



INVESTOR PRESENTATION

FULL-YEAR 2020

March 9th, 2021



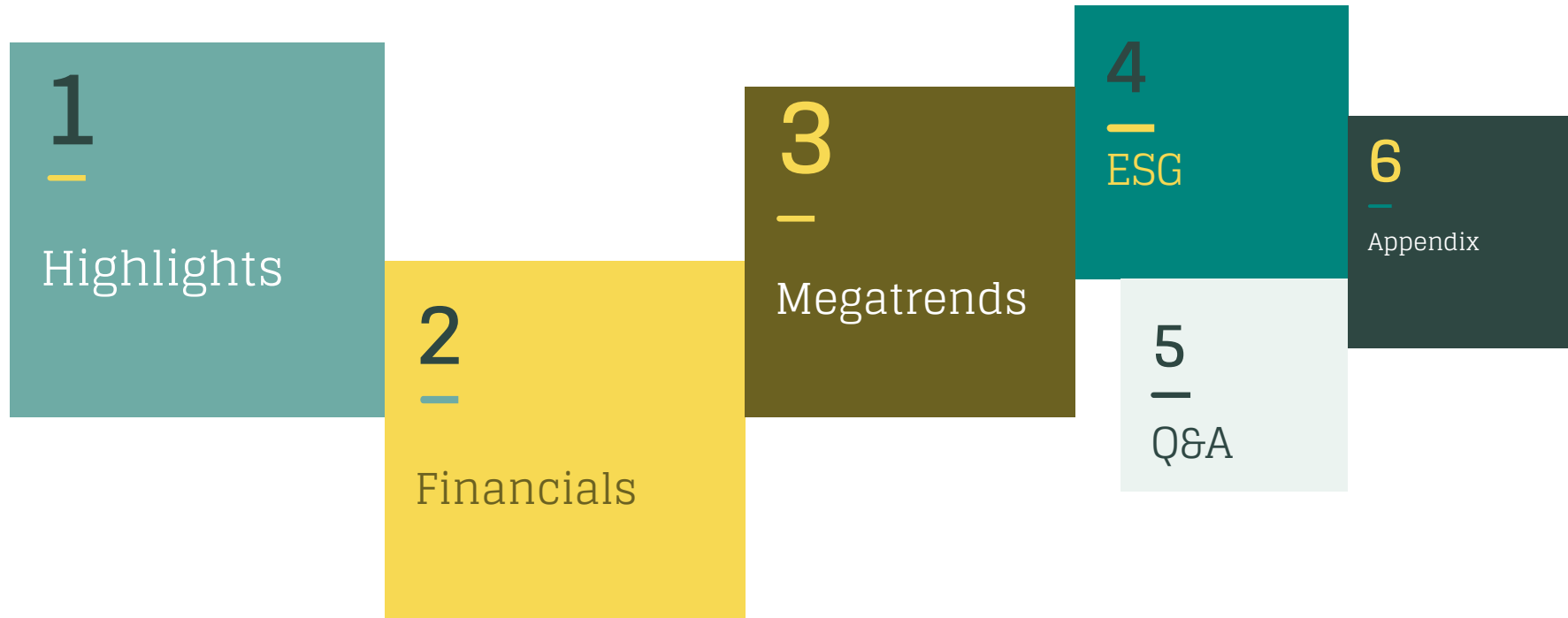
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Agenda



1

Highlights



MÅDE
32.8 MW
DENMARK

EBITDA

+38% in 2020

+82% since 2018

European Energy experienced strong growths in its financial results where 2020 EBITDA totaled EUR 61 mill., an increase of 38% over 2019.

This was mainly the result of increasing profits from sale of power plants as well as electricity sales.

Electricity Sale

+41% in 2020

+116% since 2018

Electricity sales increased by 41% in 2020 to EUR 43 mill. now constituting 22% of total revenues.

European Energy's strategy to become an Independent Power Producer (IPP) is well under way and will help diversify and stabilize our earnings going forward.

Equity

+71% in 2020

+118% since 2018

European Energy enjoyed continued support from financial markets during 2020 that provided financing for our activities e.g., through a new hybrid bond of EUR 75 mill., a loan agreements with Natixis of EUR 94.5 mill. and with the Danish Green Fund of DKK 300 mill.

Asset Management

+13% in 2020

+38% since 2018

In 2020, assets under management increased to 1,336 MW due to new service contracts for solar and wind assets.

