Interim financial report fourth quarter of 2019

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Building foundation
Vier Berge, Germany

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Interim financial report fourth quarter of 2019 (unaudited)

Summary

European Energy posts impressive 2019 result

European Energy delivered an impressive result for 2019, as the Group's EBITDA totalled EUR 44.3 million (+32%) and the profit before tax was EUR 37.4 million (+44%), this compared to an EBITDA of EUR 33.6 million and profit before tax of EUR 25.9 million in 2018. The return on equity for the year reached 31.5%.

Knud Erik Andersen, CEO of European Energy Group, said:

"We are very pleased with the year. Our business experienced growth on all parameters. This is underlined by the increasing awareness in society that replacing fossil energy generation with renewable energy has the biggest impact on reducing CO2 emissions. To complement this, solar and wind are the cheapest, most easily scalable and fastest of all energy plants to construct. However, solar and wind's current share of all global energy generation is less than 5%, so if we are to halt climate change we need to substantially increase the clean capacity's role in the energy mix. Therefore, we are confident that the expertise and knowledge of companies like European Energy will be in high demand for coming generations."

In the fourth quarter of 2019, the Group had an EBITDA of EUR 14 million and a profit before tax of EUR 9.5 million. In the fourth quarter especially the sale of three wind parks in Sweden, Denmark and Germany, with a total capacity of 77.9 MW, had a positive impact on the result.

The 2019 result underlines the company's shift from being solely developer of renewable projects, and its transition to becoming partly a developer and partly an independent power producer (IPP), as electricity sales for the first time generated more profit for the Group than the sale of energy plants. Electricity sales has grown from EUR 10 million in 2017, to EUR 19.8 million in 2018 and now EUR 30.5 million (+54%) in 2019. The operational assets more than doubled from 173 MW in 2018 to 371 MW (+114%) in 2019.

"Our transition from solely developer to an IPP has been very organic. It allows us to have more recurring revenue flowing into the business. At the same time, we have increased our sale of energy farms. We see this as natural growth and maturing of our business. In the future, we expect to maintain a healthy balance between electricity sales and the sale of energy farms; of course, with the possibility of some fluctuations year-on-year," said Knud Erik Andersen.

European Energy Group has entered in a multiyear offtake agreement with a related company, European Energy Trading, concerning the supply of three TWh of green energy to a German utility, RWE AG. The delivery of power will take effect from 1 January 2024 and run for seven years. Throughout the period, the power will be supplied to RWE in Denmark. The agreement provides security to the Group for the realisation of its renewables projects. This will support the Group's growth in the forthcoming years.

In December, European Energy increased its ownership of a German wind portfolio, thereby obtaining the controlling stake in the portfolio, which means it is fully consolidated. This has increased the Group's total assets by EUR 84.6 million at the end of the year.

In 2020, European Energy expects a higher EBITDA than last year. Due to the Groups acquisition of energy plants in 2019, the depreciation and financial costs will increase. The EBITDA level is expected within the range of EUR 52-58 million. The profit before tax in 2020 is expected to reach EUR 35-39 million.

Highlights for European Energy Group

Key figures EUR '000	Q4 2019	Q4 2018	FY 2019	FY 2018
Revenue	105,324	72,536	238,804	96,182
Direct costs	-91,192	-49,688	-190,614	-60,589
Gross profit	18,178	26,206	57,529	42,570
EBITDA	13,973	25,405	44,305	33,607
Operating profit (EBIT)	11,649	24,413	38,411	31,117
Financial income and expense, net	-2,151	-186	-969	-5,193
Profit/loss before tax	9,498	24,227	37,442	25,924
Tax	2,552	-1,804	-1,461	-3,403
The Group's share of profit for the period	**12,050**	**22,423**	**35,981**	**22,521**
Total assets	605,671	447,081	605,671	447,081
Equity	**137,603**	**107,685**	**137,603**	**107,685**
Cash flow from operating activities	-3,860	-25,756	8,743	-150,961
Cash flow from investing activities	12,696	36,579	-12,404	-490
Cash flow from financing activities	-56,320	4,168	46,055	161,857
Change in cash and cash equivalents	-34,942	14,991	54,936	10,406
Financial ratios				
Gross margin	17.3%	36.1%	24.1%	44.3%
EBITDA margin	13.3%	35.0%	18.6%	34.9%
EBIT margin	11.1%	33.7%	16.1%	32.4%
Solvency ratio	22.7%	24.1%	22.7%	24.1%
Net interest-bearing debt/EBITDA, LTM	6.8	7.1	6.8	7.1
Return on equity (average, LTM)	31.5%	22.7%	31.5%	22.7%
Share Ratios				
Earnings per share (EPS Basic)	0.027	0.069	0.089	0.071
Earnings per share (EPS diluted)	0.027	0.069	0.089	0.071
Number of shares at the end of the period '000	300,145	300,040	300,145	300,040
Average number of full-time employees	**138**	**96**	**117**	**95**

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

Management review

Development in financials in the fourth quarter of 2019 and in the financial year 2019

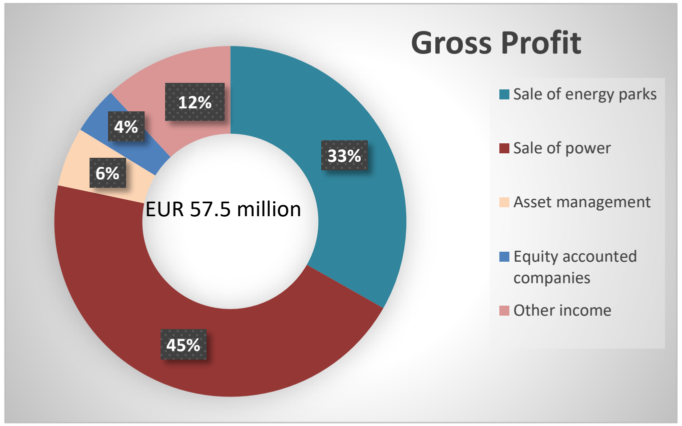
In the fourth quarter of 2019 the Group has focused on closing the sale of three wind parks in Sweden, Denmark and Germany, with a total capacity of 77.9 MW, which had a positive impact on the result.

