



GREEN FINANCE REPORT 2022

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

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1. Words from CEO

In European Energy, we firmly believe there is no greater challenge than climate change. The coming years will demand fundamental decisions to restore and enhance biodiversity, public health, and political stability.

Our vision at European Energy is to conceive new ideas for fossil-free electrification and then actualize them. Founded on the tenets of entrepreneurial spirit, we seize every opportunity to propel the green transition forward. As a renewable energy developer, our goal is to be the most innovative contributor and a leading global player in the green transition.

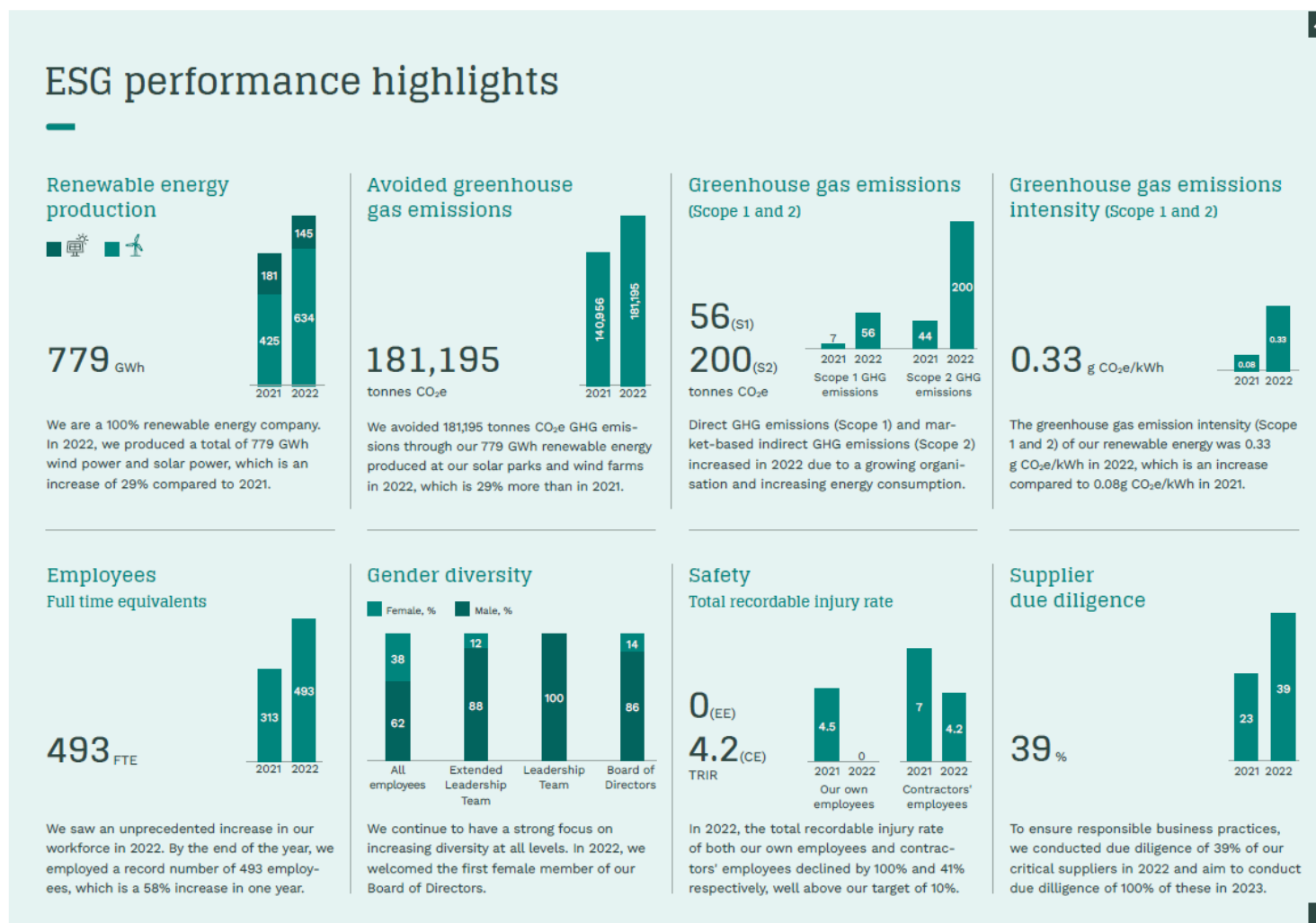
Our primary offering at European Energy is providing full-value chain solutions by developing, constructing, and operating wind and solar power projects across the globe. We create our own methods and solutions when we encounter obstacles or untapped growth areas.

At European Energy, we are committed to making significant investments to transform a fossil-fuelled world into one powered by green electricity. We are at the forefront of electrifying heating, transport, and industry sectors. Investments in these soon-to-be electrified sectors are already underway at European Energy.

