



## European Energy A/S

(a public limited liability company incorporated in Denmark under registration (CVR) no. 18351331)

### **EURIBOR (3 months) + 7.00 % Senior Secured Callable Floating Rate Bonds due 25 May 2021**

This prospectus ("**Prospectus**") has been prepared by European Energy A/S, ("**Issuer**") for the admittance to trading and official listing on Nasdaq Copenhagen A/S of EUR 25,000,000 EURIBOR (3 months) + 7.00 % Senior Secured Callable Floating Rate Bonds 2017/2021 each of a nominal amount of EUR 100,000 or full multiples thereof ("**Nominal Amount**") under ISIN code DK0030401278 ("**Bonds**" as further defined as "Subsequent Bonds" in the Terms and Conditions dated 14 March 2018) to be consolidated and form single series with the EUR 60,000,000 Senior Secured Callable Floating Rate Bonds due 25 May 2021 issued on 3 July 2017 ("**Initial Bonds**"). All Bonds are issued on a fully paid basis at an issue price of 103.423% of the Nominal Amount. The Bonds were issued by the Issuer on 20 March 2018.

The aggregate amount of the bond loan and the total nominal amount of the Bonds will amount to EUR 25,000,000. The minimum permissible investment in connection with the issue of the Bonds is EUR 100,000 and integral multiples thereof.

This Prospectus has been prepared under Danish law and regulations in compliance with the requirements set out in the Danish Consolidated Act no. 12 of 8 January 2018 on capital markets, and as supplemented by Regulation (EU) 2017/1129 of 14 June 2017, as well as Commission Regulation (EC) no. 809/2004 of 29 April 2004, as amended and Executive Order no. 1176 of 31 October 2017 on prospectuses issued by the Danish Financial Supervisory Authority.

The Bonds have not been assigned any credit rating of any credit rating agency.

Investing in the Bonds involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Bonds are discussed under the Section entitled "Risk Factors" below.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for or purchase, any Bonds in any jurisdiction. This Prospectus has been prepared solely for the purpose of listing the Bonds on Nasdaq Copenhagen A/S. The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction.

**The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person (as such terms are defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and applicable state or local securities laws.**

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors.

The date of this Prospectus is 20 March 2018

## IMPORTANT INFORMATION

This Prospectus has been prepared by European Energy A/S for the admittance to trading and official listing on Nasdaq Copenhagen A/S of the 25,000,000 EURIBOR (3 months) + 7.00 % Senior Secured Callable Floating Rate Bonds 2017/2021 under ISIN code DK0030401278 to be consolidated and form single series with the EUR 60,000,000 Senior Secured Callable Floating Rate Bonds due 25 May 2021 issued on 3 July 2017.

References in this Prospectus to “European Energy”, “Issuer”, “we”, “us” or “our” refer to European Energy A/S. Any reference to the “Issuer’s Group” or the “Group” shall have the same meaning as used in the consolidated financial statements comprising the European Energy A/S (as parent company), and subsidiaries in which European Energy A/S, directly or indirectly, holds more than 50 % of the voting rights or which it, in some other way, controls. Companies in which the Issuer’s Group holds between 20 % and 50 % of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

Words and expressions defined in the Terms and Conditions incorporated by attachment to this Prospectus as Annex B have the same meaning when used in this Prospectus, unless expressly stated or the context requires otherwise.

References in the Terms and Conditions to “Subsidiary” means, in relation to any person, any legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (a) owns shares or ownership rights representing more than 50 % of the total number of votes held by the owners, (b) otherwise controls more than 50 % of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, (d) exercises control as determined in accordance with the accounting principles or (e) holds, individually or together with any other group company, at least twenty per cent (20 %) but not more than forty nine per cent (49 %) of the voting rights and do not exercise any direct or indirect control over such associated entity.

This Prospectus shall be read together with all documents which have been incorporated by attachment and by reference (see “Documents incorporated into this Prospectus by attachment or reference”) and possible supplements to the Prospectus.

## MIDIF II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES’ ONLY TARGET MARKET

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (“**Distributor**”) should take into consideration the manufacturer’s target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

## PRIIPS REGULATION AND PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, as amended (Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (Prospectus Directive). Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (“**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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## 1 RESPONSIBILITY STATEMENT

European Energy A/S, Gyngemose Parkvej 50, DK-2860 Søborg, Denmark, is responsible for this Prospectus pursuant to Danish law.

We hereby declare that we, as the persons responsible for this Prospectus on behalf of European Energy A/S, have taken all reasonable care to ensure that, to the best of our knowledge and belief, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect the import thereof.

Copenhagen, 20 March 2018

### **European Energy A/S**

#### **Board of Directors**

Jens-Peter Zink, Board Member (chairman)

Mikael Dystrup Pedersen, Board Member

Knud Erik Andersen, Board Member

Jesper Helmuth Larsen, Board Member

Claus Dyhr Christensen, Board Member

Knud Erik Andersen, Managing Director of European Energy Holding ApS

Jens-Peter Zink, Managing Director of JPZ Assistance ApS

Mikael Dystrup Pedersen, Managing Director of MDP Invest ApS

Claus Dyhr Christensen, CFO of Basisbank A/S

Jesper Helmuth Larsen, CFO of AJ Vaccines A/S

#### **Executive Board**

Knud Erik Andersen, Managing Director, CEO

## 2 RISK FACTORS

Investing in the Bonds involves certain risks. Prospective investors should carefully consider the risks described below before making an investment decision. The risks described below are not the only risks facing the Issuer and the Issuer's Group. Investment in the Bonds involves a high degree of risk and to the extent any of the risks described below have a material adverse effect on the Issuer's business, holders of the Bonds (the "**Bondholders**") may lose all or part of their original investment.

The Issuer believes that the factors described below represent the principal risks inherent in the Issuer's business and in investing in the Bonds and risks which could have a negative effect on the Issuer's ability to satisfy its obligations under the Bonds.

The Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Additional risk factors not presently known, or that are currently deemed immaterial, may also render the Issuer unable to pay interest, principal or other amounts on or in connection with the Bonds. The risk factors described below are not listed in any order of priority with regard to their significance or probability.

### Risks related to the Issuer

#### Operational Risks

***The Group's business depends on the successful development of new renewable energy projects, which may be impaired due to changes of the market conditions or in the regulatory framework***

The Group's result and business depend amongst other factors on the successful development of new wind and solar energy projects. A number of risks are associated with the development of such projects.

The successful development of renewable energy projects depends to a large extent on the regulatory framework. This concerns both the applicable feed-in tariff schemes as well as the permissibility of the projects with regard to competing public interests (such as environmental protection, noise emission controls, aviation or military use of land and airspace). Given the comparably long development periods, renewable energy projects are particularly vulnerable to changes in this regulatory framework.

Additionally, in most of the Group's key markets, there are a multitude of public and private stakeholders involved in the process of approving a given project who may delay or stall the successful development of new projects (such as municipalities, governmental authorities or local residents). The development of new projects may also be subject to complaints or law suits – e.g. regarding necessary approvals or permits – which may delay the construction of a project or even lead to its cancellation. Together with the vulnerability to changes in the regulatory framework, these factors increase the risk that the Group finds itself unable to finalize the development of new projects and to expand its business. The Group may also lose funds invested in the development of unsuccessful projects.

Successful project development requires the availability of suitable sites for the projects, which satisfy a number of criteria (such as favourable wind or irradiation conditions, availability of grid connection possibilities and capacity or favourable regulatory prospects for renewable energy projects). In parallel with the expansion of renewable energy in some of the Group's key markets (such as Denmark and Germany),

such sites are becoming more difficult to find and more expensive to acquire or to secure. This can adversely affect the Group's ability to successfully develop projects and expand its business.

In order to explore business opportunities in different markets, the Group is currently developing renewable energy projects in many different countries. This include European countries, but also countries outside Europe. Consequently, the Group is continuously assessing the possibility of entering into new markets. When entering into new markets, the Group can to a lesser degree than when operating in core market countries rely on relevant in-house experience, and will have to rely on external advisors (legal, technical, etc.). By consequence, the information and knowhow necessary for the successful development of such projects may not be available within reasonable time frames or at reasonable costs. This can adversely affect the Group's ability to successfully develop projects and expand its business.

Some renewable energy markets experience significant peaks of project development activities due to regulatory deadlines for attractive feed-in tariff schemes. These peaks stress the availability and costs of crucial resources for project development (such as grid connection and capacity, construction companies or technical advisors). The increase in costs for such resources may impair the profitable development of projects. At the same time, the external deadlines causing peaks in activities also lead to peaks in the Group's internal work load. There is a risk that the necessary human resources cannot be available in due time. This may prevent the successful and timely development of new projects.

Further, there is a trend towards a decrease in subsidy levels due to successful implementation of competitive auction-processes. This could within a short- or mid-term period of time (at least within Europe) lead to regimes with none or significantly reduced subsidies for renewable energy projects. The consequence hereof could be that the profitability per MW of the Issuer's projects will be reduced, whereby the Issuer will have to rely on an increased volume of projects to ensure continuous profitability on the overall portfolio.

The Group has developed a large-scale energy storage project (EE GigaStorage). Further development of this project will most likely imply further investments by the Group. Whether such development costs will be recouped by third-party investments, a third-party purchase of a license to use the technology etc., is uncertain, and could therefore lead to a risk of loss of development costs.

***The Group's business also depends on the successful acquisition of new renewable energy projects, which may be difficult or costly***

The Group does not only develop green field projects but also acquires projects at different stages of their development. This entails a number of risks, which may render the acquisition of projects more difficult and less profitable.

The availability of suitable projects at reasonable prices may vary subject to the general economic situation or due to an increase in demand for such projects in specific countries with attractive feed-in tariff schemes.

The acquisition of projects developed by others bears the risk that the projects have hidden deficiencies, which are not revealed in a buyer's due diligence and/or might not be covered by warranties/indemnities (such as missing securities, unrealistic production prognoses or hidden liabilities). Also, the timing of the acquisition of a project may not allow for a due diligence process that covers all detailed aspects of the project. The Group's project acquisitions may thus prove less profitable than expected.

***The construction of renewable energy projects is subject to risks affecting the costs or timely completion of the construction works and, thereby, affecting the profitability of the projects for the Group***

The construction of renewable energy projects involves certain risks which may affect the cost of construction and, subsequently, the profitability of the projects.

The construction works may be subject to cost-overruns and delays. Those can stem from a poor performance by the counterparties involved in the construction (such as the construction contractors, their sub-contractors or manufacturers of key components), including performance issues arising from financial difficulties encountered by such counterparties, or from the occurrence of unforeseen circumstances at the relevant project site, force majeure events or similar impeding the progress of the construction. Additionally, delayed projects may miss out on an attractive feed-in tariff due to their late completion. In all these cases, projects can become less profitable for the Issuer.

The Issuer or other companies of the Group may provide guarantees under the construction phase relating – inter alia – to the development and construction of the project. Such guarantees may be part of a project management agreement by which the Issuer or other companies of the Group provide services with respect to the design, procurement and construction of a project. Such guarantees may be to the benefit of the special purpose companies that own the projects and/or to lenders providing financing to such special purpose companies. Thereby, the financial risks associated with the construction are transferred to a bigger part of the Group and the risks for the Group's overall result are increased.

***The Group develops and owns many of its projects with external partners, who may affect the Group's reputation and liquidity or impair the Group's ability to steer these projects according to its own best interest***

The Group develops and operates many of its projects in cooperation with other parties. These parties are for example companies or individuals who have originally developed a project and then kept a stake in it or financial investors who provide funding for the development of a project. These collaborations entail a number of risks for the Group. Entering into such collaborations could mean that the Group has to assume the risks related to the partner's behaviour and liquidity.

If the partner's business behaviour is unreliable or otherwise unprofessional this may affect the Group's reputation as it is associated with this partner. A deterioration of the Group's reputation may adversely affect future business opportunities as the counter parties might pull out or offer worse conditions for future projects and collaborations. It may also impair the Group's access to financing and its relationship with private and public stakeholders necessary for the successful development of projects.

In case of the partner's insolvency, projects may be confronted with a new ownership structure and subsequent legal uncertainties. This may adversely affect the projects' access to financing or the Group's ability to divest the projects. Furthermore, the Group's ability to successfully develop or operate projects may be affected without the financial contributions by the partner. By consequence, the projects may fail and the Group lose its investments.

In some cases, including where the Group does not hold a majority interest in a project, the development and operation of the project is not in the Group's full control and the Group may thus not be capable of effectively counteracting an undesirable development of the projects. This may impair the successful development or operation of the project and the Group may lose its investments in the project.



Finally, the partnerships may adversely affect the disposability of the projects. If the partners and the Group have conflicting priorities and business interests, they may not be able to agree on the timing and pricing for a sale of their projects. As a consequence, the divestment of the projects may be less profitable for the Group.

***The Group's business depends on the successful divestment of its projects, which may become less profitable due to market conditions or other factors affecting the proceeds of the divestments***

The Group's business concept includes the total or partial divestment of projects. There are a number of risks, which can impede the successful divestment of projects by the Group and thus adversely affect the Group's cash flow and ability to reinvest in new projects and to seize new business opportunities.

The demand for renewable energy projects may decrease due to e.g. the general economic situation or to country-specific market developments, such as uncertainties with regards to the continuity of feed-in tariff schemes. The changes in the subsidy-regimes could impact the profitability of the projects negatively, and thereby lead to further decrease in the demand for renewable energy projects.

Such decrease in demand can affect both the market value of and the availability of divestment opportunities for the Group's projects. Finding creditworthy and reliable buyers can prove to be time and cost intensive. As a consequence, the divestment of projects can become more difficult and less profitable for the Group.

In the framework of the divestment of a project, the Group may accept to give certain guarantees regarding the project to the buyer that are not fully covered by the back-to-back arrangements with the suppliers. Such guarantees, which may include fulfilment of permits or meeting project specific criteria for receiving subsidies, can force the Group to allocate (human and financial) resources to the project after its divestment and potentially lead to direct payment obligations.

Part of the revenues resulting from a divestment may be held back by the buyer or held in escrow until the fulfilment of certain conditions subsequent. This can force the Group to allocate resources to the project after its divestment and the Group may not be able to receive the entirety of the revenues, e.g. in a case where the Group is exposed to a credit risk on the buyer.

Based on earn-out mechanisms in the sales contract, the revenues resulting from a divestment may be dependent on the productivity of the projects after their divestment and be lower than expected.

***The production generated by the Group's projects may be adversely affected by a number of external factors lowering the Group's revenues***

The operation and production of the Group's projects may be affected by a series of risk factors, which can reduce the Group's revenues stemming from the operation of these projects.

The production of renewable power projects depends on favourable weather conditions (such as wind or solar conditions). The actual weather conditions on the projects' sites may fall short of the predicted average conditions and the production and revenue from the respective projects may thus be reduced.

Extreme weather conditions may lead to interruptions of operations as the production may have to be shut down, by precaution or as a result of damages caused to the project facilities. The operation of the projects

may also be interrupted by technical defects or other external events (such as cases of force majeure, administrative prohibitions etc.). The interruption of operation may persist for a longer period of time if maintenance services are unavailable or not delivered as contracted. These interruptions of operation can lead to a reduction of the production and thus of the revenue generated by the concerned projects.

The projects may not be able to feed the entirety of their production into the electricity grid in the absence of sufficient or delayed grid capacity. The increase in renewable generation capacity in the markets where the Group operates may lead to increased grid curtailment and such curtailment may not be compensated leading to a loss of revenue.

The remuneration for the electricity produced by the Group's projects is partly paid out in currencies which are subject to exchange rate fluctuations to the Group's main currencies. This may adversely affect the profitability of the projects for the Group's accounts.

Even though the Group applies what is considered proven technology in the projects, the technologies used in the Group's projects may entail risks for the production and profitability of the projects. Technologies which are based on the present scientific knowledge and state-of-the-art engineering may reveal themselves as being unreliable or having unexpected deficiencies in the future and thereby impair the productivity of the projects.

## **Commercial Risks**

### ***Decrease in the market price of electricity and/or certificates can have an adverse effect on the Group***

While part of the income generated by the Group's wind farms and solar photovoltaic ("Solar PV") plants is covered by fixed prices (due to guaranteed feed-in tariffs or long term power purchase agreements) or fixed price premiums, part of the income may fluctuate with the market price of electricity and/or certificates. This exposes the Group to a risk of decrease in the price of electricity and/or certificates which could occur due to – inter alia – a reduction in the demand for electricity or new capacity being added to the market. This risk can be reduced to a certain extent by entering into long-term power and/or certificate purchase agreements or price hedging agreements but as this will not always be the case there will remain an exposure to decreases in the price of electricity and/or certificates. The Group does not operate with a general price hedging strategy.

Furthermore, a decrease in the price of electricity and/or certificates may weaken the market for the Group's projects leading to less demand for projects and/or a decrease in the price that the projects can be sold to which will have an adverse effect on the Group.

### ***The rapid technological development of renewable energy production requires the Issuer to respond quickly and failure to do so may have an adverse impact on the Group's business***

The technology of renewable energy generation, including wind turbine generators and solar PV plants, advances at a very fast pace. This requires the Group to be constantly aware of the technological development and to respond quickly to any changes to the technology employed by the Group in its wind parks and solar PV plants.

The rapid technological development could also lead to other technological solutions for generating renewable energy surpassing the solutions currently chosen by the Group with regard to efficiency and costs. Should this occur, it could have a negative impact on the Group's business.

***The Group is operating in a number of different jurisdictions which increases the risk that not all applicable law is being complied with at all times***

The Issuer is present in a number of different countries and is required to comply with multiple regulatory requirements pertaining to the operation of its business. This entails a risk that compliance with all requirements cannot be ensured at all times and should one or more violations occur, the Group may become liable to sanctions such as – but not limited to – fines and loss of financial support or revocation of permits requiring the operation of a wind farm or solar PV plant to be halted or suspended. Such sanctions or other consequences of non-compliance with applicable law may have a material adverse effect on the Group.

***The Group or its advisors may be wrong in their interpretation of applicable tax legislation and there may be different views on what is the correct transfer pricing methodology***

The Group applies tax legislation based on its – or in some cases, its tax advisors' – interpretation of the relevant regulations and seeks to ensure that local tax filings are made in compliance with all relevant regulations and that its transfer pricing methodology is accurate. The Group or its advisors may commit errors when interpreting the tax legislation, however, and any such errors could have an adverse effect on the Issuer's financial position. Furthermore, local tax authorities may have different interpretations of the correct transfer pricing methodology. Also it cannot be ruled out that the applicable tax legislation is changed, also with retroactive effect, to the detriment of the Group. Additionally, the Group may become involved in disputes regarding its tax positions with relevant local authorities and if decided against the Group, such disputes may affect Issuer's financial position negatively.

***Changes to legislation and regulatory regimes, including – but not limited to – changes to support mechanisms for renewable energy, in the countries where the Group operates can impact negatively on the Group's business***

The market for renewable energy and renewable energy projects is highly sensitive to changes in legislation and to the regulatory regimes in general. Support mechanism are frequently changed because of – inter alia – the changing market conditions for renewable energy and conflicting political views on what the level of support for renewable energy should be. Changes to support mechanisms may be phased in over the course of several years but may also be implemented very quickly. In all cases, the changes require the Group to re-evaluate all projects that may be affected and as a consequence, projects representing significant value in terms of costs already incurred or future profitability could be abandoned. Furthermore, it cannot be ruled out that changes to support mechanisms are made with retroactive effect (such as reducing already guaranteed tariff levels for the future or imposing additional costs on the operation of renewable energy plants) and any such retroactive changes can impair the value of the Group's assets significantly and may have a materially adverse effect on the Issuer.

Changes to other parts of the legislation than what relates to support mechanisms can also have an adverse effect on the Group. This can be the case if the changes – inter alia – makes it more difficult to develop,

construct or operate renewable energy projects or on a general level increase the burden of conducting a business similar to the Group's.

While the Issuer to some extent monitors the changes in legislation and regulatory regimes where the Issuer conducts its business, the large number of jurisdiction in which the Group operates makes it difficult or even impossible for the Issuer to be aware of all relevant legislative changes. Any delay in reacting to legislative changes that this results in may amplify the potential adverse effect of the changes.

***In order to construct and operate the Group's wind parks and solar PV plants, contracts are concluded with a large number of third parties. Should a third party become financially distressed or default on its obligations it may result in a financial loss for the Group. Similarly, the Group is exposed to counterpart risks when part of the consideration which the Group is entitled to for a renewable energy project is deferred***

When constructing wind parks and solar PV plants, the Group concludes agreements concerning delivery of construction services, components and infrastructure etc. with third party suppliers. Although the largest part of the payment to the suppliers will often be aligned with the supplier's delivery of goods and/or services, the suppliers will often demand that an advance payment is made before delivery takes place. While some suppliers issue a guarantee that covers the risk of the advance payment, most suppliers do not and if the suppliers become financially distressed the advance payment may be lost. Additionally, there are no guarantees that the supplier does not default on its deliveries or is not delayed. If that occurs, it may impact negatively on the construction process which could result in the Group not being able to meet its contractual obligations to a buyer of the project in question.

The Group is also exposed to counterpart risks during the operating phase of its assets, as the servicing and/or management of the assets are being carried out by third party suppliers. While any financial exposure is limited due to the fact that the suppliers of these services are usually not paid in advance, a defaulting supplier could result in an interruption to the operations of a plant until a replacement supplier has been found.

Furthermore, in some instances a part of the consideration that the Group receives for a renewable energy project is deferred (such as earn-out payments tied to the production of the wind farm or solar PV project in question). Should the buyer of the project not be able to pay the deferred consideration when it becomes due, this would have a negative impact on the Issuer.

***Disagreement or deadlock with third parties whom the Group collaborates with can have a negative impact on the Group's renewable energy projects***

The Group has entered into a number of partnerships with third parties. The partnerships are related to all phases of the Group's renewable energy projects (from development to construction, divestment, and/or operation) and takes place both as incorporated and un-incorporated joint ventures/joint arrangements. In a number of partnerships, the Group does not have a controlling interest or only has a controlling interest with regard to some matters. This entails the risk of disagreement or deadlock on substantial matters, including the funding of the project that is the subject matter of the partnership. Disagreement or deadlock may have negative consequences for – inter alia – the development, construction or divestment of the project or could lead to the project not being able to achieve its full economical potential. Furthermore,

partners may not always be able to honour their commitments which could also have an adverse impact on the Group.

***Disputes that the Group is - or in the future will become - involved in may have a negative effect on the Group should decisions go against it***

It cannot be ruled out that disputes related to the Group's business, including the development, construction and divestment of wind farms and solar PV plants will arise in the future. Such disputes may be resolved outside the courts or through court or arbitration proceedings. The outcome of such disputes could have a negative effect on the Issuer's ability to fulfil its obligations under the Bonds should a decision or settlement go against the Group.

***It may prove difficult to replace key personnel and the process of recruiting replacements could last for a prolonged period of time which could affect the Issuer negatively***

The Issuer is to a large extent dependent on its management, department heads and other key personnel due to the extensive knowledge and experience these persons possess. Employment contracts on terms that are deemed to be consistent with the prevailing market conditions have been concluded but that does not eliminate the risk that one or more of these key persons decide to leave the Issuer. New members of the staff are being recruited on a regular basis which to a certain extent mitigates the loss of key personnel. However due to the office's location in Denmark and the fact that positions in the company often require specific knowledge of a foreign market and corresponding language skills, the process of recruiting specific competences can at times persist for a prolonged period of time.

***The markets on which the Group is engaged are highly competitive. This requires the Group to continuously react to its competitors, e.g. by increasing its efficiency and cutting costs***

The Group is engaged in competitive markets. With regard to the development and subsequent divestment of renewable energy projects, there is large number of competitors – ranging from small- and medium sized developers with a profile similar to that of the Issuer to large state-owned utilities. Also with regard to the sale of electricity and certificates at market prices, the Group is faced with intense competition from other power generators and operators of renewable energy plants. The competition increases the demand on the Issuer to constantly improve its development and operating activities and cut costs in order to remain competitive. Any failure to do so could lead to an advantage for the Group's competitors which would negatively impact the Group. Further, even though the Group has developed a significant project portfolio there is a risk that a number of projects forming part of the portfolio will not be executed due to non-issuance of relevant permits, changes in political views, decrease in subsidy levels, failure to agree with relevant project partners, delayed delivery of components etc. with the consequence that the expected divestment of projects will not take place, or expected revenue from the project will not be realized.

***Insurance taken out by the Group to cover its assets may not in all situations cover the losses incurred, e.g. in case of natural disasters and other unforeseen events***

While the Group maintains normal insurance both in the construction and operating phase of its assets, there may be situations where the insurance cover is insufficient or the loss incurred exceeds the maximum pay-out of the insurance policy. The resulting losses would affect the Group negatively.

This could occur in a situation – but is not limited to – where natural disasters (such as storms, earthquakes, hail storms, floods etc.) or other unforeseen events (such as war, riots, armed conflict etc.) destroy the Group's operating assets, impair the production or affect an on-going construction negatively.

***Price hedging agreements that the Group enters into can expose the Group to losses should the agreed minimum level of production not be reached***

The Group may from time to time enter into hedging agreements in order to receive a guaranteed fixed price instead of a variable price for the sale of - inter alia - electricity and certificates. Such agreements may require a minimum level of production and should the production not meet the agreed minimum level – for example, due to unforeseen events or unexpected adverse weather conditions – it may be necessary to purchase electricity or certificates on the spot market in order to meet the obligations under the hedging agreement. If the spot prices at the time of purchase is higher than the price obtained by virtue of the hedging agreement this could lead to a loss which may have an adverse effect on the financial position of the Group. The Group does not operate with a general price hedging strategy.

## **Financial Risks**

***An increase in interest rates may have an adverse effect on the Group***

A substantial proportion of the Group's renewable energy projects are financed with up to 80 % debt, usually obtained as project financing. While some loans carry a fixed interest rate others have a floating rate interest. Consequently, an increase in the interest rates could adversely affect the profitability of the Group's projects and could also render projects in the development stage unviable due to the higher cost of financing. Furthermore, in some instances bridge financing is obtained in order to construct a project without a corresponding long-term financing having been secured at the same time. This exposes the Group to an increase in the interest rate of the long-term financing prior to it being secured which could affect the Issuer negatively. This could also be the case where the duration of a long-term financing is limited so that a new long term financing must be secured when the first one expires.

***The Group is exposed to currency risks which may negatively affect the Issuer's financial position***

The Group conducts most of its business in EUR and the annual accounts are prepared in EUR. Changes in the exchange rate between EUR and other currencies to which the Group is exposed may therefore influence the Group's financial results, also negatively. This is particularly relevant where the currency in question is not subject to an exchange rate mechanism such as ERM II (which limits the exchange rate fluctuations between DKK, the currency in the Issuer's home country, and EUR). In some cases, both income and expenses are incurred in the local currency which provides a natural hedge to some extent but in other cases there are no such match. This could increase the losses due to currency risk if no separate hedging agreements are concluded. The Group does not have a general hedging strategy in place for currency risks.

***A reduction in the availability of financing will have an adverse impact on the Group as could any breaches of covenants in existing financing arrangements***

The Group finances a substantial proportion of its renewable energy projects with debt. Reduced availability of financing on acceptable terms could consequently lead to delays in the development and construction of renewable energy projects or prevent their realisation altogether. This would have an

adverse effect on the Group's business. Furthermore, the Group has covenants related to some of its existing loans, requiring the borrowing entities to – inter alia – maintain certain ratios (such as debt service coverage ratios). Should it not be possible to comply with such a covenant (e.g. due to unpredicted interruption of the production) this could e.g. entitle the lender to require that an extraordinary repayment is made or could constitute a default under the terms of the loans. This would affect the Issuer's financial position negatively. Additionally, where a construction financing has been obtained in order to construct a project without a corresponding long term financing having been secured at the same time, there is a risk that long-term financing cannot be obtained at the relevant time or at acceptable terms. This could also be the case where the duration of a long-term financing is limited so that a new long term financing must be secured when the first one expires. This could have an adverse impact on the Group.

***The Group is required to maintain an effective management of its liquidity since many of the Group's activities have substantial liquidity needs while the timing of the income generated by such activities can be unpredictable***

The Group is to a large extent dependent on an effective management of its liquidity. Many of the Group's activities are liquidity intensive (e.g. the acquisition or construction of projects) and also to some extent unpredictable with regard to the timing of the income they generate. For instance, the construction of a project may be delayed which can postpone the income generated by the power produced by the project or – if the project is sold prior to construction being complete – the payment of the purchase price. This requires the Issuer to maintain comprehensive monitoring of its current and future cash flow and failure to do so could have a negative effect on the Issuer's ability to satisfy its obligations under the Bonds.

### **Risks related to Investment in the Bonds**

#### ***Investors carry a credit risks***

Investors in the Bonds carry a credit risk relating to the Group. The investors' ability to receive payment under the Terms and Conditions is dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

#### ***Increased credit risk relating to the Initial Bonds as a consequence of the issuance of the Bonds***

The issuance of the Bonds will increase the total amount of debt in the Issuer as well as the leverage on the Issuer level. Consequently, the issuance of Bonds may result in an increased credit risk for the Existing Bondholders in the form of increased risk of default and loss in case of default by the Group.

#### ***The Issuer is dependent on other companies within the Group***

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. The Issuer's subsidiaries will be legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. Consequently, the Issuer is dependent on the subsidiaries' availability of



cash and their legal ability to make dividends which may from time to time be restricted by, the availability of funds, corporate restrictions, and law. Should the Issuer not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

***The Bonds are structurally subordinated to other debt of the Group***

In the event of liquidation, dissolution, bankruptcy or similar proceeding relating to a Group subsidiary, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the Group subsidiaries. The Group and its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent, financial, or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

***Security over assets granted to third parties***

The Group may, subject to limitations, incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the Bondholders will be subordinated in right of payment out of the assets being subject to security.

In addition, if any such third-party financier holding security provided by the Group would enforce such security due to a default by any Group company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the Bondholders.

***Security granted to secure the Bonds may be insufficient***

The Issuer's obligations under the Bonds are secured by a share pledge of all shares in the Issuer ("**Transaction Security**"). There is a risk that the pledged assets will be insufficient for the Bondholders should the pledges be realised.

If the Issuer defaults on the Bonds, the Bondholders will be secured only to the extent of the value of the Transaction Security underlying the security interest.

The value of the Transaction Security may fluctuate over time and no appraisal is made by the Issuer or any other person with respect of the value of the Transaction Security. The amount received upon a sale or other disposal of the Transaction Security will depend on numerous factors including, but not limited to, the actual fair market value of the Transaction Security at such time, market and economic conditions, and the timing and the manner of the sale or disposal. There can also be no assurance that the Transaction Security will be saleable and, even if saleable, the timing of such sale or other disposal is uncertain.

***Security granted to secure the Bonds may be unenforceable or enforcement of the security may be delayed***

The enforceability of the Transaction Security may be subject to uncertainty.



If the Issuer is unable to make repayment under the Bonds and a court would render a judgment that the Transaction Security granted in respect of the Bonds was unenforceable, the Bondholders may find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the Transaction Security will be void or ineffective. In addition, any enforcement may be delayed due to any inability to sell the security assets.

***The Issuer may not be able to refinance the Bonds***

The Group will eventually be required to refinance all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have an adverse effect on the Group's business, financial condition and results of operations and on the Bondholders' recovery under the Bonds.

***The Issuer may become unable to serve its other debt which may trigger cross-default provisions relating hereto and may thereby adversely impact the value of the Bonds***

Events beyond the Issuer's control, including changes in the economy and the business conditions in which the Issuer and its subsidiaries operate, may affect the Issuer's ability to comply with, inter alia, the undertakings set out in the Terms and Conditions which could result in a breach and consequently an acceleration of the Bonds.

The Issuer may become unable to pay interest, principal, or other amounts on or in connection with the Bonds, caused by the Issuer being unable to serve its other debt which may have cross-default provisions incorporated which may have an adverse impact on the value of the Bonds. An increased credit risk or decrease in the Issuer's creditworthiness may have a negative effect on the market price of the Bonds.

***The Issuer may not be able to finance a change of control put option required by the Terms and Conditions of the Bonds***

According to the Terms and Conditions, following the occurrence of a Change of Control Event, each Bondholder will have the right of redemption of all or part of its Bonds and the Issuer will have an obligation to redeem or repurchase such Bonds. If a Change of Control Event were to occur, the Issuer may not have sufficient funds available, or may not be able to obtain the funds needed, to redeem or pay the repurchase price for all of the Bonds put to it by the Bondholders. Failure to redeem or repurchase the Bonds would adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect the Bondholders and not only those that choose to exercise the put option.

***Early redemption***

The Issuer has under certain circumstances reserved the possibility to redeem all outstanding Bonds. There is a risk that the market value of the Bonds is higher than the early redemption amount and that an investor may not be able to reinvest the redemption proceeds received after the exercise of such redemption at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate.

Further, the right for the Issuer to redeem the Bonds prior to the maturity date could affect the market value of the Bonds.

***The Issuer cannot assure that an active trading market will develop for the Bonds***

Although the Issuer will apply for listing of the Bonds on Nasdaq Copenhagen, the Issuer cannot assure that the Bonds will be or will remain listed on that stock exchange or that an active trading market will develop for the Bonds.

The market price of the Bonds could be subject to significant fluctuations. The market price at which the Bonds may trade will depend on many factors, including, but not limited to, prevailing interest rates, general economic conditions, the Issuer's and the Group's actual or anticipated performance and financial results, actual or anticipated performance and financial results of competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, and markets for similar securities in general. Historically, the markets for debt such as the Bonds have been subject to disruptions that have caused substantial volatility in their prices. The market, if any, for the Bonds may be subject to similar disruptions which may have a material adverse effect on the Bondholders. In recent years, the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's business, financial position, earnings and ability to make payments under the Bonds.

There may not be a liquid trading market for the Bonds. The Bonds may have no established trading market, and one may never develop, though the Issuer will apply for listing of the Bonds on Nasdaq Copenhagen. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds or sell the Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

***Investments in the Bonds may have unforeseen tax implications which may adversely impact the value of the investment***

Prospective investors should be aware that the investment in the Bonds may have unforeseen tax implications. Prospective investors should seek independent advice relating to tax risks prior to making a decision to invest in the Bonds.

***A change in the governing law of the Bonds may adversely affect Bondholders***

The conditions of the Bonds are based on Danish law. No assurance can be given as to the impact of any possible judicial decision or change to Danish law or administrative practice after the date of this prospectus.

***The value of an investment in the Bonds may be subject to exchange rate fluctuations***

The Issuer will pay principal and interest on the Bonds in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of the EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify

exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (i) the Investor's Currency equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

***The value of an investment in the Bonds may be subject to interest rate fluctuations***

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

***Bondholders' Meetings***

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend the meeting, did not vote at the relevant meeting, or voted differently. A Bondholder may be adversely affected by such decisions.

***The rights of Bondholders depend on the Agent's actions and financial standing***

By subscribing for, or purchasing, or accepting the assignment of, any Bond, each Bondholder will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer.

The Agent shall have, among other things, the right to represent the Bondholders in all court and administrative proceedings in respect of the Bonds and to enforce the Terms and Conditions or any Transaction Security on behalf of the Bondholders. Individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any Transaction Security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions) which could negatively impact an acceleration of the Bonds or other action against the Issuer.

The rights, duties and obligations of the Agent as the representative of the Bondholders will be subject to the provisions of the Terms and Conditions for the Bonds and the agency agreement. The Agent will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, the actions of the Agent in such matters could impact a Bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the Bondholders.

A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders. Under the Terms and Conditions for the Bonds, the funds collected by the Agent as the representative of the Bondholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Bondholders. However, there is a risk that such segregation of funds

will not be respected by a bankruptcy administrator in case of the Agent's bankruptcy. Also, in the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate. The Agent may be replaced by a successor Bondholders' agent in accordance with the Terms and Conditions for the Bonds.

***The Agent may modify, waive, and enforce Bondholders' rights which may adversely impact the value of the Bonds***

The Terms and Conditions contain provisions to the effect that a Bondholder is prohibited from taking actions of its own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. This does not, however, rule out the possibility that the Bondholders, in certain situations, could bring their own actions against the Issuer, which could negatively impact the chances of an effective enforcement of the Terms and Conditions.

Additionally, under the Terms and Conditions the Agent has the right in some cases to amend the Terms and Conditions or waive any provisions in the Terms and Conditions provided that:

- (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (iii) such amendment or waiver is necessary for the purpose of listing the Bonds on the Nasdaq Copenhagen (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Bondholders.

A Bondholder may not take any steps whatsoever against the Issuer or the Issuer's Group to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer or the Issuer's Group in relation to any of the liabilities of the Issuer under the Terms and Conditions.

***The choice of law may render it difficult for Bondholders to exercise or enforce certain rights***

The Issuer is a public limited company under the laws of Denmark. It may be difficult for investors outside Denmark to serve process on or enforce judgments against the Issuer in connection with their rights as Bondholders.

***The Bonds are dematerialised securities***

Because the Bonds are dematerialised securities held in VP Securities A/S' system, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer. VP Securities A/S' general condition and quality of services pose a risk that may adversely impact the value of the Bonds. The Bonds will not be evidenced by any physical note or document of title other than statements of account made by VP Securities A/S. Legal title to the Bonds, as well as payment of interest and repayment of the principal, will be recorded and transfer effected only through electronic registration in the book-entry system and register maintained by VP Securities A/S.

***Conflicting interests between the Bondholders and the Lead Manager and its affiliates***

The Lead Manager and its affiliates have engaged in, and may in the future engage in, investment banking and /or commercial banking or other services and act as lender for the Group in the ordinary course of business. Further, the Lead Manager is acting as securities dealer and may hold Bonds on its own behalf. Accordingly, conflicts of interest may exist or may arise between the Bondholders and the Lead Manager and its affiliates as a result of either the Lead Manager's and its affiliates' own interests or as a result of the Lead Manager and its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

### 3 INFORMATION ABOUT THE ISSUER

The Issuer's legal and commercial name is European Energy A/S. The Issuer also has the following secondary names: European Energy Group A/S, European Energy Systems A/S, European Hydro Plants A/S, European Hydro Plants SEE A/S, European Hydro Plants Southeast Europe A/S and Xytel Systems A/S.

The Issuer is registered in Denmark with the Danish Business Authority with business registration number (in Danish: "CVR-nr.") 18 35 13 31.

The Issuer was incorporated on 16 February 1995 under the laws of Denmark. The Issuer and its subsidiaries from time to time constitute a group of which the Issuer is the parent company ("**Group**" or "**Issuer's Group**").

The Issuer is a public limited liability company (in Danish: "*aktieselskab*") incorporated in Denmark and subject to the Danish Companies Act (Consolidated Act No. 1089 of 14 September 2015 on Public and Private Limited Companies, as amended) and other relevant Danish legislation. The Issuer has its registered office and address at Gyngemose Parkvej 50, DK-2860 Søborg, Municipality of Gladsaxe, Denmark, telephone number: +45 88 70 82 16.

There is no recent event particular to the Issuer which is to a material extent relevant to the evaluation of the Issuer's solvency.

#### 3.1 The Issuer's Group in brief

The Issuer was founded by Knud Erik Andersen and Mikael Dystrup Pedersen and is a privately owned Danish company operating in the renewable energy sector. The business model is based on sale of projects primarily developed by the use of in-house competencies, sale of electricity generated by the renewable energy power plants and asset management of wind and solar PV farms.

In the period 2004 to year-end 2017, the Issuer's Group has constructed and invested in wind and solar power generating assets with a total value of EUR 1.2 billion which has resulted in a total capacity of more than 900 MW.

The initial equity investment of EUR 4 million in 2004 has grown to an equity of EUR 64 million by year-end 2016 and EUR 91 million by end of 2017.

#### Milestones for the Issuer's Group:

|   |      |  |
|---|------|--|
| ⤴ | 2004 | The Group's current activities were initiated  |
| ⤴ | 2005 | The Group builds 5 wind farms comprised of 19 wind turbines in Germany   |
| ⤴ | 2006 | The Group constructed or acquired 66 additional wind turbines - the majority share in Germany and a single farm in Italy. The Issuer is Vestas' largest customer in Germany. The Issuer sells off majority share in European Wind Farms A/S  |
| ⤴ | 2007 | The Issuer develops wind farms in Italy, Greece, Poland and Bulgaria. The development portfolio is expanded with the first Spanish solar PV farms. The Group's turnover reaches EUR 15m. The Danish business magazine "Børsen" awards the Issuer as the company with the highest turnover-growth |

|   |      |  |
|---|------|--|
| 人 | 2008 | The Group invests approx. EUR 63m in renewable energy plants. The Group operates more than 250 MW and employs 32. The Group constructs its first solar PV farm.  |
| 人 | 2009 | The Group re-acquires the majority share in European Wind Farms A/S. The Issuer invites co-investors to finance early development stages to share risk and reduce capital bindings.  |
| 人 | 2010 | The Group changes focus from being less an independent power producer (IPP) to becoming more a developer of renewable energy farms. As a consequence, the Group divests some of its assets. The Group obtains building permits in Italy and Poland.  |
| 人 | 2011 | The Group continues the strategy from 2010 and increases focus on project development in Northern Europe and wind power in particular. The Group obtains the first Danish building permits for wind farms. EY awards the Issuer with the title as "Entrepreneur of the year" within the clean tech industry.   |
| 人 | 2012 | The Group enhances focus on the development of new wind farms in Denmark, Germany, Sweden and Poland. In cooperation with an Italian utility company a total capacity of 34 MW is installed in Tuscany, Italy. The Group acquires parts of German wind farms with a total installed and operating capacity of 45 MW from Green Wind Energy A/S. Continued focus on sell-off of operating wind farm in Germany. The Issuer starts developing nearshore wind farms.  |
| 人 | 2013 | The Group constructs the first wind farms in Denmark and another 80 MW of Danish pipeline projects is accepted in the zoning plans. In Germany, the Group completes its first Repowering project and increases overall focus on optimizing existing wind farms. The Group completes transaction of operating wind assets in Germany with a major Chinese utility. The Group initiates a joint venture with the Investment Fund for Developing Countries (IFU) owned by the Danish government, whereby the Group initiates project development activities beyond the traditional scope. The Group acquires 49,5 % of a German wind farm portfolio of 93 MW. |
| 人 | 2014 | The Group successfully issues bonds in the Nordic capital markets of EUR 45M with the possibility to draw another EUR 15M. The Group acquires 49.5 % of a German wind park with a total installed and operating capacity of 27 MW. The Group enters the UK solar PV market and acquires two ready to build projects with a combined capacity of 28MW. Construction finance for the projects are obtained and construction commences. The projects are sold on a turn-key basis.  |
| 人 | 2015 | The Group constructed the largest solar PV plant in the Nordics to date (75 MW), capable of supplying electricity to 21,500 households. Furthermore, the Group grid-connected as the first developer in the world two 8 MW turbines (at the time, the turbines with the largest generating capacity), in Denmark, capable of supplying electricity to 18,000 households. In total, the Issuer constructed 154 MW of capacity in 2015, at 18 different sites.   |
| 人 | 2016 | The Group won the entire capacity tendered in the first-ever EU cross-border tender conducted by the German state with projects to be constructed in Denmark. Successfully constructed 108 MW of capacity (wind and solar PV) at eight sites, and an additional 166 MW of capacity (wind and solar PV) were under construction as of year-end 2016. The average number of full-time employees is 64.   |
| 人 | 2017 | The Group delivered the best results in its history. The strong performance results from the successful sale of wind and solar PV projects with a total capacity of 212 MW in Brazil, Germany, UK, Finland and Denmark. In July 2017, the Issuer issued bonds for a total amount of EUR 60M in order to refinance the existing bonds debt and to further finance its growth.   |



2018  
(YTD)

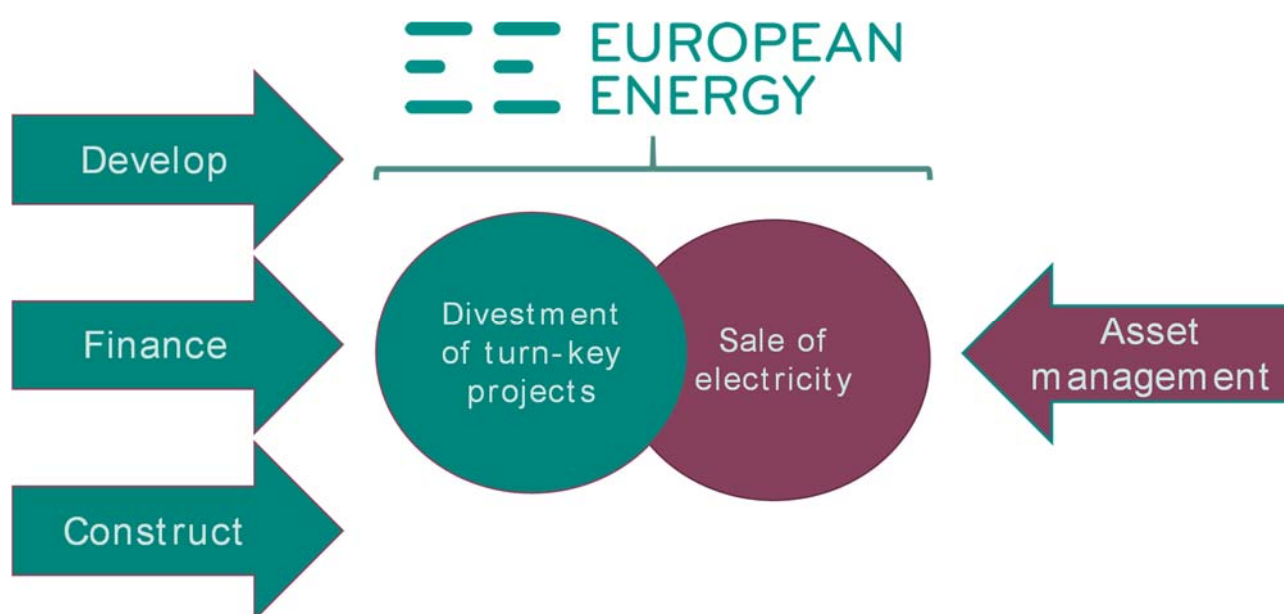
On 20 March 2018, the Issuer issued additional corporate bonds by a principal total amount of EUR 25M in order to help further growth and to support the Issuer's construction and development pipeline as well as for general corporate purposes.

