



Annual book 2023

Scaling up on renewable energy



EUROPEAN
ENERGY



EUROPEAN
ENERGY



44 MW

Harre,
Denmark

Table of contents

About us

- Four core technologies..... 8
- Business Model.....10
- Growth across the world..... 12
- Core story.....14
- Our strategy.....16

Culture

- Our core values..... 20
- European Energy company trip 22

People

- Employee Ambassadors..... 28
 - Manager, Finance Controlling..... 30
 - Deputy Head of Projects, Denmark 32
 - Senior Project Manager, Power-to-X..... 34
 - Senior Legal Manager..... 36
 - Senior Project Manager, Italy..... 38
 - Deputy Project Manager, Project Dev. 40

Achievements

- Financial highlights 44
- ESG highlights 46
- Troia, Italy..... 50
- Kvosted, Denmark 52
- Ouro Branco I, Brazil..... 54
- Kronborg, Denmark 56
- Anykščiai, Lithuania 58

Electrification

- Power-to-X..... 62
- Måde, Denmark..... 64
- Kassø, Denmark67
- Sustainable Air Fuel..... 68

01

About us

For the past 19 years, European Energy has been committed to being a leading player in the development of renewable energy. When European Energy started developing wind and solar farms, the energy market in Europe was very different. It was dominated by state utilities that had centralised the production of electricity into big coal, oil or nuclear plants.

European Energy was founded in 2004 with a focus on building up renewable energy facilities – at the time there was no indication that state utilities had any intention of turning away from fossil fuels. The climate crisis resulting in global warming was not being addressed, nor was

the energy independence of countries without the natural resources to replace fossil fuels. These two drivers continue to be key factors in European Energy's overall goal.

Today, the energy industry is becoming increasingly packed with renewable assets. They ensure that a steady stream of green electricity meets society's many demands for energy. Whether it is traditional household electricity consumption, the charging of electric vehicles or production of Power-to-X products, European Energy has positioned itself to take part along the entire value chain of renewable energy.

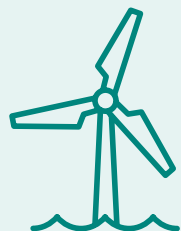




Solar



Onshore wind



Offshore wind



Power-to-X

Four core technologies

European Energy started out with just solar energy and onshore wind in its business portfolio, and the business areas of the company have expanded throughout the years. Today, the company also has major investments in off-shore wind as well as Power-to-X-technology, plus investments in CO₂-capture. These new investments are all characterised by one common denominator – the need to gradually move society away from its reliance on fossil fuels to more freedom to commit to renewable energy from sun and wind.

From its roots as an innovative startup company, European Energy has today grown into a multinational company with talents from all over the world. Innovation and entrepreneurship remain very much in the company's DNA despite all the new skills and characteristics that the company has acquired over the years. One thing is certain – European Energy remains committed to bringing the Power of Tomorrow, Today.

Business model

We champion the green transition by developing solar parks, wind farms and Power-to-X solutions to encourage the world to join the movement towards a fossil-free society.

Screening

We screen our markets for relevant locations for solar, wind and Power-to-X facilities, using our GIS-based IT-tools as well as our local knowledge and network. Based on a careful screening of environmental and technical concerns as well as a mapping of key stakeholders, we enter into a cooperation with the landowners to secure the land for development.



Development

During development, we secure the grid and work to obtain the necessary permits. We conduct environmental studies and discuss mitigation measures with key stakeholders. Technical specifications may be adjusted, and hybrid and storage solutions are considered as part of the optimisation of the project. When land, grid and all necessary permits are secured, the project is ready-to-build.



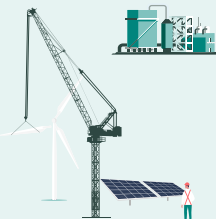
Engineering & procurement

Our design and engineering expertise ensures the strong operational performance of our projects. Our procurement team selects suppliers on the basis of thorough evaluation and closely monitors their delivery. We perform quality management of all our engineering and procurement processes.



Construction

At this stage, we initiate construction of a project. We have a strong track record for managing contractors and suppliers on-site and, as the final construction step, connect the projects to the grid and produce Power-to-X solutions.



Power Purchase Agreements

Power Purchase Agreements are long-term, fixed-price energy supply contracts. These agreements ensure that we have offtakers for our renewable energy projects. The agreements are often made prior to the construction of a project.



Financing

Funding is raised at both parent company and project level. We have a treasury and project financing team that designs and optimises the Group's capital structure, parent funding, liquidity and financial risk management.



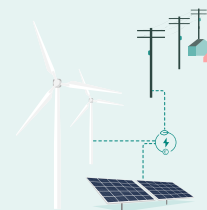
Project sales

We assess each project individually and take risk-and-reward profiles into consideration. In some cases, we divest the projects to longterm investors. In these cases, we often continue to manage the assets for the investors to optimise production output and minimise operating costs.



Power sales

In some cases, it is advantageous for us to retain ownership of a project for a period of time, and sell the renewable power as an independent power producer, or to use the power for production of Power-to-X solutions



Asset management & operations

We have in-house expertise in the technical, commercial and financial aspects of managing our projects. We also deliver operational services for solar plants, including scheduled preventive maintenance, corrective maintenance, technical support and plant monitoring.



European Energy across the world

Home market

	Development solar/wind	Construction solar/wind	Operational wind activities	Operational solar activities	Offices
Denmark	■	■	■	■	4

Northern Europe

Finland	■				
Estonia					1
Latvia	■				1
Lithuania	■	■			1
Sweden	■	■	■		1
UK	■	■	■	■	1

Central Europe

Germany	■	■	■	■	3
Poland	■	■	■		1
Romania	■				1
France	■				
The Netherlands	■	■	■		1

Southern Europe

Italy	■	■	■	■	1
Spain	■			■	1
Greece	■				1
Bulgaria	■		■		1
Croatia					1
Montenegro	■				

Rest of the world

Brazil	■	■	■		1
Australia	■				1
US	■				1

*Operational activities includes power generation and asset management.
We only do asset management in markets with own power generation.

Core story

We are the creative enablers of the green transition.

Imagine if the energy we consume does not harm the climate. Then envision that it can come from sources accessible to all. At European Energy, this is the energy we produce every day.

For far too long, the use of energy has resulted in an imbalance of our planet and of our societies. In eco-systems, in public health, and between nations, energy consumption and supply have created instability and threaten some of the most fundamental balances on earth.

