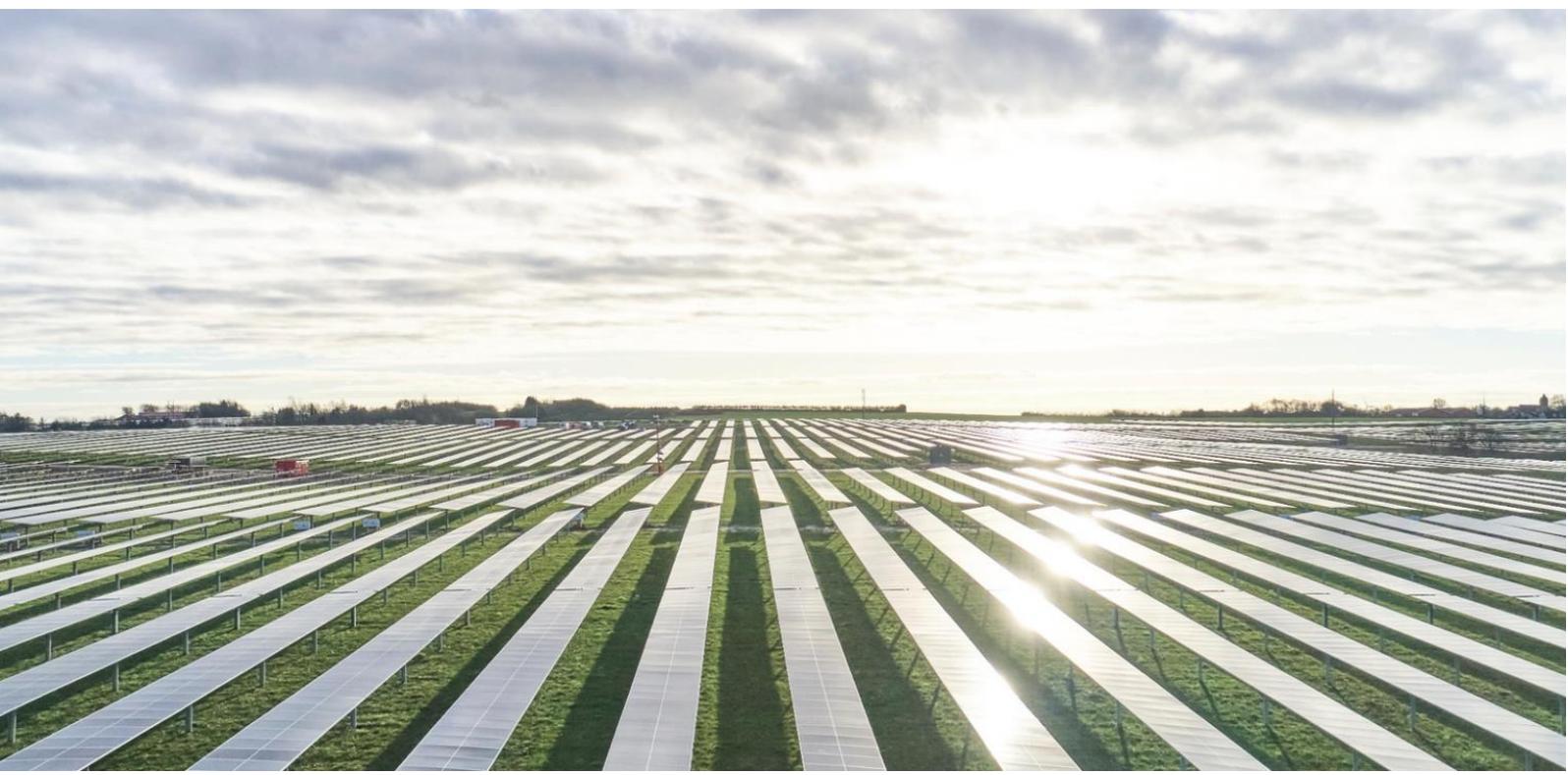




GREEN FINANCE FRAMEWORK

June 2021



1. INTRODUCTION

About European Energy

European Energy constructs wind and solar farms as well as downstream technologies like Power-to-X. We are building solutions to fight climate change by providing 100% renewable energy to the global market. Wind and solar power are already fully price competitive compared to coal, oil and gas. But we are working hard to make newly installed wind and solar farms price competitive with existing coal and gas generators, as we sincerely believe that it is the market, not the taxpayers, who holds the solution to climate change.