## 4 BUSINESS OVERVIEW

### 4.1 Business idea and strategy

The Issuer is focused on creating a global community with independence from fossil fuel energy sources and where efficiency and zero carbon emissions are the norm. The mission is to be the preferred partner within all parts of the renewable energy value chain and to ensure a healthy business through deep local knowledge combined with technical-, legal-, and commercial expertise on renewable energy investments. The Issuer continuously strives to position itself in an evolving industry and to explore new business opportunities to ensure lasting value creation and to best manage risk across technology and geography.

The business model of the Issuer is focused on the development, financing, construction and ultimately the divestment of wind and solar PV power plants as well as the asset management of such plants. The Issuer will often divest the developed assets fully or partly to utilities, institutional investors, investments funds etc. once the projects are completed and in operation. The Issuer continues to generate revenues from partly divested farms through part ownership and asset management. The Issuer aims to be among the leading project developers within solar PV and wind parks. Further, the Issuer seeks to be the preferred partner of financially strong investors with a wish to invest in solar or wind energy.



*Issuer's business model (source: European Energy A/S)*

The Issuer has been active within wind power generating assets since 2004 and solar PV generating assets since 2008. The Issuer has competencies within the entire value chain of wind and solar power generating assets from development and financing of projects to construction and operation. The Issuer's portfolio is diversified across various countries, different technologies and different stages of the renewable energy value chain.



|              | Develop<br>(6-30 months)  | Project finance<br>(1-6 months)  | Construct<br>(1-6 months)   | Divestment / Exit   | Operate / asset<br>mgmt. (Ongoing)  |
|--------------|---|--|---|---|---|
| Activities   | <ul style="list-style-type: none"> <li>Land lease- and power purchase agreements</li> <li>Environmental assessment</li> <li>Achieve building permit</li> <li>Ensure grid connection</li> <li>Production estimates by independent wind assessors</li> <li>Evaluating repowering opportunities on operational portfolio</li> </ul>  | <ul style="list-style-type: none"> <li>Establish cooperation structure with financial partner</li> <li>Legal, technical and financial due diligence</li> <li>Completion of financial contracts, including securing bridge and long-term financing</li> <li>Match investors with different risk profiles with the right projects</li> </ul> | <ul style="list-style-type: none"> <li>Project coordination</li> <li>Select optimal technology and park layouts</li> <li>Select EPC contracting structure</li> <li>Construct renewable energy plants</li> <li>Oversee construction phase from groundworks to grid connection</li> </ul>   | <ul style="list-style-type: none"> <li>B2B power sales to utilities/private companies via PPA</li> <li>Divestment to third parties, such as institutional investors and utilities</li> </ul>  | <ul style="list-style-type: none"> <li>Administration of own and third party power plant assets</li> <li>Operations agreements</li> <li>Evaluating repowering opportunities on operational portfolio</li> </ul> |
| Risk mgmt.   | <ul style="list-style-type: none"> <li>Project specific risk assessment</li> <li>Guaranteed tariffs or PPAs</li> </ul>  | <ul style="list-style-type: none"> <li>Financing through non-recourse loans</li> <li>Financial partners reduce risk</li> </ul>   | <ul style="list-style-type: none"> <li>The choice of the contractual structure and the interfaces between the project contracts are aimed at allocating the risks in the most efficient manner</li> <li>Entering into full service operations and maintenance (O&amp;M) against operative risk</li> </ul>   | <ul style="list-style-type: none"> <li>Assessing all the commercial projects' potential</li> <li>Early exit of projects before COD<sup>1</sup> limiting risks</li> </ul>  | <ul style="list-style-type: none"> <li>Monitor production, financial and technical performance</li> </ul>   |
| Competencies | <ul style="list-style-type: none"> <li>Extensive knowledge of the long-term behaviour of plants and components, ensuring projects continually improve</li> <li>Agile and flexible organisation capable of handling complex projects and processes</li> <li>In-house M&amp;A and legal department involved with acquisition of ready-to-build projects, who defines the commercial assumptions for the case</li> </ul> | <ul style="list-style-type: none"> <li>Detailed knowledge of potential investors/financiers and their needs</li> <li>Capable negotiators with extensive experience securing financing at appropriate project stages and attractive terms</li> <li>Capable of handling all financing documents</li> </ul>                                   | <ul style="list-style-type: none"> <li>EE benefits from employees' knowledge of key markets, which eases the development, approval and realisation process for wind and solar farms</li> <li>Extensive competencies within EPC, procurement and park design</li> <li>Strong in-house legal department with detailed knowledge of the rules and incentive schemes in EE's key markets</li> </ul> | <ul style="list-style-type: none"> <li>Skilled in-house M&amp;A department with deep market insight through numerous transactions</li> <li>The M&amp;A and legal department facilitates in-house sales processes</li> <li>Direct access to a wide range of investors</li> </ul> | <ul style="list-style-type: none"> <li>EE has a dedicated asset management team tasked with minimising downtime at operating parks, including those managed on behalf of third parties</li> </ul>               |

Value chain of renewable energy projects with indicative time frames (source: European Energy A/S)

In case the Issuer sells projects in the early stages of the value chain they are sold as project rights. Sometimes only parts of the project rights are sold and then the project development may continue in joint partnerships with an investor. Projects sold in the later stages of the value chain may be sold as turn-key projects and often as share deals of special purpose companies containing the operating asset and all the project rights. In many projects the Issuer provides project management services with respect to the project, and such management services may relate to the design, procurement and construction of the project and also include separate guarantees and warranties related to the development and construction of the project, as set forth in the risk factor "The construction of renewable energy projects is subject to risks affecting the costs or timely completion of the construction works and, thereby, affecting the profitability of the projects for the Group" regarding guarantees provided during the construction phase. For projects in the operational stage the Issuer offers asset management services to investors.

## 4.2 Business areas

Since 2004, the Issuer's Group has acquired considerable know-how in all stages of the wind and solar power value chain. This expertise ranges from identifying new sites and securing financing to managing the actual construction process and ensuring the reliable operation of assets.

European Energy has three main business areas:

- Project development (including acquisition of partly or wholly developed projects), financing, construction and divestment of wind and solar PV farms
- Sale of electricity from operational wind and solar PV farms
- Asset management

### 4.3 Project development

In the development phase, the Issuer concludes among others land lease agreements, determines wind and solar resource potential, performs environmental assessments, achieves building permits, concludes power purchase agreements, ensures grid connection – either alone or in cooperation with partners.

If development activities are decided to be carried out in cooperation with a partner usually a joint venture company is established. In joint partnerships, the Issuer typically contributes with the project rights and development competences and the partner delivers the financial resources. In other examples, the partners may carry out the development activities pro rata, or the partner may contribute the project rights and local expertise.

In the project development stage, the demand for liquidity is in most cases not significant compared to the construction phase. However, a project on this stage can be stopped if the project is not considered profitable.

The Issuer may in certain instances choose to sell the project rights for a fully developed project and therefore not be managing the construction of the project itself.

At the end of 2017, the project development portfolio consisted of 2,083 MW of potential projects in nine countries. The geographic diversity, varying stages of development and focus on different technologies ensures a continuous cycle of activity and broad range of investment opportunities.

#### Repowering

Project development also includes Repowering. In addition, modern turbines are equipped with software enabling them to adapt to current demand and supply conditions and thereby optimise the economic performance.

The decommissioned turbines may be reused in other geographic locations or sold.

#### Project financing

In most projects, the Issuer chooses to obtain a project financing. The project financing may be a bridge financing before the long-term project financing is obtained, a long-term project financing or a refinancing.

When obtaining a project financing legal, technical and financial due diligences are always carried out by the lender.

In certain instances, the Issuer may choose not to obtain either bridge financing or long-term financing. This decision with respect to project financing is made on a case by case basis.

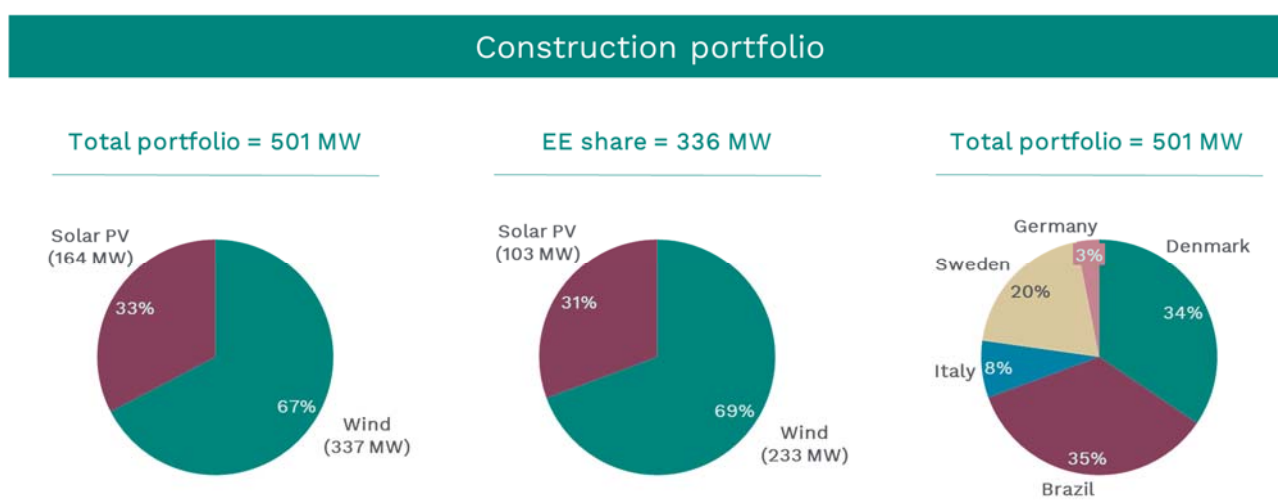
#### Construction

When all the essential rights and permits necessary to initiate the construction phase have been acquired, the project is considered ready to build. The construction of a project is carried out by third party contractors. Depending on the project, a multi-contract setup (where different contractors and suppliers each perform part of the construction and/or delivery of supplies to the construction) may be used or an EPC-agreement (engineering, procurement and construction-agreement where the contractor often

undertakes to construct the project on a turn-key basis) may be entered into with a third-party contractor. The Group may also for some projects act as the EPC-contractor.

Often the Group will in addition perform project management services with respect to the project, and such management services may include the coordination of the design, procurement and construction of the project and also include separate guarantees and warranties related to the development and construction of the project.

As per end of 2017, the construction pipeline is based on projects in five countries and comprises approx. 501 MW (of which the Issuer's share is approx. 336 MW).



*Overview of the Group's construction pipeline as per end of 2017 (source: European Energy A/S).*

### Sale of projects

The Issuer usually develops and/or constructs wind and solar projects with the purpose of complete or partial divestment. The projects may be sold at various stages depending on the market conditions. If a project is sold before construction is completed, the Issuer typically commits to construct and connect the assets to the grid and deliver a turnkey project to the customer.

The partner base of the Issuer has developed positively over the years and includes, among others, large institutional investors, including pension funds and infrastructure funds. As the Issuer is able to match the requirements of these professional investors, the network of new partners with the same structure and set-up is growing.

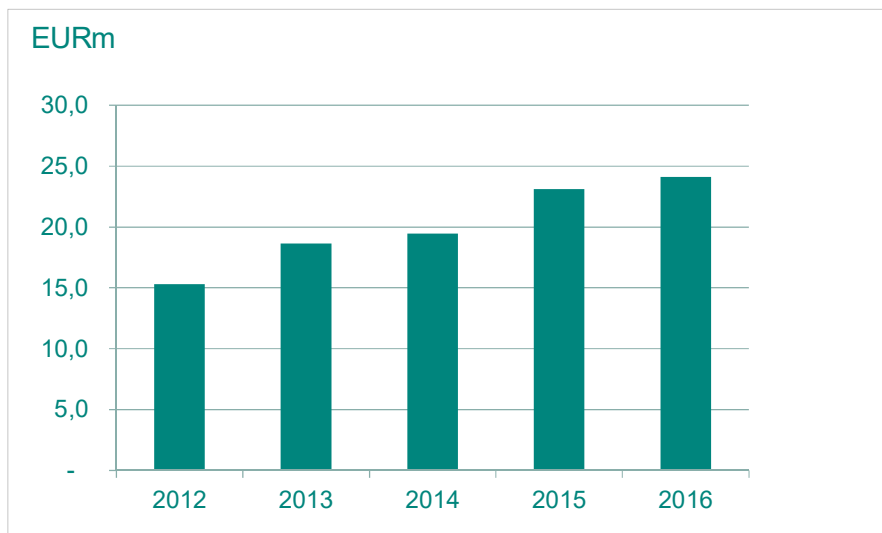
Often asset management agreements for the operation of the wind farms are concluded with the respective long-term owners. Operating assets are in most cases sold as share deals.

### **Sale of electricity from operational wind and solar PV farms**

The Issuer holds a diversified portfolio of operating wind and solar farms in among other countries Germany, Denmark, Spain, Italy, and Bulgaria. Through this diversification, the Issuer seeks to reduce the overall business risk. The majority of the Issuer's operating assets are wind farms located in Germany.

The total electricity production of the Issuer's operating portfolio amounted to 200 GWh in 2016, enough energy to power around 50,000 households, and a gross revenue of EUR 24.3 million. An overview of the

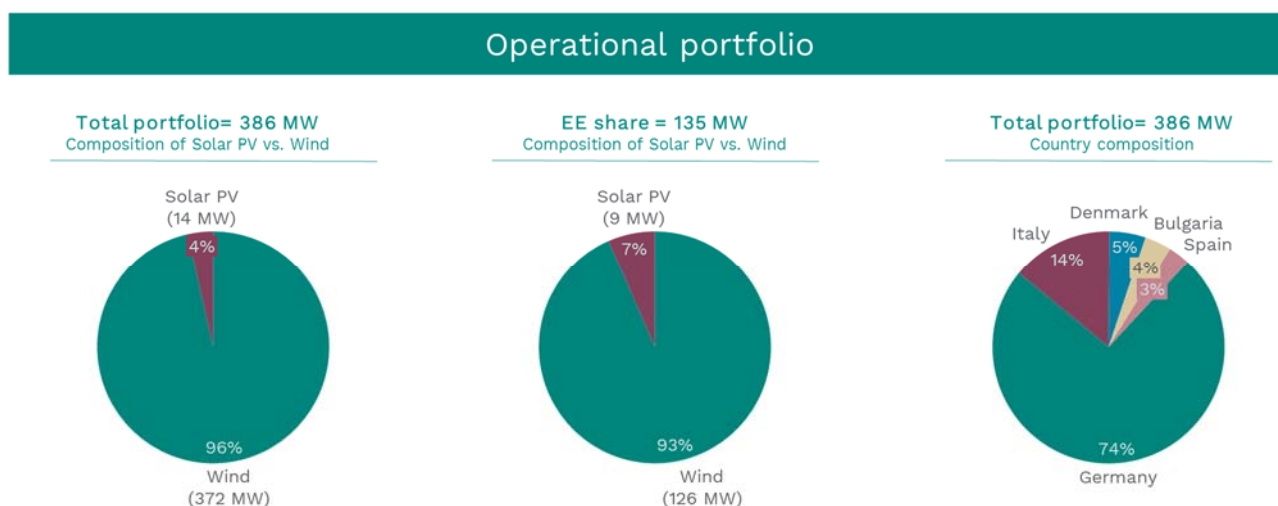
Group's sale of electricity from 2012 to 2016 is illustrated below. Please note that these figures deviate from the Group's consolidated revenue from the sale of electricity, as they relate to revenue which, to a large extent, is related to minority shareholdings (which is reflected as income from associated companies and as such does not form part of the Group's consolidated revenue).



*The Issuers sale of electricity 2012 -2016 (source: European Energy A/S)*

## Asset management

The Issuer has a dedicated asset management department focusing on the management and optimisation of the operating portfolio of wind and solar PV farms wholly or partly owned by the Group. The total portfolio of power generating assets, in which the Issuer has an ownership stake and actively manages, comprises of 386 MW as per end of 2017.



*Overview of the Group's operational portfolios as per end of 2017 (source: European Energy A/S).*

In addition to the above illustrated operational portfolio the Issuer manages another 378 MW on behalf of third parties from which it generates revenue in the form of asset management fees. The asset management department is responsible for inter alia monitoring the performance of the power generating assets and for analysing and implementing optimisation opportunities regarding cost structure and refinancing. As part of the optimisation process the Issuer reviews service agreements with turbine

manufacturers, insurance contracts, direct trading agreements and the possibility of installing advanced grid control and remote control.

### **Nordic Power Partners**

Nordic Power Partners is a joint venture between European Energy and the Danish Climate Investment Fund which is administered by the government-owned Investment Fund for Developing Countries (IFU). The value proposition is to develop, design and construct wind and solar PV projects in emerging markets and developing countries. The projects are developed through the business model of European Energy and by utilizing IFU's experience of investments in such countries. Nordic Power Partners is currently involved in projects across multiple geographic regions, including Brazil and India. Most recently, Nordic Power Partners has sold 90MW of PV projects in Brazil and has started construction on a further 90MW of solar PV in the country.

## **4.4 Market conditions**

From 2004 (where the Issuer was founded) until end of 2017 the global installed capacity of wind and solar PV farms has grown from 42 GW in early 2004 to an estimated 793 GW (sources: Global market Outlook for Photovoltaics 2014-2018, EPIA, 2014; Global market Outlook for Photovoltaics 2017-2021, EPIA, 2017; Global Wind Statistics 2016 GWEC, 2017).

This growth has been stimulated by significant technological breakthroughs, favourable political frameworks and dedicated developers, financiers and subcontractors. During this second decade of the new millennium renewable energy technology has matured. Although renewable energy is still somewhat dependent on subsidies, new renewable energy technology is becoming more competitive with fossil fuelled sources. The levelized cost of energy, LCOE (a system's expected lifetime costs incl. construction, financing, fuel, maintenance, taxes, insurance and incentives, divided by the system's lifetime expected power output in kWh, adjusted for inflation and discounted for the time-value of money), has been pushed down due to the larger and more efficient wind turbines and scalability of production of solar PV panels and other solar PV components.

Main drivers of renewable energy can be summarized in the following points:

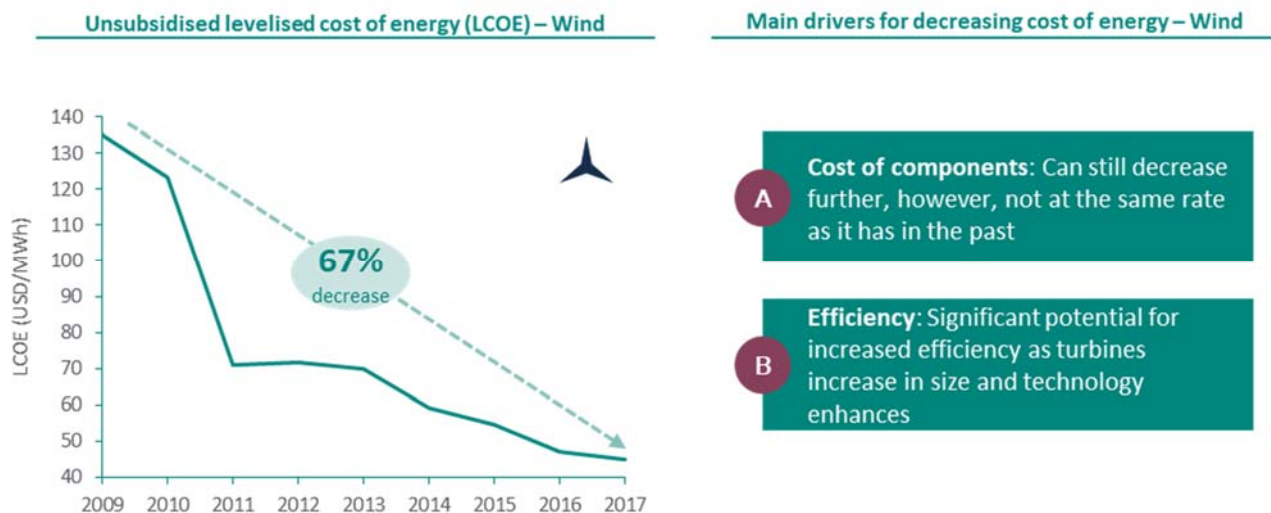
- Increased global need for energy
- Decreasing costs of renewable energy plants
- Regulations aiming to decrease pollution from fossil fuel
- Political will to use clean and sustainable energy sources
- Incentives and subsidies

The figures in the following Sections show the LCOE for wind and solar energy production. It can be seen from the figures, that the price has been sharply reduced over recent years.

### **Market conditions for wind power in general**

Onshore wind power is currently one of the most economically competitive alternatives to traditional fossil fuel sources. The technological advances made during recent years have contributed to the lowering of LCOE. One of the main drivers for pushing down LCOE is the turbine manufacturers' ability to produce and install turbines with larger rotor diameter. A larger diameter typically leads to increased production per installed capacity. Secondly, the standard capacity for generators in new turbines is increasing. Finally, the

total height (tip height) of new turbines is increasing. The combination of increasing rotor diameter, a growing generator-capacity and higher towers, increase the overall annual energy production (AEP) of new wind turbines.

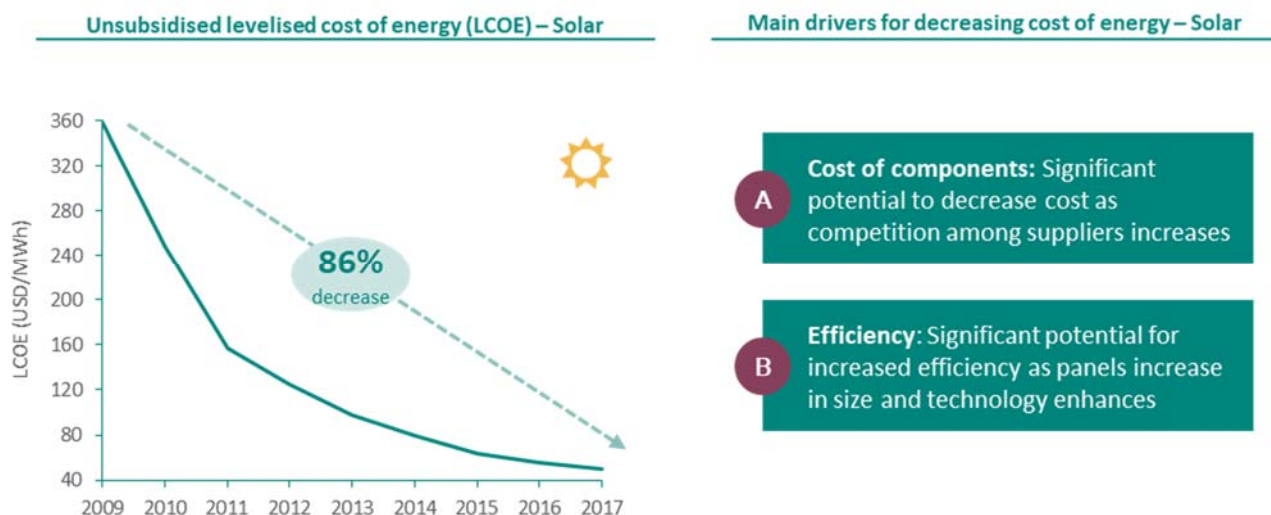


LCOE for wind energy production in the period 2009 -2017 (source: Source: LAZARD and European Energy A/S)

From 2009 to 2017 the levelized cost of energy (LCOE) of wind energy production fell by approx. 67 %. Under favourable conditions, e.g. sites with good wind resources, onshore wind is already competitive with fossil fuel. During 2017 the installed global capacity of wind turbines grew by 52 GW from 487 GW to 539 GW. Within the 28 EU member states the installed capacity grew by 15 GW in 2017 (source: Global Wind Statistics 2017 GWEC, 2018).

## Market conditions for solar power in general

The LCOE for solar PV is also decreasing. The LCOE of solar energy production fell by approx. 86 % between 2009 and 2017. The main drivers for the steep decrease in LCOE are – inter alia - the increased competition between technology suppliers; improvements of the underlying technology; and economies of scale associated with the production of panels and other key components and more efficient production processes.

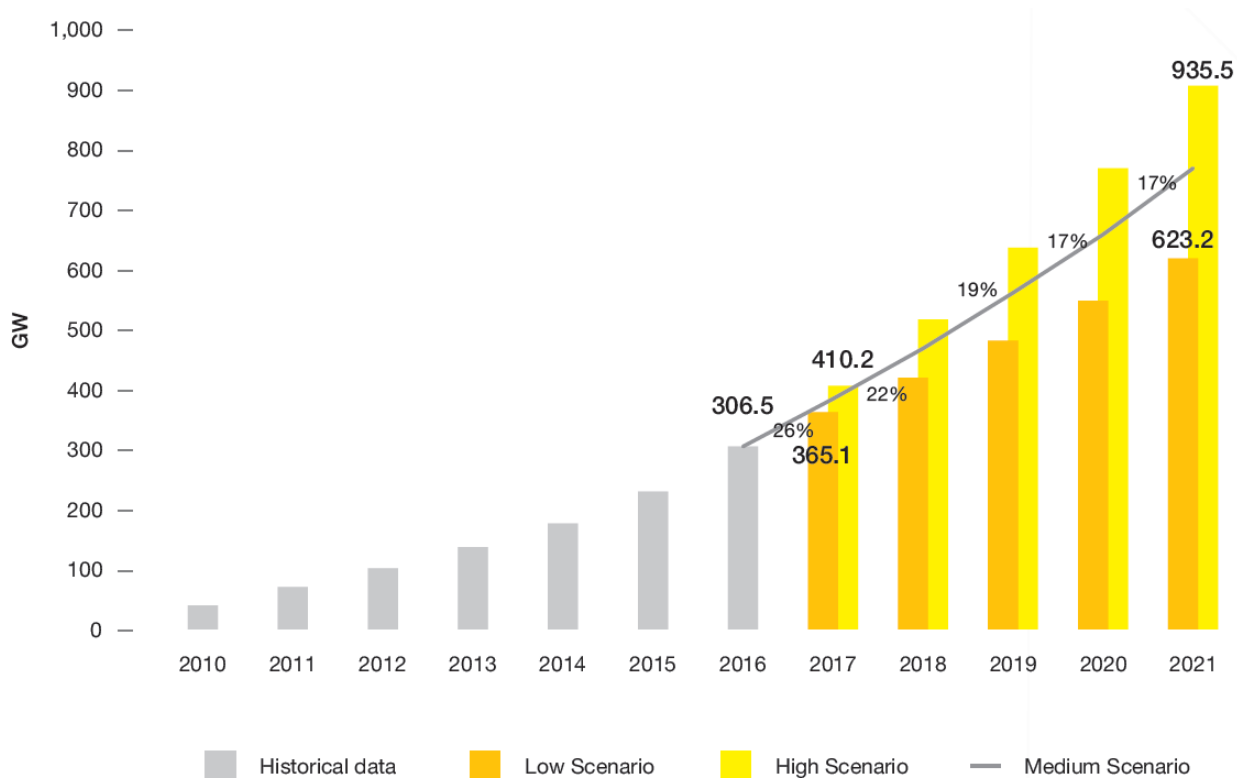


LCOE for solar energy production in the period 2009 -2017 (source: Source: LAZARD and European Energy A/S)

The predictability and stability of power production from solar assets also supports cost effective financing.

In most countries, the solar PV market remains a policy-driven market.



Solar PV is a fast-growing market. By the end of 2016 the total installed solar PV capacity was comprised of 306 GW and is expected to continue growing. The market evolution and the expectation for the coming years up until 2021 can be seen from the figure below.








Evolution and growth experience of global total solar PV installed capacity 2010-2021 (source: Source: Global market Outlook for Photovoltaics 2017-2021, EPIA, 2017)

### Market conditions for the Issuer's key markets

The Issuer's current key markets for screening, developing and constructing wind and solar projects are Germany, Denmark, United Kingdom, Italy, Brazil, Finland and Sweden. The market characteristics for these markets are elaborated in the below figure.

|                               |   |
|-------------------------------|---|
| <h2>Germany</h2>              |    |
| <b>Market characteristics</b> | <ul style="list-style-type: none"> <li>• Feed-in tariffs in place for permits granted before January 2017 and grid connection before January 2019</li> <li>• From 2017 onwards auction systems determine the feed-in tariff paving the way for lower subsidy levels and grid parity projects</li> <li>• Stable political climate</li> </ul> |
| <h2>Denmark</h2>              |    |
| <b>Market characteristics</b> | <ul style="list-style-type: none"> <li>• Early adopter of onshore wind and with high future ambitions of on- and offshore capacity</li> <li>• Feed-in premiums until February 2018</li> <li>• Auction scheme in place from 2017/2018</li> <li>• Technology neutral auctions from 2018</li> </ul>  |



|   |   |
|---|---|
| <b>United Kingdom</b>  |   |
| Market characteristics  | <ul style="list-style-type: none"> <li>• From March 2017 no available subsidy for new capacity</li> <li>• Option for private PPAs with major UK companies</li> <li>• Brexit causes uncertain situation</li> <li>• UK has high electricity pricing compared to other European countries, making non-subsidy renewable investments possible due to the continued cost reductions of renewables</li> </ul>             |
| <b>Italy</b>           |   |
| Market characteristics  | <ul style="list-style-type: none"> <li>• Expected annual auction/tender for wind offshore capacity of about 1 GW over the next few years</li> <li>• No support in place for large solar PV installations. Solar auctions to be held from 2020</li> <li>• Government long-term commitment to renewable sources</li> <li>• Market from 2018 based on tender systems, private PPAs and grid parity projects</li> </ul> |
| <b>Brazil</b>          |   |
| Market characteristics  | <ul style="list-style-type: none"> <li>• Well established auction system for wind and solar PV development</li> <li>• High solar resource and the beginning of wind and solar manufacturing</li> <li>• Competitive bidding and private PPAs pave the way for grid parity projects</li> </ul>  |
| <b>Finland</b>        |   |
| Market characteristics  | <ul style="list-style-type: none"> <li>• Future auction-based support scheme is currently under review by the parliament</li> <li>• The new support scheme is envisaged to comprise of 2 TWh</li> </ul>   |
| <b>Sweden</b>        |   |
| Market characteristics  | <ul style="list-style-type: none"> <li>• Strong wind power fundamentals in terms of wind resources, grid and political stability, but relatively low power prices</li> <li>• High costs of grid connection</li> <li>• Grid parity projects being realized with private PPAs</li> </ul>  |

## 4.5 Competitive position

No statements regarding the Issuer's competitive position has for the purpose of this Prospectus been prepared or included in this Prospectus.

## 5 ORGANISATIONAL STRUCTURE

The Issuer being the parent company of the Issuer's Group has as of the date of this Prospectus ownership interest in 310 companies. The Issuer's current ownership interests are listed in the table attached as Annex A. The column "Ownership" shows the direct mother company's ownership interest, whereas "Group ownership" is the Issuer's direct or indirect ownership share. European Energy Holding ApS holds 76 % of the share capital of the Issuer and is the holding company of the Issuer. The shareholders of the Issuer as of the date of this Prospectus are listed in Section 9 "Major Shareholders" below. Because of the ownership structures companies may appear more than once.



## 5.1 Dependencies upon group entities

The Issuer is dependent upon receipt of sufficient income and cash flow related to the operations of its subsidiaries of the Group, as a significant part of the Group's assets and revenues relate to the Issuer's subsidiaries.

## 6 TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since 31 December 2016.

## 7 PROFIT FORECASTS OR ESTIMATES

The Issuer has not for the purpose of this Prospectus prepared any specific profit forecast or profit estimate for the period after the date of this Prospectus.

## 8 BOARD OF DIRECTORS, EXECUTIVE BOARD AND MANAGEMENT GROUP

Set out below are the names of the current members of the Board of Directors, the Executive Board and the Management Group, their positions and the principal activities performed by them outside of the Group where these are significant with respect to the Issuer or the Group.

The business address for all members of the Board of Directors, the Executive Board and the Management Group is c/o European Energy A/S, Gyngemose Parkvej 50, DK-2860 Søborg, Denmark.

### 8.1 The Board of Directors

The Board of Directors currently consists of five members.

#### **Knud Erik Andersen**

Born 1960, executive member of the Board of Directors and co-founder.

Principal education: M.Sc. Engineering from Technical University of Denmark.

See list of other directorships below.

Shareholding (own and through legal entities): DKK 228,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

#### **Mikael Dystrup Pedersen**

Born 1961, executive member of the Board of Directors and co-founder.

Principal education: M.Sc. Engineering from Technical University of Denmark.

See list of other directorships below.

Shareholding (own and through legal entities): DKK 42,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

### **Jens-Peter Zink**

Born 1974, executive member and chairman of the Board of Directors since 2006.

Principal education: M.Sc. Finance & Accounting from Copenhagen Business School.

See list of other directorships below.

Shareholding (own and through legal entities): DKK 30,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

### **Claus Dyhr Christensen**

Born 1967, member of the Board of Directors since 18 March 2017.

Principal education: Cand. merc. aud. from Copenhagen Business School, State Authorized Public Accountant.

See list of other directorships below.

Shareholding (own and through legal entities): None.

Warrants: None.

### **Jesper Helmuth Larsen**

Born 1966, member of the Board of Directors since 18 March 2017.

Principal education: Cand. oecon. from Aarhus University.

See list of other directorships below.

Shareholding (own and through legal entities): None.

Warrants: None.

### **List of other directorships**

#### **Knud Erik Andersen**

| Country | Company Name                             | Management title  | Board title     |
|---------|--|-------------------|-----------------|
| Brazil  | Coremas I Geração de Energia SPE LTDA.   |                   | Member of board |
| Brazil  | Coremas II Geração de Energia SPE LTDA.  |                   | Member of board |
| Brazil  | Coremas III Geração de Energia SPE LTDA. |                   | Member of board |
| Denmark | Boa Hora Solar ApS                       | Managing Director |                 |
| Denmark | Capviva Solarpark Vandel Holding ApS     | Managing Director |                 |

|         |   |                   |                   |
|---------|---|-------------------|-------------------|
| Denmark | Driftsselskabet Heidelberg ApS                            | Managing Director |                   |
| Denmark | EE Kriegers Flak ApS (in liquidation)                     | Liquidator        |                   |
| Denmark | EE Nearshore ApS (in liquidation)                         | Liquidator        |                   |
| Denmark | EE PV 1 ApS   | Managing Director |                   |
| Denmark | EE PV 2 ApS   | Managing Director |                   |
| Denmark | EE PV Denmark 1 K/S                                       | Managing Director |                   |
| Denmark | EE PV Denmark 2 K/S                                       | Managing Director |                   |
| Denmark | EE PV Denmark 3 K/S                                       | Managing Director |                   |
| Denmark | EE PV Denmark 4 K/S                                       | Managing Director |                   |
| Denmark | EE PV Denmark 5 K/S                                       | Managing Director |                   |
| Denmark | EE Verwaltung ApS   | Managing Director |                   |
| Denmark | EEA Renewables A/S  | Managing Director | Member of board   |
| Denmark | EEA Stormy ApS  | Managing Director |                   |
| Denmark | EEA Swepol A/S  | Managing Director | Member of board   |
| Denmark | EEAR Olleria II ApS                                       |                   | Member of board   |
| Denmark | EEGW Persano ApS  | Managing Director | Member of board   |
| Denmark | Ejendomsselskabet Kappel ApS                              | Managing Director | Member of board   |
| Denmark | Ejendomsselskabet Læsø K/S                                | Managing Director |                   |
| Denmark | Ejendomsselskabet Stubbekøbing K/S                        | Managing Director |                   |
| Denmark | Ejendomsselskabet Øster Toreby K/S                        | Managing Director |                   |
| Denmark | Enerteq ApS   | Managing Director |                   |
| Denmark | European Energy A/S                                       | Managing Director | Member of board   |
| Denmark | European Energy Bond Buy Back ApS                         | Managing Director |                   |
| Denmark | European Energy Giga Storage A/S                          | Managing Director | Member of board   |
| Denmark | European Energy Holding ApS                               | Managing Director |                   |
| Denmark | European Energy Nearshore Consortium P/S (in liquidation) | Managing Director | Member of board   |
| Denmark | European Energy Offshore A/S                              | Managing Director | Member of board   |
| Denmark | European Energy Offshore Consortium P/S (in liquidation)  | Liquidator        |                   |
| Denmark | European Energy Offshore Wind A/S                         | Managing Director | Member of board   |
| Denmark | European Energy Systems II ApS                            | Managing Director |                   |
| Denmark | European Solar Farms A/S                                  |                   | Chairman of board |
| Denmark | European Solar Farms Development ApS                      | Managing Director |                   |
| Denmark | European Solar Farms Greece ApS                           | Managing Director |                   |
| Denmark | European Solar Farms Italy ApS                            | Managing Director |                   |
| Denmark | European Solar Farms Spain ApS                            | Managing Director |                   |
| Denmark | European Wind Farm Invest No. 2 A/S                       | Managing Director | Member of board   |
| Denmark | European Wind Farm No. 2 A/S                              | Managing Director | Member of board   |
| Denmark | European Wind Farms A/S                                   | Managing Director | Member of board   |
| Denmark | European Wind Farms Bulgaria ApS                          | Managing Director |                   |
| Denmark | European Wind Farms Denmark A/S                           | Managing Director | Member of board   |
| Denmark | European Wind Farms Greece ApS                            | Managing Director |                   |
| Denmark | European Wind Farms Italy ApS                             | Managing Director |                   |
| Denmark | European Wind Farms Polen ApS                             | Managing Director |                   |
| Denmark | European Wind Farms Southeast Europe ApS                  | Managing Director |                   |
| Denmark | Flensbjergvej Infrastrukturselskab ApS                    | Managing Director |                   |

|         |   |                   |                            |
|---------|---|-------------------|----------------------------|
| Denmark | FWE Windpark 3 Standorte K/S                          |                   | Member of board            |
| Denmark | FWE Windpark Kranenburg K/S                           |                   | Member of board            |
| Denmark | FWE Windpark Scheddebrock K/S                         |                   | Member of board            |
| Denmark | FWE Windpark Tis K/S                                  |                   | Member of board            |
| Denmark | FWE Windpark Westerberg K/S                           |                   | Member of board            |
| Denmark | FWE Windpark Wittstedt K/S                            |                   | Member of board            |
| Denmark | FWE Windpark Wulfshagen K/S                           |                   | Member of board            |
| Denmark | GW Energi A/S   |                   | Chairman of board          |
| Denmark | GWE Contractors K/S                                   | Managing Director |                            |
| Denmark | GWE Holding af 14. November 2011 ApS                  |                   | Vice Chairman of the board |
| Denmark | Holmen II Holding ApS                                 | Managing Director |                            |
| Denmark | Holmen II Wind Park ApS                               | Managing Director |                            |
| Denmark | Horskær Wind Park ApS                                 | Managing Director |                            |
| Denmark | Jammerland Bay Nearshore A/S                          | Managing Director |                            |
| Denmark | K/S Losheim   |                   | Member of board            |
| Denmark | KEA II Holding ApS                                    | Managing Director |                            |
| Denmark | KEA Holding I ApS                                     | Managing Director |                            |
| Denmark | Komplementar EENC ApS (in liquidation)                | Liquidator        |                            |
| Denmark | Komplementar EEOC ApS (in liquidation)                | Liquidator        |                            |
| Denmark | Komplementar Mexico Ventures ApS                      | Managing Director |                            |
| Denmark | Komplementarselskabet EE PV Denmark Aps               | Managing Director |                            |
| Denmark | Komplementarselskabet EEAR Aps                        | Managing Director |                            |
| Denmark | Komplementarselskabet GWE Contractors ApS             | Managing Director |                            |
| Denmark | Komplementarselskabet Heidelberg Aps                  | Managing Director |                            |
| Denmark | Komplementarselskabet Rødby Fjord WTG 3 APS           | Managing Director |                            |
| Denmark | Komplementarselskabet Sol IVS                         | Managing Director |                            |
| Denmark | Komplementarselskabet Solkraftværket GPI Mando 29 Aps | Managing Director |                            |
| Denmark | Komplementarselskabet Sydlolland Vindmøllelaug ApS    | Managing Director |                            |
| Denmark | Komplementarselskabet Vindtestcenter Måde ApS         | Managing Director |                            |
| Denmark | Komplementarselskabet Vores Sol ApS                   | Managing Director |                            |
| Denmark | Lidegaard ApS   | Managing Director |                            |
| Denmark | Malmøvej Infrastrukturselskab ApS                     | Managing Director |                            |
| Denmark | Meldgaard Architechts & Development A/S               | Managing Director | Member of board            |
| Denmark | Mexico Partnership P/S                                | Managing Director | Member of board            |
| Denmark | Måde Wind Park ApS                                    | Managing Director |                            |
| Denmark | Nor Power ApS   |                   | Chairman of board          |
| Denmark | Nordic Power Partners P/S                             |                   | Chairman of board          |
| Denmark | NPP Brazil I K/S                                      |                   | Chairman of board          |
| Denmark | NPP Brazil II K/S                                     |                   | Chairman of board          |
| Denmark | NPP Komplementar ApS                                  |                   | Chairman of board          |
| Denmark | Nøjsomheds Odde Vindkraft I/S                         |                   | Chairman of board          |
| Denmark | Nøjsomheds Odde Wind Park ApS                         | Managing Director |                            |
| Denmark | Omnia Vind ApS  | Managing Director |                            |
| Denmark | Omø South Nearshore A/S                               | Managing Director |                            |

