

Interim financial report first quarter of 2018

European Energy A/S – Gyngemose Parkvej 50 – 2860 Søborg – Denmark – Company Reg. no. 18351331

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Interim financial report for first quarter of 2018

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Summary

The European Energy Group continues the high level of construction and sales activities. The Groups share of profit before tax for the quarter totaled EUR 2.2M based on a Revenue of EUR 10.2M, and profit from associated companies of EUR 3.3M.

As predicted the Group continued the strong development in projects under construction and in sales activities. The most significant transactions contributing to the result in the first quarter of 2018 are the closing of sale of a wind farm in Italy and a wind farm in Germany to institutional investors. The construction and sale of solar and wind farms are progressing as expected and the outlook for the year is unchanged at a profit before tax of EUR 26M – 28M.

The cash flow for the quarter has been positive, and the Group has maintained a high level of cash and cash equivalents, totaling EUR 52.0M by the end of the quarter.

With 165 MW under construction and another 290 MW that are ready to build, European Energy expects the positive development to continue.

CEO Knud Erik Andersen says:

"I am very pleased with the intense attention our green energy projects are getting from institutional investors looking for long term, low risk assets. The level of activity in the first quarter of 2018 is as expected".

Highlights for European Energy Group

Key figures (Unaudited) EUR '000	Q1 2018	Q1 2017	2017
Revenue	10,177	22,060	186,716
Direct costs	-6,501	-15,115	-148,550
Gross profit	6,977	9,177	44,998
EBITDA	4,310	6,075	34,174
Operating profit (EBIT)	3,871	5,649	32,451
Financial income and expense, net	-1,693	-1,229	-6,662
Profit/loss before tax	2,178	4,420	25,789
Tax	-164	-739	-4,600
The Group's share of profit for the period	2,014	3,681	21,189
Total assets	392,141	249,611	287,764
Equity	91,832	67,629	91,000
Cash flow from operating activities	-70,476	-24,767	-14,476
Cash flow from investing activities	4,630	1,244	3,588
Cash flow from financing activities	69,646	26,480	43,992
Change in cash and cash equivalents	3,800	2,957	33,104
Financial ratios			
Gross margin	68.6%	41.6%	24.1%
EBITDA margin	42.4%	27.5%	18.3%
EBIT margin	38.0%	25.6%	17.4%
Solvency ratio	23.4%	27.1%	31.6%
Net interest-bearing debt/EBITDA	9.9	5.1	3.0
Return on equity	2.5%	5.7%	27.3%
Share Ratios			
Earnings per share	0.01	0.37	0.07
Number of shares at the end of the year	300,000,000	10,000,000	300,000,000
Average number of full-time employees	88	67	74

The financial ratios have been computed in accordance with the latest Guidelines issued by the Danish Finance Society

Management Review

Development in financials for the Group in first quarter 2018

In the first quarter of 2018 the Group closed and handed over 1 wind farm in Italy, and 1 wind farm in Germany. In total including sale of electricity the revenue amounted to EUR 10.2M compared to EUR 22.1M in 2017, cf. in the Consolidated statement of profit or loss and other comprehensive income at page 9.

The gross profit amounted to EUR 7.0M for the first quarter of 2018 compared to EUR 9.2M in the first quarter of 2017.

In the first quarter of 2018 the profits after tax from equity-accounted investments were at EUR 3.3M compared to EUR 2.2M in 2017.

EBITDA for the quarter came in at EUR 4.3M compared to EUR 6.1M in the first quarter of 2017. Profit before tax ended at EUR 2.2M. The tax for the period ended with a tax expense of EUR 0.2M. In the first quarter of 2017 the profit before tax ended at EUR 4.4M and the tax for the period ended with a tax expense of EUR 0.7M.

