

European Energy A/S maintains strong momentum in sale of electricity in the first quarter of 2020

Company announcement 8/2020 (27 May 2020)

Despite the ongoing COVID-19 pandemic, European Energy delivers a solid start to the year with a revenue of EUR 28.7 million, an EBITDA of EUR 10.3 million and a profit before tax of EUR 4.2 million.

The sale of electricity increased by 58% to an impressive EUR 15.4 million in the first quarter of 2020 compared to EUR 9.7 million in the first quarter of 2019. The increase is due to favourable weather conditions in European Energy's main markets, but it is also a result of the company's strategy to become partly an independent power producer (IPP) by keeping more operating wind and Solar assets in its own books.

During the first quarter of 2020, European Energy closed the divestment of three turbines at the Svindbæk Wind Farm in Denmark with Aquila European Renewables Income Fund, the London-listed investment company advised by Aquila Capital Investmentgesellschaft mbh. European Energy's divestments of energy farms in the quarter totalled EUR 12.3 million.

In Brazil, COVID-19 and a polarised political environment negatively affected the value of the Brazilian currency. This had a significant impact on European Energy's projects in Coremas, which resulted in an impairment of EUR 4.4 million. Despite the loss on currency, European Energy delivered strong financial performance in Q1 and remains committed to deliver both EBITDA (EUR 52-58 million) and profit before tax (EUR 35-39 million) for the full financial year in 2020, in line with the earlier guideline.

The management has under the corona crisis focused on strengthening of the Group's liquidity. The cash position increased with EUR 14.4 million and the Group has a very solid position with EUR 127.9 million whereof EUR 104.2 million is free cash.

The Equity of the Group keeps increasing and is now EUR 141.3 million. This together with the cash position gives the Group a favourable stepping stone for further development of the business.

Knud Erik Andersen, CEO says:

"I am satisfied that we have been able to stay on the course and maintain stability in our business during uncertain times. We have managed to expand our development pipeline to a total of +15 GW and continue our ongoing construction activities in Denmark, Poland, Germany, Italy and Brazil – only with minor delays. I am certain that we will continue to see a demand for the

cleanest, cheapest and the most scalable solutions for energy production. We can deliver that.”

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

Attachment: [Interim Financial Report Q1 2020](#)