EUROPEAN ENERGY

Credit Investor Presentation

European Energy A/S – Gyngemose Parkvej 50 – 2860 Søborg – Denmark – Company Reg. no. 18351331

Nøjsomheds Odde Wind Farm, Lolland, Denmark

Important information

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Indicative key terms of the new bond issue

Indicative key terms for the contemplated new issue

Issuer:	European Energy A/S
Rating:	Unrated
Size:	Minimum EUR 100m
Framework amount:	Up to EUR 200m (Some of the framework amount can be allocated to Market Loans where the security is shared on a pari passu basis, subject to an intercreditor agreement)
Maturity:	[September 2023]
Format:	Senior secured Green Bonds with pledge over shares of the Issuer
Coupon:	3mE +[•] bps (Euribor floored at zero)
Call Schedule:	• Before 24 months, fair value early redemption call with no discounting • Callable thereafter at 50%, 37.5%, 25%, 12.5%, 10% of coupon, after 24,30,36,42,48 months • Equity clawback upon IPO of 30% at 102.000% or prevailing call price
Maintenance covenants:	• Min. equity > EUR 80m • Min. total assets > EUR 230m • Min. liquidity corresponding to 3 quarters interest payments
Incurrence covenants (Financial indebtedness and Dividends following an IPO):	• Issuer Incurrence Test: Minimum equity ratio of 25% • Subsidiary Incurrence Test: Group Interest Coverage Ratio > 2.5:1
Selected Other Undertakings:	• Full dividend restriction (50% of previous years Net Income/Profit following an IPO) • Mergers and demergers • Disposals of assets • Negative pledge • Financial reporting and cross acceleration
Docs:	Standalone, Danish law
Denomination:	EUR 100k + 100k
Listing:	Nasdaq Copenhagen within 180 days
Use of Proceeds:	In accordance with the Green Bond Framework
Green Structuring Adviser:	Nordea
Joint Bookrunners:	DNB, Nordea
Target market:	MiFID II professionals/ECPs/Retail/No PRIIPs KID – Manufacturer target market (MiFID II product governance) is eligible counterparties, professional clients and retail (all distribution channels). No PRIIPs key information document (KID) has been prepared as not deemed within scope

Transaction summary and overview of European Energy

European Energy in brief

- European Energy constructs wind and solar farms as well as large scale green energy storage. We are building solutions to climate change
- European Energy was founded in 2004 and has grown to a show an EBITDA of EUR 34m in 2018 with ~100 full-time employees based in Copenhagen and activities across 11 countries

Solar Power

Active in Europe, Brazil, Australia and India

Onshore Wind

Active in Europe and Brazil

Offshore wind

Active in Denmark

EE Gigastorage

Active in Denmark

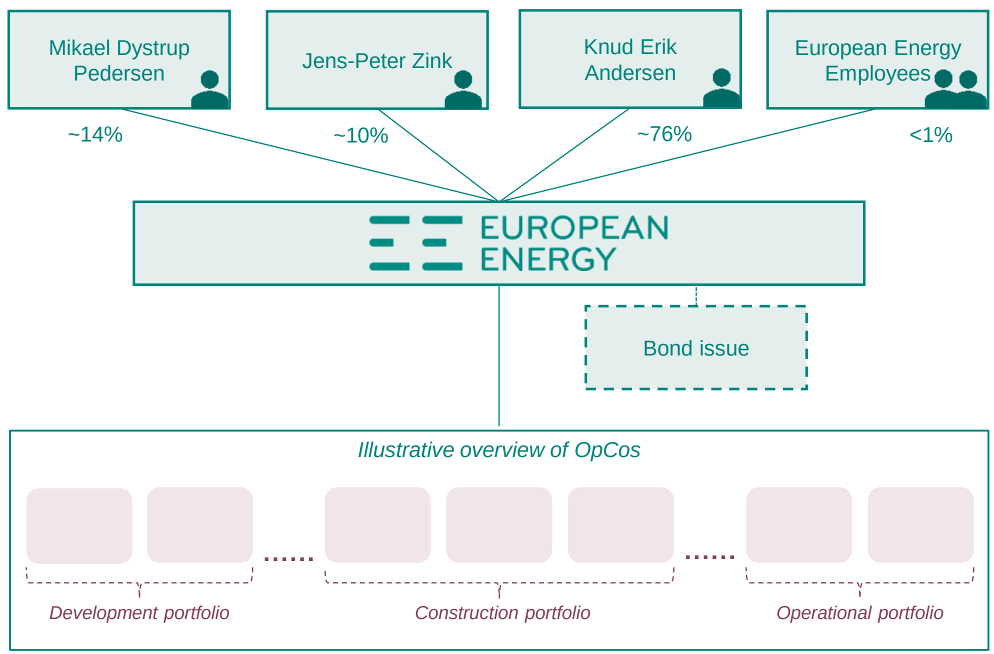
Sources and uses for an issuance of EUR 120m

Sources	
Bond issue	120
Total	**120**

Uses	
Refinancing existing bond	85
Call premium	3
General Corporate Purposes in accordance with the Green Bond Framework[1]	32
Total	**120**

1) No dividend distribution

Simplified structure of European Energy



- European Energy A/S establishes a special purpose vehicle (SPV) for every project. The projects are subsidiaries of European Energy A/S and can be divided into three groups, consolidated in financial statements as follows:
  - Subsidiaries directly or indirectly owned (100% ownership), consolidated line by line
  - Joint ventures or associated companies (50% ownership or more), recognised as “equity-accounted investments”
  - Companies in which the Group has no material ownership (less than 20% ownership), recognised as other investments

Experienced management team

Presenting today

Owners

Knud Erik Andersen
With EE since 2004
Chief Executive Officer and founder

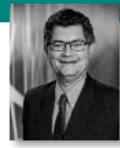
Education
- Master of Science (M.Sc.) in Electrical Engineering from Technical University of Denmark

Prior experience
- Co-founder and CEO of Sentic A/S
- Co-founder and CEO of Inside Technology A/S which was sold to Kontron AG in 2003

Jens-Peter Zink
With EE since 2005
Executive Vice President and chairman

Education
- Master of Science (M.Sc.) in Business Economics and Auditing from Copenhagen Business School

Prior experience
- 10 years with KPMG holding different positions, including Manager, M&A



Mikael D. Pedersen
With EE since 2004
Chief Technical Officer and founder

Education
- Master of Science (M.Sc.) in Electrical Engineering from Technical University of Denmark

Prior experience
- Sentic A/S (CTO Wind Turbine Controller)
- Co-founder of Inside Technology A/S which was sold to Kontron AG in 2003

Thomas Hvalsø Hansen
With EE since 2012
Chief Operating Officer

Education
- Master of Science (M.Sc.) in Engineering from Technical University of Denmark
- Diploma in Finance from Copenhagen Business School

Prior experience
- Experience from the software and media industry

Jonny Thorsted Jonasson
With EE since 2012
Chief Financial Officer

Education
- Master of Science (M.Sc.) in Business Economics and Auditing from Copenhagen Business School

Prior experience
- Extensive experience as Chief Financial Officer within the real-estate, retail and internet industries
- General manager within real-estate and private equity industries

Thorvald Spanggaard
With EE since 2017
Project Director

Education
- Master of Law from University of Copenhagen
- LL.M. from Harvard University
- MBA from Copenhagen Business School

Prior experience
- General Counsel & Head of Claims at EKF (Denmark's Export Credit Agency)
- Attorney at law, Kromann Reumert

Lars Bo Jørgensen
With EE since 2016
Head of Transaction Services and Project Economy

Education
- Master of Science (M.Sc.) in Business Economics and Auditing from Copenhagen Business School
- State-authorized public accountant

Prior experience
- Partner KPMG

Simon Bjørnholt
With EE since 2018
Legal Director

Education
- MBA, Fordham University
- Bachelor's degree, HD International Business, Copenhagen Business School
- MA, Law, King's College London & Aarhus University

Prior experience
- Head of Legal, Deloitte
- Attorney at law, Bruun & Hjejle

Agenda

1. Introduction to European Energy
2. Business description
3. Market overview
4. European Energy financials
5. Q&A
6. Appendices
7. Risk Factors

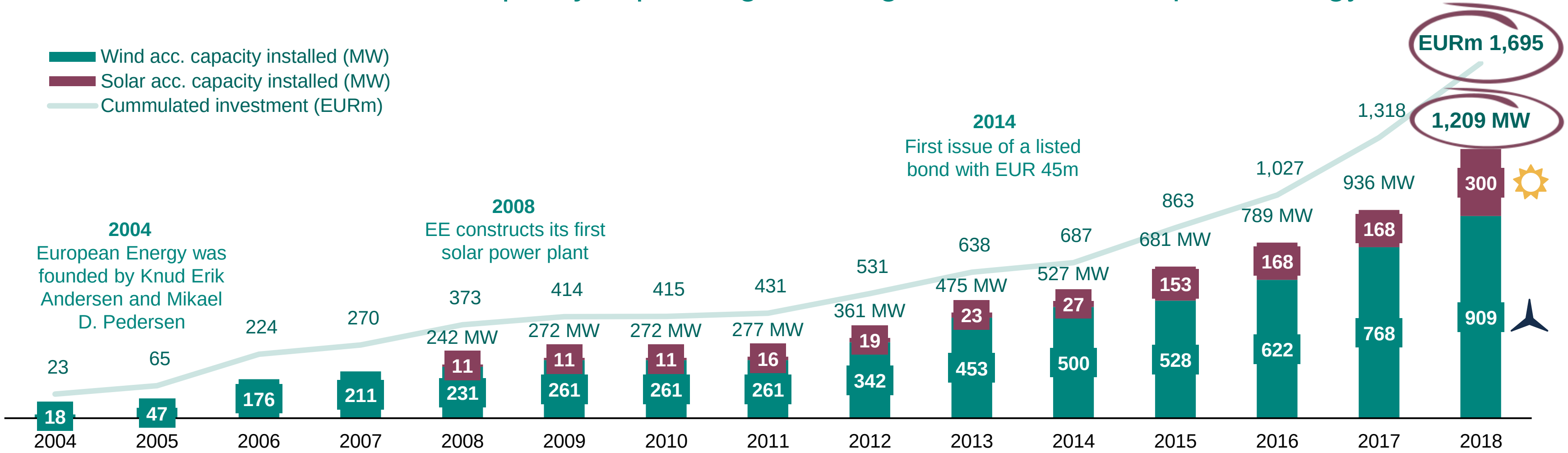
Project Kappel, Denmark

Company milestones

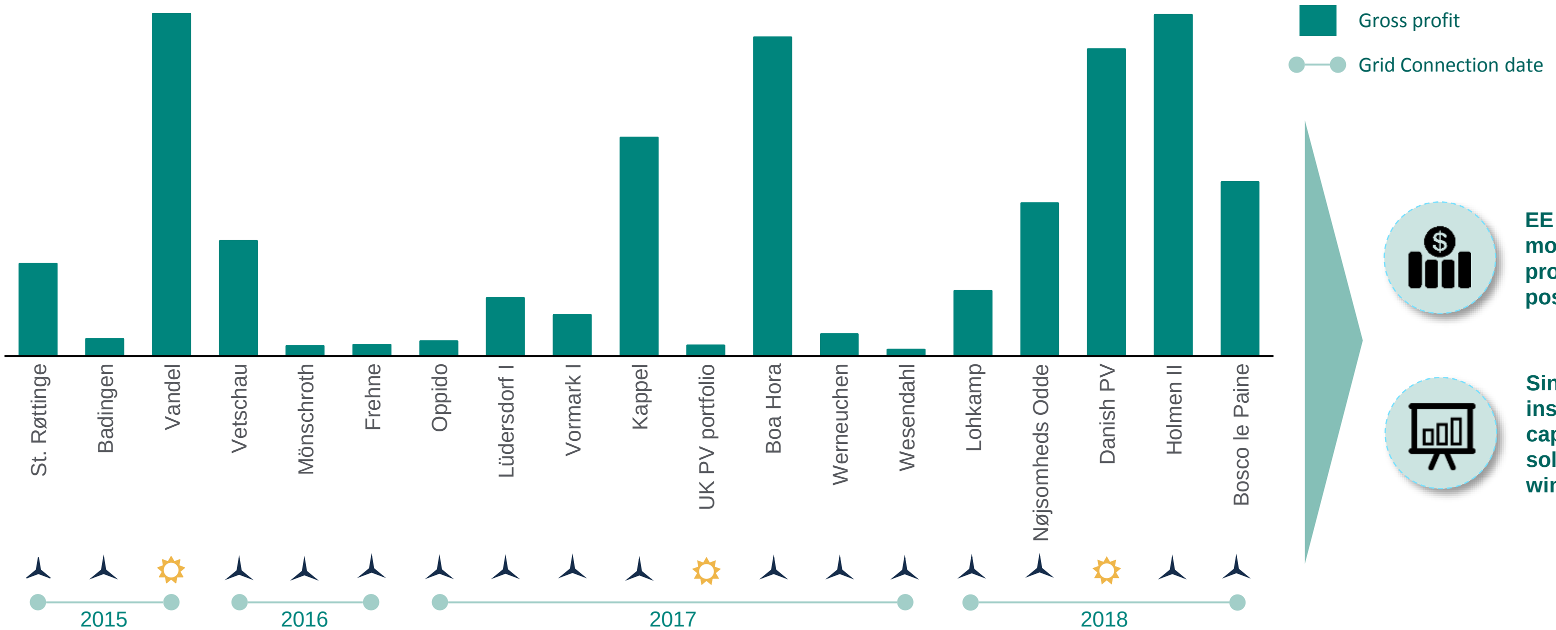
Key findings

- European Energy has demonstrated strong growth in capacity installed and cumulative investments from inception in 2004 to today
- The strong growth has been profitable throughout with all projects ever completed having positive results
- European Energy only holds assets in the operational portfolio with specific strategic value, such as repowering
- Operational assets held by European Energy has grown to 231 MW under management

Investment value and installed capacity of power-generating assets since European Energy's foundation



All constructed projects since inception have showed positive results



EE has divested more than 100 projects and all with positive results

Since 2004 EE has installed 1,209 MW capacity (300 MW solar and 909 MW wind)

Significantly better positioned than in 2016 with stronger performance

EUROPEAN ENERGY

Financial and operational position as per time of previous bond issues and now

	2016		Q1 2019 LTM	
Total equity	**EUR 64m** (no dividends paid)	↗	**EUR 127m** (no dividends paid)	**Increased by 2.0x**
EBITDA	**EUR 25m**	↗	**EUR 53m**	**Increased by 2.1x**
Profit before tax	**EUR 18m**	↗	**EUR 44m**	**Increased by 2.5x**
Operation portfolio	**405 MW** EE share: 156 MW (39%)	↗	**561 MW** (End of 2018) EE share: 231 MW (41%)	**EE share increased by 1.5x**
Construction portfolio	**408 MW** EE share: 242 MW (59%)	↗	**571 MW** (End of 2018) EE share: 434 MW (76%)	**EE share increased by 1.8x**
Development portfolio	**2,045 MW** EE share: 1,063 MW (52%)	↗	**2,734 MW** (End of 2018) EE share: 1,779 MW (65%)	**EE share increased by 1.7x**
Geographical diversification	**56% in AA or AAA rated countries** in construction portfolio	↗	**87% in AA or AAA rated countries** in construction portfolio	
Credit metrics	Equity ratio: **29%** NIBD/EBITDA: **4.0x** ICR[1]: **4.6x**	↗	Equity ratio: **31%** NIBD/EBITDA: **2.8x** ICR[1]: **9.5x**	