|         |                                   |                   |                   |
|---------|-----------------------------------|-------------------|-------------------|
| Denmark | Plasticueros ApS                  | Managing Director |                   |
| Denmark | Renewables Insight ApS            | Managing Director |                   |
| Denmark | Rødby Fjord Vindkraft Mølle 3 I/S | Managing Director |                   |
| Denmark | SF Ibiza ApS                      | Managing Director |                   |
| Denmark | SF La Pobla ApS                   | Managing Director |                   |
| Denmark | Solar Park Pelsdyrparken K/S      | Managing Director |                   |
| Denmark | Solar Park Stubbekøbing K/S       | Managing Director |                   |
| Denmark | Solarpark Vandel ApS              | Managing Director |                   |
| Denmark | Solarpark Vandel Services ApS     | Managing Director |                   |
| Denmark | Solar Park Øster Toreby K/S       | Managing Director |                   |
| Denmark | Svindbæk Holding ApS              | Managing Director |                   |
| Denmark | Svindbæk Komplementar ApS         | Managing Director |                   |
| Denmark | Swapselskabet Heidelberg K/S      |                   | Chairman of board |
| Denmark | Trædeskov Bøge Wind Park ApS      | Managing Director |                   |
| Denmark | Tønder PV K/S                     | Managing Director |                   |
| Denmark | Vindpark Straldja Aps             | Managing Director |                   |
| Denmark | Vintestcenter Måde K/S            | Managing Director |                   |
| Denmark | Vores Sol A/S                     |                   | Chairman of board |
| Denmark | Vores Sol A1 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A2 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A3 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A4 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A5 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A6 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A7 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A8 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A9 K/S                  | Managing Director | Member of board   |
| Denmark | Vores Sol A10 K/S                 | Managing Director | Member of board   |
| Denmark | Vores Sol Ejendomsselskab IVS     |                   | Chairman of board |
| Denmark | Vores Sol Nakskov I K/S           | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov II K/S          | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov III K/S         | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov IV K/S          | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov V K/S           | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov VI K/S          | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov XIV K/S         | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov XV K/S          | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov XVI K/S         | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov XVII K/S        | Managing Director | Member of board   |
| Denmark | Vores Sol Nakskov XVIII K/S       | Managing Director | Member of board   |
| Finland | EE Finland Oy                     |                   | Member of board   |
| Finland | EE Primus Oy                      |                   | Member of board   |
| Finland | Vihreäsaari Wind Oy               |                   | Member of board   |
| Germany | EEA Verwaltungs GmbH              | Managing Director |                   |
| Germany | EE PV Denmark Holding GmbH        | Managing Director |                   |
| Germany | EE Sieben Drei GmbH & Co. KG      | Managing Director |                   |

|         |   |   |
|---------|---|---|
| Germany | EE Sieben Null GmbH & Co. KG  | Managing Director                       |
| Germany | EE Sieben Zwei GmbH & Co. KG  | Managing Director                       |
| Germany | ESF Spanien 01 GmbH   | Managing Director                       |
| Germany | ESF Spanien 0424 GmbH   | Managing Director                       |
| Germany | ESF Spanien 09 GmbH   | Managing Director                       |
| Germany | European Wind Farms Deutschland mbH   | Managing Director                       |
| Germany | European Wind Farms Komp GmbH   | Managing Director                       |
| Germany | European Wind Farms<br>Verwaltungsgesellschaft mbH                          | Managing Director                       |
| Germany | EWf Eins Acht GmbH & Co. KG   | Managing Director                       |
| Germany | EWf Eins Neun GmbH & Co. KG   | Managing Director                       |
| Germany | EWf Eins Sechs GmbH & Co. KG  | Managing Director                       |
| Germany | EWf Eins Sieben GmbH & Co. KG   | Managing Director                       |
| Germany | EWf Fünf Vier GmbH & Co. KG   | Managing Director                       |
| Germany | EWf Zwei Fünf GmbH & Co. KG   | Managing Director                       |
| Germany | EWf Zwei Null GmbH & Co. KG   | Managing Director                       |
| Germany | MBBF Windpark Letschin GmbH & Co. I<br>Betriebs KG                          | Managing Director                       |
| Germany | MBBF Windpark Letschin GmbH & Co. II<br>Betriebs KG                         | Managing Director                       |
| Germany | MBBF Windpark Letschin GmbH & Co. III<br>Betriebs KG                        | Managing Director                       |
| Germany | Solarpark Vandel GmbH   | Managing Director                       |
| Germany | TEN Verwaltungsgesellschaft mbH   | Managing Director                       |
| Germany | UW Nielitz GmbH & Co. KG  | Managing Director                       |
| Germany | UW Schäcksdorf GmbH & Co. KG  | Managing Director                       |
| Germany | Vento Erste Windparkbeteiligungsgesellschaft<br>mbH & Co. KG                | Managing Director                       |
| Germany | Windenergie Erik Andersen<br>Verwaltungsgesellschaft mbH                    | Managing Director                       |
| Germany | Windpark Bosco GmbH   | Managing Director                       |
| Germany | Windpark Hellberge GmbH & Co. KG  | Managing Director                       |
| Germany | Windpark Prititz Verwaltungsgesellschaft<br>mbH                             | Managing Director                       |
| Germany | Windpark Unseburg Nord GmbH & Co.<br>Betriebs KG                            | Managing Director                       |
| Germany | Windpark Wriezener Höhe GmbH & Co. KG                                       | Managing Director                       |
| Greece  | Doras Paragogi Ilektrikis Energias Apo<br>Ananeosimes Piges Energias EPE    | Managing Director                       |
| Greece  | Iridanos Paragogi Ilektrikis Energias Apo<br>Ananeosimes Piges Energias EPE | Managing Director                       |
| Greece  | Kipheus Paragogi Ilektrikis Energias Apo<br>Ananeosimes Piges Energias EPE  | Managing Director                       |
| Italy   | Parco Eolico Carpinaccio srl  | Member of board                         |
| Italy   | Parco Eolico Riparbella srl   | Member of board                         |
| Poland  | European Wind Farms Polska Sp.z o.o.  | Member of board                         |
| Poland  | European Wind Farms Polska Sp.z o.o.<br>Bialogard Sp.k.                     | Member of board                         |
| Poland  | European Wind Farms Polska Sp.z o.o.<br>Grzmiaca Sp.k.                      | Member of board                         |
| Poland  | European Wind Farms Polska Sp.z o.o. Rabino<br>Sp.k                         | Member of board                         |
| Poland  | Windcom Sp.z.o.o  | Managing Director<br>President of board |
| Sweden  | European Wind Farms Kåre 1 AB   | Member of board                         |

|                       |   |                   |
|-----------------------|---|-------------------|
| <b>Sweden</b>         | European Wind Farms Sverige AB                | Member of board   |
| <b>Sweden</b>         | Vindkraft i Fimmerstad AB                     | Member of board   |
| <b>Sweden</b>         | Vindkraft i Grevekulla AB                     | Member of board   |
| <b>Sweden</b>         | Västanby Vindbruksgrupp i Fjelle 2 Aktiebolag | Member of board   |
| <b>United Kingdom</b> | ESF Rooftop Ltd                               | Managing Director |
| <b>United Kingdom</b> | European Energy Photovoltaics Limited         | Managing Director |

## Mikael Dystrup Pedersen

| Country        | Company Name  | Management title  | Board title                |
|----------------|---|-------------------|----------------------------|
| <b>Denmark</b> | European Solar Farms A/S                                |                   | Member of board            |
| <b>Denmark</b> | European Wind Farm No. 2 A/S                            |                   | Member of board            |
| <b>Denmark</b> | European Wind Farms A/S                                 |                   | Vice chairman of the board |
| <b>Denmark</b> | MDP Invest ApS  | Managing Director | Chairman of board          |
| <b>Denmark</b> | Nor Power ApS   |                   | Member of board            |
| <b>Denmark</b> | European Energy A/S                                     |                   | Member of board            |
| <b>Germany</b> | MDP Verwaltungsgesellschaft mbh                         | Managing Director |                            |
| <b>Poland</b>  | European Wind Farms Polska Sp.z o.o.                    |                   | Member of board            |
| <b>Poland</b>  | European Wind Farms Polska Sp.z o.o.<br>Bialogard Sp.k. |                   | Member of board            |
| <b>Poland</b>  | European Wind Farms Polska Sp.z o.o.<br>Grzmiaca Sp.k.  |                   | Member of board            |
| <b>Poland</b>  | European Wind Farms Polska Sp.z o.o. Rabino<br>Sp.k     |                   | Member of board            |

## Jens Peter Zink

| Country         | Company Name                      | Management title  | Board title       |
|-----------------|-----------------------------------|-------------------|-------------------|
| <b>Bulgaria</b> | Wind Energy EOOD                  | Managing Director |                   |
| <b>Bulgaria</b> | Wind Power 2 EOOD                 | Managing Director |                   |
| <b>Bulgaria</b> | Wind Stream EOOD                  | Managing Director |                   |
| <b>Bulgaria</b> | Wind Systems EOOD                 | Managing Director |                   |
| <b>Croatia</b>  | European Wind Farms d.o.o.        | Managing Director |                   |
| <b>Denmark</b>  | Boa Hora Solar ApS                | Managing Director |                   |
| <b>Denmark</b>  | EE Verwaltung ApS                 | Managing Director |                   |
| <b>Denmark</b>  | EEA Renewables A/S                |                   | Member of board   |
| <b>Denmark</b>  | EEGW Persano ApS                  |                   | Member of board   |
| <b>Denmark</b>  | EE PV 1 ApS                       | Managing Director |                   |
| <b>Denmark</b>  | EE PV 2 ApS                       | Managing Director |                   |
| <b>Denmark</b>  | EE Verwaltung ApS                 | Managing Director |                   |
| <b>Denmark</b>  | Ejendomsselskabet Kappel ApS      |                   | Chairman of board |
| <b>Denmark</b>  | European Energy Giga Storage A/S  |                   | Chairman of board |
| <b>Denmark</b>  | European Energy Offshore A/S      |                   | Chairman of board |
| <b>Denmark</b>  | European Energy Offshore Wind A/S |                   | Member of board   |
| <b>Denmark</b>  | Renewables Insight ApS            | Managing Director |                   |
| <b>Denmark</b>  | European Energy Systems II ApS    | Managing Director |                   |

|         |   |                   |                   |
|---------|---|-------------------|-------------------|
| Denmark | European Energy A/S                                   |                   | Chairman of board |
| Denmark | European Solar Farms A/S                              | Managing Director | Member of board   |
| Denmark | European Solar Farms Development ApS                  | Managing Director |                   |
| Denmark | European Solar Farms Greece ApS                       | Managing Director |                   |
| Denmark | European Solar Farms Italy ApS                        | Managing Director |                   |
| Denmark | European Solar Farms Spain ApS                        | Managing Director |                   |
| Denmark | European Wind Farm Invest No. 2 A/S                   |                   | Chairman of board |
| Denmark | European Wind Farm No. 2 A/S                          |                   | Chairman of board |
| Denmark | European Wind Farms A/S                               |                   | Chairman of board |
| Denmark | European Wind Farms Bulgaria ApS                      | Managing Director |                   |
| Denmark | European Wind Farms Denmark A/S                       |                   | Chairman of board |
| Denmark | European Wind Farms Greece ApS                        | Managing Director |                   |
| Denmark | European Wind Farms Italy ApS                         | Managing Director |                   |
| Denmark | European Wind Farms Polen ApS                         | Managing Director |                   |
| Denmark | European Wind Farms Southeast Europe ApS              | Managing Director |                   |
| Denmark | Ejendomsselskabet Kappel ApS                          |                   | Chairman of board |
| Denmark | Flensbjergvej Infrastrukturselskab ApS                | Managing Director |                   |
| Denmark | FWE Windpark 3 Standorte K/S                          |                   | Member of board   |
| Denmark | FWE Windpark Kranenburg K/S                           |                   | Member of board   |
| Denmark | FWE Windpark Scheddebrock K/S                         |                   | Member of board   |
| Denmark | FWE Windpark Tis K/S                                  |                   | Member of board   |
| Denmark | FWE Windpark Westerberg K/S                           |                   | Member of board   |
| Denmark | FWE Windpark Wittstedt K/S                            |                   | Member of board   |
| Denmark | FWE Windpark Wulfshagen K/S                           |                   | Member of board   |
| Denmark | GW Energi A/S   |                   | Member of board   |
| Denmark | Holmen II Holding ApS                                 | Managing Director |                   |
| Denmark | Holmen II Wind Park ApS                               | Managing Director |                   |
| Denmark | Jammerland Bay Nearshore A/S                          |                   | Chairman of board |
| Denmark | JPZ Assistance ApS                                    | Managing Director |                   |
| Denmark | JPZ Assistance II ApS                                 | Managing Director |                   |
| Denmark | Kappel Vind IVS                                       | Managing Director |                   |
| Denmark | Komplementarselskabet EE PV Denmark ApS               | Managing Director |                   |
| Denmark | Komplementarselskabet Sol IVS                         | Managing Director |                   |
| Denmark | Komplementarselskabet Solkraftværket GPI Mando 29 ApS | Managing Director |                   |
| Denmark | K/S Solkraftværket GPI Mando 29                       | Managing Director |                   |
| Denmark | Lidegaard ApS   | Managing Director |                   |
| Denmark | Malmøvej Infrastrukturselskab ApS                     | Managing Director |                   |
| Denmark | Meldgaard Architects & Development A/S                |                   | Member of board   |
| Denmark | Mexico Partnership P/S                                |                   | Member of board   |
| Denmark | Nordic Power Partners P/S                             | Managing Director | Member of board   |
| Denmark | NPP Komplementar ApS                                  | Managing Director | Member of board   |
| Denmark | NPP Brazil I K/S                                      |                   | Member of board   |
| Denmark | NPP Brazil II K/S                                     |                   | Member of board   |
| Denmark | Nøjsomheds Odde Vindkraft I/S                         |                   | Member of board   |
| Denmark | Omø South Nearshore A/S                               |                   | Chairman of board |



|                |  |                   |                        |
|----------------|--|-------------------|------------------------|
| Denmark        | Renewables Insight ApS                               | Managing Director |                        |
| Denmark        | Rødby Fjord Vindkraft Mølle 3 I/S                    | Managing Director |                        |
| Denmark        | SF Ibiza ApS   | Managing Director |                        |
| Denmark        | SF La Pobra ApS                                      | Managing Director |                        |
| Denmark        | Svindbæk Komplementar ApS                            | Managing Director |                        |
| Denmark        | Swapselskabet Heidelberg K/S                         | Managing Director | Member of board        |
| Denmark        | Vores Sol Ejendomsselskab IVS                        | Managing Director | Member of board        |
| Denmark        | Vores Sol A/S  | Managing Director | Member of board        |
| Denmark        | Vores Sol A1 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A2 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A3 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A4 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A5 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A6 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A7 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A8 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A9 K/S                                     |                   | Chairman of board      |
| Denmark        | Vores Sol A10 K/S                                    |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov I K/S                              |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov II K/S                             |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov III K/S                            |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov IV K/S                             |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov V K/S                              |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov VI K/S                             |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov XIV K/S                            |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov XV K/S                             |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov XVI K/S                            |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov XVII K/S                           |                   | Chairman of board      |
| Denmark        | Vores Sol Nakskov XVIII K/S                          |                   | Chairman of board      |
| Finland        | EE Finland Oy  |                   | Chairman of board      |
| Finland        | EE Primus Oy   |                   | Chairman of board      |
| Finland        | Vihreäsaari Wind Oy                                  |                   | Chairman of board      |
| Greece         | European Wind Farms Energy Hellas EPE                | Managing Director |                        |
| Maldives       | NPP Maldives Private Limited                         |                   | Member of board        |
| Poland         | European Wind Farms Polska Sp.z o.o.                 | Managing Director | President of board     |
| Poland         | European Wind Farms Polska Sp.z o.o. Bialogard Sp.k. | Managing Director | President of board     |
| Poland         | European Wind Farms Polska Sp.z o.o. Grzmiaca Sp.k.  | Managing Director | President of board     |
| Poland         | European Wind Farms Polska Sp.z o.o. Rabino Sp.k     | Managing Director | President of board     |
| Poland         | Wind Pro Energy Sp.z o.o.                            | Managing Director | Vicepresident of board |
| Sweden         | European Wind Farms Kåre 1 AB                        | Managing Director | Member of board        |
| Sweden         | European Wind Farms Sverige AB                       | Managing Director | Member of board        |
| Sweden         | Vindkraft i Fimmerstad AB                            |                   | Chairman of board      |
| Sweden         | Vindkraft i Grevekulla AB                            |                   | Chairman of board      |
| Sweden         | Västanby Vindbruksgrupp i Fjelle 2 Aktiebolag        |                   | Chairman of board      |
| United Kingdom | European Energy Photovoltaics Limited                | Managing Director |                        |

## Claus Dyhr Christensen

| Country | Company Name                 | Management title | Board title                        |
|---------|------------------------------|------------------|------------------------------------|
| Denmark | Car Holding A/S              |                  | Member of board                    |
| Denmark | Kronborg Auto A/S            |                  | Member of board                    |
| Denmark | Autohuset Glostrup A/S       |                  | Member of board                    |
| Denmark | Autohuset Glostrup-Valby A/S |                  | Member of board                    |
| Denmark | Autohuset Ringsted A/S       |                  | Member of board                    |
| Denmark | WestMarket A/S               |                  | Chairman of board                  |
| Denmark | European Energy A/S          |                  | Member of board                    |
| Denmark | Autohuset Frederikssund A/S  |                  | Member of board                    |
| Denmark | Nykredit                     |                  | Member of board of representatives |

## Jesper Helmuth Larsen

| Country        | Company Name                      | Management title  | Board title     |
|----------------|-----------------------------------|-------------------|-----------------|
| Denmark        | Dikman Invest ApS                 | Managing Director |                 |
| Denmark        | ToTec Holding ApS                 |                   | Member of board |
| Denmark        | AJ Vaccines A/S                   | CFO               |                 |
| Denmark        | European Energy A/S               |                   | Member of board |
| United Kingdom | Totaltec Oilfield Service Limited |                   | Member of board |

## 8.2 Executive Board

The Executive Board currently consists of one individual employed by the Issuer and registered with the Danish Business Authority as Managing Director.

### Knud Erik Andersen

Born 1960, co-founder and CEO.

Principal education: M.Sc. Engineering from Technical University of Denmark.

Shareholding (own and through legal entities): DKK 228,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

## 8.3 Management Group

The Management Group currently consists of seven individuals. All members of the Management Group are employed by the Issuer. Apart from the members of the Board of Directors as well as the members of the Executive Board, the members of the Management Group do not have any principal activities outside of the Issuer of significance with respect to the Issuer.

**Knud Erik Andersen**

Born 1960, co-founder and CEO.

Principal education: M.Sc. Engineering from Technical University of Denmark.

Shareholding (own and through legal entities): DKK 228,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

**Jens-Peter Zink**

Born 1974, Executive Vice President since 2008. Part of the Group since 2005.

Principal education: M.Sc. Finance & Accounting from Copenhagen Business School.

Shareholding (own and through legal entities): DKK 30,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

**Mikael Dystrup Pedersen**

Born 1961, CTO and co-founder.

Principal education: M.Sc. Engineering from Technical University of Denmark.

Shareholding (own and through legal entities): DKK 42,000,000.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

**Jonny Thorsted Jonasson**

Born 1964, CFO since 2012. Part of the Group since 2012.

Principal education: M.Sc. Finance & Accounting Copenhagen Business School.

Shareholding (own and through legal entities): None.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

**Thorvald Spanggaard**

Born 1974, Project Director since 2017. Part of the Group since 2017.

Principal education: Master of Laws from University of Copenhagen, LL.M. from Harvard University, USA, MBA from Copenhagen Business School.

Shareholding (own and through legal entities): None.

Warrants: 100,000 (each with a right to subscribe one share of DKK 1.00).

**Thomas Hvalsø Hansen**

Born 1976, COO since 2012. Part of the Group since 2012.

Principal education: M.Sc. Engineering from Technical University of Denmark, HD(F) from Copenhagen Business School.

Shareholding (own and through legal entities): None.

Warrants: 200,000 (each with a right to subscribe one share of DKK 1.00).

**Lars Bo Jørgensen**

Born 1960, Head of Transaction Services and Project Economy. Part of the Group since 2016.

Principal education: Master of Science (M.Sc.) in Business Economics and Auditing from Copenhagen Business School.

Shareholding (own and through legal entities): None.

Warrants: 100,000 (each with a right to subscribe one share of DKK 1.00).

**Emil Vikjær-Andersen**

Born 1980, Chief Legal Officer since 2015. Part of the Group since 2013.

Principal education: Master of Laws from University of Copenhagen, LL.M. from Columbia University, USA.

Shareholding (own and through legal entities): None.

Warrants: None.

**8.4 Statement on conflicts of interest**

The members of the Board of Directors, Executive Board, the Management Group and the shareholders of the Issuer are considered to be related parties as they exercise significant influence on the operations of the Group. Related parties also include such persons' relatives as well as undertakings in which such persons have significant interests ("**Related Parties**").

Potential conflicts of interest exist between the duties to the Issuer of Related Parties and their private interests and/or other duties. These potential conflicts of interests can be divided into three different groups:

- a) Related Parties participate in economic activities similar to the Issuer's. This is the case – inter alia – with a number of used wind turbines purchased and operated by Related Parties and with solar PV plants developed and constructed by Related Parties. Some of the assets owned by Related Parties have been purchased from the Issuer.
- b) In a number of companies partly owned by the Issuer (some being inside the Issuer's Group while others are outside) Related Parties also have an ownership stake.
- c) Agreements have been concluded between the Issuer and Related Parties related to the assets and companies referred to in Section a) and b) above, namely agreements related to asset management.

It is the Issuer's opinion that all transactions and agreements between the Issuer and the Issuer's Group on the one hand and Related Parties on the other hand have been concluded and are carried out at arm's length terms.

## 9 MAJOR SHAREHOLDERS

As of the date of this Prospectus, the Issuer's registered share capital is DKK 10,000,000 divided into shares of DKK 1 each or multiples thereof. The Issuer's shares are non-negotiable.

The shareholders as of the date of this Prospectus:

| Name of shareholder         | Amount of shares (DKK) | Percentage of votes and share capital |
|-----------------------------|------------------------|---------------------------------------|
| European Energy Holding ApS | 228,000,000            | 76.00 %                               |
| JPZ Assistance ApS          | 30,000,000             | 10.00 %                               |
| MDP Invest ApS              | 42,000,000             | 14.00 %                               |
| <b>TOTAL</b>                | <b>300,000,000</b>     | <b>100.00 %</b>                       |

The Board of Directors has decided to introduce an incentive scheme for management, board members and selected staff members in the Issuer's Group. The scheme is based on issuance of warrants that gives the right to subscribe for new shares in the Issuer in the future. Under the incentive scheme as set forth in the articles of association of the Issuer, the Board of Directors is authorized until 31 December 2021 to grant up to in total 15 million warrants, which each gives a right to subscribe for one share at a nominal value of DKK 1.00 in the Issuer against cash payment. On 29 December 2017, the Board of Directors decided to make use of the authorization and issued 3 million warrants corresponding to 1 % of the share capital.

Danish corporate law sets general restrictions on abuse of control as shareholder in order to prevent that certain shareholders or others are not given undue advantage over other shareholders of the Issuer. Control exercised by the shareholders of the Issuer is limited by virtue of the restrictions that follow from the Danish Companies Act (in Danish: "*selskabsloven*"). There are no other measures in place to ensure that such control is not abused.

The Issuer is not aware of any arrangements or agreements which may result in a change of control of the Issuer subsequent to the date of this Prospectus.

## 10 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

### Historical financial Information

The tables set out in this Section 10 present financial information derived from the Issuer's audited annual reports for the financial years 2015 and 2016. The annual reports are audited by the Issuer's external independent auditor and include an audit report for each year.

The annual reports have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Issuer has prepared parent company and consolidated financial statements for the financial years 2015 and 2016 which are incorporated by attachments to this Prospectus.

In late 2016, European Energy decided to adopt the International Financial Reporting Standard 15 (IFRS 15) before the mandatory implementation in 2018.

The adoption of IFRS 15 means that revenue from contracts regarding the sale of solar and wind farms will be recognised on the basis of contractual performance obligations. This means that sale of wind and solar farms will usually be recognised when the asset is constructed and delivered to the buyer, the buyer has accepted the acquisition and the sale has been completed on the closing date. The adoption of IFRS 15 has resulted in revenue typically being recognised three to nine months later than revenue was recognised under the previous revenue recognition policy.

### Balance sheet

Below are selected key figures from the balance sheet.

| EUR'000  | Consolidated   |                   | Parent company |                   |
|--|----------------|-------------------|----------------|-------------------|
|  | 2016           | 2015 <sup>1</sup> | 2016           | 2015 <sup>1</sup> |
| <b>ASSETS</b>  |                |                   |                |                   |
| Total non-current assets   | 111,874        | 116,001           | 110,234        | 106,582           |
| Total current assets   | 106,661        | 107,185           | 15,020         | 7,343             |
| <b>TOTAL ASSETS</b>  | <b>218,535</b> | <b>223,186</b>    | <b>125,254</b> | <b>113,925</b>    |
| <b>EQUITY AND LIABILITIES</b>  |                |                   |                |                   |
| Share capital  | 1,340          | 1,340             | 1,340          | 1,340             |
| Reserves (equity methods)  | 13,443         | 8,674             | 13,443         | 8,674             |
| Retained earnings  | 42,891         | 32,439            | 42,891         | 32,439            |
| Non-controlling interests  | 6,326          | 14,354            | 0              | 0                 |
| <b>Total equity</b>  | <b>64,000</b>  | <b>56,807</b>     | <b>57,674</b>  | <b>42,453</b>     |
| Total non-current liabilities  | 104,776        | 113,776           | 45,450         | 45,099            |
| Total current liabilities  | 49,759         | 52,603            | 22,130         | 26,373            |
| <b>Total liabilities</b>   | <b>154,535</b> | <b>166,379</b>    | <b>67,580</b>  | <b>71,472</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>218,535</b> | <b>223,186</b>    | <b>125,254</b> | <b>113,925</b>    |
| <sup>1</sup> ) Comparative figures for 2015 are adjusted for early adoption of IFRS 15 and other adjustments |                |                   |                |                   |

## Income statement

Below are selected key figures from the income statement.

| EUR'000  | Consolidated |                   | Parent company |                   |
|--|--------------|-------------------|----------------|-------------------|
|  | 2016         | 2015 <sup>1</sup> | 2016           | 2015 <sup>1</sup> |
| Revenue  | 140,788      | 73,559            | 81,930         | 58,576            |
| Gross profit   | 32,456       | 18,008            | 28,125         | 12,658            |
| Operating profit/ loss   | 23,319       | 9,264             | 19,498         | 5,782             |
| Profit for the year  | 15,645       | 3,481             | 15,103         | 3,664             |
| <sup>1</sup> ) Comparative figures for 2015 are adjusted for early adoption of IFRS 15 and other adjustments |              |                   |                |                   |

## Statement regarding audit

The historical financial information has been audited and the auditor's report has been included in the annual report for 2015 and 2016.

## Other audited information

No other information than the financial data in the Section "Historical financial Information" in the Prospectus has been audited.

## Source of financial data

All financial information regarding the financial years 2015 and 2016 in the Section "Historical financial Information" has been extracted from the Issuer's audited Annual Reports for these years which are included by reference to this Prospectus.

## Age of latest financial information

The last year of audited financial information was for the financial year ending 31 December 2016.

## Legal and arbitration proceedings

No group companies are currently involved in any disputes which may have significant effects on the Issuer's financial position and profitability.

A number of Group Companies which own solar PV plants in Spain are contemplating to lodge a claim for compensation against Spain due to changes in the legislation implemented in 2012 – 2014 re. economic support to – inter alia – solar PV plants. A notice has been issued to the Spanish government under Article 26 of the Energy Charter Treaty, requesting the government to settle an alleged breach amicably. Should the dispute not be settled amicably, the Group companies may submit the dispute for resolution in accordance with the Energy Charter Treaty, in which case it is expected that a decision will be made in 2-3 years. If the Group companies succeed, this would have a positive impact on the Group companies in question. The size of the claims has not yet been finally established but will likely be in the range of EUR 30



– 50 million. However, the anticipated positive financial impact on the Issuer will be less than that should the companies be successful due to partial ownership of the Group companies involved and the substantial costs associated with arguing the case which in itself could reach up to 30-40 % of the damages awarded.

Apart from the above mentioned the Issuer is not at the date of this Prospectus aware of any pending or threatening governmental, legal or arbitration proceedings or any such proceedings that during the last 12 months preceding the date of this Prospectus may have or have in such period had a significant effect on the Issuer's and/or the Issuer's Group's financial position or profitability.

### **Significant changes in the Issuer's financial position since year-end 2016**

There are significant changes in the Issuer's financial and trading position between the end of the financial year 2016 for which an audited annual report as per 31 December 2016 has been published and end of Q4 2017.

The interim financial report of Q4 2017 (attached as Annex F) (unaudited) was published on 21 February 2018 and includes the following key figures (consolidated) for the year 2017: i) Profit before tax of EUR 25.8 million; ii) Total equity and liabilities of EUR 301.8 million; and iii) Equity of EUR 91 million.

The changes below have been included in the interim financial report as of Q1, Q2, Q3 and Q4 2017.

On 17 February 2017, the Group signed and closed an agreement for the sale of a 28 MW wind farm in Germany to a German buyer. The wind farm is part of the 48 MW Vormark project located in Gross Pankow in the state of Brandenburg and was co-developed with the local partner Green Wind Energy GmbH. The Group owned a total of 16 % of the wind farm sold, which was connected to the grid in the first quarter of 2017.

On 2 March 2017, the Group signed a term sheet with a German investor for the negotiation of a binding agreement on the sale of the 20 MW wind farm in Oppido, Italy. The term sheet sets out the main conditions for the sales agreement, expected to be exclusively negotiated and signed during 2017. Closing of the sales agreement will be subject to a number of customary conditions precedent, including that the long-term financing of the project must be in place.

On 5 May 2017, the Group closed an agreement with a German investor for the sale of the German wind farms Lüdersdorf I with total capacity of 6.6 MW, which was wholly owned by the Group. The wind farm is located in the German region of Brandenburg and came into operation in May 2017.

On 3 July 2017, the Issuer issued the Bonds for a total amount of EUR 60 million which this Prospectus concerns. The proceeds raised with the issuance of the Bonds have been used towards repayment of the existing bond debt and existing shareholder loans and any proceeds remaining after the repayments shall be used as growth capital and for general corporate purposes. The Bonds have a floating interest rate of EURIBOR (3 months) + 7.00 %. The interest rate of the Bonds has impacted the financial expenses of the Issuer compared to 2016, leading to an expected increase in the financial expenses in 2017 and an expected increase in the total assets and liabilities of the Issuer.

On 11 July 2017, the Group closed an agreement for the sale of a German wind park Gilmerdingen with a total nameplate capacity of 12 MW to a German buyer. The wind park is located in the German region of Lower Saxony. The Group owned just under 50 % of the wind farm.

On 23 August 2017, the Group closed an agreement for the sale of a wind farm with a gross capacity of 25 MW in Denmark to a German buyer. The wind farm is located in Kappel on the Danish island of Lolland and is developed by European Energy. The Group owned a total of 100 % of the wind farm sold, which was connected to the grid in April 2017.

On 25 September 2017, the Issuer and its partner, the Danish Climate Investment Fund (DCIF) signed and closed an agreement for the sale of project rights for a solar farm in Brazil. The Issuer and DCIF together owned 80 % of the project which had a nameplate capacity of 91MW. The buyer is the Brazilian utility AES-Tietê.

On 29 November 2017, the Issuer closed an agreement for the sale of three Finnish wind parks with a total nameplate capacity of 17.25 MW to a Luxemburg based investment fund managed by re:cap, an asset manager for renewable energy investments based in Switzerland. The Issuer owned 100 % of the wind farms.

On 7 December 2017, the Issuer signed and closed an agreement for the sale of the Italian wind farm Oppido with a nameplate capacity of 20 MW which was the subject of the term sheet signed 2 March 2017 described above. The sale of the wind farm was conditional upon relocation of the project's grid connection which took place in February 2018.

## **11 MATERIAL CONTRACTS**

The Issuer is not aware of any material contracts entered into outside the ordinary course of the Group's business which could result in a Group company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to the Bondholders in respect of the Bonds.

## **12 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**

Except as set out in "Business Overview" and the relevant sources for third party information which are referred to therein, this Prospectus is not based on any information from third parties, statements by experts or any declarations of interest. The Issuer confirms that any such third-party information has been accurately reproduced and as far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **13 DOCUMENTS ON DISPLAY**

During the term of the Bonds the following documents (or copies thereof), where applicable, may be inspected at the Issuer's registered office and address at Gyngemose Parkvej 50, DK-2860 Søborg, Denmark:

- this Prospectus;
- the memorandum and articles of association of the Issuer;
- the historical financial information of the Issuer (Annual Reports for 2015 and 2016); and
- the historical financial information of the Issuer's Group (Annual Reports for 2015 and 2016 for the subsidiaries of the Issuer's Group).

This Prospectus does not include any statement or report from any experts.

## 14 OVERVIEW OF THE BONDS

The following description of key features of the Bonds does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus.

Words and expressions defined in the Terms and Conditions of the Bonds dated 3 July 2017 as amended on 27 October 2017 and as amended and restated on 14 March 2018 attached as Annex B ("Terms and Conditions") shall have the same meanings in this Section 14 "Overview of the Bonds". All references to the defined term "Bonds" in this Section shall solely for the purpose of the below description be a reference to the Bonds as defined in the Terms and Conditions which encompasses both the Initial Bonds and the Subsequent Bonds issued by the Issuer. References to a numbered "Condition" shall be to the relevant Condition in the Terms and Conditions.

The Subsequent Bonds were tap issued by the Issuer on 20 March 2018 with a total framework amount of EUR 25,000,000 to be consolidated and form a single series with the Initial Bonds of EUR 60,000,000 Senior Secured Callable Floating Rate Bonds due 25 May 2021 issued by the Company on 3 July 2017. The tap issue of the Subsequent Bonds was authorised and approved by the Issuer's Board of Directors at a board meeting held on 15 February 2018.

The Bonds are secured by pledge of all shares in European Energy A/S. The pledge is established through first priority share pledge agreements dated 30 June 2017, amended and restated pursuant to an amendment and restatement agreement dated 28 December 2017, amended pursuant to Amendment no. 1 dated 20 March 2018 and entered into between European Energy Holding ApS, MDP Invest ApS and JPZ Assistance ApS as pledgors and the Agent as pledgee relating to all outstanding and any future shares of the Issuer.

All the pledgors' rights, title and interest, present and future, to and in the shares, are pledged for the benefit of the secured parties, i.e. the Agent, the Bondholders and the Existing Bondholders. The voting rights attached to the pledged shares are exercised by the pledgors until the Issuer receives notice to the contrary by the Agent. Any and all distributions of dividends shall be paid to the Agent.

Subject to the provisions of the Terms and Conditions and the required formalities under the share pledge agreements, the Agent may in the occurrence of a continuing Event of Default on behalf of the Bondholders sell or otherwise dispose of the shares and assign, transfer and negotiate any certificates and documents of title representing or relating thereto.

The pledges are governed by Danish law and cannot be substituted. The pledges of all the shares, including any future issuances, do not expire or mature before full repayment of the Bonds.

No independent appraisal of the market value of the shares in European Energy A/S exists. The value of the shares is tied to European Energy A/S' income from its business operations. Operating results and cash generated by European Energy A/S from its operations will service payments related to the Bonds.

## KEY FEATURES

|  |   |
|--|---|
| <b>Issuer:</b>   | European Energy A/S, reg. no. 18 35 13 31, Gyngemose Parkvej 50, DK-2860 Søborg, Denmark.   |
| <b>Description:</b>  | EUR 25,000,000 EURIBOR (3 months) + 7.0 % Senior Secured Callable Floating Rate due 25 May 2021.  |
| <b>ISIN code:</b>  | DK0030401278  |
| <b>Agent:</b>  | The Agent under these Terms and Conditions from time to time; initially Nordic Trustee A/S, reg. no. 34 70 57 20, Bredgade 30, DK-1260 Copenhagen C, Denmark  |
| <b>Issuing Agent:</b>  | Nordea Danmark, branch of Nordea Bank AB (publ), Sweden, reg. no. 25 99 21 80, Grønjordsvej 10, DK-2300 Copenhagen S, Denmark.  |
| <b>Issue Date:</b>   | 20 March 2018   |
| <b>Issue Price:</b>  | 100.00 %  |
| <b>Denomination:</b>   | EUR   |
| <b>Maturity date:</b>  | 25 May 2021   |
| <b>Form of Bonds:</b>  | The Bonds are issued in dematerialised book-entry form in the electronic register of VP Securities A/S, reg. no. 21 59 93 36, Weidekampsgade 14, DK-2300 Copenhagen, Denmark and the Bonds will be registered for the Bondholders on their respective securities accounts in their names and no physical Bonds will be issued.  |
| <b>EURIBOR</b>   | “EURIBOR” is defined in the Definitions section of the Terms and Conditions of the Bonds.   |
| <b>Status of the Bonds:</b>                                    | The Bonds constitute direct, general, unconditional and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them.   |
| <b>Time-bar on the principal:</b>                              | The right to receive repayment of the principal of the Bonds shall be prescribed and become void 10 years from the date when the creditor was entitled to claim payment within the meaning of section 2 of the Danish Limitation Act.   |
| <b>Interest and Interest Payment Dates:</b>                    | The Bonds will bear interest at the Interest Rate applied to the Nominal Amount from, and including, the First Issue Date up to, but excluding, the relevant Redemption Date at the rate of EURIBOR (3 months) + 7.00 % per annum. Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year, with the first Interest Payment Date being 30 September 2017 and the last Interest Payment Date being the Final Maturity Date on 25 May 2021. The right to receive payment of Interest (excluding any capitalised Interest) shall be prescribed and become void 3 years from the relevant due date for payment. |
| <b>Indication of yield:</b>                                    | The yield to maturity at issuance cannot be calculated at the date of this Prospectus.  |
| <b>Redemption at Maturity:</b>                                 | The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.  |
| <b>Early voluntary redemption by the Issuer (call option):</b> | The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day prior to the First Call Date, at an amount equal to 100.00 % of the Nominal Amount together with accrued but unpaid Interest, plus the Applicable Premium. The Issuer may redeem all, but not only some, of the  |

|  |   |
|--|---|
|  | outstanding Bonds on any Business Day falling on or after the First Call Date, but before the Final Maturity Date, at the Call Option Amount together with accrued but unpaid Interest.   |
| <b>Bondholders' put option upon the occurrence of a Change of Control Event:</b> | Upon a Change of Control Event occurring, as further described in Condition 10.4, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased (put option) at a price equal to 101.00 % of the Nominal Amount together with accrued but unpaid Interest.  |
| <b>Negative pledge:</b>  | The terms of the Bonds contain a negative pledge provision with respect to the Issuer and its subsidiaries as described in Condition 11.6.  |
| <b>Event of Default:</b>   | Following an Event of Default, any Bond may be declared immediately due and payable in accordance with Condition 15.1.  |
| <b>Cross-acceleration:</b>   | The terms of the Bonds contain a cross-acceleration provision relating to Financial Indebtedness as further described in Condition 15.1 paragraph (e).  |
| <b>Meetings of Bondholders and Modifications:</b>                                | <p>The terms of the Bonds contain provisions for calling meetings of the Bondholders to consider and decide on matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure.</p> <p>The Issuer and the Agent may also, subject to the provision of Conditions 20.1, make any amendments to the Bonds, which is not prejudicial to the interests of the Bondholders without the consent of the Bondholders. Any such modification shall be binding on the Bondholders.</p>   |
| <b>Conflicts of Interest:</b>  | Apart from as set out in Section 8.4 of this Prospectus, the Issuer is not aware of other interest or conflict of interest with any significance with regard to the issue of the Bonds.   |
| <b>Governing Law:</b>  | The Terms and Conditions of the Bonds shall be governed by and construed in accordance with the laws of Denmark.  |
| <b>Listing:</b>  | Application has been made to Nasdaq Copenhagen A/S for the Bonds issued under the Prospectus to be admitted to trading and official listing on Nasdaq Copenhagen A/S on the Issue Date.   |
| <b>Function of the Agent:</b>  | <p>By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.</p> <p>Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request.</p> |
| <b>Transferability:</b>  | The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.  |
| <b>Financial Indebtedness:</b>   | The Issuer shall not incur any Financial Indebtedness or maintain   |

or prolong any existing Financial Indebtedness, provided however that the Issuer has a right to incur, maintain and prolong Financial Indebtedness constituting Permitted Debt as described in Condition 11.3.

**Credit Rating:**

At the date of this Prospectus, no credit rating has been assigned to the Issuer by a credit rating agency and no separate credit rating has been prepared in respect of the Bonds.

## 15 GENERAL INFORMATION

This Prospectus is prepared for purposes of listing the Bonds only. Provided that the application to Nasdaq Copenhagen A/S for the Bonds to be listed on Nasdaq Copenhagen A/S is approved, the Bonds will be issued and admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S with effect from 20 March 2018.

The Issuer estimates that the total expenses related to the admission to trading and official listing on Nasdaq Copenhagen A/S shall not exceed DKK 600,000.

### **Requirements pursuant to the rules for issuers of bonds of Nasdaq Copenhagen A/S**

The Issuer will continuously comply with the most recent rule book for issuers of bonds as prepared by Nasdaq Copenhagen A/S and will at all times observe the Issuer's obligation to disclose all information which is required by the applicable securities legislation and the rule book for issuers of bonds as prepared by Nasdaq Copenhagen A/S.

## 16 STATUTORY AUDITORS

As of the date of this Prospectus, the Issuer's external independent auditors are:

KPMG P/S, Dampfærgevej 28, DK-2100 København, Denmark.

KPMG represented by state authorised public accountant Lau Bent Baun and state authorised public accountant Martin Eiler have audited and signed the consolidated financial statements of the Group and the financial statements of the Issuer for 2015 and 2016. The signing State Authorised Public Accountants in KPMG are members of "FSR – Danske Revisorer" (Association of State Authorised Public Accountants).