Crucial decisions must be made to restore this balance. The decisions we make today will impact the world of tomorrow. Decisions that support the green transition of energy will pave the road to enhancing biodiversity, public health and stability across the world.

In European Energy we gather new ideas for a fossil-free electrification of the world and make them real. Founded upon entrepreneurial spirit,

we develop the solutions that is needed – even if we must go to all the nooks and crannies. If the solution is not invented, we invent it our-self in collaboration with our many partners.

Our goal as a developer inside the renewable energy sector is to be the creative enabler for our stakeholders and a global major in the green transition. Becoming a global major requires collaboration, and we foster collaboration across borders, welcoming people and partners of all backgrounds and experiences to join us to fully realise the green transition.

With the future of our world at stake, there is no time to lose. Tomorrow needs to be today. We cannot wait for someone else to do it. By pursuing the new ideas, powering the next projects, and cultivating the new thinking we redeem the power of tomorrow, today.



6 GW

Grzmiąca,
Poland

Creating a scalable organisation

European Energy's goal is to be recognised as one of the leading global developers of new onshore wind and solar energy projects by 2023, while expanding our presence within the energy sector through the application of new technologies. Our strategic focus for 2023 is anchored in the following themes:

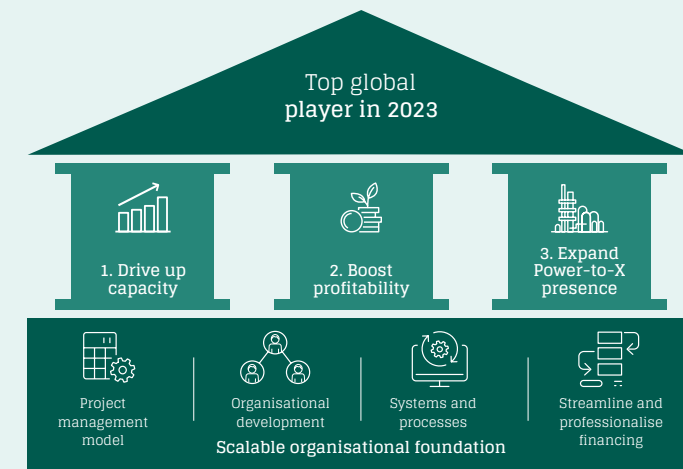
Drive up capacity

Drive up capacity and continue growing our pipeline. In 2022, the development pipeline grew to more than 29 GW, close to a 160% increase from year-end 2021. We expect to

maintain strong growth in 2023, but equally have a strong focus on maturing and qualifying the current pipeline.

In the last year, we have also succeeded in our strategy of growing our presence in European markets and other selected OECD countries (e.g. the USA and Australia), and consequently, our focus will be on gaining a strong foothold in these new markets.

Our diverse geographical footprint and early project involvement means that we are confident that we have both the volume and market diversification to achieve our ambition.



Boost profitability

Bring down cost of energy to maximise the competitiveness of our renewable energy solutions. A combination of the latest technology, larger projects and in-house presence throughout the value chain is our main lever to further reducing costs.

Expand Power-to-X presence

Maturing our presence in new and adjacent business areas continues to be a focus for our organisation to maintain market leadership and further support the green transition of the energy sector. The Power-to-X industry is expected to grow significantly in the coming years, and we

have a strong ambition to utilise our acquired expertise and strong global footprint to bring forward solutions on a global scale.

Scalable organisational foundation

Creating a scalable organisational foundation is also a key focus for our organisation in 2023, as this will enable us to maintain our high growth rates. This means that we will focus on refining and implementing uniform processes, systems, and structures across the organisation to support our growth strategy.

02 Culture

European Energy is in a period of tremendous growth. For most of its corporate history European Energy has been characterised by a start-up culture. This is however changing as the company grows larger and now defines itself as a scale-up.

This means that processes and workflows are being streamlined in order to better take advantage of the combined knowledge pool in the company.

Our organisation

The main arteries of European Energy are divided into three areas: New Business Development, Cross Functions and Line Functions.

New Business Development consists of departments focused on developing new areas of technology in fields in which European Energy has a business interest.

Cross Functions comprises departments which provide advice, analytical work or strategising to the rest of the organisation.

Line Functions focuses on developing, constructing and operating solar and wind farms across all markets.

Values

The employees of European Energy have developed six core values as common denominator

within the company. These core values are designed to help us work with ethical principles within the company. The values are named: “In it Together”, “Agility”, “Excitement”, “Inclusion”, “Trust and Courage” and “Ambition”.

We have also included an article on the company trip, which has been a tradition in the company since its founding in 2006. During these company trips, everyone from the company comes together at a place outside the workplace to socialise in person. We feel that it is a great way to build the team spirit as well as share experiences across the company.



Our core values

Core values – our common language and mutual agreement

European Energy is a highly value-driven organisation, founded and powered with the idea to change the world into a thriving home for future generations. To become a global major in driving the green transition, we need a solid foundation with basic principles. In 2022, six core values were defined as our common language and mutual agreement between all employees. People from throughout the company were involved in the work to carve out our direction and everyone has taken part in its implementation.

The core values are not only a reflection of our existing heart and soul, but also a guide in how we approach and carry out future operations. As well as a company, European Energy is a community – a cohesive force – with common ground rules. For both new and old colleagues it is important to know what we have signed up to and how to navigate in a rapidly expanding environment. The core values are also a matchmaking asset to attract new talents.

Some of the core values are easy to grasp and adopt, others need further elaboration and analysis. In 2023, the focus will be set on inclusion – a fairly extensive concept, covering many elements, for example diversity and equality. Unhealthy power structures in society also affect European Energy and need to be acknowledged and countered. A committee has been assigned to address these issues and will start their work at the beginning of the year. One of its purposes is to see, appreciate and utilise the differences between people in the organisation to become an even more attractive employer and competitive stakeholder.



In it together



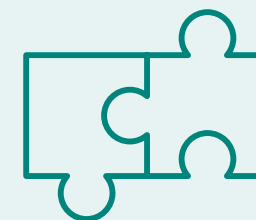
Agility



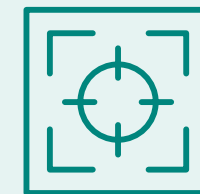
Excitement



Inclusion



Trust and courage



Ambition



Company trip – best event of the year

Ask anyone at European Energy for one word to describe the company culture, and the answer will most likely be excitement. Excitement is both the cause and effect of our growth and success and animates all operations and everyday life. It is perhaps best captured in one yearly highlight – the company trip. The event has been run for many years, and the 10th anniversary was celebrated with the biggest gathering so far.