The total balance of the Group increased from EUR 287.8M at the end of 2017 to EUR 392.1M in the first quarter in 2018 – an increase of EUR 104.4M. The major reason to the increased balance has been the increase in inventories which were EUR 101.8M end of 2017, and has increased to EUR 200.3M end of first quarter of 2018. The increase is due to the high level of construction activities.

The management considers the results of the first quarter of 2018 to be satisfactory.

Capital Management

The Group has in the first quarter of 2018 managed to increase project-related loans with EUR 48.0M compared to end of 2017, cf. in the Consolidated statement of cash flow at page 14. The loans are obtained in order to finance the ongoing constructions in the Group. The wind farms sold in the quarter were in associated companies to the Group, so there has been no loans repaid in connection with the sale of wind farms sold in the quarter.

The Group has end of March 2018 increased the outstanding 05/2021 EUR 60M bond loan with a tap of EUR 25M. The tap was done with great success, with a settlement rate of 103.4 giving an interest rate below 6%. Total cash for the Group landed at EUR 52.0M. The majority of this liquidity will be used to finance the equity part of the ongoing constructions and the acquisitions of more ready to build projects in the coming months.

In the first quarter of 2018 the Board of European Energy A/S has decided to introduce an incentive scheme for management, board members and selected staff members in the Group. The scheme is based on issuance of warrants that give the right to apply for new shares in European Energy in the future.

For 2018, the board has approved the first issuance of warrants up to a total of 1% of the shares equal to 3 million shares.

The fair value of the warrants at grant date, EUR 0.3 million, will be recognized as an expense in the income statement over the vesting period. A corresponding amount will be recognized in share holders' equity as the warrant program is designated as an equity-settled share-based program. The warrant program will increase staff costs in 2018 by approximately EUR 0.2 million.

Outlook for 2018

The revenue target set for 2018 is EUR 190-210 million. The profit before tax is expected to be in the region of EUR 26-28 million.

Management is looking forward to another year with good results. However, the risk factors associated with developing and constructing solar and wind projects may cause delays. The overall performance will also depend on factors such as environmental impact assessments, building permits, sudden changes in incentive schemes and the Group's success in renewable-energy auctions.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced in this statement.

Sale of Electrical Power

European Energy's share of operational assets increased by 54 MW to 189 MW compared to end of 2017. The development is due to the net difference between commissioning of new wind farms and divestment of both wind and solar PV farms.

Net capacity (MW)

	Q1 2018	Q1 2017	End of 2017
Solar	29	25	9
Wind	160	155	126
Total	189	180	135

The production from solar PV decreased in the first quarter of 2018 compared to the same period the year before. The wind production increased compared to 2017 due to additions to the portfolio.

Net Production (GWh)

	Q1 2018	Q1 2017	End of 2017
Solar	2.4	4.8	21.3
Wind	63.6	58.7	244.3
Total	66.0	63.5	265.6

Power prices have generally been flat in the first quarter of 2018. Due to long-term power purchase agreements and long-term subsidies, low power prices will have a limited effect on profit from the sale of electrical power.

Asset Management

European Energy receives commercial management fees in exchange for asset management services.

Assets managed on behalf of third parties (MW)

	Q1 2018	Q1 2017	End of 2017
Solar	126	110	126
Wind	539	460	513
Total	665	570	639

European Energy manages 665 MW on behalf of third parties. The increase is due to the company continuing as asset manager after divestment of finalised projects. The total portfolio under management, including own assets corresponds to 853 MW.

Development and Construction

WIND

In the first quarter of 2018 Nøjsomheds Odde, Svindbæk and Holmen II were grid connected. This secured the subsidies tariff for these projects.

In Germany project Lohkamp was grid connected.

See table 1-3 in the appendix for further specifications.

SOLAR

In Denmark the projects Stubbekøbing, Øster Toreby and Pelsdyrparken were all grid connected. The remaining 5 projects under construction in Denmark has been grid connected in second quarter of 2018 and are producing energy.

In Brazil we are still expecting to produce energy in the second quarter of 2018.

See table 1-3 in the appendix for further specifications.