## 17 DEFINITIONS AND GLOSSARY

The following table sets forth definitions and glossary of terms used in this Prospectus. They are not intended as technical definitions, but are provided purely for assistance in understanding certain terms used in this Prospectus.

**Annual Reports**

Means the audited Annual Reports of the Issuer for 2015 and 2016 prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Union.

**Board of Directors**

Means the board of directors of the Issuer.

**Bondholders**

Means the holders of the Bonds.

**Bonds**

Means the up to EUR 25,000,000 EURIBOR (3 months) + 7.00 % Senior

|                             |   |
|-----------------------------|---|
|                             | Secured Callable Floating Rate Bonds 2017/2021 issued by the Issuer pursuant to the Terms and Conditions.   |
| <b>DKK</b>                  | The official currency of Denmark.   |
| <b>Existing Bondholders</b> | Means the holders of the Initial Bonds.   |
| <b>EUR</b>                  | The currency used by the institutions of the European Union and is the official currency of the Eurozone.   |
| <b>Group</b>                | See Issuer's Group.   |
| <b>IPP</b>                  | Independent power producer.   |
| <b>Issuer's Group</b>       | "Issuer's Group" or the "Group" have the same meaning as used in the consolidated financial statements comprising European Energy A/S (as parent company), and subsidiaries in which European Energy A/S, directly or indirectly, holds more than 50 % of the voting rights or which it, in some other way, controls. Companies in which the Issuer's Group holds between 20 % and 50 % of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates. |
| <b>Initial Bonds</b>        | Means the EUR 60,000,000 EURIBOR (3 months) + 7.00 % Senior Secured Callable Floating Rate Bonds 2017/2021 issued by the Issuer on 3 July 2017 pursuant to the Terms and Conditions.  |
| <b>LCOE</b>                 | A system's expected lifetime costs incl. construction, financing, fuel, maintenance, taxes, insurance and incentives, divided by the system's lifetime expected power output in kWh, adjusted for inflation and discounted for the time-value of money.   |
| <b>PPA</b>                  | Power purchase agreement.   |
| <b>Repowering</b>           | A term used for the decommissioning of older turbines and subsequent replacement with fewer, modern turbines with a higher capacity, total height and capacity resulting in a significantly higher power production.  |
| <b>Solar PV</b>             | Solar photovoltaic  |

## 18 DOCUMENTS INCORPORATED INTO THIS PROSPECTUS BY ATTACHMENT OR REFERENCE

### LIST OF DOCUMENTS INCORPORATED BY ATTACHMENT:

| ANNEX                      | CONTENT                          | REFERENCE |
|----------------------------|----------------------------------|-----------|
| <b>ANNEX A (5 pages):</b>  | LIST OF SUBSIDIARIES             | A-1       |
| <b>ANNEX B (37 pages):</b> | TERMS AND CONDITIONS             | B-1       |
| <b>ANNEX C (18 pages):</b> | INTERIM FINANCIAL REPORT 2017 Q1 | C-1       |
| <b>ANNEX D (19 pages):</b> | INTERIM FINANCIAL REPORT 2017 Q2 | D-1       |
| <b>ANNEX E (18 pages):</b> | INTERIM FINANCIAL REPORT 2017 Q3 | E-1       |
| <b>ANNEX F (19 pages):</b> | INTERIM FINANCIAL REPORT 2017 Q4 | F-1       |



## LIST OF DOCUMENTS INCORPORATED INTO THIS PROSPECTUS BY REFERENCE:

The additional information explicitly listed in the table below has been incorporated by reference in the Prospectus pursuant to section 22 of the Executive Order No. 1176 of 31 October 2017, as amended.

Direct and indirect references in the annual reports to other documents or websites are not incorporated by reference and do not form part of the Prospectus. The annual reports include information which is reliable only as of the date of their respective publications and have not been updated. To some extent the annual reports have been made superfluous by the information in this Prospectus. The Issuer's business, financial condition, cash flows and results of operations may have changed since the publication dates.

| Financial information                   | Cross-references in Prospectus | Date of publication on the website of the Danish FSA (Finanstilsynet.dk) |
|---|--------------------------------|--|
| European Energy A/S, Annual Report 2016 | Item 7 and 10                  | 01 May 2017  |
| European Energy A/S, Annual Report 2015 | Item 10                        | 01 May 2016  |

The financial information of the Issuer to which reference is made in this Prospectus is available at the Issuers website, [www.europeanenergy.dk](http://www.europeanenergy.dk).

Any information which is contained in the documents listed in the table above and which does not appear in the text paragraphs incorporated by reference in this Prospectus does not form part of this Prospectus.

## 19 ADDITIONAL INFORMATION

### LEGAL ADVISOR TO THE ISSUER:

DLA Piper Denmark Law Firm P/S, Rådhuspladsen 4, DK-1550 København V, Denmark



ANNEX A - LIST OF SUBSIDIARIES

| COMPANY NAME   | COUNTRY  | OWNERSHIP | GROUP OWNERSHIP |
|--|----------|-----------|-----------------|
| Björnåsen Vind AB  | Sweden   | 100%      | 100%            |
| Boa Hora Solar ApS   | Denmark  | 100%      | 100%            |
| Bond II Erste GmbH & Co. KG  | Germany  | 100%      | 100%            |
| Bond II Zweite GmbH & Co. KG   | Germany  | 100%      | 100%            |
| Driftsselskabet Heidelberg ApS   | Denmark  | 50%       | 50%             |
| EE Viertkamp ApS & Co. KG  | Germany  | 100%      | 50%             |
| FWE Windpark TIS K/S   | Denmark  | 100%      | 50%             |
| Netzanbindung Tewel OHG  | Germany  | 73%       | 36%             |
| FWE Windpark Wulfshagen K/S  | Denmark  | 100%      | 50%             |
| FWE Windpark Wittstedt K/S   | Denmark  | 100%      | 50%             |
| FWE Windpark 3 Standorte K/S   | Denmark  | 100%      | 50%             |
| e.n.o. Kabeltrasse GbR Grosstreben   | Germany  | 75%       | 37%             |
| MBBF Windpark Letschin GmbH & Co. I Betriebs KG  | Germany  | 100%      | 50%             |
| MBBF Windpark Letschin GmbH & Co. II Betriebs KG   | Germany  | 100%      | 50%             |
| MBBF Windpark Letschin GmbH & Co. III Betriebs KG  | Germany  | 100%      | 50%             |
| FWE Windpark Kranenburg K/S  | Denmark  | 100%      | 50%             |
| FWE Windpark Scheddebrock K/S  | Denmark  | 100%      | 50%             |
| FWE Windpark Westerberg K/S  | Denmark  | 100%      | 50%             |
| Umspannungswerk Westerberg GmbH & Co. OHG  | Germany  | 45%       | 22%             |
| Swapselskabet Heidelberg K/S   | Denmark  | 100%      | 50%             |
| Windpark Pritnitz GmbH & Co. KG  | Germany  | 100%      | 50%             |
| Windpark Pritnitz Verwaltungsgesellschaft mbH  | Germany  | 100%      | 50%             |
| Infrastrukturgesellschaft Windfeld 19/24 GmbH & Co. KG   | Germany  | 43%       | 21%             |
| Infrastrukturgesellschaft Windfeld 19/24 Verwaltungs GmbH  | Germany  | 43%       | 21%             |
| EEA Renewables A/S   | Denmark  | 50%       | 50%             |
| EEAR Olleria II ApS  | Denmark  | 90%       | 45%             |
| ESF Spanien 0427 S.L.U.  | Spain    | 100%      | 45%             |
| Komplementarselskabet EEAR ApS   | Denmark  | 100%      | 50%             |
| Vindpark Straldja ApS  | Denmark  | 50%       | 25%             |
| ASPI Energy EOOD   | Bulgaria | 50%       | 13%             |
| European Energy Italy Holding S.r.l.   | Italy    | 100%      | 50%             |
| Elios 102 Srl  | Italy    | 100%      | 50%             |
| Parco Fotovoltaico Fauglia Srl   | Italy    | 100%      | 50%             |
| EEA Stormy ApS   | Denmark  | 50%       | 50%             |
| GWE Holding af 14. november 2011 ApS (also owned by GWE Stormy ApS with 50%)   | Denmark  | 50%       | 25%             |
| WP Vormark WEA 1 GmbH & Co. KG   | Germany  | 50%       | 16%             |
| WP Vormark WEA 2 GmbH & Co. KG   | Germany  | 100%      | 32%             |
| WP Vormark GbR (owned by WP Vormark WEA 1 GmbH & Co. KG and WP Vormark WEA 2 GmbH & Co. KG with 33,33% each  | Germany  | 67%       | 16%             |
| WP Vormark UW GmbH & Co. KG (owned by WP Vormark WEA 1 GmbH & Co. KG with 13,8%, WP Vormark WEA 2 GmbH & Co. KG with 13,8% and GWE Holding af 14. november 2011 ApS with 1,7%) | Germany  | 29%       | 7%              |
| WP Vormark Generalunternehmer GmbH & Co. KG  | Germany  | 50%       | 16%             |
| GW Energi A/S  | Denmark  | 100%      | 32%             |
| GWE Verwaltungs GmbH   | Germany  | 100%      | 32%             |
| Windpark Emskirchen GmbH & Co. KG  | Germany  | 100%      | 32%             |
| Windpark Prignitz GmbH & Co. KG  | Germany  | 100%      | 32%             |
| K/S Losheim  | Denmark  | 100%      | 32%             |
| Windpark Losheim Nr. 30 ApS & Co. KG (owned by K/S Losheim with 100%)  | Germany  | 100%      | 32%             |
| Komplementarselskabet Losheim ApS  | Denmark  | 100%      | 32%             |
| WHP Windpark Hurrel/Plietenberg GmbH & Co. KG  | Germany  | 100%      | 32%             |
| WP Vormark GmbH  | Germany  | 100%      | 32%             |
| EEA SWEPOL A/S   | Denmark  | 50%       | 50%             |
| European Wind Farms Polen ApS  | Denmark  | 100%      | 50%             |
| European Wind Farms Polska Sp.z o.o.   | Poland   | 100%      | 50%             |
| European Wind Farms Polska Sp.z o.o.   | Poland   | 99%       | 50%             |
| Bialogard Sp.k.  | Poland   | 99%       | 50%             |
| European Wind Farms Polska Sp.z o.o.   | Poland   | 99%       | 50%             |
| Grzmiaca Sp.k.   | Poland   | 99%       | 50%             |
| European Wind Farms Polska Sp.z.o.o. Rabino Sp.k   | Poland   | 50%       | 25%             |
| Wind Pro Energy Sp. z o.o.   | Sweden   | 100%      | 50%             |
| European Wind Farms Sverige AB   | Germany  | 50%       | 50%             |
| EEA Verwaltungs GmbH   | Germany  | 100%      | 100%            |
| EE Construction Germany GmbH & Co. KG  | Finland  | 100%      | 100%            |
| EE Finland Oy  | Finland  | 50%       | 50%             |
| Greenwatt Ahvenneva Oy Ab  | Finland  | 50%       | 50%             |
| Greenwatt Honkakangas Oy Ab  | Finland  | 50%       | 50%             |
| Greenwatt Koiramäki Oy Ab  | Finland  | 50%       | 50%             |
| Greenwatt Mustalamminmäk Oy Ab   | Denmark  | 50%       | 50%             |
| EEGW Persano ApS   | Denmark  | 100%      | 100%            |
| EE PV 2 ApS  |          |           |                 |

| COMPANY NAME   |  | COUNTRY | OWNERSHIP | GROUP OWNERSHIP |
|--|--|---------|-----------|-----------------|
| EE PV Denmark Holding GmbH   |  | Germany | 100%      | 100%            |
| EE PV 1 ApS  |  | Denmark | 100%      | 100%            |
| EE PV Denmark 1 K/S  |  | Denmark | 100%      | 100%            |
| EE PV Denmark 2 K/S  |  | Denmark | 100%      | 100%            |
| EE PV Denmark 3 K/S  |  | Denmark | 100%      | 100%            |
| EE PV Denmark 4 K/S  |  | Denmark | 100%      | 100%            |
| EE PV Denmark 5 K/S  |  | Denmark | 100%      | 100%            |
| Komplementarselskabet EE PV Denmark ApS                                      |  | Denmark | 100%      | 100%            |
| Solar Park Pelsdyrparken K/S   |  | Denmark | 100%      | 100%            |
| Solar Park Stubbekøbing K/S  |  | Denmark | 100%      | 100%            |
| Solar Park Øster Toreby K/S  |  | Denmark | 100%      | 100%            |
| EE Schönelinde ApS & Co. KG  |  | Germany | 100%      | 100%            |
| EE Sieben Drei GmbH & Co. KG   |  | Germany | 50%       | 50%             |
| Vento Erste Windparkbeteiligungsgesellschaft mbH & Co. KG                    |  | Germany | 67%       | 33%             |
| EE Sieben Fünf GmbH & Co. KG   |  | Germany | 100%      | 100%            |
| EE Sieben Null GmbH & Co. KG   |  | Germany | 50%       | 50%             |
| UW Schäcksdorf GmbH & Co. KG   |  | Germany | 13%       | 6%              |
| EE Sieben Zwei GmbH & Co. KG   |  | Germany | 50%       | 50%             |
| Vento Erste Windparkbeteiligungsgesellschaft mbH & Co. KG                    |  | Germany | 67%       | 33%             |
| EE Verwaltung ApS  |  | Denmark | 100%      | 100%            |
| Ejendomselskabet Kappel ApS  |  | Denmark | 67%       | 67%             |
| Enerteq ApS  |  | Denmark | 56%       | 56%             |
| Parco Eolico Carpinaccio Srl   |  | Italy   | 27%       | 15%             |
| European Energy Bond Buy Back ApS  |  | Denmark | 100%      | 100%            |
| European Energy Giga Storage A/S   |  | Denmark | 100%      | 100%            |
| European Energy Offshore A/S   |  | Denmark | 72%       | 72%             |
| Jammerland Bay Nearshore A/S   |  | Denmark | 50%       | 36%             |
| Omø South Nearshore A/S  |  | Denmark | 50%       | 36%             |
| European Energy Offshore Wind A/S  |  | Denmark | 100%      | 100%            |
| EE Kriegers Flak ApS under frivillig solvent likvidation                     |  | Denmark | 100%      | 100%            |
| European Energy Offshore Consortium P/S under frivillig solvent likvidation  |  | Denmark | 50%       | 50%             |
| Komplementar EEOC ApS under frivillig solvent likvidation                    |  | Denmark | 50%       | 50%             |
| EE Nearshore ApS under frivillig solvent likvidation                         |  | Denmark | 100%      | 100%            |
| European Energy Nearshore Consortium P/S under frivillig solvent likvidation |  | Denmark | 50%       | 50%             |
| Komplementar EENC ApS under frivillig solvent likvidation                    |  | Denmark | 50%       | 50%             |
| European Energy Systems II ApS   |  | Denmark | 100%      | 100%            |
| EWf Eins Sieben GmbH & Co. KG  |  | Germany | 50%       | 50%             |
| UW Eichow GmbH & Co. KG  |  | Germany | 17%       | 8%              |
| Windpark Unseburg Nord GmbH & Co. KG   |  | Germany | 20%       | 20%             |
| European Solar Farms A/S   |  | Denmark | 80%       | 80%             |
| European Solar Farms Development ApS   |  | Denmark | 100%      | 80%             |
| European Solar Farms Greece ApS  |  | Denmark | 100%      | 80%             |
| Doras Production EPE   |  | Greece  | 97%       | 78%             |
| Iridanos Production EPE  |  | Greece  | 97%       | 78%             |
| Kipheus Production EPE   |  | Greece  | 97%       | 78%             |
| European Solar Farms Italy ApS   |  | Denmark | 100%      | 80%             |
| Sol-Teq Srl  |  | Italy   | 90%       | 72%             |
| European Solar Farms Spain ApS   |  | Denmark | 100%      | 80%             |
| SF Ibiza ApS   |  | Denmark | 100%      | 80%             |
| ESF Spanien 0428 S.L.U.  |  | Spain   | 100%      | 80%             |
| SF La Pobla ApS  |  | Denmark | 100%      | 80%             |
| ESF Spanien 0423 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 01 GmbH  |  | Germany | 100%      | 80%             |
| ESF Spanien l'Olleria I, C.B.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 01 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0101 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0102 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0103 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0104 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0105 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0106 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0107 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0108 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0109 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0110 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0111 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0112 S.L.U.  |  | Spain   | 100%      | 80%             |
| ESF Spanien 0113 S.L.U.  |  | Spain   | 100%      | 80%             |

| COMPANY NAME |  | COUNTRY | OWNERSHIP | GROUP OWNERSHIP |
|--------------|--|---------|-----------|-----------------|
|              | ESF Spanien 0114 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0115 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 02 S.L.U.                        | Spain   | 100%      | 80%             |
|              | ESF Spanien 0201 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0202 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0203 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0204 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0205 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0206 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0207 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0208 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 03 S.L.U.                        | Spain   | 100%      | 80%             |
|              | ESF Spanien 0301 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0302 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0303 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0304 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0305 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0306 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0307 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0308 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0309 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0310 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0311 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 04 S.L.U.                        | Spain   | 100%      | 80%             |
|              | ESF Spanien 0401 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0402 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0403 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0404 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0405 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0406 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0407 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0408 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0409 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0410 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0411 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0412 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0413 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0414 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0415 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0416 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0417 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0418 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0419 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0420 S.L.U.                      | Spain   | 100%      | 80%             |
|              | ESF Spanien 0424 GmbH                        | Germany | 21%       | 17%             |
|              | ESF Spanien 0424 S.L.U.                      | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 29, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 30, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 31, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 32, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 33, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 34, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 35, S.L.U.   | Spain   | 100%      | 17%             |
|              | HERRERA SOLAR FOTOVOLTAICA NUM. 38, S.L.U.   | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CINCUENTA , S.L.U.         | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CINCUENTA Y CUATRO, S.L.U. | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CINCUENTA Y DOS, S.L.U.    | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CINCUENTA Y TRES, S.L.U.   | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CINCUENTA Y UNO,S.L.U.     | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y CINCO, S.L.U.   | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y CUATRO, S.L.U.  | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y NUEVE, S.L.U.   | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y OCHO, S.L.U.    | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y SEIS, S.L.U.    | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y SIETE, S.L.U.   | Spain   | 100%      | 17%             |
|              | SUN INVEST IBERIA CUARENTA Y TRES, S.L.U.    | Spain   | 100%      | 17%             |
|              | ESF Spanien 05 S.L.U.                        | Spain   | 100%      | 80%             |
|              | ESF Spanien 09 GmbH                          | Germany | 100%      | 80%             |



| COMPANY NAME |   | COUNTRY        | OWNERSHIP | GROUP OWNERSHIP |
|--------------|---|----------------|-----------|-----------------|
|              | ESF Spanien 0901 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0902 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0903 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0904 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0905 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0906 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0907 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0908 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0909 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0910 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0911 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0912 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0913 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0914 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0915 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0916 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0917 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0918 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0919 S.L.U.                     | Spain          | 100%      | 80%             |
|              | ESF Spanien 0920 S.L.U.                     | Spain          | 100%      | 80%             |
|              | REESE SOLAR S.L.U                           | Spain          | 100%      | 80%             |
|              | SOLAR POWER 7 ISLAS S.L.U.                  | Spain          | 100%      | 80%             |
|              | Lidegaard ApS                               | Denmark        | 100%      | 80%             |
|              | European Energy Photovoltaics Limited       | United Kingdom | 100%      | 80%             |
|              | ESF Rooftop Ltd                             | United Kingdom | 100%      | 80%             |
|              | Komplementarselskabet Sol IVS               | Denmark        | 100%      | 80%             |
|              | European Wind Farms A/S                     | Denmark        | 72%       | 72%             |
|              | Enerteq ApS                                 | Denmark        | 44%       | 32%             |
|              | Parco Eolico Carpinaccio Srl                | Italy          | 26%       | 12%             |
|              | Parco Eolico Riparbella Srl                 | Italy          | 11%       | 5%              |
|              | European Wind Farms Bulgaria ApS            | Denmark        | 100%      | 72%             |
|              | European Wind Farms Greece ApS              | Denmark        | 100%      | 72%             |
|              | European Wind Farms Energy Hellas EPE       | Greece         | 97%       | 69%             |
|              | European Wind Farms Italy ApS               | Denmark        | 100%      | 72%             |
|              | REEWF Srl.                                  | Italy          | 90%       | 64%             |
|              | European Wind Farms Southeast Europe ApS    | Denmark        | 100%      | 72%             |
|              | European Wind Farms d.o.o.                  | Croatia        | 70%       | 50%             |
|              | European Wind Farms Komp GmbH               | Germany        | 100%      | 72%             |
|              | EWf Fünf Fünf GmbH & Co. KG                 | Germany        | 10%       | 7%              |
|              | Windpark Wittstock-Papenbruch GbR           | Germany        | 33%       | 2%              |
|              | Windcom Sp.z o.o                            | Poland         | 80%       | 57%             |
|              | Windkraft Gommern GmbH & Co. KG             | Germany        | 27%       | 20%             |
|              | Windkraft Ottenhausen GmbH & Co. KG         | Germany        | 25%       | 18%             |
|              | European Wind Farms Denmark A/S             | Denmark        | 100%      | 100%            |
|              | Horskær Wind Park ApS                       | Denmark        | 67%       | 67%             |
|              | Trædeskov Bøge Wind Park ApS                | Denmark        | 67%       | 67%             |
|              | Måde Wind Park ApS                          | Denmark        | 47%       | 47%             |
|              | Komplementarselskabet Vindcenter Måde ApS   | Denmark        | 100%      | 47%             |
|              | Vindcenter Måde K/S                         | Denmark        | 100%      | 47%             |
|              | Nøjsomheds Odde Wind Park ApS               | Denmark        | 34%       | 34%             |
|              | European Wind Farms Deutschland mbH         | Germany        | 100%      | 100%            |
|              | European Wind Farms Invest No. 2 A/S        | Denmark        | 6%        | 6%              |
|              | Windkraft Gommern GmbH & Co. KG             | Germany        | 17%       | 1%              |
|              | Windkraft Ottenhausen GmbH & Co. KG         | Germany        | 17%       | 1%              |
|              | European Wind Farms Kåre 1 AB               | Sweden         | 100%      | 100%            |
|              | European Wind Farms No.2 A/S                | Denmark        | 100%      | 100%            |
|              | European Wind Farms Verwaltungsgesellschaft | Germany        | 100%      | 100%            |
|              | EWf Fünf Eins GmbH & Co. KG                 | Germany        | 25%       | 25%             |
|              | EWf Fünf Vier GmbH & Co. KG                 | Germany        | 50%       | 50%             |
|              | Windpark Wittstock-Papenbruch GbR           | Germany        | 33%       | 17%             |
|              | EWf Vier Sechs GmbH & Co. KG                | Germany        | 100%      | 100%            |
|              | GWE Contractors K/S                         | Denmark        | 50%       | 50%             |
|              | GWE Stormy ApS                              | Denmark        | 14%       | 14%             |
|              | GWE Holding af 14. november 2011 ApS        | Denmark        | 50%       | 7%              |
|              | Holmen II Holding ApS                       | Denmark        | 67%       | 67%             |
|              | Holmen II Wind Park ApS                     | Denmark        | 100%      | 67%             |
|              | Holmen II Vindkraft I/S                     | Denmark        | 57%       | 38%             |
|              | Kappel Vind IVS                             | Denmark        | 100%      | 100%            |

| COMPANY NAME   | COUNTRY  | OWNERSHIP | GROUP OWNERSHIP |
|--|----------|-----------|-----------------|
| K/S Solkraftværket GPI Mando 29                          | Denmark  | 80%       | 80%             |
| Komplementarselskabet GWE Contractors ApS                | Denmark  | 50%       | 50%             |
| Komplementarselskabet Heidelberg ApS                     | Denmark  | 50%       | 50%             |
| Komplementarselskabet Rødby Fjord WTG 3 ApS              | Denmark  | 100%      | 100%            |
| Komplementarselskabet Solkraftværket GPI Mando           | Denmark  | 80%       | 80%             |
| Mexico Partnership P/S                                   | Denmark  | 50%       | 50%             |
| Mexico Ventures ApS                                      | Denmark  | 50%       | 50%             |
| Nordic Power Partners P/S                                | Denmark  | 51%       | 51%             |
| NPP Maldives Private Limited                             | Maldives | 99%       | 50%             |
| Energy 3 d.o.o. Mostar                                   | Bosnia   | 50%       | 26%             |
| NPP Brazil I K/S   | Denmark  | 51%       | 51%             |
| Coremas I Geração de Energia SPE LTDA                    | Brazil   | 35%       | 18%             |
| Coremas II Geração de Energia SPE LTDA                   | Brazil   | 35%       | 18%             |
| Coremas III Geração de Energia SPE LTDA                  | Brazil   | 35%       | 18%             |
| NPP Brazil II K/S  | Denmark  | 51%       | 51%             |
| Coremas I Geração de Energia SPE LTDA                    | Brazil   | 35%       | 18%             |
| Coremas II Geração de Energia SPE LTDA                   | Brazil   | 35%       | 18%             |
| Coremas III Geração de Energia SPE LTDA                  | Brazil   | 35%       | 18%             |
| NPP Komplementar ApS                                     | Denmark  | 51%       | 51%             |
| NPP Maldives Private Limited                             | Maldives | 1%        | 1%              |
| Omnia Vind ApS   | Denmark  | 67%       | 67%             |
| Rødby Fjord Vindkraft Mølle 3 I/S                        | Denmark  | 51%       | 34%             |
| Renewables Insight ApS (former European Energy           | Denmark  | 100%      | 100%            |
| Solarpark Vandel GmbH                                    | Germany  | 43%       | 43%             |
| Solarpark Vandel Services ApS                            | Denmark  | 50%       | 50%             |
| Svindbæk Holding ApS                                     | Denmark  | 67%       | 67%             |
| K/S Svindbæk Vindkraft                                   | Denmark  | 100%      | 67%             |
| Svindbæk Komplementar ApS                                | Denmark  | 100%      | 67%             |
| TEN Verwaltungsgesellschaft mbH                          | Germany  | 15%       | 15%             |
| UW Gilmerdingen GmbH & Co. KG                            | Germany  | 40%       | 40%             |
| UW Lohkamp GmbH & co. KG                                 | Germany  | 40%       | 40%             |
| Vergil ApS & Co. KG                                      | Germany  | 50%       | 50%             |
| Vindkraft i Fimmerstad AB                                | Sweden   | 100%      | 100%            |
| Vindkraft i Grevekulla AB                                | Sweden   | 100%      | 100%            |
| Vores Sol Ejendomsselskab IVS                            | Denmark  | 100%      | 100%            |
| Västanby Vindbruksgrupp i Fjelle Aktiebolag              | Sweden   | 40%       | 40%             |
| Västanby Vindbruksgrupp i Fjelle 2 Aktiebolag            | Sweden   | 100%      | 100%            |
| Västanby Vindbruksgrupp i Fjelle 1 Aktiebolag            | Sweden   | 100%      | 100%            |
| Wind Energy EOOD   | Bulgaria | 49%       | 49%             |
| Windpark Bosco GmbH                                      | Germany  | 100%      | 100%            |
| Lucania Wind Energy S.r.l.                               | Italy    | 100%      | 100%            |
| Windpark Hellberge GmbH & Co. KG                         | Germany  | 50%       | 50%             |
| Einspeisegemeinschaft Klein Mutz-Timpberg GmbH &Co. OHG  | Germany  | 10%       | 5%              |
| Wind Power 2 OOD   | Bulgaria | 49%       | 49%             |
| Wind Stream OOD  | Bulgaria | 49%       | 49%             |
| Wind Systems OOD   | Bulgaria | 49%       | 49%             |
| Windkraft Ottenhausen GmbH & Co. KG                      | Germany  | 8%        | 8%              |
| Windpark Tornitz GmbH & Co. KG                           | Germany  | 100%      | 100%            |
| Windpark Wriezener Höhe GmbH & Co. KG                    | Germany  | 15%       | 15%             |
| Green Wind Energy GmbH & Co. Umspannwerk Altlandsberg KG | Germany  | 56%       | 8%              |
| Windpark Mildenberg GbR                                  | Germany  | 58%       | 9%              |
| WP Vier Berge GmbH & Co. KG                              | Germany  | 100%      | 100%            |

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**EXECUTION VERSION**

**AMENDED AND RESTATED  
TERMS AND CONDITIONS FOR  
EUROPEAN ENERGY A/S  
UP TO EUR 85,000,000  
SENIOR SECURED CALLABLE FLOATING RATE  
BONDS 2017/2021**

**ISIN: DK0030401278**

First Issue Date: 3 July 2017

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*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. Other restrictions may apply and each investor must ensure compliance with local laws and regulations applicable at their own cost and expense.*

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**AMENDED AND RESTATED  
TERMS AND CONDITIONS FOR  
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UP TO EUR 85,000,000  
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2017/2021  
ISIN: DK0030401278**

**1. DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

In these amended and restated terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Capital Markets Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the generally accepted local accounting principles, standards and practices in Denmark, including IFRS.

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than 120 calendar days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person. For the purpose of this definition, “**control**” when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agent**” means the agent under these Terms and Conditions from time to time; initially Nordic Trustee A/S (Danish business registration no. CVR 34 70 57 20), Bredgade 30, DK-1260 Copenhagen C, Denmark, or any successor Agent, acting for and on behalf of the Bondholders in accordance with these Terms and Conditions or any other Finance Document.

“**Agent Agreement**” means the fee agreement entered into on or about the First Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the First Issue Date between the Issuer and an Agent.

“**Applicable Premium**” means the higher of

- (a) 1.00 per cent. of the Nominal Amount; and
- (b) an amount equal to
  - (i) 104.00 per cent. of the Nominal Amount; plus
  - (ii) all remaining scheduled interest payments on the Bonds until the First Call Date (but excluding accrued but unpaid interest up to the relevant



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redemption date) discounted (for the time period starting from the date the relevant Bonds are redeemed to the First Call Date) using a discount rate equal to a German Government Bond Rate plus 0.50 per cent.; minus

(iii) the Nominal Amount.

**“Bondholder”** means the person who is registered on a Securities Account in the CSD as directly registered owner or nominee holder of a Bond.

**“Bondholders’ Meeting”** means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders’ Meeting*).

**“Business Day”** means any Target Day on which (i) banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen, and (ii) VP and the Danish Central Bank’s settlement system is open for the relevant currency as defined in these Terms and Conditions.

**“Business Day Convention”** means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

**“Bond”** means a debt instrument (Da: *obligation*) for the Nominal Amount and of the type covered by Chapter 4 of the Capital Markets Act (cf. Chapter 1(3) of the Capital Markets Act), and which are governed by and issued under these Terms and Conditions, including, for the avoidance of doubt, the Initial Bonds and the Subsequent Bonds.

**“Bond Issue”** means the First Bond Issue and/or the Subsequent Bond Issue, as the context requires.

**“Call Option Amount”** means:

- (a) 104.00 per cent. of the Nominal Amount if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling 30 months after the First Issue Date;
- (b) 103.00 per cent. of the Nominal Amount if the Call Option is exercised on the date falling 30 months after the First Issue Date up to (but not including) the date falling 36 months after the First Issue Date;
- (c) 102.00 per cent. of the Nominal Amount if the Call Option is exercised on the date falling 36 months after the First Issue Date up to (but not including) the date falling 42 months after the First Issue Date;
- (d) 101.00 per cent. of the Nominal Amount if the Call Option is exercised on the date falling 42 months after the First Issue Date up to (but not including) the Final Maturity Date.

**“Capital Markets Act”** means the Danish consolidated act on capital markets (Act no. 12 of 8 January 2018), as amended from time to time.

**“Cash”** means, at any time, cash in hand held by the Issuer or at a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including any cash subject to a pledge or similar arrangement or any amount standing on client accounts).

**“Change of Control Event”** means the occurrence of an event or series of events whereby one or more persons, not being a direct or indirect majority shareholder in the Issuer as of the First Issue Date, acting together, acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the voting

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shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**“Compliance Certificate”** means a certificate signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and,

- (a) if the Compliance Certificate is provided in connection with a Financial Report being made available, the Compliance Certificate shall include relevant calculations and figures in respect of the Financial Covenants; and
- (b) if the Compliance Certificate is provided in connection with the incurrence of any Financial Indebtedness, the Compliance Certificate shall include relevant calculations and figures in respect of the Incurrence Test.

**“Conditions Precedent for Disbursement”** means all actions and documents set forth in Clause 12 (*Conditions Precedent for Disbursement of the Net Proceeds*).

**“Construction Principal”** means each of the contractors appointed by or partnered with the Issuer or a Subsidiary for the purposes of constructing a project.

**“CSD”** means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time, initially VP SECURITIES A/S (Danish business registration no. CVR 21 59 93 36), Weidekampsgade 14, DK-2300 Copenhagen, Denmark).

**“DKK”** means the official currency of Denmark.

**“Equity”** means the aggregate book value of the Group’s total equity in accordance with the Accounting Principles.

**“EURIBOR”** means:

- (a) the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) displayed on Reuters screen EURIBOR01 (or any replacement Thomson Reuters page which displays that rate) (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson) as of or around 11.00 a.m. (Copenhagen time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted by Nordea Bank AB (publ), Svenska Handelsbanken AB (publ) and Skandinaviska Enskilda Banken AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer), for deposits of EUR 10,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Euro offered for the relevant period; and

if any such rate is below zero, EURIBOR will be deemed to be zero.

**“Euro”** and **“EUR”** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

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**“Exchange”** means

- (a) Nasdaq Copenhagen; or
- (b) any Regulated Market.

**“Existing Bond Debt”** means all amounts outstanding under the maximum EUR 60,000,000 Senior Unsecured Callable Floating Rate Bonds 2014/2018 issued by the Issuer on 3 March 2014 (ISIN SE0005677796).

**“Executive Order”** means the Danish Financial Supervisory Authority's (Da: *Finanstilsynet*) Executive Order (Da: *bekendtgørelse*) no. 819 of 26 June 2013 on Book-Entry etc. of Investment Securities with a CSD as amended from time to time.

**“Existing Shareholder Loans”** means the:

- (a) DKK 5,234,057.93 subordinated loan provided under a loan agreement dated 21 February 2014 between the Issuer (as borrower) and Knud-Erik Andersen (as lender); and
- (b) DKK 291,551.91 subordinated loan provided under a loan agreement dated 21 February 2014 between the Issuer (as borrower) and Jens-Peter Zink (as lender).

**“Event of Default”** means an event or circumstance specified in Clause 15.1.

**“Final Maturity Date”** means 25 May 2021.

**“Finance Documents”** means these Terms and Conditions, the Agent Agreement, any Transaction Security Document and any other document designated by the Issuer and the Agent as a Finance Document

**“Financial Covenants”** means the financial covenants specified in Clause 11.18 (*Financial Covenants*).

**“Financial Indebtedness”** means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the accounting principles applicable on the First Issue Date are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

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- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(g).

**“Financial Report”** means the annual audited consolidated financial statements of the Group (excluding, for the avoidance of doubt, any Associated Entities), the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group (excluding, for the avoidance of doubt, any Associated Entities).

**“First Bond Issue”** means the issuance of the Initial Bonds on the First Issue Date.

**“First Call Date”** means the date falling 24 months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“First Issue Date”** means 3 July 2017.

**“Force Majeure Event”** has the meaning set forth in Clause 26.1.

**“German Government Bond Rate”** means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Ge: *Bund or Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant redemption date to (but excluding) the First Call Date, provided, however that if the period from the relevant redemption date to (but excluding) the First Call Date is not equal to the constant maturity of the direct obligations of the Federal Republic of Germany for which a weekly average yield is given, the German Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to (but excluding) the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

**“Group”** means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).

**“IFRS”** means the international financial reporting standards issued by the International Accounting Standards Board.

**“Incurrence Test”** means the incurrence test to be made pursuant to Clause 11.19 (*Incurrence Test*).

**“Initial Bonds”** means the EUR 60,000,000 senior secured callable floating rate bonds 2017/2021 issued by the Issuer on the First Issue Date and subject to these Terms and Conditions.

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.3.

**“Interest Payment Date”** means 31 March, 30 June, 30 September and 31 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 30 September 2017 and the last Interest Payment Date being the Final Maturity Date).

**“Interest Period”** means each period beginning on (and including) the First Issue Date or any Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).

**“Interest Rate”** means a floating rate of EURIBOR (three (3) months) + 7.00 per cent.

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“**IPO**” means a listing of all or any part of the share capital of the Issuer on any recognised investment exchange or any other exchange or market in any country or any other sale or issue of any part of the share capital of the Issuer by way of flotation or public offering.

“**Issuer**” means European Energy A/S (Danish business registration no. CVR 18 35 13 31), Gyngemose Parkvej 50, 2860, Søborg, Denmark).

“**Issuing Agent**” means Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige, (Danish business registration no. CVR 25 99 21 80), Grønjordsvej 10, DK-2300 Copenhagen S, Denmark, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Joint Lead Managers**”

- (a) Carnegie Investment Bank AB (publ), Business Registration Number 516406-0138, Regeringsgatan 56, Stockholm, SE-AB 10338, Sweden, and
- (b) Nordea Bank AB (publ), Sverige, Business Registration Number 516406-0120, Smålandsgatan 17, Stockholm, SE-AB 105 71, Sweden,

and “**Joint Lead Manager**” means each of them.

“**Listing Failure Event**” means that:

- (a) the Initial Bonds have not been admitted to listing on an Exchange within six months following the First Issue Date, or
- (b) in the case of a successful admission to listing, that a period of three months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Copenhagen or any other Regulated Market or multilateral trading facility.

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability to perform and comply with its payment undertakings under the Finance Documents and with the undertakings set out in Clause 11 (*Special undertakings*), or (iii) the validity or enforceability of any of the Finance Documents.

“**Nasdaq Copenhagen**” means the international marketplace for Danish securities operated by Nasdaq Copenhagen A/S, (Danish business registration no. CVR 19 04 26 77) Nikolaj Plads 6, 1067 Copenhagen K, Denmark.

“**Net Proceeds**” means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

“**Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Payment In Kind Investment**” means an arrangement in writing on arm’s length terms between the Issuer and a shareholder whereby such shareholder’s equity investment in a Subsidiary is agreed to be by way of contributing (i) assets, including project rights, (ii) free of charge work force and engagement or (iii) any other similar value increase investments instead of by way of contributing cash.

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**“Permitted Debt”** means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) incurred by a Subsidiary under any construction facility entered into in connection with the construction of any new renewable energy project in the ordinary course of the Group’s business;
- (c) incurred by a Subsidiary under any refinancing of: (i) an existing long term project financing; or (ii) any Financial Indebtedness permitted pursuant to paragraph (a) of this definition of “Permitted Debt”;
- (d) related to any agreements under which the Issuer leases office space provided that such Financial Indebtedness is incurred in the ordinary course of the Issuer’s business;
- (e) arising under a derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not a derivative transaction for investment or speculative purposes;
- (f) incurred in the ordinary course of business under Advance Purchase Agreements;
- (g) incurred under an existing intra-group loan in the amount of EUR 1,000,000 provided by Bond II Erste GmbH & Co. KG to the Issuer;
- (h) incurred under an existing intra-group loan in the amount of EUR 680,000 provided by Bond II Zweite GmbH & Co. KG to the Issuer;
- (i) taken up from a Group Company;
- (j) any Financial Indebtedness not permitted by paragraphs (a) to (i) above, provided that the aggregate amount of such indebtedness, does not exceed EUR 2,000,000; or
- (k) incurred by a Subsidiary and not permitted by paragraphs (a) to (i) above, provided that Incurrence Test is met.

**“Permitted Security”** means any guarantee or security:

- (a) provided by the Issuer for the purposes of guaranteeing or securing a Subsidiary’s obligations owed to a third party under a construction facility entered into in connection with the construction of any renewable energy project, under which guarantee the Issuer shall on demand and as if the Issuer was the principal obligor pay any amount due to the third party whenever the Subsidiary entity does not under the construction facility punctually pay any amount due thereunder to the third party, provided, however, that (i) the arrangement is in the ordinary course of the Group’s business (ii) such guarantee from the Issuer is only valid until the renewable energy project has been completed and the later of: (a) the project has been in operation for a full year, or (b) there are no ongoing appeals regarding legal (including building) permits in relation to such renewable energy projects, and (iii) an agreement on customary market conditions (including customary limitation of liability) has been entered into with the Construction Principal pursuant to which the Construction Principal undertakes to indemnify the Issuer and/or the relevant Subsidiary should any loss during the construction phase occur due to a fault which the Construction Principal is liable for;
- (b) provided by the Issuer for the purpose of guaranteeing or securing a Subsidiary’s obligations under its Financial Indebtedness but which shall not in aggregate exceed EUR 4,000,000 during the term of the Bonds;



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- (c) provided by the Issuer for the purpose of guaranteeing (a "Parent Company Guarantee") a Subsidiary's obligations under an agreement with a supplier in connection with a construction;
  - (d) provided by the Issuer prior to the First Issue Date for the purpose of guaranteeing or securing expectations relating to debt service coverage ratios to be met by certain Subsidiaries whereby the Issuer's obligation under such guarantee consists of having to contribute capital to such Subsidiary in accordance with a specific instalment schedule that becomes applicable if the Subsidiary fails to meet the expected ratios within a set time period;
  - (e) arising by operation of law or in the ordinary course of business (including set-off under standard terms for bank accounts or collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
  - (f) provided by a Subsidiary (the "Subsidiary Guarantor") for the purpose of guaranteeing or securing the obligations of another Subsidiary (the "Subsidiary Borrower" and together with the Subsidiary Guarantor and any indirect or direct Subsidiaries of each of the Subsidiary Guarantor and the Subsidiary Borrower a "Subsidiary Group") under a loan agreement (or any refinancing thereof) entered into with an external finance provider for the purpose of financing the renewable energy project(s) of the Subsidiary Group and provided such guarantee is part of a shared financial arrangement for the Subsidiary Group;
  - (g) provided by a Subsidiary for the purpose of securing its own obligations under any Financial Indebtedness; or
  - (h) provided by a Group Company for the purpose of securing its Subsidiary's obligations under any Financial Indebtedness which constitutes Permitted Debt provided that such security can only be by way of (i) a share pledge over shares in the Subsidiary being the borrower under the Financial Indebtedness or (ii) assignment and/or subordination of any shareholder loans provided by the Group Company to the Subsidiary being the borrower under the Financial Indebtedness.

**"Put Option Event"** means a Change of Control Event and/or a Listing Failure Event.

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**"Record Date"** means the relevant date according to the applicable regulations of the CSD with respect to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of proceeds*), or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Danish bond market.

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

**"Representative Register Order"** means the Danish Financial Supervisory Authority Executive Order no. 771 of 26 June 2014 (as amended from time to time) on the register of representatives in connection with issues of bonds.

**"Regulated Market"** means any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

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**“Secured Obligations”** means all present and future obligations and liabilities of the Issuer under the Finance Documents.

**“Secured Parties”** means:

- (i) the Issuing Agent,
- (ii) the Agent on behalf of itself and the Bondholders; and
- (iii) the Bondholders.