380 people representing more than 30 nationalities got together at the beautiful Vilnius Grand Resort. Some came by ferry, some by bicycle, and others with a Ukrainian airline in need of a new commission because of the war. In the hotel lobby, you could feel the intensity of expectation. People met and greeted each other, many for the first time, in real life. The hugs, high fives and friendly atmosphere would be difficult to find elsewhere. Happy hosts from the Lithuanian team welcomed us all.

A greater sense of connection

A company trip combines teambuilding, business strategy, site visits, and lots of time to mingle in relaxed settings. In Vilnius, a special zone was dedicated for the informal talks – a hangout area in the hotel's main building.

“Individuals get a greater sense of connection and contribution by meeting up, especially outside the office. It creates a feeling of being in it together and being part of a bigger family. Plus, meeting in person presents opportunities for small talk that can help you find common interests and get to know each other on a more personal level. This will definitely also improve the collaboration across the organisation especially in a fast-growing company such as European Energy” says Anne Byrch Fjellvang, Vice President and Head of HR at European Energy.

Site visits bring great pride

Since the first event in 2006, one of the fundamental ideas with the company trip was to visit a site and experience a wind or solar farm. In Lithuania, the study visit was Jonava wind farm with its 13 turbines providing electricity for around 116,000 households.

“Not everyone in the company gets the chance to witness the progress of our projects daily. Being on site and seeing for yourself what a massive contribution we make to the green transition brings a great pride to us all,” says Anne.

On the bus ride there and back, all employees got the chance to play a card game based on the fairly new company core values. The company culture was a recurrent theme throughout the three days in Vilnius.

Anne explains: “We recently implemented our values and saw the trip as a great opportunity to become familiar with them through different games and talks– our values are decisive for our success as they can help create a common language and a compass for the direction in which we move as a company.”

Exploded with energy and fun

The core values were also workshopped at the joint dinner party and very much expressed at

the 70’s disco party, during which the dance floor almost exploded with energy and fun. One of the most memorable moments was when all the 380 employees gathered outdoors for a photo. The famous European Energy creativity was reproduced in many imaginative costumes. Many also took the chance to eternalise themselves and their colleagues in a photo booth.

“Fun activities help people see each other in a different light, allowing employees to connect in a different setting. It is about increasing communication, planning skills, employee motivation, and employee collaboration,” says Anne.

Best memory: Blindfold rowing

Since the first company trip with some ten people, many great memories were made and shared. Some of them were presented in a slideshow that generated much laughter, such as Vice CEO, Jens-Peter Zink’s changing hairstyles over the years.

For Anne, one memory is more prominent than others. “It was a teambuilding event in Denmark in 2017 where we had to compete against each other in smaller teams - rowing blindfolded - this was so much fun and also challenging because you really had to trust your colleagues.”



03 People

With over 550 employees at the start of 2023, European Energy currently has over 37 nationalities in the company. Despite being headquartered in Denmark for its entire history, the company has always had a need to look beyond the borders of Denmark to find the most suitable talents in the world.

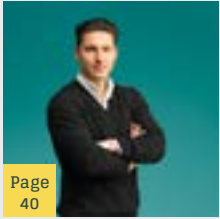
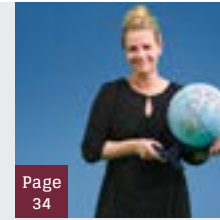
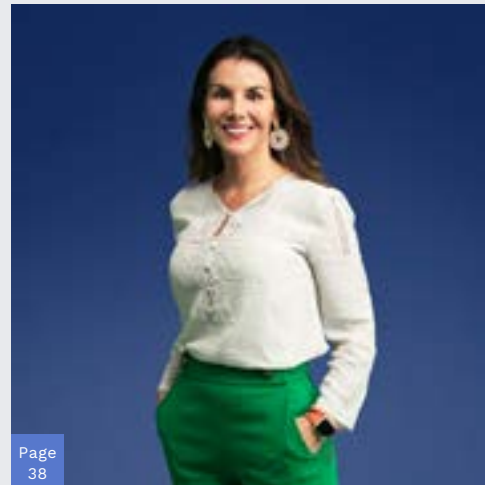
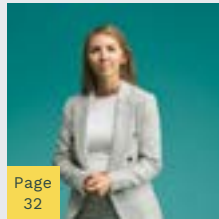
Currently the staff at our headquarters comprise 74% of the workforce – while 26% of the workforce is based in local offices. The headquarters in Copenhagen are home to many of the corporate cross functions, such as HR, Legal, Communication and Finance, while the local offices ensure that the various renewable energy projects across the different markets receive their due attention.


In this chapter of the annual booklet we have decided to focus on some of the people that make European Energy the company it is today. They are brand ambassadors for the company and have agreed to tell the world a little about why they chose to work for European Energy and who they are as people.

The Brand Ambassador program is an initiative that aims to tell outsiders more about how it is to work in European Energy from the eyes of its employees.



Brand Ambassadors





“It’s great being part of an organisation where we’re not afraid of taking chances, taking the lead and having high ambitions”

Nicolaj Lehto Hansen
Manager, Finance Controlling

[> Read more](#)

MANAGER, FINANCE CONTROLLING

Nicolaj Lehto Hansen

Working in Finance is often seen as a support function, and I try to be a partner for my colleagues in the other departments of European Energy to help and support them in the best way possible, so they can do what they do best; accelerate the green transition.

[What is the best things about working at European Energy?](#)

The chain-of-command is very flat and there’s a very short way from idea to execution which makes every day dynamic and exciting, while the people in the organization are fun to be around. The business is growing at a very rapid rate making it possible for my personal development to go quite fast as well, which is something I value highly.

[What are the best things about your colleagues?](#)

We’re a young and agile organization and it shows in the people working here as well. Everyone is ready to do their part and are not afraid of chiming in with ideas or solutions. On top of that we always have fun while doing it!.

[What has been your best experience so far at European Energy?](#)

It’s been my personal growth journey over the last years coming in as a Financial Controller directly from a Big 4-Auditing company and transitioning into being a Senior and now also a Team Leader of six colleagues. Being giving the trust and help for myself to reach new goals and milestones and to help build up something even greater has been a huge driver for me.

[What do you like to do outside work?](#)

I have a very large passion for wine – and especially champagne – which I spend a lot of my free time and money on. I also have a small business together with my brother importing champagne to Denmark from 3 smaller producers that we sell to both private customers, wine shops/bars and restaurants while also hosting champagne tastings for private people and businesses!