The revenue related to the sale of the wind parks was EUR 94.6 million in total. The direct costs related to the sale of the three wind parks in the fourth quarter were EUR 84.8million with a total gross profit effect of EUR 9.8 million. There have been write-downs of EUR -6.4 million related to increasing development activities.

The sale of power in the Group in the quarter has totalled EUR 11.6 million with asset management and other fees totalling EUR 1.2 million. The power sale last year was EUR 7.5 million in the fourth quarter with asset management fees of EUR 1.1 million. The sale of power in 2019 YTD was EUR 30.5 million compared to EUR 19.8 million in 2018. Asset management and other fees were in 2019 at EUR 3.1 million compared to EUR 3.0 million last year. Total revenue for the Group was EUR 238.8 million (+148%) compared with EUR 96.2 million last year. The high revenue in 2019 relates to the sale of two wind farms in Italy and Denmark in the first quarter of 2019 and the three wind parks in Sweden, Denmark and Germany in the fourth quarter. In total the sale of energy farms amounts to EUR 205.2 million for the year. Last year, the amount was EUR 73.4 million.

There is a significant difference in the classification of revenue when recognising revenue from the sale of fully controlled energy farms, compared with the revenue recognition from the sale of energy farms in equity-accounted companies. The recognition of the sale of shares in equity-accounted companies is treated as a net transaction compared to the sale of controlled companies, which is treated as a gross transaction. When selling associated companies or JV's the Group only recognises the profit from the sale as net revenue, and no direct costs. In 2018 the sale of associated companies resulted in low revenue and a high gross margin. In 2019 the sale of parks has nearly all been in controlled companies thus the revenue reflects the enterprise value for the parks, and the direct cost is the capital expenditure for constructing them. This explains the drop in gross margin from 44% in 2018 to 24 % in 2019.
The gross profit were on the other hand increased with 35% from EUR 42.6 million in 2018 to EUR 57.5 million in 2019.

Equity-accounted investments made a profit in the quarter of EUR 2.3 million, compared to EUR 2.2 million in Q4 2018. The YTD income on equity-accounted investments is EUR 2.5 million for 2019, where it was EUR 5.8 million in 2018.



Gross Profit	FY 2019	EUR'000 FY 2018
Sale of energy parks	19,120	15,911
Sale of power	25,926	16,697
Asset management	3,143	2,985
Equity-accounted companies	2,504	5,795
Other income	6,836	1,182
Total	57,529	42,570

On 1 December 2019, European Energy A/S obtained control of Driftsselskabet Heidelberg A/S through the acquisition of a further 1% of the shares and a changed agreement with the company's financing bank. European Energy A/S held a non-controlling equity interest in the company of 49.5% before the date of acquisition and before the changed agreement with the financing bank. The non-controlling equity interest in the acquire, held immediately before obtaining control (49.5%) was re-measured at fair value, which resulted in a gain of EUR 2.5 million that was recognised as profit after tax from equity-accounted investments.

In Q4 an earn-out related to the Group's sale of 5 Spanish solar parks in Q2 was released. The extra profit on the sale of these operational parks has been booked under other income, as EUR 1.8 million for the quarter (other income YTD 2019: 6.8 million) compared to EUR 1.2 million last year (YTD 2018: 1.2 million).
The major part of other income in 2019 was the recognition of a bargain purchase regarding the AEZ acquisition of EUR 4.6 million acquired in the third quarter of 2019.

Direct costs for the quarter were EUR 91.2 million, compared to EUR 49.7 million in 2018. Total direct costs YTD amounts to EUR 190.6 million against EUR 60.6 million in 2018.

Gross profit ended at EUR 18.2 million in the quarter compared to EUR 26.2 million in 2018. YTD Gross profit ended at EUR 57.5 million compared to EUR 42.6 million in 2018 YTD.

Staff costs ended at EUR 2.1 million in the quarter compared to -0.5 million in 2018. In 2018 there was a correction to the capitalised staff costs during the year, which gave an income on the staff cost line for the quarter. Employee numbers increased in the quarter with the average number of full-time employees rising from 96 in 2018 to 138 in 2019. In 2019, the portion of staff costs capitalised to construction projects was 56% of gross staff costs. Staff costs capitalised is expensed as direct costs when projects are being sold. Total staff costs YTD are EUR 6.7 million compared to YTD EUR 5.0 million last year.

Other external costs were EUR 2.0 million for the quarter compared to EUR 1.3 million last year. YTD the other external costs are EUR 6.5 million compared to EUR 3.9 million in 2018 YTD. The Group has increased the provision related to VAT on external costs for 2017 to 2019 from EUR 1.0 million to EUR 2.1 million in the quarter. The Danish Authorities have questioned whether the parent company has the right to fully deduct VAT on external costs, and has added that the Group will also have to pay VAT ("Lønsumsafgift") on the part of the Group staff costs that are related to the sale of shares.

The EBITDA in the fourth quarter was recognised to EUR 14.0 million compared to EUR 25.4 million in 2018. For the year the EBITDA in 2019 was EUR 44.3 million compared to EUR 33.6 million in 2018.

Depreciation was EUR 2.3 million for the quarter compared to EUR 1.0 million in 2018. The increase was mainly due to the acquisition of AEZ in the third quarter, and the consolidation of Driftsselskabet Heidelberg A/S in the last month of the quarter. YTD, the depreciations amount to EUR 5.9 million against EUR 2.5 million last year.

The financial income for the quarter ended with a total of EUR 2.4 million compared to EUR 0.8 million in 2018. YTD, the financial income is EUR 12.1 million compared to YTD EUR 3.9 million in 2018. Part of this income is the bond modification gain of EUR 5.6 million recognised as financial income in the third quarter.