**“Securities Account”** means the account for dematerialised securities (Da: *værdipapirdepot*) maintained by the CSD pursuant to the Capital Markets Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

**“Security”** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**“Share Pledge Agreements”** means the first priority share pledge agreements dated 30 June 2017 between European Energy Holding ApS, MDP Invest ApS and JPZ Assistance ApS as pledgors and the Agent as pledgee relating to all outstanding and any future shares of the Issuer, as amended from time to time.

**“Subsequent Bond Issue”** means the issuance of Subsequent Bonds by the Issuer pursuant to Clause 2.2.

**“Subsidiary”** means, in relation to any person, any legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, (d) exercises control as determined in accordance with the Accounting Principles or (e) holds, individually or together with any other Group Company, at least twenty (20) per cent. but not more than forty nine (49) per cent. of the voting rights and do not exercise any direct or indirect control over such associated entity (an **“Associated Entity”**).

**“Target Day”** means any day when the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system launched on 19 November 2007 is open for settlement of payments in Euro.

**“Total Assets”** means the aggregate book value of the Group’s total assets in accordance with the Accounting Principles.

**“Transaction Costs”** means all fees, legal costs and any other costs and expenses incurred by the issuer or any other Group Company in connection with the Bond Issue and the listing of the Bonds on the Exchange.

**“Transaction Security”** means the Security provided for the Secured Obligations created or expressed to be created in favour of the Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents and any and all future shares issued by the Issuer shall be subject to the Transaction Security.

**“Transaction Security Documents”** means, collectively, the Share Pledge Agreements and all other documents which shall be executed or delivered and expressed to create any Security by the relevant grantor thereof in respect of the Issuer’s obligations under any of the Finance Documents.



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**“VP Special Issuer Agreement”** means a special issuer agreement dated on or about the date of these Terms and Conditions between the Issuer as issuer, the Issuing Agent as issuing agent (Da: *Udstederansvarlig*), and VP Securities A/S relating to the admission and registration of the Bonds as dematerialised securities by book-entry in the VP-system.

**“Written Procedure”** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

## **1.2 Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) **“assets”** includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a **“regulation”** includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) an Event of Default is continuing if it has not been remedied or waived;
- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Copenhagen time.

1.2.2 When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the Danish Central Bank (Da: *Nationalbanken*) on its website ([www.nationalbanken.dk](http://www.nationalbanken.dk)). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Denmark promptly and in a non-discriminatory manner.

1.2.4 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Document shall impair or operate as a waiver of any such right or remedy.

## **2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

2.1 The aggregate amount of the First Bond Issue issued on the First Issue date was EUR 60,000,000. All Bonds issued in the First Bond Issue were issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.

2.2 Following the First Issue Date and at any time on or prior to 1 July 2018 provided that the Incurrence Test is met, the Issuer may issue Subsequent Bonds in the maximum aggregate amount of up to EUR 25,000,000. Any Subsequent Bonds issued shall benefit from and be subject to these Terms and Conditions and the other Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the First Bonds shall apply to the Subsequent Bonds. Each Subsequent Bond shall entitle its holder to Interest from and including the immediately preceding Interest Payment Date in accordance with Clause 9, and otherwise have the same rights as the Initial Bonds.

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**2.3** Each Bond shall be in a nominal amount of EUR 100,000 or full multiples thereof (the “**Nominal Amount**”). The ISIN for the Bonds is DK0030401278. The minimum permissible investment in connection with the Bond Issue is EUR 100,000 and integral multiples thereof. The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

**2.4** The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions and the other Finance Documents.

**2.5** The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions.

**2.6** By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Bondholder confirms such agreements.

### **3. STATUS OF THE BONDS**

**3.1** The Bonds constitute direct, general, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

**3.2** The Bonds are secured by the Transaction Security.

### **4. USE OF PROCEEDS**

**4.1** Upon the fulfilment of the Conditions Precedents for Disbursement pursuant to Clause 12.1 (*Conditions Precedent for Disbursement of the Net Proceeds*) hereof, the Net Proceeds from the Initial Bond Issue shall be used towards repayment of Existing Bond Debt and Existing Shareholder Loans and any Net Proceeds remaining after the repayments shall be used as growth capital and for general corporate purposes.

**4.2** Upon fulfilment of the Conditions Precedents for Disbursement pursuant to Clause 12.2 (*Conditions Precedent for Disbursement of the Net Proceeds from Subsequent Bonds Issues*) hereof, the Net Proceeds from the Subsequent Bond Issue shall be used as growth capital and for general corporate purposes.

### **5. THE BONDS AND TRANSFERABILITY**

**5.1** Each Bondholder is bound by the Finance Documents without there being any further actions required to be taken or formalities to be complied with.

**5.2** Except as set out below, and subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable.

(a) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due to, e.g., its nationality, its residency, its registered address, its place(s) of business). Each bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.

(b) Notwithstanding the above, a bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting

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rights under the Terms and Conditions provided that the Issuer shall not incur any additional liability by complying with its obligations to such bondholder.

- 5.3** All Bond transfers are subject to the Finance Documents and upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 5.4** No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 5.5** For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

## **6. BONDS IN BOOK-ENTRY FORM**

- 6.1** The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Capital Markets Act. Registration requests relating to the Bonds shall be directed to an Account Operator. Title to the Bonds shall pass by registration in the register of the CSD in accordance with the rules and procedures of the CSD.
- 6.2** The Issuer, the Issuing Agent and the Agent shall to the extent permitted under applicable regulations, including Section 36(3) of the Executive Order have access on demand to static data and ownership information of the Bondholders registered in the CSD. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 6.3** The Issuer hereby irrevocably appoints each of the Agent and the Issuing Agent and such persons employed by the Agent and the Issuing Agent as its attorneys with full power and authority to independently obtain information directly from the register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney while the Bonds are outstanding unless directed by the Agent or unless consent thereto is given by the Bondholders. The Issuer shall without undue delay issue separate powers of attorney, if so requested by the CSD.

## **7. RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

- 7.1** If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such person.
- 7.2** A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.

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- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.1 and 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## 8. PAYMENTS IN RESPECT OF THE BONDS

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such person who is registered as a Bondholder on the Record Date prior to the Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Bondholder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under the Finance Documents shall be deposited in a certain bank account; such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8 (*Payments in respect of the Bonds*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 8.5 All amounts payable by the Issuer to the Bondholders shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Denmark or any authority thereof or therein unless such withholding or deduction is required by law or regulation or the interpretation or application of such laws or regulations. If such withholding or deduction is required, the Issuer shall pay such additional amounts (the “**Additional Amounts**”) as are necessary in order that the net amount received by the relevant Bondholder, after such withholding or deduction, shall be equal to the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.
- 8.6 Notwithstanding Clause 8.5, no Additional Amounts shall be payable on account of any taxes or duties which:
- (a) are payable by reason of any relevant person having, or having had, some connection with Denmark other than the mere holding of the Bond(s); or
  - (b) are withheld or deducted pursuant to any European Union Directive or Regulation concerning the taxation of interest income or any provision of law implementing or complying with such Directive or Regulation.
- 8.7 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law). The Issuer shall not be liable to reimburse any stamp duty or public fee.

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## **9. INTEREST**

- 9.1** The Bonds will bear interest at the Interest Rate applied to the Nominal Amount from, and including, the First Issue Date up to, but excluding, the relevant Redemption Date.
- 9.2** Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 9.3** Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.4** If the Issuer fails to pay any amount payable by it under these Terms and Conditions or any other Finance Document on its due date, default interest shall accrue on the overdue amount from and including the due date up to, but excluding, the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **10. REDEMPTION AND REPURCHASE OF THE BONDS**

### **10.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

### **10.2 The Group Companies' purchase of Bonds**

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained or sold.

### **10.3 Early voluntary redemption by the Issuer (call option)**

- 10.3.1** The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day prior to the First Call Date, at an amount equal to 100.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, plus the Applicable Premium.
- 10.3.2** The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day falling on or after the First Call Date, but before the Final Maturity Date, at the Call Option Amount together with accrued but unpaid Interest.
- 10.3.3** The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day falling 42 months after the First Issue Date at an amount equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest, provided that such redemption shall be funded solely from the proceeds of a new Market Loan..
- 10.3.4** Redemption in accordance with Clauses 10.3.1, 10.3.2 or 10.3.3 shall be made by the Issuer giving not less than fifteen (15) and not more than thirty (30) Business Days' notice to the Bondholders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more

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conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

#### **10.4 Mandatory repurchase due to a Put Option Event (put option)**

- 10.4.1 Upon the occurrence of a Put Option Event, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest; during a period of thirty (30) calendar days following a notice from the Issuer of the Put Option Event pursuant to paragraph (e) of Clause 0 (*Financial reporting and information*). The thirty calendar days' period may not start earlier than upon the occurrence of the Put Option Event.
- 10.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 0 (*Financial reporting and information*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 0 (*Financial reporting and information*). The repurchase date must fall no later than five (5) Business Days after the end of the period referred to in Clause 10.4.1
- 10.4.3 If Bonds representing more than ninety (90) per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.4 (*Mandatory repurchase due to a Put Option Event (put option)*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than twenty (20) calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the fifteenth (15<sup>th</sup>) calendar day following the date of such notice.
- 10.4.4 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4 (*Mandatory repurchase due to a Put Option Event (put option)*), the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 (*Mandatory Repurchase due to a Put Option Event (put option)*) by virtue of the conflict.
- 10.4.5 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 (*Mandatory Repurchase due to a Put Option Event (put option)*) may at the Issuer's discretion be retained, sold or cancelled.

### **11. SPECIAL UNDERTAKINGS**

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 11 (*Special Undertakings*).

#### **11.1 Distributions**

The Issuer shall not, and shall procure that none of its Subsidiaries, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay or pay interest under any shareholder loans, (v) grant any loans or (vi) make any other similar distribution or transfers of value (Da. *Udlodninger eller overførsler af aktiver*) to the Issuer's, or its Subsidiaries', direct and



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indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)-(vi) above are together and individually referred to as a “Restricted Payment”), provided however that (i) the Issuer may apply the Net Proceeds in repayment of the Existing Shareholder Loans; and (ii) if no Event of Default is continuing or would result from such Restricted Payment, any such Restricted Payment can be made by any of the Issuer’s Subsidiaries if such Restricted Payment is made to the Issuer or any of its Subsidiaries and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, any such Restricted Payments shall be made pro rata (or to the Issuer’s advantage) in relation to each shareholder’s respective investment in such Subsidiary which shall include investments made by way of shareholder loans and regardless of whether there are different classes of shares, however, has a Payment In Kind Investment been made any such Restricted Payment may be made pro rata in relation to each shareholder’s shareholding not taking into account investments by shareholder loans provided such arrangement has been agreed in writing between the Issuer and the shareholder having made the Payment In Kind Investment.

## **11.2 Listing of Bonds**

The Initial Bonds were listed on the Exchange on 12 December 2017 and the Issuer shall ensure that any Subsequent Bonds are listed on the Exchange on the date on which they are issued. The Issuer shall take all measures required to ensure that the Bonds continue being listed on the Exchange for as long as any Bond is outstanding (however, taking into account the rules and regulations of the Exchange preventing trading in the Bonds in close connection to the redemption of the Bonds).

## **11.3 Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur, maintain and prolong Financial Indebtedness constituting Permitted Debt.

## **11.4 Acquisitions**

The Issuer shall not, and shall ensure that no other Group Company will, acquire any company, shares, securities, business or undertaking (or any interest in any of them), unless the transaction is carried out at fair market value and on terms and conditions customary for such transactions and provided that the transaction does not have a Material Adverse Effect.

## **11.5 Share issues**

The Issuer shall not issue any shares unless such shares are immediately made subject to Transaction Security (save for any issue of shares made in connection with an IPO) and shall ensure that no other Group Company will issue any shares except on arm's length terms.

## **11.6 Negative pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries will, create or allow to subsist, retain, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to retain, provide, prolong and renew any Permitted Security.

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## **11.7 Loans**

The Issuer shall not be a creditor in respect of any future Financial Indebtedness unless the debtor under such arrangement is a wholly-owned Subsidiary of the Issuer or, if the debtor is a Subsidiary not wholly-owned by the Issuer, such loan is granted as part of the investment in such Subsidiary in the ordinary course of the Group's business.

## **11.8 Disposals of assets**

The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of (including through any mergers or demerges) all or some of the shares in any Group Company to any person not being the Issuer or any of its wholly-owned Subsidiaries unless such disposal is made on customary arm's length terms at fair market value and does not have a Material Adverse Effect..

## **11.9 Mergers**

The Issuer shall not, and shall ensure that no other Group Company will, carry out any merger or other business combination or corporate reorganisation involving consolidation of assets and obligations of any Group Company with any other companies or entities, if such transaction would have a Material Adverse Effect, provided that the Issuer shall in no event be part of any merger.

## **11.10 De-mergers**

The Issuer shall not, and shall ensure that no other Group Company will, carry out any de-merger or other corporate reorganisation involving a split of:

- (a) the Issuer into two or more separate companies; or
- (b) any other Group Company (i.e. not being the Issuer) into two or more separate companies or entities which are not (directly or indirectly) wholly-owned by the Issuer (a "Restricted De-Merger"), unless such Restricted De-Merger is carried out at fair market value, on terms and conditions customary for such transactions.

## **11.11 Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business carried out by the Group as of the First Issue Date.

## **11.12 Dealings with related parties**

The Issuer shall, and shall procure that its Subsidiaries will, conduct all dealings with the direct and indirect shareholders of the Group Companies and/or any Affiliates of such direct and indirect shareholders, at arm's length terms.

## **11.13 Compliance with laws etcetera**

The Issuer shall, and shall procure that its Subsidiaries will, (i) comply in all material respects with all laws and regulations applicable from time to time and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.



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#### **11.14 Financial reporting and information**

The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than 4 months after the expiry of each financial year (for the first time in connection with the Financial Report relating to the financial period ending on 31 December 2017);
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than 2 months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent in connection with a Financial Report being made available and at the Agent's request, within twenty (20) days from such request;
- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on the website of the Group;
- (e) arrange with the Agent that the latest versions of the Finance Documents shall be available to the Bondholders at the office of the during normal business hours;
- (f) promptly notify the Agent upon becoming aware of the occurrence of (i) a Put Option Event or (ii) an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (g) prepare the Financial Reports in accordance with the Accounting Principles and, once listed, make them available in accordance with the rules and regulations of the Exchange (as amended from time to time).

#### **11.15 Corporate status**

The Issuer shall not change its type of organisation or jurisdiction of incorporation.

#### **11.16 Insurances**

The Issuer shall, and shall ensure that all other Group Companies will, maintain its operating assets properly insured to the same extent as is usual for companies carrying on the same or substantially similar business.

#### **11.17 Agent Agreement**

11.17.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and

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- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.
- 11.17.2 The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

#### **11.18 Financial Covenants**

- (a) **Minimum Equity:** The Issuer shall ensure that the Equity does not fall below EUR 40,000,000.
- (b) **Minimum Total Assets:** The Issuer shall ensure that the Total Assets does not fall below EUR 115,000,000.
- (c) **Minimum Liquidity:** The Issuer shall ensure that the total Cash at least equals an amount of interest payable for three (3) consecutive Interest Periods by reference to the interest payable in the latest Interest Period.

Compliance with each Financial Covenant shall be determined by reference to the most recent Financial Report either prepared in accordance with the Accounting Principles adopted by the Issuer as of the First Issue Date or any other subsequent Accounting Principles adopted by the Issuer after the First Issue Date (at the Issuer's sole discretion).

#### **11.19 Incurrence Test**

- 11.19.1 The Issuer shall no later than ten (10) Business Days prior to the contemplated incurrence of Financial Indebtedness permitted pursuant paragraph (k) of the definition of "Permitted Debt" issue and submit a Compliance Certificate that includes figures in respect of the Incurrence Test and the basis on which it has been calculated to the Agent.
- 11.19.2 The Incurrence Test is met if the Equity to Total Assets Ratio is at least twenty-five (25) per cent. (tested pro forma as if such Financial Indebtedness has been incurred).
- 11.19.3 The calculation of the Incurrence Test shall be made based on the latest Financial Report or Interim Accounts (as the case may be).

### **12. CONDITIONS PRECEDENT FOR DISBURSEMENT OF THE NET PROCEEDS**

#### **12.1 The Initial Bonds**

Disbursement of proceeds from the Initial Bonds to the Issuer was subject to the following documents being received by the Agent, in form and substance satisfactory to the Agent:

- (a) the original terms and conditions duly executed by all parties thereto,
- (b) evidence that the proceeds from the Initial Bonds shall be applied in accordance with Clause 4 (*Use of Proceeds*),
- (c) a waiver from the agent in respect of the Existing Bond Debt for any Event of Default which the Bond Issue may give rise to under the terms and conditions for the Existing Bond Debt prior to repayment of the Existing Bond Debt,
- (d) certified copies of all corporate resolutions of the Issuer and each provider of Transaction Security required for the Issuer to issue the Bonds and execute the Finance Documents to which it is a party,

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- (e) a certified copy of a power of attorney from the Issuer and each provider of Transaction Security to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer and each provider of Transaction Security,
  - (f) certified copies of the articles of association of the Issuer and each provider of Transaction Security and of a full extract from the relevant company register in respect of the Issuer and each provider of Transaction Security evidencing that the Issuer and each provider of Transaction Security are validly existing,
  - (g) copies of the Issuer's latest Financial Reports,
  - (h) confirmation that an application has been submitted for registration of the Bonds in the CSD,
  - (i) the Agent Agreement duly signed by all parties thereto,
  - (j) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Joint Lead Manager in connection with the issuance of the Bonds,
  - (k) the Transaction Security Documents duly signed by all parties thereto (including any necessary corporate resolution and documentation from security providers) and evidence of the establishment and perfection of the Transaction Security, and
  - (l) legal opinions as may be required by the Agent (including in respect of corporate matters relating to the Issuer and parties to the Transaction Security Documents and the legality, validity and enforceability of these Terms and Conditions and the Finance Documents),
  - (m) any other Finance Documents duly signed by all parties thereto.

## **12.2 The Subsequent Bonds**

Disbursement of proceeds from the Subsequent Bonds to the Issuer is subject to the following documents being received by the Agent, in form and substance satisfactory to the Agent:

- (a) these amended and restated Terms and Conditions duly executed by all parties thereto,
- (b) certified copies of all corporate resolutions of the Issuer and each provider of Transaction Security required for the Issuer to issue the Subsequent Bonds and execute the related amendments to or amendments and restatements of the Finance Documents to which it is a party,
- (c) a certified copy of a power of attorney from the Issuer and each provider of Transaction Security to relevant individuals for their execution of the relevant Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer and each provider of Transaction Security,
- (d) certified copies of the articles of association of the Issuer and each provider of Transaction Security and of a full extract from the relevant company register in respect of the Issuer and each provider of Transaction Security evidencing that the Issuer and each provider of Transaction Security are validly existing,
- (e) copies of the Issuer's latest Financial Reports,
- (f) confirmation that upon issuance the Subsequent Bonds will be registered in the CSD,

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- (g) copies of any written documentation used in marketing of the Subsequent Bonds or made public by the Issuer or Nordea Bank AB (publ), Sverige in connection with the issuance of the Subsequent Bonds,
  - (h) the amendments to or the amendments and restatements of the Transaction Security Documents duly signed by all parties thereto (including any necessary corporate resolution and documentation from security providers) and evidence of the extension of the Transaction Security to secure the Subsequent Bonds and the perfection thereof, and
  - (i) legal opinions as may be required by the Agent (including in respect of corporate matters relating to the Issuer and parties to the Transaction Security Documents and the legality, validity and enforceability of the Amended and Restated Terms and Conditions and the Finance Documents),
  - (m) any other Finance Documents duly signed by all parties thereto.

### **13. CONDITION SUBSEQUENT**

Immediately after the Conditions Precedent for Disbursement pursuant to Clause 12 (*Conditions Precedent for Disbursement of the Net Proceeds*) have been fulfilled, the Issuer shall provide the Agent with evidence, in form and substance satisfactory to the Agent, showing that the Existing Bond Debt and the Existing Shareholder Loans have been fully repaid.

### **14. TRANSACTION SECURITY**

**14.1** As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that Transaction Security is granted pursuant to the Share Pledge Agreements with first priority in favour of the Agent.

**14.2** The Transaction Security shall be entered into on such terms and conditions as the Agent in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

**14.3** Upon the occurrence of an IPO, the Agent shall be authorised to release all of the Transaction Security, and the rights of the Agent, created pursuant to the Share Pledge Agreements.

### **15. ACCELERATION OF THE BONDS**

**15.1** The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 15.5, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and/or is remedied within five (5) Business Days of the due date.

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- (b) **Condition subsequent:** The Issuer has not provided the Agent with evidence, in form and substance satisfactory to the Agent, showing that the condition subsequent set out in Clause 13 (*Condition Subsequent*) has been fulfilled.
- (c) **Non-listing:** The Bonds have not been admitted to listing on the Exchange within twelve (12) months following the First Issue Date.
- (d) **Other obligations:** The Issuer does not comply with the Finance Documents in any other way than as set out under (a), (b) and (c) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within twenty (20) Business Days from such request (if the failure or violation according to the Agent (acting reasonably) is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request). Notwithstanding this paragraph (d), subject to the Issuer's compliance with its obligations pursuant to Clause 10.4 (*Mandatory repurchase due to a Put Option Event (put option)*), the Issuer's failure to comply with the special undertaking pursuant to Clause 11.2 (*Listing of Bonds*) shall not constitute an Event of Default until twelve (12) months following the First Issue Date.
- (e) **Cross-acceleration:** Any Financial Indebtedness of one or several Group Companies is not paid when due nor within any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Section (e) until the aggregate amount of all such Financial Indebtedness for one or several Group Companies exceeds EUR 2,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.
- (f) **Insolvency:**
- (i) The Issuer is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or
  - (ii) a moratorium is declared in respect of the Financial Indebtedness of the Issuer.
- (g) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) days of commencement or, if earlier, the date on which it is advertised) in relation to:
- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Da. *rekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer;
  - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any of its assets; or
  - (iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer.
- (h) **Mergers and demergers:** The Issuer merges with any other Person, or is subject to a demerger.

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- (i) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer having an aggregate value exceeding EUR 2,000,000, is targeted against the Issuer and is not discharged within thirty (30) days.
- (j) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.
- (k) **Continuation of the business:** The Issuer ceases to carry on its business (except if due to a permitted merger or demerger not prohibited by item (h) above).
- 15.2** The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 15.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 15.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 15.1 and provide the Agent with all documents that may be of significance for the application of this Clause 15.
- 15.3** The Agent may not accelerate the Bonds in accordance with Clause 15.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 15.4** The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 15.5** If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 15.6** If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 15.7** In the event of an acceleration of the Bonds in accordance with this Clause 15 (*Acceleration of the Bonds*), up to, but excluding, the First Call Date the Issuer shall redeem all Bonds at an amount per Bond equal to 104 per cent. of the Nominal Amount or if the Bonds are declared due and payable on or after the First Call Date, at the Call Option Amount, as applicable on the date on which redemption occurs.

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## **16. DISTRIBUTION OF PROCEEDS**

**16.1** If the Bonds have been declared due and payable due to an Event of Default pursuant to Clause 15 (*Acceleration of the Bonds*), all payments by the Issuer relating to the Bonds and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to (a) the Agent in accordance with the Agent Agreement, (b) the Issuing Agent and (c) to VP, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment pro rata of accrued but unpaid interest under the Bonds (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment pro rata of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

**16.2** The application of proceeds in accordance with paragraphs (a) to (d) of Clause 16.1 shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

**16.3** If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1.

**16.4** Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 (*Distribution of Proceeds*) as soon as reasonably practicable.

**16.5** If the Issuer or the Agent shall make any payment under this Clause 16 (*Distribution of Proceeds*), the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

## **17. DECISIONS BY BONDHOLDERS**

**17.1** A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.



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- 17.2** Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 17.3** The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 17.4** Only a person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Bondholder*) from a person who is, registered as a Bondholder:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.3, in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 17.5** The following matters shall require consent of Bondholders representing at least the following proportion of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3:
- (a) two thirds (2/3) to (i) waive a breach of an undertaking in Clause 11 (*Special undertakings*), and (ii) amend a provision in the Finance Documents, subject to (b) below; and
  - (b) three quarters (3/4) to (i) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer, (ii) amend any payment day for principal or Interest or waive any breach of a payment undertaking, and (iii) amend the provisions in this Clause 17.5.
- 17.6** Any matter not covered by Clause 17.5 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3. This includes, but is not limited to, any waiver of the terms of the Finance Documents that does not require a higher majority (other than an amendment permitted pursuant to paragraph (a) or (b) of Clause 20.1) or acceleration of the Bonds or the enforcement of any Transaction Security.



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- 17.7** Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 17.8** If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 0 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 17.9** Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.10** A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.11** The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under the Finance Documents, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.12** A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 17.13** All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.14** If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 17.15** Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

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## **18. BONDHOLDERS' MEETING**

- 18.1** The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 18.2** Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18.1.
- 18.3** The notice pursuant to Clause 18.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 18.4** The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 18.5** If the Agent, in breach of these Terms and Conditions, has not convened a Bondholders' Meeting within thirty (30) Business Days after having received such notice, the requesting person may convene the Bondholders' Meeting itself. If the requesting person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD and, if no person to open the Bondholders' Meeting has been appointed by the Agent, the meeting shall be opened by a person appointed by the requesting person.
- 18.6** At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.
- 18.7** Without amending or varying the Finance Documents, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **19. WRITTEN PROCEDURE**

- 19.1** The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Record Date prior to the date on which the communication is sent.

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**19.2** Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Bondholder with a copy to the Agent.

**19.3** A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 19.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

**19.4** When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17.5 and 17.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 or 17.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20. AMENDMENTS AND WAIVERS**

**20.1** The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in the Finance Documents, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).

**20.2** The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

**20.3** The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

**20.4** An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **21.1 Appointment of Agent**

**21.1.1** The Issuer has appointed the Agent to act as agent (Da: *repræsentant*) of the Bondholders pursuant to Chapter 4, cf. Section 15, of the Capital Markets Act (formerly Chapter 2.a. of the Danish Securities Trading Act (consolidated act no. 251 of 21 March 2017)) and the Representative Register Order. The Agent accepts such appointment. The Agent shall be registered with the Danish Financial Supervisory Authority in accordance with the Capital

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Markets Act and the Issuer and the Agent shall provide all information required by the Danish Financial Supervisory Authority.

- 21.1.2 By subscribing for Bonds, each initial Bondholder accepts on its behalf the appointment of the Agent to act as its agent (Da: *repræsentant*) pursuant to Chapter 4, of the Capital Markets Act and the Representative Register Order in all matters relating to the Bonds, the Transaction Security Documents and the other Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by the Finance Documents) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder and the Transaction Security, including without limitation any insolvency proceedings and/or reconstruction (Da: *Rekonstruktion*) and including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 21.1.3 Each Bondholder authorises the Agent to enter into agreements with the Issuer or a third party or take such other actions, as is, in the Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Secured Parties' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not in the sole opinion of the Agent detrimental to the interests of the Secured Parties (for the avoidance of doubt, a release in accordance with Clause 14.3 shall for the purpose of this Clause 21.1.3 not be deemed detrimental to the interests of the Secured Parties).
- 21.1.4 Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 21.1.5 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 21.1.6 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent Agreement and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 21.1.7 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **21.2 Duties of the Agent**

- 21.2.1 The Agent shall represent the Bondholders in accordance with these Terms and Conditions and the other Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent shall keep the latest version of the Finance Documents (including any document amending the Finance Documents) available on the website of the Agent.
- 21.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the

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Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 21.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 21.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents and the Agent Agreement.
- 21.2.5 The Agent shall be entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 21.2.6 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) when the Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of Proceeds*).
- 21.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 21.2.9 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 21.2.8.

### **21.3 Limited liability for the Agent**

- 21.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with the Finance Documents, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to

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the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 17 (*Decisions by Bondholders*).
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

## **21.4 Replacement of the Agent**

- 21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent, including without limitation if the Representative has defaulted its obligations under the Finance Documents. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 21.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment and registration with the register kept by the Danish Financial Supervisory Authority of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.



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- 21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4 (*Replacement of the Agent*), the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agent Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 22.1 The Issuer has entered into the VP Special Issuer Agreement with the Issuing Agent pursuant to which the Issuing Agent will manage certain specified tasks relating to the Bond Issue in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD.
- 22.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer in accordance with the VP Special Issuer Agreement. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **23. NO DIRECT ACTIONS BY BONDHOLDERS**

- 23.1 A Bondholder may not take any steps whatsoever against the Issuer or a Subsidiary or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Da: *rekonstruktion*) or bankruptcy (Da: *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under the Finance Documents.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1.4), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agent Agreement or by any reason described in Clause 21.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.9 before a Bondholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **24. PRESCRIPTION**

- 24.1 Claims against the Issuer for payment in respect of the Bonds shall be subject to limitation under the Danish Limitation Act (Da: *forældelsesloven*, consolidated act no. 1063 of 28

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August 2013 as amended from time to time) and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within ten (10) years (in the case of principal) or three (3) years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of section 2 of the Danish Limitation Act.

## **25. NOTICES AND PRESS RELEASES**

### **25.1 Notices**

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- 25.1.2 if to the Agent, shall be given at the address registered in the register of representatives with the Danish Financial Supervisory Authority on its website: [www.finanstilsynet.dk](http://www.finanstilsynet.dk) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
- 25.1.3 if to the Issuer, shall be given at the address registered with the Danish Business Authority on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
- 25.1.4 if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 25.1.5 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.
- 25.1.6 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

### **25.2 Press releases**

- 25.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 10.3 (*Early Voluntary Redemption by the Issuer (call option)*), 10.4 (*Mandatory Repurchase due to a Put Option Event (put option)*), 0 (e), 15.4, 16.5, 17.15, 18.1, 19.1 and 20.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Bondholders under the Finance Documents has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.



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## **26. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 26.1** Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any breakdown of/lack of access to IT systems or damaged data in such systems, failure in the electricity supply or telecommunications legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade natural disaster, insurrections, civil commotion, sabotage, terrorism, vandalism (including computer virus and hacking) or any other similar circumstance (a “Force Majeure Event”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 26.2** The Issuing Agent shall have no liability to the Bondholders unless directly caused by its negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect damage.
- 26.3** Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 26.4** The provisions in this Clause 26 (*Force majeure and limitation of liability*) apply unless they are inconsistent with the provisions of the Capital Markets Act which provisions shall take precedence.

## **27. GOVERNING LAW AND JURISDICTION**

- 27.1** These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Denmark, provided that Danish international private law shall not apply.
- 27.2** Any dispute or claim arising in relation to the Finance Documents shall, subject to Clause 27.3, be determined by Danish courts and the City Court of Copenhagen shall be the court of first instance.
- 27.3** The submission to the jurisdiction of the Danish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place: Søborg

Date: 14 March 2018

**EUROPEAN ENERGY A/S**  
as Issuer

/s/ Knud Erik Andersen  
Name: Knud Erik Andersen

We hereby undertake to act in accordance with the above Terms and Conditions to the extent they refer to us.

Place: Copenhagen

Date: 14 March 2018

**NORDIC TRUSTEE A/S**  
as Agent

/s/ Jacob Arenander  
Name: Jacob Arenander

# Interim financial report Q1 2017



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### Contact details:

For more information please contact CFO Jonny Thorstad Jonasson, e-mail: [jtj@europeanenergy.dk](mailto:jtj@europeanenergy.dk),  
T: +45 51 80 00 00

## Summary

*The European Energy Group continues the high level of construction and sales activities. The Groups share of profit for the quarter totaled EUR 3,7M based on a Revenue of EUR 22,1M. On the basis of the result and the ongoing sales activities the management upward adjusts the guidance for the year.*

As predicted the group continued the strong development in projects under construction and in sales activities. The most significant single transaction contributing to the result in the first quarter of 2017 is the closing of a sale of 8 wind turbines in Germany to an institutional investor.

The cash flow for the quarter has been positive, and the Group has maintained a high level of cash and cash equivalents, totaling EUR 18,0M by the end of the quarter.

With 127 MW under construction and another 277 MW that are ready to build, European Energy expects the positive development to continue.

European Energy upgraded full year guidance when submitting the annual report for 2016 end of April 2017, and the result for the first quarter of 2017 shows that European Energy is delivering on expectations. CEO Knud Erik Andersen says: *"I am very pleased with the intense attention our green energy projects are getting from institutional investors looking for long term, low risk assets. The level of activity in the first quarter of 2017 is higher than usual and is very promising. It shows that we are able to deliver on our expectations. As a consequence of the good results and ongoing high activities the Group upward adjusts the result before tax to EUR 17M – 22M "*

## Highlights for European Energy Group

| EUR '000 | 31.03.2017 | 31.03.2016 *) | 2016 |
|----------|------------|---------------|------|
|----------|------------|---------------|------|

### Key figures (un audited)

|  |         |         |          |
|--|---------|---------|----------|
| Revenue                                  | 22.060  | 25.188  | 140.788  |
| Direct costs                             | -15.115 | -14.624 | -107.289 |
| Gross profit                             | 9.177   | 9.914   | 32.456   |
| EBITDA                                   | 6.075   | 7.639   | 24.929   |
| Operating profit (EBIT)                  | 5.649   | 7.282   | 23.319   |
| Financial income and expense, net        | -1.229  | -1.409  | -5.414   |
| Profit/loss before tax                   | 4.420   | 5.873   | 17.905   |
| Tax                                      | -739    | -1.451  | -2.260   |
| The Group's share of profit for the year | 3.681   | 4.422   | 15.645   |

|              |         |         |         |
|--------------|---------|---------|---------|
| Total assets | 249.611 | 227.632 | 218.535 |
| Equity       | 67.629  | 61.408  | 64.000  |

|                                     |         |       |        |
|-------------------------------------|---------|-------|--------|
| Cash flow from operating activities | -24.767 | 4.089 | 7.306  |
| Cash flow from investing activities | 1.244   | 5.498 | -138   |
| Cash flow from financing activities | 26.480  | 109   | -8.022 |
| Change in cash and cash equivalents | 2.957   | 9.696 | -854   |

### Financial ratios

|                                  |       |       |       |
|----------------------------------|-------|-------|-------|
| Gross margin                     | 41,6% | 39,4% | 23,1% |
| EBITDA margin                    | 27,5% | 30,3% | 17,7% |
| EBIT margin                      | 25,6% | 28,9% | 16,6% |
| Solvency ratio                   | 27,1% | 27,0% | 29,3% |
| Net interest-bearing debt/EBITDA | 20,4  | 12,8  | 4,0   |
| Return on equity                 | 5,7%  | 7,1%  | 25,9% |

### Share Ratios

|   |            |            |            |
|---|------------|------------|------------|
| Earning per share                             | 0,4        | 0,4        | 1,6        |
| Book value per share                          | 6,8        | 6,1        | 6,4        |
| Cash flow from operating activities per share | -2,5       | 0,4        | 0,7        |
| Number of shares at the end of the year       | 10.000.000 | 10.000.000 | 10.000.000 |

|                                       |    |    |    |
|---------------------------------------|----|----|----|
| Average number of full-time employees | 64 | 60 | 64 |
|---------------------------------------|----|----|----|

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

\*) Comparative figures for 2016 Q1 are adjusted for early adoption of IFRS 15

## Management Review

### Development in financials for the Group in Q1 2017

In the first quarter of 2017 the Group handed over 2 solar farms in the UK, and 1 wind farm in Germany. In total including sale of electricity the revenue amounted to EUR 22,1M compared to EUR 25,2M in 2016. The figures for the first quarter in 2016 have been adjusted with the adoption of IFRS 15, which the Group implemented in the fourth quarter in 2016.

The Gross profit amounted to EUR 9,2M for the first quarter of 2017 compared to EUR 9,9M in the first quarter of 2016.

In the first quarter of 2017 the profits after tax from equity-accounted investments development companies were at EUR 1,5M compared to EUR -1,5M in 2016. In 2016 the results were negative due to impairment of inventories, while the positive results in 2017 comes from the sale of shares in equity accounted investments.

Profit after tax from equity-accounted investments operating companies is recognised to EUR 0,7M compared to EUR 0,8M in 2016.

EBITDA for the quarter came in at EUR 6,0M compared to EUR 7,6M in the first quarter of 2016. Profit before tax ended at EUR 4,4M. The tax for the period ended with a tax expense of EUR 0,7M. In the first quarter of 2016 the profit before tax ended at EUR 5,8M, the tax for the period ended with a tax expense of EUR 1,5M.

The total balance of the Group increased from EUR 218,5M at the end of 2016 to EUR 249,6M in the first quarter in 2017 – an increase of EUR 31,1M.

The major reason to the increased balance has been the addition to inventories which were EUR 72,2M end of 2016, but increased to EUR 93,3M end of first quarter of 2017. The increase is due to the construction activities which are funded via project financing with credit institutions.

In the first quarter of 2016 the balance of the Group increased with EUR 4,4M to EUR 227,6.

The management considers the results of the first quarter of 2017 to be satisfactory.

### Capital Management:

European Energy A/S is currently investigating the refinancing opportunities of the outstanding bond loan of EUR 45M. The investigations include specific structure, size and timing of a new facility. Based on clarifying conversations the overall market conditions for such refinancing are considered positive. It is the expectation that the refinancing will be in the size of EUR 50-75M to support continued growth. The specific use of the proceeds will be decided by management but will include repayment of the existing facility.

### Outlook for 2017:

When submitting the annual report for 2016 European Energy Group upward adjusted the full year guidance for 2017 to:

Revenue for 2017 to be EUR 120M - 160M.

Profit before tax for 2017 to be EUR 12M - 17M.

On the basis of the positive development in the sales and construction activities in 2017, the management again upward adjusts the guidance to:

Revenue for 2017 to be EUR 130M -170M.

Profit before tax for 2017 to be EUR 17M - 22M.



## Sale of Electrical Power

European Energy's share of operational assets increased by 24 MW to 180 MW compared to end of 2016. The development is due to divestment of solar PV farms installed in the UK and commissioning of wind farms in Denmark and Italy.

### Net capacity (MW)

|              | End of Q1 2017 | End of Q1 2016 | End of 2016 | End of 2015 |
|--------------|----------------|----------------|-------------|-------------|
| Solar        | 25             | 20             | 32          | 23          |
| Wind         | 155            | 120            | 124         | 121         |
| <b>Total</b> | <b>180</b>     | <b>140</b>     | <b>156</b>  | <b>144</b>  |

The production from solar PV increased significantly in the first quarter of 2017, due to a higher installed capacity. The wind production increased compared to the first quarter of 2016 due to additions to the portfolio but fell short of expectations since the wind conditions in Germany and Denmark were poor. In total the Group experienced an increase in the net production compared to the first quarter of 2016.

### Production (GWh)

|              | Net production |             | Gross production |              |
|--------------|----------------|-------------|------------------|--------------|
|              | Q1 2017        | Q1 2016     | 2017 YTD         | 2016 YTD     |
| Solar        | 4,8            | 2,2         | 8,1              | 5,0          |
| Wind         | 58,7           | 55,4        | 174,9            | 178,6        |
| <b>Total</b> | <b>63,5</b>    | <b>57,6</b> | <b>183,0</b>     | <b>183,6</b> |

Power prices have generally been low in the first quarter of 2017. Due to long-term power purchase agreements and long-term subsidies, low power prices will have a limited effect on profit from the sale of electrical power.

## Asset Management

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

### Assets managed on behalf of third parties (MW)

|              | End of Q1 2017 |
|--------------|----------------|
| Solar        | 110            |
| Wind         | 460            |
| <b>Total</b> | <b>570</b>     |

European Energy manages 570 MW on behalf of third parties. The total portfolio under management, including own assets corresponds to 750 MW.

## Grid connected

During first quarter 2017 the activities grid connected are summarized below.

|      |                                    | Q1 2017 | MW included in total portfolio | Net capacity (MW) |
|------|------------------------------------|---------|--------------------------------|-------------------|
| Wind | Kappel (partly grid connected)     | 25      | 25                             | 25                |
|      | Uppum (partly grid connected)      | 7       | 7                              | 0                 |
|      | Vormark I                          | 28      | 0                              | 0                 |
|      | Vormark II (partly grid connected) | 20      | 14                             | 3                 |
|      | Oppido                             | 20      | 20                             | 10                |

## Development and construction

The construction and development activities are summarized in the tables below.

| MW    | Total activity level | End of Q1 2017 |
|-------|----------------------|----------------|
| Wind  | In construction      | 96             |
|       | Ready to build       | 62             |
| Solar | In construction      | 31             |
|       | Ready to build       | 215            |

### Activity level (wind)

|         | Site           | MW | End of Q1 2017 status | Sales agreement signed |
|---------|----------------|----|-----------------------|------------------------|
| Denmark | Kappel         | 25 | In construction       | No                     |
| Denmark | Måde 3         | 8  | In construction       | No                     |
| Germany | Gilmerdingen   | 12 | In construction       | No                     |
| Germany | Lüdersdorf     | 7  | In construction       | No                     |
| Germany | Schochodde     | 3  | In construction       | No                     |
| Germany | Werneuchen     | 3  | In construction       | No                     |
| Germany | Lohkamp        | 12 | Ready to build        | No                     |
| Finland | Jeppo          | 7  | In construction       | Yes                    |
| Finland | Haukkineva     | 7  | In construction       | Yes                    |
| Finland | Vihreäsaari    | 4  | In construction       | Yes                    |
| Sweden  | Swedish Wind 1 | 17 | Ready to build        | No                     |
| Sweden  | Swedish Wind 2 | 14 | Ready to build        | No                     |
| Sweden  | Swedish Wind 3 | 21 | Ready to build        | No                     |
| Sweden  | Swedish Wind 4 | 10 | Ready to build        | No                     |

#### Activity level (solar)

| Country | Site           | MW | End of Q1 2017 status | Sales agreement signed |
|---------|----------------|----|-----------------------|------------------------|
| Brazil  | Coremas 2      | 31 | In construction       | No                     |
| Brazil  | Coremas 1      | 31 | Ready to build        | No                     |
| Brazil  | Coremas 3      | 31 | Ready to build        | No                     |
| Brazil  | Boa Hora 1     | 27 | Ready to build        | No                     |
| Brazil  | Boa Hora 2     | 27 | Ready to build        | No                     |
| Brazil  | Boa Hora 3     | 27 | Ready to build        | No                     |
| Denmark | Danish Solar 1 | 5  | Ready to build        | No                     |
| Denmark | Danish Solar 2 | 7  | Ready to build        | No                     |
| Denmark | Danish Solar 3 | 10 | Ready to build        | No                     |
| Denmark | Danish Solar 4 | 10 | Ready to build        | No                     |
| Denmark | Danish Solar 5 | 10 | Ready to build        | No                     |
| Denmark | Danish Solar 6 | 10 | Ready to build        | No                     |
| Denmark | Danish Solar 7 | 10 | Ready to build        | No                     |
| Denmark | Danish Solar 8 | 10 | Ready to build        | No                     |

#### Wind

European Energy had a good start into 2017. The Italian wind farm Oppido was grid connected in the beginning of January. In Denmark, the wind farm Kappel managed to have 4 out of 7 turbines erected and grid connected in the first quarter of 2017. In Germany, several sites are under construction, including the Vormark I project where a number of turbines were taken into operation.