Maja Rasmussen

I am convinced that the green agenda contributes to the motivation and passion that you feel walking around at our office floors. On top of all the professional passion, the green layer gives all of us an extra motivation, since it is something you also believe is important from a personal perspective.

How do you try to be a creative enabler of the green transition?

I solve issues every day – all types, and the ones you never thought you would know of when thinking about a wind or solar park. Each project is special in some way, and you never know what the next project will bring in its specific significance, risk, issue or possibility. Hence, having an open, critical yet constructive mind helps me look at issues from several angles when assisting my colleagues in finding the best solution to go forward in the matrix between what works in the field and what is feasible from a business case perspective.

What has been your best experience so far at European Energy?

After quite some years with EE that is a tough question – there are so many things to bring forward. But as a person, I go to work as myself every day. Thinking about that is actually quite marvellous.

We all have weird sides to our personality – luckily – and in European Energy there is room to bring these sides along in your workbag. It only gives flavour to a collaboration that we look different, behave differently and think differently.

What are the best things about your colleagues?

Passion, diversity, great and specialized talent. I learn a lot every day, which keeps me developing and being humble to their input. My colleagues make me better – hopefully they think the same.

Because of the size of European Energy today, we have specialized expertise inhouse, gathering great minds to find the best way forward together. That is really cool for a creative mind like me.

“If you have the ambitions and the competences, there is room for you to grow. I have felt that myself during my time at European Energy, where I have had the possibility to take on new responsibilities in line with my own ambition to develop”

Maja Rasmussen
Deputy Head of Projects, Denmark

[> Read more](#)



“The fact that we have a “can-do” mentality. From management to all employees this mentality is thriving; we can do it and we can find a way”

Lotte Lindeloff
Senior Project Manager, Power-to-X

> Read more



SENIOR PROJECT MANAGER, POWER-TO-X

Lotte Lindeloff

At European Energy I work as Senior Project Manager in the Power-to-X department. In this role, I take part in general business development activities as well as specific project development activities e.g. leading feasibility studies, structuring and coordinating external and internal stakeholder management, leading permitting processes, securing land rights, securing progress of projects in a structured, agile and documented way.

What is the best things about working at European Energy?

The fact that we have a “can-do” mentality. From management to all employees this mentality is thriving; we can do it and we can find a way. Obstacles are motivating and will not stop us as we can then find another way. That is in my opinion project development in its purest form.

What are the best things about your colleagues?

My colleagues are “do’ers”. They act, they take

responsibility, and they want to contribute to progress.

How do you try to be a creative enabler of the green transition?

European Energy is a global frontrunner in the green transition in particularly when it comes to Power-to-X. When planning, structuring and executing our Power-to-X projects we are very much laying the roadblocks as we go a long, that is among other things in terms of understanding and impacting new regulation, in terms of technology, in terms of developing a new supply chain and a new market for our products. That is highly motivating to take part in the development of this new leg of the green transition.

What do you like to do outside work?

I like to travel, to be challenged physically (i.e. hiking, mountain bike, kayaking, trail run), to visit a museum or read a book at home with a cup of coffee and most of all to be surrounded by the people I love.

Kevni Iljazovski

I like the value Ambition and I have always admired a quote by Steve Jobs that goes “The people who are crazy enough to think they can change the world are the ones who do” – I feel the same vibe and excitement everyday in European Energy and I truly believe European Energy can make a big difference on a big scale.

How do you try to be a creative enabler of the green transition?

By being aware of the little things that can have a big impact everyday (sorting out trash correctly, using the same coffee cup for the second time, etc) and by teaching the importance of nature to my children.

Why is it important for you that European Energy is a driving force in the green transition?

Because it is motivating to work in a company that does what basically all humans should do.

What are the best things about your colleagues?

Our respect for each other and that we are including and social despite different positions, cultures, ages and races.

What has been your best experience so far at European Energy?

To work with so many amazing and talented people, internally and externally.

How would you describe yourself?

A positive and smiling human being who enjoys creating memories everyday

What do you like to do outside work?

Spend time with my family, travel the world and go to museums

“The best thing about my colleagues are our respect for each other and that we are including and social despite different positions, cultures, ages and races”

Kevni Iljazovski
Senior Legal Manager

[> Read more](#)



“Everybody is welcome to join sports activities: running club, mountain biking, football matches, yoga, etc.”

Derly Mateus
Senior Project Manager, Italy

[> Read more](#)



SENIOR PROJECT MANAGER, ITALY

Derly Mateus

The global energy crisis is accelerating the renewable energy expansion. In European Energy, we already have access to low-cost renewable electricity. This year, we have secured the largest e-methanol electrolyser and now we are running to produce cost-effective fuel for shipping companies. It is such an amazing starting point into CO₂-neutral shipping in large-scale, greener and more efficient solutions!

[How do you try to be a creative enabler of the green transition?](#)

A couple of months ago, my son had a written assignment on climate change for school, and he developed a theme of “How does my mother help with Clean Energy?” Until this moment, his teacher did not know what I do at work. Now, we are working together to have some speeches during classes and probably organizing a one-day educational visit to a wind or solar power plant.

We claim we are “The Power of Tomorrow, Today”.

Therefore, sharing our knowledge with new generations is the best way to achieve that goal.

[European Energy has six core values. What are the most important values for you and why?](#)

Firstly, “Trust & Courage”. It is true that in the energy sector, the majority of workers are men, mainly for socio-cultural reasons. In my experience, I have always seen more men than women in a meeting room, but I think it is becoming more evident that the decision of the future of energy demands more and more women sitting at the table and taking part in decision-making.

Secondly, “Ambition”. We want to provide renewable energy to the world, which is a huge ambition that drives us to achieve great things. Nothing truly great happens in the world without a healthy dose of ambition behind it.

[What are the best things about your colleagues?](#)

My colleagues are genuinely approachable, regardless of their place in the hierarchy. This results in more transparency, new ideas, and a stronger affinity between us and the company.

Michał Marcin Macuk

At European Energy, we do not wait for things to happen. We have the courage and will to create the future ourselves.

What do you do at European Energy?

I participate in all stages of a renewable energy project from feasibility studies to the completion of construction. The possibility to impact a project is immensely exciting. My main duties are cooperation with developers, land scouting and conducting projects, especially permit obtaining.

What are the best things about working at European Energy?

The most significant aspect of working at European Energy is the feeling of being part of a meaningful change. The global range of EE's activities means that our common efforts not only affect the immediate neighborhood but are a significant improvement in the context of the global climate as well.