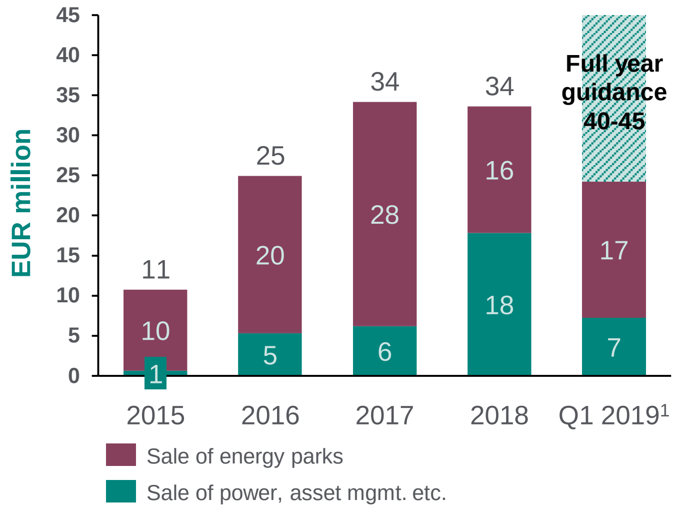
1) ICR = EBITDA / Net interest expenses

European Energy by the numbers

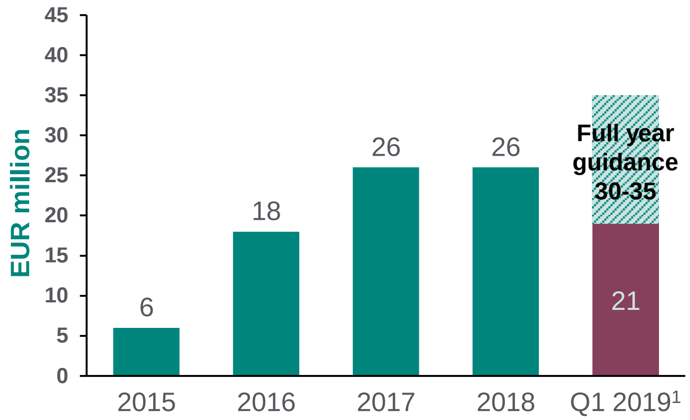
Key findings

- European Energy has more than doubled its equity since 2015
- EBITDA has more than tripled since 2015
- Revenue from consolidated power sale has increased significantly from EUR 6m in 2015 to EUR 20m in 2018
- Strong earnings linked to growth in EBITDA
- Healthy construction pipeline underlining continued future growth

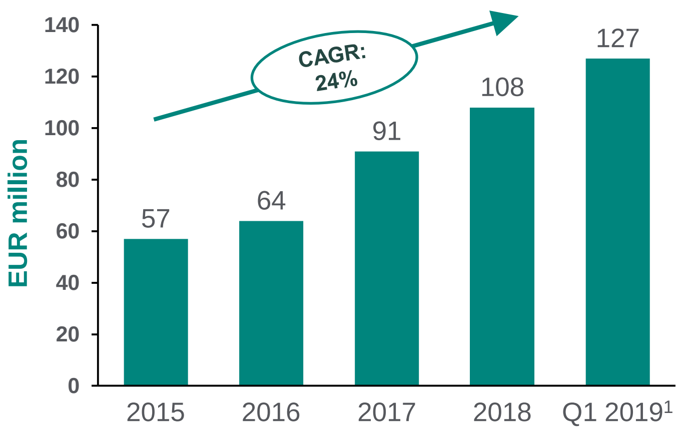
EBITDA



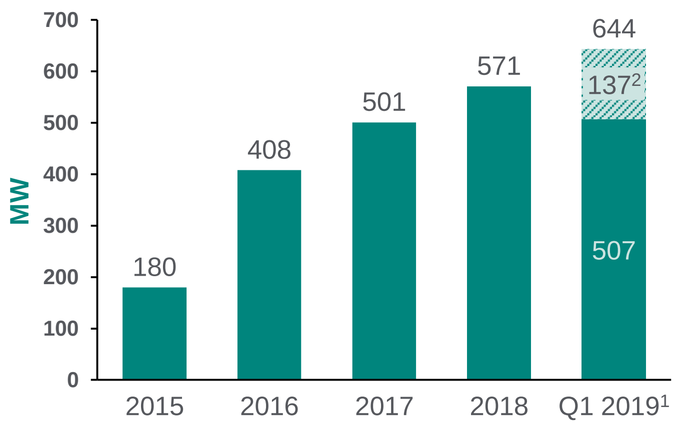
PROFIT BEFORE TAX



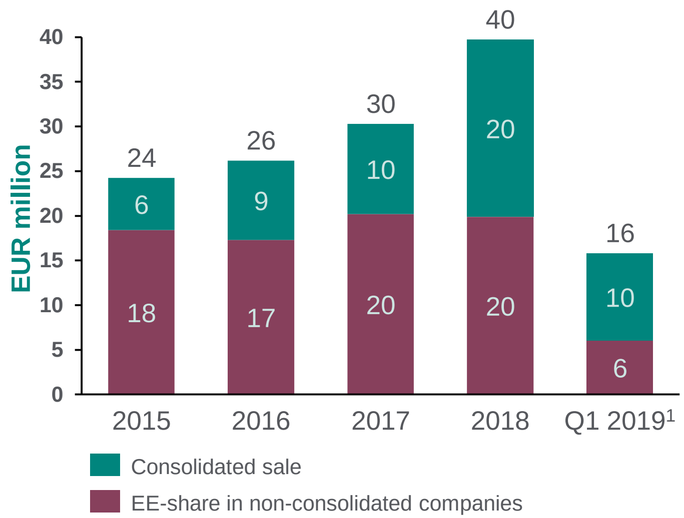
EQUITY



UNDER CONSTRUCTION OR READY TO BUILD



SALE OF ELECTRICITY



1) Q1 2019 numbers are not audited
2) Construction projects acquired or started after Q1 2019, in order to reflect current pipeline

Robust Green Bond framework - ‘pure play’ green operations

European Energy’s green bond framework

- Eligible Assets and Projects include
  - Development and construction of renewable energy projects (i.e. **solar and wind**)
  - **Energy storage projects** to store renewable energy and surplus heating
  - **R&D projects related to solar and wind power** (e.g. Risø Test Centre)
- To the **extent feasible Eligible Assets and Projects will be allocated to new projects**. In cases where proceeds are allocated to existing projects European Energy will endeavour to **target a look-back period of maximum 3 years**
- Eligible Assets and Projects **may cover both capital expenditures and operational expenditures**, such as through labour costs or spending on R&D
- Eligible Assets and Projects **target specific climate related objectives of reducing greenhouse gas emissions** through the production of renewable energy

Process selection	European Energy’s investment committee are responsible for ensuring that only projects aligned with the framework are allocated proceeds from Green Bonds
Managment of proceeds	A Green Bond Register will be created to ensure that proceeds are mapped to Eligible Projects and Assets. Projects may be added or removed and will be replaced.
Reporting	An annual allocation and impact report will be published. Where feasible impact will be reported in GHG avoidance.
External review	DNV·GL

In 2018 European Energy saved the planet of 231,592 tCO_2 emissions – equivalent to…

1,264
Railcars’ worth of coal burned

9,467,412
Propane cylinders used for barbeques

or

536,184
Barrels of oil consumed

29,530,826,764
Number of smart-phones charged

European Energy key credit highlights

Business

1. Rising electricity sales with more operational projects resulting in stable EBITDA and high margins
2. More than 100 projects completed and EUR 1.7bn cumulative investments, all resulting in positive results. Average profit margin for European Energy's last 5 completed projects was approx. 25%
3. Fast project turnover from Ready-to-Build to grid connection and divestment
4. Large construction portfolio, supported by continuously expanding development pipeline

Market

5. Fast growing market for renewable energy with positive outlook, driven by several trends amongst others the need for increasing the share of renewable energy in the energy mix
6. Renewable energy sources comfortably below grid parity with fossil fuels and with potential to be even more cost-efficient. Only hydro is cheaper than solar and wind

Financials

7. Strong financials – positive results even if excluding revenue from divestments in Q1 2019
8. Solid financial profile with a strong equity story starting with EUR 4m equity in 2004 to EUR 108m in 2018 equivalent to a CAGR in equity from 2004 to 2018 at 27%. From 2015 to 2018 CAGR was 24%.

Agenda

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2. Business description
3. Market overview
4. European Energy financials
5. Q&A
6. Appendices
7. Risk Factors

Project Kappel, Denmark

Overview of European Energy's business model

Development

- Potential wind & solar site assessment
- Project risk assessment
- Environmental studies
- Secure land & building permits
- Approx. 35 people work within development (both external and internal

Project Troia, Italy

Construction

- Select optimal technology and park layouts
- Oversee every construction phase from groundworks to grid connection
- Approx. 25 employees work within construction

Project Zinkgruvan, Sweden

Divestment

- Sale and handover of wind and solar farms to long-term investors
- Internal M&A division with 10 employees
- Internal legal with 8 employees

Production and sale of electricity

- Independent production of electricity
- Sale of electricity to the grid
- 4 Dedicated PPA Specialists

Asset Management

- Protect returns for investors and partners by optimising production output
- Identifying repowering opportunities within the operational portfolio
- AM division of 12 employees

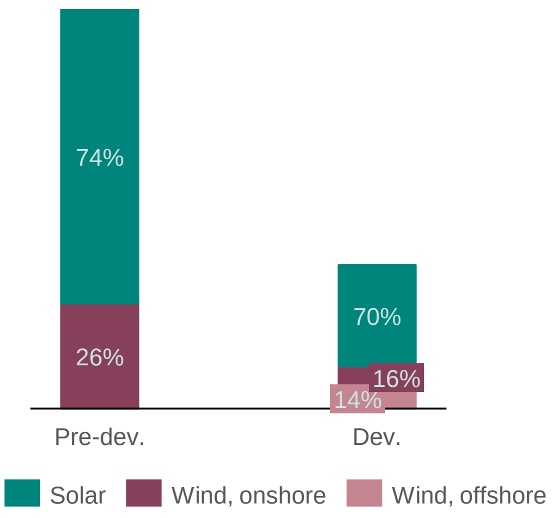
Project Haukineva, Finland

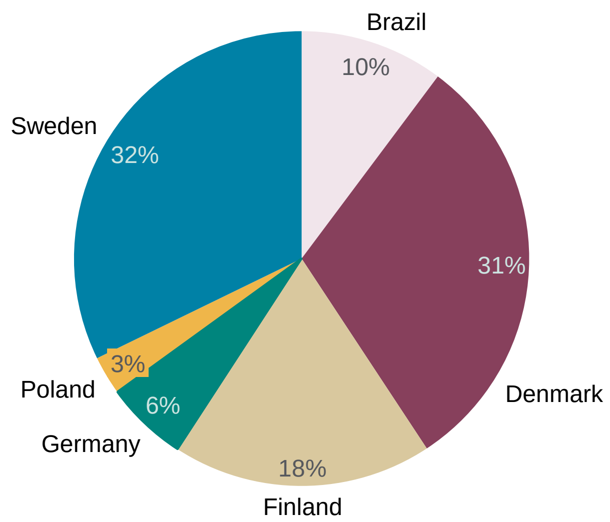
Project financing

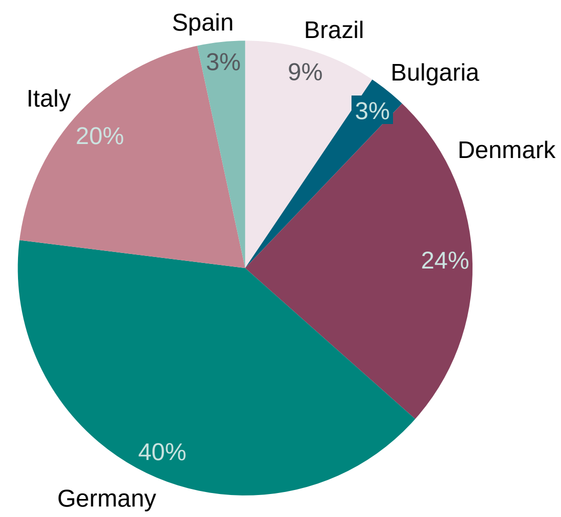
- For each project European Energy seeks the optimal capital partner. In 2018, European Energy raised or refinanced project loans of more than EUR 200m with 12 different counterparts
- Long-term non-recourse project financing, typically fixed interest 12-18 years in the SPVs

Large pipeline with great geographic and technological diversity

	Development pipeline	Construction portfolio	Operational assets
Description	• Includes all development projects from initial analysis until ready-to-build status • Project screening, selection and completion are based on in-house competencies resulting in: - Bigger certainty of project realisation - Shorter investment cycles - Greater agility	• Construction includes all wind turbines / solar panels as well as all other hardware, foundation, etc. • European Energy has never started construction of a project that has not resulted in positive results	• European Energy is an independent power producer with sale of power generating 35% of gross profit in Q1 2019 • Almost all operational projects has secured their revenue through a long-term PPA • European Energy manages 838 MW on behalf of third parties
Distribution per technology	**Gross amount, pre-dev.[1]** 5,861 MW; **Gross amount, dev.[2]** 2,734 MW 29% Wind 71% Solar PV	**Gross amount** 571 MW 67% Wind 33% Solar PV	**Gross amount** 561 MW 87% Wind 13% Solar PV
Portfolio distribution per country	**EE share of portfolio, pre-dev. 4,950 MW**; **EE share of portfolio, dev. 1,779 MW**	**EE share of portfolio = 434 MW**	**EE share of portfolio = 231 MW**







Note: Figures as of year-end 2018. 1) Pre-development workstreams: Analysis of the site, securing land rights, analysis of needed permits. 2) Development workstreams: Permit applications submitted to relevant authorities, access to grid

Development – risk management in the investment process

Project Risk Committee and the investment criteria

Project Risk Committee

The scope of the committee is to identify and asses potential risks of new development projects.

The committee is comprised of three members and a number of observers, all from the management team.

Market conditions
- Are the site-specific wind resources and/or irradiation sufficient to meet production thresholds?
- Do the power prices suffice to provide a successful business case given the production levels, and/or do existing feed-in-tariff/subsidy regimes prevail in the market?
- What is the condition of the infrastructure and where is the nearest connection point?
- Market opportunities to make bankable Power Purchase Agreements (PPAs)

Risk profile
- How stable are the political and economic factors in the market?

Local resources
- Does European Energy have local knowledge and/or local partners in the relevant market?
- Are top-tier suppliers active in the market?