Pipeline

In the first quarter of 2018, the Group participated in the German public tender and won a PPA (Power Purchase Agreement) for a 14.4 MW project (Viert Kamp). Furthermore, in Sweden, the Group acquired a project Zinkgruvan with potentially up to 21 turbines and started construction of a 10 MW project (Västanby). In addition, projects of more than 150 MW have been fully developed in Q1 and are ready to build in Sweden.

On the 6th March, the Group acquired the off-shore wind park Sprogø (21 MW) located in Denmark. This is the first offshore asset of the Group. The wind farm is the most recognised offshore wind farm in Denmark, as it can be seen from the bridge connecting Zealand and Funen. Approximately 25 million people pass the farm every year. Sprogø wind farm consists of seven 3 MW wind turbines, which produce power equivalent to 16,000 Danish households per year. The takeover is expected to be completed by 1 June 2018, pending the necessary approvals by the authorities.

Sales activity

In the quarter, the Group finally closed the sale of wind farm Oppido in Italy. Furthermore a wind park of 12 MW in Germany (Lohkamp) was sold. Both parks had Sales and Purchase Agreements signed in 2017. See table 4 in the appendix for further specifications.

Events after the end of first quarter 2018

After the end of the first quarter the Group has participated in the second German public wind tender of 2018 and has secured PPA's for 28.8 MW of capacity. European Energy has furthermore grid connected 5 solar farms in Q2 2018.

Consolidated statement of profit or loss and other comprehensive income

For the quarter ended 31 March 2018

	EUR'000		
Unaudited	Q1 2018	Q1 2017	2017
Revenue	10,177	22,060	186,716
Profit after tax from equity-accounted investments	3,301	2,232	5,432
Other income	-	-	1,400
Direct costs	-6,501	-15,115	-148,550
Gross profit	6,977	9,177	44,998
Staff costs	-1,895	-2,110	-6,970
Other external costs	-772	-992	-3,854
EBITDA	4,310	6,075	34,174
Depreciation & impairment	-439	-426	-1,723
Operating profit (EBIT)	3,871	5,649	32,451
Finance income	538	555	3,103
Finance expenses	-2,231	-1,784	-9,765
Profit/loss before tax	2,178	4,420	25,789
Tax	-164	-739	-4,600
Profit/loss for the period	2,014	3,681	21,189
Attributable to:			
Shareholders of the Company	2,403	3,509	17,575
Non-controlling interests	-389	172	3,614
Profit/loss for the period	2,014	3,681	21,189

Consolidated statement of profit or loss and other comprehensive income - continued

For the quarter ended 31 March 2018

	EUR'000		
Profit loss and OCI	Q1 2018	Q1 2017	2017
Statement of comprehensive income			
Profit/loss for the period	2,014	3,681	21,189
Items that may be reclassified to profit or loss:			
Value adjustments of hedging instruments	-1	108	233
Tax of value adjustments of hedging instruments	-	-27	-57
Currency differences on translating foreign operations	-46	-69	-90
Other comprehensive income for the period	-47	12	86
Comprehensive income for the period	1,967	3,693	21,275
Attributable to:			
Shareholders of the Company	91	7,635	17,639
Non-controlling interests	-1	-571	3,636
Comprehensive income for the period	90	7,064	21,275

Consolidated statement of financial position

As of 31 March 2018

EUR'000

Unaudited	Q1 2018	Q1 2017	2017
ASSETS			
Non-current assets			
Property, plant and equipment	49,934	50,876	50,340
Joint Venture investments	12,250	7,663	9,977
Associated companies investments	11,224	11,881	12,507
Other investments	4,997	3,680	4,960
Loans to related parties	15,540	20,671	17,951
Trade receivables and contract assets	4,981	5,038	5,153
Other receivables	8,727	8,072	8,656
Deferred tax	3,085	3,192	2,826
Total non-current assets	110,738	111,073	112,370
Current assets			
Inventories	200,311	93,323	101,797
Trade receivables and contract assets	10,859	9,239	9,534
Other receivables	15,353	16,546	15,430
Prepayments for goods and services	2,900	1,397	453
Cash and cash equivalents	51,980	18,033	48,180
Total current assets	281,403	138,538	175,394
TOTAL ASSETS	392,141	249,611	287,764