Construction

+181% under construction

+34% ready to build

At the end of 2020, MW under construction had increased to 613 MW while MW ready-to-build had increased 34% to 814 MW. This forms a solid basis for our ambition to construct 750MW in 2021 which will be about 3 times 2020 level.

Upscaling of Organisation

+77 employees

203 FTE end of the year

+6 new offices opened

Preparing European Energy for growth

EUR million	2020	2019	2018
EBITDA	61.2	44.3	33.6
Equity	235.3	137.6	107.7
Electricity sale	42.9	30.5	19.8

MW	2020	2019	2018
Under Construction	613	218	96
Equity	814	606	474
Asset Management	1.336	1.179	967

Entering downstream electrification

Power-to-X

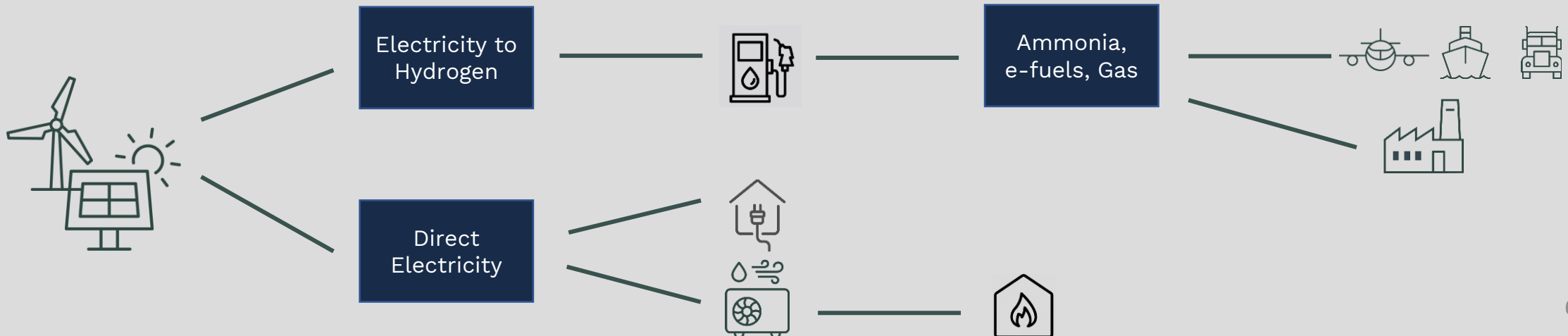
—
24% ownership in the Danish
e-methanol company, REintegrate

European Energy made in 2020 its first investment into the Power-to-X space with a 24% ownership stake in the Danish e-methanol company Reintegrate

Green Heating

—
ca. 43% ownership in the
Danish heat pump company, Victor
Energy Solutions (Jan. 2021)

In Q1 2021, we made another investment into in-direct electrification with the investment into Viktor – a Danish heat pump company that transform district heating into 100 % renewable energy.