European Energy is reaching the goals together with our customers, large corporations sourcing renewable energy and utilities looking to provide consumers with green power or district heating. We construct the parks and sell them to visionary institutional investors, such as pension funds, who are looking for low risk, long term investments contributing to a better future.

Business overview

Our business model is focused on the development, financing, construction and ultimately the divestment of wind and solar PV power plants as well as the asset management of such plants. The Issuer will often divest the developed assets fully or partly to utilities, institutional investors, investments funds, etc., once the projects are completed and in operation. The Issuer continues to generate revenues from partly divested farms through part ownership and asset management. The Issuer aims to be among the leading project developers within solar PV and wind parks. Further, the Issuer seeks to be the preferred partner of financially strong investors with a wish to invest in solar or wind energy.

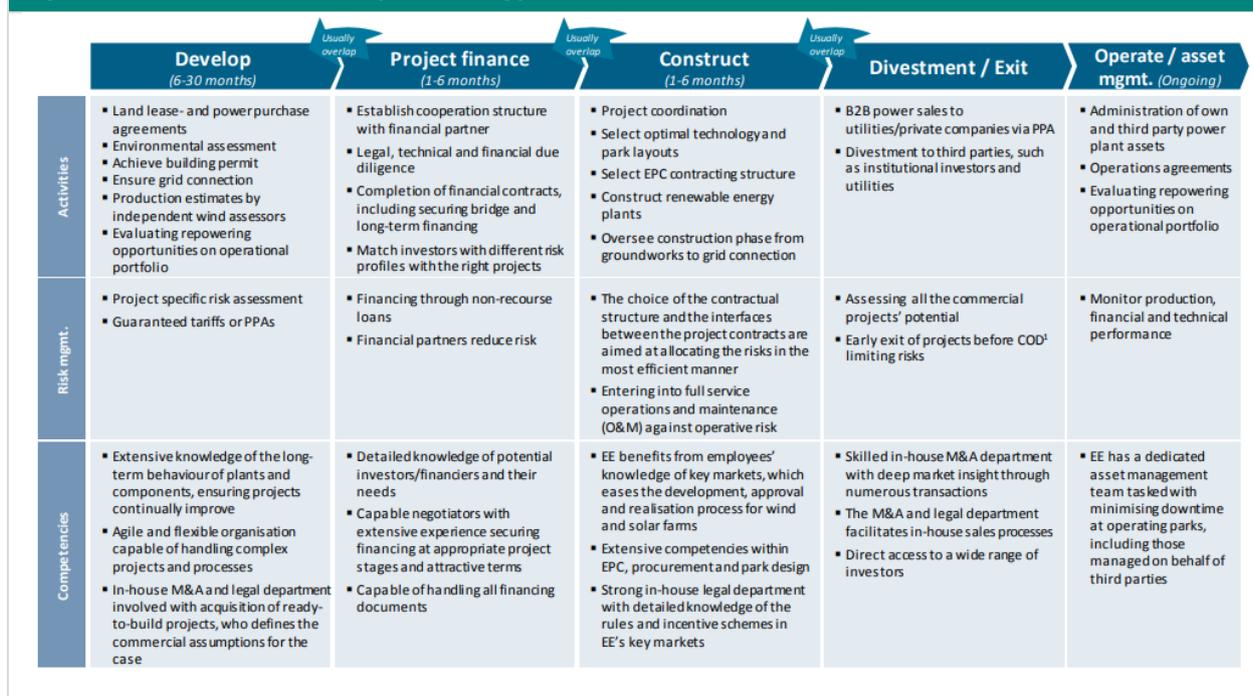
Since European Energy was founded in 2004, we have acquired considerable know-how in all the stages of the wind and solar power value chain. This expertise ranges from identifying new sites and securing financing to managing the actual construction process and ensuring the reliable operation of assets. Figure 1 illustrates the value chain and timeline in greater detail.