Financial expenses were EUR 4.6 million in the fourth quarter compared to EUR 1.0 million in 2018. The total financial expenses YTD amount to EUR 13.1 million compared to EUR 9.1 million in 2018. The early redemption fee of the old bond, related to the 22% of the bond with new investors, EUR 0.9 million, is included in financial expenses in third quarter of 2019.

This gave a result before tax for the quarter of EUR 9.5 million compared to EUR 24.2 million in 2018. For the year, the result before tax amounts to EUR 37.4 million compared to EUR 25.9 million last year.

The tax for the quarter gave an income of EUR 2.6 million, which almost solely relates to the wind park Westerberg in Germany, where the authorities in connection with the acquisition of the wind park in 2013 had announced that the tax losses brought forward could no longer be accepted due to change of control. Fortunately, the Group has now received an announcement, after a long appeal process, that the tax losses are intact. The correction was EUR 2.2 million booked as an income on the tax line.

Capital management

YTD, the total new project-related loans obtained is EUR 88.6 million. For 2018 the number was EUR 191.6 million. The lower amount in 2019 compared to 2018 is due to the Group's increase in bond capital from EUR 85 million to EUR 200 million.

Repayment of project-related loans amounted to EUR 151.7 million for 2019. In 2018 the number was EUR 49.7 million YTD.

The net change in cash during the fourth quarter was a minus of EUR 34.9 million, and YTD EUR 54.9 million positive cash flow. Last year the numbers were EUR 15.0 million for the quarter and EUR 10.4 million YTD.

The management is satisfied with the level of liquidity which will enable the Group to make further investments in the market.

Outlook for 2020

The outlook for 2020 is an EBITDA of EUR 52-58 million and a profit before tax of EUR 35-39 million.

Management is looking forward to another year of good results. However, the risk factors associated with developing and constructing solar and wind projects may cause delays. Typical risk factors are i.e. potential delay in deliveries from external suppliers, abnormal weather conditions during the construction period and co-developers' performance and skills in handling complex construction projects. 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.

Sale of electricity

European Energy's share of operational assets increased by 198 MW from 173 MW to 371 MW during 2019. The development is due to the net difference between commissioning and acquisition of new wind and solar farms and divestments.

Net capacity (MW)

	FY 2019	FY 2018
Solar	148	9
Wind	223	164
Total	371	173

The production from solar and wind increased in Q4 2019 compared to the year before due to changes in the portfolio.

Net Production (GWh)

	Q4 2019	Q4 2018	FY 2019	FY 2018
Solar	23.9	8.7	65.6	63.7
Wind	126.8	89.0	392.6	263.8
Total	150.7	97.7	458.2	327.5

Asset management

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

Assets managed on behalf of third parties (MW)

	End of 2019	End of 2018
Solar	153	126
Wind	655	598
Total	808	724

European Energy manages 808 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 the Group's own assets, corresponds to 1.179 MW.

Development and construction

WIND

By the end of the fourth quarter of 2019, European Energy had four wind projects under construction: the Polish project Grzmiaca of 6 MW and the three German projects Oberbarnim, Vier Berge I and Viertkamp of 3.5 MW, 25.8 MW and 14.4 MW respectively. Two of the three German projects, namely Vier Berge I and Viertkamp, are repowering projects. Compared to Q3, the construction activities decreased in Q4 with the completion of the Swedish project Zinkgruvan in October. Zinkgruvan wind farm was sold to a German investor in December 2019.

By the end of the quarter, European Energy had a pipeline of ready-to-build wind projects with a total capacity of 328.4 MW. Compared to the end of Q3, this is an increase of 12.6 MW, which originates from the purchase of the Polish ready-to-build project Siemsyl, the maturation of the German repowering project Güstow and an upgrade of technology in the Polish projects, Biolagard and Drawsko II.

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

SOLAR

Throughout the fourth quarter of 2019, the construction continued on the PV project, Coremas III, in Brazil, the two Italian projects, Troia I and Troia II, and the Danish project, Næssundvej – a total of 168 MW; while the Danish PV project Hanstholmvej (Thisted Flyveplads) of 53 MW was completed at the beginning of December.

By the end of Q4, the ready-to-build PV pipeline amounted to 277.3 MW, up 72.3 MW compared to the previous quarter. During the quarter, two Danish PV projects, Agersted and Harre – Salling, further matured and entered the ready-to-build phase, while a 46 MW project in Spain, named Bolbaite, was added to the ready-to-build pipeline through acquisition.

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

Sales activity

In line with expectations, there was a high level of activity in fourth quarter. Three wind farms were sold, located in Denmark, Sweden and Germany respectively. The revenue from the sale of the three farms was EUR 95 million.

The Danish wind farm is located in the municipality of Ikast-Brande. The wind farm was commissioned in early 2018 and consists of a total of 10 SiemensGamesa 3.2 MW turbines.

The Swedish wind farm is located 70 km north of Linköping, near the northern end of the Vättern Lake. The wind farm has a capacity of 53.2 MW and consists of 14 GE Renewables turbines with a capacity of 3.8 MW.

The German wind farm consists of one turbine located in Jetsch in the Dahme-Spreewald district in Brandenburg.

See table 4-5 in the appendix for further specifications.

Events after the end of fourth quarter 2019

There have not been any significant events after the balance sheet date that would affect the quarterly report and the annual figures for 2019.