Strong pipeline

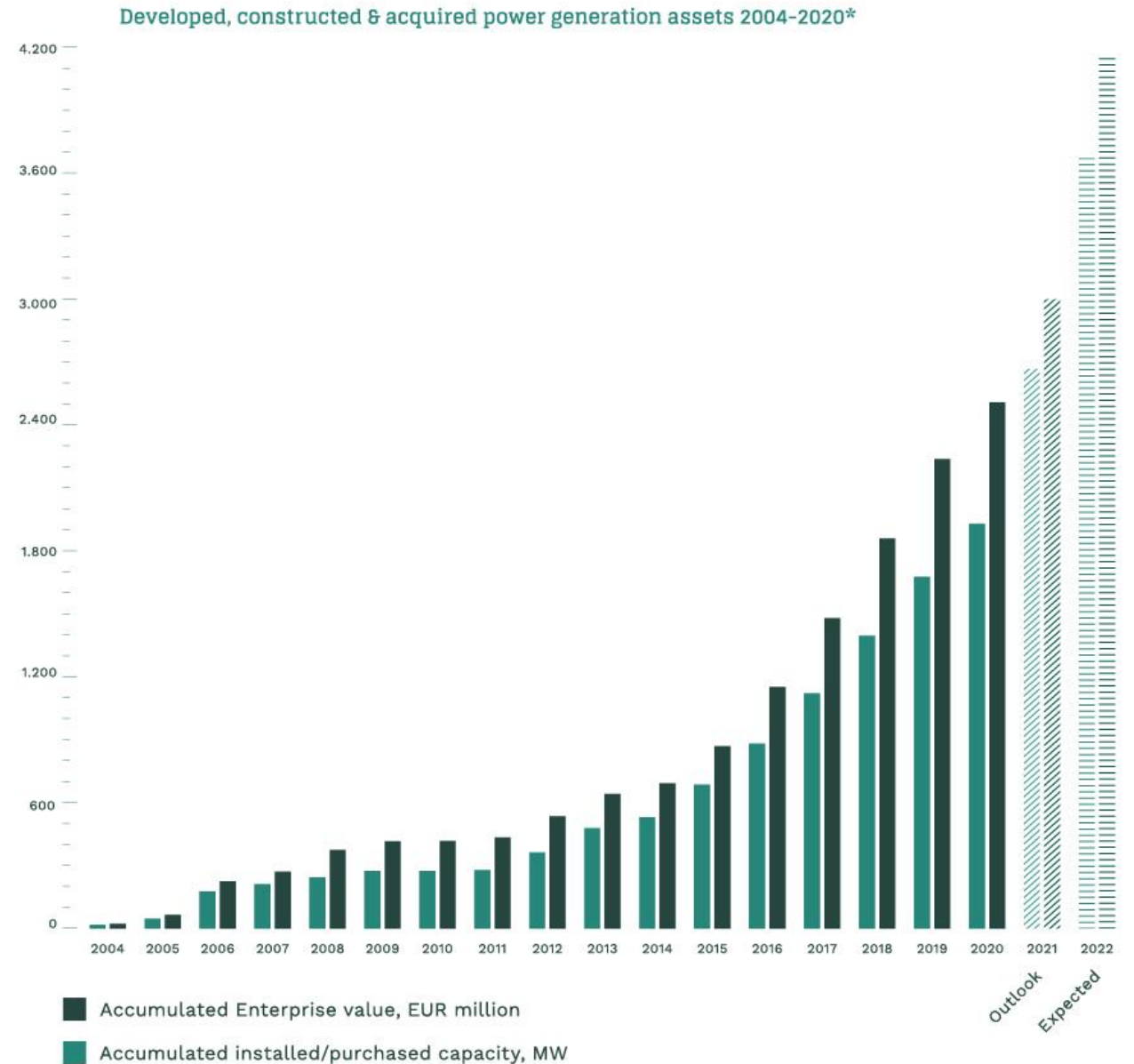


- Strong growth in construction pipeline during 2020, underlining continued future growth
- In 2021, European Energy expects to continue the significant growth in the development pipeline



- During 2020, European Energy was engaged in construction activities at 14 different sites in five European countries and Brazil
- Strong growth in Ready-to-build and Under-construction during 2020 underlining continued future growth
- Approx. 800 MW secured by PPA or FiT at the end of 2020

The Growth History of European Energy



2 Financials



TROIA
103.0 MW
ITALY

Profit and loss

P&L

EUR '000	2020	2019	Growth
Revenues	206.962	238.804	-13%
Sale of energy farms and projects	159.991	205.166	-22%
Sale of electricity	42.865	30.494	41%
Asset management	3.883	2.717	43%
Other fees	223	427	-48%
EBITDA	61.197	44.305	38%
Profit/loss before tax	37.775	37.442	1%
EBITDA margin	30%	19%	

Revenues totaled EUR 207m in 2020 down 13% compared with 2019. This was the result of slightly lower revenues from sales of energy projects partly compensated by very solid growth in electricity sales and asset management.

EBITDA totaled EUR 61m in 2020 up 38% compared with 2019. This was the result of increasing profits across all business areas.

Especially, the strategy to hold more operating assets have resulted in increasing share of revenues and profits from electricity sales which is expected to continue in the coming years.

EBITDA margin has increased to 30% in 2020 from 19% in 2019 as a result of higher margins on plants sold in 2020 as well as shift in business mix to higher margin areas (e.g. electricity sales and asset management).

Profit before tax was at level with 2019 as the growth in EBITDA was counterbalanced by:

- higher depreciations following more operating assets on balance sheet
- higher net financial expenses mainly because of net effects of the modification gain recognized on our senior bond in 2019 and lower financial income on loans to associated companies in 2020.

Balance sheet & Cash Flow

Balance sheet

EUR '000	2020	2019	Growth
Assets	739.817	605.671	22%
Property, plant and equipment	130.594	134.213	-3%
Inventories	325.211	227.131	43%
Cash (free and restricted)	121.892	113.522	7%
Other	162.120	130.805	24%
Liabilities	739.817	605.671	22%
Total equity	235.268	137.603	71%
Bonds and project financing	415.565	399.532	4%
Other	88.984	68.536	30%
Net interest-bearing debt to EBITDA	5,0	6,8	
Gearing (Net interest-bearing debt to EBITDA)	129%	220%	

Cash Flow

EUR '000	2020	2019
Cash flow from operating activities before changes to Inventories	56.820	19.533
Changes to Inventories	- 92.446	153
Cash flow from Investing activities	- 22.975	- 11.594
Cash flow from Financing activities	66.961	36.934

Total asset and liabilities increased to EUR 740m or 22% compared with 2019.

