with the auditor in the Deloitte network.

x €1.000 (12 months)	Deloitte Accountants B.V.	Affiliated Deloitte entities	Total for year ended 31 March 2024
Audit of the financial statements	3,503		3,503
Other audit engagements	2,691	1,515	4,206
Other non-audit services	271		271
Total	**6,465**	**1,515**	**7,980**

x €1.000 (15 months)	Deloitte Accountants B.V.	Affiliated Deloitte entities	Total for period ended 31 March 2023
Audit of the financial statements	3,083	-	3,083
Other audit engagements	3,014	1,292	4,306
Other non-audit services	190	-	190
Total	**6,287**	**1,292**	**7,579**

The fee for the audit of N.V. Eneco's financial statements included audit work on its consolidated and company financial statements. The above fees relating to the audit of the financial statements for the year ended 31 March 2024 and other audit engagements, include work not performed during the reporting period.

Other audit engagements relate to the audit/review of the quarterly financial information reported to Mitsubishi Corporation, the Japanese Sarbanes-Oxley audit and the audit of the statutory financial statements of subsidiaries and joint operations and related engagements.

13. Proposed appropriation of the profit for the year ended 31 March 2024

The Management Board, with the approval of the Supervisory Board, recommends that the General Meeting of Shareholders on 24 June 2024 declares a dividend to the shareholder of €182 million from the profit after tax attributable to the shareholder. This represents a distribution of €1.50 per share. The dividend will be paid no later than in July 2024. A recommendation will also be made to add the remaining €182 million of the profit to retained earnings.

Rotterdam, 13 June 2024

N.V. Eneco

Management Board

A.C. (As) Tempelman, chairperson
J.M.J. (Jeanine) Tijhaar
Y. (Yasuyuki) Asakura
C.J. (Kees-Jan) Rameau
S.M. (Selina) Thurer
K.M. (Karen) de Lathouder

Supervisory Board

J.M. (Mel) Kroon, chairperson
Y. (Yuji) Okafuji
M. (Michael) Enthoven
J.M. (Annemieke) Roobeek
Y. (Yasuo) Ohashi
K. (Katsuji) Sugimori
H. (Haruki) Umezawa

Other information

Profit appropriation pursuant to the articles of association

Pursuant to the company's articles of association, the profit is at the disposal of the General Meeting of Shareholders. Distributions from the profit may only be made if the financial statements show that this is permitted. The articles of association also state that the General Meeting of Shareholders may resolve to make interim distributions subject to the approval of the Supervisory Board. The provisions of the articles of association and the law apply to the amount and formalities for this.

Independent auditor's report

To: the shareholder and the Supervisory Board of N.V. Eneco

Report on the audit of the financial statements for the year ended 31 March 2024 included in the annual report

Our opinion
We have audited the financial statements for the year ended 31 March 2024 of N.V. Eneco, based in Rotterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of N.V. Eneco as at 31 March 2024, and of its result and its cash flows for the year ended 31 March 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

- The accompanying company financial statements give a true and fair view of the financial position of N.V. Eneco as at 31 March 2024, and of its result for the year ended 31 March 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated balance sheet as at 31 March 2024.

2. The following statements for the year ended 31 March 2024: the consolidated income statement, the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement.

3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 March 2024.

2. The company income statement for the year ended 31 March 2024.

3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of N.V. Eneco in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Scope of the group audit
N.V. Eneco is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of N.V. Eneco.

Our group audit mainly focused on significant group entities within the Netherlands, Belgium and Germany.

By performing the procedures on significant group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud.

During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section Risk Management and Integrity, Compliance and Privacy of the Report of the Management Board for management's risk assessment and section Audit & Risk Committee of the Report of the Supervisory Board for the Supervisory Board’s monitoring thereof.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- Estimates in the energy balance, including how management determined the effect of the energy crisis on customer (consumption) behaviour.

- The risk that management may override controls to manipulate accounting records and prepare fraudulent financial statements by overriding controls.

We held discussions amongst team members and component auditors to identify fraud risk factors and considered whether other information obtained from our risk assessment procedures indicated risks of material misstatement due to fraud.