European Energy has six core values. What are the most important values for you and why?

Personally, I identify with "Trust & Courage" the

most. I have played professional football for most of my life. Based on my own experience, I know that sometimes people doubt their goals. However, when you have a trustful and supporting team, you will always be able to act.

What has been your best experience so far at European Energy?

I will always remember the warm welcome on the first day of work, and the Christmas party when our local team summarized the annual achievements. However, my most relevant experience was the first company trip after the pandemic COVID-19. It was a brilliant time spent with my colleagues, who I knew just from virtual appointments, exchanging experiences from all markets around the world and having a great time together!

"My daily motivation comes from the desire to ensure a greener and safer future for the next generations"

Michał Marcin Macuk
Deputy Project Manager, Project Development

[> Read more](#)



04 Achievements



With high energy prices and growing inflation, 2022 has been a year of extreme volatility for European Energy. The tumultuous global affairs with the tragic war in Ukraine and supply chain shortages has not made the overarching business environment more predictable.

Despite these factors, European Energy has managed to secure its best year financially, as well as in its building programme. While these achievements could not have been possible without the individual work of all our staff – the undersupply of electricity has driven up prices for our products across all markets. We very much welcome a fair and transparent taxation on disproportionate income on all kinds of energy

products in order to safeguard consumers against unforeseen volatility on the energy markets.

However, we do also believe that taxation is only a symptomatic cure for the real underlying structural problems that plague the energy composition of many European countries. In order to secure predictable and balanced costs of energy, the roll-out of renewable energy capacity must happen in a much faster way than what is currently the case. With the rising need for energy resulting from the electrification of many things in our lives, we will have to be able to produce much more electricity than what is currently the case. Investment and the build-out of fossil fuel energy has very much dried up; nuclear energy

requires decades-long planning, so the only viable solution to the current undersupply of electricity is to massively invest and politically support the build-out of the renewable energy capacity.

In 2022, European Energy connected a record high of more than 650 MW of renewable energy capacity to the grid. This is also the highest achieved build-out in the history of European Energy.

Since 2004, European Energy has developed and acquired more than 3 GW of renewable energy capacity. This amounts to the electricity consumption of more than 600,000 households.

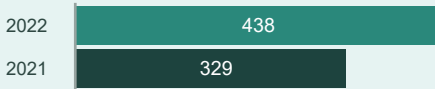
In 2022, European Energy took the final investment decision to construct renewable energy projects with a total capacity of 839 MW.

Renewable energy also faces its own challenges in securing the integrity and transparency of the supply chains that it uses. In 2022, we scrutinised our entire supply chain and have been in strategic talks with our suppliers. We expect these efforts to create more transparency in our supply chain in the coming years.

Financial highlights

Revenue

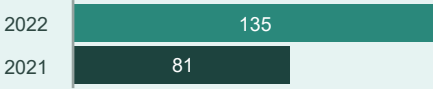
EURm



Revenue set yet another record and was up 33%, driven by sale of energy farms and projects as well as sale of energy.

EBITDA

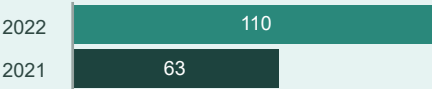
EURm



EBITDA increased to EUR 135m, matching the outlook for 2022. This was the result of increasing gross profits across all income segments partly offset by higher operational expenditures.

Profit before tax

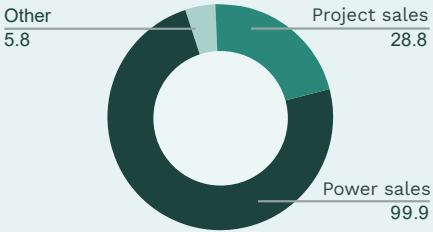
EURm



Profit before tax increased to EUR 110m, a growth of almost 75% and exceeding the outlook of EUR 100m.

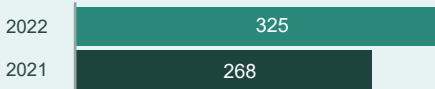
EBITDA split

EURm



Project sales

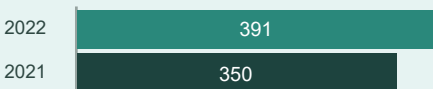
EURm



Project sales originate primarily from solar farms in Italy, with a combined capacity of 160 MW, and in Denmark, with a combined capacity of 127 MW

Equity

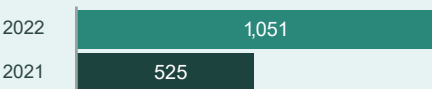
EURm



Equity increased as a result of the full-year results, however partly offset by fair-value adjustments from hedge instruments.

Inventory

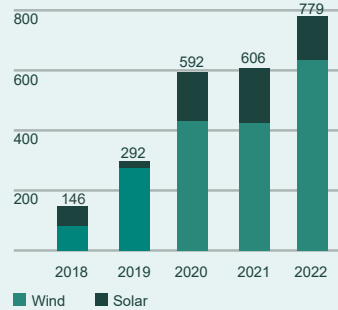
EURm



Inventories increased by 100%, a reflection of the significant ongoing and increasing activities within project development as well as construction of renewable energy farms and projects

Power sales

GWh





ESG highlights

European Energy is built upon a strong belief that green energy is key to restoring and enhancing biodiversity, public health, and world stability. 2022 was a year much defined by the Russian invasion of Ukraine, energy crisis, inflation, and terrifying signs of climate change by extreme weather in many places around the globe. European Energy has scaled up its work with environmentally and socially responsible business practices and added additional resources to drive progress within our strategic ESG priorities including Climate and Environment, Social Engagement, Health and Safety, and Business Accountability.

Bringing down greenhouse gas emissions

In 2022, European Energy avoided 181,195 tonnes CO₂e greenhouse gas emissions through the renewable energy we produced at our solar parks and wind parks.

At the same time, we recognise that we must take a critical look at our supply chain emissions and approach greenhouse gas emissions from a lifecycle perspective. In 2023, we will assess our gas emissions in our value chain and set reduction targets.

Violation of human rights must stop

We are greatly alarmed by the reports and

articles describing the use of forced labour in the extraction and processing of raw materials for solar panels. Since the first report was published, we have launched a number of internal initiatives to mitigate and manage the issue. For new orders, a Bill of Materials is attached to the solar PV module supplier contracts, which specifies the locations of manufacturers' factories and relevant traceability documents up to polysilicon level. We have conducted risk screenings of 39% of our critical suppliers and aim to reach 100% in 2023. We, and the entire industry as a whole, have to further engage with our suppliers to ensure compliance with global labour standards and human rights in the entire supply chain.