Consolidated statement of financial position - continued

As of March 2018

	EUR'000		
Unaudited	Q1 2018	Q1 2017	2017
EQUITY AND LIABILITIES			
Equity			
Share capital	40,311	1,340	40,311
Retained earnings and reserves	37,346	59,863	35,002
Equity attributable to owners of the Company	77,657	61,203	75,313
Non-controlling interests	14,175	6,426	15,687
Total Equity	91,832	67,629	91,000
Liabilities			
Bond loan	83,323	44,761	58,924
Project financing	67,212	86,524	53,310
Other debt	1,500	691	597
Provisions	881	556	798
Deferred tax	2,369	2,670	2,201
Total non-current liabilities	155,285	135,202	115,830
Bond loan	7,600	7,600	7,600
Project financing	72,454	10,723	38,363
Other debt, partnerships	863	3,171	1,624
Trade payables	49,078	15,747	16,062
Payables to related parties	2,464	1,294	4,848
Corporation tax	646	265	760
Provisions	1,264	1,975	1,264
Other payables	10,655	6,005	10,413
Total current liabilities	145,024	46,780	80,934
Total liabilities	300,309	181,982	196,764
TOTAL EQUITY AND LIABILITIES	392,141	249,611	287,764

Consolidated statement of cash flow

For the quarter ended 31 March 2018

EUR'000

Unaudited

Cash flow from operating activities	Q1 2018	Q1 2017	2017
Profit/loss before tax	2,178	4,420	25,789
Adjustments for:			
Financial income	-538	-555	-3,103
Financial Expenses	2,231	1,784	9,765
Depreciations	439	426	1,723
Profit from equity-accounted companies	-3,301	-2,232	-5,432
Change in networking capital	-69,934	-26,833	-32,582
Other non-cash items	-	-	-1,400
Cash generated from operation before financial items and tax	-68,925	-22,990	-5,240
Taxes paid	-176	-455	-3,297
Interest paid and realised currency losses	-1,822	-1,777	-8,817
Interest received and realised currency gains	447	455	2,878
Cash flow from operating activities	-70,476	-24,767	-14,476
Cash flow from investing activities			
Purchase of Property, plant and equipment	-55	-5	-815
Proceeds from disposal of equity-accounted investments	-	-	69
Purchase/disposal of other investments	-37	-	-
Investment/loans in equity-accounted investments	4,722	1,238	4,303
Dividends	-	11	31
Cash flow from investing activities	4,630	1,244	3,588

Consolidated statement of cash flow - continued

For the quarter ended 31 March 2018

	EUR'000		
	Q1 2018	Q1 2017	2017
Cash flow from financing activities			
Proceeds from issue of bonds	25,160	-	58,785
Repayment of bonds	-	-	-45,000
Proceeds from borrowings	48,522	30,578	125,974
Repayment of borrowings	-529	-4,557	-105,527
Changes in payables to associates	-2,384	459	4,013
Non-controlling interests' share of capital increase or disposal in subsidiary	-1,123	-	5,747
Cash flow from financing activities	69,646	26,480	43,992
Change in cash and cash equivalents	3,800	2,957	33,104
Cash and cash equivalents at beginning of period	48,180	15,076	15,076
Cash and cash equivalents end of period	51,980	18,033	48,180
Of which restricted cash and cash equivalents	-2,739	-3,536	-6,093
Non-restricted cash and cash equivalents end of period	49,241	14,497	42,087