Our three main business areas include:

- Project development (including acquisition of partly or wholly developed projects), financing, construction and divestment of wind and solar PV farms
- Sale of electricity from operational wind and solar PV farms
- Asset management

We are currently developing, constructing and operating parks predominantly in Europe but are also active in North America, South America and Australia.

Figure 1 – Illustration of European Energy’s value chain and indicative time frames



Sustainability commitments and focus areas



European Energy is committed to aligning itself with international guidelines and developments such as the 10 principles of the UN Global Compact on human and labour rights, the environment and anti-corruption. In addition, we align our work to maximize our positive impact and reduce our negative impact on the UN Sustainable Development Goals.

Our contribution is particularly demonstrated in seven of these goals: UN SDG 7, 8, 9, 12, 13, 15 and 17. European Energy have redesigned its sustainability focus areas to foster a greater integration between our business model and sustainability. Our focus areas have been developed taking into consideration the UN Global Compact focus areas and the Sustainable Development Goals

Table 2 – Core Sustainability Actions

Climate Action	Local Action	Corporate Action
<p>EE’s core business lies in building solutions to climate change. We achieve this through the construction and operation of solar and wind farms as well as large-scale green energy storage. We take climate action seriously and understand the impact that our construction and operation activities have on CO2 emissions as well as on the environment surrounding our parks. As such, we minimize our impact as much as possible through initiatives that protect biodiversity and by taking a first step to collect data on our scope 1 and 2 GHG emissions.</p>	<p>We make sure that the land on which our parks are built can serve multiple purposes. As such, EE actively takes part in local citizen hearings taking place at the municipalities where our projects are being built. It is important for us to proactively initiate a community dialogue from an early-start to ensure an inclusive green energy transition takes place. We are also focused on transparently disclosing our paid and payable taxes per country as well as tax losses carried forward. Last but not least, we strive to ensure a safe working environment for our employees and those involved in our projects.</p>	<p>Our employees are at the core of our business. It is their talent, commitment and mission driven approach to a world run on reliable, affordable and clean energy that leads our results. We have updated our code of conduct which outlines the guiding principles for good business practices. The policy addresses topics such as a healthy and safe working environment, human rights best practices and anti-corruption standards. Our code of conduct can be viewed here.</p>

2. GREEN FINANCE AT EUROPEAN ENERGY

This Green Finance Framework (“Framework”) is aligned with the Green Bond Principles published by the International Capital Markets Association (ICMA) in 2021 and the Green Loan Principles published by the Loan Market Association (LMA) in 2021. This update allows European Energy to broaden the types of Green Instruments to not only include Green Bonds but also Green Loans and other types of debt instruments which are used to finance, or re-finance, Eligible Assets. Instruments issued in accordance with this framework are all ‘use-of-proceeds’. For the avoidance of doubt, this refers to 100% Green proceeds for bonds. However, other instruments may be subject to a 90% threshold on EBITDA of the European Energy Group, in which case that will be specified in the final instrument documentation. European Energy may take on other types of ‘Green’ or ‘sustainable’ debt financing not governed by this framework, such as Sustainability-Linked debt. It is our intention to follow best practices in the market as these develop.

Green Bonds issued previously under the old frameworks will continue to be a part of European Energy’s overall Green financing strategy. In case of discrepancies, European Energy will, to the extent feasible, seek to align these with the guidelines set out in this Green Finance Framework.

European Energy intends the Framework to be aligned with the Climate Delegated Acts of the EU Taxonomy (“EU Taxonomy”), published in April 2021.

USE OF PROCEEDS

The net proceeds of the Green Instruments issued by European Energy or its subsidiaries will be used to finance or re-finance Eligible Assets that have been evaluated and selected by European Energy in accordance to this Green Finance Framework. To the extent feasible Eligible Assets 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. The Eligible Assets may be wholly- or partially owned by European Energy and its subsidiaries but allocated proceeds will not exceed the total value of the share owned by European Energy and its subsidiaries.

Eligible Assets are on a best effort basis aligned with the EU Taxonomy and contribute to the disclosed Climate Change Mitigation measures. Specifically the economic activities targeted are focused on solar and wind power generation. As outlined in the introduction, European Energy’s business activities extend into other areas such as storage of energy but are for the moment not covered by the framework.

