

# GREEN FINANCE REPORT 2021

Annual report of allocation and impact of green finance instruments issued by European Energy A/S

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# 1. Words from CEO

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In European Energy we believe that there does not exist a challenge greater than climate change. And in the coming years fundamental decisions must be made to restore and enhance biodiversity, public health and political stability.

European Energy envisions new ideas for fossil-free electrification, and then makes them real. Founded upon entrepreneurial spirit, we generate progress at all opportunities that push the green transition forward. Our goal as a renewable energy developer is to be the most creative contributor and a global major in the green transition.

European Energy delivers full-value chain solutions by developing, constructing and operating wind and solar power projects worldwide. We invent our own methods and solutions when we meet barriers or unattached grown.

We, in European Energy, will commit to significant investments in transforming the fossil fueled world into a world that runs on green electricity. We are first movers on the electrification of heating, transport and industry. The investment in these soon-to-be electrified sectors are already going on in European Energy.

We advise all who aspire for a cleaner world, to be part of the change and take action – together with us. Because we need to produce the power of tomorrow already today

**Knud Erik Andersen, Founder & CEO, European Energy A/S.**

## 2. Sustainability highlights



Displacement of  
**3.2 million tons of CO<sub>2</sub>**  
since 2004



Planting of  
**245.000 trees**  
as green fences  
around our parks

**First-time publishing H&S rates.**

TRIR at 4,47, based on 2 lost-time incidents and no fatalities



Creation of  
**768 full time job** equivalents directly and indirectly



Screening of more than  
**20% of our critical suppliers**  
in sustainability criteria

More details are shown in the 'Annual Sustainability Report 2021' & the 'Annual Report 2021'

# 3. Allocation report

As of 31/12 2021, the Groups proceeds from green bonds were allocated to the project in the below table.

Net Proceeds from sale of Green Bonds				Hybrid Capital (mEUR)	Bond Issuance (mEUR)	Total (mEUR)
European Energy A/S				150	285	435
Site	Phase	Country	Tech Type	Total Plant size (MW)	EE Share of plant size (MW)	Green bonds invested in projects (mEUR)
Puglia	Under Construction	Italy	Solar PV	121	121	43
EE Construction DK	Construction Company	Denmark	Solar PV	0	0	108
Solar Park Kassø	Under Construction	Denmark	Solar PV	301	283	44
Solar Park Rødby Fjord	Under Construction	Denmark	Solar PV	71	52	13
Solar Park Agersted	Under Construction	Denmark	Solar PV	31	28	7
Trykkevælde Solar Park	Under Construction	Denmark	Solar PV	55	40	10
Eolica Ouro Branco 1	Under Construction	Brazil	Onshore Wind	36	36	11
Eolica Ouro Branco 2	Under Construction	Brazil	Onshore Wind	36	36	7
Eolica Quatro Ventos	Under Construction	Brazil	Onshore Wind	23	22	2
Skåramålar Vind	Under Construction	Sweden	Onshore Wind	49	49	8
European Wind Farms Kåre	Under Construction	Sweden	Onshore Wind	37	37	6
EE Liskowo	Under Construction	Poland	Onshore Wind	39	39	6
<b>Total</b>		<b>Global</b>	<b>Mix</b>	<b>800</b>	<b>744</b>	<b>266</b>
Remaning green bond proceeds to be allocated						169
Net Proceeds from bond issuance						435

The allocated projects are expected to generate 1.4 GWh of power a year or 5454 MWh/mEUR invested.

The allocated proceeds are resulting in 213 thousands tons CO<sub>2</sub> avoidance, or 800 tons of CO<sub>2</sub> avoidance/mEUR invested.

**Notes;**

Projects in the above list have been selected based on the following criteria: 1) Project is under construction, 2) European Energy Ownership of project >50%, 3) Current project equity commitment > 1mEUR, as early development costs are funded with company equity. The "Green bonds amount invested" corresponds actual investment less other external financing. The selection and calculation of investment is made in accordance with the principles determined in European Energy A/S' Green Finance Framework.

Bond Issuance amount represent net amount of nominal bond value, 300 mEUR, less associated costs. Projects in above list do not only count incremental bond investments in 2021, but also refinancing of investments from before 1<sup>st</sup> Jan 2021.

Power generation and CO<sub>2</sub> avoidance is calculated based of assumptions established by IEA which have been applied to EE Share of plant size for both GWh and CO<sub>2</sub> avoidance calculations – data points are Full Load Hours & gCO<sub>2</sub> avoidance by country and technology assumptions.

# 4. Independent Auditor's Limited Assurance Report

## Independent Auditor's Limited Assurance Report

### To the Management of European Energy A/S and the green bond investors

We have performed a limited assurance engagement on "Green bonds invested in projects", 266 EURm, disclosed in the allocation report for the green finance instruments issued by European Energy A/S prepared in accordance with the Green Bond Framework of European Energy A/S as of June 2021, for the period ended 31 December 2021 (hereinafter: Allocation report).

The Allocation report is a component of European Energy A/S' Green Finance Report 2021 (page 3 of the Green Finance Report).