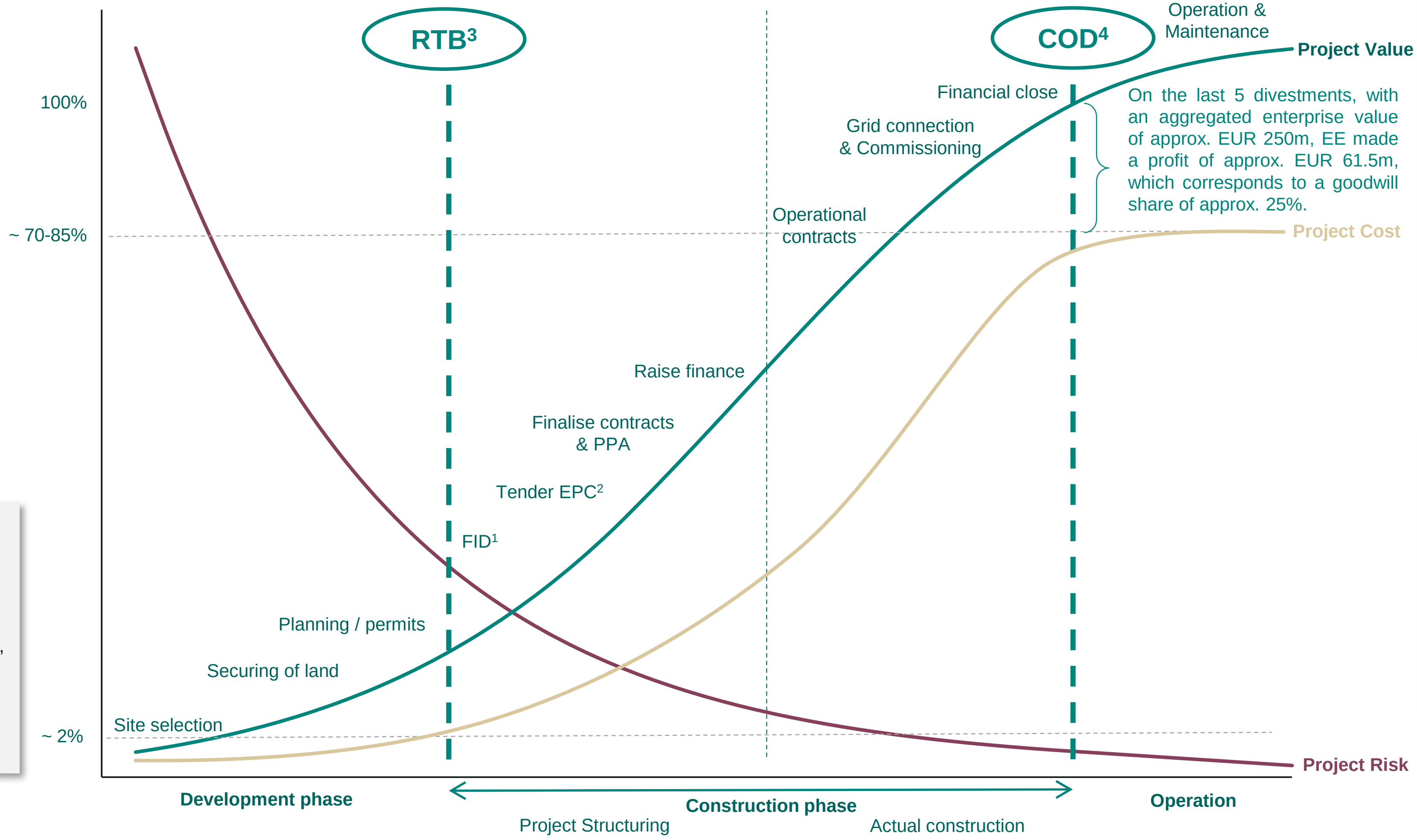
Exit & finance opportunities
- Is it possible to find sources of external project financing in the market?
- Does European Energy sense an appetite for renewable-energy assets in the market?

Legal & permits
- Assessment of the difficulty of acquiring building permits for the project
- What is the environmental impact of construction on the project site?

Investment decision
- Can European Energy develop a wind or solar farm that provides attractive long-term returns given the risk level embedded in the asset for both financiers and equity investors?

Development – risk management and value creation through divestment

Illustrative overview of the business and relationship between project risk throughout the project cycle



General European Energy business case

- 15-30% average gross margin on projects

Buyer business case (as assumed by European Energy)

- Leveraged IRR = 4.0-8.5% (market dependent)
- Non-leveraged IRR = 2.5-5.0% (market dependent)

Early stage

- Early in the process project likelihood is low and European Energy carries all relevant investments, which is why investments are kept to a minimum and very limited amount

Financing

- External financing is always secured before entering the actual construction, as to share the risk
- External financing typically constitute around 70-100% of the invested capital

	Development phase	Construction phase	Operation
Solar	Varies	9-24 months	40 years
Wind	Varies	12-36 months	≥ 30 years

1) FID: Final investment decision, 2) EPC: Engineering, procurement and construction agreements, 3) RTB: Ready-to-build, 4) COD: Commercial operation date

Construction portfolio – well diversified between technologies

Wind portfolio totalling 381 MW

	Gross (MW)	Net (MW)	EE share (%)	Comments
Total	**381**	**290**	**76%**	
Brazil				
Ready-to-Build				
Ouro Branco I	30	12.2	41%	20-year FiT secured
Ouro Branco II	30	12.2	41%	20-year FiT secured
Quatro Ventos	22	9.0	41%	20-year FiT secured
Finland				
Ready-to-Build				
Ahvenneva	20	10	50%	
Honkakangas	20	10	50%	
Koiramäki	30	30	100%	Potential construction in 2020
Mustalamminimäki	30	30	100%	Potential construction in 2020
Germany				
Ready-to-Build				
Oberbarnim	4	4	100%	
Vier Berge	27	14	50%	FiT secured
Viertkamp	14	7	50%	FiT secured
Under construction				
Jetsch	2	1	50%	FiT secured
Poland				
Ready-to-Build				
Bialogard	6	6	100%	
Grzmiaca	6	6	100%	FiT secured
Sweden				
Ready-to-Build				
Fimmerstad	23	23	100%	Potential construction in 2020
Grevekulla	27	27	100%	Potential construction in 2020
Kingebol	27	27	100%	Potential construction in 2020
Under construction				
Västenby	10	10	100%	
Zinkgruvan	53	53	100%	Went into operation Q1 2019

Solar PV portfolio totalling 190 MW

	Gross (MW)	Net (MW)	EE share (%)	Comments
Total	**190**	**143**	**78%**	
Brazil				
Under construction				
Coremas III	31	11	35%	20-year FiT secured
Denmark				
Ready-to-Build				
Evetofte	8	8	100%	
Næssundvej	33	33	100%	20-year price premium secured
Rødbyfjord	65	44	67%	20-year price premium secured
Thisted Flyveplads	53	48	90%	20-year price premium secured


Project Coremas, Brazil

Case study – Project: *Danish Solar PV (70 MW)*

Solar PV farms in Denmark with a total nameplate capacity of 70 MW. The project was sold in 2018 to re:cap, an asset manager for renewable energy investments based in Switzerland

Location: Øster Toreby, Denmark

Location: Bodelslyngsvejen, Denmark

Location: Stubbekøbing, Denmark

Case study – Project: *Zinkgruvan, Sweden (53.2 MW)*

Wind project with a capacity of 53.2 MW, has just been constructed and will be fully grid connected in September 2019

Case study – Project: *Coremas, Brazil (93 MW)*

The Coremas project is a cluster of 3 sites with a total capacity of 93 MW. Two thirds of the project is currently operational and the remaining part will be constructed during 2019

Case study – Project: *Risø Test Centre, Denmark*

The test centre in Risø will give European Energy and Technical University of Denmark (DTU) insights on the potential of the next generation of technical equipment harvesting energy from the sun. European Energy has financed the construction of the test centre at DTU's Risø Campus and is also funding several research projects at the new test centre.

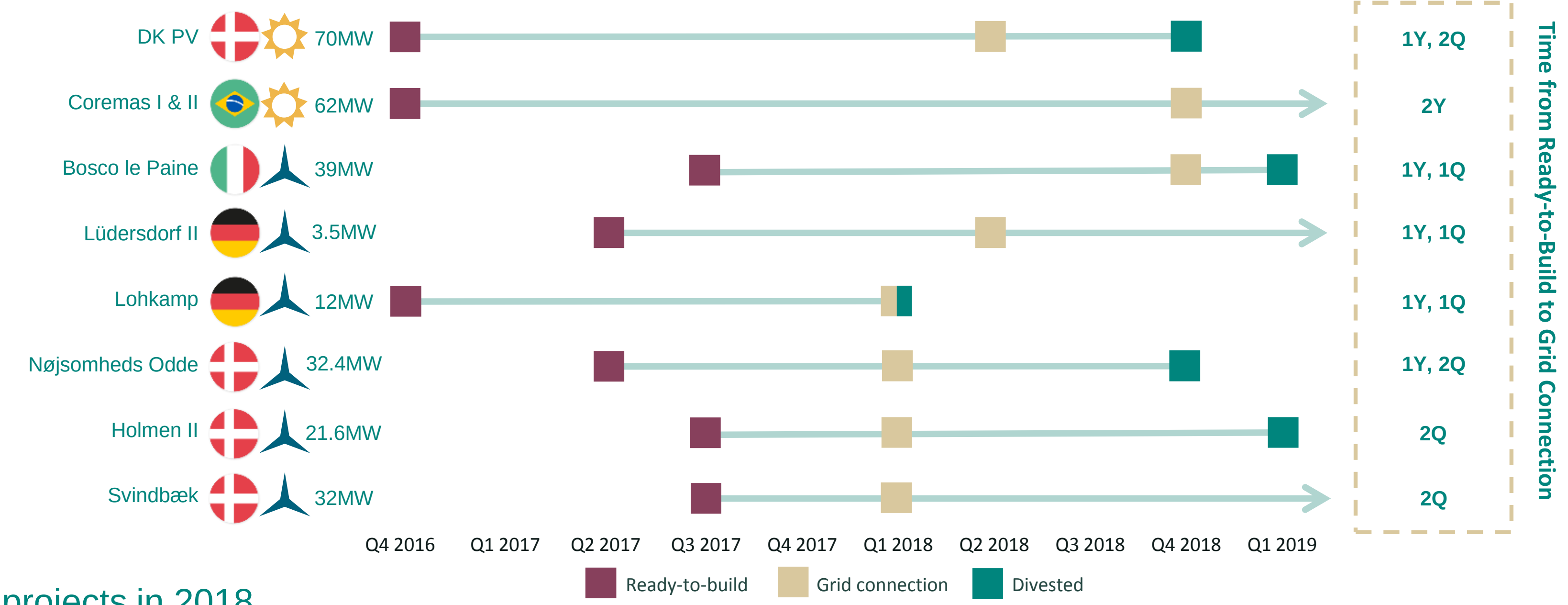
Efficient project life cycle from origination to divestment

Overview of all grid connected projects in 2018

Comments

- European Energy delivers extremely fast execution from ready-to-build to grid connection and divestment
- 2018 was a busy year at European Energy:
  - The activities spanned five countries: Denmark, Sweden, Germany, Italy and Brazil
  - Constructed and grid-connected wind and solar farms with an investment value of EUR 377 million in total

Track record of efficient project execution – from origination through to divestment



Status of all grid-connected projects in 2018

Project	DK PV, DK	Coremas I & II, BR	Bosco le Paine, IT	Lüdersdorf II, DE[1]	Lohkamp, DE	Nøjsomheds Odde, DK	Holmen II, DK	Svindbæk, DK
Origination	Project rights acquired and project developed Q2 – Q3 2016	Project rights acquired Q4 2016	Project rights acquired Q3 2017	Concentration from Wriezener Höhe Q4 2016	Project rights acquired Q3 2017	Project rights acquired Q2 2016	Project rights acquired Q3 2017	Project rights acquired Q3 2017
Ready-to-build	Q4 2016	Q4 2016	Q3 2017	Q2 2017	Q4 2016	Q2 2017	Q3 2017	Q3 2017
In construction	Q1 2018	Q4 2016	Q3 2017	Q1 2018	Q3 2017	Q2 2017	Q3 2017	Q3 2017
Grid connected	Q2 2018	Q4 2018	Q4 2018	Q2 2018	Q1 2018	Q1 2018	Q1 2018	Q1 2018
Divested	Q4 2018	Not yet divested	Q1 2019	Not yet divested	Q1 2018	Q4 2018	Q1 2019	Not yet divested

Proven ability to deliver strikingly fast project execution minimizes European Energy A/S's financial commitments to projects

1) Repowering

Production and sale of electricity

Continuous increase in sale of electricity

Key findings

- Even without divestments in 2018 and Q1 2019, European Energy made a positive result
- Revenue from sale of electricity has been growing steadily with a CAGR of 49% between 2015-2018
- Interest Coverage Ratio[1] without divestments still show significant comfort of 3.4x in 2018 compared to 6.5x including divestments
- Significant profits are realised upon divestment of completed projects

Profit/loss statement excluding income from divestments – even without divestment EE made a positive result

	2018			Q1 2019		
EURm	**Reported 2018**	**Sale of projects**	**Without sale of projects**	**Reported Q1 2019**	**Sale of projects**	**Without sale of projects**
Revenue	96	73	23	125	115	10
Profit after tax from equity-accounted investments	6	-	6	1	-	1
Other income	1	-	1	-	-	-
Direct costs	-61	-55	-5	-100	-98	-2
Gross profit	**43**	**18**	**25**	**26**	**17**	**9**
Staff costs	-5	-1	-4	-1	0	-1
Other external costs	-4	-1	-3	-1	0	-1
EBITDA	**34**	**16**	**18**	**24**	**17**	**7**
Depreciation & impairment	-2		-2	-1		-1
Operating profit (EBIT)	**31**		**15**	**23**		**6**
Finance income	4		4	1		1
Finance expenses	-9		-9	-3		-3
Profit/loss before tax	**26**		**10**	**21**		**4**

1) ICR = EBITDA / Net interest expenses

Asset Management & PPAs

Assets managed on behalf of third parties

Assets managed (MW) - on behalf of third parties	2015	2016	2017	2018
Solar	282	102	126	236
Wind	97	451	513	602
Total	379	553	639	838

Comments on Asset Management

- Revenue from wind and solar farms depends not only on the technology installed, weather conditions and electricity prices, but also on the ability to ensure reliable operation of the farms
- Consequently, European Energy has a dedicated Asset Management team tasked with minimising downtime at operating plants and dealing with incidents when they occur, including solar and wind farms managed on behalf of third parties
- Asset management is integral to the core business of European Energy, whose customers are often institutional investors who prioritise choosing a business partner with the ability to construct a plant, optimise production output, and minimise operating costs on their behalf
- The Asset Management fee is only a small part of European Energy's total revenue, but represents added value to the investors since the caretaking of assets for institutional investors brings European Energy:
    - Purchasing power
    - Considerable knowledge
    - Market insight
    - Often triggers new business in the form of repowering opportunities in existing energy parks

Basics of PPAs

Value to shareholders

Current Business

Supporting ongoing project needs while also creating room for development

Getting to market

Build information channels and knowledge to ensure flexibility in execution

Corporates

Getting new customers and additional value generation through direct access to consumers

Projects

PPA sources

Utility PPAs

Goverment auctions

Corporate PPAs

Government auctions won

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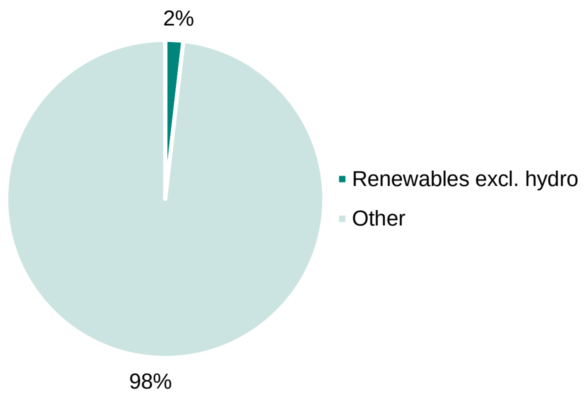
Project Kappel, Denmark

Growing global renewable-energy market

Comments

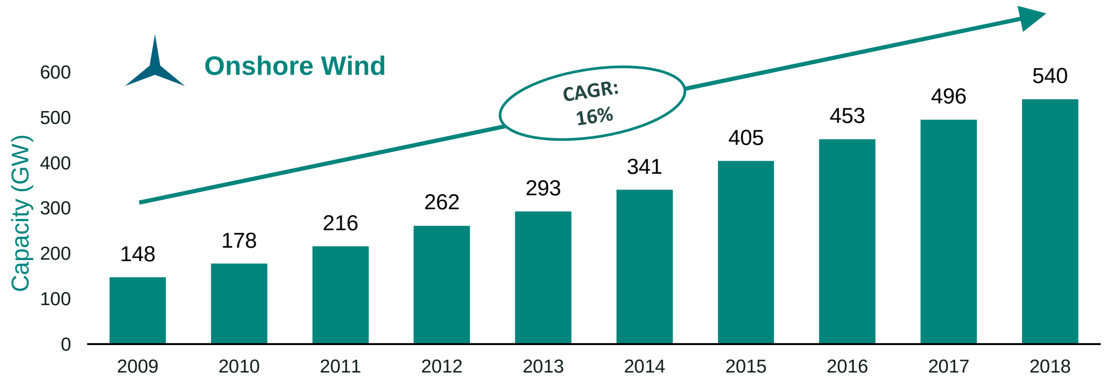
- From 2004 (when the Issuer was founded) until end of 2018, the global installed capacity of wind and solar PV farms has grown from 42 GW in early 2004 to approx. 1,100 GW
- This growth has been stimulated by significant technological breakthroughs, favourable political frameworks and dedicated developers, financiers and subcontractors
- Although renewable energy is still somewhat dependent on subsidies, new renewable-energy technology is becoming more competitive with fossil fuel sources. The levelised cost of energy, LCOE, has been pushed down due to the larger and more efficient wind turbines and scalability of production of solar PV panels and other solar PV components
- Onshore wind power is currently one of the most economically competitive alternatives to traditional fossil fuel sources. The technological advances, e.g. in terms of rotor diameter, standard generator capacity, and height of turbines, made during recent years, have contributed to the lowering of LCOE
- In most countries, the solar PV market remains policy-driven but the predictability and stability of power production from solar assets, increased competition between technology suppliers, improvement in underlying technology and economies of scale associated with panel productions, also support cost effective financing
- Despite seeing strong growth over the past 10 years, renewable energy makes up less than 5% of global energy demand. As such, the potential for future growth in the renewable-energy market continues to be very large