On the asset-side, the increase shows up in increasing inventories i.e. plants under construction or operating plants for sale reflecting the strong growth of our company.

On the liability-side, the increase is mainly seen in total equity reflecting the profit of year as well as the newly issued hybrid bond of EUR 75m in 2020 (which is recognized as equity).

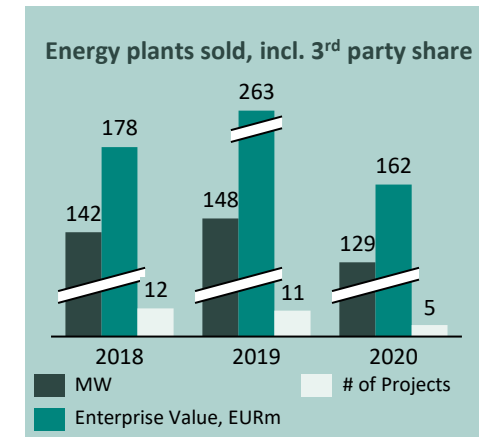
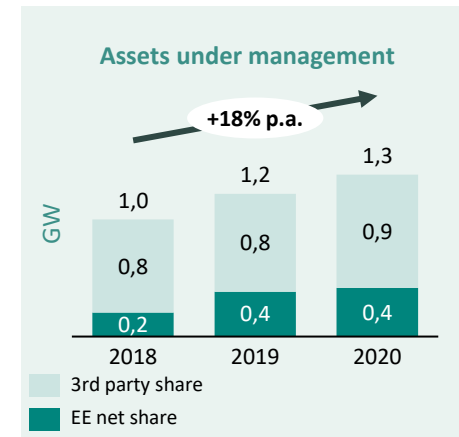
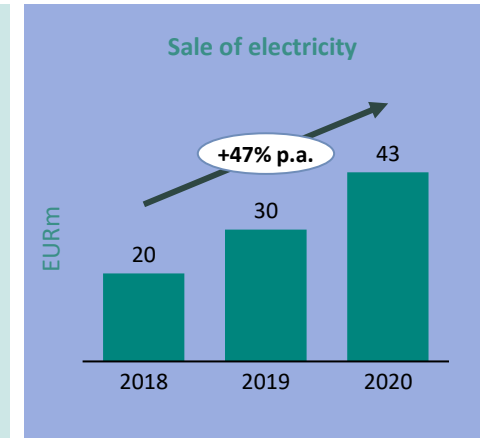
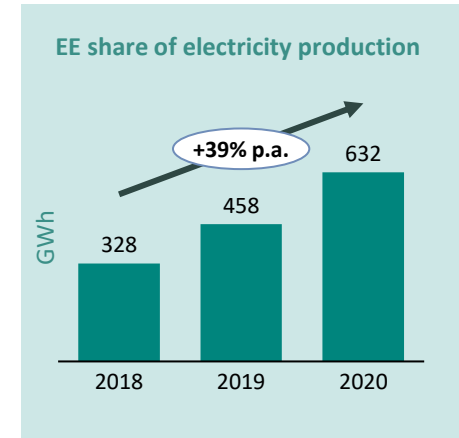
Net interest-bearing debt is stable in EUR but as a result of the increasing EBITDA, leverage goes down to 5.0x at end of 2020 from 6.8x a year before. The group holds a significant cash position of EUR 122m (EUR 35m as restricted cash) which will support our growth plans going into 2021.

Cash flow from operating activities before changes in inventories totaled a solid EUR 57m in 2020, an increase of EUR 37m compared with 2019. This is mainly the result of increasing profits from sale of plants and electricity and improved working capital in terms of higher payables resulting from higher activity partly counterbalanced by higher net financials and taxes paid.

Cash flow from financing activities mainly reflects the proceeds from the issuance of the hybrid bond in September 2020 of EUR 75m.