Consolidated statement of profit or loss and other comprehensive income

For the quarter ended 31 December 2019

EUR'000

	Q4 2019	Q4 2018	FY 2019	FY 2018
Revenue	105,324	72,536	238,804	96,182
Profit after tax from equity-accounted investments	2,257	2,187	2,504	5,795
Other income	1,789	1,171	6,835	1,182
Direct costs	-91,192	-49,688	-190,614	-60,589
Gross profit	**18,178**	**26,206**	**57,529**	**42,570**
Staff costs	-2,159	522	-6,695	-5,030
Other external costs	-2,046	-1,323	-6,529	-3,933
EBITDA	**13,973**	**25,405**	**44,305**	**33,607**
Depreciation & impairment	-2,324	-992	-5,894	-2,490
Operating profit (EBIT)	**11,649**	**24,413**	**38,411**	**31,117**
Finance income	2,435	788	12,148	3,907
Finance expenses	-4,586	-974	-13,117	-9,100
Profit/loss before tax	**9,498**	**24,227**	**37,442**	**25,924**
Tax	2,552	-1,804	-1,461	-3,403
Profit/loss for the period	**12,050**	**22,423**	**35,981**	**22,521**
Attributable to:				
Shareholders of the company	8,230	20,720	26,654	21,328
Non-controlling interests (NCI)	3,820	1,703	9,327	1,193
Profit/loss for the period	**12,050**	**22,423**	**35,981**	**22,521**

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

For the quarter ended 31 December 2019

EUR'000

Profit/loss and OCI	Q4 2019	Q4 2018	FY 2019	FY 2018
Statement of comprehensive income				
Profit/loss for the period	12,050	22,423	35,981	22,521
Items that may be reclassified to profit or loss:				
Other comprehensive income in equity-accounted investments	-	-	-	-
Value adjustments of hedging instruments	821	-1,205	3,477	-991
Tax of value adjustments of hedging instruments	-72	297	-645	276
Currency differences on translating foreign operations	284	21	210	-11
Other comprehensive income for the period	**1,033**	**-887**	**3,042**	**-726**
Comprehensive income for the period	**13,083**	**21,536**	**39,023**	**21,795**
Attributable to:				
Shareholders of the company	8,975	19,844	29,511	20,605
Non-controlling interests (NCI)	4,108	1,692	9,512	1,190
Comprehensive income for the period	**13,083**	**21,536**	**39,023**	**21,795**

Interim dividends in Q4 2019:				
Non-cash distribution to shareholders				
Interim dividends	-	-	7,400	-
Total Interim dividends	-	-	**7,400**	-

Consolidated statement of financial position

As of 31 December 2019

EUR'000

	FY 2019	FY 2018
ASSETS		
Non-current assets		
Property, plant and equipment	134,213	85,947
Lease assets	9,091	-
Joint venture investments	11,112	11,938
Associated companies investments	13,693	8,643
Other investments	4,394	6,764
Loans to related parties	35,620	33,179
Trade receivables and contract assets	4,241	4,131
Other receivables	15,133	3,101
Deferred tax	2,292	1,584
Prepayments	3,923	9,937
Total non-current assets	**233,712**	**165,224**
Current assets		
Inventories	227,131	202,193
Trade receivables and contract assets	16,920	9,317
Other receivables	8,270	10,734
Prepayments for goods and services	6,116	1,027
Free cash and cash equivalents	90,414	50,718
Restricted cash and cash equivalents	23,108	7,868
Total current assets	371,959	**281,857**
TOTAL ASSETS	**605,671**	**447,081**

Consolidated statement of financial position - continued

As of 31 December 2019

EUR'000

	FY 2019	FY 2018
EQUITY AND LIABILITIES		
Equity		
Share capital	40,331	40,316
Retained earnings and reserves	77,797	55,772
Equity attributable to owners of the company	**118,128**	**96,088**
Non-controlling interests	19,475	11,597
Total Equity	**137,603**	**107,685**
Liabilities		
Bond loan	192,017	83,670
Project financing	140,743	157,666
Other debt	905	898
Lease liabilities	13,037	-
Provisions	6,096	3,066
Deferred tax	10,241	2,986
Total non-current liabilities	**363,039**	**248,286**
Project financing	66,772	56,111
Lease liabilities	1,493	-
Trade payables	8,981	9,987
Payables to related parties	2,117	481
Corporation tax	4,777	1,194
Provisions	2,800	1,985
Contract liabilities	-	5,960
Other payables	18,089	15,392
Total current liabilities	**105,029**	**91,110**
Total liabilities	**468,068**	**339,396**
TOTAL EQUITY AND LIABILITIES	605,671	447,081

Consolidated statement of cash flow

For the quarter ended 31 December 2019

EUR'000

Cash flow from operating activities	Q4 2019	Q4 2018	FY 2019	FY 2018
Profit/loss before tax	9,498	24,227	37,442	25,924
Adjustments for:				
Financial income	-2,435	-788	-12,148	-3,907
Financial expenses	4,586	974	13,117	9,100
Depreciations	2,324	992	5,894	2,490
Profit from equity-accounted companies	-2,051	-2,187	-	-5,795
Change in networking capital	-8,165	-47,401	-24,677	-172,106
Other non-cash items	-5,007	-1,335	-4,600	-1,263
Cash generated from operation before financial items and tax	**-1,250**	**-25,518**	**15,028**	**-145,557**
Taxes paid	-375	-445	-538	-751
Interest paid and realised currency losses	-5,656	-275	-11,611	-8,263
Interest received and realised currency gains	3,421	482	5,864	3,610
Cash flow from operating activities	**-3,860**	**-25,756**	**8,743**	**-150,961**
Cash flow from investing activities				
Purchase/disposal of property, plant and equipment	45,414	910	27,664	-12,576
Proceeds from disposal of equity-accounted investments	-	2,599	682	3,161
Purchase/disposal of other investments	145	21	65	252
Acquisition of subsidiaries	-27,276	-	-27,276	-
Investment/loans in equity-accounted investments	7,155	48,277	-1,479	23,736
Loans to related parties	-12,862	-15,228	-12,862	-15,228
Dividends	120	-	802	165
Cash flow from investing activities	**12,696**	**36,579**	**-12,404**	**-490**