### Management's responsibility

The Management of European Energy A/S is responsible for the preparation of the Allocation Report in accordance with European Energy A/S' Green Bond Framework.

This responsibility includes the selection and application of appropriate methods to prepare the Allocation Report, including making of assumptions and estimates that are reasonable in the circumstances. Furthermore, the Management is responsible for the internal controls that they have determined are necessary to enable the preparation of the Allocation Report that are free from material misstatement, whether due to fraud or error.

### Auditor's declaration relating to independence and quality control

We have complied with the independence and other ethical requirements of International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

KPMG Statsautoriseret Revisionspartnerselskab is subject to the International Standard on Quality Control, ISQC 1, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the Allocation Report based on the assurance procedures we have performed.

We have conducted the assurance engagement in accordance with the ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and additional requirements under Danish audit regulation in order to obtain limited assurance for our conclusion.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk

of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

Our work has included:

- Inquiries of employees involved in the selection and calculation of "Green bonds invested in projects" and reporting to assess the calculation of invested proceeds and reporting process and the internal control system in relation to these processes, to the extent relevant for the examination of the disclosures in the Allocation Report,
- Inspection on a sample basis of the relevant agreements and documentation for classifying investments as eligible projects in accordance with European Energy A/S' Green Bond Framework,
- Reconciliation of "Green bonds invested in projects" in the Allocation Report to supporting documentation,
- Obtained Management's confirmation that "Green bonds invested in projects" in the Allocation Report has been included and calculated in accordance with European Energy A/S' Green Bond Framework.

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

### Conclusion

Based on the performed procedures and evidence obtained, nothing has come to our attention that causes us to believe that "Green bonds invested in projects" in the Allocation Report in European Energy A/S' Green Finance Report for 2021, is not in all material respects disclosed in accordance with the Green Bond Framework of European Energy A/S as of June 2021.

### Other matter paragraph on restriction on use

This assurance engagement has been performed for the purpose of providing assurance on European Energy A/S' disclosure of "Green bonds invested in projects" in the Allocation report in the Green Finance Report for 2021. Our report is intended solely to inform of the results of the assurance engagement and can not to be used for any other purpose. This report is not intended to be relied upon by third parties for making financial decisions.

Copenhagen, 15 June 2022  
**KPMG**  
 Statsautoriseret Revisionspartnerselskab  
 CVR no. 25 57 81 98

Jon Beck  
 State Authorised  
 Public Accountant

Martin Eiler  
 State Authorised  
 Public Accountant

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jon Wilson Beck  
 Underskriver