Our employees are our greatest resource

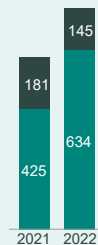
We welcomed a record number of new employees in 2022, and by the end of the year the number of employees in European Energy amounted to 493 FTE – an increase of 58% compared to the year before. Our employees are our greatest resource and their health and safety is of utmost importance to us. We are therefore pleased to see our Total Recordable Injury Rate (TRIR) at 0 for own employees and 4.15 for contractor employees. A decline by 100% and 41% respectively.

ESG performance highlights

Renewable energy production



779 GWh

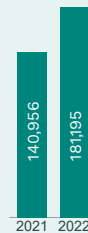


We are a 100% renewable energy company. In 2022, we produced a total of 779 GWh wind power and solar power, which is an increase of 29% compared to 2021.

Avoided greenhouse gas emissions

181,195

tonnes CO₂e



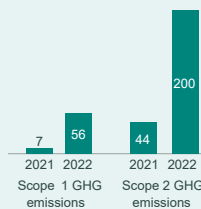
We avoided 181,195 tonnes CO₂e GHG emissions through our 779 GWh renewable energy produced at our solar parks and wind farms in 2022, which is 29% more than in 2021.

Greenhouse gas emissions (Scope 1 and 2)

56 (S1)

200 (S2)

tonnes CO₂e

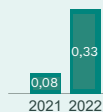


Direct GHG emissions (Scope 1) and market-based indirect GHG emissions (Scope 2) increased in 2022 due to a growing organisation and increasing energy consumption.

Greenhouse gas emissions intensity (Scope 1 and 2)

0.33

g CO₂e/kWh

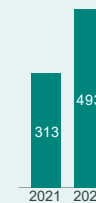


The greenhouse gas emission intensity (Scope 1 and 2) of our renewable energy was 0.33 g CO₂e/kWh in 2022, which is an increase compared to 0.08 g CO₂e/kWh in 2021.

Employees

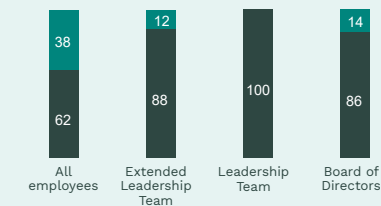
Full time equivalents

493 FTE



We saw an unprecedented increase in our workforce in 2022. By the end of the year, we employed a record number of 493 employees, which is a 58% increase in one year.

Gender diversity



We continue to have a strong focus on increasing diversity at all levels. In 2022, we welcomed the first female member of our Board of Directors.

Female, % Male, %

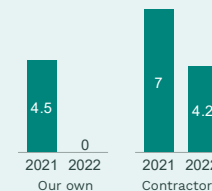
Safety

Total recordable injury rate

0 (EE)

4.2 (CE)

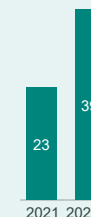
TRIR



In 2022, the total recordable injury rate of both our own employees and contractors' employees declined by 100% and 41% respectively, well above our target of 10%.

Supplier due diligence

39%



To ensure responsible business practices, we conducted due diligence of 39% of our critical suppliers in 2022 and aim to conduct due diligence of 100% of these in 2023.



ITALY

Troia

Troia Solar Farm was the largest solar farm in Italy when it was connected to the grid in 2020. With its capacity of 103 MW, it generates enough electricity to cover the electricity consumption of 200,000 people. The capacity of the project also makes it the 17th largest solar farm in the world with a single connection point to the grid.

The solar farm is located in Apulia, near Foggia, and is responsible for saving more than 80,000 tonnes of CO₂ emissions per year.

European Energy sold the solar farm in 2022 to Iren Energia, in what was the largest deal to date in the history of European Energy. The total asset was sold together with nearby Palo Solar Farm, with a capacity of 18.5 MW, for the price of EUR 166m.

Troia is equipped with more than 275,000 solar panels and involved more than 400 people in its construction.

The plant covers a total of 1,500,000 square metres, equivalent to 200 football pitches.

“The sale of Troia Solar Farm – our largest to date of a singular solar farm – will cement the strong performance that our company has had in Italy in recent years,” says Knud Erik Andersen, CEO of European Energy.

We can see from this divestment that demand for more renewable energy is high, and we will continue to be at the forefront of green investments in both Italy and the rest of the world to accelerate the green transition.”

Kvosted

Kvosted is one of the latest solar farms that European Energy has developed and constructed in Denmark.

It all began in 2019 when European Energy contacted the local community about the possibility of having a solar farm in Viborg municipality in Jutland.

From the beginning, it was European Energy's clear goal to involve the local community as much as possible in the development process of the farm. To this end, both public and private meetings were held between the local stakeholders as well as European Energy. This was to ensure that a solution for the solar farm would be found that would be widely supported in the local community.

Kvosted's location is in many ways ideal for a solar farm. Most of the land had previously been used for the extraction of gravel with no agricultural production and the few neighbours to the project were mostly positive about having a solar farm in their vicinity.

A wide belt of trees and bushes, totalling 54,000 plants, has now been established around the solar farm. When fully grown, the vegetation will be four metres high, hiding the view of the solar farm from the surrounding public roads.

European Energy has also contributed EUR 430,000 to a green fund administered by Viborg municipality.

The farm will have an energy capacity of 101 MW, enough to supply 22,000 households with green energy.





BRAZIL

Ouro Branco I

European Energy has been developing projects in Brazil since 2016.

Most of these renewable energy projects are located in the northeastern region of Brazil.

Ouro Branco is one of those projects run by European Energy in this area. Despite being started in 2021 amidst the coronavirus pandemic and despite global supply chain shortages, the project was completed on schedule.

During the construction of Ouro Branco I, European Energy took steps to ensure that the jobs generated during construction benefited the local economy. European Energy worked closely with subcontractors to ensure job vacancies were offered to the local workforce where possible.

European Energy also offered relief aid to the region, which was hit hard by the pandemic. The aid included the donation of supplies as well as technical capacity courses for the local workforce, such as the region's dressmaking community, an important economic activity in the region.

Some of these projects were partly financed with the help of IFU, the Danish Investment Fund for Developing Countries, as well as BNB, the development bank for Brazil's northeast region.

Brazil is one of the key markets for European Energy and this latest addition to our portfolio in Brazil shows that we are committed to building up the renewable energy capacity in Brazil.