Consolidated statement of cash flow - continued

For the quarter ended 31 December 2019

EUR'000

	Q4 2019	Q4 2018	FY 2019	FY 2018
Cash flow from financing activities				
Proceeds from issue of bonds	1	-	200,535	25,107
Repayment of bonds	-	-	-88,400	-7,600
Proceeds from borrowings	-6,572	51,570	88,551	191,594
Repayment of borrowings	-50,885	-47,604	-151,704	-49,729
Changes in payables to associates	768	-10,856	1,636	-4,367
Transactions with NCI	368	11,058	-4,563	6,852
Cash flow from financing activities	**-56,320**	**4,168**	**46,055**	**161,857**
Cash and cash equivalents related to acquired companies	12,542	-	12,542	-
Change in cash and cash equivalents	**-34,942**	**14,991**	**54,936**	**10,406**
Cash and cash equivalents at beginning of period	**148,464**	**43,595**	**58,586**	**48,180**
Cash and cash equivalents end of period	**113,522**	**58,586**	**113,522**	**58,586**
Of which restricted cash and cash equivalents	-23,108	-7,868	-23,108	-7,868
Non-restricted cash and cash equivalents end of period	**90,414**	**50,718**	**90,414**	**50,718**

Consolidated statement of changes in equity

As of 31 December 2019

EUR'000

	Share capital	Share Premium	Translation re-serve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total
Equity at 1 January 2019	**40,316**	**-5**	**5**	**-1,257**	**57,029**	**96,088**	**11,597**	**107,685**
Profit/loss for the period	-	-	-	-	26,654	26,654	9,327	35,981
Other comprehensive income								
Value adjustments of hedging instruments	-	-	-	2,802	485	3,287	190	3,477
Tax of value adj. of hedging instruments	-	-	-	-645	-	-645	-	-645
Currency diff. on translating foreign operations	-	-	211	-	4	215	-5	210
Other comprehensive income	-	-	**211**	**2,157**	**489**	**2,857**	**185**	**3,042**
Total comprehensive income	-	-	**211**	**2,157**	**27,143**	**29,511**	**9,512**	**39,023**
Transactions with owners								
Dividends*	-	-	-	-	-7,400	-7,400	-	-7,400
Transactions with NCI	1	-	-	-	-572	-571	-5,033	-5,604
Exercise of warrants	14	42	-	-	-	56	-	56
Share-based compensation expenses	-	-	-	-	444	444	-	444
Additions	-	-	-	-	-	-	4,130	4,130
Disposals	-	-	-	-	-	-	-731	-731
Total transactions with owners	**15**	**42**	-	-	**-7,528**	**-7,471**	**-1,634**	**-9,105**
Equity at 31 December 2019	**40,331**	**37**	**216**	**900**	**76,644**	**118,128**	**19,475**	**137,603**

The share capital consists of nom. 300,145,075 shares of DKK 1 each, corresponding to EUR 40,331 thousand. The share capital is fully paid in.

*Non cash dividends has been settled against a receivables against shareholders.

Consolidated statement of changes in equity continued

As of 31 December 2018

EUR '000

	Share capital	Share Premium	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total
Equity at 1 January 2018	**40,311**	**-**	**-50**	**-522**	**35,574**	**75,313**	**15,687**	**91,000**
Profit/loss for the period	-	-	-	-	21,328	21,328	1,193	22,521
Other comprehensive income								
Value adjustments of hedging instruments	-	-	-	-1,018	-	-1,018	27	-991
Tax of value adjustments of hedging instruments	-	-	-	283	-	283	-7	276
Currency differences on translating foreign operations	-	-	55	-	-43	12	-23	-11
Other comprehensive income	**-**	**-**	**55**	**-735**	**-43**	**-723**	**-3**	**-726**
Total comprehensive income	**-**	**-**	**55**	**-735**	**21,285**	**20,605**	**1,190**	**21,795**
Transactions with owners								
Transaction with NCI	-	-	-	-	-27	-27	-	-27
Exercise of warrants	5	11	-	-	-	16	-	16
Expenses related to capital increases	-	-16	-	-	-	-16	-	-16
Share-based compensation expenses	-	-	-	-	197	197	-	197
Additions	-	-	-	-	-	-	7,471	7,471
Disposals	-	-	-	-	-	-	-12,751	-12,751
Total transactions with owners	**5**	**-5**	**-**	**-**	**170**	**170**	**-5,280**	**-5,110**
Equity at 30 September 2018	**40,316**	**-5**	**5**	**-1,257**	**57,029**	**96,088**	**11,597**	**107,685**

The share capital consists of nom. 300,040,190 shares of DKK 1 each, corresponding to EUR 40,316 thousand. The share capital is fully paid in.

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 fourth quarter of 2019 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 2018 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 2018, Note 1.0.

Accounting policies

Accounting policies remain unchanged compared to the annual report for the year ended 31 December 2018, to which reference is made, except for the changes described in 'Changes in accounting policies and disclosures'.

IFRS 3, Business combination

The Group has applied IFRS 3 in the accounting treatment of business combinations made 10 July 2019. Impact of the acquisition is disclosed in the note related to business combinations.

Changes in accounting policies and disclosures

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 2019.

The impact on recognition and measurement in the consolidated financial statements for 2019 related to the adoption of IFRS 16 can be found in the note below, 'Effect of IFRS 16, lease'.

In the context of the transition to IFRS 16, right-of-use assets of EUR 7.2 million (property, plant and equipment EUR 2.2 million and Inventory EUR 5.0 million) and lease liabilities of EUR 7.2 million were recognized as at 1 January 2019. The European Energy Group transitioned to IFRS 16 in accordance with the modified retrospective approach. The prior-year figures were not adjusted. The Group also elected to apply the practical expedient for short-term leases to leases for which the lease term ends within 12 months of the date of initial application.