#### Solar

At the beginning of 2017, a 31 MW project in Brazil is under construction while European Energy is preparing the next 31 MW phase to start construction soon. The 70 MW solar portfolio in Denmark is being prepared for start of construction during mid-2017.

All in all, European Energy expects 2017 to be a new record year in regard to constructed capacity.

#### Pipeline

In the first quarter of 2017 European Energy has not made any acquisitions of new projects or project rights. Several opportunities in Southern Europe are currently under consideration and are expected to materialize during the second or the third quarter of 2017.

In Finland, further guidance on the new tariff system is expected, which could enable that the Finnish pipeline will move to the ready to build stage.

## Sales and project financing

The table below summarizes the sales activities in the first quarter of 2017:

| Country        | Site          | MW | Technology | End of Q1 2017 status                 |
|----------------|---------------|----|------------|---------------------------------------|
| Germany        | Vormark I     | 28 | Wind       | SPA signed and closed                 |
| Germany        | Lüdersdorf    | 7  | Wind       | Term sheet signed                     |
| Germany        | Gilmerdingen  | 12 | Wind       | Term sheet signed                     |
| Italy          | Oppido        | 20 | Wind       | Term sheet signed                     |
| United Kingdom | High Leas     | 5  | Solar      | SPA signed in 2016 and closed in 2017 |
| United Kingdom | West End Farm | 5  | Solar      | SPA signed in 2016 and closed in 2017 |

The first quarter 2017 started the year well as European Energy with partners sold the wind farm Vormark I to the Hamburg-based private equity group CEE. European Energy owned 16 percent of the wind farm. Moreover, European Energy signed term sheets for the sale of three wind farms of 39 MW located in Germany and Italy. In UK the Group closed sale of two solar farms which has Sales and Purchase Agreements signed in 2016.

### Events after the end of Q1

After the end of the first quarter of 2017 European Energy signed the SPA and closed the sale of a German wind farm of 7 MW, as well as a UK solar farm of 5 MW. Moreover, the SPA for the sale of the Danish wind farm in Kappel has been signed.

The table below summarizes sales activities after the end of Q1

| Country        | Site              | MW | Technology | End of Q1 2017 status |
|----------------|-------------------|----|------------|-----------------------|
| Germany        | Lüdersdorf        | 7  | Wind       | SPA signed and closed |
| United Kingdom | West End Farm CIC | 5  | Solar      | SPA signed and closed |
| Denmark        | Kappel            | 25 | Wind       | SPA signed            |

## Financial figures

### Consolidated statement of comprehensive income

For the quarter ended 31 March 2017

| <b>Unaudited</b>   | <b>31.03.2017</b> | <b>31.03.2016 *)</b> | <b>2016</b>   |
|--|-------------------|----------------------|---------------|
| EUR'000  |                   |                      |               |
| Revenue  | 22.060            | 25.188               | 140.788       |
| Profit after tax from equity-accounted investments Development companies | 1.521             | -1.459               | -2.519        |
| Profit after tax from equity-accounted investments Operating companies   | 711               | 809                  | 1.476         |
| Other income   | -                 | -                    | -             |
| Direct costs   | -15.115           | -14.624              | -107.289      |
| <b>Gross profit</b>  | <b>9.177</b>      | <b>9.914</b>         | <b>32.456</b> |
| Staff costs  | -2.110            | -1.651               | -4.949        |
| Other external costs   | -992              | -624                 | -2.578        |
| <b>EBITDA</b>  | <b>6.075</b>      | <b>7.639</b>         | <b>24.929</b> |
| Depreciation & impairment  | -426              | -357                 | -1.610        |
| <b>Operating profit</b>  | <b>5.649</b>      | <b>7.282</b>         | <b>23.319</b> |
| Finance income   | 555               | 645                  | 3.562         |
| Finance expenses   | -1.784            | -2.054               | -8.976        |
| <b>Profit/loss before tax</b>  | <b>4.420</b>      | <b>5.873</b>         | <b>17.905</b> |
| Tax  | -739              | -1.451               | -2.260        |
| <b>Profit/loss for the year</b>  | <b>3.681</b>      | <b>4.422</b>         | <b>15.645</b> |
| <b>Attributable to:</b>  |                   |                      |               |
| Shareholders of the Company  | 3.509             | 4.988                | 15.103        |
| Non-controlling interests  | 172               | -566                 | 542           |
| <b>Profit/loss for the year</b>  | <b>3.681</b>      | <b>4.422</b>         | <b>15.645</b> |
| <b>Statement of comprehensive income</b>                                 |                   |                      |               |
| <b>Profit/loss for the year</b>  | <b>3.681</b>      | <b>4.422</b>         | <b>15.645</b> |
| Items that may be reclassified to profit or loss                         |                   |                      |               |
| Other comprehensive income in equity accounted investments               | -                 | -                    | -             |
| Value adjustments of hedging instruments                                 | 20                | -157                 | 56            |
| Tax of value adjustments of hedging instruments                          | -5                | 39                   | -14           |
| Currency differences on translating foreign operations                   | 5                 | -13                  | 76            |
| <b>Other comprehensive income for the period</b>                         | <b>20</b>         | <b>-131</b>          | <b>118</b>    |
| <b>Comprehensive income for the year</b>                                 | <b>3.701</b>      | <b>4.291</b>         | <b>15.763</b> |
| <b>Attributable to:</b>  |                   |                      |               |
| Shareholders of the Company  | 3.529             | 4.857                | 15.221        |
| Non-controlling interests  | 172               | -566                 | 542           |
| <b>Comprehensive income for the year</b>                                 | <b>3.701</b>      | <b>4.291</b>         | <b>15.763</b> |

\*) Comparative figures for 2016 Q1 are adjusted for early adoption of IFRS 15

## Consolidated statement of financial position

As of 31 March 2017

| Unaudited                        | 31.03.2017     | 31.03.2016 *)  | 2016           |
|----------------------------------|----------------|----------------|----------------|
| EUR'000                          |                |                |                |
| <b>ASSETS</b>                    |                |                |                |
| <b>Non-current assets</b>        |                |                |                |
| Property, plant and equipment    | 50.876         | 43.889         | 51.320         |
| Joint Venture investments        | 7.663          | 8.316          | 6.075          |
| Associated companies investments | 11.881         | 10.250         | 11.264         |
| Other investments                | 3.680          | 3.622          | 3.629          |
| Loans to related parties         | 20.671         | 21.415         | 21.967         |
| Contract assets                  | 5.038          | 7.525          | 5.547          |
| Other receivables                | 8.072          | 11.483         | 8.141          |
| Deferred tax                     | 3.192          | 4.128          | 3.931          |
| <b>Total non-current assets</b>  | <b>111.073</b> | <b>110.628</b> | <b>111.874</b> |
| <b>Current assets</b>            |                |                |                |
| Inventories                      | 93.323         | 76.047         | 72.201         |
| Contract assets                  | 9.239          | 5.617          | 11.550         |
| Other receivables                | 16.546         | 7.850          | 5.938          |
| Prepayments                      | 1.397          | 1.864          | 1.896          |
| Cash and cash equivalents        | 18.033         | 25.626         | 15.076         |
| <b>Total current assets</b>      | <b>138.538</b> | <b>117.004</b> | <b>106.661</b> |
| <b>TOTAL ASSETS</b>              | <b>249.611</b> | <b>227.632</b> | <b>218.535</b> |

\*) Comparative figures for 2016 Q1 are adjusted for early adoption of IFRS 15

## Consolidated statement of financial position

As of 31 March 2017

| Unaudited   | 31.03.2017     | 31.03.2016 *)  | 2016           |
|---|----------------|----------------|----------------|
| EUR'000   |                |                |                |
| <b>EQUITY AND LIABILITIES</b>                       |                |                |                |
| <b>Equity</b>                                       |                |                |                |
| Share capital                                       | 1.340          | 1.340          | 1.340          |
| Retained earnings                                   | 59.863         | 45.991         | 56.334         |
| Equity attributable to owners of the Company        | 61.203         | 47.331         | 57.674         |
| Non-controlling interests                           | 6.426          | 14.077         | 6.326          |
| <b>Total Equity</b>                                 | <b>67.629</b>  | <b>61.408</b>  | <b>64.000</b>  |
| <b>Liabilities</b>                                  |                |                |                |
| Bond loan   | 44.761         | 52.117         | 44.700         |
| Project financing                                   | 86.524         | 54.996         | 55.500         |
| Other debt relating to the acquisition of companies | 691            | 6.724          | 1.402          |
| Provisions  | 556            | -              | 556            |
| Deferred tax  | 2.670          | 1.681          | 2.618          |
| <b>Total non-current liabilities</b>                | <b>135.202</b> | <b>115.518</b> | <b>104.776</b> |
| Bond loan   | 7.600          | -              | 7.600          |
| Credit institutions                                 | 10.723         | 16.234         | 15.726         |
| Other debt relating to the acquisition of companies | 3.171          | 3.269          | 4.782          |
| Trade payables                                      | 15.747         | 17.110         | 11.512         |
| Payables to related parties                         | 1.294          | 74             | 835            |
| Corporation tax                                     | 265            | 1.007          | 920            |
| Provisions  | 1.975          | 3.040          | 1.975          |
| Contract liabilities                                | -              | 2.575          | -              |
| Other payables                                      | 6.005          | 7.397          | 6.409          |
| <b>Total current liabilities</b>                    | <b>46.780</b>  | <b>50.706</b>  | <b>49.759</b>  |
| <b>Total liabilities</b>                            | <b>181.982</b> | <b>166.224</b> | <b>154.535</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>249.611</b> | <b>227.632</b> | <b>218.535</b> |

\*) Comparative figures for 2016 Q1 are adjusted for early adoption of IFRS 15



## Consolidated statement of cash flow

For the quarter ended 31 March 2017

| Unaudited  | 31.03.2017     | 31.03.2016 *) | 2016          |
|--|----------------|---------------|---------------|
| EUR'000  |                |               |               |
| <b>Cash flow from operating activities</b>                           |                |               |               |
| Profit/loss before tax   | 4.420          | 5.873         | 17.905        |
| Adjustments for:   |                |               |               |
| Financial income   | -555           | -645          | -3.562        |
| Financial Expenses   | 1.784          | 2.054         | 8.976         |
| Depreciations  | 426            | 357           | 1.610         |
| Other non-cash movements   | -2.232         | 650           | 1.043         |
| Change in netw orking capital  | -26.833        | -1.932        | -10.854       |
| Other non-cash items   | -              | -             | -             |
| Cash generated from operation before financial items and tax         | -22.990        | 6.357         | 15.118        |
| Taxes paid   | -455           | -859          | -1.469        |
| Interest paid and realised currency losses                           | -1.777         | -2.054        | -8.483        |
| Interest received and realised currency gains                        | 455            | 645           | 2.140         |
| <b>Cash flow from operating activities</b>                           | <b>-24.767</b> | <b>4.089</b>  | <b>7.306</b>  |
| <b>Cash flow from investing activities</b>                           |                |               |               |
| Purchase of Property, plant and equipment                            | -5             | -             | -6.848        |
| Proceeds from disposal of subsidiaries, equity-accounted investments | -              | 210           | 1.999         |
| Investment/loans in equity-accounted investments                     | 1.238          | 5.288         | 4.659         |
| Dividends  | 11             | -             | 52            |
| <b>Cash flow from investing activities</b>                           | <b>1.244</b>   | <b>5.498</b>  | <b>-138</b>   |
| <b>Cash flow from financing activities</b>                           |                |               |               |
| Proceeds from borrow ings  | 30.578         | 1.144         | 40.437        |
| Repayment of borrow ings   | -4.557         | -701          | -39.998       |
| Changes in payables to associates                                    | 459            | -334          | 427           |
| Non-controlling interests' share of capital increase in subsidiary   | -              | -             | -8.888        |
| <b>Cash flow from financing activities</b>                           | <b>26.480</b>  | <b>109</b>    | <b>-8.022</b> |
| <b>Change in cash and cash equivalents</b>                           | <b>2.957</b>   | <b>9.696</b>  | <b>-854</b>   |
| Cash and cash equivalents at beginning of period                     | 15.076         | 15.930        | 15.930        |
| <b>Cash and cash equivalents end of period</b>                       | <b>18.033</b>  | <b>25.626</b> | <b>15.076</b> |
| Of w hich restricted cash and cash equivalents                       | -3.536         | -3.079        | -4.833        |
| <b>Non-restricted cash and cash equivalents end of year</b>          | <b>14.497</b>  | <b>22.547</b> | <b>10.243</b> |

\*) Comparative figures for 2016 Q1 are adjusted for early adoption of IFRS 15

## Consolidated statement of changes in equity

As of 31 December 2016

Unaudited

| EUR'000  | Share capital | Translation reserve | Hedging reserve | Retained earnings | Total  | Non-controlling interest | Total  |
|--|---------------|---------------------|-----------------|-------------------|--------|--------------------------|--------|
| <b>Equity at 1 January 2017</b>                            | 1.340         | 27                  | -663            | 56.970            | 57.674 | 6.326                    | 64.000 |
| Profit/loss for the period                                 | -             | -                   | -               | 3.509             | 3.509  | 172                      | 3.681  |
| <b>Other comprehensive income</b>                          |               |                     |                 |                   |        |                          |        |
| Other comprehensive income in equity accounted investments | -             | -                   | -               | -                 | -      | -                        | -      |
| Value adjustments of hedging instruments                   | -             | -                   | 16              | -                 | 16     | 4                        | 20     |
| Tax of value adjustments of hedging instruments            | -             | -                   | -4              | -                 | -4     | -1                       | -5     |
| Currency differences on translating foreign operations     | -             | 8                   | -               | -                 | 8      | -3                       | 5      |
| Other comprehensive income                                 | -             | 8                   | 12              | -                 | 20     | -                        | 20     |
| Total comprehensive income                                 | -             | 8                   | 12              | 3.509             | 3.529  | 172                      | 3.701  |
| <b>Transactions with owners</b>                            |               |                     |                 |                   |        |                          |        |
| Share of capital increases                                 | -             | -                   | -               | -                 | -      | -                        | -      |
| Additions  | -             | -                   | -               | -                 | -      | -                        | -      |
| Disposals  | -             | -                   | -               | -                 | -      | -72                      | -72    |
| Total transactions with owners                             | -             | -                   | -               | -                 | -      | -72                      | -72    |
| <b>Equity at 31 March 2017</b>                             | 1.340         | 35                  | -651            | 60.479            | 61.203 | 6.426                    | 67.629 |

| EUR '000   | Share capital | Translation reserve | Hedging reserve | Retained earnings | Total  | Non-controlling interest | Total   |
|--|---------------|---------------------|-----------------|-------------------|--------|--------------------------|---------|
| <b>Equity at 1 January 2016</b>                            | 1.340         | -57                 | -697            | 41.867            | 42.453 | 14.354                   | 56.807  |
| Profit/loss for the period                                 | -             | -                   | -               | 15.103            | 15.103 | 542                      | 15.645  |
| <b>Other comprehensive income</b>                          |               |                     |                 |                   |        |                          |         |
| Other comprehensive income in equity accounted investments | -             | -                   | -               | -                 | -      | -                        | -       |
| Value adjustments of hedging instruments                   | -             | -                   | 45              | -                 | 45     | 11                       | 56      |
| Tax of value adjustments of hedging instruments            | -             | -                   | -11             | -                 | -11    | -3                       | -14     |
| Currency differences on translating foreign operations     | -             | 84                  | -               | -                 | 84     | -8                       | 76      |
| Other comprehensive income                                 | -             | 84                  | 34              | -                 | 118    | -                        | 118     |
| Total comprehensive income                                 | -             | 84                  | 34              | 15.103            | 15.221 | 542                      | 15.763  |
| Transactions with owners                                   |               |                     |                 |                   |        |                          |         |
| <b>Share of capital increases</b>                          | -             | -                   | -               | -                 | -      | 1.849                    | 1.849   |
| Additions  | -             | -                   | -               | -                 | -      | 1.420                    | 1.420   |
| Disposals  | -             | -                   | -               | -                 | -      | -11.839                  | -11.839 |
| Total transactions with owners                             | -             | -                   | -               | -                 | -      | -8.570                   | -8.570  |
| <b>Equity at 31 December 2016</b>                          | 1.340         | 27                  | -663            | 56.970            | 57.674 | 6.326                    | 64.000  |

The share capital consists of nom. 10,000,000 shares of DKK 1 each, corresponding to EUR 1,340 thousand.  
The share capital has remained unchanged for the last five years. The share capital is fully paid in.

## Notes

### **Basis for preparation**

These unaudited consolidated financial statements for the first quarter of 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the Annual Report 2016 of European Energy Group.

Furthermore, the financial report including the consolidated financial statements for the first quarter of 2017 and the management's review have been prepared in accordance with additional Danish disclosure requirements for the interim reports of listed companies.

European Energy Group has adopted all new, amended or revised accounting standards and interpretations ('IFRS') as published by the IASB, and also those that are endorsed by the EU effective for the accounting period beginning on 1 January 2017. These IFRS's have not had a significant impact on the consolidated financial statements for the first quarter of 2017.

### **New accounting standards not yet adopted**

The IASB has issued a number of new accounting standards and interpretations with effective date after 31 December 2017. The Group expects to implement when they become mandatory. IFRS 16, Leases (effective date 1 January 2019).

The following new accounting standards and interpretations, not yet adopted, are expected to have most significant impact on recognition, measurement and disclosures for the Group:

The Group expects to implement IFRS 16 when it becomes mandatory in 2019.

### **IFRS 16, Leases**

The IASB has issued a new standard on accounting for leases. As a Lessee, the Group is required to recognize all lease contracts on the balance sheet. The Group will not be required to recognize lease contracts with a term of less than 12 months on the balance sheet. The Group is assessing the impact of IFRS 16. We have started an analysis of the impact of IFRS 16 on the consolidated financial statements, which has not yet been completed. The lease obligation at 1 January 2019 will be calculated as the present value of remaining lease payments at this date and the impact are expected to increase the balance sheet with approximately with EUR 6M and will also impact the key ratios. It will only have limited effect on the income statement.

The Group's main operations comprise project development, financing, construction, sales and acquisition as well as management of wind and solar energy farms. Our geographical focus is on Northern 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.

Corporate bonds issued by the parent company are listed on NASDAQ Stockholm. On 31 May 2017, 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.

#### Unaudited

| EUR '000                             | Wind           | Solar          | Total before elimination | 31.03.2017     |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Sale of energy farms and projects    | 4.857          | 14.902         | 19.760                   | 19.760         |
| Sale of electricity                  | 173            | 1.766          | 1.939                    | 1.939          |
| Asset management & other fees        | 89             | 277            | 366                      | 366            |
| <b>Revenue to external customers</b> | <b>5.119</b>   | <b>16.945</b>  | <b>22.064</b>            | <b>22.064</b>  |
| <b>Profit/loss before tax</b>        | <b>4.542</b>   | <b>-124</b>    | <b>4.418</b>             | <b>4.418</b>   |
| <b>Total assets</b>                  | <b>133.576</b> | <b>115.923</b> | <b>249.498</b>           | <b>249.498</b> |
| <b>Total liabilities</b>             | <b>77.937</b>  | <b>103.948</b> | <b>181.886</b>           | <b>181.886</b> |

|                                      | Wind           | Solar          | Total before elimination | 31.03.2016 *)  |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Sale of energy farms and projects    | 7.587          | 15.835         | 23.422                   | 23.422         |
| Sale of electricity                  | 18             | 1.397          | 1.415                    | 1.415          |
| Asset management & other fees        | 326            | 26             | 352                      | 352            |
| <b>Revenue to external customers</b> | <b>7.930</b>   | <b>17.258</b>  | <b>25.188</b>            | <b>25.188</b>  |
| <b>Profit/loss before tax</b>        | <b>-1.049</b>  | <b>6.922</b>   | <b>5.873</b>             | <b>5.873</b>   |
| <b>Total assets</b>                  | <b>127.555</b> | <b>100.078</b> | <b>227.632</b>           | <b>227.632</b> |
| <b>Total liabilities</b>             | <b>78.524</b>  | <b>87.700</b>  | <b>166.224</b>           | <b>166.224</b> |

\*) Comparative figures for 2016 Q1 are adjusted for early adoption of IFRS 15

### Write down of inventories

The Groups has no write down of inventories for the first quarter of 2017.

## **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 March 2017. 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 2016.

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, 31 May 2017

Management:

Knud Erik Andersen  
CEO  
Board of Directors:

Jonny Jonasson  
CFO

Jens-Peter Zink  
Chairman

Knud Erik Andersen

Mikael Dystrup Pedersen

Claus Dyhr

Jesper Helmuth Larsen

## 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. Additional factors that may affect future results are contained in European Energy's annual report for the year ended 31 December 2016 (available at [www.europeanenergy.dk/investor relations](http://www.europeanenergy.dk/investor%20relations)) and these factors should also be considered. Each forward-looking statement speaks only as of the date of this document. European Energy does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than 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.



## Interim financial report second quarter 2017





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### Contact details:

For more information please contact CFO Jonny Thorstad Jonasson, e-mail: [jtj@europeanenergy.dk](mailto:jtj@europeanenergy.dk),  
T: +45 51 80 00 00

## Summary

*The European Energy Group has had a positive development in sales and construction activities during the second quarter of 2017, and the groups share of profit totaled EUR 1,1M. Management raises full year guidance for profit before tax from EUR 17-22M to EUR 23M-26M.*

The groups profit before tax totaled EUR 1,1M based on a revenue of EUR 10,1M. The cash flow for the quarter has been positive, and the Group has maintained a high level of cash and cash equivalents, totaling EUR 21,0M by the end of the quarter.

The profit before tax for the first half year of 2017 for the Group equals EUR 5,5M, compared to 2016 where it was EUR 4,1M.

During the second quarter of 2017, 27 MW wind power has been grid connected, 81 MW wind and solar power is under construction and another 302 MW are ready to build.

The timing of the close of each individual sale of energy farms has great impact on the Groups results. The Group has successfully closed 5 MW (gross) in Q2 and 37 MW (gross) after the end of Q2. Moreover 39 MW (gross) are conditionally closed with expected closing during 2017 and 2018.

Due to these developments management raises full year guidance for profit before tax from EUR 17-22M to EUR 23M-26M. Last time European Energy raised full year guidance was upon submitting the first quarterly report of 2017. CEO Knud Erik Andersen says: *"I am very pleased that we are able to outperform our expectations, due to the intense attention our green energy projects are getting from institutional investors looking for long term, low risk assets"*

During the third quarter of 2017 European Energy A/S has successfully refinanced the outstanding 03/2018 EUR 45M bond loan with a larger EUR 60M bond loan. Final maturity of the new bond loan is 05/2021, and the new bond loan will carry a lower coupon of Euribor 3M + 7.0%. The bond will be listed on NASDAQ Copenhagen. The outstanding bond of EUR 45M has been delisted from NASDAQ Stockholm and repaid in July.

## Highlights for European Energy Group

| EUR '000                                      | Q2 2017    | Q2 2016 *) | H1 2017    | H1 2016 *) | FY 2016    |
|---|------------|------------|------------|------------|------------|
| <b>Key figures (un audited)</b>               |            |            |            |            |            |
| Revenue                                       | 10.127     | 4.922      | 32.187     | 30.110     | 140.788    |
| Direct costs                                  | -7.167     | -1.496     | -22.282    | -16.120    | -107.289   |
| Gross profit                                  | 5.438      | 3.460      | 14.615     | 13.374     | 32.456     |
| EBITDA  | 2.821      | 1.001      | 8.896      | 8.640      | 24.929     |
| Operating profit (EBIT)                       | 2.403      | 405        | 8.052      | 7.687      | 23.319     |
| Financial income and expense, net             | -1.339     | -2.228     | -2.568     | -3.637     | -5.414     |
| Profit/loss before tax                        | 1.064      | -1.823     | 5.484      | 4.050      | 17.905     |
| Tax   | 576        | 1.095      | -163       | -356       | -2.260     |
| The Group's share of profit for the year      | 1.640      | -728       | 5.321      | 3.694      | 15.645     |
|   |            |            |            |            |            |
| Total assets                                  | 266.225    | 236.852    | 266.225    | 236.852    | 218.535    |
| Equity  | 69.219     | 60.501     | 69.219     | 60.501     | 64.000     |
|   |            |            |            |            |            |
| Cash flow from operating activities           | 767        | -15.319    | -24.000    | -11.230    | 7.306      |
| Cash flow from investing activities           | -6.001     | -1.591     | -4.757     | 3.907      | -138       |
| Cash flow from financing activities           | 8.613      | 4.561      | 35.093     | 4.670      | -8.022     |
| Change in cash and cash equivalents           | 3.379      | -12.349    | 6.336      | -2.653     | -854       |
|   |            |            |            |            |            |
| <b>Financial ratios</b>                       |            |            |            |            |            |
| Gross margin                                  | 53,7%      | 70,3%      | 45,4%      | 44,4%      | 23,1%      |
| EBITDA margin                                 | 27,9%      | 20,3%      | 27,6%      | 28,7%      | 17,7%      |
| EBIT margin                                   | 23,7%      | 8,2%       | 25,0%      | 25,5%      | 16,6%      |
| Solvency ratio                                | 26,0%      | 25,5%      | 26,0%      | 25,5%      | 29,3%      |
| Net interest-bearing debt/EBITDA              | 12         | 29         | 8          | 7          | 4          |
| Return on equity                              | 2,5%       | -1,2%      | 15,4%      | 5,9%       | 25,9%      |
|   |            |            |            |            |            |
| <b>Share Ratios</b>                           |            |            |            |            |            |
| Earning per share                             | 0,2        | -0,1       | 0,5        | 0,4        | 1,6        |
| Book value per share                          | 6,9        | 6,1        | 6,9        | 6,1        | 6,4        |
| Cash flow from operating activities per share | 0,1        | -1,5       | -2,4       | -1,1       | 0,7        |
| Number of shares at the end of the year       | 10.000.000 | 10.000.000 | 10.000.000 | 10.000.000 | 10.000.000 |
|   |            |            |            |            |            |
| Average number of full-time employees         | 72         | 61         | 73         | 61         | 64         |

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

\*) Comparative figures for 2016 Q2 and H1 2016 are adjusted for early adoption of IFRS 15

## Management Review

### Development in financials for the Group in second quarter of 2017

In the second quarter of 2017 the Group increased the construction activities adding to the inventory level. The Group is looking forward to realize a substantial part of the projects during the third quarter. For the second quarter the closing (sale) of projects were limited to one solar farm in UK.

In total including sale of electricity the revenue for the second quarter amounted to EUR 10,1M compared to EUR 4,9M in 2016.

Profit after tax from equity-accounted operating companies was recognised to EUR 2,5M compared to EUR 0,1M in 2016. A substantial part of the profit relates to the sale of an operating wind park in Germany in an associated company.

The Gross profit amounted to EUR 5,4M compared to EUR 3,5M in 2016.

EBITDA for the quarter came in at EUR 2,8M compared to EUR 1,0M in the second quarter of 2016. Profit before tax ended at EUR 1,1M. The tax for the period ended with a tax income of EUR 0,6M. The taxation of the Group is though higher, since the profit for the equity accounted investments is a net amount after tax.

In the second quarter of 2016 the profit before tax ended at EUR -1,8M, the tax for the period ended with a tax income of EUR 1,1M.

The profit before tax for the first half year of 2017 for the Group equals EUR 5,5M, compared to 2016 where it was EUR 4,1M

The total balance of the Group increased from EUR 249,6M at the end of the first quarter of 2017 to EUR 266,2M in the second quarter in 2017 – an increase of EUR 16,6M. The increase is mainly due to the construction activities which are funded via project financing with credit institutions. In the second quarter of 2016 the balance of the Group increased with EUR 9,2M to EUR 236,9M.

The management considers the results of the second quarter of 2017 to be satisfactory.

### Capital Management:

With support of Carnegie Investment Bank and Nordea Bank, European Energy A/S successfully refinanced the outstanding 03/2018 EUR 45M bond loan with a larger EUR 60M bond loan. Final maturity of the new bond loan is 05/2021. The new bond loan will carry a lower coupon of Euribor 3M + 7.0% and will be registered at NASDAQ Copenhagen within 6 month of the issue 3rd of July 2017.

### Outlook for 2017:

The timing of the close of each individual sale of energy farms has great impact on the Groups results. There has been a positive development of the sales processes and due to these developments management raises full year guidance to:

Revenue for 2017: from EUR 130M – 170M to be EUR 150M -175M.

Profit before tax for 2017: from EUR 17M – 22M to be EUR 23M - 26M.

## Sale of Electrical Power

European Energy's share of operational assets increased by 56 MW to 207 MW compared to end of Q2 2016. The development is due to commissioning of wind farms in Germany, Finland, Denmark and Italy and divestment of solar PV farms in the UK.

### Net capacity (MW)

|              | End of Q2 2017 | End of Q2 2016 | End of 2016 | End of 2015 |
|--------------|----------------|----------------|-------------|-------------|
| Solar        | 25             | 32             | 32          | 23          |
| Wind         | 182            | 119            | 124         | 121         |
| <b>Total</b> | <b>207</b>     | <b>151</b>     | <b>156</b>  | <b>144</b>  |

The production from solar PV increased in the second quarter of 2017, due to a higher installed capacity. The wind production increased significantly compared to the second quarter of 2016 due to additions to the portfolio but fell short of expectations since the wind conditions in Germany and Denmark were poor. In total the Group experienced an increase in the net production compared to the second quarter of 2016.

### Net Production (GWh)

|              | Q2 2017     | Q2 2016     | 2017 YTD     | 2016 YTD     |
|--------------|-------------|-------------|--------------|--------------|
| Solar        | 8,8         | 7,6         | 8,8          | 11,0         |
| Wind         | 60,8        | 35,6        | 119,1        | 93,9         |
| <b>Total</b> | <b>69,6</b> | <b>43,2</b> | <b>127,9</b> | <b>104,9</b> |

Power prices have generally been low in the second quarter of 2017. Due to long-term power purchase agreements and long-term subsidies, low power prices will have a limited effect on profit from the sale of electrical power.

## Asset Management

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

### Assets managed on behalf of third parties (MW)

|              | End of Q2 2017 | End of Q2 2016 |
|--------------|----------------|----------------|
| Solar        | 110            | 103            |
| Wind         | 460            | 279            |
| <b>Total</b> | <b>570</b>     | <b>382</b>     |

European Energy manages 570 MW on behalf of third parties. The total portfolio under management, including own assets corresponds to 777 MW.

## Development and construction

### *Wind*

In the second quarter the Group successfully grid connected 27 MW wind , 17 MW in Finland and and 10 MW wind in Germany.

Kappel, Vormark and Uppum were partly grid connected in the first quarter of 2017, and are now fully grid connected.

In Denmark Kappel went into production. In Finland all three projects Jeppo, Haukkineva and Vihreäsaari went into production. In Germany Uppum, Vormark, Lüdersdorf and Werneuchen finished their construction.

In the second quarter a new project in Denmark Nøjsomhed Odde got ready to build and construction has started in the third quarter.

See table 1 and 2 in the appendix for further specifications.

### *Solar*

Construction in Brazil is ongoing and it is expected that the first KWh will be produced end 2017 or in the beginning of 2018.

See table 3 and 4 in the appendix for further specifications.

### *Pipeline*

In the second quarter of 2017 European Energy has not made any acquisitions of new projects or project rights. Several opportunities in Southern Europe are currently under consideration and are expected to materialize during the third quarter of 2017. By the end of Q2 European Energy have 184 MW ready to build solar projects in Denmark and Brazil, and 118 MW ready to build wind projects in Sweden, Denmark and Germany.

### *Sales activity:*

The Group closed the sale of a solar park in UK, and additionally made conditional closes on several wind parks in Denmark and Germany. For specifications please see table 5 in the appendix.

### *Events after the end of Q2 2017*

After the end of the second quarter of 2017 the Group signed and conditionally closed the sale of a 12 MW wind farm in Germany as a follow-up deal to the Hamburg-based private equity group CEE. Further, the last UK solar projects were closed and transferred to the Danish pension fund PFA as part of the 30 MW deal announced in 2016. The 25 MW Danish wind farm Kappel was sold to a fund managed by the Hamburg-based fund manager Aquila. Finally, European Energy and the Danish Climate Investment Fund signed and closed an agreement for the sale of project rights for a solar farm in Brazil. European Energy and the Danish Climate Investment Fund own 80% of the 91 MW project. The buyer is the Brazilian utility AES-Tietê. For specifications please see table 6 in the appendix.

## Financial figures

### Consolidated statement of comprehensive income

For the quarter ended 30 June 2017

| Unaudited  | Q2 2017      | Q2 2016 *)    | H1 2017       | H1 2016 *)    | FY 2016       |
|--|--------------|---------------|---------------|---------------|---------------|
| EUR'000  |              |               |               |               |               |
| Revenue  | 10.127       | 4.922         | 32.187        | 30.110        | 140.788       |
| Profit after tax from equity-accounted investments Development companies | 5            | -88           | 1.526         | -1.547        | -2.519        |
| Profit after tax from equity-accounted investments Operating companies   | 2.473        | 104           | 3.184         | 913           | 1.476         |
| Other income   | -            | 18            | -             | 18            | -             |
| Direct costs   | -7.167       | -1.496        | -22.282       | -16.120       | -107.289      |
| <b>Gross profit</b>  | <b>5.438</b> | <b>3.460</b>  | <b>14.615</b> | <b>13.374</b> | <b>32.456</b> |
| Staff costs  | -1.587       | -1.637        | -3.697        | -3.288        | -4.949        |
| Other external costs   | -1.030       | -822          | -2.022        | -1.446        | -2.578        |
| <b>EBITDA</b>  | <b>2.821</b> | <b>1.001</b>  | <b>8.896</b>  | <b>8.640</b>  | <b>24.929</b> |
| Depreciation & impairment  | -418         | -596          | -844          | -953          | -1.610        |
| <b>Operating profit</b>  | <b>2.403</b> | <b>405</b>    | <b>8.052</b>  | <b>7.687</b>  | <b>23.319</b> |
| Finance income   | 697          | 236           | 1.252         | 881           | 3.562         |
| Finance expenses   | -2.036       | -2.464        | -3.820        | -4.518        | -8.976        |
| <b>Profit/loss before tax</b>  | <b>1.064</b> | <b>-1.823</b> | <b>5.484</b>  | <b>4.050</b>  | <b>17.905</b> |
| Tax  | 576          | 1.095         | -163          | -356          | -2.260        |
| <b>Profit/loss for the year</b>  | <b>1.640</b> | <b>-728</b>   | <b>5.321</b>  | <b>3.694</b>  | <b>15.645</b> |
| <b>Attributable to:</b>  |              |               |               |               |               |
| Shareholders of the Company  | 1.709        | -1.666        | 5.218         | 3.322         | 15.103        |
| Non-controlling interests  | -69          | 938           | 103           | 372           | 542           |
| <b>Profit/loss for the year</b>  | <b>1.640</b> | <b>-728</b>   | <b>5.321</b>  | <b>3.694</b>  | <b>15.645</b> |
| <b>Statement of comprehensive income</b>                                 |              |               |               |               |               |
| <b>Profit/loss for the year</b>  | <b>1.640</b> | <b>-728</b>   | <b>5.321</b>  | <b>3.694</b>  | <b>15.645</b> |
| Items that may be reclassified to profit or loss                         |              |               |               |               |               |
| Other comprehensive income in equity accounted investments               | -            | -             | -             | -             | -             |
| Value adjustments of hedging instruments                                 | 128          | 51            | 148           | -106          | 56            |
| Tax of value adjustments of hedging instruments                          | -32          | -13           | -37           | 26            | -14           |
| Currency differences on translating foreign operations                   | -143         | 83            | -138          | 70            | 76            |
| <b>Other comprehensive income for the period</b>                         | <b>-47</b>   | <b>121</b>    | <b>-27</b>    | <b>-10</b>    | <b>118</b>    |
| <b>Comprehensive income for the year</b>                                 | <b>1.593</b> | <b>-607</b>   | <b>5.294</b>  | <b>3.684</b>  | <b>15.763</b> |
| <b>Attributable to:</b>  |              |               |               |               |               |
| Shareholders of the Company  | 1.662        | -1.099        | 5.191         | 3.758         | 15.221        |
| Non-controlling interests  | -69          | 492           | 103           | -74           | 542           |
| <b>Comprehensive income for the year</b>                                 | <b>1.593</b> | <b>-607</b>   | <b>5.294</b>  | <b>3.684</b>  | <b>15.763</b> |

\*) Comparative figures for 2016 Q2 and H1 2016 are adjusted for early adoption of IFRS 15



## Consolidated statement of financial position

As of 30 June 2017

| Unaudited<br>EUR'000             | H1 2017        | H1 2016 *)     | FY 2016        |
|----------------------------------|----------------|----------------|----------------|
| <b>ASSETS</b>                    |                |                |                |
| <b>Non-current assets</b>        |                |                |                |
| Property, plant and equipment    | 50.069         | 47.014         | 51.320         |
| Joint Venture investments        | 7.691          | 6.231          | 6.075          |
| Associated companies investments | 12.405         | 15.238         | 11.264         |
| Other investments                | 3.815          | 3.621          | 3.629          |
| Loans to related parties         | 28.648         | 18.859         | 21.967         |
| Contract assets                  | 6.448          | 4.093          | 5.547          |
| Other receivables                | 8.160          | 7.568          | 8.141          |
| Deferred tax                     | 3.992          | 4.844          | 3.931          |
| <b>Total non-current assets</b>  | <b>121.228</b> | <b>107.468</b> | <b>111.874</b> |
| <b>Current assets</b>            |                |                |                |
| Inventories                      | 100.338        | 95.907         | 72.201         |
| Contract assets                  | 11.481         | 10.874         | 11.550         |
| Other receivables                | 10.856         | 7.472          | 5.938          |
| Prepayments                      | 910            | 1.854          | 1.896          |
| Cash and cash equivalents        | 21.412         | 13.277         | 15.076         |
| <b>Total current assets</b>      | <b>144.997</b> | <b>129.384</b> | <b>106.661</b> |
| <b>TOTAL ASSETS</b>              | <b>266.225</b> | <b>236.852</b> | <b>218.535</b> |

\*) Comparative figures for H1 2016 are adjusted for early adoption of IFRS 15

## Consolidated statement of financial position

As of 30 June 2017

| Unaudited<br>EUR'000                                | H1 2017        | H1 2016 *)     | FY 2016        |
|---|----------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>                       |                |                |                |
| <b>Equity</b>                                       |                |                |                |
| Share capital                                       | 1.341          | 1.340          | 1.340          |
| Retained earnings                                   | 61.524         | 45.395         | 56.334         |
| Equity attributable to owners of the Company        | 62.865         | 46.735         | 57.674         |
| Non-controlling interests                           | 6.354          | 13.766         | 6.326          |
| <b>Total Equity</b>                                 | <b>69.219</b>  | <b>60.501</b>  | <b>64.000</b>  |
| <b>Liabilities</b>                                  |                |                |                |
| Bond loan   | -              | 52.243         | 44.700         |
| Project financing                                   | 97.847         | 57.639         | 55.500         |
| Other debt relating to the acquisition of companies | 691            | 1.033          | 1.402          |
| Provisions  | 556            | -              | 556            |
| Deferred tax  | 2.698          | 1.619          | 2.618          |
| <b>Total non-current liabilities</b>                | <b>101.792</b> | <b>112.534</b> | <b>104.776</b> |
| Bond loan   | 52.204         | -              | 7.600          |
| Credit institutions                                 | 8.368          | 18.152         | 15.726         |
| Other debt relating to the acquisition of companies | 3.579          | 1.098          | 4.782          |
| Trade payables                                      | 15.145         | 27.001         | 11.512         |
| Payables to related parties                         | 824            | 74             | 835            |
| Corporation tax                                     | 685            | 767            | 920            |
| Provisions  | 1.975          | 2.975          | 1.975          |
| Contract liabilities                                | -              | 2.575          | -              |
| Other payables                                      | 12.434         | 11.175         | 6.409          |
| <b>Total current liabilities</b>                    | <b>95.214</b>  | <b>63.817</b>  | <b>49.759</b>  |
| <b>Total liabilities</b>                            | <b>197.006</b> | <b>176.351</b> | <b>154.535</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>266.225</b> | <b>236.852</b> | <b>218.535</b> |

\*) Comparative figures for H1 2016 are adjusted for early adoption of IFRS 15

## Consolidated statement of cash flow

For the quarter ended 30 June 2017

| Unaudited  | Q2 2017       | Q2 2016 *)     | H1 2017        | H1 2016 *)     | FY 2016       |
|--|---------------|----------------|----------------|----------------|---------------|
| EUR'000  |               |                |                |                |               |
| <b>Cash flow from operating activities</b>                           |               |                |                |                |               |
| Profit/loss before tax   | 1.064         | -1.823         | 5.484          | 4.050          | 17.905        |
| Adjustments for:   |               |                |                |                |               |
| Financial income   | -697          | -236           | -1.252         | -881           | -3.562        |
| Financial Expenses   | 2.036         | 2.464          | 3.820          | 4.518          | 8.976         |
| Depreciations  | 418           | 596            | 844            | 953            | 1.610         |
| Other non-cash movements   | -2.478        | -16            | -4.710         | 634            | 1.043         |
| Change in net working capital  | 1.657         | -13.800        | -25.176        | -15.732        | -10.854       |
| Other non-cash items   | -             | -18            | -              | -18            | -             |
| Cash generated from operation before financial items and tax         | 2.000         | -12.833        | -20.990        | -6.476         | 15.118        |
| Taxes paid   | -4            | -168           | -459           | -1.027         | -1.469        |
| Interest paid and realised currency losses                           | -1.907        | -2.464         | -3.684         | -4.518         | -8.483        |
| Interest received and realised currency gains                        | 678           | 146            | 1.133          | 791            | 2.140         |
| <b>Cash flow from operating activities</b>                           | <b>767</b>    | <b>-15.319</b> | <b>-24.000</b> | <b>-11.230</b> | <b>7.306</b>  |
| <b>Cash flow from investing activities</b>                           |               |                |                |                |               |
| Purchase of Property, plant and equipment                            | -75           | -4             | -80            | -4             | -6.848        |
| Proceeds from disposal of subsidiaries, equity-accounted investments | -             | 326            | -              | 536            | 1.999         |
| Investment/loans in equity-accounted investments                     | -5.937        | -2.003         | -4.699         | 3.285          | 4.659         |
| Dividends  | 11            | 90             | 22             | 90             | 52            |
| <b>Cash flow from investing activities</b>                           | <b>-6.001</b> | <b>-1.591</b>  | <b>-4.757</b>  | <b>3.907</b>   | <b>-138</b>   |
| <b>Cash flow from financing activities</b>                           |               |                |                |                |               |
| Proceeds from borrowings   | 14.755        | 17.462         | 45.333         | 18.606         | 40.437        |
| Repayment of borrowings  | -5.787        | -12.901        | -10.344        | -13.602        | -39.998       |
| Changes in payables to associates                                    | -470          | -              | -11            | -334           | 427           |
| Non-controlling interests' share of capital increase in subsidiary   | 115           | -              | 115            | -              | -8.888        |
| <b>Cash flow from financing activities</b>                           | <b>8.613</b>  | <b>4.561</b>   | <b>35.093</b>  | <b>4.670</b>   | <b>-8.022</b> |
| <b>Change in cash and cash equivalents</b>                           | <b>3.379</b>  | <b>-12.349</b> | <b>6.336</b>   | <b>-2.653</b>  | <b>-854</b>   |
| Cash and cash equivalents at beginning of period                     | 18.033        | 25.626         | 15.076         | 15.930         | 15.930        |
| <b>Cash and cash equivalents end of period</b>                       | <b>21.412</b> | <b>13.277</b>  | <b>21.412</b>  | <b>13.277</b>  | <b>15.076</b> |
| Of which restricted cash and cash equivalents                        | -3.101        | -3.079         | -3.101         | -3.079         | -4.833        |
| <b>Non-restricted cash and cash equivalents end of year</b>          | <b>18.311</b> | <b>10.198</b>  | <b>18.311</b>  | <b>10.198</b>  | <b>10.243</b> |

\*) Comparative figures for 2016 Q2 and H1 2016 are adjusted for early adoption of IFRS 15

## Consolidated statement of changes in equity

As of 30 June 2017

Unaudited

| EUR'000  | Share capital | Translation reserve | Hedging reserve | Retained earnings | Total  | Non-controlling interest | Total  |
|--|---------------|---------------------|-----------------|-------------------|--------|--------------------------|--------|
| <b>Equity at 1 January 2017</b>                        | 1.340         | 27                  | -663            | 56.970            | 57.674 | 6.326                    | 64.000 |
| Profit/loss for the period                             | -             | -                   | -               | 5.218             | 5.218  | 103                      | 5.321  |
| <b>Other comprehensive income</b>                      |               |                     |                 |                   |        |                          |        |
| Value adjustments of hedging instruments               | -             | -                   | 118             | -                 | 118    | 30                       | 148    |
| Tax of value adjustments of hedging instruments        | -             | -                   | -29             | -                 | -29    | -8                       | -37    |
| Currency differences on translating foreign operations | -             | 2                   | -               | -118              | -116   | -22                      | -138   |
| Other comprehensive income                             | -             | 2                   | 89              | -118              | -27    | -                        | -27    |
| Total comprehensive income                             | -             | 2                   | 89              | 5.100             | 5.191  | 103                      | 5.294  |
| <b>Transactions with owners</b>                        |               |                     |                 |                   |        |                          |        |
| Share of capital increases                             | -             | -                   | -               | -                 | -      | 115                      | 115    |
| Additions  | -             | -                   | -               | -                 | -      | 40                       | 40     |
| Disposals  | -             | -                   | -               | -                 | -      | -230                     | -230   |
| Total transactions with owners                         | -             | -                   | -               | -                 | -      | -75                      | -75    |
| <b>Equity at 30 June 2017</b>                          | 1.340         | 29                  | -574            | 62.070            | 62.865 | 6.354                    | 69.219 |

| EUR '000   | Share capital | Translation reserve | Hedging reserve | Retained earnings | Total  | Non-controlling interest | Total   |
|--|---------------|---------------------|-----------------|-------------------|--------|--------------------------|---------|
| <b>Equity at 1 January 2016</b>                        | 1.340         | -57                 | -697            | 41.867            | 42.453 | 14.354                   | 56.807  |
| Profit/loss for the period                             | -             | -                   | -               | 15.103            | 15.103 | 542                      | 15.645  |
| <b>Other comprehensive income</b>                      |               |                     |                 |                   |        |                          |         |
| Value adjustments of hedging instruments               | -             | -                   | 45              | -                 | 45     | 11                       | 56      |
| Tax of value adjustments of hedging instruments        | -             | -                   | -11             | -                 | -11    | -3                       | -14     |
| Currency differences on translating foreign operations | -             | 84                  | -               | -                 | 84     | -8                       | 76      |
| Other comprehensive income                             | -             | 84                  | 34              | -                 | 118    | -                        | 118     |
| Total comprehensive income                             | -             | 84                  | 34              | 15.103            | 15.221 | 542                      | 15.763  |
| Transactions with owners                               |               |                     |                 |                   |        |                          |         |
| <b>Share of capital increases</b>                      | -             | -                   | -               | -                 | -      | 1.849                    | 1.849   |
| Additions  | -             | -                   | -               | -                 | -      | 1.420                    | 1.420   |
| Disposals  | -             | -                   | -               | -                 | -      | -11.839                  | -11.839 |
| Total transactions with owners                         | -             | -                   | -               | -                 | -      | -8.570                   | -8.570  |
| <b>Equity at 31 December 2016</b>                      | 1.340         | 27                  | -663            | 56.970            | 57.674 | 6.326                    | 64.000  |

The share capital consists of nom. 10,000,000 shares of DKK 1 each, corresponding to EUR 1,340 thousand.