Operational performance

- In 2020, European Energy recorded a record high in sale of electricity. Compared to the previous year, the consolidated power sales increased by 41% to EUR 42.9m. European Energy's net share of electricity production has since 2016 grown by 33% p.a.
- The increase in electricity production is primarily related to the strategy to move towards becoming an Independent Power Producer (IPP) with more generating assets kept in European Energy's own books. This brings stability into our profitability.
- Asset Management continues to grow and at the end of 2020, European Energy managed 1.34 GW of assets divided between 880 MW wind power and 456 MW solar power production. European Energy owns 402 MW and the remainder is managed on behalf of investors
- European Energy recorded a high level of sales activities of energy plants throughout 2020 with divestment of projects in every quarter. In total, European Energy divested solar and wind farms with a combined capacity of 129 MW with an enterprise value of EUR 162m.

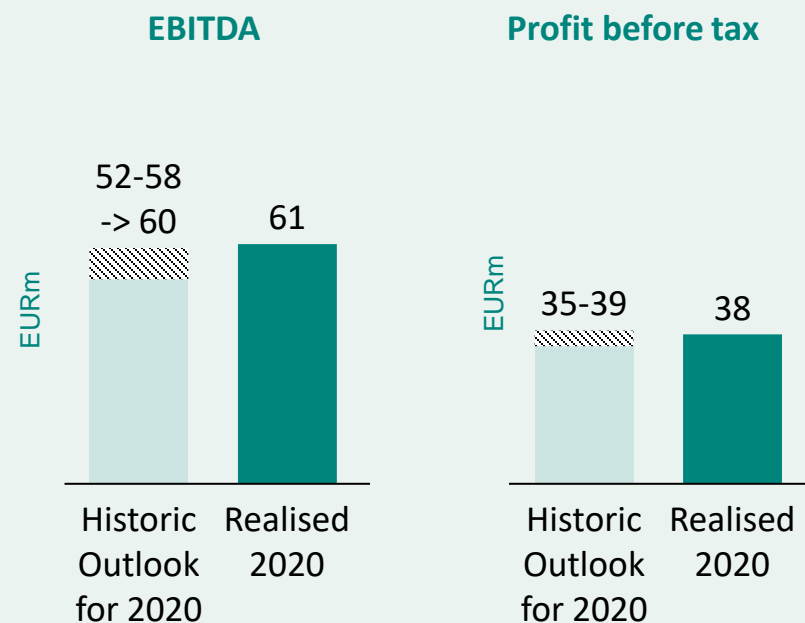


Looking Back

Financial Outlook for 2020

European Energy has maintained its guidance during 2020:

- **Guidance issued 28 February 2020:**
EBITDA for was expected to be EUR 52 -58m. The profit before tax in 2020 was expected to be EUR 35-39m.
- **In mid January 2021 revision of guidance:**
The expectations for 2020 financial results were revised to an EBITDA of EUR 60m and a result before tax of EUR 37m.

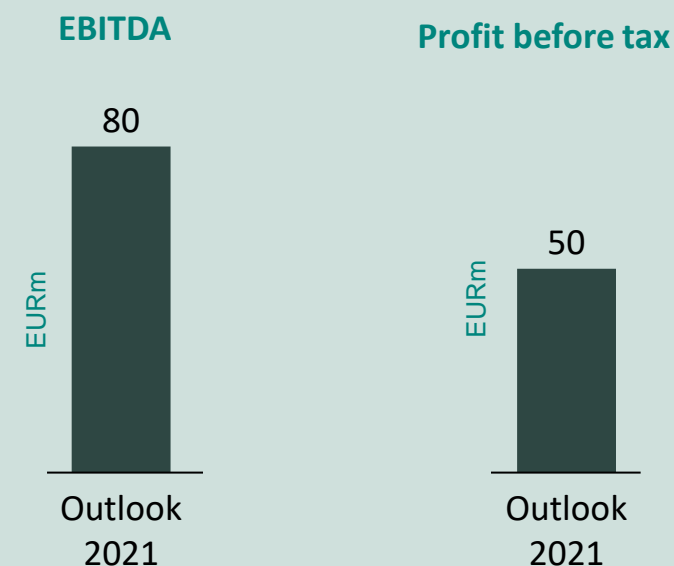


Looking Forward

Financial Outlook for 2021

European Energy guidance for 2021:

- EBITDA is expected to be EUR 80m or a growth of 31% over 2020
- Profit before tax is expected to be EUR 50m or a growth of 32% over 2020.