Consolidated statement of changes in equity

As of 31 March 2018

EUR'000

Unaudited	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total
Equity at 1 January 2018	40,311	-50	-522	35,574	75,313	15,687	91,000
Profit/loss for the period	-	-	-	2,403	2,403	-389	2,014
Other comprehensive income							
Value adjustments of hedging instruments	-	-	-1	-	-1	-	-1
Tax of value adj. of hedging instruments	-	-	-	-	-	-	-
Currency diff. on translating foreign operations	-	91	-	-149	-58	12	-46
Other comprehensive income	-	91	-1	-149	-59	12	-47
Total comprehensive income	-	91	-1	2,254	2,344	-377	1,967
Transactions with owners							
Capital increase/Share of capital increases non-controlling interests	-	-	-	-	-	1,439	1,439
Additions	-	-	-	-	-	83	83
Disposals	-	-	-	-	-	-2,657	-2,657
Total transactions with owners	-	-	-	-	-	-1,135	-1,135
Equity at 31 March 2018	40,311	41	-523	37,828	77,657	14,175	91,832

The share capital consists of nom. 300,000,000 shares of DKK 1 each, corresponding to EUR 40,311 thousand. The share capital is fully paid in.

The number of shares has increased from 10 million to 300 million in 2017 by insurance of bonus shares, EUR 38,971 thousand. All shares have the same rights. The costs related to the capital increase equal EUR 7 thousand.

Consolidated statement of changes in equity continued

As of 31 December 2017

EUR '000

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total
Equity at 1 January 2017	1,340	27	-663	56,970	57,674	6,326	64,000
Profit/loss for the period	-	-	-	17,575	17,575	3,614	21,189
Other comprehensive income							
Value adjustments of hedging instruments	-	-	186	-	186	47	233
Tax of value adj. of hedging instruments	-	-	-45	-	-45	-12	-57
Currency differences on translating foreign operations	-	-77	-	-	-77	-13	-90
Other comprehensive income	-	-77	141	-	64	22	86
Total comprehensive income	-	-77	141	17,575	17,639	3,636	21,275
Transactions with owners							
Capital increase/Share of capital increases non-controlling interests	38,971	-	-	-38,971	-	6,228	6,228
Additions	-	-	-	-	-	252	252
Disposals	-	-	-	-	-	-755	-755
Total transactions with owners	38,971	-	-	-38,971	-	5,725	5,725
Equity at 31 December 2017	40,311	-50	-522	35,574	75,313	15,687	91,000

The share capital consists of nom. 300,000,000 shares of DKK 1 each, corresponding to EUR 40,311 thousand. The share capital is fully paid in.

The number of shares has increased from 10 million to 300 million in 2017 by insurance of bonus shares, EUR 38,971 thousand. All shares have the same rights. The costs related to the capital increase equal EUR 7 thousand.

Basis for preparation

General information

The interim financial report of European Energy comprises a summary of the unaudited consolidated financial statements of European Energy A/S and its subsidiaries.

These unaudited consolidated financial statements for the first quarter of 2018 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2017 and public announcements made during the interim reporting period.

Key accounting estimates and judgements

When preparing the interim financial reporting of European Energy, management makes a number of accounting estimates and assumptions which form the basis of the recognition and measurement of European Energy's assets and liabilities. The estimates and assumptions made are based on experience and other factors that management considers reasonable in the circumstances. Reference is made to the consolidated financial statements in the annual report for the year ended 31 December 2017, note 1.0 page 75-76.

Changes in accounting policies and disclosures

Except for the changes below, the accounting policies remain unchanged compared to the annual report for the year ended 31 December 2017, to which reference is made.

Impact of new accounting standards for first quarter 2018

European Energy Group has adopted all new, amended or revised accounting standards and interpretations ('IFRS') as published by the IASB, and endorsed by the EU effective for the accounting period beginning on 1 January 2018 including IFRS 9, Financial Instruments (effective date 1 January 2018). Non of these new or amended accounting standards and clarifications resulted in any significant changes to the accounting policies for European Energy or had significant impact on recognition and measurement in the consolidated financial statements in the first quarter of 2018.