We urge all who share our aspiration for a cleaner world to join us in driving change and acting. Because the power of tomorrow needs to be produced today.

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

2. Sustainability highlights

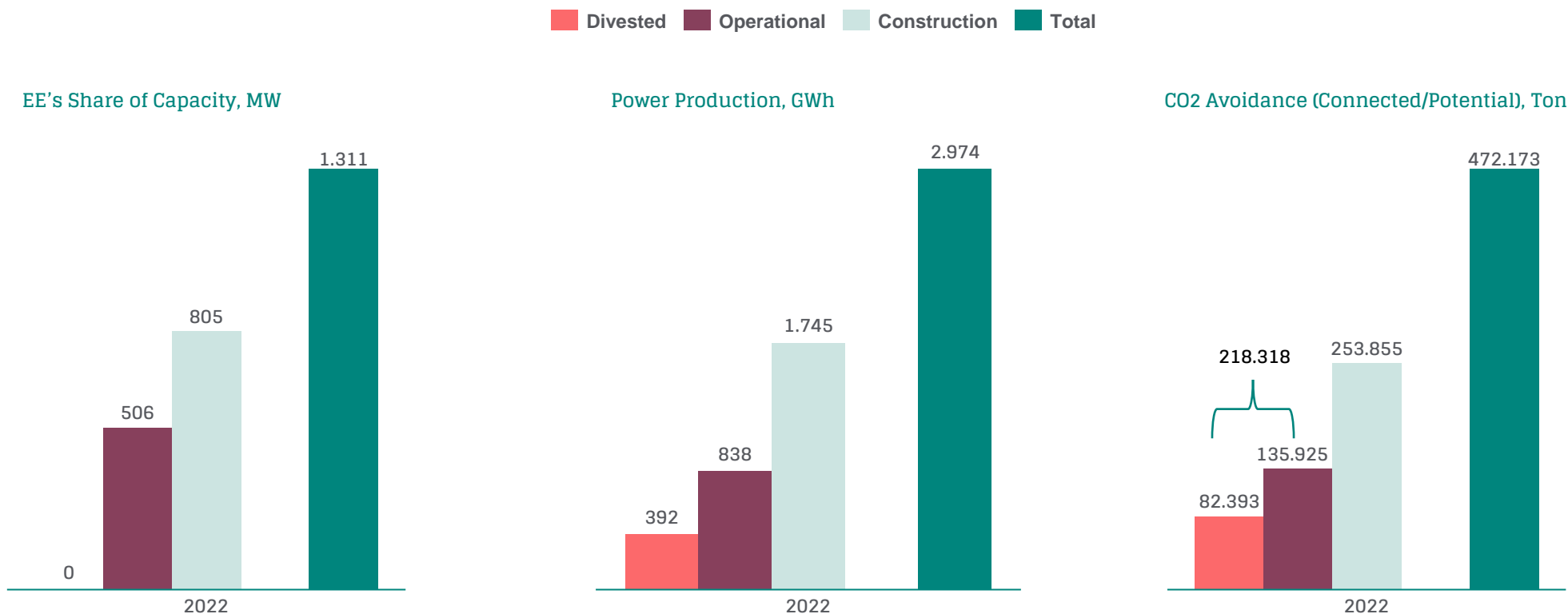


More details are shown in the [‘ESG Report 2022’](#) & the [‘Annual Report 2022’](#)

* List of projects financed can be found on page 3

3. Allocation report (1/2)

Below overview gives a high level understanding of the impact generated or the potential from investments in which green bonds have been or currently are allocated to.



Throughout 2022, our total green bond program averaged EUR 475 million (Start year- 435. End year - 514). The proceeds from these bonds were allocated to 32 projects, detailed on the following page, representing 1311 MW owned by EE by end-of-year 2022. During 2022, 563 MW was connected to the grid, resulting in an annual CO2 avoidance of 218,318 tons, while 255 MW were divested, enabling re-investments of bond proceeds allocated to these projects.

Given European Energy's model of constructing and divesting, we anticipate that the yearly CO2 avoidance will increase over time. We aim to deliver at least a similar grid-connected capacity next year, indicating that the environmental impact would grow commensurately with the duration of an investor's commitment to European Energy's bonds.

The exposed projects are expected to generate 2974 GWh of power a year or 11.093 MWh/mEUR invested.

The allocated proceeds have the potential of resulting in, yearly, 472 thousands tons CO₂ avoidance, or 1761 tons of CO₂ avoidance/mEUR invested.

3. Allocation report (2/2)

As of 31/12 2022, the Group's proceeds from green bonds were allocated to the projects in the below table.