Effect of IFRS 16, lease

	Lease assets as part of Inventory	Lease assets Property, plant and equipment	EURm FY 2019
1 January 2019	5.0	2.2	7.2
Depreciations	-	-0.2	-0.2
Additions	4.9	8.3	13.2
Disposals, divestments	-3.7	-2.2	-5.9
Effect of IFRS 16, lease assets 31 December 2019	6.2	8.1	14.3
Effect of IFRS 16 on lease assets, property, plant and equipment			
Lease assets reclassified from prepayments	3.3	1.0	4.3
Lease assets recognised in the balance sheet 31 December 2019	9.5	9.1	18.6

	Lease liabilities, Inventory	Lease liabilities, Property, plant and equipment	EURm FY 2019
1 January 2019	5.0	2.2	7.2
Additions	4.8	8.3	13.1
Disposals, divestments	-3.7	-1.6	-5.3
Lease payments	-0.1	-0.4	-0.5
Effect of IFRS 16, lease liabilities 31 December 2019	6.0	8.5	14.5
Lease liabilities recognised in the balance sheet:			
Non-current lease liabilities	5.6	7.4	13.0
Current lease liabilities	0.4	1.1	1.5
Lease liabilities recognised in the balance sheet 31 December 2019	6.0	8.5	14.5

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 main geographical focus is on 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 28 February 2020, 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 December 2019

EUR '000

	Wind	Solar	Total before elimination	Eliminations	FY 2019
Sale of energy farms and projects	205,274	-108	205,166	-	205,166
Sale of electricity	27,241	3,253	30,494	-	30,494
Asset management & other fees	2,144	1,000	3,144	-	3,144
Revenue to external customers	**234,659**	**4,145**	**238,804**	-	**238,804**
Intra-group revenue	1,175	2,651	3,826	-3,826	-
Revenue	**235,834**	**6,796**	**242,630**	**-3,826**	**238,804**
Profit/loss before tax	**42,779**	**-5,337**	**37,442**	-	**37,442**
Total assets	**426,068**	**179,603**	**605,671**	-	**605,671**
Total liabilities	**322,216**	**145,852**	**468,068**	-	**468,068**

As of 31 December 2018

EUR '000

	Wind	Solar	Total before elimination	Eliminations	FY 2018
Sale of energy farms and projects	18,784	54,594	73,378	-	73,378
Sale of electricity	10,722	9,097	19,819	-	19,819
Asset management & other fees	2,271	714	2,985	-	2,985
Revenue to external customers	**31,777**	**64,405**	**96,182**	-	**96,182**
Intra-group revenue	6,169	1,161	7,330	-7,330	-
Revenue	**37,946**	**7,966**	**103,512**	**-7,330**	**96,182**
Profit/loss before tax	**11,066**	**14,858**	**25,924**	-	**25,924**
Total assets	**337,443**	**109,638**	**447,081**	-	**447,081**
Total liabilities	**262,560**	**76,836**	**339,396**	-	**339,396**

Business combination

Accounting policy

Enterprises acquired during the year are recognised in the consolidated financial statements from the date of acquisition. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises disposed of are recognised in the consolidated income statement until the disposal date.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprise's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred, over the Group net identifiable assets acquired, and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination. Goodwill is tested for impairment at year-end or more frequently when impairment indicators are identified.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognised in the income statement. If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have different fair value at the acquisition date than first assumed, goodwill is adjusted up to twelve months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly.

Acquisition of 100% of the shares in the AEZ Group including 100% of the voting rights:

The Group concluded a strategic investment on 10 July, through the acquisition of 100% of the shares and all voting rights in the AEZ Group located in Leipzig, Germany, with an operational pipeline, a development pipeline and with a staff of 8 employees. The purpose of the acquisition is to expand and secure European Energy's sales channel in the German market. The investment underlines our strong focus on the important German market. AEZ has 30 operating wind turbines. AEZ has 92 wind turbines under technical and commercial asset management and a development and repowering pipeline of more than 100 MW wind. Closing of the investment was made on 10 July 2019. The expected outcomes are new production benefits from economies of scale and securing a permanent office in Germany.

The acquisition has been made by EE Dupp ApS, a 100% owned subsidiary in European Energy A/S including all voting rights. European Energy A/S thereby obtained control of AEZ Group.

The total purchase price amounted to EUR 30.7 million, including a shareholder loan of EUR 3.4 million which European Energy A/S has taken over. The net purchase price regarding shares amounts to EUR 27.5 million, which is made up of the price paid to the seller of EUR 27.3 million and transaction costs of EUR 0.2 million, which have been expensed.
The purchase price includes a contingent consideration of EUR 0 million.

Total assets and liabilities were recognised at fair value according to IFRS 3.
The purchase price of property, plant and equipment has been adjusted by EUR 9.2 million based on the potential future capacity of generating cash flow by the wind farms. The fair value of property, plant and equipment amounts to EUR 56.5 million. The discounting rate used is 4.5% equal to the discounting rate used in our other German wind projects.

The fair value of other current assets and other non-current assets amounts to EUR 5.8 million.

Other non-current assets of EUR 2.7 million comprise a bonus originating from sales of wind turbines prior to the acquisition. The fair value is calculated as net present value of future expected contractual bonus payments. The discounting rate used is 7.5% including expected credit loss.
Other current assets of EUR 3.1 million comprise trade receivables, other receivables and pre-payments.

Restricted cash amounts to EUR 2.8 million and free cash amounts to EUR 3.1 million.

The project financing, recognised at fair value at the transaction date, is EUR 28.0 million.

The transaction generated a gain from a bargain purchase of EUR 4.6 million recognised as other income in the consolidated statement of profit or loss. Before recognising the gain, the purchase price allocation has been re-visited to make sure that all assets and liabilities have been identified, assessed and recognised correct, cf. in the table below.

The reason for obtaining a gain from a bargain purchase is that the seller had the possibility to sell their life's work to a strong investor, European Energy A/S, who is already well-known as an important developer and investor in the local market – thereby securing that the company and its employees were able to keep on fighting for a fossil-free society. European Energy will continue to invest in the development pipeline and will benefit from taking over 8 talented employees in the attractive German market. The AEZ Group is complementary to our business in European Energy Group and we see synergies we can benefit from on both a short and long-term basis because we are already operating 18 turbines in the same area.

The figures in the table below, regarding identifiable assets acquired, liabilities and consideration transferred, are based on the initial recognition of the preliminary fair values that can be adjusted up until 12 months after the acquisition.