Apart from Ouro Branco I, which has a capacity of 36 MW, European Energy has solar farms in Brazil as well as a development pipeline of 1.1 GW of renewable energy capacity in Brazil.

Kronborg

European Energy is strongly committed to reducing the carbon footprint of the greenhouse industry, and on the island of Funen, a new project to do just that has seen the light of day.

Greenhouses supply Europeans with fresh fruit and vegetables on a daily basis, but the climate impact from their high energy consumption needs to be addressed. Consequently, European Energy focuses on developing solutions for helping European greenhouses go green by basing their energy consumption on solar and wind power.

On the island of Funen, European Energy has successfully grid-connected a solar farm in cooperation with the greenhouse company Kronborg Ltd. The greenhouse spans some 45,000 square metres and will be heated from now on by a heat pump running on green electricity from nearby solar panels. The current high electricity prices are taking a toll on the greenhouse industry, but at Kronborg they are now supplying their own source

of renewable electricity and even sharing excess energy with local energy consumers.

But this project is only the beginning. European Energy is currently planning the development of solar panels that can be mounted on the roofs of greenhouses in order to combine the production of green electricity and food within a limited amount of space. This is part of European Energy's ambitious initiative to combine traditional agricultural practices with the production of renewable energy, thereby leading to a positive contribution by farmers to the green transition.

[“We are thrilled to be cooperating with the greenhouse sector and can see some exciting prospects for future synergies, in particular with regards to mounting solar panels on greenhouse roofs to drive the heat pumps. Such solutions could benefit greenhouses across the planet and help drive the transition of a sector that has historically been carbon intensive,” says Ian Wallentin, Project Manager.](#)





LITHUANIA

Anykščiai

Lithuania is a country undergoing a rapid transformation in its energy mix. The government of Lithuania has set a goal of 45% of its energy consumption to come from renewable sources by 2030.

In the past few years, Lithuania's energy transition has been impressive. Lithuania's share of renewables in its final energy consumption is now comparable to leading IEA countries and the domestic renewable power generation is growing fast. Lithuania targets 100% of electricity from renewables by 2050, which will require electricity systems and markets to accommodate very high shares of variable renewable energy, notably onshore and offshore wind.

European Energy started developing renewable energy projects in Lithuania in 2018 and opened its office in Vilnius in 2019. By the end of 2022, European Energy had more than 16 employees in Lithuania with a development pipeline of more than 1.5 GW. In 2021, European Energy has entered a PPA in the Baltics with Eesti Energia

to provide 3.8 TWh over 10 years. The PPA delivers 100% green energy with true additionality to the energy grid.

Anykščiai wind farm is the first project European Energy has constructed in Lithuania. Construction began in the summer of 2021 and the project was connected to the grid in early 2023.

"We know that Lithuania has very high ambitions for the country to transition as fast as possible towards renewable energy but also towards energy self-sufficiency. This project in Anykščiai is our first wind farm project in the country, and I hope that European Energy can contribute even more to the high green ambitions that the Lithuanian government has set," says Knud Erik Andersen, CEO of European Energy.

Despite challenges in the construction phase, European Energy has remained dedicated to the project and, today the project, which has a capacity of 50 MW, can provide electricity to around 73,000 households with an estimated production each year of 152 GWh.

05 Electrification



In this last chapter we will explore the ramifications of the increased electrification of society and how European Energy is poised to move ahead on this agenda through our diversification of business areas.

We started our venture into the Power-to-X area in 2020, when we initiated a cooperation with the Danish start-up company REIntegrate. In 2021, the cooperation expanded and we fully acquired the company in late 2021. This has allowed European Energy to leap ahead in the race to start providing Power-to-X solutions to the market.

European Energy is the first company in the world that will have a large scale PtX facility

producing e-methanol in 2023. The facility will be in Kassø in the municipality of Aabenraa in the southern part of Denmark. It will be powered by a nearby solar farm, also owned by European Energy. Annually, it will be able to produce 32,000 tonnes of e-methanol.

We will also be able to start production of green hydrogen in 2023 with our facility in Esbjerg located in the western part of Jutland. When fully ramped up the production will be more than 1,000 tonnes of hydrogen from our facility there.

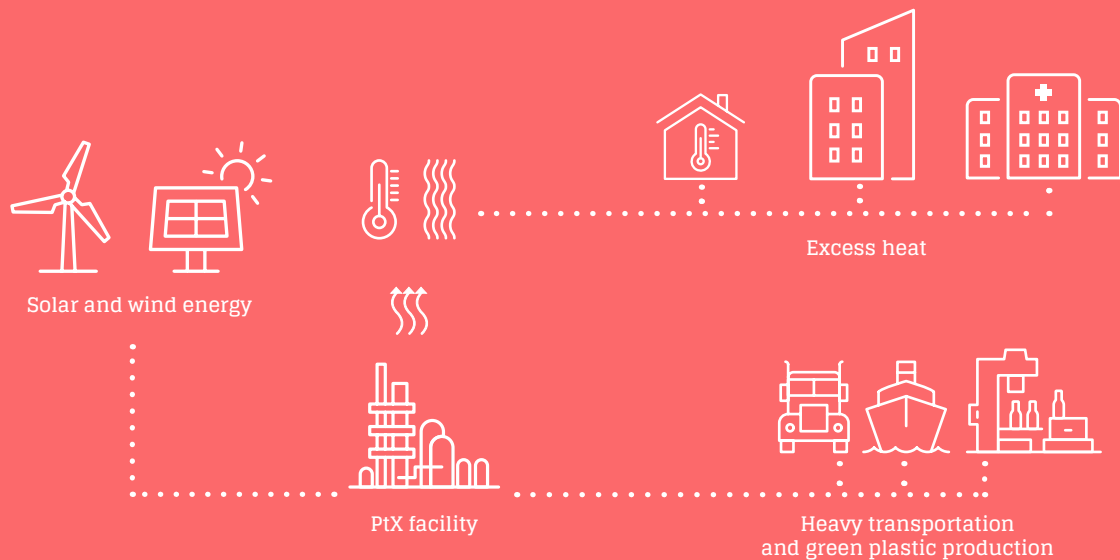
Looking ahead, the race for Power-to-X production capability across the world has intensified with many companies announcing upcoming

Power-to-X facilities that are to commence operation in 2025 or 2026. Whichever country has the best political framework to facilitate this will also be the country where most Power-to-X facilities will be built. European Energy is poised to be a world leader in this aspect, as we have renewable energy facilities and plans to develop more of these in strategic areas around the world.

