

INVESTOR PRESENTATION FULL YEAR 2021

March 1st, 2022

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Agenda



Presenters



Jens-Peter Zink Executive Vice-President and Chairman

With EE since 2005

Jonny T. Jonasson Chief Financial Officer

With EE since 2012

1 Highlights

European Energy demonstrated strong growth in 2021

EBITDA

+33% in 2021

+35% CAGR since 2019

Construction

acts as construction manager.

2021

EBITDA increased to EUR 81.2m, exceeding the target of EUR 80m. The increase was driven by higher project and power sales. Project / power sales contributed by 46% / 50% to total EBITDA (2020: 48% / 52%).

+32% in total assets under

Assets under construction increased to

0.8 GW in 2021 (2020: 0.6 GW), excluding

0.2 GW Lithuanian wind assets where EE

construction at year-end

EBITDA Segment



Equity

+49% in 2021

Upscaling of Organisation +140 employees in 2021

Power Production

+38% in MWh in 2021

+40% CAGR since 2019

343 employees in total

European Energy has onboarded 140 employees in 2021 in order to drive the growth. Total headcount was 343 by yearend. Our 15 offices are located in 12 different countries.

EUR million	2021	2020	2019
EBITDA	81.2	61.2	44.3
Of which Project sales	37.0	29.1	10.6
Of which Power sales	40.9	32.0	24.0
Equity	350.5	235.3	137.6
GWh	2021	2020	2019
Power production	606	438	308
	2021	2020	2019
Under Construction (GW)	0.8 ¹	0.6	0.3
Grid-connected (MW)	134	202	199
Headcount	2021	2020	2019
Employees	343	203	148

Notes: 1) Excl. 0.2 GW primarily related to a Lithuanian asset divested in 2021 where European Energy provides EPC services until COD in 2022

+60% CAGR since 2019

of our existing hybrid bond resulted in an

increase in equity by EUR 115.2m in 2021.

The pipeline has significantly increased over the recent years



- During 2021, European Energy grew the development pipeline to 20 GW (2020: 12 GW), with a core focus on low-risk European markets.
- In 2021, European Energy was active in project development in 17 countries (2020: 14 countries).
- In 2022, European Energy expects to continue the significant growth in the development pipeline, which is a key value driver securing stable earnings' growth.



- At end-2021, the development pipeline was split on Denmark (42%), Northern Europe (9%), Central Europe (19%), Southern Europe (22%) and the rest of the world (8%).
- The main growth-driving geographies were Denmark, Poland, Romania and Greece.



- During 2021, European Energy was engaged in construction activities at 23 different sites in 5 European countries and Brazil (2020: 14 sites).
- Strong growth in construction assets during 2021 underlining continued future growth.
- The divested 0.2 GW primarily consist of 3 Lithuanian wind parks divested in 2021 where European Energy has a construction management agreement.
- Approx. 655 MW under construction secured by PPA or FiT at the end of 2021.

European Energy delivered a strong operational performance

- In 2021, European Energy reported a record high sale of electricity. Compared to the previous year, the consolidated power sales increased by 29% or by EUR 13m to EUR 56m. European Energy's net share of electricity production has since 2019 grown by 40% p.a. to 606 GWh in 2021.
- The increase in electricity production is primarily related to the higher number of power-generating assets kept in European Energy's own books, in line with our IPP strategy. This brings stability into our earnings.
- Asset Management continued to grow and at the end of 2021, European Energy managed 1.6 GW (2020: 1.3 GW) of assets divided between 998 MW wind power (880 MW) and 620 MW solar power (456 MW). European Energy owned 555 MW (402 MW) and the remainder was managed on behalf of investors.
- European Energy recorded a high level of sales activities of energy plants throughout 2021. In total, European Energy divested 10 (5) solar and wind farms with a combined capacity of 361 MW (129 MW) with an enterprise value of EUR 251m (EUR 162m).





The growth history of European Energy

As we close out 2021, we also mark the beginning of an exciting new era – an era in which green electricity is key to unlocking CO_2 emission challenges in the heavy transportation, chemical industry, and heating sectors.

In this new era, we have green solutions that ensure we truly can reach the global goal of a carbon-free world. This is a huge step for Planet Earth – but also for European Energy. And we have already taken pivotal steps into the world of Power-to-X and green heating.