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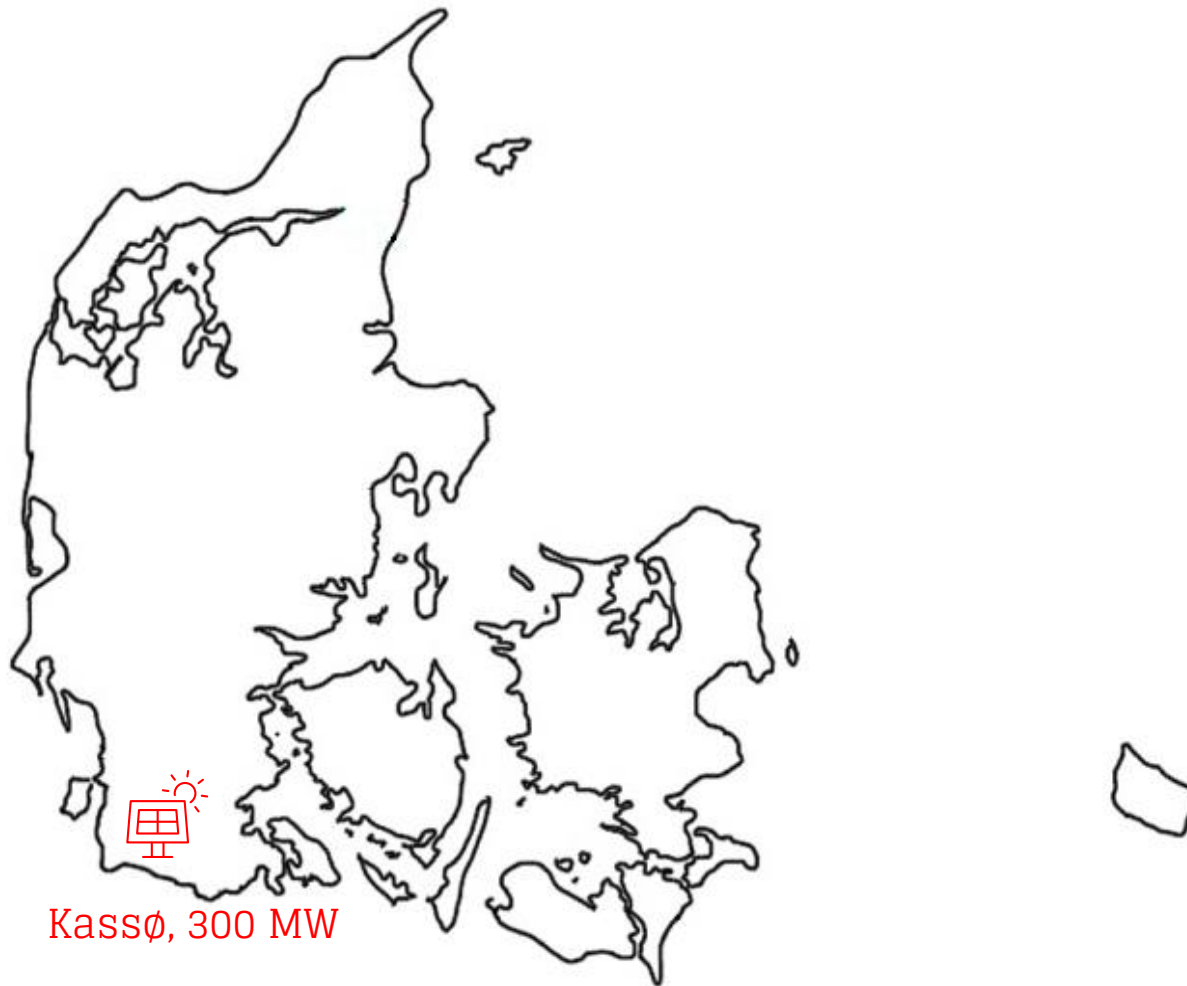
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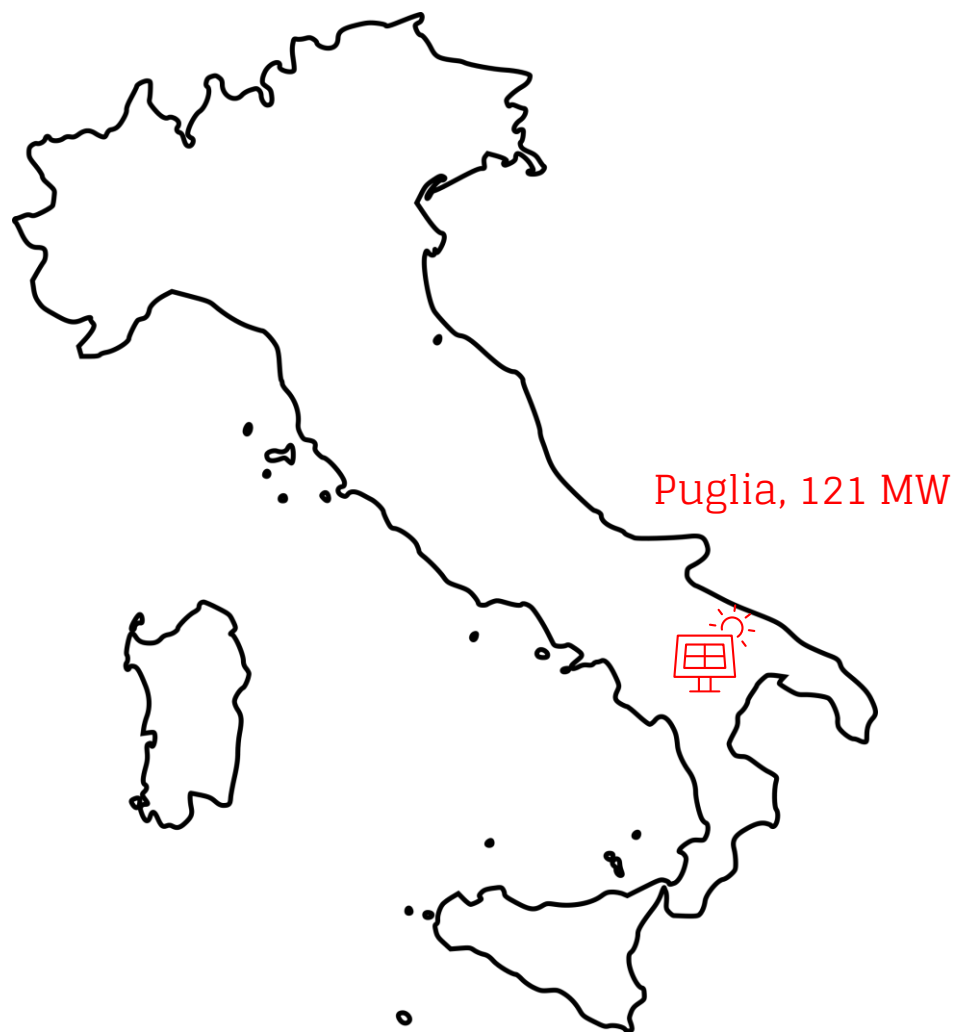
# 5. Case study: Solar Park Kassø



## Comments

- Placed in Aabenraa
- Solar Park
- 327 ha & 300 MW
- Construction start 3<sup>rd</sup> of May 2021
- Expected finalized 30<sup>th</sup> of June 2022
- Expected avoidance of CO2 emissions a year: 36 thousands tons

## 6. Case study: Puglia



### Comments

- Placed in Puglia
- Solar Park
- 177 ha & 121 MW
- Construction time 1 year
- Finalized December 2021
- Expected avoidance of CO2 emissions a year: 57 thousands tons