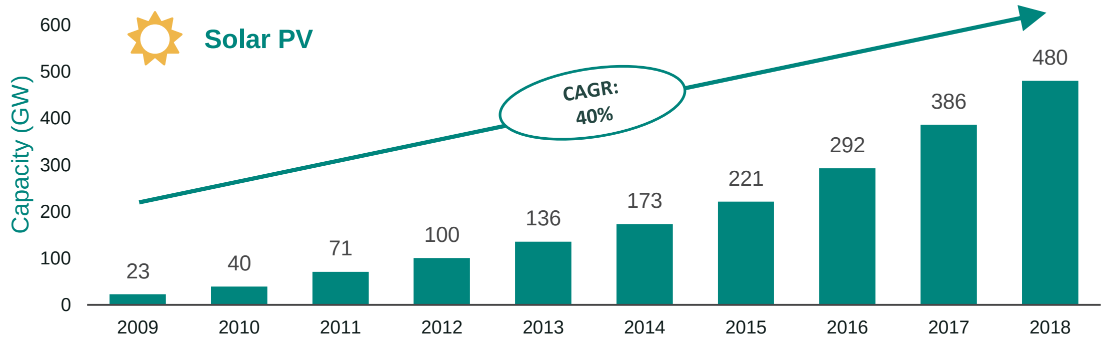
2017 Distribution of global energy mix

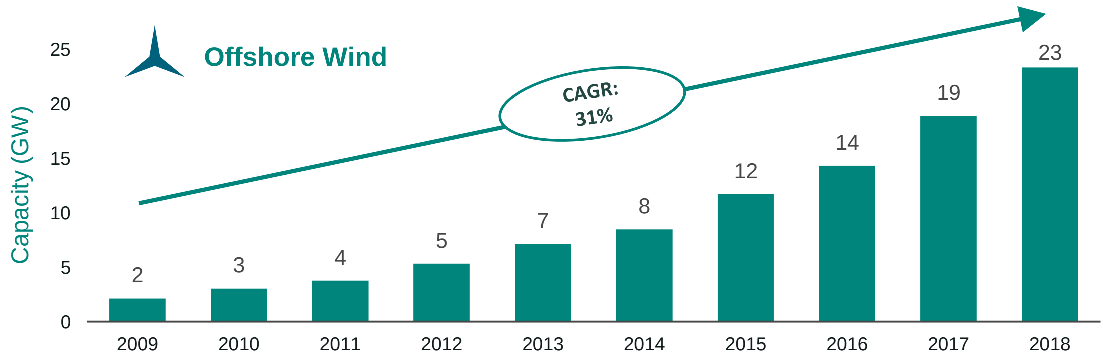


Source: IEA (2019) World Energy Outlook 2018, https://www.iea.org/weo/. All rights reserved.

Strong global growth







Source: International Renewable Energy Agency – Renewable Capacity Statistics 2019

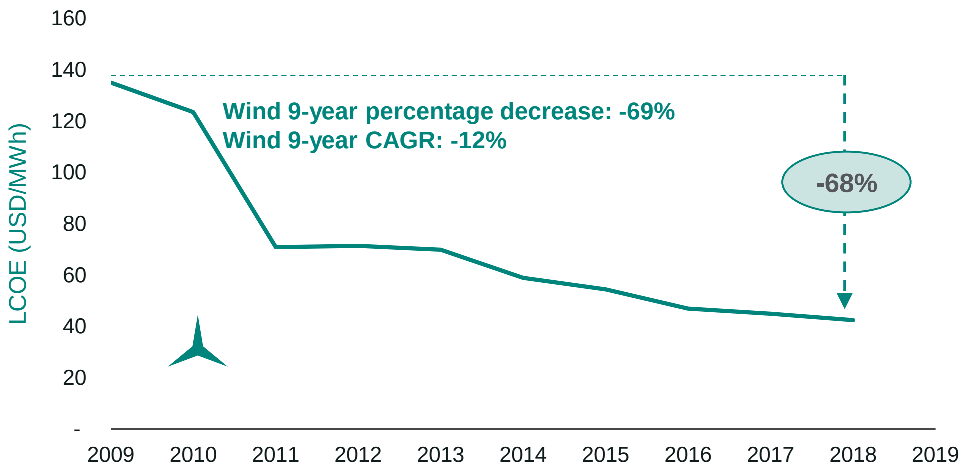
Market benefitting from strongly declining costs

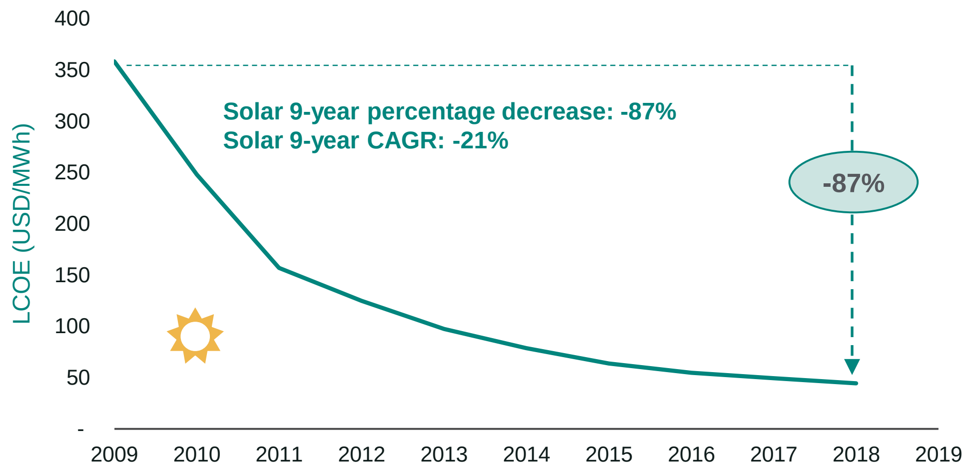
Wind energy

- The overall LCOE[1] for wind is estimated to have dropped by more than 2/3s over the past 10 years due to cheaper construction and turbine costs, and higher capacity factors
- Onshore wind's LCOE has fallen 68% since 2009 and is cheapest in India and China, running between EUR 41-100, which means that well-sited wind farms in these countries are among the cheapest in the world – an incredibly important factor seeing as these countries' surging demand for power is currently being met by coal

Solar energy

- If wind's LCOE drop has been steady, solar energy's has been meteoric – after being more than 2.5x that of wind, the LCOE of solar PV has now almost caught up with wind
- Feed-in tariffs and plummeting photovoltaic module prices make solar competitive with most forms of power generation
- On 3 September 2018, the European Union (EU) removed the Minimum Import Prices on solar panels from China. These measures were initially put into place to protect the European module manufacturers
- Removing the trade measures, however, meant that the construction cost of a solar plant in the EU dropped by 12-15% overnight, and now grid parity can be achieved in large parts of Southern Europe





A **Cost of components**: Can still decrease further. However, not at the same rate as it has in the past

B **Efficiency**: Significant potential for increased efficiency as turbines increase in size and technology is enhanced

A **Cost of components**: Significant potential to decrease cost as competition among suppliers increases

B **Efficiency**: Significant potential for increased efficiency as panels increase in size and technology is enhanced

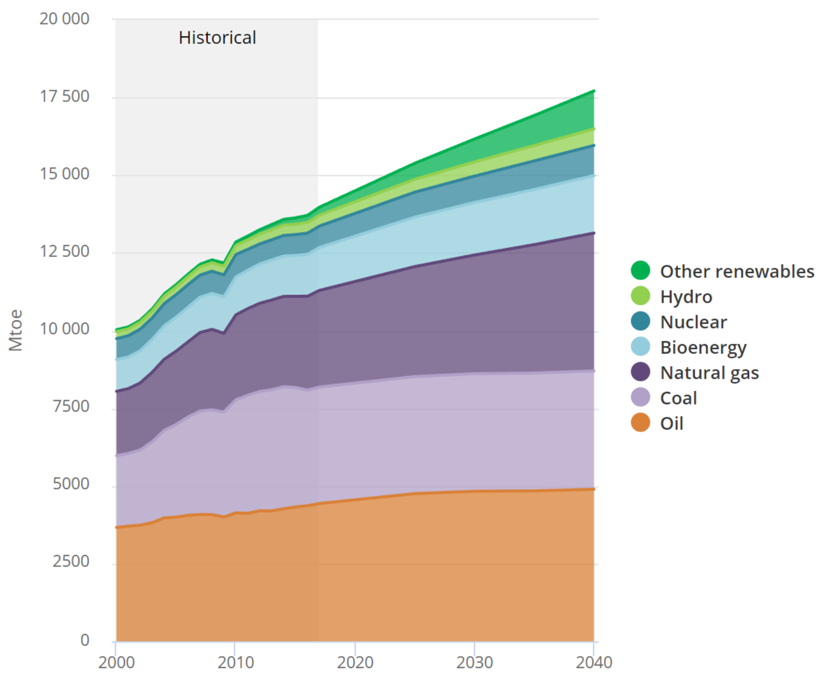
Note: 1) LCOE: levelised cost of energy
Source: Lazard and management estimates

Necessity of renewable transformation benefits operating environment

1

Power consumption expected to increase …

Total primary energy demand global under IEA's New Policies Scenario



Source: IEA (2019) World Energy Outlook 2018, https://www.iea.org/weo/.

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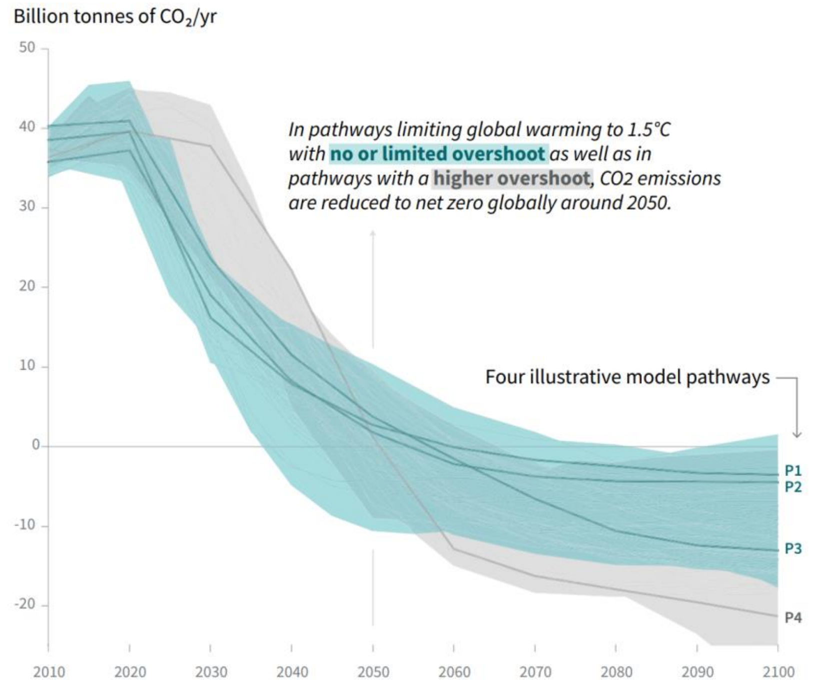
… but to ensure that global warming will not exceed 1.5°C, drastic reductions in CO2 emissions have to be made over the coming years

Global total net CO2 emissions – pathways to 1.5°C



Source: IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. World Meteorological Organization, Geneva, Switzerland, 32 pp

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A large transformation in the energy-mix is absolutely crucial to reach the C02 reductions needed when considering growing global energy demand

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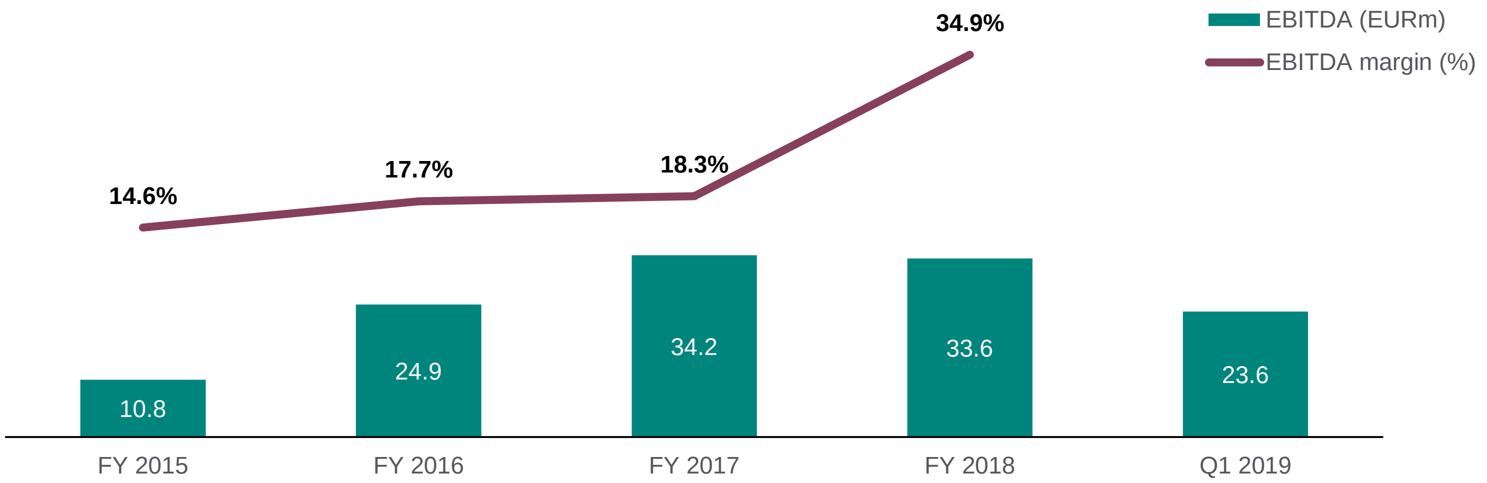
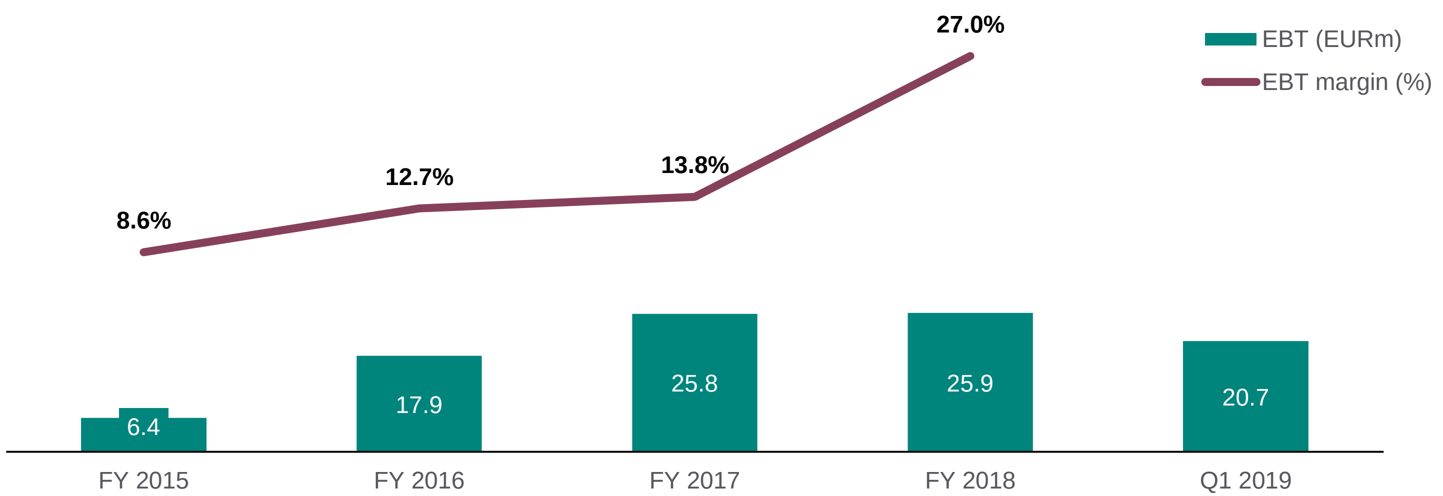
Project Kappel, Denmark