Eligible Assets

Proceeds allocated to Eligible Assets target specific climate related objectives of reducing greenhouse gas emissions through the production of renewable energy. Such Eligible Assets may cover both capital expenditures and operational expenditures, such as through labour costs or spending on R&D. Proceeds will not be used to finance investments linked directly to fossil nor nuclear energy generation.

ICMA GBP Category	EU Taxonomy	Description of projects	UN SDG mapping
Renewable Energy	4.1. Electricity generation using solar photovoltaic technology 4.3. Electricity generation from wind power 9.1. Close to market research, development and innovation	<ul style="list-style-type: none"> Development and construction of renewable energy projects such as solar and wind power. Research and Development projects related to solar and wind power (such as the Risø Test Centre). 	 

SELECTION AND EVALUATION OF ELIGIBLE ASSETS

European Energy's business model ensures a strong focus on project development. As part of this business model the investment committee, composed of members from the management team, oversees all investment decisions. In extension of these decisions the committee is responsible for ensuring that only projects aligned with the criteria set out above, including the alignment with the EU Taxonomy, will be selected as Eligible Assets.

In relation to the EU Taxonomy, the investment committee will, on a best efforts basis, specifically ensure alignment of each Eligible Assets with the EU Taxonomy in the following areas (1) substantial contribution to at least one of the six environmental objectives, (2) do-no significant harm (DNSH) to other environmental objectives, and (3) minimum safeguards.

MANAGEMENT OF PROCEEDS

European Energy has established a Green Finance Register in relation to Green Finance Instruments issued by European Energy for the purpose of monitoring the Eligible Assets and the allocation of the net proceeds from Green Finance Instruments to Eligible Assets.

Given the inherent nature of European Energy's business model, as described above, allocated Eligible Assets may be sold, refinanced, or otherwise deemed non-Eligible for proceeds. In such situations, they will be removed from the Green Finance Register.

European Energy will over the duration of the outstanding Green Finance Instruments build up and maintain an aggregate amount of Assets in the Green Finance Register that is at least equal to the aggregate net proceeds of all outstanding European Energy Green Finance Instruments.

There may be periods when the total outstanding net proceeds of Green Finance Instruments exceed the value of the Eligible Assets in the Green Finance Register. Any such portion will be held in accordance with European Energy's normal liquidity management policy. For the avoidance of doubt, this excludes the investments into activities within fossil fuel, nuclear, weapons and defence.

The Green Finance Register will form the basis for the impact reporting.

REPORTING

European Energy, including where relevant, subsidiaries, will annually publish a report on the allocation and impact of Green Finance Instruments issued under this framework. Where relevant European Energy will seek to align the reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Finance Impact Reporting. The impact report will, to the extent feasible, also include a section methodology, baselines and assumptions used in impact calculations. Further, European Energy expects to align with ongoing market developments around reporting allocation and impact via an online database.

Allocation Reporting

The allocation report will, to the extent feasible, include the following components:

- A list of all Eligible Assets funded including amounts allocated
- Detailed descriptions and case studies of selected Eligible Assets financed
- Amounts invested in each sub-category as defined in the Use of Proceeds section and the relative share of new financing versus refinancing

Impact Reporting

European Energy will strive to report on the actual environmental impact of the investments financed by their Green Finance Instruments. If/when actual impact for some reason is not observable, or unreasonably difficult to source, estimated impact will be reported.

The impact indicators may vary with investment category, as defined in this Green Finance Framework. The impact metrics selected may include the following:

- Renewable Energy
 - Total capacity of renewable energy installed (MW or GW)
 - Annual renewable energy generation (MWh or GWh)
 - Annual GHG emissions reduced and/or avoided (tonnes CO₂-equivalent)

EXTERNAL REVIEW

European Energy has engaged DNV to act as an external verifier of this Green Finance Framework and the Eligible Assets by way of a Second Party Opinion. This review includes an assessment on the alignment of Eligible Assets with the EU Taxonomy. The Second Party Opinion is publicly available on European Energy website.

Further, European Energy will endeavour to engage an external party to conduct a Third Party Audit of the allocated proceeds.