

Eolus has passed 500 erected wind turbines

3 Months December 2016 – February 2017

- Net sales 688.6 (445.4) MSEK.
- EBIT 31.0 (21.6) MSEK. Profit before tax 29.2 (18.0) MSEK. Net profit 21.6 (14.0) MSEK.
- Net profit has been affected by changes in market valuation of financial derivatives by +1.3 (+1.2) MSEK.
- Earnings per share, before and after dilution equals 0.88 (0.57) SEK.
- During the three month period 15 (7) wind turbines were taken into operation with a total installed capacity of 49.5 (23.1) MW.
- During the three month period the equivalent of 21.2 (14.0) wind turbines with an installed effect of 61.8 (35.6) MW was handed over to customers.
- Electricity production from wind farms owned was 15.0 (48.3) GWh with an average revenue of 442 (362) SEK/MWh.
- In December, Eolus signed an agreement with Vestas for the delivery of 11 V100 2.2 MW wind turbines, to be constructed in the wind farms Gunillaberg (4 turbines), Lunna (3 turbines), Täppeshusen (2 turbines) and Vilseberga (2 turbines) during 2017. During the same month, an agreement was signed with the German asset- and investment manager KGAL regarding the sale of turn key facilities in Gunillaberg and Lunna totaling 15.4 MW that also included technical and administrative for both wind farms.
- In December, the Swedish government made the decision to not grant permission per the Swedish Environmental Code for the offshore project Blekinge Offshore. This with reference to that the planned wind turbines could not be combined with Armed Forces' operations in the bight of Hanö.
- In December, Eolus US subsidiary Eolus North America, Inc signed an agreement to acquire a 60 % membership interest in Wind Wall Development, LLC from ZCF Wind Wall, LLC. Eolus North, Inc also placed an order with Vestas securing wind turbine components sufficient to secure the ability to capture the full value of the PTC (production tax credit) representing 40 MW. Eolus will together with ZCF Wind, LLC in a joint venture develop and construct a wind farm near Tehachapi in California.
- In December Eolus sold the operational wind farm Hästhalla comprising 4 Enercon E82 2.0 MW wind turbines to a fund managed by Allianz Global Investors.
- In January wind farm Iglasjön comprising 26.4 MW was completed and handed over to MEAG, asset manager for Munich Re. The farm comprises 8 Vestas V112 3.3 MW wind turbines.
- In February the remaining seven wind turbines in wind farm Långmarken was handed over to the customers The European Investment Bank and Mirova (six turbines) and the city of Malmö (one turbine). The eight wind turbine was handed over to Kalmar County Council during the previous quarter.

Significant events after the balance sheet date

- In March all conditions for the acquisition of 60 % membership interest in Wind Wall Development, LCC was fulfilled and Eolus subsidiary Eolus North America, Inc have taken over ownership of its share of the company.
- On April 19th, the Swedish government put forward a bill to parliament meaning that the Swedish electricity certificate system will be extended and expanded by 18 TWh by 2030. On the same day the Swedish and Norwegian governments announced that they had reached an agreement on the terms of the Swedish extension and increase of ambition within the system. The agreements are positive and means that the conditions for continued investments have clarified substantially.

Financial overview

Financial summary	Q2	Q2	Q1- Q2	Q1- Q2	Full year
	Dec 2016 - Feb 2017	Dec 2015 - Feb 2016	Sep 2016 - Feb 2017	Sep 2015 - Feb 2016	Sep 2015 - Aug 2016
Net sales, MSEK	688,6	445,4	775,0	477,1	693,4
EBIT, MSEK	31,0	21,6	19,3	1,8	-15,9
Profit before tax, MSEK	29,2	18,0	23,8	-9,2	-29,1
Changes in market valuation of financial derivatives, MSEK	1,6	1,6	4,0	-6,1	-5,0
Net profit, MSEK	21,6	14,0	17,3	-7,6	-23,9
Earnings per share before and after före dilution, SEK	0,88	0,57	0,7	-0,29	-0,92
Equity per share, SEK	26,2	27,58	26,2	27,58	26,94
Cashflow from operating activities, MSEK	228,9	238,4	140,2	173,9	134,2
Total assets, MSEK	840,2	1 148,2	840,2	1 148,2	1 269,6
Net debt - /net cash +, MSEK	225,7	201,7	225,7	201,7	139,8
Signed customer contracts, MSEK	281,1	473,0	281,1	473,0	620,7
No of turbines taken into operation, amount	15,0	7,0	16,0	7,0	14,0
No of turbines handed over to customers, amount	21,2	14,0	24,0	16,0	26,5
Turbines taken into operation, MW	49,5	23,1	52,8	23,1	37,7
Turbines handed over to customers, MW	61,8	35,6	68,9	39,6	57,55
Electricity generation, GWh	15,0	48,3	37,1	85,2	123,6
Equity/assets ratio, %	77,5	59,8	77,5	59,8	52,9
Return on equity after tax, %	13,3	8,2	5,4	neg	neg