European Energy providing stable earnings growth

Stable high growth in EBITDA with strong margins 2015-Q1 2019



The strong EBITDA has continuously resulted in strong EBT results

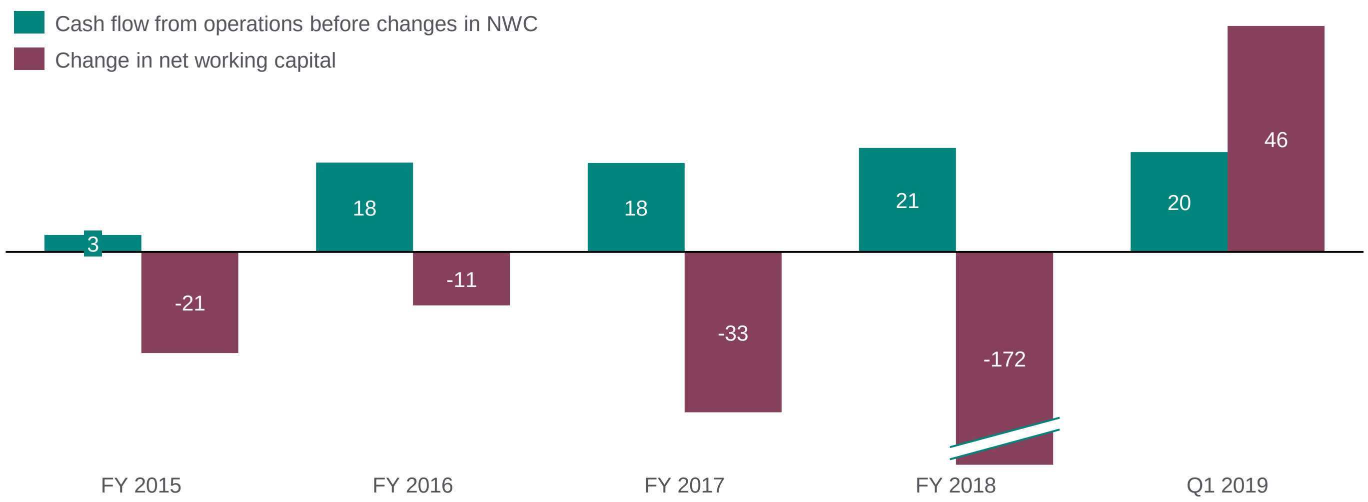


Considerations

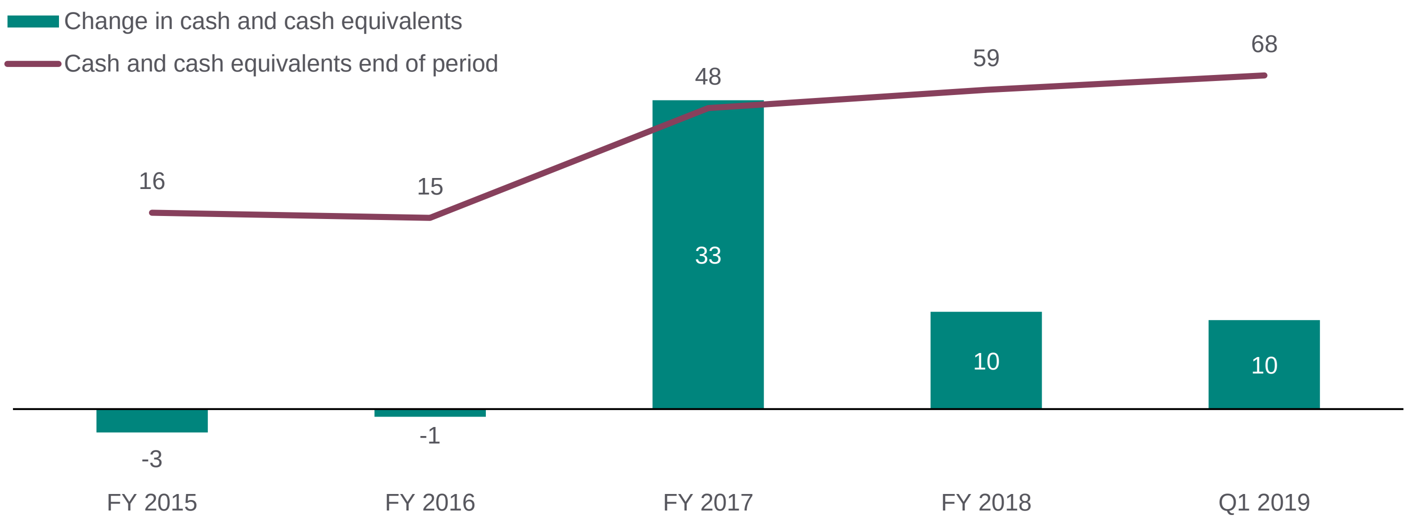
- EBITDA is stable with a continuously positive development from 2015 - Q12019
- EBITDA remains stable under volatile revenues due to the inclusion of profit after tax from equity-accounted investments and the high margin on the increased electricity sales from operational projects not yet divested
- Profit before tax (EBT) follows the development in EBITDA with European Energy delivering the best-ever results in 2018

Positive cash flow development in 2018 and Q1 2019

Cash flow from operations excl. changes in net working capital, EURm



Positive development in overall cash flow – change in cash flow year-on-year, EURm

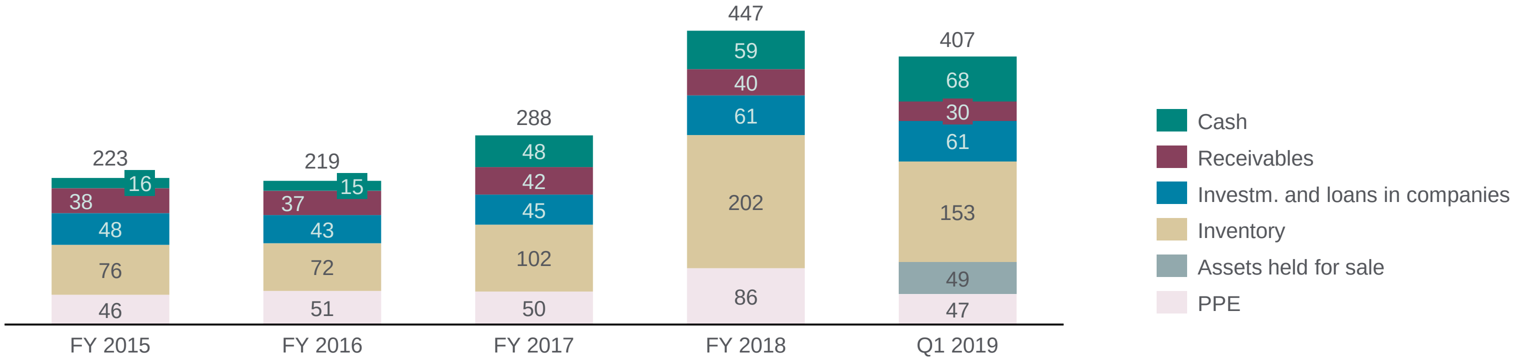


Considerations

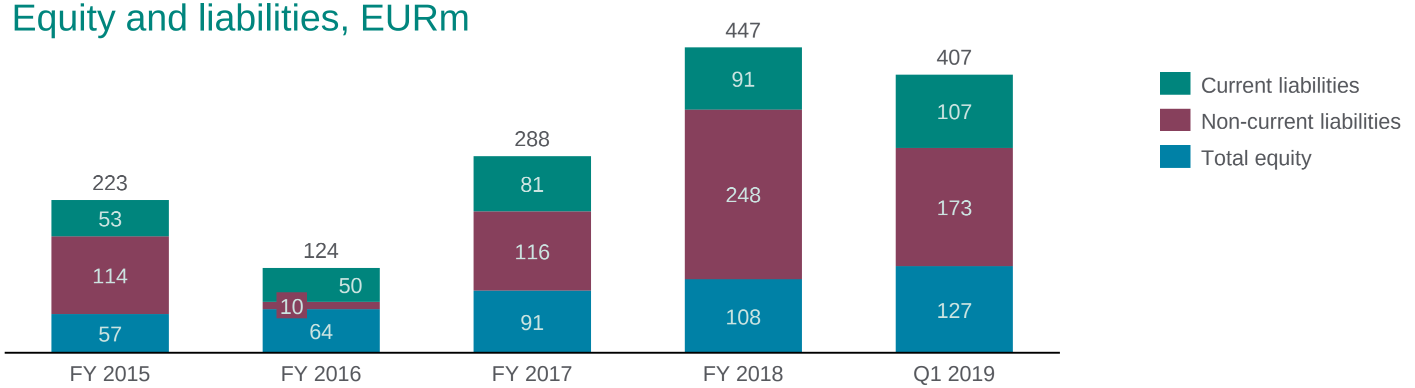
- The cash flow from operations excl. the changes in Net Working Capital (NWC) show a steady increase similar to profit before tax for the Group
- The negative cash flow from NWC 2015-2018 is primarily due to the increase in inventories which in turn is a result of higher activity and an increased construction portfolio. In Q1 2019 change in NWC was positive due to the two big divestments of projects in Denmark and Italy freeing up NWC
- The general increase in NWC is financed through the positive cash flow from operations and from debt financing
- Overall the change in cash and cash equivalents have seen a positive development 2015 to Q1 2019 resulting in a strong liquidity position for European Energy

Balance sheet overview

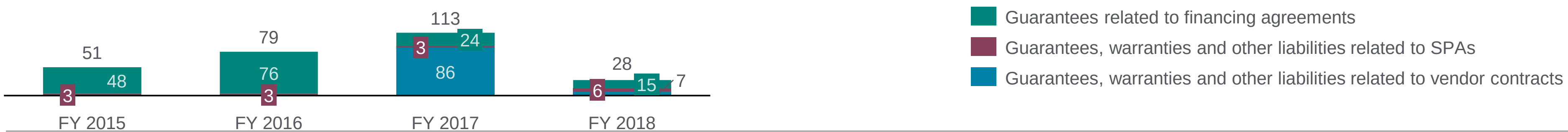
Assets, EURm



Equity and liabilities, EURm



Contingent liabilities, EURm

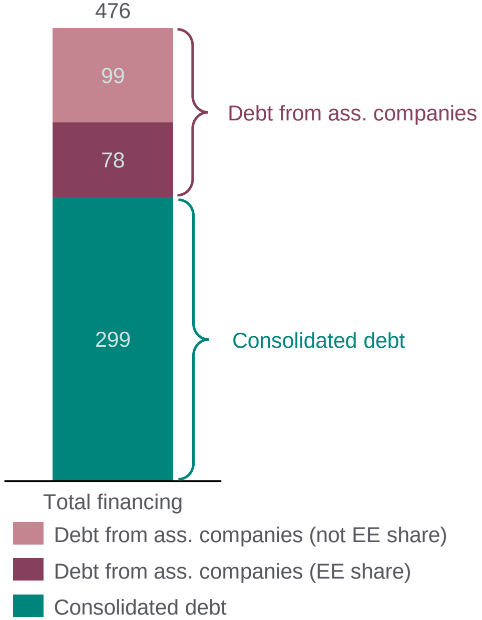


Considerations

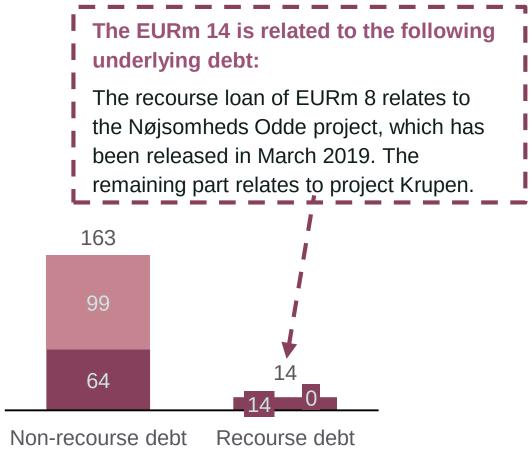
- Non-current assets represent the operating assets of European Energy, and the investments in companies with either operating assets or development assets
- Current assets are increasing mainly due to the increase in inventories, which is a consequence of the increased pipeline and portfolio
- Inventories mainly consist of parks in the construction portfolio
- Completed projects planned for divestment are also held in inventories, meaning part of the assets in inventory will generate revenue
- The increased balance is financed partly from the increased equity, partly from increased debt facilities
- The project financing is typically long-term, which is why non-current liabilities are increasing
- Bond proceeds from earlier bond issues have accelerated the fast growth of European Energy