New accounting standards not yet adopted

IFRS 16, LEASES

The IASB has issued a new standard on accounting for leases. As a Lessee, the Group is required to recognise all lease contracts on the balance sheet.

The Group will not be required to recognise lease contracts with a term of less than 12 months on the balance sheet. The Group is assessing the impact of IFRS 16. An analysis of how IFRS 16 will impact the consolidated financial statements is underway. The lease obligation at 1 January 2019 will be calculated as the present value of remaining lease payments at this date and the impact is expected to increase the balance sheet by approximately with EUR 6.3 million and also to impact the key ratios. The effect on the income statement will be limited.

The Group expects to implement IFRS 16 when it becomes mandatory in 2019.

Management does not expect the remaining new or amended standards and IFRICs to materially affect the coming financial years.

Other information

The Group's main operations comprise project development, financing, construction, sales and acquisition as well as management of wind and solar energy farms. Our geographical focus is on Northern European markets.

The parent company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is Gyngemose Parkvej 50, Dk-2860 Søborg.

On 31 May 2018, the Board of Directors approved these interim consolidated financial statements.

The interim consolidated financial statements are presented in EUR, and all values are rounded to the nearest thousand (EUR'000), except when otherwise indicated.

SEGMENT INFORMATION

Operating segments are recognised in the manner that corresponds to the internal reporting to the chief operating decision maker ('CODM').

The CODM is the function responsible for allocating the Group's resources and assessing the performance of the operating segments. The Group's CODM has been identified as the Board of Directors. European Energy's segments are:

- Wind
- Solar

Segment information has been prepared in accordance with the Group accounting policies. Segment income and segment costs as well as segment assets and liabilities comprise those items that can be directly attributed to each individual segment on a reliable basis.

Segment information

As of 31 March 2018

	EUR '000				
Unaudited	Wind	Solar	Total before elimination	Eliminations	31.3.2018
Sale of energy farms and projects	7,742	122	7,864	-	7,864
Sale of electricity	414	1,371	1,785	-	1,785
Asset management & other fees	413	115	528	-	528
Revenue to external customers	8,569	1,608	10,177	-	10,177
Inter-segment revenue	11,760	9	11,769	-11,769	-
Revenue	20,329	1,617	21,946	-11,769	10,177
Profit/loss before tax	13,876	71	13,947	-11,769	2,178
Total assets	203,341	188,800	392,141	-	392,141
Total liabilities	156,688	143,621	300,309	-	300,309

As of 31 March 2017

	EUR '000				
Unaudited	Wind	Solar	Total before elimination	Eliminations	31.3.2017
Sale of energy farms and projects	4,853	14,902	19,755	-	19,755
Sale of electricity	173	1,766	1,939	-	1,939
Asset management & other fees	89	277	366	-	366
Revenue to external customers	5,115	16,945	22,060	-	22,060
Inter-segment revenue	2	-3	-1	1	-
Revenue	5,117	16,942	22,059	1	22,060
Profit/loss before tax	4,543	-124	4,419	1	4,420
Total assets	133,688	115,923	249,611	-	249,611
Total liabilities	78,034	103,948	181,982	-	181,982

Write down of inventories

The Group has made write down of inventories of EUR 0.4M in the first quarter of 2018 (Q1 2017: EUR 0.0 million).

Statement by the Board of Directors and the Management

The Board of Directors and the Management have considered and adopted the Interim Report of European Energy A/S for the period 1 January - 31 March 2018. The Interim Report is presented in accordance with the International Accounting Standard IAS 34 on Interim Financial Reporting.

The accounting policies applied in the Interim Report are consistent from those applied in the Group's Annual Report 2017.

We consider the accounting policies appropriate, the accounting estimates reasonable and the overall presentation of the Interim Report adequate. Accordingly, we believe that the Interim Report gives a true and fair view of the Group's financial position, results of operations and cash flows for the period.