Access to cheap renewable energy will be a crucial factor in determining the key areas of production for PtX solutions as the production costs will largely be determined by the electricity prices.

Power-to-X solutions will become an integral part of our everyday lives, with the potential to

replace the traditional energy sources we need for heavy transport, shipping and even aviation fuel and plastic. With the expected increase in both logistical services as well as passenger travel in the upcoming decades, there is an urgency to find sustainable solutions for these.



Power-to-X

European Energy is planning a number of projects PtX-projects in Denmark and is screening for PtX-facilities in many of the markets that we develop solar and wind projects. This is in line with our ambition to build out PtX facilities across the world. These PtX facilities will produce hydrogen or e-methanol.

We will also produce e-methanol from the upcoming PtX facility in Kassø in Denmark by 2023. European Energy is set to be the first company in the world to have a large scale commercial PtX facility in production. European Energy also expects to produce hydrogen from its facility in Esbjerg, Denmark by mid-2023.

The company plans to leverage the experiences from Kassø and Esbjerg to optimise the development phase of future PtX facilities.

“The facility in Esbjerg and the one in Kassø will enable European Energy to see how different electrolyser technologies perform when producing hydrogen from different types of variable renewable energy generation. The plant in Kassø

will be connected to a solar farm,” says Emil Vikjær-Andresen, Executive Vice President, Head of PtX in European Energy.

Some of the key components in producing green hydrogen and methanol in a country is 1) being able to produce renewable energy at a competitive cost, 2) having offtakers for the products, 3) having an ecosystem of players that can integrate into the supply chain of PtX projects, and 4) having a good infrastructure in terms of both the grid as well as the PtX products needed.

“Lack of infrastructure, including large storage capacity as well as pipelines, is a main barrier to the export of hydrogen. Many of the projects in Denmark’s 14GW (Energinet figure) PtX pipeline will need this infrastructure to be able to take an FID,” says Emil Vikjær-Andresen.

If there is to be a global market for e-fuels, infrastructure is the key. Whereas methanol is easily transported around the world using existing shipping routes, hydrogen will require pipelines.

Måde

Måde is the heart of PtX technology testing.

Since 2015, Måde south of Esbjerg in Jutland, Denmark has been a test site for offshore wind turbines. European Energy has specifically been involved in testing and producing green power from the four MHI Vestas v164 8.4 MW wind turbines at the site. But now European Energy is working on turning Måde into a test centre for new Power-to-X technology.

Construction work started at the site at the end of 2022. In 2023 and 2024, European Energy expects to install several electrolyser units from different suppliers, with a total capacity of 12 MW electrolyzers, to test the functionality of the systems based on wind power and green power from the national grid. The units will produce green hydrogen that will be stored and transported on board tube trailers for delivery at the Port of Esbjerg and to a major industrial gas supplier. The port has entered into an agreement with European Energy to use the green hydrogen for powering ships while moored in Esbjerg.

European Energy has also agreed to deliver excess heat from the electrolyzers to the public district heating grid in the city of Esbjerg, thereby moving forward energy system integration, which will be crucial in the green transition of societies.

“We are very confident that Måde will become a hub for testing Power-to-X technologies and support our ambitious plans for rolling out Power-to-X production across our key markets. By testing different electrolyser technologies, we can gain the necessary in-depth knowledge of how the green power from our wind and solar farms can support the production patterns of our future Power-to-X production units.” Emil Vikjær-Andresen, Head of Power-to-X at European Energy





DENMARK

Kassø

The world's largest e-methanol facility to date is being built in the southern part of Jutland in Aabenraa municipality. This facility has been in the development phase since 2021, when European Energy announced a groundbreaking deal with the companies Maersk and Circle K on the offtake of e-methanol.

When fully operational, the facility will be able to produce 32,000 tonnes of e-methanol annually. As of February 2023, no other single facility in the world produces that amount of e-methanol.

This venture to be the first to deliver such large-scale quantities of e-methanol started in 2020, when European Energy looked into the technology behind e-methanol production at the small Danish startup, REintegrate. A cooperation agreement was signed and European Energy made an investment in REintegrate. Throughout 2020 and 2021, REintegrate started producing the first drops of e-methanol at a test facility at Aalborg University.

The cooperation culminated in 2021 with the complete acquisition of REintegrate by European

Energy. By then, plans had already been drawn up for the large-scale production of e-methanol in Kassø. The location was perfect, as not far away, European Energy was already building the largest solar farm in the Nordics.

Being the first large-scale e-methanol facility in the world, engineers in European Energy have been doing groundbreaking work in the design of the Kassø PtX facility. The project involves 900 pipe spools, 17 km of underground pipes and 2,200 valves. More than 100 larger procurement agreements have been facilitated for the project.

But not only the engineering work at Kassø has been groundbreaking. This is also the first time that the Danish authorities have dealt with such a project. For Kassø, European Energy has had to get 27 permits.

The Kassø PtX facility is scheduled to start producing the first drops of e-methanol by the end of 2023.



Sustainable Aviation Fuel

Today, air travel is one of the most polluting forms of transportation. When measured in terms of distance travelled, travelling by plane can emit forty times as much CO₂ compared to travelling by train.*

The world demand for aviation fuel has risen steadily throughout the past four decades and, before the COVID-pandemic, stood at 7.3 million barrels per day compared to 1.8 million back in 1980. This growth is expected to continue in the upcoming years with Bloomberg predicting that it will rise to 14.2 million barrels in 2050.

Hence, the reason why finding a sustainable alternative to aviation fuel is well on its way. At European Energy we started a cooperation with Vertimass, an innovative fuel company in Irvine, California, to produce sustainable aviation fuel from e-methanol.

Together with Kosan Gas, Vertimass, Aalborg University, the port of Aalborg and Aalborg Airport, European Energy is striving to be able to produce sustainable aviation fuel (SAF) from e-methanol with proof of concept accomplished in 2024.

This project will involve producing SAF from CO₂ and green hydrogen and will pave the way to supplying the first domestic flight route in Denmark running on SAF.

Denmark has the ambition to become the first country in the world where all domestic air travel is run on SAF by 2030. This requires at least 13,000 tonnes of hydrogen per year with the current air traffic that Denmark has domestically.

According to all projections, this seems to be a manageable task. With the experience from some of the first operational PTX-plants in Denmark and a large pipeline of upcoming projects, European Energy is ready to take on this challenge and drive forward the decarbonisation of the skies.



*<https://ourworldindata.org/travel-carbon-footprint>



We are creative enablers
of the green transition



EUROPEAN
ENERGY

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