Overview of debt structure as per end of 2018

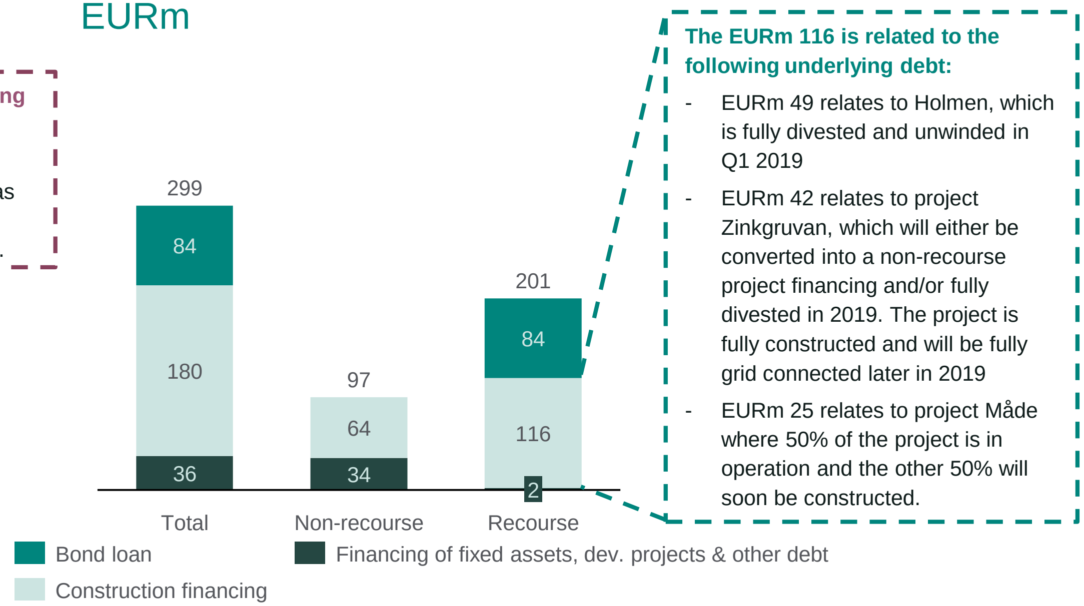
Total financing, EURm



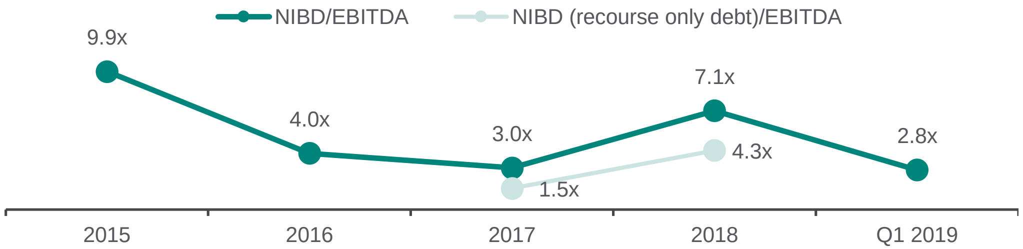
Debt from ass. companies, EURm



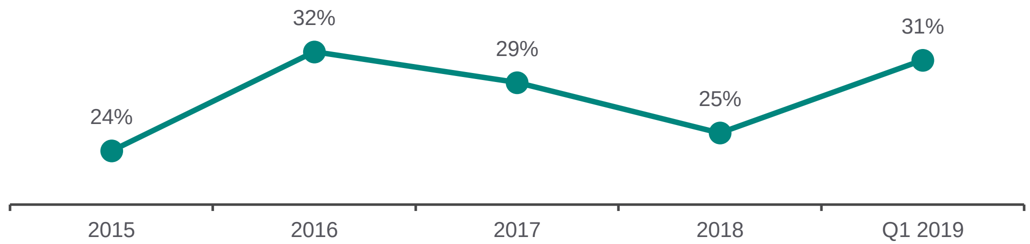
Consolidated debt overview, EURm



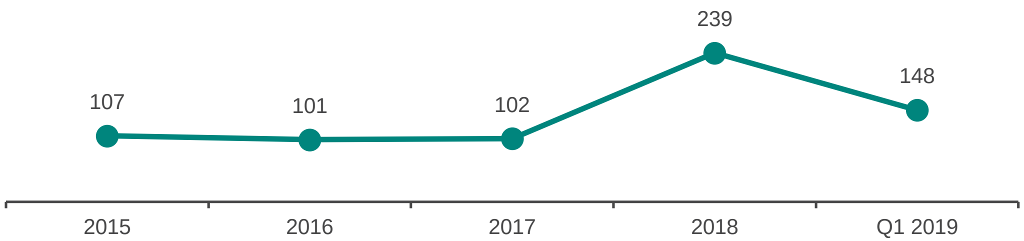
NIBD / EBITDA



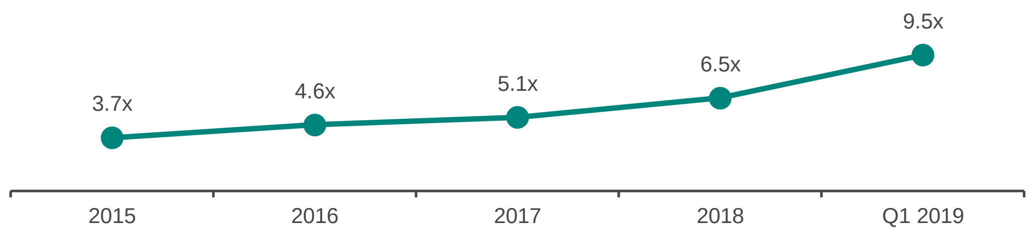
Solvency ratio, %



NIBD, EURm



Interest Coverage Ratio[1]



1) ICR = EBITDA / Net interest expenses

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Project Kappel, Denmark

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Project Kappel, Denmark

European Energy's income statement

EUR'000	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019[1]
Revenue	73,559	140,788	186,716	96,182	125,201
Profit after tax from equity-accounted investments	1,713	-1,043	5,432	5,795	982
Other income	269	-	1,400	1,182	-
Direct costs	-57,533	-107,289	-148,550	-60,589	-100,103
Gross profit	**18,008**	**32,456**	**44,998**	**42,570**	**26,080**
Staff costs	-5,178	-4,949	-6,970	-5,030	-1,398
Other external costs	-2,071	-2,578	-3,854	-3,933	-1,057
EBITDA	**10,759**	**24,929**	**34,174**	**33,607**	**23,625**
	14.6%	*17.7%*	*18.3%*	*34.9%*	18.9%
Depreciation & impairment	-1,495	-1,610	-1,723	-2,490	-847
Operating profit (EBIT)	**9,264**	**23,319**	**32,451**	**31,117**	**22,778**
Finance income	3,676	3,562	3,103	3,907	761
Finance expenses	-6,580	-8,976	-9,765	-9,100	-2,857
Profit/loss before tax	**6,360**	**17,905**	**25,789**	**25,924**	**20,682**
	8.6%	*12.7%*	*13.8%*	*27.0%*	
Tax	-2,879	-2,260	-4,600	-3,403	-2,558
Profit/loss for the period	**3,481**	**15,645**	**21,189**	**22,521**	**18,124**
Attributable to:					
Shareholders of the Company	3,664	15,103	17,575	21,328	13,380
Non-controlling interests (NCI)	-183	542	3,614	1,193	4,744
Profit/loss for the period	**3,481**	**15,645**	**21,189**	**22,521**	**18,124**

1) Q1 2019 numbers are not audited

European Energy’s balance sheet

EUR’000	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019[1]
ASSETS					
Non-current assets					
Property, plant and equipment	45,509	51,320	50,340	85,947	45,502
Lease assets	-	-	-	-	1,010
Joint Venture investments	8,805	6,943	9,977	11,938	13,345
Associated companies investments	10,195	11,265	12,507	8,643	8,324
Other investments	3,622	3,629	4,960	6,764	6,733
Loans to related parties	25,581	21,098	17,951	33,179	32,990
Trade receivables and contract assets	9,047	5,547	5,153	4,131	3,870
Other receivables	7,634	8,141	8,656	3,101	2,545
Deferred tax	5,608	3,931	2,826	1,584	457
Prepayments		-	-	9,937	3,923
Total non-current assets	**116,001**	**111,874**	**112,370**	**165,224**	**118,699**
Current assets					
Inventories	75,679	72,201	101,797	202,193	152,684
Trade receivables and contract assets	6,394	11,550	9,534	9,317	13,242
Other receivables	7,372	5,938	15,430	10,734	3,340
Prepayments for goods and services	1,810	1,896	453	1,027	2,275
Free cash and cash equivalents	12,901	10,243	42,087	50,718	65,472
Restricted cash and cash equivalents	3,029	4,833	6,093	7,868	2,629
Assets held for sale	-	-	-	-	48,930
Total current assets	**107,185**	**106,661**	**175,394**	**281,857**	**288,572**
TOTAL ASSETS	**223,186**	**218,535**	**287,764**	**447,081**	**407,271**

EUR’000	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019[1]
EQUITY AND LIABILITIES					
Equity					
Share capital	1,340	1,340	40,311	40,316	40,316
Retained earnings and reserves	41,113	56,334	35,002	55,772	69,641
Equity attributable to owners of the Company	**42,453**	**57,674**	**75,313**	**96,088**	**109,957**
Non-controlling interests	14,354	6,326	15,687	11,597	16,591
Total Equity	**56,807**	**64,000**	**91,000**	**107,685**	**126,548**
Liabilities					
Bond loan	52,040	44,700	58,924	83,670	83,809
Project financing	55,780	55,500	53,310	157,666	81,937
Other debt	4,275	1,402	597	898	931
Lease liabilities	-	-	-	-	1,716
Provisions	-	556	798	3,066	3,072
Deferred tax	1,681	2,618	2,201	2,986	2,011
Total non-current liabilities	**113,776**	**104,776**	**115,830**	**248,286**	**173,476**
Bond loan	-	7,600	7,600	-	-
Project financing	15,007	15,726	38,363	56,111	50,522
Lease liabilities	-	-	-	-	457
Trade payables	17,957	11,512	16,062	9,987	8,109
Payables to related parties	408	835	4,848	481	974
Corporation tax	1,866	920	760	1,194	1,830
Provisions	3,040	1,975	1,264	1,985	1,986
Contract liabilities	2,575	-	-	5,960	1,634
Other payables	11,750	11,191	12,037	15,392	13,365
Liabilities held for sale	-	-	-	-	28,370
Total current liabilities	**52,603**	**49,759**	**80,934**	**91,110**	**107,247**
Total liabilities	**166,379**	**154,535**	**196,764**	**339,396**	**280,723**
TOTAL EQUITY AND LIABILITIES	**223,186**	**218,535**	**287,764**	**447,081**	**407,271**

1) Q1 2019 numbers are not audited

European Energy's cash flow statement

EUR'000	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019[1]
Profit/loss before tax	6,360	17,905	25,789	25,924	20,682
Adjustments for:					
Financial income	-3,676	-3,562	-3,103	-3,907	-761
Financial Expenses	6,580	8,976	9,765	9,100	2,857
Depreciations	1,495	1,610	1,723	2,490	847
Profit from equity-accounted companies	-1,713	1,043	-5,432	-5,795	-982
Change in networking capital	-20,534	-10,854	-32,582	-172,106	45,960
Other non-cash items	-269	-	-1,400	-1,263	-347
Cash generated from operation before financial items and tax	**-11,757**	**15,118**	**-5,240**	**-145,557**	**68,256**
Taxes paid	-2,203	-1,469	-3,297	-751	-4
Interest paid and realised currency losses	-6,577	-8,483	-8,817	-8,263	-2,671
Interest received and realised currency gains	3,441	2,140	2,878	3,610	670
Cash flow from operating activities	**-17,096**	**7,306**	**-14,476**	**-150,961**	**66,251**
Purchase of Property, plant and equipment	-98	-6,848	-815	-12,576	-8
Proceeds from disposal of equity-accounted investments	1,196	1,999	69	3,161	-
Purchase/disposal of other investments	-	-	-	252	31
Investment/loans in equity-accounted investments	-6,601	4,659	4,303	8,508	-899
Dividends	88	52	31	165	-
Cash flow from investing activities	**-5,415**	**-138**	**3,588**	**-490**	**-876**
Proceeds from issue of bonds	-	-	58,785	25,107	-
Repayment of bonds	-	-	-45,000	-7,600	-
Proceeds from borrowings	33,956	40,437	125,974	191,594	12,273
Repayment of borrowings	-25,748	-39,998	-105,527	-49,729	-68,876
Changes in payables to associates	351	427	4,013	-4,367	493
Transactions with NCI	11,445	-8,888	5,747	6,852	250
Cash flow from financing activities	**20,004**	**-8,022**	**43,992**	**161,857**	**-55,860**
Change in cash and cash equivalents	**-2,507**	**-854**	**33,104**	**10,406**	**9,515**
Cash and cash equivalents at beginning of period	**18,437**	**15,930**	**15,076**	**48,180**	**58,586**
Cash and cash equivalents end of period	**15,930**	**15,076**	**48,180**	**58,586**	**68,101**
Of which restricted cash and cash equivalents	-3,029	-4,833	-6,093	-7,868	-2,629
Non-restricted cash and cash equivalents end of period	**12,901**	**10,243**	**42,087**	**50,718**	**65,472**

1) Q1 2019 numbers are not audited

Agenda

Project Kappel, Denmark

Risk Factors

Investing in the Bonds involves certain risks. Prospective investors should carefully consider the risks described below, as well as the other information contained in this Prospectus, before making an investment decision.

*Any of the risks described below could have a material adverse impact on our business, prospects, result of operations, cash flows and/or financial condition and could therefore have a negative effect on the trading price of the Bonds and the Issuer's ability to pay all or part of the interest, principal and other amounts on the Bonds. Investment in the Bonds involves a high degree of risk and holders of the Bonds (the "**Bondholders**") may lose all or part of their original investment.*

The Issuer believes that the factors described below represent the principal risks inherent in the Issuer's business and in investing in the Bonds and which could have a negative effect on the Issuer's ability to satisfy its payment obligations under the Bonds.

The Issuer does not represent that the risks described below are the only risks facing the Issuer and the Issuer's Group. Additional risk factors not presently known, or that are currently deemed immaterial, may also render the Issuer unable to pay interest, principal or other amounts on or in connection with the Bonds. In addition, our past performance and historical trends should not be used to anticipate results or trends in future periods.

The risk factors described below are not listed in any order of priority with regard to their significance or probability.

Risks related to the Issuer

Operational Risks

The Group's business depends on the successful development of new renewable energy projects, which may be impaired due to changes of the market conditions or in the regulatory framework

The Group´s result and business depend amongst other factors on the successful development of new wind and solar energy projects. A number of risks are associated with the development of such projects.

The successful development of renewable energy projects depends to a large extent on the regulatory framework. This concerns both the applicable feed-in tariff schemes as well as the permissibility of the projects with regard to competing public interests (such as environmental protection, noise emission controls, aviation or military use of land and airspace). Given the comparably long development periods, renewable energy projects are particularly vulnerable to changes in this regulatory framework.

Additionally, in most of the Group´s key markets, there are a multitude of public and private stakeholders involved in the process of approving a given project who may delay or stall the successful development of new projects (such as municipalities, governmental authorities or local residents). The development of new projects may also be subject to complaints or law suits – e.g. regarding necessary approvals or permits – which may delay the construction of a project or even lead to its cancellation. Together with the vulnerability to changes in the regulatory framework, these factors increase the risk that the Group finds itself unable to finalize the development of new projects and to expand its business. The Group may also lose funds invested in the development of unsuccessful projects.

Successful project development requires the availability of suitable sites for the projects, which satisfy a number of criteria (such as favourable wind or irradiation conditions, availability of grid connection possibilities and capacity or favourable regulatory prospects for renewable energy projects). In parallel with the expansion of renewable energy in some of the Group´s key markets (such as Denmark and Germany), such sites are becoming more difficult to find and more expensive to acquire or to secure. This can adversely affect the Group´s ability to successfully develop projects and expand its business.

In order to explore business opportunities in different markets, the Group is currently developing renewable energy projects in many different countries. This include European countries, but also countries outside Europe. Consequently, the Group is continuously assessing the possibility of entering into new markets. When entering into new markets, the Group can to a lesser degree than when operating in core market countries rely on relevant in-house experience, and will have to rely on external advisors (legal, technical, etc.). By consequence, the information and knowhow necessary for the successful development of such projects may not be available within reasonable time frames or at reasonable costs. This can adversely affect the Group´s ability to successfully develop projects and expand its business.

Some renewable energy markets experience significant peaks of project development activities due to regulatory deadlines for attractive feed-in tariff schemes. These peaks stress the availability and costs of crucial resources for project development (such as grid connection and capacity, construction companies or technical advisors). The increase in costs for such resources may impair the profitable development of projects. At the same time, the external deadlines causing peaks in activities also lead to peaks in the Group´s internal work load. There is a risk that the necessary human resources cannot be available in due time. This may prevent the successful and timely development of new projects.

Further, there is a trend towards a decrease in subsidy levels due to successful implementation of competitive auction-processes. This could within a short- or mid-term period of time (at least within Europe) lead to regimes with none or significantly reduced subsidies for renewable energy projects. The consequence hereof could be that the profitability per MW of the Issuer's projects will be reduced, whereby the Issuer will have to rely on an increased volume of projects to ensure continuous profitability on the overall portfolio.

The Group has developed a large-scale energy storage project (EE GigaStorage). Further development of this project will most likely imply further investments by the Group. Whether such development costs will be recouped by third-party investments, a third-party purchase of a license to use the technology etc., is uncertain, and could therefore lead to a risk of loss of development costs.

Risk Factors, continued

The Group's business also depends on the successful acquisition of new renewable energy projects, which may be difficult or costly

The Group does not only develop green field projects but also acquires projects at different stages of their development. This entails a number of risks, which may render the acquisition of projects more difficult and less profitable.

The availability of suitable projects at reasonable prices may vary subject to the general economic situation or due to an increase in demand for such projects in specific countries with attractive feed-in tariff schemes.