The share capital has remained unchanged for the last five years. The share capital is fully paid in.

## Notes

### **Basis for preparation**

These unaudited consolidated financial statements for the second quarter of 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the Annual Report 2016 of European Energy Group.

Furthermore, the financial report including the consolidated financial statements for the second quarter of 2017 and the management's review have been prepared in accordance with additional Danish disclosure requirements for the interim reports of listed companies.

European Energy Group has adopted all new, amended or revised accounting standards and interpretations ('IFRS') as published by the IASB, and also those that are endorsed by the EU effective for the accounting period beginning on 1 January 2017. These IFRS's have not had a significant impact on the consolidated financial statements for the first two quarters of 2017.

### **New accounting standards not yet adopted**

The IASB has issued a number of new accounting standards and interpretations with effective date after 31 December 2017. The Group expects to implement when they become mandatory.

The following new accounting standards and interpretations, not yet adopted, are expected to have most significant impact on recognition, measurement and disclosures for the Group:

#### **IFRS 16, Leases**

The IASB has issued a new standard on accounting for leases. As a Lessee, the Group is required to recognize all lease contracts on the balance sheet. The Group will not be required to recognize lease contracts with a term of less than 12 months on the balance sheet. The Group has started an analysis of the impact of IFRS 16 on the consolidated financial statements, which has not yet been completed..

The Group expects to implement IFRS 16 when it becomes mandatory in 2019.

### **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 geographical focus is on Northern 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.

Corporate bonds issued by the parent company are listed on NASDAQ Stockholm. The bonds are fully repaid in July 2017, and delisted from the stock exchange.

On 31 August 2017, 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.

### Unaudited

| EUR '000                             | Wind           | Solar          | Total before elimination | 30.06.2017     |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Sale of energy farms and projects    | 5.800          | 20.190         | 25.990                   | 25.990         |
| Sale of electricity                  | 1.446          | 4.002          | 5.448                    | 5.448          |
| Asset management & other fees        | 298            | 451            | 749                      | 749            |
| <b>Revenue to external customers</b> | <b>7.544</b>   | <b>24.643</b>  | <b>32.187</b>            | <b>32.187</b>  |
| <b>Profit/loss before tax</b>        | <b>6.271</b>   | <b>-787</b>    | <b>5.484</b>             | <b>5.484</b>   |
| <b>Total assets</b>                  | <b>147.872</b> | <b>118.353</b> | <b>266.225</b>           | <b>266.225</b> |
| <b>Total liabilities</b>             | <b>84.460</b>  | <b>112.546</b> | <b>197.006</b>           | <b>197.006</b> |

|                                      | Wind           | Solar          | Total before elimination | 30.06.2016 *)  |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Sale of energy farms and projects    | 9.074          | 16.769         | 25.843                   | 25.843         |
| Sale of electricity                  | 41             | 3.240          | 3.281                    | 3.281          |
| Asset management & other fees        | 351            | 635            | 986                      | 986            |
| <b>Revenue to external customers</b> | <b>9.466</b>   | <b>20.644</b>  | <b>30.110</b>            | <b>30.110</b>  |
| <b>Profit/loss before tax</b>        | <b>-3.445</b>  | <b>7.495</b>   | <b>4.050</b>             | <b>4.050</b>   |
| <b>Total assets</b>                  | <b>131.765</b> | <b>105.087</b> | <b>236.852</b>           | <b>236.852</b> |
| <b>Total liabilities</b>             | <b>75.876</b>  | <b>100.475</b> | <b>176.351</b>           | <b>176.351</b> |

\*) Comparative figures for 2016 Q2 and H1 2016 are adjusted for early adoption of IFRS 15

## Write down of inventories

The Group has made write down of inventories for EUR 0,8 M in the second quarter of 2017.

## **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 - 30 June 2017. 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 2016.

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, 31 August 2017

Management:

Knud Erik Andersen  
CEO  
Board of Directors:

Jonny Jonasson  
CFO

Jens-Peter Zink  
Chairman

Knud Erik Andersen

Mikael Dystrup Pedersen

Claus Dyhr

Jesper Helmuth Larsen



## Appendix 1

### Development and construction

The construction and development activities are summarized in the tables below.

Table 1

| MW                   | Total activity level | Status end of Q2 2017 | EE net capacity |
|----------------------|----------------------|-----------------------|-----------------|
| Wind                 | In construction      | 19                    | 10              |
|                      | Ready to build       | 118                   | 80              |
|                      | Grid connected       | 27                    | 27              |
| Solar                | In construction      | 62                    | 22              |
|                      | Ready to build       | 184                   | 116             |
|                      | Grid connected       | 0                     | 0               |
| Total activity level |                      | 410                   | 255             |

Activity level (wind)

Table 2

|                   | Site            | Status end of Q2 2017 | MW         | EE net capacity (MW) | Sales agreement signed |
|-------------------|-----------------|-----------------------|------------|----------------------|------------------------|
| Germany           | Wesendahl       | In construction       | 3          | 3                    | No                     |
| Germany           | Gilmerdingen    | In construction       | 12         | 6                    | Yes                    |
| Germany           | Schochodde      | In construction       | 4          | 0                    | No                     |
| Sweden            | Swedish Wind 1  | Ready to build        | 17         | 17                   | No                     |
| Sweden            | Swedish Wind 2  | Ready to build        | 14         | 14                   | No                     |
| Sweden            | Swedish Wind 3  | Ready to build        | 21         | 21                   | No                     |
| Sweden            | Swedish Wind 4  | Ready to build        | 10         | 4                    | No                     |
| Denmark           | Nøjsomheds Odde | Ready to build        | 33         | 11                   | No                     |
| Denmark           | Måde 3          | Ready to build        | 8          | 4                    | No                     |
| Germany           | Lohkamp         | Ready to build        | 12         | 6                    | No                     |
| Germany           | Lüdersdorf II   | Ready to build        | 3          | 3                    | No                     |
| <b>Total wind</b> |                 |                       | <b>137</b> | <b>89</b>            |                        |

#### Activity level (wind) - Grid connected

During the second quarter of 2017 the activities grid connected are summarized below.

Table 3

| <b>MW</b>    | <b>Grid connected second quarter 2017</b> |  | <b>MW included in total portfolio</b> | <b>MW EE net capacity</b> |
|--------------|---|--|---------------------------------------|---------------------------|
| Wind         | Haukineva (Finland)                       |  | 7                                     | 7                         |
|              | Jeppo (Finland)                           |  | 7                                     | 7                         |
|              | Vihreäsaari (Finland)                     |  | 3                                     | 3                         |
|              | Lüdersdorf I (Germany)                    |  | 7                                     | 7                         |
|              | Werneuchen (Germany)                      |  | 3                                     | 3                         |
| <b>Total</b> |   |  | <b>27</b>                             | <b>27</b>                 |

#### Activity level (solar)

Table 4

| <b>Country</b>     | <b>Site</b>           | <b>Status end of Q2 2017</b> | <b>MW</b>  | <b>EE net capacity (MW)</b> | <b>Sales agreement signed</b> |
|--------------------|-----------------------|------------------------------|------------|-----------------------------|-------------------------------|
| Brazil             | Coremas 2             | In construction              | 31         | 11                          | No                            |
| Brazil             | Coremas 1             | In construction              | 31         | 11                          | No                            |
| Brazil             | Coremas 3             | Ready to build               | 31         | 11                          | No                            |
| Brazil             | Boa Hora 1            | Ready to build               | 27         | 11                          | No                            |
| Brazil             | Boa Hora 2            | Ready to build               | 27         | 11                          | No                            |
| Brazil             | Boa Hora 3            | Ready to build               | 27         | 11                          | No                            |
| Denmark            | Danish Solar 1        | Ready to build               | 7          | 7                           | No                            |
| Denmark            | Danish Solar 2        | Ready to build               | 5          | 5                           | No                            |
| Denmark            | Danish Solar 3        | Ready to build               | 10         | 10                          | No                            |
| Denmark            | German tender Solar 1 | Ready to build               | 10         | 10                          | No                            |
| Denmark            | German tender Solar 2 | Ready to build               | 10         | 10                          | No                            |
| Denmark            | German tender Solar 3 | Ready to build               | 10         | 10                          | No                            |
| Denmark            | German tender Solar 4 | Ready to build               | 10         | 10                          | No                            |
| Denmark            | German tender Solar 5 | Ready to build               | 10         | 10                          | No                            |
| <b>Total solar</b> |                       |                              | <b>246</b> | <b>138</b>                  |                               |

## Sales activity

The table below summarizes the sales activities in the first two quarters of 2017.

Table 5

| Country        | Site                     | MW | Technology | EE net capacity) | Status Q2 2017 YTD  |
|----------------|--------------------------|----|------------|------------------|---|
| Germany        | Vormark I                | 28 | Wind       | 4                | SPA signed and closed Q1 2017                               |
| Germany        | Gilmerdingen             | 12 | Wind       | 6                | Term sheet signed Q1 2017                                   |
| Italy          | Oppido                   | 20 | Wind       | 10               | Term sheet signed Q1 2017                                   |
| United Kingdom | High Leas                | 5  | Solar      | 4                | SPA signed in 2016 and closed in Q1 2017                    |
| United Kingdom | West End Farm Commercial | 5  | Solar      | 4                | SPA signed in 2016 and closed in Q1 2017                    |
| United Kingdom | West End Farm CIC        | 5  | Solar      | 4                | SPA signed in 2016 and closed in Q2 2017                    |
| Denmark        | Kappel                   | 25 | Wind       | 25               | SPA signed in Q2 2017                                       |
| Germany        | Lüdersdorf I             | 7  | Wind       | 7                | Term-sheet signed in Q1 2017, Conditional closed in Q2 2017 |
| Germany        | Werneuchen               | 3  | Wind       | 3                | Conditional closed in Q2 2017                               |

The table below summarizes sales activities after the end of Q2 2017:

Table 6

| Country        | Site               | MW | Technology | EE net capacity) | Events after 30 June 2017                    |
|----------------|--------------------|----|------------|------------------|--|
| Germany        | Gilmerdingen       | 12 | Wind       | 6                | SPA signed and conditional closed in Q3 2017 |
| Brazil         | Boa Hora 1,2 and 3 | 81 | Solar      | 33               | Conditional closed in Q3                     |
| United Kingdom | Canewdon (Alcor)   | 5  | Solar      | 4                | Closed in Q3                                 |
| United Kingdom | Canewdon (Pobail)  | 5  | Solar      | 4                | Closed in Q3                                 |
| United Kingdom | Nissan Woodhouse   | 5  | Solar      | 4                | Closed in Q3                                 |
| Denmark        | Kappel             | 25 | Wind       | 25               | Closed in Q3                                 |

## 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. Additional factors that may affect future results are contained in European Energy's annual report for the year ended 31 December 2016 (available at [www.europeanenergy.dk/investor relations](http://www.europeanenergy.dk/investor%20relations)) and these factors should also be considered. Each forward-looking statement speaks only as of the date of this document. European Energy does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than 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.



## Interim financial report third quarter 2017

European Energy A/S; Gyngemose Parkvej 50; 2860 Søborg;  
Denmark, Company Reg.No.: 18351331

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For more information please contact CFO Jonny Thorstad Jonasson

E-Mail: [jtj@europeanenergy.dk](mailto:jtj@europeanenergy.dk)

T: + 45 51 80 00 00

# Summary

*The European Energy Group has in the third quarter of 2017 delivered the best results ever made by the Group. The profitable quarter comes as a result of the sale of energy farms in Brazil, Germany, UK and Denmark. The groups share of profit before tax totaled EUR 11,6M, with a Year to date profit before tax of EUR 17,1 M. The comparable figures for 2016 was EUR 10,0M in the third quarter and EUR 14,1M Year to date.*

The revenue for the quarter equaled EUR 96,8M which was a double up of third quarter 2016 with EUR 48,8M. Gross profit for the quarter was EUR 16,9M of which EUR 2,6M was related to the sale of electricity. YTD the gross profit was EUR 31,6M compared to 2016 where the gross profit was EUR 26,0M.

During the third quarter of 2017 European Energy A/S has successfully refinanced the 03/2018 EUR 45M bond loan with a larger EUR 60M bond loan. The EUR 45M Bond has been delisted from NASDAQ Stockholm and repaid in July. Maturity of the new bond loan is 05/2021, and carry lower coupon of Euribor 3M + 7.0%. The bond will be listed on NASDAQ Copenhagen in December 2017.

The cash flow for the Group has been very strong in the quarter, where the Group has delivered EUR 48,1M from operating activities primarily related to a positive change in net working capital. The financing activities has been highly influenced by the launch of the new bond, but the Group has also made repayment of borrowings connected to the sale of energy parks which made the overall cash flow from financing activities negative with EUR 13,3M. In total the Group generated EUR 35,2M in cash, and landed on EUR 56,6M in total cash, of which EUR 52,0M was free cash.

CEO Knud Erik Andersen explains that European Energy has a high and steadily increasing level of activities worldwide. Various projects are under construction and even more are ready to build. The Group is currently developing wind and solar energy projects in e.g. Finland, Italy and Brazil.

Knud Erik Andersen says: *"I am very satisfied that we have been able to deliver yet another record result. European Energy is stronger than ever and has proved that we are not just a European but a global actor."*

During the third quarter of 2017, 19 MW wind power has been grid connected, 182 MW wind and solar power is under construction and another 155 MW are ready to build.



# Highlights for European Energy

## Consolidated statement of comprehensive income

| EUR '000                                      | Q3 2017        | Q3 2016 *)     | Q3 YTD 2017    | Q3 YTD 2016 *) | FY 2016        |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Key figures (Unaudited)</b>                |                |                |                |                |                |
| Revenue                                       | 96.763         | 48.834         | 128.950        | 78.944         | 140.788        |
| Direct costs                                  | -79.492        | -35.923        | -101.774       | -52.043        | -107.289       |
| Gross profit                                  | 16.941         | 12.663         | 31.556         | 26.037         | 32.456         |
| EBITDA  | 14.508         | 11.516         | 23.404         | 8.640          | 24.929         |
| Operating profit (EBIT)                       | 14.063         | 11.135         | 22.115         | 18.822         | 23.319         |
| Financial income and expense, net             | -2.428         | -1.110         | -4.996         | -4.747         | -5.414         |
| Profit/loss before tax                        | 11.635         | 10.025         | 17.119         | 14.075         | 17.905         |
| Tax   | -2.819         | -957           | -2.982         | -1.313         | -2.260         |
| The Group's share of profit for the period    | 8.816          | 9.068          | 14.137         | 12.762         | 15.645         |
| <b>Total assets</b>                           | <b>261.309</b> | <b>273.309</b> | <b>261.309</b> | <b>273.309</b> | <b>218.535</b> |
| <b>Equity</b>                                 | <b>79.237</b>  | <b>72.579</b>  | <b>79.237</b>  | <b>72.579</b>  | <b>64.000</b>  |
| Cash flow from operating activities           | 48.134         | -12.843        | 24.134         | -8.754         | 7.306          |
| Cash flow from investing activities           | 377            | -7.789         | -4.380         | -2.291         | -138           |
| Cash flow from financing activities           | -13.340        | 16.522         | 21.753         | 16.631         | -8.022         |
| Change in cash and cash equivalents           | 35.171         | -4.110         | 41.507         | 5.586          | -854           |
| <b>Financial ratios</b>                       |                |                |                |                |                |
| Gross margin                                  | 17,5%          | 25,9%          | 24,5%          | 33,0%          | 23,1%          |
| EBITDA margin                                 | 15,0%          | 23,6%          | 18,1%          | 10,9%          | 17,7%          |
| EBIT margin                                   | 14,5%          | 22,8%          | 17,2%          | 23,8%          | 16,6%          |
| Solvency ratio                                | 30,3%          | 26,6%          | 30,3%          | 26,6%          | 29,3%          |
| Net interest-bearing debt/EBITDA              | 1,5            | 2,5            | 1,9            | 6,7            | 4,0            |
| Return on equity                              | 11,6%          | 13,3%          | 35,7%          | 18,7%          | 25,9%          |
| <b>Share Ratios</b>                           |                |                |                |                |                |
| Earnings per share                            | 0,9            | 0,9            | 1,4            | 1,3            | 1,6            |
| Book value per share                          | 7,9            | 7,3            | 7,9            | 7,3            | 6,4            |
| Cash flow from operating activities per share | 4,8            | -1,3           | 2,4            | -0,9           | 0,7            |
| Number of shares at the end of the year       | 10.000.000     | 10.000.000     | 10.000.000     | 10.000.000     | 10.000.000     |
| Average number of full-time employees         | 73             | 62             | 73             | 62             | 64             |

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

\*) Comparative figures for Q3 2016 and Q3 YTD 2016 are adjusted for early adoption of IFRS 15

# Management Review

## Development in financials for the Group in third quarter 2017

In the third quarter of 2017 the Group has sold energy parks in Brazil, Germany, UK and Denmark.

The revenue for the quarter equaled EUR 96,8M compared to third quarter 2016 with EUR 48,8M.

Profit after tax from equity-accounted development companies was EUR - 0,3M compared to EUR - 0,1M in 2016. For the equity-accounted operating companies the quarter gave EUR 0M in income compared to EUR 0,1M in 2016.

Gross profit for the quarter was EUR 16,9M of which EUR 2,6M was related to the sale of electricity. YTD the gross profit was EUR 31,6M compared to 2016 where the gross profit was EUR 26,0M.

EBITDA for the quarter came in at EUR 14,5M compared to EUR 11,5M in the third quarter of 2016. Profit before tax ended at EUR 11,6M. The tax for the period was an expense of EUR 2,8M. In the third quarter of 2016 the profit before tax ended at EUR 10,0M, the tax for the period ended with a tax cost of EUR 1,0M.

The groups share of profit before tax totaled EUR 11,6M, with a YTD profit before tax of EUR 17,1M. The comparable figures for 2016 was EUR 10,0M in third quarter result and EUR 14,1M YTD.

The total balance of the Group decreased from EUR 266,2M at the end of the second quarter of 2017 to EUR 261,3M in the third quarter in 2017 – a decrease of EUR 4,9M.

The management considers the results of the third quarter of 2017 to be very satisfactory.

## Capital Management

With support of Carnegie Investment Bank and Nordea Bank, European Energy A/S successfully refinanced the outstanding 03/2018 EUR 45M bond loan with a larger EUR 60M bond loan. Final maturity of the new bond loan is 05/2021. The new bond loan will carry a lower coupon of Euribor 3M + 7.0% and will be registered at NASDAQ Copenhagen within 6 month of the issue on 3 July 2017.

## Outlook for 2017

The timing of the close of each individual sale of energy farms has great impact on the Groups results. Management is satisfied with the development of the sale processes for the Group, and maintains the outlook for the year at:

Revenue for 2017: EUR 150M - 175M.

Profit before tax for 2017: EUR 23M - 26M.

### Sale of Electrical Power:

European Energy's share of operational assets increased by 15 MW to 166 MW compared to end of Q3 2016. The development is due to commissioning of wind farms in Germany, Finland, Denmark and Italy and divestment of solar PV farms in the UK.

#### Net capacity (MW)

|              | End of Q3 2017 | End of 3Q 2016 | End of 2016 | End of 2015 |
|--------------|----------------|----------------|-------------|-------------|
| Solar        | 9              | 32             | 32          | 32          |
| Wind         | 157            | 119            | 124         | 121         |
| <b>Total</b> | <b>166</b>     | <b>151</b>     | <b>156</b>  | <b>144</b>  |

The production from solar PV decreased in the third quarter of 2017 compared to the same period last year. This is primarily due to the divestment of the UK Solar PV facilities in 2017. The wind production increased significantly compared to the third quarter of 2016 due to additions to the portfolio but fell short of expectations since the wind conditions in Germany and Denmark were poor. In total the Group experienced an increase in the net production compared to the third quarter of 2016.

#### Net Production (GWh)

|              | Q3 2017     | Q3 2016     | 2017 YTD     | 2016 YTD     |
|--------------|-------------|-------------|--------------|--------------|
| Solar        | 5,2         | 10,7        | 18,9         | 21,7         |
| Wind         | 61,3        | 29,9        | 180,2        | 123,8        |
| <b>Total</b> | <b>66,5</b> | <b>40,6</b> | <b>199,1</b> | <b>145,5</b> |

Power prices have generally been low in the third quarter of 2017 but with a tendency to higher prices. Due to long-term power purchase agreements and long-term subsidies, low power prices will have a limited effect on profit from the sale of electrical power.

### Asset Management

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

#### Assets managed on behalf of third parties (MW)

|              | End of Q3 2017 | End of Q3 2016 |
|--------------|----------------|----------------|
| Solar        | 126            | 103            |
| Wind         | 492            | 308            |
| <b>Total</b> | <b>618</b>     | <b>411</b>     |

European Energy manages 618 MW on behalf of third parties. The total portfolio under management, including own assets corresponds to 784 MW.

## Development and Construction

### WIND

In the third quarter the Group successfully grid connected 19 MW wind in Germany. In Denmark we have acquired the project rights in Holmen II (21,6 MW) and Svindbæk (32 MW) during Q3 and the two new projects went into construction. This means that the Group at the moment is constructing 86 MW wind in Denmark. In Germany we are in the third quarter constructing the project Lohkamp with 12 MW.

See table 1, 2 and 3 in the appendix for further specifications.

### SOLAR

The construction of 60 MW in Brazil is ongoing and start of energy production is scheduled to be in the first quarter of 2018. The 3 ongoing Danish PV constructions are also expected to start production in the first quarter of 2018.

See table 1 and 4 in the appendix for further specifications.

### Pipeline

We are preparing to participate in auctions in Brazil at year end. In southern Europe we are still expecting to enlarge our pipeline and this is expected to happen in Q4.

### Sales activity

In the quarter, The Group closed the sale of 133 MW which is a record number in one quarter. Of the 133 MW, 81 MW were project rights in Brazil which established the first exit for the Group in Latin America. For specifications please see table 5 in the appendix.

### Events after the end of Q3 2017

After the end of the third quarter we have closed the sale of Werneuchen (3MW Wind Park in Germany).

# Financial figures

## Consolidated statement of comprehensive income

For the quarter ended 30th September 2017

| EUR'000   |               |               |                |                   |               |
|---|---------------|---------------|----------------|-------------------|---------------|
| Unaudited   | Q3 2017       | Q3 2016<br>*) | Q3 YTD<br>2017 | Q3 YTD<br>2016 *) | FY 2016       |
| Revenue   | 96.763        | 48.834        | 128.950        | 78.944            | 140.788       |
| Profit after tax from equity-accounted investments, Development companies | -333          | -140          | 1.193          | -1.687            | -2.519        |
| Profit after tax from equity-accounted investments, Operating companies   | 3             | -90           | 3.187          | 823               | 1.476         |
| Profit after tax from discontinued operations                             | -             | -             | -              | -                 | -             |
| Other income  | -             | -18           | -              | -                 | -             |
| Direct costs  | -79.492       | -35.923       | -101.774       | -52.043           | -107.289      |
| <b>Gross profit</b>   | <b>16.941</b> | <b>12.663</b> | <b>31.556</b>  | <b>26.037</b>     | <b>32.456</b> |
| Staff costs   | -1.607        | -721          | -5.304         | -4.009            | -4.949        |
| Other external costs  | -826          | -426          | -2.848         | -1.872            | -2.578        |
| <b>EBITDA</b>   | <b>14.508</b> | <b>11.516</b> | <b>23.404</b>  | <b>20.156</b>     | <b>24.929</b> |
| Depreciation & impairment   | -445          | -381          | -1.289         | -1.334            | -1.610        |
| <b>Operating profit (EBIT)</b>  | <b>14.063</b> | <b>11.135</b> | <b>22.115</b>  | <b>18.822</b>     | <b>23.319</b> |
| Finance income  | 1.504         | 1.136         | 2.756          | 2.017             | 3.562         |
| Finance expenses  | -3.932        | -2.246        | -7.752         | -6.764            | -8.976        |
| <b>Profit/loss before tax</b>   | <b>11.635</b> | <b>10.025</b> | <b>17.119</b>  | <b>14.075</b>     | <b>17.905</b> |
| Tax   | -2.819        | -957          | -2.982         | -1.313            | -2.260        |
| <b>Profit/loss for the period</b>   | <b>8.816</b>  | <b>9.068</b>  | <b>14.137</b>  | <b>12.762</b>     | <b>15.645</b> |
| <b>Attributable to:</b>   |               |               |                |                   |               |
| Shareholders of the Company   | 4.722         | 9.440         | 9.940          | 12.762            | 15.103        |
| Non-controlling interests   | 4.094         | -372          | 4.197          | -                 | 542           |
| <b>Profit/loss for the period</b>   | <b>8.816</b>  | <b>9.068</b>  | <b>14.137</b>  | <b>12.762</b>     | <b>15.645</b> |
|   |               |               |                |                   |               |
| <b>Statement of comprehensive income</b>                                  |               |               |                |                   |               |
| <b>Profit/loss for the period</b>   | <b>8.816</b>  | <b>9.068</b>  | <b>14.137</b>  | <b>12.762</b>     | <b>15.645</b> |
| Items that may be reclassified to profit or loss:                         |               |               |                |                   |               |
| Value adjustments of hedging instruments                                  | -23           | -34           | 125            | -140              | 56            |
| Tax of value adjustments of hedging instruments                           | 7             | 13            | -30            | 39                | -14           |
| Currency differences on translating foreign operations                    | 116           | 40            | -21            | 110               | 76            |
| <b>Other comprehensive income for the period</b>                          | <b>100</b>    | <b>19</b>     | <b>74</b>      | <b>9</b>          | <b>118</b>    |
| <b>Comprehensive income for the period</b>                                | <b>8.916</b>  | <b>9.087</b>  | <b>14.211</b>  | <b>12.771</b>     | <b>15.763</b> |
| <b>Attributable to:</b>   |               |               |                |                   |               |
| Shareholders of the Company   | 4.812         | 9.031         | 10.004         | 12.789            | 15.221        |
| Non-controlling interests   | 4.104         | 56            | 4.207          | -18               | 542           |
| <b>Comprehensive income for the period</b>                                | <b>8.916</b>  | <b>9.087</b>  | <b>14.211</b>  | <b>12.771</b>     | <b>15.763</b> |

\*) Comparative figures for Q3 2016 and Q3 YTD 2016 are adjusted for early adoption of IFRS 15

## Consolidated statement of financial position

For the quarter ended 30th September 2017

| EUR'000                          |                |                |                |
|----------------------------------|----------------|----------------|----------------|
| Unaudited                        | Q3 YTD 2017    | Q3 YTD 2016 *) | FY 2016        |
| <b>ASSETS</b>                    |                |                |                |
| <b>Non-current assets</b>        |                |                |                |
| Property, plant and equipment    | 50.237         | 51.230         | 51.320         |
| Joint Venture investments        | 8.948          | 6.091          | 6.075          |
| Associated companies investments | 12.698         | 11.343         | 11.264         |
| Other investments                | 3.796          | 3.629          | 3.629          |
| Loans to related parties         | 25.416         | 23.045         | 21.967         |
| Contract assets                  | 5.234          | 5.933          | 5.547          |
| Other receivables                | 4.736          | 7.697          | 8.141          |
| Deferred tax                     | 4.361          | 4.267          | 3.931          |
| <b>Total non-current assets</b>  | <b>115.426</b> | <b>113.235</b> | <b>111.874</b> |
| <b>Current assets</b>            |                |                |                |
| Inventories                      | 68.241         | 97.966         | 72.201         |
| Trade receivables                | 3.459          | 5.026          | 5.207          |
| Contract assets                  | 4.039          | 19.254         | 6.343          |
| Other receivables                | 13.043         | 12.139         | 5.938          |
| Prepayments                      | 518            | 4.173          | 1.896          |
| Cash and cash equivalents        | 56.583         | 21.516         | 15.076         |
| <b>Total current assets</b>      | <b>145.883</b> | <b>160.074</b> | <b>106.661</b> |
| <b>TOTAL ASSETS</b>              | <b>261.309</b> | <b>273.309</b> | <b>218.535</b> |

\*) Comparative figures for Q3 YTD 2016 are adjusted for early adoption of IFRS 15

## Consolidated statement of financial position

For the quarter ended 30th September 2017

| EUR'000   |                |                    |                |
|---|----------------|--------------------|----------------|
| Unaudited   | Q3 YTD 2017    | Q3 YTD 2016<br>(*) | FY 2016        |
| <b>EQUITY AND LIABILITIES</b>                       |                |                    |                |
| <b>Equity</b>                                       |                |                    |                |
| Share capital                                       | 1.341          | 1.340              | 1.340          |
| Retained earnings                                   | 66.337         | 54.505             | 56.334         |
| Equity attributable to owners of the Company        | 67.678         | 55.845             | 57.674         |
| Non-controlling interests                           | 11.559         | 16.734             | 6.326          |
| <b>Total Equity</b>                                 | <b>79.237</b>  | <b>72.579</b>      | <b>64.000</b>  |
| <b>Liabilities</b>                                  |                |                    |                |
| Bond loan   | 58.970         | 52.239             | 44.700         |
| Project financing                                   | 69.403         | 65.698             | 55.500         |
| Other debt relating to the acquisition of companies | 2.273          | 1.033              | 1.402          |
| Provisions  | 556            | -                  | 556            |
| Deferred tax  | 2.295          | 1.755              | 2.618          |
| <b>Total non-current liabilities</b>                | <b>133.497</b> | <b>120.725</b>     | <b>104.776</b> |
| Bond loan   | 7.600          | -                  | 7.600          |
| Credit institutions                                 | 8.382          | 20.203             | 15.726         |
| Other debt relating to the acquisition of companies | 2.072          | 700                | 4.782          |
| Trade payables                                      | 19.521         | 48.485             | 11.512         |
| Payables to related parties                         | 422            | 76                 | 835            |
| Corporation tax                                     | 970            | 876                | 920            |
| Provisions  | 540            | 2.975              | 1.975          |
| Contract liabilities                                | -              | 2.575              | -              |
| Other payables                                      | 9.068          | 4.115              | 6.409          |
| <b>Total current liabilities</b>                    | <b>48.575</b>  | <b>80.005</b>      | <b>49.759</b>  |
| <b>Total liabilities</b>                            | <b>182.072</b> | <b>200.730</b>     | <b>154.535</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>261.309</b> | <b>273.309</b>     | <b>218.535</b> |

\* ) Comparative figures for Q3 YTD 2016 are adjusted for early adoption of IFRS 15



## Consolidated statement of cash flow

For the quarter ended 30th September 2017

EUR'000

| Unaudited  | Q3 2017        | Q3 2016<br>)   | Q3 YTD<br>2017 | Q3 YTD<br>2016 *) | FY 2016       |
|--|----------------|----------------|----------------|-------------------|---------------|
| <b>Cash flow from operating activities</b>                           |                |                |                |                   |               |
| Profit/loss before tax   | 11.635         | 8.202          | 17.119         | 14.075            | 17.905        |
| Adjustments for:   |                |                |                |                   |               |
| Financial income   | -1.504         | -1.372         | -2.756         | -2.017            | -3.562        |
| Financial Expenses   | 3.932          | 4.710          | 7.752          | 6.764             | 8.976         |
| Depreciations  | 445            | 977            | 1.289          | 1.334             | 1.610         |
| Other non-cash movements   | -361           | 214            | -5.071         | 864               | 1.043         |
| Change in networking capital   | 38.435         | -22.034        | 13.259         | -23.966           | -10.854       |
| Other non-cash items   | -              | -              | -              | -                 | -             |
| <b>Cash generated from operation before financial items and tax</b>  | <b>52.582</b>  | <b>-9.303</b>  | <b>31.592</b>  | <b>-2.946</b>     | <b>15.118</b> |
| Taxes paid   | -2.413         | -177           | -2.872         | -1.036            | -1.469        |
| Interest paid and realised currency losses                           | -3.449         | -4.710         | -7.133         | -6.764            | -8.483        |
| Interest received and realised currency gains                        | 1.414          | 1.347          | 2.547          | 1.992             | 2.140         |
| <b>Cash flow from operating activities</b>                           | <b>48.134</b>  | <b>-12.843</b> | <b>24.134</b>  | <b>-8.754</b>     | <b>7.306</b>  |
| <b>Cash flow from investing activities</b>                           |                |                |                |                   |               |
| Purchase of Property, plant and equipment                            | -234           | -6.572         | -314           | -6.572            | -6.848        |
| Proceeds from disposal of subsidiaries, equity-accounted investments | -6             | 1.140          | -6             | 1.350             | 1.999         |
| Investment/loans in equity-accounted investments                     | 610            | -2.382         | -4.089         | 2.906             | 4.659         |
| Dividends  | 7              | 25             | 29             | 25                | 52            |
| <b>Cash flow from investing activities</b>                           | <b>377</b>     | <b>-7.789</b>  | <b>-4.380</b>  | <b>-2.291</b>     | <b>-138</b>   |
| <b>Cash flow from financing activities</b>                           |                |                |                |                   |               |
| Proceeds from issue of bonds   | 58.970         | -              | 58.970         | -                 | -             |
| Repayment of bonds   | -45.000        | -              | -45.000        | -                 | -             |
| Proceeds from borrowings   | 80.437         | 20.935         | 125.770        | 22.079            | 40.437        |
| Repayment of borrowings  | -108.867       | -6.264         | -119.211       | -6.965            | -39.998       |
| Changes in payables to associates                                    | -402           | 2              | -413           | -332              | 427           |
| Non-controlling interests' share of capital increase in subsidiary   | 1.522          | 1.849          | 1.637          | 1.849             | -8.888        |
| <b>Cash flow from financing activities</b>                           | <b>-13.340</b> | <b>16.522</b>  | <b>21.753</b>  | <b>16.631</b>     | <b>-8.022</b> |
| Change in cash and cash equivalents                                  | 35.171         | -4.110         | 41.507         | 5.586             | -854          |
| Cash and cash equivalents at beginning of period                     | 21.412         | 25.626         | 15.076         | 15.930            | 15.930        |
| <b>Cash and cash equivalents end of period</b>                       | <b>56.583</b>  | <b>21.516</b>  | <b>56.583</b>  | <b>21.516</b>     | <b>15.076</b> |
| Of which restricted cash and cash equivalents                        | -4.608         | -3.348         | -4.608         | -3.348            | -4.833        |
| <b>Non-restricted cash and cash equivalents end of period</b>        | <b>51.975</b>  | <b>18.168</b>  | <b>51.975</b>  | <b>18.168</b>     | <b>10.243</b> |

\*) Comparative figures for Q3 2016 and Q3 YTD 2016 are adjusted for early adoption of IFRS 15

## Consolidated statement of changes in equity

For the quarter ended 30th September 2017

| EUR'000<br>Unaudited                             | Share<br>capital | Translation<br>reserve | Hedging<br>reserve | Retained<br>earnings | Total         | Non-<br>controlling<br>interest | Total         |
|--|------------------|------------------------|--------------------|----------------------|---------------|---------------------------------|---------------|
| <b>Equity at 1 January 2017</b>                  | 1.340            | 27                     | -663               | 56.970               | 57.674        | 6.326                           | 64.000        |
| Profit/loss for the period                       | -                | -                      | -                  | 9.940                | 9.940         | 4.197                           | 14.137        |
| <b>Other comprehensive income</b>                |                  |                        |                    |                      |               |                                 |               |
| Value adjustments of hedging instruments         | -                | -                      | 100                | -                    | 100           | 25                              | 125           |
| Tax of value adj. of hedging instruments         | -                | -                      | -24                | -                    | -24           | -6                              | -30           |
| Currency diff. on translating foreign operations | -                | 17                     | -                  | -29                  | -12           | -9                              | -21           |
| Other comprehensive income                       | -                | 17                     | 76                 | -29                  | 64            | 10                              | 74            |
| Total comprehensive income                       | -                | 17                     | 76                 | 9.911                | 10.004        | 4.207                           | 14.211        |
| <b>Transactions with owners</b>                  |                  |                        |                    |                      |               |                                 |               |
| Share of capital increases                       | -                | -                      | -                  | -                    | -             | 1.637                           | 1.637         |
| Additions  | -                | -                      | -                  | -                    | -             | 37                              | 37            |
| Disposals  | -                | -                      | -                  | -                    | -             | -648                            | -648          |
| Total transactions with owners                   | -                | -                      | -                  | -                    | -             | 1.026                           | 1.026         |
| <b>Equity at 30 September 2017</b>               | <b>1.340</b>     | <b>44</b>              | <b>-587</b>        | <b>66.881</b>        | <b>67.678</b> | <b>11.559</b>                   | <b>79.237</b> |

For the quarter ended 30th September 2016

| EUR '000   | Share<br>capital | Translation<br>reserve | Hedging<br>reserve | Retained<br>earnings | Total         | Non-<br>controlling<br>interest | Total         |
|--|------------------|------------------------|--------------------|----------------------|---------------|---------------------------------|---------------|
| <b>Equity at 1 January 2016</b>                  | 1.340            | -57                    | -697               | 41.867               | 42.453        | 14.354                          | 56.807        |
| Profit/loss for the period                       | -                | -                      | -                  | 15.103               | 15.103        | 542                             | 15.645        |
| <b>Other comprehensive income</b>                |                  |                        |                    |                      |               |                                 |               |
| Value adjustments of hedging instruments         | -                | -                      | 45                 | -                    | 45            | 11                              | 56            |
| Tax of value adj. of hedging instruments         | -                | -                      | -11                | -                    | -11           | -3                              | -14           |
| Currency diff. on translating foreign operations | -                | 84                     | -                  | -                    | 84            | -8                              | 76            |
| Other comprehensive income                       | -                | 84                     | 34                 | -                    | 118           | -                               | 118           |
| Total comprehensive income                       | -                | 84                     | 34                 | 15.103               | 15.221        | 542                             | 15.763        |
| <b>Transactions with owners</b>                  |                  |                        |                    |                      |               |                                 |               |
| Share of capital increases                       | -                | -                      | -                  | -                    | -             | 1.849                           | 1.849         |
| Additions  | -                | -                      | -                  | -                    | -             | 1.420                           | 1.420         |
| Disposals  | -                | -                      | -                  | -                    | -             | -11.839                         | -11.839       |
| Total transactions with owners                   | -                | -                      | -                  | -                    | -             | -8.570                          | -8.570        |
| <b>Equity at 31 December 2016</b>                | <b>1.340</b>     | <b>27</b>              | <b>-663</b>        | <b>56.970</b>        | <b>57.674</b> | <b>6.326</b>                    | <b>64.000</b> |

The share capital consists of nom. 10,000,000 shares of DKK 1 each, corresponding to EUR 1,340 thousand.

The share capital has remained unchanged for the last five years. The share capital is fully paid.

# Notes

## Basis for preparation

These unaudited consolidated financial statements for the third quarter of 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the Annual Report 2016 of European Energy Group.

Furthermore, the financial report including the consolidated financial statements for the third quarter of 2017 and the management's review have been prepared in accordance with additional Danish disclosure requirements for the interim reports of listed companies.