2021 has been a remarkable year for European Energy. The company has enjoyed significant growth, which we expect to see continue and gain even more momentum in the years ahead. Therefore, we expect that 2022 will be successful for European Energy's company, range of projects and investors alike.



European Energy has successfully entered into downstream electrification (Power-to-X)





- ✓ **EUR ~125m** offtake contracts pending finalisation in Q1-2022 with several offtake agreements having a minimum 5 years tenor
- Strongly positioned to utilise existing experience within wind and solar based renewable energy plants to scale-up operations within the PtX segment
- ✓ Front-runner position secured with Kassø being one of the largest PtX facilities globally once completed in 2023
- ✓ Strategic partnership entered with Maersk with the intent of delivering 200-300k tons of e-methanol starting in 2025/26

2 Financials

KOLOBRZEG 20 MW POLAND

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Profit and loss

P&L

EUR'000	2021	2020	2019
Revenues	328.7	207.0	238.8
Sale of energy farms and projects	268	160	205.2
Power sale	55.5	42.9	30.5
Asset management & other fees	5.2	4.1	3.144
Gross profit	104.5	73.9	57.5
Sale of energy farms and projects	52.5	35.1	19.1
Power sale	44.6	34.8	25.9
Asset management & other fees	7.4	4.0	12.5
EBITDA	81.2	61.2	44.3
% margin	25%	30%	19%
Profit/loss before taxes	62.7	37.8	37.4

- Revenues amounted to EUR 329m in 2021, up 59% compared to 2020. The increase was primarily driven by higher sale of energy farms and projects.
- Revenues were split between a) sale of energy farms and projects (81% of total 2021 revenues, +68% yoy), b) power sale (17%, +29% yoy), c) asset management & other fees (2%, +27% yoy).
 - a) The growth was attributable to **buyers' high interest**, both for turn-key projects and early-stage assets. In the 2H21, European Energy divested a 186 MW wind project in Lithuania, our largest divestment to date.
 - a) The growth was driven by new capacity and record-high power prices, offsetting low wind resources in key markets.
 - a) The growth was attributable to new assets becoming operational with **new service contracts** in place.
- EBITDA amounted to EUR 81.2m in 2021, up 33% compared to 2020. Project / power sales contributed by 46% / 50% to total EBITDA (2020: 48% / 52%).
- EBITDA margin decreased to 25% (2020: 30%), mostly on the back of the **mix of revenues**, as the share of project sales was larger than the share of power sales.
- Profit before tax increased by 66% to EUR 63m in 2021, up from EUR 37.8m in 2020. This was mainly driven by improved projects and power sales. Additionally, the higher depreciation (attributable to more operational assets on balance sheet) was offset by lower financial expenses due to a combination of modification gains recognized as part of the refinancing of financial debt, higher currency gains and increased capitalization of interest expenses. 11

Balance sheet & Cash flow

Balance sheet

EUR'000	2021	2020	2019
Assets	1,174.0	739.8	605.7
Property, plant and equipment	157.3	130.6	134.2
Inventories	524.8	325.2	227.1
Cash (free and restricted)	227.4	121.9	113.5
Other	264.5	162.1	130.8
Liabilities	1,174.0	739.8	605.7
Total equity	350.5	235.3	137.6
Bonds and project financing	632.4	415.6	399.5
Other	191.1	89.0	68.5

Cash flow

EUR'000	2021	2020	2019
Operating cash flow before changes in inventories	73.9	56.8	19.5
Changes to inventories	-188.7	-92.4	0.2
Investing cash flow	-63.2	-23.0	-10.0
Financing cash flow	283.4	67.0	36.9
Change to cash and cash equivalents	105.5	8.4	56.9

- Total asset and liabilities increased to EUR 1.2bn or 59% compared with 2020.
- On the **asset side**:
 - a) PP&E increased to EUR 157m in 2021 (2020: EUR 131m) due to **acquisitions of operational parks**.
 - b) Inventories increased to EUR 525m in 2021 (2020: EUR 325m) due to higher assets under construction held for sale (2021: EUR 198m, 2020: EUR 36m). This reflects the strong growth of European Energy.
 - **c) The cash position remained strong** and increased to EUR 227m in 2021 (2020: EUR 122m), split between free cash (76% of total cash) and restricted cash (24%).