If the wind farms in AEZ Group were fully consolidated as of January 1 2019 to 31 December 2019, the Revenue of European Energy Group would have been EUR 244.5 million, the EBITDA EUR 48.8 million and the profit/loss before tax EUR 39.6 million.

The share of revenue and profit (loss) for the year from the acquisition date (10 July to 31 December 2019) of European Energy Group is a revenue of EUR 4.7 million, the EBITDA EUR 3.2 million and the profit/loss before tax EUR -0.1 million. The loss is related to low production in the period due to expected seasonal fluctuations.

Business combination (acquisition of AEZ Group)
As of 10 July 2019

Identifiable assets acquired, liabilities assumed and consideration transferred	EUR '000 Fair value (Post-PPA)
Property, plant and equipment	56,547
Lease assets	2,485
Other non-current assets	2,650
Other current assets	3,124
Cash	5,922
Total assets	**70,728**
Non-controlling interests	445
Project financing	28,011
Lease liabilities	2,485
Provisions	840
Deferred tax	2,171
Payables to related parties	3,465
Other liabilities	1,474
Total liabilities	**38,891**
Fair value of identified net assets	**31,837**
Gain from a bargain purchase	-4,561
Cash consideration paid	27,276

Step wise acquisition of controlling interest in Driftsselskabet Heidelberg A/S in Q4 2019:

When acquiring a controlling interest in stages, European Energy assesses the fair value of the acquired net assets at the time control is obtained. At such time, interests acquired previously are also adjusted to fair value. The difference between the fair value and the carrying amount is recognised in the income statement.

On 1 December 2019, European Energy A/S obtained control of Driftsselskabet Heidelberg A/S through the acquisition of further 1% of the shares and a changed agreement with the financing bank of the company. European Energy A/S held a non-controlling equity interest in the company of 49.5% before the date of acquisition and before the changed agreement with the financing bank. The carrying amount of the investment in the associate before the date of acquisition was EUR 0 thousands. The purchase price of 1% of the shares amounted to EUR 0.1 million. The purchase price comprises a contingent consideration of EUR 0 million.

The non-controlling equity interest in the acquiree, held immediately before obtaining control (49.5%) is remeasured at fair value, which results in a gain of EUR 2.5 million. In the consolidated financial statement for the Group, the gain, recognised as profit after tax from equity-accounted investments in the statement of profit or loss, is EUR 2.5 million.
European Energy Group have acquired property, plant and equipment in Driftsselskabet Heidelberg A/S of EUR 85 thousands minus total liabilities of EUR 35 thousands equals the fair value of identified net assets in the acquire recognised in Profit or loss statement of EUR 50 thousands. Cash consideration paid is EUR 50 thousands.

The Heidelberg acquisition will strengthen European Energy's position in the German market and is complementary to our business in European Energy Group and we see synergies that we can benefit from on both a short and long-term basis.

Write down of inventories

The Group has made a write-down of inventories of EUR 6.4 million in the fourth quarter of 2019 (YTD 2019 EUR 7.9 million). The Group made a write- down of inventories of EUR 0.1 million in the fourth quarter of 2018 (YTD 2018 EUR 1.0 million).

During 2019, the Group has increased investment in the pipeline of development projects substantially. The gross amount of inventory under development has increased from EUR 22 million in 2018 to EUR 56 million, end of 2019 (values before write-downs). The corresponding amount of write-downs is end-of-year 2018: EUR 8 million and 2019: EUR 14 million. This gives a write-down provision of 36% in 2018 and 26% in 2019.

The management acknowledges that not all projects will mature and end as a gain for the Group. Some will fail, and there will be sunk costs. The management finds the provisions made to reflect the probability of this.

Financial activities

Bond loans

European Energy A/S listed a EUR 140 million green bond on Nasdaq Copenhagen, on 20 June 2019, and has successfully issued and settled a tap issuance of EUR 60 million on 30 September 2019. It is the first Danish Corporate sustainable bond listed in Nasdaq Copenhagen's Green Bond Segment. The issued bonds carry variable interest based upon a fixed spread and a variable part related to the Euribor. The bonds have a four years and 3 months' life cycle and are traded on Nasdaq, Copenhagen. The interest rate was fixed at 5.35% compared to the old 7.0% EUR 85 million bond. The redemption and the repayment of the old EUR 85 million bond was 3 July 2019. 79 investors participated from some of the largest pension funds in Scandinavia. The new green bond was trading at a price of 105.85 in February 2020 on Nasdaq Copenhagen. The net proceeds of the offering will be used for general corporate purposes in accordance with the company's green-bond framework.

Modification gain

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The interest rate of the new bond is 5.35% compared to 7.0% on the old bond. 78% of the proceeds were from current bond investors investing in the new bond and 22% was from new investors. The Group has calculated the net financial impact from the modification of the loan to be a gain of EUR 5.6 million, which will be expensed over the life cycle of the bond. The gain is recognised in 2019 as financial income in the statement of profit or loss. Capital loss and cost related to the 22% of the redemption of the EUR 85m loan, EUR 0.9 million, is recognised as financial expenses in 2019.

Interest rate swaps

Interest rate swaps with fair value liability of EUR 1.8 million, as of 31 December 2018, have been disposed in the first half year of 2019 after the closing of the sale of a wind farm in Italy and the sale of 5 solar parks in Spain. The fair value of interest rate swaps is measured on the basis of Level 2 within the fair value hierarchy.

Other investments

The Group increased the ownership of a German wind park during the second quarter of 2019, which resulted in a shift in classification from other investments to the associated company. Fair value of the wind park transferred to the associated company is EUR 4.8 million. Unrealized value adjustment recognised as other income is EUR 2.1 million in 2019.

Other financial instruments

Other financial instruments with fair value assets of EUR 1.4 million as of 31 December 2019 have been recognised in 2019. Other financial instruments are included in non-current other receivables. Value adjustment is included in other comprehensive income, as the relevant criteria for hedge accounting are met.