Net Proceeds from Sale of Green Bonds		Hybrid '21	Bonds '21	Total '21	Hybrid '22	Bonds '22	Total '22
European Energy A/S		150	285	435	150	364	514
Project / Site	Phase end of '22	Country	Tech Type	EE Share of plant size (End of 2022)	Allocations of proceeds (End of 2022)	Yearly CO2 avoidance - Tons - Connected	Yearly CO2 avoidance - Tons - Potential after connection
Puglia	Divested	Italy	Solar PV	0	0	56.961	
Solar Park Rødby Fjord	Divested	Denmark	Solar PV	0	0	9.754	
Tryggevælde Solar Park	Divested	Denmark	Solar PV	0	0	7.556	
Zwei Gipfel I (JV Enercon)	Divested	Germany	Onshore Wind	0	0	8.123	
Kassø Solar Park	5. Operating	Denmark	Solar PV	304	18	41.773	
Agersted (Aså, H. C. Holst)	5. Operating	Denmark	Solar PV	28	6	4.235	
Kingebol	5. Operating	Sweden	Onshore wind	37	2	1.783	
Holmen II Solar PV	5. Operating	Denmark	Solar PV	32	4	7.010	
Kvosted, Gammelstrupvej	5. Operating	Denmark	Solar PV	85	4	13.875	
Siemysl	5. Operating	Poland	Onshore wind	3	6	10.954	
Bialogard	5. Operating	Poland	Onshore wind	4	6	13.693	
Drawsko II	5. Operating	Poland	Onshore wind	3	4	9.129	
Kolobrzeg	5. Operating	Poland	Onshore wind	10	15	33.472	
Ouro Branco I	4. Construction	Brazil	Onshore wind	36	13		17.211
Ouro Branco II	4. Construction	Brazil	Onshore wind	36	11		17.211
Quatro Ventos	4. Construction	Brazil	Onshore wind	22	6		10.757
Skåramåla	4. Construction	Sweden	Onshore wind	49	9		2.358
Vier Berge II (Bloosballich)	4. Construction	Germany	Onshore wind	13	2		12.185
Vier Berge III (Drei Hügel)	4. Construction	Germany	Onshore wind	19	3		18.519
Vier Berge IV	4. Construction	Germany	Onshore wind	14	1		13.500
Holsted	4. Construction	Denmark	Solar PV	175	6		24.041
Stouby	4. Construction	Denmark	Solar PV	86	2		12.073
Kæragerholmvej (Milbakken)	4. Construction	Denmark	Solar PV	43	1		6.621
Telsiai I	4. Construction	Lithuania	Onshore wind	60	72		27.203
Telsiai II	4. Construction	Lithuania	Onshore wind	60	26		27.203
Anyksčiai (Solar PV)	4. Construction	Lithuania	Solar PV	78	2		12.217
Delfzijl Zuid Uitbreiding	4. Construction	Netherlands	Onshore wind	5	4		3.611
Krzecin	4. Construction	Poland	Solar PV	10	4		8.964
Sulimierz	4. Construction	Poland	Solar PV	15	7		13.446
WF Debsko (FW Kalisz Pomorski)	4. Construction	Poland	Onshore wind	8	5		13.910
Grevekulla Wind	4. Construction	Sweden	Onshore wind	36	7		1.726
Bubney	4. Construction	UK	Solar PV	40	23		11.099
Total		Global	Mix	1.311	268	218.318	253.855
Remaning green bond proceeds to be allocated					246	472.173	
Net Proceeds					514		

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", 268 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 2022 (hereinafter: Allocation report).

The Allocation report is a component of European Energy A/S' Green Finance Report 2022 (page 4 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 2022, 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 2022. 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, 30 June 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant

Kenn Wolff Hansen
State Authorised
Public Accountant

5. Appendix - Report Scoping

Projects selected to be represented in European Energy A/S's Green Bond Report 2022, have been selected and determined from the below criteria. Projects in scope are show in slide 4 & 5 of the report.

- 1 Projects were part of last year's EE Green Bond Report, or
- 2 Projects were under Construction* as of 31/12/2022
- 3 European Energy A/S's ownership of project >50% and consolidated in Group accounts
- 4 Project equity commitment > 1mEUR, as early development costs are funded with company equity
- 5 The "Green bonds allocated" corresponds actual investment less other external financing.
- 6 The selection and calculation of investment is made in accordance with the principles determined in European Energy A/S' Green Finance Framework.
- 7 Bond Issuance amount represent net amount of nominal bond value, 378 mEUR (Green Bonds), less associated costs. Projects in above list do not only count incremental bond investments in 2022, but also refinancing of investments from before 1st Jan 2022.
- 8 Power generation and CO2 avoidance is calculated based of assumptions established by IEA which have been applied to EE Share of plant size for both GWh and CO2 avoidance calculations – data points are Full Load Hours & gCO2 avoidance by country and technology assumptions.

* List of projects financed can be found on page 4 & 5, Note*: Projects under Construction are defined by having had a positive financial investment decision to construct project