3

Megatrends



SPROGØ
21.0 MW
DENMARK

The World is Facing Challenges

World Population —	Energy Consumption —	Environmental migrants —	World Temperature —	Sea Level —
~10 Bn in 2050 +25% vs. today	+50% increase from today to 2050	~ 1 Bn. by 2050	+4 °C in this century	Up to 2.5 m by 2100 threatening >600 cities

Source: IMF, NOAA, UN, World Economic Forum, International Organization for Migration, EIA

The Answer: A Decarbonized and Electrified World

World
Temperature in
2050

Held at +1.5 °C

Renewables in
Power Generation
Mix

~95% in 2050

Coal in Power
Generation

A 100% phase
out by 2050

Electricity Growth

3x demand in
2050

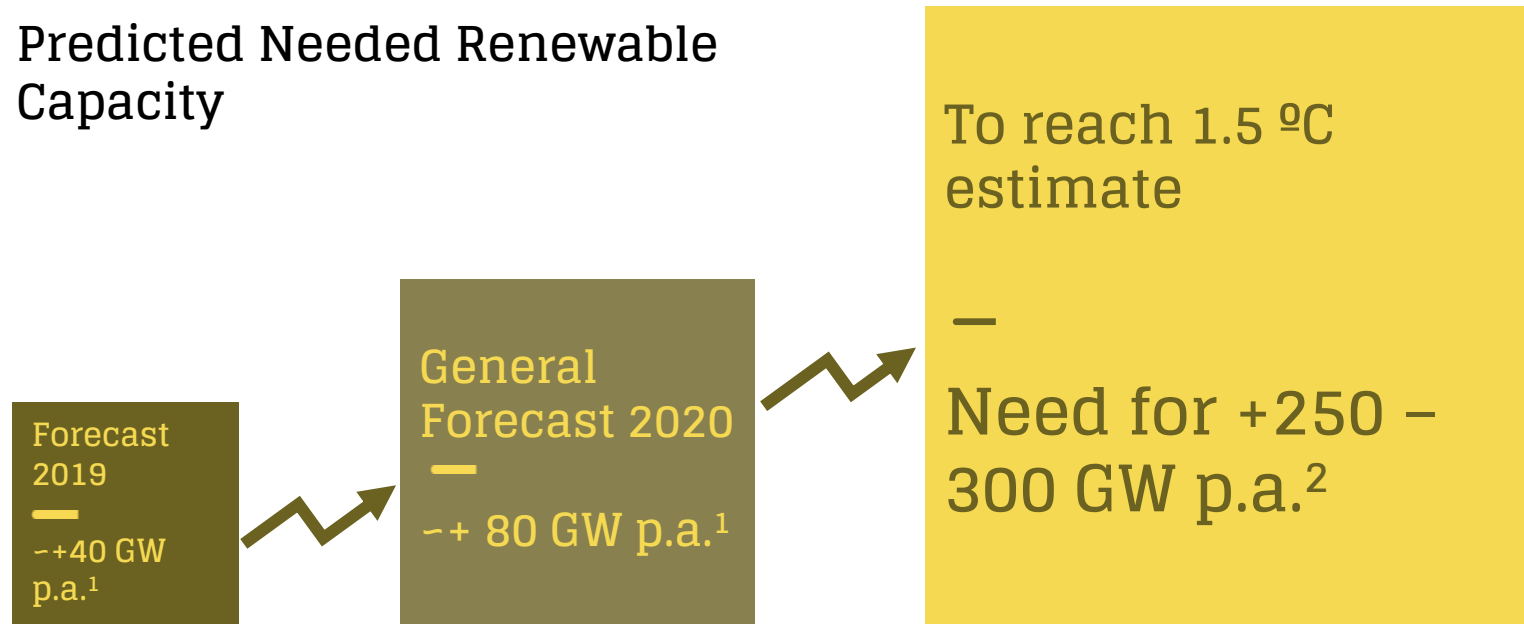
Energy Sector

Zero carbon by
2050

Source: Global Energy Perspective Report 2021

Renewables Growth driven by lower costs

Predicted Needed Renewable Capacity



Cost (LCOE in 2030 vs. 2019)