• On the **liability side**:

- a) Total equity increased to EUR 351m in 2021 (2020: EUR 235m), driven by **high earnings during the year** and the tap of the existing hybrid bond of EUR 75m.
- b) Bonds and project financing increased to EUR 632m in 2021 (2020: EUR 416m) due to higher construction activity (project financing) and the issuance of a EUR 300m green bond in September 2021.
- **Operating cash flow** before changes in inventories increased to EUR 74m in 2021 (2020: EUR 57m). This was primarily driven by higher profit before tax. Changes in inventories had a negative cash effect of EUR 189m in 2021 (2020: EUR 92m), reflecting the increased activity level of the Group.
- **Financing cash flow** mainly reflects the refinancing of our senior bond with a EUR 300m green bond, as well as the tap of our hybrid bond. Repayment of project financing was also lower in 2021 (EUR 107m) compared to 2020 (EUR 201m).

Credit metrics remain well within covenants

Equity ratio

Parent Equity ratio
Maintenance covenant of 25%



Project debt ratio



Liquidity ratio

- Parent Cash and cash equivalents or undrawn committed facilities (EURm)
- - 3 times senior bond interest payment (EURm)



Net debt to EBITDA ratio



Maintenance covenants definition¹

Equity / total assets - parent

- Equity excluding fair-market-value adjustments of PPA contracts and including only 50% of hybrid capital
- Total assets but excluding cash and cash equivalents
- Headroom of over EUR 100m

Consolidated project debt / consolidated PPEI

- PPEI includes property, plant, equipment and inventories
- Headroom of over EUR 160m

Minimum liquidity - parent

- At least interest payment on the senior bond for the next three quarters in the form of cash & cash equivalents or undrawn committed credit facilities
- Headroom of around EUR 90m

¹Cf terms and conditions of European Energy's EUR 300m senior bond maturing in September 2025

Looking Back Financial Outlook for 2021

European Energy guidance during 2021:

• Guidance issued 17 January 2021:

EBITDA for was expected to be EUR 80m. The profit before tax in 2020 was expected to be EUR 50m.

• In December 2021, the guidance was revised:

The expectations for 2021 financial results were revised to a profit before tax of EUR 60m, whilst EBITDA guidance was maintained.



Looking Forward Financial Outlook for 2022

European Energy guidance for 2022:

• Guidance issued 22 February 2022:

EBITDA is expected to reach EUR 135m or a growth of 66% over 2021. Profit before tax is expected to reach EUR 100m or a growth of 59% over 2021.





GRZMIACA 6 MW POLAND

Future renewable power prices are expected to be determined by seven key drivers



A global acceleration of decarbonisation needed to reach global net zero

- Based on current trends, the world is **running out of emission budget to stay within 2 degrees of warming in 2044**. Following current emission trends, the 1.5 degree limit will be reached by 2028
- To achieve global net zero, **every sector of the energy economy needs to eliminate emissions completely by 2050**. Even the hardest-to-abate sectors will need to adopt carbon-free solutions, only turning to carbon removals where absolutely necessary

Getting on track by 2030

- The coming years towards 2030 are critical in the race to net zero and there needs to be an immediate, unprecedented acceleration in deployment of existing technologies, such as renewable energy and electric vehicles
- In parallel, new technologies need to be commercially demonstrated and scaled up during this decade
- More than 75% of the abatement effort towards 2030 falls to the power sector and the **faster deployment of wind and solar**

Getting to zero in 2050

- The switch to electricity reduces direct emissions in transport, buildings and industry, and despite increasing electricity demand and emissions upstream in the power sector, electricity generation is generally cleaner than downstream fossil-fuel use, resulting in a net reduction
- In Bloomberg's Green Scenario¹, clean electricity accounts for 61% of total abatement to 2050. Greater electricity use in the form of electric vehicles, heat pumps and lower-temperature industrial processes adds another 23%. Hydrogen in the end-use economy accounts for a further 10% of total abatement. **Combining hydrogen in power generation and the end-use economy adds up to 19% of total emissions reduction**



Electrification will drive the green transition

- The electrification will be driven by direct- and indirect electrification
- Direct electrification is where the direct energy source is transformed to electricity whereas indirect electrification transforms the energy source to an intermediary fuel, which is produced using electricity (PtX)

Global emission targets imply installation of -11 TW towards 2030^{1}

Implied global capacity to reach energy emission targets Bloomberg

- Over the past 15 years, the total Solar and Wind capacity installed has been 1.5 TW, split between 0.8 TW / 0.7 TW Solar / Wind.
- Within the next 10 years, there has to be 11.1 TW installed, i.e., 7.4x more than what has been installed over the past 15 years, in order to reach global emissions targets.
- Within the next 30 years, there has to be 44.9 TW installed, i.e. 30x more than what has been installed over the past 15 years.





