

## International strategy implemented in third quarter 2019 in European Energy A/S

### Company Announcement no. 21/2019

European Energy A/S implemented a new strategy last quarter and, for the first time in the company's history, established several international offices. In Germany, the strategy was implemented through the acquisition of AEZ Group located near Leipzig. AEZ Group has healthy operational and development pipelines with 30 operating Enercon wind turbines and 92 wind turbines under technical and commercial asset management. This creates a significant repowering pipeline of more than 100 MW in wind and PV.

CEO Knud Erik Andersen said:

*“This acquisition underlines our strong focus on the important German market. We have maintained a long-term business relationship with AEZ so we know the company very well. We see a great potential in the employees, the portfolio and in the German market.”*

At the same time European Energy offices was established in Malmö in Sweden along with Manchester and Glasgow in the United Kingdom. A regional Danish office was also set up in Nykøbing Mors in Northern Jutland.

*“Both solar and wind has reached grid parity in several markets and are close to this milestone in others. This means the industry no longer depends on political decisions and therefore it has become easier to commit long term to specific markets. That is the background for our strategy of creating new offices. We have already managed to get some excellent new colleagues on board. We see this as an important step on the way to reach our ambition of 1 GW construction each year,”* Knud Erik Andersen added.

European Energy A/S also announced two multi-year deals with Google for electricity from the 55 MW Roedbyfjord and 27 MW Naessundvej solar farms in Denmark. The construction of Naessundvej is progressing as planned and expected to be completed in Q2 2020, while Roedbyfjord will commence next year. The agreement with Google follows this summer's announcement that European Energy will deliver energy to Apple's Danish operations.

In Italy, the first phase of the 63 MW Troia was grid connected after the quarter, as a result the construction of second phase of Troia of 41 MW was initiated. The four wind projects under construction in Germany and Poland (combined 48 MW) also progressed throughout the quarter as planned.

Early in the third quarter, European Energy finalized the issue of a new green bond of EUR 140 million at 5.35 per cent interest plus 3mth Euribor. This was

followed by a successful EUR 60 million tap issue of the bond at price 104, giving an net interest at 4.22 per cent. On both occasions, the bond received positive attention from investors and was significantly over-subscribed. The management are happy to see that the bonds currently are trading above a price at 106.

Financially, the quarter continued the positive development European Energy A/S has experienced. The group's profit before tax for the quarter totalled EUR 5.5 million and the year to date profit before tax totalled EUR 27.9 million. This compared to EUR 0.8 million and EUR 1.7 million in 2018. The EBITDA for the quarter equalled EUR 3.9 million compared to EUR 2.8 million in the third quarter 2018. Gross profit for the quarter was EUR 7.7 million of which EUR 3.9 million were related to the sale of electricity.

European Energy still expects to deliver an EBITDA of EUR 40-45 million and a profit before tax of EUR 30-35 million in 2019.

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This announcement has been made in accordance with the market abuse regulation (regulation (EU) no. 596/2014 on market abuse).