The acquisition of projects developed by others bears the risk that the projects have hidden deficiencies, which are not revealed in a buyer's due diligence and/or might not be covered by warranties/indemnities (such as missing securities, unrealistic production prognoses or hidden liabilities). Also, the timing of the acquisition of a project may not allow for a due diligence process that covers all detailed aspects of the project. The Group's project acquisitions may thus prove less profitable than expected.

The construction of renewable energy projects is subject to risks affecting the costs or timely completion of the construction works and, thereby, affecting the profitability of the projects for the Group

The construction of renewable energy projects involves certain risks which may affect the cost of construction and, subsequently, the profitability of the projects.

The construction works may be subject to cost-overruns and delays. Those can stem from a poor performance by the counterparties involved in the construction (such as the construction contractors, their sub-contractors or manufacturers of key components), including performance issues arising from financial difficulties encountered by such counterparties, or from the occurrence of unforeseen circumstances at the relevant project site, force majeure events or similar impeding the progress of the construction. Additionally, delayed projects may miss out on an attractive feed-in tariff due to their late completion. In all these cases, projects can become less profitable for the Issuer.

The Issuer or other companies of the Group may provide guarantees under the construction phase relating – inter alia – to the development and construction of the project. Such guarantees may be part of a project management agreement by which the Issuer or other companies of the Group provide services with respect to the design, procurement and construction of a project. Such guarantees may be to the benefit of the special purpose companies that own the projects and/or to lenders providing financing to such special purpose companies. Thereby, the financial risks associated with the construction are transferred to a bigger part of the Group and the risks for the Group´s overall result are increased.

The Group develops and owns many of its projects with external partners, who may affect the Group's reputation and liquidity or impair the Group's ability to steer these projects according to its own best interest

The Group develops and operates many of its projects in cooperation with other parties. These parties are for example companies or individuals who have originally developed a project and then kept a stake in it or financial investors who provide funding for the development of a project. These collaborations entail a number of risks for the Group. Entering into such collaborations could mean that the Group has to assume the risks related to the partner's behaviour and liquidity.

If the partner's business behaviour is unlawful, unreliable or otherwise unprofessional, this may affect the Group's reputation as it is associated with this partner. A deterioration of the Group's reputation may adversely affect future business opportunities as the counter parties might pull out or offer worse conditions for future projects and collaborations. It may also impair the Group's access to financing and its relationship with private and public stakeholders necessary for the successful development of projects.

In case of the partner's insolvency, or if the partner's business behaviour is unlawful, unreliable or otherwise unprofessional, the partner may need to be replaced and the relevant projects may be confronted with a new ownership structure and subsequent legal uncertainties. This may adversely affect the projects' access to financing or the Group's ability to divest the projects. Furthermore, the Group's ability to successfully develop or operate projects may be affected without the financial contributions by the partner. By consequence, the projects may fail and the Group lose its investments.

In some cases, including where the Group does not hold a majority interest in a project, the development and operation of the project is not in the Group´s full control and the Group may thus not be capable of effectively counteracting an undesirable development of the projects. This may impair the successful development or operation of the project and the Group may lose its investments in the project.

Finally, the partnerships may adversely affect the disposability of the projects. If the partners and the Group have conflicting priorities and business interests, they may not be able to agree on the timing and pricing for a sale of their projects. As a consequence, the divestment of the projects may be less profitable for the Group.

Risk Factors, continued

The Group’s business depends on the successful divestment of its projects, which may become less profitable due to market conditions or other factors affecting the proceeds of the divestments

The Group’s business concept includes the total or partial divestment of projects. There are a number of risks, which can impede the successful divestment of projects by the Group and thus adversely affect the Group’s cash flow and ability to reinvest in new projects and to seize new business opportunities.

The demand for renewable energy projects may decrease due to e.g. the general economic situation or to country-specific market developments, such as uncertainties with regards to the continuity of feed-in tariff schemes. The changes in the subsidy-regimes could impact the profitability of the projects negatively, and thereby lead to further decrease in the demand for renewable energy projects.

Such decrease in demand can affect both the market value of and the availability of divestment opportunities for the Group’s projects. Finding creditworthy and reliable buyers can prove to be time and cost intensive. As a consequence, the divestment of projects can become more difficult and less profitable for the Group.

In the framework of the divestment of a project, the Group may accept to give certain guarantees regarding the project to the buyer that are not fully covered by the back-to-back arrangements with the suppliers. Such guarantees, which may include fulfilment of permits or meeting project specific criteria for receiving subsidies, can force the Group to allocate (human and financial) resources to the project after its divestment and potentially lead to direct payment obligations.

Part of the revenues resulting from a divestment may be held back by the buyer or held in escrow until the fulfilment of certain conditions subsequent. This can force the Group to allocate resources to the project after its divestment and the Group may not be able to receive the entirety of the revenues, e.g. in a case where the Group is exposed to a credit risk on the buyer.

Based on earn-out mechanisms in the sales contract, the revenues resulting from a divestment may be dependent on the productivity of the projects after their divestment and be lower than expected.

The production generated by the Group’s projects may be adversely affected by a number of external factors lowering the Group’s revenues

The operation and production of the Group’s projects may be affected by a series of risk factors, which can reduce the Group’s revenues stemming from the operation of these projects.

The production of renewable power projects depends on favourable weather conditions (such as wind or solar conditions). The actual weather conditions on the projects’ sites may fall short of the predicted average conditions and the production and revenue from the respective projects may thus be reduced.

Extreme weather conditions may lead to interruptions of operations as the production may have to be shut down, by precaution or as a result of damages caused to the project facilities. The operation of the projects may also be interrupted by technical defects or other external events (such as cases of force majeure, administrative prohibitions etc.). The interruption of operation may persist for a longer period of time if maintenance services are unavailable or not delivered as contracted. These interruptions of operation can lead to a reduction of the production and thus of the revenue generated by the concerned projects.

The projects may not be able to feed the entirety of their production into the electricity grid in the absence of sufficient or delayed grid capacity. The increase in renewable generation capacity in the markets where the Group operates may lead to increased grid curtailment and such curtailment may not be compensated leading to a loss of revenue.

The remuneration for the electricity produced by the Group’s projects is partly paid out in currencies which are subject to exchange rate fluctuations to the Group’s main currencies. This may adversely affect the profitability of the projects for the Group’s accounts.

Even though the Group applies what is considered proven technology in the projects, the technologies used in the Group’s projects may entail risks for the production and profitability of the projects. Technologies which are based on the present scientific knowledge and state-of-the-art engineering may reveal themselves as being unreliable or having unexpected deficiencies in the future and thereby impair the productivity of the projects.

Risk Factors, continued

Commercial Risks

Decrease in the market price of electricity and/or certificates can have an adverse effect on the Group

While part of the income generated by the Group's wind farms and solar photovoltaic ("**Solar PV**") plants is covered by fixed prices (due to guaranteed feed-in tariffs or long term power purchase agreements) or fixed price premiums, part of the income may fluctuate with the market price of electricity and/or certificates. This exposes the Group to a risk of decrease in the price of electricity and/or certificates which could occur due to – inter alia – a reduction in the demand for electricity or new capacity being added to the market. This risk can be reduced to a certain extent by entering into long-term power and/or certificate purchase agreements or price hedging agreements but as this will not always be the case there will remain an exposure to decreases in the price of electricity and/or certificates. The Group does not operate with a general price hedging strategy.

Furthermore, a decrease in the price of electricity and/or certificates may weaken the market for the Group's projects leading to less demand for projects and/or a decrease in the price that the projects can be sold to which will have an adverse effect on the Group.

The rapid technological development of renewable energy production requires the Issuer to respond quickly and failure to do so may have an adverse impact on the Group's business

The technology of renewable energy generation, including wind turbine generators and solar PV plants, advances at a very fast pace. This requires the Group to be constantly aware of the technological development and to respond quickly to any changes to the technology employed by the Group in its wind parks and solar PV plants.

The rapid technological development could also lead to other technological solutions for generating renewable energy surpassing the solutions currently chosen by the Group with regard to efficiency and costs. Should this occur, it could have a negative impact on the Group's business.

The Group is operating in a number of different jurisdictions which increases the risk that not all applicable law is being complied with at all times

The Issuer is present in a number of different countries and is required to comply with multiple regulatory requirements pertaining to the operation of its business. This entails a risk that compliance with all requirements cannot be ensured at all times and should one or more violations occur, the Group may become liable to sanctions such as – but not limited to – fines and loss of financial support or revocation of permits requiring the operation of a wind farm or solar PV plant to be halted or suspended. Such sanctions or other consequences of non-compliance with applicable law may have a material adverse effect on the Group.

The Group or its advisors may be wrong in their interpretation of applicable tax legislation and there may be different views on what is the correct transfer pricing methodology

The Group applies tax legislation based on its – or in some cases, its tax advisors' – interpretation of the relevant regulations and seeks to ensure that local tax filings are made in compliance with all relevant regulations and that its transfer pricing methodology is accurate. The Group or its advisors may commit errors when interpreting the tax legislation, however, and any such errors could have an adverse effect on the Issuer's financial position. Furthermore, local tax authorities may have different interpretations of the correct transfer pricing methodology. In addition, the applicable tax legislation may change over time, potentially also with retroactive effect, to the detriment of the Group. Additionally, the Group may become involved in disputes regarding its tax positions with relevant local authorities and if decided against the Group, such disputes may affect Issuer's financial position negatively.

Changes to legislation and regulatory regimes, including – but not limited to – changes to support mechanisms for renewable energy, in the countries where the Group operates can impact negatively on the Group's business

The market for renewable energy and renewable energy projects is highly sensitive to changes in legislation and to the regulatory regimes in general. Support mechanism are frequently changed because of – inter alia – the changing market conditions for renewable energy and conflicting political views on what the level of support for renewable energy should be. Changes to support mechanisms may be phased in over the course of several years but may also be implemented very quickly. In all cases, the changes require the Group to re-evaluate all projects that may be affected and as a consequence, projects representing significant value in terms of costs already incurred or future profitability could be abandoned. Furthermore, changes to support mechanisms may be made with retroactive effect (such as reducing already guaranteed tariff levels for the future or imposing additional costs on the operation of renewable energy plants) and any such retroactive changes can impair the value of the Group's assets significantly and may have a materially adverse effect on the Issuer.

Changes to other parts of the legislation than what relates to support mechanisms can also have an adverse effect on the Group. This can be the case if the changes – inter alia – makes it more difficult to develop, construct or operate renewable energy projects or on a general level increase the burden of conducting a business similar to the Group's.

While the Issuer to some extent monitors the changes in legislation and regulatory regimes where the Issuer conducts its business, the large number of jurisdiction in which the Group operates makes it difficult or even impossible for the Issuer to be aware of all relevant legislative changes. Any delay in reacting to legislative changes may amplify the potential adverse effect of the changes.

Risk Factors, continued

In order to construct and operate the Group's wind parks and solar PV plants, contracts are concluded with a large number of third parties. Should a third party become financially distressed or default on its obligations it may result in a financial loss for the Group. Similarly, the Group is exposed to counterpart risks when part of the consideration which the Group is entitled to for a renewable energy project is deferred

When constructing wind parks and solar PV plants, the Group concludes agreements concerning delivery of construction services, components and infrastructure etc. with third party suppliers. Although the largest part of the payment to the suppliers will often be aligned with the supplier's delivery of goods and/or services, the suppliers will often demand that an advance payment is made before delivery takes place. While some suppliers issue a guarantee that covers the risk of the advance payment, most suppliers do not and if the suppliers become financially distressed the advance payment may be lost. Additionally, there are no guarantees that the supplier does not default on its deliveries or is not delayed. If that occurs, it may impact negatively on the construction process which could result in the Group not being able to meet its contractual obligations to a buyer of the project in question.

The Group is also exposed to counterpart risks during the operating phase of its assets, as the servicing and/or management of the assets are being carried out by third party suppliers. While any financial exposure is limited due to the fact that the suppliers of these services are usually not paid in advance, a defaulting supplier could result in an interruption to the operations of a plant until a replacement supplier has been found.

Furthermore, in some instances a part of the consideration that the Group receives for a renewable energy project is deferred (such as earn-out payments tied to the production of the wind farm or solar PV project in question). Should the buyer of the project not be able to pay the deferred consideration when it becomes due, this would have a negative impact on the Issuer.

Disagreement or deadlock with third parties whom the Group collaborates with can have a negative impact on the Group's renewable energy projects

The Group has entered into a number of partnerships with third parties. The partnerships are related to all phases of the Group's renewable energy projects (from development to construction, divestment, and/or operation) and takes place both as incorporated and un-incorporated joint ventures/joint arrangements. In a number of partnerships, the Group does not have a controlling interest or only has a controlling interest with regard to some matters. This entails the risk of disagreement or deadlock on substantial matters, including the funding of the project that is the subject matter of the partnership. Disagreement or deadlock may have negative consequences for – inter alia – the development, construction or divestment of the project or could lead to the project not being able to achieve its full economical potential. Furthermore, partners may not always be able to honour their commitments which could also have an adverse impact on the Group.

Disputes that the Group is - or in the future will become - involved in may have a negative effect on the Group should decisions go against it

Disputes related to the Group's business, including the development, construction and divestment of wind farms and solar PV plants, may arise in the future. Such disputes may be resolved outside the courts or through court or arbitration proceedings. The outcome of such disputes could have a negative effect on the Issuer's ability to fulfil its obligations under the Bonds should a decision or settlement go against the Group.

It may prove difficult to replace key personnel and the process of recruiting replacements could last for a prolonged period of time which could affect the Issuer negatively

The Issuer is to a large extent dependent on its management, department heads and other key personnel due to the extensive knowledge and experience these persons possess. If one or more of these key persons decide to leave the Issuer, this may result in loss of know-how and may delay or prevent the implementation of the Group's projects and business strategy. New members of the staff are being recruited on a regular basis. However, the Group's ability to hire and retain qualified staff depends on a number of factors. Due to the office's location in Denmark and the fact that positions in the company often require specific knowledge of a foreign market and corresponding language skills, the process of recruiting specific competences can at times persist for a prolonged period of time.

The markets on which the Group is engaged are highly competitive. This requires the Group to continuously react to its competitors, e.g. by increasing its efficiency and cutting costs

The Group is engaged in competitive markets. With regard to the development and subsequent divestment of renewable energy projects, there is large number of competitors – ranging from small- and medium sized developers with a profile similar to that of the Issuer to large state-owned utilities. Also with regard to the sale of electricity and certificates at market prices, the Group is faced with intense competition from other power generators and operators of renewable energy plants. The competition increases the demand on the Issuer to constantly improve its development and operating activities and cut costs in order to remain competitive. Any failure to do so could lead to an advantage for the Group's competitors which would negatively impact the Group. Further, even though the Group has developed a significant project portfolio there is a risk that a number of projects forming part of the portfolio will not be executed due to non-issuance of relevant permits, changes in political views, decrease in subsidy levels, failure to agree with relevant project partners, delayed delivery of components etc. with the consequence that the expected divestment of projects will not take place, or expected revenue from the project will not be realized.

Insurance taken out by the Group to cover its assets may not in all situations cover the losses incurred, e.g. in case of natural disasters and other unforeseen events

While the Group maintains normal insurance both in the construction and operating phase of its assets, there may be situations where the insurance cover is insufficient or the loss incurred exceeds the maximum pay-out of the insurance policy. The resulting losses would affect the Group negatively.

This could occur in a situation – but is not limited to – where natural disasters (such as storms, earthquakes, hail storms, floods etc.) or other unforeseen events (such as war, riots, armed conflict etc.) destroy the Group's operating assets, impair the production or affect an on-going construction negatively.

Price hedging agreements that the Group enters into can expose the Group to losses should the agreed minimum level of production not be reached

The Group may from time to time enter into hedging agreements in order to receive a guaranteed fixed price instead of a variable price for the sale of - inter alia - electricity and certificates. Such agreements may require a minimum level of production and should the production not meet the agreed minimum level – for example, due to unforeseen events or unexpected adverse weather conditions – it may be necessary to purchase electricity or certificates on the spot market in order to meet the obligations under the hedging agreement. If the spot prices at the time of purchase is higher than the price obtained by virtue of the hedging agreement this could lead to a loss which may have an adverse effect on the financial position of the Group. The Group does not operate with a general price hedging strategy.