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 2017. These IFRS's have not had a significant impact on the consolidated financial statements for the first three quarters of 2017.

## IFRS 16, LEASES

The IASB has issued a new standard on accounting for leases effective for 2019. As a Lessee, the Group is required to recognize all lease contracts on the balance sheet. The Group will not be required to recognize lease contracts with a term of less than 12 months on the balance sheet. The Group has started an analysis of the impact of IFRS 16 on the consolidated financial statements, which has not yet been completed.

## 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 geographical focus is on Northern 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 30 November 2017, 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

For the quarter ended 30th September 2017

| EUR '000                             |                |                |                          |                |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Unaudited                            | Wind           | Solar          | Total before elimination | 30.09.2017     |
| Sale of energy farms and projects    | 63.344         | 55.987         | 119.331                  | 119.331        |
| Sale of electricity                  | 2.619          | 5.849          | 8.468                    | 8.468          |
| Asset management & other fees        | 754            | 397            | 1.151                    | 1.151          |
| <b>Revenue to external customers</b> | <b>66.717</b>  | <b>62.233</b>  | <b>128.950</b>           | <b>128.950</b> |
| <b>Profit/loss before tax</b>        | <b>11.953</b>  | <b>5.166</b>   | <b>17.119</b>            | <b>17.119</b>  |
| <b>Total assets</b>                  | <b>140.159</b> | <b>121.150</b> | <b>261.309</b>           | <b>261.309</b> |
| <b>Total liabilities</b>             | <b>81.061</b>  | <b>101.011</b> | <b>182.072</b>           | <b>182.072</b> |

For the quarter ended 30th September 2016

| EUR '000                             |                |                |                          |                |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
|                                      | Wind           | Solar          | Total before elimination | 30.09.2016 *)  |
| Sale of energy farms and projects    | 53.821         | 17.348         | 71.169                   | 71.169         |
| Sale of electricity                  | 99             | 6.055          | 6.154                    | 6.154          |
| Asset management & other fees        | 861            | 760            | 1.621                    | 1.621          |
| <b>Revenue to external customers</b> | <b>54.781</b>  | <b>24.163</b>  | <b>78.944</b>            | <b>78.944</b>  |
| <b>Profit/loss before tax</b>        | <b>5.253</b>   | <b>8.822</b>   | <b>14.075</b>            | <b>14.075</b>  |
| <b>Total assets</b>                  | <b>148.248</b> | <b>125.061</b> | <b>273.309</b>           | <b>273.309</b> |
| <b>Total liabilities</b>             | <b>76.263</b>  | <b>124.467</b> | <b>200.730</b>           | <b>200.730</b> |

\*) Comparative figures for Q3 YTD 2016 are adjusted for early adoption of IFRS 15

## WRITE DOWN OF INVENTORIES

The Group has made write down of inventories of EUR 2,2 M in the third quarter of 2017 (YTD 2017: EUR 3,0M).

## 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 – 30 September 2017. 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 2016.

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, 30 November 2017

### MANAGEMENT:



Knud Erik Andersen  
CEO



Jonny Jonasson  
CFO

### BOARD OF DIRECTORS:



Jens-Peter Zink  
Chairman



Claus Dyhr



Knud Erik Andersen



Jesper Helmuth Larsen



Mikael Dystrup Pedersen

# Appendix

## Development and construction

Table 1

| MW                          | Total activity level | Status end of Q3 2017 (MW) | EE net capacity (MW) |
|-----------------------------|----------------------|----------------------------|----------------------|
| Wind                        | In construction      | 98,0                       | 52,5                 |
| Wind                        | Ready to build       | 73,5                       | 63,2                 |
| Solar                       | In construction      | 84,0                       | 44,3                 |
| Solar                       | Ready to build       | 81,0                       | 61,2                 |
| <b>Total activity level</b> |                      | <b>336,5</b>               | <b>221,2</b>         |

## Activity level (wind)

Table 2

| Country           | Site            | Status end of Q3 2017 | MW           | EE net capacity (MW) | Sales agreement signed |
|-------------------|-----------------|-----------------------|--------------|----------------------|------------------------|
| Denmark           | Svindbæk        | In construction       | 32,0         | 21,3                 | No                     |
| Denmark           | Måde II         | Ready to build        | 8,0          | 3,8                  | No                     |
| Denmark           | Holmen II       | In construction       | 21,6         | 14,4                 | No                     |
| Denmark           | Nøjsomheds Odde | In construction       | 32,4         | 10,8                 | No                     |
| Germany           | Lohkamp         | In construction       | 12,0         | 6,0                  | No                     |
| Germany           | Lüdersdorf II   | Ready to build        | 3,5          | 3,5                  | No                     |
| Sweden            | Swedish 1       | Ready to build        | 17,0         | 17,0                 | No                     |
| Sweden            | Swedish 2       | Ready to build        | 14,0         | 14,0                 | No                     |
| Sweden            | Swedish 3       | Ready to build        | 21,0         | 21,0                 | No                     |
| Sweden            | Swedish 4       | Ready to build        | 10,0         | 4,0                  | No                     |
| <b>Total wind</b> |                 |                       | <b>171,5</b> | <b>115,7</b>         |                        |

## Activity level (wind) – Grid connected

Table 3

| MW           | Grid connected third quarter 2017 | MW included in total portfolio | EE net capacity (MW) |
|--------------|-----------------------------------|--------------------------------|----------------------|
| WIND         | Wesendahl (Germany)               | 3,5                            | 3,5                  |
|              | Gilmerdingen (Germany)            | 12,0                           | 5,9                  |
|              | Schochodde (Germany)              | 3,5                            | 0,0                  |
| <b>Total</b> |                                   | <b>19,0</b>                    | <b>9,4</b>           |

## Activity level (solar)

Table 4

| Country            | Site                       | Status end of Q3 2017 | MW           | EE net capacity (MW) | Sales agreement signed |
|--------------------|----------------------------|-----------------------|--------------|----------------------|------------------------|
| Brazil             | Coremas 1                  | In construction       | 31,0         | 11,2                 | No                     |
| Brazil             | Coremas 2                  | In construction       | 31,0         | 11,2                 | No                     |
| Brazil             | Coremas 3                  | Ready to build        | 31,0         | 11,1                 | No                     |
| Denmark            | Pelsdyrparken              | In construction       | 7,0          | 7,0                  | No                     |
| Denmark            | Stubbekøbing               | In construction       | 5,0          | 5,0                  | No                     |
| Denmark            | Østre Torby                | In construction       | 10,0         | 10,0                 | No                     |
| Denmark            | German PV (Slettegården)   | Ready to build        | 10,0         | 10,0                 | No                     |
| Denmark            | German PV (Bodelyngsvejen) | Ready to build        | 10,0         | 10,0                 | No                     |
| Denmark            | German PV (Langelinje)     | Ready to build        | 10,0         | 10,0                 | No                     |
| Denmark            | German PV 4 (Hundetudevej) | Ready to build        | 10,0         | 10,0                 | No                     |
| Denmark            | German PV (Hagesholm)      | Ready to build        | 10,0         | 10,0                 | No                     |
| <b>Total solar</b> |                            |                       | <b>165,0</b> | <b>105,5</b>         |                        |

## Sales activity

The table below summarizes the sales activities in the first three quarters of 2017

Table 5

| Country        | Site                     | MW   | Technology | EE net capacity (MW) | Status Q3 2017 YTD                        |
|----------------|--------------------------|------|------------|----------------------|---|
| Brazil         | Boa Hora 1-3             | 81,0 | Solar      | 33,0                 | Closed in Q3                              |
| Denmark        | Kappel                   | 25,0 | Wind       | 25,0                 | SPA signed Q2 and closed in Q3            |
| Germany        | Vormark I                | 28,0 | Wind       | 28,0                 | SPA signed and closed Q1 2017             |
| Germany        | Lüdersdorf I             | 7,0  | Wind       | 7,0                  | Term-sheet signed Q1 2017, closed Q3 2017 |
| Germany        | Werneuchen               | 3,0  | Wind       | 3,0                  | Conditional closed in Q2 2017             |
| Germany        | Gilmerdingen             | 12,0 | Wind       | 6,0                  | SPA signed and closed in Q3 2017          |
| Italy          | Oppido                   | 20,0 | Wind       | 10,0                 | Term sheet signed Q1 2017                 |
| United Kingdom | High Leas                | 5,0  | Solar      | 4,0                  | SPA signed in 2016 and closed in Q1 2017  |
| United Kingdom | West End Farm Commercial | 5,0  | Solar      | 4,0                  | SPA signed in 2016 and closed in Q1 2017  |
| United Kingdom | West End Farm CIC        | 5,0  | Solar      | 4,0                  | SPA signed in 2016 and closed in Q1 2017  |
| United Kingdom | Canewdon (Alcor)         | 5,0  | Solar      | 4,0                  | Closed in Q3                              |
| United Kingdom | Canewdon (Pobail)        | 5,0  | Solar      | 4,0                  | Closed in Q3                              |
| United Kingdom | Nissan Woodhouse         | 5,0  | Solar      | 4,0                  | Closed in Q3                              |

# 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. Additional factors that may affect future results are contained in European Energy's annual report for the year ended 31 December 2016 (available at [www.europeanenergy.dk/investor-relations](http://www.europeanenergy.dk/investor-relations)) and these factors should also be considered. Each forward-looking statement speaks only as of the date of this document. European Energy does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than 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.





## Interim financial report fourth quarter 2017

European Energy A/S; Gyngemose Parkvej 50; 2860 Søborg;  
Denmark, Company Reg.No.: 18351331

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For more information please contact CFO Jonny Thorsted Jonasson

E-Mail: [jtj@europeanenergy.dk](mailto:jtj@europeanenergy.dk)

T: + 45 51 80 00 00

# Summary

The Group's revenue for 2017 totalled EUR 186.7M and the profit before tax was EUR 25.8M. The return on equity reached 27%.

Knud Erik Andersen, CEO of European Energy, says:

*"We are pleased with the results of 2017. We reached our financial target and we perceive the result as a confirmation that we have the right strategy for the years to come. The year has been characterized by a high activity level on our core markets but we have also succeeded in developing and selling the first projects in Latin America."*

The European Energy Group has delivered a solid result for the fourth quarter of 2017 with a revenue of EUR 57.8M and a profit before tax of EUR 8.7M. For the fourth quarter, especially the sale of three wind parks in Finland, with a total capacity of 17.25 MW, had a positive impact on the result.

*"The Nordic countries remain important to us. The Nordic region is an attractive market and we expect to expand as well our solar PV as our wind pipeline here", says Knud Erik Andersen.*

After the second quarter of 2017, European Energy raised the full year guidance from an expected revenue of EUR 130M-170M to EUR 150M-175M. Furthermore, the expected profit before tax for 2017 was raised from EUR 17M-22M to EUR 23M-26M. Thus, the Group met the guidance as the revenue for 2017 was EUR 186.7M and the profit before tax was EUR 25.8M.

During 2017, European Energy divested wind farms with a total capacity of 101.5 MW and solar farms with a total capacity of 111.0 MW. By the end of the year, European Energy had 229.6 MW under construction and another 271.0 MW was ready to be build.

*"Our strategy and our project pipeline make us expect that the results for 2018 will be equal to or slightly above this year's performance", Knud Erik Andersen adds.*

# Highlights for European Energy

## Consolidated statement of comprehensive income

| EUR '000                                   | Q4 2017     | Q4 2016    | FY 2017     | FY 2016    |
|--|-------------|------------|-------------|------------|
| <b>Key figures (Unaudited)</b>             |             |            |             |            |
| Revenue                                    | 57.766      | 61.844     | 186.716     | 140.788    |
| Direct costs                               | -46.776     | -55.246    | -148.550    | -107.289   |
| Gross profit                               | 13.442      | 6.419      | 44.998      | 32.456     |
| EBITDA                                     | 10.770      | 4.773      | 34.174      | 24.929     |
| Operating profit (EBIT)                    | 10.336      | 4.497      | 32.451      | 23.319     |
| Financial income and expense, net          | -1.666      | -667       | -6.662      | -5.414     |
| Profit/loss before tax                     | 8.670       | 3.830      | 25.789      | 17.905     |
| Tax  | -1.618      | -947       | -4.600      | -2.260     |
| The Group's share of profit for the period | 7.052       | 2.883      | 21.189      | 15.645     |
|  |             |            |             |            |
| Total assets                               | 301.764     | 218.535    | 301.764     | 218.535    |
| Equity                                     | 91.000      | 64.000     | 91.000      | 64.000     |
|  |             |            |             |            |
| Cash flow from operating activities        | -38.610     | 3.217      | -14.476     | 7.306      |
| Cash flow from investing activities        | 7.968       | -5.636     | 3.588       | -138       |
| Cash flow from financing activities        | 22.239      | -8.131     | 43.992      | -8.022     |
| Change in cash and cash equivalents        | -8.403      | -10.550    | 33.104      | -854       |
|  |             |            |             |            |
| <b>Financial ratios</b>                    |             |            |             |            |
| Gross margin                               | 23%         | 10%        | 24%         | 23%        |
| EBITDA margin                              | 19%         | 8%         | 18%         | 18%        |
| EBIT margin                                | 18%         | 7%         | 17%         | 17%        |
| Solvency ratio                             | 30%         | 29%        | 30%         | 29%        |
| Net interest-bearing debt/EBITDA           | 3           | 6          | 3           | 4          |
| Return on equity                           | 8%          | 4%         | 27%         | 26%        |
|  |             |            |             |            |
| <b>Share Ratios</b>                        |             |            |             |            |
| Earnings per share                         | 0,02        | 0,29       | 0,07        | 1,56       |
| Number of shares at the end of the year    | 300.000.000 | 10.000.000 | 300.000.000 | 10.000.000 |
|  |             |            |             |            |
| Average number of full-time employees      | 77          | 67         | 74          | 64         |

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

# Management Review

## Development in financials for the Group in fourth quarter 2017

In the fourth quarter of 2017 the Group has sold energy parks in Germany and Finland.

The revenue for the quarter equalled EUR 57,8M compared to fourth quarter 2016 with EUR 61,8M.

Profit after tax from equity-accounted development companies was EUR – 0,6M compared to EUR – 0,8M in 2016. The results relates to impairment of capitalized project cost in associated companies.

The wind in the quarter has been significantly better than in 2016 which has given a good result for the equity-accounted operating companies of EUR 1,7M in income after tax compared to EUR 0,7M in 2016.

Gross profit for the quarter was EUR 13,4M against EUR 6,4 in 2016. YTD the gross profit was EUR 45,0M compared to 2016 where the gross profit was EUR 32,5M. The increase in Gross profit comes from the increased sale of power plants.

EBITDA for the quarter came in at EUR 10,8M compared to EUR 4,8M in the fourth quarter of 2016. Profit before tax ended at EUR 8,6M. The tax for the period was an expense of EUR 1,6M. In the fourth quarter of 2016 the profit before tax ended at EUR 3,8M, the tax for the period ended with a tax cost of EUR 0,9M.

Profit before tax for 2017 was EUR 25,8M. The comparable figure for 2016 was EUR 17,9M YTD.

The total balance of the Group increased from EUR 261,3M at the end of the third quarter of 2017 to EUR 301,8M in the fourth quarter in 2017 – an increase of EUR 40,5M. The increase relates to the increase in inventory, primarily from the construction of solar parks in Brazil.

Only EUR 3,3M of the total inventory relates to projects under development, while EUR 52M are solar farms under construction and EUR 60,2M are wind farms under construction. The construction in all farms are progressing as planned, and sales activities are ongoing. For 2 farms the Sales and Purchase Agreement, SPA, has already been signed, please see Table 2 in the appendix.

The Group has in a co-ownership erected a 20 MW wind farm in 2017 in Oppido, Italy. The sale of the farm has been closed in 2017. The revenue is expected to be recognised in Q1 2018 when all performance obligations has been delivered, please see Table 4 in the appendix.

The management considers the results of the fourth quarter of 2017 to be very satisfactory.

## Capital Management

The Group has in the fourth quarter managed to increase project-related loans with EUR 51,3M in order to finance the ongoing constructions in the Group. At the same time loans of EUR 37,3M has been repaid primarily in connection with the sale of power plants sold in the quarter.

The Group is at the moment contemplating to increase the outstanding 03/2018 EUR 60M bond loan with a tap of up to EUR 25M. Total cash for the Group landed at EUR 48M end of 2017. The majority of this liquidity and the new Bond loan will be used to finance the equity part of the ongoing constructions and the acquisitions of more ready to build projects.

### Looking back on expectations for 2017 and outlook for 2018

The expectation for 2017 was

Revenue for 2017: EUR 150M - 175M.

Profit before tax for 2017: EUR 23M - 26M.

Actual numbers were a higher revenue for 2017 of EUR 186,7M and a profit before tax in the high end of the range of EUR 25,8M.

The timing of the close of each individual sale of energy farms has great impact on the Groups results. Based upon the pipeline of projects already in construction, we expect to deliver results at the same level in 2018 as in 2017, or slightly above this level.

### Sale of Electrical Power:

European Energy's share of operational assets fell by 31 MW to 125 MW compared to end of 2016. The development is due to the net difference between commissioning of new wind farms and divestment of both wind and solar PV farms.

#### Net capacity (MW)

|              | 2017 YTD   | 2016 YTD   |
|--------------|------------|------------|
| Solar        | 9          | 32         |
| Wind         | 116        | 124        |
| <b>Total</b> | <b>125</b> | <b>156</b> |

The production from solar PV decreased in 2017 compared to the same period the year before. This is primarily due to the divestment of the UK Solar PV facilities during 2017. The wind production increased significantly compared to 2016 due to additions to the portfolio but fell short of expectations since the wind conditions in Germany and Denmark were under average. In total the Group in 2017 experienced an increase in the net production compared to 2016.

#### Net Production (GWh)

|              | 2017 YTD     | 2016 YTD     |
|--------------|--------------|--------------|
| Solar        | 21,3         | 27,0         |
| Wind         | 244,3        | 172,9        |
| <b>Total</b> | <b>265,6</b> | <b>199,9</b> |

Power prices have generally been low in 2017 but with a tendency to higher prices at the end of 2017. Due to long-term power purchase agreements and long-term subsidies, low power prices will have a limited effect on profit from the sale of electrical power.



### Asset Management:

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

#### Assets managed on behalf of third parties (MW)

|       | 2017 YTD | 2016 YTD |
|-------|----------|----------|
| Solar | 126      | 102      |
| Wind  | 513      | 451      |
| Total | 639      | 553      |

European Energy manages 639 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 own assets corresponds to 764 MW.

### Development and Construction

#### WIND

In Denmark the first turbines in Nøjsomheds Odde were grid connected and started to produce energy.

All turbines under construction in Denmark are constructed in due time to secure the tariff.

In Sweden 2018 is expected to be the first year of operational windfarms.

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

#### SOLAR

Due to a slight delay in construction in Brazil we now expect to produce energy in the 2<sup>nd</sup> quarter of 2018. In Denmark all 70 MW of PV projects is also expected to produce energy in 2<sup>nd</sup> quarter 2018 as construction is moving along well in the relative mild winter.

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

#### Pipeline

In the 4<sup>th</sup> quarter of 2017 the Group successfully participated and won a PPA for 82 MW wind projects in Brazil. This establishes the Group's first wind project in Brazil and continues the Group's activities in Brazil. Furthermore, a 39MW project in Italy was taken over and construction was started with Siemens as turbines Supplier.

#### Sales activity

In the 4<sup>th</sup> quarter of 2017 the group signed SPA for 66 MW in Germany, Italy, Finland and Denmark. Out of these 50 MW also had closing in Q4. Due to a condition subsequent 20 MW in our project (Oppido) in Italy can only financially be accounted for in 2018.

See table 4 in the appendix for further specifications.

### Events after the end of Q4 2017

European Energy A/S announced on 16 February 2018 a consent solicitation from the holders of its corporate bonds (senior secured callable floating rate bonds due 2021 (ISIN DK0030401278)). The purpose of the consent solicitation is to amend the terms and conditions of the Bonds in order to introduce an option to issue subsequent bonds in a maximum aggregate amount of up to EUR 25,000,000 at any time on or prior to 1 July 2018. Please refer to Company Announcement 1/2018.

The Board has decided to introduce an incentive scheme for management, board members and selected staff members in the Group. The scheme is based on issuance of warrants that gives the right to subscribe for new shares in European Energy in the future.

For 2018 the board has approved the first issuance of warrants up to a total of 1% of the shares equal to 3M shares.

More details of the warrant program will be described in the notes to the Annual Report for 2017 published 30 April 2018.



# Financial figures

## Consolidated statement of comprehensive income

For the quarter ended 31th December 2017

| EUR'000   |               |              |               |               |
|---|---------------|--------------|---------------|---------------|
| Unaudited   | Q4 2017       | Q4 2016      | 2017          | 2016          |
| Revenue   | 57.766        | 61.844       | 186.716       | 140.788       |
| Profit after tax from equity-accounted investments, Development companies | -622          | -832         | 571           | -2.519        |
| Profit after tax from equity-accounted investments, Operating companies   | 1.674         | 653          | 4.861         | 1.476         |
| Profit after tax from discontinued operations                             | -             | -            | -             | -             |
| Other income  | 1.400         | -            | 1.400         | -             |
| Direct costs  | -46.776       | -55.246      | 148.550       | 107.289       |
| <b>Gross profit</b>   | <b>13.442</b> | <b>6.419</b> | <b>44.998</b> | <b>32.456</b> |
| Staff costs   | -1.666        | -940         | -6.970        | -4.949        |
| Other external costs  | -1.006        | -706         | -3.854        | -2.578        |
| <b>EBITDA</b>   | <b>10.770</b> | <b>4.773</b> | <b>34.174</b> | <b>24.929</b> |
| Depreciation & impairment   | -434          | -276         | -1.723        | -1.610        |
| <b>Operating profit (EBIT)</b>  | <b>10.336</b> | <b>4.497</b> | <b>32.451</b> | <b>23.319</b> |
| Finance income  | 347           | 1.545        | 3.103         | 3.562         |
| Finance expenses  | -2.013        | -2.212       | -9.765        | -8.976        |
| <b>Profit/loss before tax</b>   | <b>8.670</b>  | <b>3.830</b> | <b>25.789</b> | <b>17.905</b> |
| Tax   | -1.618        | -947         | -4.600        | -2.260        |
| <b>Profit/loss for the period</b>   | <b>7.052</b>  | <b>2.883</b> | <b>21.189</b> | <b>15.645</b> |
| <b>Attributable to:</b>   |               |              |               |               |
| Shareholders of the Company   | 7.635         | 2.341        | 17.575        | 15.103        |
| Non-controlling interests   | -583          | 542          | 3.614         | 542           |
| <b>Profit/loss for the period</b>   | <b>7.052</b>  | <b>2.883</b> | <b>21.189</b> | <b>15.645</b> |
|   |               |              |               |               |
| <b>Statement of comprehensive income</b>                                  |               |              |               |               |
| <b>Profit/loss for the period</b>   | <b>7.052</b>  | <b>2.883</b> | <b>21.189</b> | <b>15.645</b> |
| Items that may be reclassified to profit or loss:                         |               |              |               |               |
| Value adjustments of hedging instruments                                  | 108           | 196          | 233           | 56            |
| Tax of value adjustments of hedging instruments                           | -27           | -53          | -57           | -14           |
| Currency differences on translating foreign operations                    | -69           | -34          | -90           | 76            |
| <b>Other comprehensive income for the period</b>                          | <b>12</b>     | <b>109</b>   | <b>86</b>     | <b>118</b>    |
| <b>Comprehensive income for the period</b>                                | <b>7.064</b>  | <b>2.992</b> | <b>21.275</b> | <b>15.763</b> |
| <b>Attributable to:</b>   |               |              |               |               |
| Shareholders of the Company   | 7.635         | 2.432        | 17.639        | 15.221        |
| Non-controlling interests   | -571          | 560          | 3.636         | 542           |
| <b>Comprehensive income for the period</b>                                | <b>7.064</b>  | <b>2.992</b> | <b>21.275</b> | <b>15.763</b> |

**Consolidated statement of financial position**  
For the quarter ended 31 December 2017

| EUR'000                               |                |                |
|---------------------------------------|----------------|----------------|
| Unaudited                             | 2017           | 2016           |
| <b>ASSETS</b>                         |                |                |
| <b>Non-current assets</b>             |                |                |
| Property, plant and equipment         | 50.340         | 51.320         |
| Joint Venture investments             | 9.977          | 6.943          |
| Associated companies investments      | 12.506         | 11.265         |
| Other investments                     | 4.960          | 3.629          |
| Loans to related parties              | 17.952         | 21.098         |
| Trade receivables and contract assets | 5.153          | 5.547          |
| Other receivables                     | 8.656          | 8.141          |
| Deferred tax                          | 2.826          | 3.931          |
| <b>Total non-current assets</b>       | <b>112.370</b> | <b>111.874</b> |
|                                       |                |                |
| <b>Current assets</b>                 |                |                |
| Inventories                           | 115.797        | 72.201         |
| Trade receivables                     | 4.178          | 9.475          |
| Contract assets                       | 5.356          | 2.075          |
| Other receivables                     | 15.430         | 5.938          |
| Prepayments                           | 453            | 1.896          |
| Cash and cash equivalents             | 48.180         | 15.076         |
| <b>Total current assets</b>           | <b>189.394</b> | <b>106.661</b> |
| <b>TOTAL ASSETS</b>                   | <b>301.764</b> | <b>218.535</b> |

## Consolidated statement of financial position

For the quarter ended 31 December 2017

| EUR'000   |                |                |
|---|----------------|----------------|
| Unaudited   | 2017           | 2016           |
| <b>EQUITY AND LIABILITIES</b>                       |                |                |
| <b>Equity</b>                                       |                |                |
| Share capital                                       | 40.311         | 1.340          |
| Retained earnings                                   | 35.002         | 56.334         |
| <b>Equity attributable to owners of the Company</b> | <b>75.313</b>  | <b>57.674</b>  |
| Non-controlling interests                           | 15.687         | 6.326          |
| <b>Total Equity</b>                                 | <b>91.000</b>  | <b>64.000</b>  |
| <b>Liabilities</b>                                  |                |                |
| Bond loan   | 58.924         | 44.700         |
| Project financing                                   | 53.310         | 55.500         |
| Other debt  | 597            | 1.402          |
| Provisions  | 798            | 556            |
| Deferred tax  | 2.201          | 2.618          |
| <b>Total non-current liabilities</b>                | <b>115.830</b> | <b>104.776</b> |
| Bond loan   | 7.600          | 7.600          |
| Credit institutions                                 | 38.363         | 15.726         |
| Other debt  | 1.624          | 4.782          |
| Trade payables                                      | 30.062         | 11.512         |
| Payables to related parties                         | 4.848          | 835            |
| Corporation tax                                     | 760            | 920            |
| Provisions  | 1.264          | 1.975          |
| Other payables                                      | 10.413         | 6.409          |
| <b>Total current liabilities</b>                    | <b>94.934</b>  | <b>49.759</b>  |
| <b>Total liabilities</b>                            | <b>210.764</b> | <b>154.535</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>301.764</b> | <b>218.535</b> |

## Consolidated statement of cash flow

For the quarter ended 31th December 2017

| EUR'000  |                |               |                |               |
|--|----------------|---------------|----------------|---------------|
| Unaudited  | Q4 2017        | Q4 2016       | 2017           | 2016          |
| <b>Cash flow from operating activities</b>                           |                |               |                |               |
| Profit/loss before tax   | 8.670          | 12.032        | 25.789         | 17.905        |
| Adjustments for:   |                |               |                |               |
| Financial income   | -347           | -2.917        | -3.103         | -3.562        |
| Financial Expenses   | 2.013          | 6.922         | 9.765          | 8.976         |
| Depreciations  | 434            | 1.253         | 1.723          | 1.610         |
| Other non-cash movements   | -361           | 393           | -5.432         | 1.043         |
| Change in networking capital   | -45.841        | -8.922        | -32.582        | -10.854       |
| Other non-cash items   | -1.400         | -             | -1.400         | -             |
| <b>Cash generated from operation before financial items and tax</b>  | <b>-36.832</b> | <b>8.761</b>  | <b>-5.240</b>  | <b>15.118</b> |
| Taxes paid   | -425           | -610          | -3.297         | -1.469        |
| Interest paid and realised currency losses                           | -1.684         | -6.429        | -8.817         | -8.483        |
| Interest received and realised currency gains                        | 331            | 1.495         | 2.878          | 2.140         |
| <b>Cash flow from operating activities</b>                           | <b>-38.610</b> | <b>3.217</b>  | <b>-14.476</b> | <b>7.306</b>  |
| <b>Cash flow from investing activities</b>                           |                |               |                |               |
| Purchase of Property, plant and equipment                            | -501           | -6.848        | -815           | -6.848        |
| Proceeds from disposal of subsidiaries, equity-accounted investments | 6              | 1.789         | -              | 1.999         |
| Purchase/disposal of other investments                               | 69             | -             | 69             | -             |
| Investment/loans in equity-accounted investments                     | 8.392          | -629          | 4.303          | 4.659         |
| Dividends  | 2              | 52            | 31             | 52            |
| <b>Cash flow from investing activities</b>                           | <b>7.968</b>   | <b>-5.636</b> | <b>3.588</b>   | <b>-138</b>   |
| <b>Cash flow from financing activities</b>                           |                |               |                |               |
| Proceeds from issue of bonds   | -185           | -             | 58.785         | -             |
| Repayment of bonds   | -              | -             | -45.000        | -             |
| Proceeds from borrowings   | 51.257         | 39.293        | 125.974        | 40.437        |
| Repayment of borrowings  | -37.369        | -39.297       | -105.527       | -39.998       |
| Changes in payables to associates                                    | 4.426          | 761           | 4.013          | 427           |
| Non-controlling interests' share of capital increase in subsidiary   | 4.110          | -8.888        | 5.747          | -8.888        |
| <b>Cash flow from financing activities</b>                           | <b>22.239</b>  | <b>-8.131</b> | <b>43.992</b>  | <b>-8.022</b> |
| Change in cash and cash equivalents                                  | -8.403         | -10.550       | 33.104         | -854          |
| Cash and cash equivalents at beginning of period                     | 56.583         | 25.626        | 15.076         | 15.930        |
| <b>Cash and cash equivalents end of period</b>                       | <b>48.180</b>  | <b>15.076</b> | <b>48.180</b>  | <b>15.076</b> |
| Of which restricted cash and cash equivalents                        | -6.093         | -4.833        | -6.093         | -4.833        |
| <b>Non-restricted cash and cash equivalents end of period</b>        | <b>42.087</b>  | <b>10.243</b> | <b>42.087</b>  | <b>10.243</b> |

## Consolidated statement of changes in equity

For the quarter ended 31st December 2017

| EUR'000  | Share capital | Translation reserve | Hedging reserve | Retained earnings | Total  | Non-controlling interest | Total  |
|--|---------------|---------------------|-----------------|-------------------|--------|--------------------------|--------|
| Unaudited  |               |                     |                 |                   |        |                          |        |
| Equity at 1 January 2017                         | 1.340         | 27                  | -663            | 56.970            | 57.674 | 6.326                    | 64.000 |
| Profit/loss for the period                       | -             | -                   | -               | 17.575            | 17.575 | 3.614                    | 21.189 |
| Other comprehensive income                       |               |                     |                 |                   |        |                          |        |
| Value adjustments of hedging instruments         | -             | -                   | 186             | -                 | 186    | 47                       | 233    |
| Tax of value adj. of hedging instruments         | -             | -                   | -45             | -                 | -45    | -12                      | -57    |
| Currency diff. on translating foreign operations | -             | -77                 | -               | -                 | -77    | -13                      | -90    |
| Other comprehensive income                       | -             | -77                 | 141             | -                 | 64     | 22                       | 86     |
| Total comprehensive income                       | -             | -77                 | 141             | 17.575            | 17.639 | 3.636                    | 21.275 |
| Transactions with owners                         |               |                     |                 |                   |        |                          |        |
| Share of capital increases                       | 38.971        | -                   | -               | -38.971           | -      | 6.228                    | 6.228  |
| Additions  | -             | -                   | -               | -                 | -      | 252                      | 252    |
| Disposals  | -             | -                   | -               | -                 | -      | -755                     | -755   |
| Total transactions with owners                   | 38.971        | -                   | -               | -38.971           | -      | 5.725                    | 5.725  |
| Equity at 31 December 2017                       | 40.311        | -50                 | -522            | 35.574            | 75.313 | 15.687                   | 91.000 |

For the quarter ended 31st December 2016

| EUR '000   | Share capital | Translation reserve | Hedging reserve | Retained earnings | Total  | Non-controlling interest | Total   |
|--|---------------|---------------------|-----------------|-------------------|--------|--------------------------|---------|
| Equity at 1 January 2016                         | 1.340         | -57                 | -697            | 41.867            | 42.453 | 14.354                   | 56.807  |
| Profit/loss for the period                       | -             | -                   | -               | 15.103            | 15.103 | 542                      | 15.645  |
| Other comprehensive income                       |               |                     |                 |                   |        |                          |         |
| Value adjustments of hedging instruments         | -             | -                   | 45              | -                 | 45     | 11                       | 56      |
| Tax of value adj. of hedging instruments         | -             | -                   | -11             | -                 | -11    | -3                       | -14     |
| Currency diff. on translating foreign operations | -             | 84                  | -               | -                 | 84     | -8                       | 76      |
| Other comprehensive income                       | -             | 84                  | 34              | -                 | 118    | -                        | 118     |
| Total comprehensive income                       | -             | 84                  | 34              | 15.103            | 15.221 | 542                      | 15.763  |
| Transactions with owners                         |               |                     |                 |                   |        |                          |         |
| Share of capital increases                       | -             | -                   | -               | -                 | -      | 1.849                    | 1.849   |
| Additions  | -             | -                   | -               | -                 | -      | 1.420                    | 1.420   |
| Disposals  | -             | -                   | -               | -                 | -      | -11.839                  | -11.839 |
| Total transactions with owners                   | -             | -                   | -               | -                 | -      | -8.570                   | -8.570  |
| Equity at 31 December 2016                       | 1.340         | 27                  | -663            | 56.970            | 57.674 | 6.326                    | 64.000  |

The share capital consists of nom. 300,000,000 shares of DKK 1 each, corresponding to EUR 40,311 thousand.

The number of shares have increased from 10m to 300m in Q4 2017.

The share capital has increased in Q4 2017 by EUR 38,971 thousand from EUR 1,340 to EUR 40,311 thousand.

# Notes

## Basis for preparation

These unaudited consolidated financial statements for the fourth quarter of 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the Annual Report 2016 of European Energy Group.

Furthermore, the financial report including the consolidated financial statements for the fourth quarter of 2017 and the management's review have been prepared in accordance with additional Danish disclosure requirements for the interim reports of listed companies.

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 2017. These IFRS's have not had a significant impact on the consolidated financial statements for the fourth quarters of 2017.

## IFRS 16, LEASES

The IASB has issued a new standard on accounting for leases effective for 2019. As a Lessee, the Group is required to recognize all lease contracts on the balance sheet. The Group will not be required to recognize lease contracts with a term of less than 12 months on the balance sheet. The Group has started an analysis of the impact of IFRS 16 on the consolidated financial statements, which has not yet been completed.

## 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 geographical focus is on Northern 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 21 February 2018, 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

For the quarter ended 31th December 2017

| EUR '000                             |                |                |                          |                |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Unaudited                            | Wind           | Solar          | Total before elimination | 31.12.2017     |
| Sale of energy farms and projects    | 119.689        | 55.274         | 174.963                  | 174.963        |
| Sale of electricity                  | 2.918          | 7.149          | 10.067                   | 10.067         |
| Asset management & other fees        | 1.105          | 581            | 1.686                    | 1.686          |
| <b>Revenue to external customers</b> | <b>123.712</b> | <b>63.004</b>  | <b>186.716</b>           | <b>186.716</b> |
| <b>Profit/loss before tax</b>        | <b>20.326</b>  | <b>5.464</b>   | <b>25.790</b>            | <b>25.790</b>  |
| <b>Total assets</b>                  | <b>157.300</b> | <b>144.464</b> | <b>301.764</b>           | <b>301.764</b> |
| <b>Total liabilities</b>             | <b>109.056</b> | <b>101.708</b> | <b>210.764</b>           | <b>210.764</b> |

For the quarter ended 31th December 2016

| EUR '000                             |                |                |                          |                |
|--------------------------------------|----------------|----------------|--------------------------|----------------|
| Unaudited                            | Wind           | Solar          | Total before elimination | 31.12.2016     |
| Sale of energy farms and projects    | 114.016        | 16.168         | 130.184                  | 130.184        |
| Sale of electricity                  | 414            | 8.468          | 8.882                    | 8.882          |
| Asset management & other fees        | 1.285          | 437            | 1.722                    | 1.722          |
| <b>Revenue to external customers</b> | <b>115.715</b> | <b>25.073</b>  | <b>140.788</b>           | <b>140.788</b> |
| <b>Profit/loss before tax</b>        | <b>12.692</b>  | <b>5.213</b>   | <b>17.905</b>            | <b>17.905</b>  |
| <b>Total assets</b>                  | <b>98.098</b>  | <b>120.437</b> | <b>218.535</b>           | <b>218.535</b> |
| <b>Total liabilities</b>             | <b>72.539</b>  | <b>81.996</b>  | <b>154.535</b>           | <b>154.535</b> |

## WRITE DOWN OF INVENTORIES

The Group has made write down of inventories of EUR 0,5 M in the fourth quarter of 2017 (YTD 2017: EUR 3,5M).

## 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 2017. 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 2016.

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, 21 February 2018

### MANAGEMENT:



Knud-Erik Andersen  
CEO



Jonny Janasson  
CFO

### BOARD OF DIRECTORS:




Jens-Peter Zink  
Chairman



Claus Dyhr



Knud-Erik Andersen



Jesper Helmuth Larsen



Mikael Dystrup Pedersen



# Appendix

## Development and construction

Table 1

| MW                   | Total level activity | Status end of Q4 2017 (MW) | EE net capacity (MW) |
|----------------------|----------------------|----------------------------|----------------------|
| Wind                 | In construction      | 147,1                      | 99,6                 |
| Wind                 | Ready to build       | 190,0                      | 133,4                |
| Solar                | In construction      | 82,5                       | 42,3                 |
| Solar                | Ready to build       | 81,0                       | 60,9                 |
| Total activity level |                      | 500,6                      | 336,2                |

## Activity level (wind)

Table 2

| Country    | Site            | Status end of Q4 2017 | MW    | EE net capacity (MW) | Sales agreement signed |
|------------|-----------------|-----------------------|-------|----------------------|------------------------|
| Denmark    | Svinbæk         | In construction       | 32,0  | 21,3                 | No                     |
| Denmark    | Måde II         | Ready to build        | 16,0  | 8,0                  | No                     |
| Denmark    | Holmen II       | In construction       | 21,6  | 14,4                 | No                     |
| Denmark    | Nøjsomheds Odde | In construction       | 32,4  | 10,9                 | No                     |
| Germany    | Lohkamp         | In construction       | 12,1  | 6,0                  | Yes                    |
| Germany    | Lüdersdorf II   | Ready to build        | 3,5   | 3,5                  | Yes                    |
| Italy      | Bosco le Paine  | In construction       | 39,0  | 39,0                 | No                     |
| Brazil     | Ouro Branco 1   | Ready to build        | 30,0  | 12,2                 | No                     |
| Brazil     | Ouro Branco 2   | Ready to build        | 30,0  | 12,2                 | No                     |
| Brazil     | Quatro Ventos   | Ready to build        | 22,0  | 9,0                  | No                     |
| Sweden     | Västanby        | In construction       | 10,0  | 8,0                  | No                     |
| Sweden     | Swedish 1       | Ready to build        | 12,0  | 12,0                 | No                     |
| Sweden     | Swedish 2       | Ready to build        | 22,5  | 22,5                 | No                     |
| Sweden     | Swedish 3       | Ready to build        | 27,0  | 27,0                 | No                     |
| Sweden     | Swedish 4       | Ready to build        | 27,0  | 27,0                 | No                     |
| Total wind |                 |                       | 337,1 | 233,0                |                        |

## Activity level (solar)

Table 3

| Country     | Site                            | Status end of Q3 2017 | MW    | EE net capacity (MW) | Sales agreement signed |
|-------------|---------------------------------|-----------------------|-------|----------------------|------------------------|
| Brazil      | Coremas 1                       | In construction       | 31,0  | 10,9                 | No                     |
| Brazil      | Coremas 2                       | In construction       | 31,0  | 10,9                 | No                     |
| Brazil      | Coremas 3                       | Ready to build        | 31,0  | 10,9                 | No                     |
| Denmark     | Pelsdyrparken                   | In construction       | 7,0   | 7,0                  | No                     |
| Denmark     | Stubbekøbing                    | In construction       | 3,5   | 3,5                  | No                     |
| Denmark     | Østre Torby                     | In construction       | 10,0  | 10,0                 | No                     |
| Denmark     | German PV 1<br>(Slettegården)   | Ready to build        | 10,0  | 10,0                 | No                     |
| Denmark     | German PV 2<br>(Bodelyngsvejen) | Ready to build        | 10,0  | 10,0                 | No                     |
| Denmark     | German PV 3<br>(Langelinje)     | Ready to build        | 10,0  | 10,0                 | No                     |
| Denmark     | German PV 4<br>(Hundetudevej)   | Ready to build        | 10,0  | 10,0                 | No                     |
| Denmark     | German PV 5<br>(Hagesholm)      | Ready to build        | 10,0  | 10,0                 | No                     |
| Total solar |                                 |                       | 163,5 | 103,2                |                        |

## Sales activity

The table below summarizes the sales activities in fourth quarter of 2017

Table 4

| Country | Site          | MW   | Technology | EE net capacity (MW) | Status Q4 2017 YTD             |
|---------|---------------|------|------------|----------------------|--------------------------------|
| Germany | Lüdersdorf II | 3,5  | Wind       | 0,0                  | SPA signed                     |
| Germany | Lohkamp       | 12,1 | Wind       | 0,0                  | SPA signed                     |
| Germany | Schochodde    | 3,5  | Wind       | 0,0                  | Closed Q4 2017                 |
| Germany | Werneuchen    | 3,0  | Wind       | 3,0                  | Closed Q4 2017                 |
| Germany | Wesendahl     | 3,5  | Wind       | 3,5                  | Closed Q4 2017                 |
| Italy   | Oppido        | 20,0 | Wind       | 10,0                 | Closed/Revenue recogn. Q1 2018 |
| Denmark | Søllested     | 3,0  | Wind       | 0,2                  | Closed Q4 2017                 |
| Finland | Haukineva     | 6,9  | Wind       | 6,9                  | Closed Q4 2017                 |
| Finland | Jeppo         | 6,9  | Wind       | 6,9                  | Closed Q4 2017                 |
| Finland | Vihreäsaari   | 3,5  | Wind       | 3,5                  | Closed Q4 2017                 |
| Total   |               | 65,9 |            | 34,0                 |                                |

# 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. Additional factors that may affect future results are contained in European Energy's annual report for the year ended 31 December 2016 (available at [www.europeanenergy.dk/investor-relations](http://www.europeanenergy.dk/investor-relations)) and these factors should also be considered. Each forward-looking statement speaks only as of the date of this document. European Energy does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than 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.