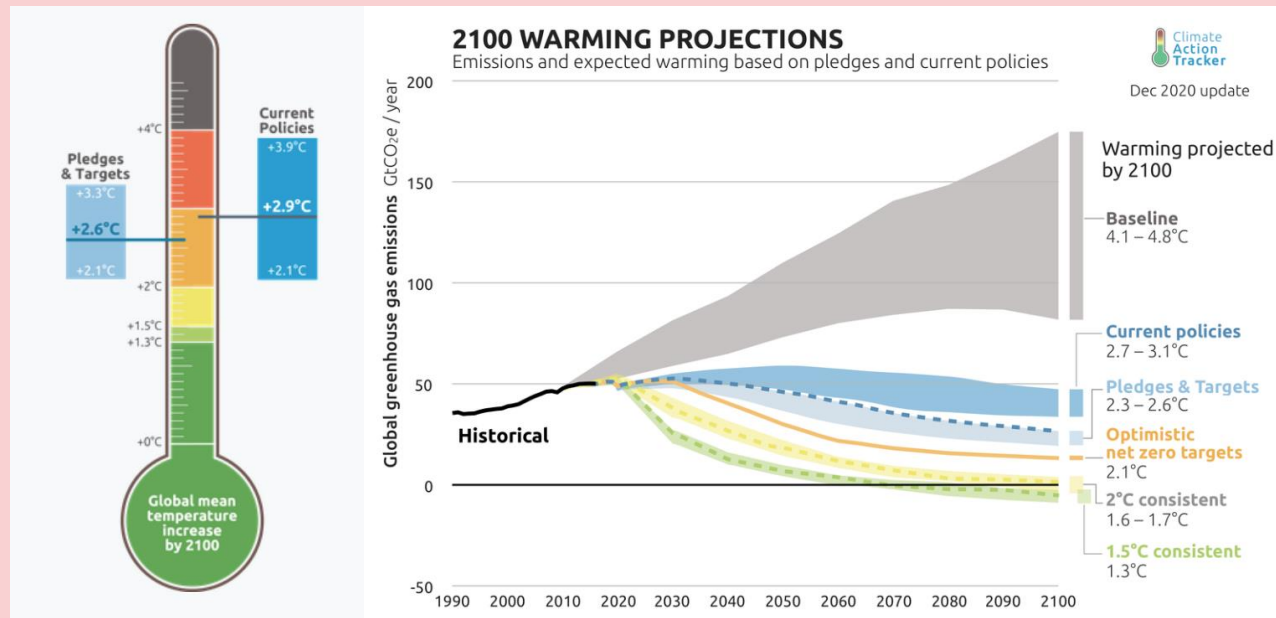
Solar PV
–35%

Onshore
Wind
–20%

Offshore
Wind
–55%

“There is an inflection taking place. If you compare the world today to the world 18 months ago, the big difference is that only 25 % of the world had a decarbonization horizon. Today, 75 % of the world economy has a decarbonization horizon. This is a major shift.

Pascal Lamy, former Head of the World Trade Organization, in Financial Times Feb. 4th, 2021



Source: <https://climateactiontracker.org/global/temperatures/>

4

ESG



HARRE
44.0 MW
DENMARK
In-house
developed
single-axis
tracker

European Energy's Focus Areas

Climate, Local and Corporate Action

In 2020, EE redesigned its sustainability focus areas to foster a greater integration between our business model and sustainability. Our focus areas have been developed taking into consideration the UN Global Compact focus areas and the Sustainable Development Goals (SDGs).



CLIMATE ACTION

- Climate Change
- Environmental Management
- Biodiversity



LOCAL ACTION

- Local job opportunities and community engagement
- Tax contributions
- Quality, Health, Safety and Environment (QHSE)



CORPORATE ACTION

- Anti-corruption and anti-bribery
- Responsible Procurement
- People

5 — Q&A

More information:

- [EE's webpage](#)
- [EE's 2020 Annual Report](#)
- [EE's Sustainability Report](#)