Share of renewables in EU energy mix



Strategy & Sustainability

GÜSTOW 30 MW GERMANY

Strategy

European Energy has a goal to be recognized among the global top players by 2023 within annual new onshore wind and solar.

- Our strategy stands on fundamental pillars:
 - Drive up capacity and continue growing our pipeline: Throughout 2021, we grew our pipeline in the developing phase by over 67% (+8 GW) and we made final investment decisions on more than double our 2020 capacity. Our diverse geographical footprint and early project involvement provide us with the confidence that we have both the volume and market diversification to achieve our ambition.
 - Bring down levelized cost of energy (LCOE) in order to maximize the competitiveness of our renewable energy solutions. A combination of latest technology, larger projects and in-house presence throughout the value chain is our main lever to further reducing costs.
 - Add value to our power production and assets by building strong in-house competencies, further developing our project management model, improving our processes and ensure we attract and retain talents.
 - > Streamline and further professionalize our financing at group and project level.



Key focus on sustainability engagement

EE's sustainability goals and deadlines



Sustainability model









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Appendix

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COREMAS TRANSFORMER BRAZIL

This is European Energy

We are developing, constructing, managing, and divesting onshore,

We are developing, constructing, managing, maintaining, and divesting offshore, and nearshore wind farms. large-scale solar farms on land, lowland, and as floating PV.

1 Screening:

We secure the land/project rights either through own greenfield activities or through development agreements with local partners. The project's key value drivers and risk profile is assessed, and the project is only progressed if it has sufficient potential to meet financial hurdle rates.

² Development:

In this phase, we apply for the necessary permits to realize the project and as part of that we conduct a number of studies and analysis, while we also ensure to obtain a grid agreement allowing us to feed the electricity into the grid. The yield of the project is also investigated and a business case for the project is built.

³ Power Purchase Agreements: Today, more and more companies choose a Power Purchase Agreement (PPA). PPAs are long-term, fixed-price energy supply contracts that guarantee the delivery of renewable power from an energy

nected.

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farm to a business. PPAs are often delivery. made before construction of a project begins but can also occur after a project has launched grid con-

4 Engineering & Procurement: Our competences in design and engineering ensure the strong operational performance of our assets. Our experienced procurement team selects suppliers via thorough evaluation and closely monitors their

Financing:

Funding is raised at both parent company and project level. We have an experienced central treasury team that design and optimise group capital structure, parent funding, liquidity, and financial risk management. External financing at project level is normally secured before entering construction and is overseen by our project financing specialist, who has a strong track record in securing financing for projects across all markets.

This is European Energy

Enabling downstream technologies:

Power-to-X

We are commercialising a production technology that produces green e-methanol at competitive prices. The production is based on renewable energy sources from our wind and solar farms and CO2 from bio-waste. As part of the process, we use electrolysis to produce green hydrogen by splitting water.

Green heating

We convert natural energy and waste energy into useable heating. The heat pumps prevent and minimise wasted energy streams by offering cooling solutions and by transferring the renewable energy from our wind and solar farms into heating solutions.

Construction:

With rights and permits secured and procurement, off-take and financing ready, we initiate construction of the project. We have a strong track record in managing contractors and suppliers on-site and, as the final step of construction, connect the asset to the grid providing renewable energy.

7 Divestment:

We assess each project individually and take risk-and-reward profiles into consideration. In some cases, we divest the energy farm to longterm investors at the optimal price. Often, we continue managing the assets for the investor to optimise production output and minimise operating costs.

8 Independent Power Sale:

At other times, it may be advantageous for us to keep ownership of an energy farm and sell the renewable power as an independent power producer.

⁹ Asset Management & Operations:

We consider managing the assets as part of our core business. This involves 360-degree asset management services delivered by in-house competencies in the technical, commercial, and financial aspects of managing renewable energy farms. Additionally, we deliver O&M services for PV plants in Denmark, including scheduled preventive maintenance, corrective maintenance, technical support and monitoring of plants.