

European Energy A/S: Interim financial report for Q2 2018

Company announcement 8/2018

European Energy delivered a Q2 result in line with expectations and passed the 1 GW installed capacity milestone in the quarter.

European Energy posted a net profit before tax of EUR 0.9 million in the first half of 2018, a decrease from EUR 5.5 million in the first half of 2017. Revenue for the first half of the year was EUR 18.6 million, compared to EUR 32.2 the previous year. For the second quarter 2018, European Energy had a loss before tax of EUR 1.2 million, while EBITDA reached EUR 1.1 million, this is compared to Profit before tax EUR 1.1 million and EBITDA EUR 2.8 million in second quarter of 2017.

The result reflects a continuation of growth in development and construction, while the majority of the divestments of projects is expected later in 2018. The result is in the line with guidance released by European Energy for the full year.

The timing of the close of each individual sale of energy farms has great impact on the Groups results. European Energy has successfully signed a sale of 39 MW after the end of second quarter. Currently there are active sales processes covering projects with an accumulated capacity of 250 MW, in comparison the equivalent figure was 160 MW after first half of 2017.

Knud Erik Andersen, Chief Executive Officer said:

"We are satisfied with our half year results. The positive momentum in our development and construction activities continued in our key markets as well as new markets. The planned divestment of our solar and wind farms also progressed according to plan. We experience high interest among institutional investors for our projects and we expect to announce further sales in the second half of the year. We appreciate the momentum we have built and expect the second half of 2018 to be very busy. "

European Energy also passed a milestone in the second quarter of 2018, namely one gigawatt of constructed capacity. Since the company was founded in 2004, European Energy has now constructed more than one gigawatt of green power generation capacity, in addition European Energy provide asset management for more than one gigawatt of green power.

"We are proud of this achievement. It is a nice milestone to pass, but the technology has developed so fast the past few years, that while we needed 14

years to reach the first GW, we expect the second gigawatt to be constructed within two years.” said Knud Erik Andersen.

During the second quarter of 2018, eight solar parks in Denmark with a total capacity of 70 MW was grid connected. 164 MW wind and solar power is under construction and another 280 MW are ready to build.

The outlook for the year is unchanged at a profit before tax of EUR 26 – 28 million.

The interim financial report for Q2 2018 is attached to this announcement and available on our website (<https://www.europeanenergy.dk/en/financial-reports/>).

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