We evaluated whether unusual or unexpected relationships have been identified in performing analytical procedures, including those related to revenue accounts, that may indicate risks of material misstatement due to fraud.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives, directors (including the head of compliance, head of internal audit and other relevant managers) and the Supervisory Board.

With regards to estimates in the energy balance, we verified the reliability of the information on which the estimates of revenue has been based, verified the mathematical accuracy of the energy balance reconciliation model, tested the revenues still to be invoiced after year-end, including subsequent review testing after 31 March 2024, and assessed the reasonableness, relevance and consistency of the assumptions applied.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2.1 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment.

For significant transactions, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations
We assessed the laws and regulations relevant to the entity through discussion with management, those charged with governance and others within Eneco, including but not limited to the head of legal and the head of compliance, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the government measures following the energy crisis, requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations, such as energy laws and regulations, where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern
We are responsible for obtaining reasonable assurance that the Group is able to continue as a going concern. Management is responsible to assess the Group’s ability to continue as a going concern and disclosing in the financial statements any events or circumstances that may cast significant doubt on the Group’s ability to continue as a going concern.

As described in note 1.4 of the financial statements, the Management Board has prepared the financial statements on a going concern basis. Management believes that no events or conditions, including those related to the energy crisis and other geopolitical conflicts, give rise to doubt about the ability of the Group to continue in operation in the next reporting period.

We performed the following specific procedures:

- We evaluated management’s assessment of the going concern assumption and related disclosures in note 1.4 of the financial statements.
- We challenged management’s five-year business plan and primary assumptions as part of our impairment testing procedures. Additionally, we evaluated the Company’s finance facilities, Eneco’s credit rating and management’s outlook as reported in the Report of the Management Board.

Although there always remains an inherent level of uncertainty in relation of future events, we concur with management’s application of the going concern assumption in preparing the financial statements.

Report on the other information included in the annual report
The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Report of the Management Board, including the paragraphs 2023 in brief, Foreword, Key Figures and About Eneco.
- Report of the Supervisory Board.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Sustainability Supplements.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.

- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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 company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rotterdam, 13 June 2024

N.H.M. van Groenendael

Published by
Eneco Communications
P.O. Box 8208
3009 AE Rotterdam
Telephone: +31 (0)6 11 71 46 09
corporatecommunicatie@eneco.com
www.eneco.com

Design
CF Report

Disclaimer

This report contains forward-looking statements. These statements can be recognised by the use of wording such as 'anticipated', 'expected', 'forecast', 'intends', and similar expressions. These statements are subject to risks and uncertainties and the actual results and events can differ considerably from the current expectations. Factors that can lead to this include, but are not limited to, the general economic situation, the situation in the markets in which N.V. Eneco operates, the behaviour of customers, suppliers and competitors, technological developments and legal judgements and stipulations of regulatory bodies that affect the activities of N.V. Eneco.

Future results could also be influenced by factors including, but not limited to, financial risks, such as foreign currency and interest risks and liquidity and credit risks. N.V. Eneco does not accept any liability or obligation related to the adjustment or revision of the current forecasts on the basis of new information or future events or for any other reason.

Eneco HollandseWind, Eneco HollandseZon, Eneco HollandseWind & Zon, Eneco EuropeseWind, Eneco Omschakelaar, Eneco HappyPower, Eneco KetelComfort, Eneco SlimLaden, Eneco StukjeZon, Toon van Eneco, Eneco WarmteWinner, Bincknet van Eneco, Eneco Energy Trade, AgroEnergy, WoonEnergie and Oxxio are registered brand names of Eneco B.V.

This annual report will be published on the internet in its entirety in the English language only. The Report of the Management Board will also be published in the Dutch language.

No rights may be derived from the information as presented on this website. In the event of any discrepancies between Eneco information presented on the internet and the printed version thereof, the latter prevails.

In order to promote interactivity, links to locations within and outside the annual report are included. If a link leads to a location outside the annual report (resulting in the opening of a new window), the external information concerned is not part of the annual report as assessed by the auditor.