Other financial instruments comprise contract for difference derivatives (CFD) related to long-term power purchase agreements. Power purchase agreements have a duration of up to 15 years.

The fair value of CFD derivatives is measured on the basis of Level 3 within the fair value hierarchy since one or more of the significant inputs is not based on observable market data. The valuation technique used is discounted cash flow.

The main inputs used are:

a. Contracted prices
b. Non-contracted market prices
c. Risk-adjusted discount rate

SIGNIFICANT NON-OBSERVABLE INPUTS

Non-contracted market prices are normally available for a maximum of three to 10 years, after which an active market no longer exists. Power purchase agreements have a duration of up to 15 years. When market prices are no longer available, the last known observation is held for further tenors, only adjusted for average inflation in electricity prices for non-household consumers (Eurostat). To compensate for the uncertainty, a floor for the average inflation is set at 0%.

SENSITIVITY ON NON-OBSERVABLE INPUTS

The most significant non-observable input is non-contracted long-term prices, where market prices are no longer available. If these projected long-term prices were adjusted +/-1 % per year, the contract value would change accordingly with EUR -/+0.5 million.

VALUATION PRINCIPLES

Market values are determined by European Energy's PPA function which reports to the Chief Executive Officer. The development in market values is monitored on a continuous basis and reported to the Chief Financial Officer.

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 December 2019. 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 2018. Adoption of IFRS 16 at 1 January 2019 in European Energy did not have a significant impact on recognition and measurement in the consolidated financial statements in the fourth quarter of 2019.

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, 28 February 2020

MANAGEMENT:

Knud Erik Andersen
CEO

Jonny Jonasson
CFO

BOARD OF DIRECTORS:

Jens-Peter Zink
Chairman

Knud Erik Andersen

Mikael Dystrup Pedersen

Claus Dyhr

Jesper Helmuth Larsen

Appendix 1 – Project development activity

Table 1

MW	Total activity level	Status end of Q4 2019 (MW)	EE net capacity (MW)
Wind	Under construction	49.7	26.6
Wind	Ready to build	328.4	251.5
Solar	Under construction	168.0	149.4
Solar	Ready to build	277.3	247.2
Total activity level		823.4	674.7

Table 2 - Activity level (wind)

Country	Site	Status end of Q4 2019	MW	EE net capacity (MW)
Brazil	Quatro Ventos	Ready to build	21.0	8.4
Brazil	Ouro Branco 1	Ready to build	34.0	13.6
Brazil	Ouro Branco 2	Ready to build	34.0	13.6
Germany	Tornitz	Ready to build	3.6	3.6
Germany	Güstow	Ready to build	3.0	3.0
Germany	Oberbarnim	Under Construction	3.5	3.5
Germany	Viertkamp	Under Construction	14.4	7.2
Germany	Vier Berge I	Under Construction	25.8	12.9
Sweden	Fimmerstad	Ready to build	21.2	21.2
Sweden	Kingebol	Ready to build	27.0	27.0
Sweden	Skåramåla	Ready to build	45.0	45.0
Finland	Mustalamminmäki	Ready to build	30.0	30.0
Finland	Koiramäki	Ready to build	30.0	30.0
Finland	Honkakangas	Ready to build	22.0	11.0
Finland	Ahvenneva	Ready to build	17.0	8.5
Poland	Grzmiaca	Under Construction	6.0	3.0
Poland	Bialogard	Ready to build	7.9	3.9
Poland	Kolobrzeg	Ready to build	19.5	19.5
Poland	Drawsko II	Ready to build	6.9	6.9
Poland	Siemsyl	Ready to build	6.3	6.3
Total wind			378.1	278.1

Appendix 1 – Project development activity–continued

Table 3 – Activity level (solar)

Country	Site	Status end of Q3 2019	MW	EE net capacity (MW)
Brazil	Coremas III	Under construction	31.0	12.4
Denmark	Evetofte	Ready to build	8.0	8.0
Denmark	Rødby Fjord	Ready to build	65.0	43.6
Denmark	Agersted	Ready to build	30.0	30.0
Denmark	Harre - Salling	Ready to build	47.0	47.0
Denmark	Næssundsundvej	Under construction	33.0	33.0
Denmark	Ålbæk	Ready to build	20.0	20.0
Denmark	Holmen II	Ready to build	25.0	25.0
Italy	Troia I	Under construction	63.0	63.0
Italy	Palo	Ready to build	19.0	19.0
Italy	Tuscania	Ready to build	17.3	8.6
Italy	Troia II	Under construction	41.0	41.0
Spain	Bolbaite	Ready to build	46.0	46.0
Total solar			445.3	396.6

Appendix 2 – Sales activity in 2019 for wind and solar

Table 4 The closed projects in 2019

Country	Site	MW	Technology	EE net capacity (MW)	Status
Italy	Bosco	39.0	Wind	39.0	Closed In Q1 2019
Denmark	Holmen II	18.0	Wind	12.1	Closed In Q1 2019
Spain	5 solar parks	8.1	Solar	6.5	Closed in Q2 2019
Spain	1 solar park (Beniar-beig)	2.0	Solar	0.3	Closed in Q2 2019
Sweden	Zinkgruvan	53.2	Wind	53.2	Closed in Q4 2019
Denmark	Svindbæk	25.2	Wind	16.9	Closed in Q4 2019
Germany	Jetsch	2.1	Wind	2.1	Closed in Q4 2019
Total		147.6		130.1	Total

Table 5 Other sales activities

Technology	MW	EE net capacity (MW)	Status
Wind	0.0	0.0	
Solar	103.0	103.0	Signed term sheets
Total	103.0	103.0	

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, and assumptions. There are a number of factors that could affect European Energy's future operations and could cause European Energy's results to differ materially from those expressed in the forward-looking statements included in this document, including (without limitation):

a. changes in demand for European Energy's products;

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.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Each forward-looking statement speaks only as of the date of this document. European Energy do not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than as required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.

We are green energy

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