Risk Factors, continued

Financial Risks

An increase in interest rates may have an adverse effect on the Group

A substantial proportion of the Group's renewable energy projects are financed with up to 80% debt, usually obtained as project financing. While some loans carry a fixed interest rate others have a floating rate interest. Consequently, an increase in the interest rates could adversely affect the profitability of the Group's projects and could also render projects in the development stage unviable due to the higher cost of financing. Furthermore, in some instances bridge financing is obtained in order to construct a project without a corresponding long-term financing having been secured at the same time. This exposes the Group to an increase in the interest rate of the long-term financing prior to it being secured which could affect the Issuer negatively. This could also be the case where the duration of a long-term financing is limited so that a new long term financing must be secured when the first one expires.

The Group is exposed to currency risks which may negatively affect the Issuer's financial position

The Group conducts most of its business in EUR and the annual accounts are prepared in EUR. Changes in the exchange rate between EUR and other currencies to which the Group is exposed may therefore influence the Group's financial results, also negatively. This is particularly relevant where the currency in question is not subject to an exchange rate mechanism such as ERM II (which limits the exchange rate fluctuations between DKK, the currency in the Issuer's home country, and EUR). In some cases, both income and expenses are incurred in the local currency which provides a natural hedge to some extent but in other cases there are no such match. This could increase the losses due to currency risk if no separate hedging agreements are concluded. The Group does not have a general hedging strategy in place for currency risks.

A reduction in the availability of financing will have an adverse impact on the Group as could any breaches of covenants in existing financing arrangements

The Group finances a substantial proportion of its renewable energy projects with debt. Reduced availability of financing on acceptable terms could consequently lead to delays in the development and construction of renewable energy projects or prevent their realisation altogether. This would have an adverse effect on the Group's business. Furthermore, the Group has covenants related to some of its existing loans, requiring the borrowing entities to – inter alia – maintain certain ratios (such as debt service coverage ratios). Should it not be possible to comply with such a covenant (e.g. due to unpredicted interruption of the production) this could e.g. entitle the lender to require that an extraordinary repayment is made or could constitute a default under the terms of the loans. This would affect the Issuer's financial position negatively. Additionally, where a construction financing has been obtained in order to construct a project without a corresponding long term financing having been secured at the same time, there is a risk that long-term financing cannot be obtained at the relevant time or at acceptable terms. This could also be the case where the duration of a long-term financing is limited so that a new long term financing must be secured when the first one expires. This could have an adverse impact on the Group.

The Group is required to maintain an effective management of its liquidity since many of the Group's activities have substantial liquidity needs while the timing of the income generated by such activities can be unpredictable

The Group is to a large extent dependent on an effective management of its liquidity. Many of the Group's activities are liquidity intensive (e.g. the acquisition or construction of projects) and also to some extent unpredictable with regard to the timing of the income they generate. For instance, the construction of a project may be delayed which can postpone the income generated by the power produced by the project or – if the project is sold prior to construction being complete – the payment of the purchase price. This requires the Issuer to maintain comprehensive monitoring of its current and future cash flow and failure to do so could have a negative effect on the Issuer's ability to satisfy its obligations under the Bonds.

Risk Factors, continued

Risks related to Investment in the Bonds

Investors carry a credit risks

Investors in the Bonds carry a credit risk relating to the Group. The investors' ability to receive payment under the Terms and Conditions is dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

The Issuer is dependent on other companies within the Group

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. The Issuer's subsidiaries will be legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to make dividends which may from time to time be restricted by, the availability of funds, corporate restrictions, and law. Should the Issuer not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

The Bonds are structurally subordinated to other debt of the Group

In the event of liquidation, dissolution, bankruptcy or similar proceeding relating to a direct or indirect subsidiary of the Issuer, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the Issuer's direct and indirect subsidiaries. Any creditors of a direct or indirect subsidiary of the Group may be entitled to take action against such subsidiary and its assets, whether under applicable bankruptcy law, by contract or otherwise.

In addition, the Issuer provides parent company guarantees for certain obligations of its subsidiaries, including financial and performance guarantees. Any defaults by, or the insolvency of, such subsidiaries could result in an obligation of the Issuer to make payments under parent guarantees in respect of such subsidiaries' obligations. Furthermore, defaults by one or more subsidiaries could result in the occurrence of cross defaults on certain borrowings of the Group.

Security over assets granted to third parties

The Group may, subject to limitations, incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the Bondholders will be subordinated in right of payment out of the assets being subject to security.

In addition, if any such third-party financier holding security provided by the Group would enforce such security due to a default by any Group company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the Bondholders.

Security granted to secure the Bonds may be insufficient and may be required to be shared with other holders of debt that the Issuer is permitted to incur

The Issuer's obligations under the Bonds are secured by a share pledge of all shares in the Issuer ("Transaction Security"). Under the Terms and Conditions the Issuer is permitted to incur debt by way of Market Loans (defined as the issuance of debt securities which are subject to trade on Nasdaq Copenhagen or another regulated market or multilateral trading facility) in the maximum principal amount of up to EUR 200,000,000 provided that the Issuer Incurrence Test (as defined in the Terms and Conditions) is satisfied. Any such Market Loans are entitled to share in the Transaction Security on a pari-passu and pro-rata basis with the Bonds pursuant to the terms of an intercreditor agreement which the Agent is obliged to enter into without any further consent of the Bondholders.

There can be no assurances that the Issuer will continue Market Loans are entitled to share in the Transaction Security on a pari-passu and pro-rata basis with the Bonds pursuant to the terms of an intercreditor agreement which the Agent is obliged to enter into without any to satisfy the Issuer Incurrence Test after a Market Loan is incurred. In addition, if the Issuer defaults on the Bonds, the Bondholders will be secured only to the extent of the value of the Transaction Security underlying the security interest (which, if the Issuer has issued new Market Loans, will be required to be shared with the holders thereof). There is a risk that the pledged assets will be insufficient for the Bondholders should the pledges be realized and this risk is increased if the Issuer issues additional debt which shares in the Transaction Security.

The value of the Transaction Security may fluctuate over time and no appraisal is made by the Issuer or any other person with respect of the value of the Transaction Security. The amount received upon a sale or other disposal of the Transaction Security will depend on numerous factors including, but not limited to, the actual fair market value of the Transaction Security at such time, market and economic conditions, and the timing and the manner of the sale or disposal. There can also be no assurance that the Transaction Security will be saleable and, even if saleable, the timing of such sale or other disposal is uncertain

Risk Factors, continued

Security granted to secure the Bonds may be unenforceable or enforcement of the security may be delayed

The enforceability of the Transaction Security may be subject to uncertainty.

If the Issuer is unable to make repayment under the Bonds and a court would render a judgment that the Transaction Security granted in respect of the Bonds was unenforceable, the Bondholders may find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the Transaction Security will be void or ineffective. In addition, any enforcement may be delayed due to any inability to sell the security assets.

The Issuer may not be able to refinance the Bonds

The Group will eventually be required to refinance all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have an adverse effect on the Group's business, financial condition and results of operations and on the Bondholders' recovery under the Bonds.

The Issuer may become unable to serve its other debt which may trigger cross-default provisions relating hereto and may thereby adversely impact the value of the Bonds

Events beyond the Issuer's control, including changes in the economy and the business conditions in which the Issuer and its subsidiaries operate, may affect the Issuer's ability to comply with, inter alia, the undertakings set out in the Terms and Conditions which could result in a breach and consequently an acceleration of the Bonds.

The Issuer may become unable to pay interest, principal, or other amounts on or in connection with the Bonds, caused by the Issuer being unable to serve its other debt which may have cross-default provisions incorporated which may have an adverse impact on the value of the Bonds. An increased credit risk or decrease in the Issuer's creditworthiness may have a negative effect on the market price of the Bonds.

The Issuer may not be able to finance a change of control put option required by the Terms and Conditions of the Bonds

According to the Terms and Conditions, following the occurrence of a Change of Control Event, each Bondholder will have the right of redemption of all or part of its Bonds and the Issuer will have an obligation to redeem or repurchase such Bonds. If a Change of Control Event were to occur, the Issuer may not have sufficient funds available, or may not be able to obtain the funds needed, to redeem or pay the repurchase price for all of the Bonds put to it by the Bondholders. Failure to redeem or repurchase the Bonds would adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect the Bondholders and not only those that choose to exercise the put option.

Early redemption

The Issuer has under certain circumstances reserved the possibility to redeem all outstanding Bonds. There is a risk that the market value of the Bonds is higher than the early redemption amount and that an investor may not be able to reinvest the redemption proceeds received after the exercise of such redemption at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate.

Further, the right for the Issuer to redeem the Bonds prior to the maturity date could affect the market value of the Bonds.

Risk Factors, continued

Risks related to green bonds

The Issuer intends to apply the net proceeds of the Bonds to finance or re-finance (with a maximum lookback period of three years) certain eligible assets and projects (the "**Green Projects**") as further described in the Issuer's green bond framework (the "**Green Bond Framework**") in force as at the Issue Date. Any changes made to the Green Bond Framework after the Issue Date (including, but not limited to, changes made as a result of developments in market practices and standards for green bonds) will not influence the Bonds issued on the Issue Date, but may apply to any Subsequent Bond Issue.

There is no legal definition of what constitutes a "green" project nor is there any clear market consensus in terms of what is specifically required for a project to be defined as "green" or equivalently labelled. Accordingly, there is a risk that the Green Projects described in the Green Bond Framework will not meet current or future investor expectations regarding such "green" or equivalently labelled performance objectives. Further, there is a risk that future developments in market practices and standards for "green" projects may deviate from the Green Projects described in the Green Bond Framework.

The Issuer cannot provide any assurance that the intended application of the net proceeds of the Bonds in accordance with the Green Bond Framework will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether according to any present or future applicable law or regulations or by such investor's own by-laws or other governing rules or investment portfolio mandates.

Any failure by the Issuer to comply with the Green Bond Framework does not constitute an Event of Default under the Terms and Conditions for the Bonds. Bondholders do not have any put option or other right of early redemption in case of any failure by the Issuer to comply with the Green Bond Framework.

The Issuer has appointed DNV GL for an independent evaluation of the Green Bond Framework. The evaluation has resulted in a second party opinion dated 3 June 2019 (the "**Second Party Opinion**").

No assurance or representation is given by the Issuer as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion or of any other opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Bonds. For the avoidance of doubt, any such opinion or certification (i) is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus, (ii) is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any Bonds and (iii) would only be current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification, the information contained therein and the provider of such opinion or certification for the purpose of any investment in the Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight and there is a risk that such providers may be deemed as not being reliable or objective, whether now or in the future.

In the event that the Bonds are listed or admitted to trading on any dedicated "green" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of the Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Bonds.

Any failure by the Issuer to comply with the Green Bond Framework, and/or withdrawal of the Second Party Opinion or any other opinion or certification as described above, and/or any Bonds not being listed or admitted to trading (or ceasing to be listed or admitted to trading) on any dedicated "green" or other equivalently-labelled segment of any stock exchange or securities market as described above, may have a material adverse effect on the value of the Bonds and/or result in adverse consequences for individual investors, including (but not limited to) investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Issuer cannot assure that an active trading market will develop for the Bonds

Although the Issuer will apply for listing of the Bonds on Nasdaq Copenhagen, the Issuer cannot assure that the Bonds will be or will remain listed on that stock exchange or that an active trading market will develop for the Bonds.

The market price of the Bonds could be subject to significant fluctuations. The market price at which the Bonds may trade will depend on many factors, including, but not limited to, prevailing interest rates, general economic conditions, the Issuer’s and the Group's actual or anticipated performance and financial results, actual or anticipated performance and financial results of competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, and markets for similar securities in general. Historically, the markets for debt such as the Bonds have been subject to disruptions that have caused substantial volatility in their prices. The market, if any, for the Bonds may be subject to similar disruptions which may have a material adverse effect on the Bondholders. In recent years, the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group’s business, financial position, earnings and ability to make payments under the Bonds.

There may not be a liquid trading market for the Bonds. The Bonds may have no established trading market, and one may never develop, though the Issuer will apply for listing of the Bonds on Nasdaq Copenhagen. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds or sell the Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Risk Factors, continued

Investments in the Bonds may have unforeseen tax implications which may adversely impact the value of the investment

Prospective investors should be aware that the investment in the Bonds may have unforeseen tax implications. Prospective investors should seek independent advice relating to tax risks prior to making a decision to invest in the Bonds.

A change in the governing law of the Bonds may adversely affect Bondholders

The conditions of the Bonds are based on Danish law. No assurance can be given as to the impact of any possible judicial decision or change to Danish law or administrative practice after the date of this prospectus.

The value of an investment in the Bonds may be subject to exchange rate fluctuations

The Issuer will pay principal and interest on the Bonds in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of the EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (i) the Investor's Currency equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

The value of an investment in the Bonds may be subject to interest rate fluctuations

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Bondholders' Meetings

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend the meeting, did not vote at the relevant meeting, or voted differently. A Bondholder may be adversely affected by such decisions.

The rights of Bondholders depend on the Agent's actions and financial standing

By subscribing for, or purchasing, or accepting the assignment of, any Bond, each Bondholder will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer.

The Agent shall have, among other things, the right to represent the Bondholders in all court and administrative proceedings in respect of the Bonds and to enforce the Terms and Conditions or any Transaction Security on behalf of the Bondholders. Individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any Transaction Security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions) which could negatively impact an acceleration of the Bonds or other action against the Issuer.

The rights, duties and obligations of the Agent as the representative of the Bondholders will be subject to the provisions of the Terms and Conditions for the Bonds and the agency agreement. The Agent will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, the actions of the Agent in such matters could impact a Bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the Bondholders.

A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders. Under the Terms and Conditions for the Bonds, the funds collected by the Agent as the representative of the Bondholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Bondholders. However, there is a risk that such segregation of funds will not be respected by a bankruptcy administrator in case of the Agent's bankruptcy. Also, in the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate. The Agent may be replaced by a successor Bondholders' agent in accordance with the Terms and Conditions for the Bonds.

Risk Factors, continued

The Agent may modify, waive, and enforce Bondholders' rights which may adversely impact the value of the Bonds

The Terms and Conditions contain provisions to the effect that a Bondholder is prohibited from taking actions of its own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. This does not, however, rule out the possibility that the Bondholders, in certain situations, could bring their own actions against the Issuer, which could negatively impact the chances of an effective enforcement of the Terms and Conditions.

Additionally, under the Terms and Conditions the Agent has the right in some cases to amend the Terms and Conditions or waive any provisions in the Terms and Conditions provided that:

such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;

such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;

such amendment or waiver is necessary for the purpose of listing the Bonds on the Nasdaq Copenhagen (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Bondholders.

A Bondholder may not take any steps whatsoever against the Issuer or the Issuer's Group to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer or the Issuer's Group in relation to any of the liabilities of the Issuer under the Terms and Conditions.

The choice of law may render it difficult for Bondholders to exercise or enforce certain rights

The Issuer is a public limited company under the laws of Denmark. It may be difficult for investors outside Denmark to serve process on or enforce judgments against the Issuer in connection with their rights as Bondholders.

The Bonds are dematerialised securities

Because the Bonds are dematerialised securities held in VP Securities A/S' system, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer. VP Securities A/S' general condition and quality of services pose a risk that may adversely impact the value of the Bonds. The Bonds will not be evidenced by any physical note or document of title other than statements of account made by VP Securities A/S. Legal title to the Bonds, as well as payment of interest and repayment of the principal, will be recorded and transfer effected only through electronic registration in the book-entry system and register maintained by VP Securities A/S.

Conflicting interests between the Bondholders and the Lead Managers and their affiliates

The Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Lead Managers and their affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.