VIER BERGE
26.0 MW
GERMANY

We are Green Energy



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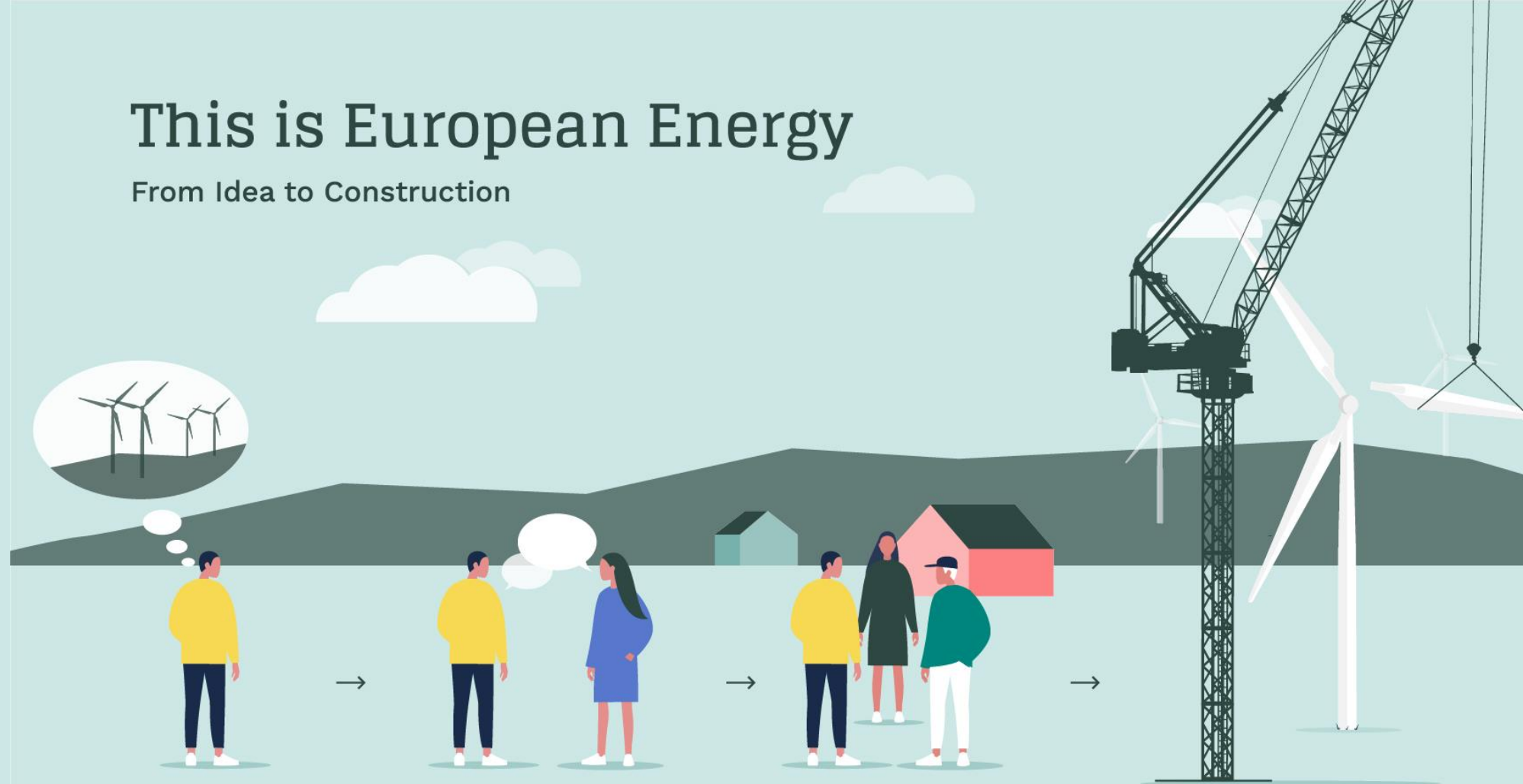
Appendix



SPROGØ,
DENMARK
Turbine
maintenance

This is European Energy

From Idea to Construction



LOCATION:

We secure the land rights in collaboration with the landowner and conducts environmental studies to minimize the local environment's impact.



PLANNING:

Once a location has been identified, a thorough analysis of the environmental impact, local grid capacities, both the political and the project economic framework conditions is needed. This includes but is not limited to all from navigating through national and local laws and permits to analyzing energy production estimates.



INVOLVEMENT:

It is essential to involve local citizens and stakeholders as early as possible and strive to understand and address any concerns. At this stage we also invite investors to participate in the development of the project.



CONSTRUCTION:

When all the essential rights and permits have been acquired, the construction phase can be started. We manage the entire process from design of the energy plant, global sourcing of components, construction activities to grid connection as well as all many unforeseeable factors during this phase.

From Construction to Production

After the construction has finished and the farm has been successfully connected to the energy grid, our engagement can go in different directions.



MANAGING THE ASSETS:

We consider managing the constructed assets as a part of our core business. This includes in-house competences in both technical, commercial and financial aspects of managing renewable energy plants.



DIVESTMENT:

We assess each project individually and takes the risk-and-reward profile into consideration. In some cases, we divest the energy farm to long-term investors at the optimal price. Often, we keep managing the plant for the investor to optimize production output and minimize operating costs.



INDEPENDENT POWER SALE:

Other times we keep ownership of the energy farm and provides electricity as an independent power producer.



POWER PURCHASE AGREEMENTS (PPA):

Many companies choose a PPA solution these days during the pre-construction and construction activities. These PPA's are long term supply contracts with a fixed price guaranteeing the delivery of renewable power from energy farm to a business.