In our opinion, the Interim Report includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty facing the Group.

The Interim Report has not been audited or reviewed by the auditors.

Søborg, 31 May 2018

MANAGEMENT:



Knud-Erik Andersen
CEO



Jonny Jonasson
CFO

BOARD OF DIRECTORS:



Jens-Peter Zink
Chairman



Claus Dyhr



Knud-Erik Andersen



Mikael Dystrup Pedersen



Jesper Helmuth Larsen

Appendix – Development and construction

Development and construction

Table 1

MW	Total activity level	Status end of Q1 2018 (MW)	EE net capacity (MW)
Wind	Under construction	52.5	52.5
Wind	Ready to build	200.9	145.2
Solar	Under construction	112.0	71.8
Solar	Ready to build	89.0	63.9
Total activity level		454.4	333.4

Activity level (wind)

Table 2

Country	Site	Status end of Q1 2018	MW	EE net capacity (MW)
Denmark	Måde II	Ready to build	16.0	16.0
Germany	Lüdersdorf II	Under construction	3.5	3.5
Germany	Viertkamp	Ready to build	14.4	7.3
Italy	Bosco le Paine	Under construction	39.0	39.0
Brazil	Ouro Branco 1	Ready to build	30.0	12.2
Brazil	Ouro Branco 2	Ready to build	30.0	12.2
Brazil	Quatro Ventos	Ready to build	22.0	9.0
Sweden	Zinkgruven	Ready to build	12.0	12.0
Sweden	Fimmerstad	Ready to build	22.5	22.5
Sweden	Grevekulla	Ready to build	27.0	27.0
Sweden	Kingebol	Ready to build	27.0	27.0
Sweden	Västanby	Under construction	10.0	10.0
Total wind			253.4	197.7

Appendix – Activity level

Activity level (solar)

Table 3

Country	Site	Status end of Q1 2018	MW	EE net capacity (MW)
Brazil	Coremas 3	Ready to build	31.0	10.9
Brazil	Coremas 1	Under construction	31.0	10.9
Brazil	Coremas 2	Under construction	31.0	10.9
Denmark	German PV 1	Under construction	10.0	10.0
Denmark	German PV 2	Under construction	10.0	10.0
Denmark	German PV 3	Under construction	10.0	10.0
Denmark	German PV 4	Under construction	10.0	10.0
Denmark	German PV 5	Under construction	10.0	10.0
Denmark	Evetofte	Ready to build	8.0	8.0
Denmark	Thisted Flyveplads	Ready to build	50.0	45.0
Total solar			201.0	135.7

Appendix – Sales activity

Table 4 The table below summarizes the sales activities in first quarter of 2018

Country	Site	MW	Technology	EE net capacity (MW)	Status Q1 2018 YTD
Germany	Lüdersdorf II	3.5	Wind	3.5	SPA signed in 2017
Germany	Lohkamp	12.1	Wind	6.0	Closed in Q1 2018
Italy	Oppido	20.0	Wind	10.0	Closed in Q1 2018
Total		35.6		19.5	

Disclaimer and cautionary statement

This document contains forward-looking statements concerning European Energy's financial condition, results of operations and business.

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on Management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning new potential accounting standards and policies, and European Energy's potential exposure to market risks and statements expressing Management's expectations, beliefs, estimates, forecasts, projections,

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- b. currency and interest rate fluctuations;
- c. loss of market share and industry competition;
- d. environmental and physical risks;
- e. legislative, fiscal and regulatory developments, including changes in tax or accounting policies;
- f. economic and financial market conditions in various countries and regions;
- g. political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects;
- h. ability to enforce patents;
- i. project development risks;
- j. cost of commodities;
- k. customer credit risks;
- l. supply of components from suppliers and vendors; and
- m. customer readiness and ability to accept delivery and installation of products and transfer of risk.

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