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European Energy A/S: Confirms outlook for 2021 and provides strong financial guidance for 2022

Company announcement 4/2022 (22.02.2022)

European Energy has realised a 2021 EBITDA of EUR 81.2m and a profit before tax of EUR 62.7m and we have therefore met and slightly exceeded our revised outlook for 2021 of a EUR 80m EBITDA and EUR 60m profit before tax. The financial performance is the result of higher power sales and profits from its operations all over Europe due to the material increasing prices on electricity as well as better results from divestment of energy parks than planned. The net financial expenses are expected to be considerably less than planned partly due to modification gains recognised where loans have been renewed to much lower interest, partly due to lower interest in operating energy parks.

We expect a significant growth in our financial results for 2022 compared to 2021 which is the result of the accelerated growth in European Energy's activity level. In 2021, we increased our MW under construction from 0.6 GW at the beginning of the year to 1.0GW¹ at the end and expect this number to grow even further towards 1.5 GW during 2022. Our outlook is based on a balanced set of assumptions however there are factors associated with developing and constructing solar and wind projects which we assess could impact realized results by a margin of +/- 10% compared to outlook. On the risk side, construction activity can once again be impacted by supply chain issues from the COVID-19 pandemic and cost inflation. Other factors which could have negative impacts on the Group's capability of meeting its goals is the success in obtaining necessary building permits, environmental impact assessments, the development in the supply of power purchasing agreements, delay in planned timing of plant divestments and the overall electricity price for the markets the Group are operating in.

Based on the above, we expect an EBITDA of EUR 135m and a profit before tax of EUR 100m for 2022 corresponding to a growth of 66% and 59%, respectively.

European Energy has experienced a very strong start to 2022 with strong power sales and divestments of PV power plants in Italy and Denmark with a combined capacity of 192MW. Consequently, we expect in Q1 2022 to realise a significant share of the expected financial results for the full year.

For further information, please contact Investor Relations:
investor.relations@europeanenergy.dk.

This announcement has been made in accordance with the EU Market Abuse Regulation (Regulation (EU) no. 596/2014, as amended).

¹ This includes 0.2GW related to a Lithuanian asset divested in 2021 where European Energy provides EPC services until COD in 2022.