Consolidated income statement

Consolidated income statement	Q2	Q2	Q1- Q2	Q1- Q2	Full year
	Dec 2016	Dec 2015	Sep 2016	Sep 2015	Sep 2015
KSEK	- Feb 2017	- Feb 2016	- Feb 2017	- Feb 2016	- Aug 2016
Net sales	688 616	445 428	774 988	477 147	693 446
Other operating income	3 989	652	9 434	2 246	2 215
	692 605	446 081	784 422	479 394	695 661
Operating expenses					
Change in inventories of products in progress, finished goods and work in progress	-274 383	-89 013	-259 080	-72 524	73 558
Cost for goods and project development	-352 567	-312 149	-437 789	-348 796	-681 186
Other external costs	-19 275	-13 542	-31 340	-24 327	-43 615
Employee benefits expenses	-8 279	-6 607	-17 127	-12 578	-28 175
Depreciation/amortization and impairment of property, plant and equipment and intangible	-6 197	-6 928	-15 993	-14 114	-26 719
Result from participations in associated companies	0	0	0	0	-1 309
Other operating expenses	-895	3 802	-3 771	-5 255	-4 165
Operating profit	31 008	21 644	19 323	1 799	-15 949
Profit/loss from financial items	-1 829	-3 641	4 427	-11 023	-13 108
Profit before tax	29 179	18 003	23 750	-9 224	-29 057
Tax on profit	-7 551	-3 966	-6 476	1 654	5 139
Net profit for the period	21 628	14 037	17 275	-7 571	-23 918
Whereof related to the shareholder of the parent company	21 912	14 252	17 862	-7 107	-22 925
Whereof related to minority stakeholders	-284	-216	-587	-463	-993
Net profit for the period	21 628	14 037	17 275	-7 571	-23 918
Total shares	24 907	24 907	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	0,88	0,57	0,72	-0,29	-0,92

Consolidated statement of comprehensive income

KSEK					
Net profit for the period	21 628	14 037	17 275	-7 571	-23 918
Other comprehensive income					
Translation differences	-2	13	-224	124	-3
Other comprehensive income for the period net after tax	-2	13	-224	124	-3
Total comprehensive income for the period	21 626	14 050	17 051	-7 446	-23 921
Whereof related to the shareholder of the parent company	21 910	14 266	17 637	-6 983	-22 928
Whereof related to minority stakeholders	-284	-216	-587	-463	-993
Total comprehensive income for the period	21 626	14 050	17 051	-7 446	-23 921

Consolidated balance sheet

Consolidated balance sheet KSEK	Feb 28 2017	Feb 29 2016	Aug 31 2016
ASSETS			
Fixed assets			
Tangible fixed assets	136 646	296 709	259 323
Participations in associated companies	8 037	8 680	8 076
Deferred tax asset	43	39	41
Other longterm receivables	38 404	2 222	24 356
Total fixed assets	183 131	307 651	291 795
Current assets			
Inventories, work in progress	243 140	323 341	462 301
Advance payment to suppliers	82 976	55 313	204 597
Account receivable - trade	21 763	17 528	28 793
Derivative instruments	1 643	1 411	4 130
Actual tax receivables	6 660	33 510	19 095
Other receivables	24 026	50 170	29 131
Prepaid expenses and accrued income	6 930	7 270	8 225
Cash and bank balances	269 945	352 056	221 549
Total current assets	657 083	840 599	977 821
TOTAL ASSETS	840 214	1 148 249	1 269 616
KSEK	Feb 28 2017	Feb 29 2016	Aug 31 2016
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	651 407	686 970	671 026
Equity related to minority stake holders	-455	53	140
Total equity	650 951	687 023	671 166
Non-current liabilities			
Non-current interest bearing liabilities	25 730	125 975	50 216
Provision, non current	5 234	7 877	7 599
Deferred taxes	78 225	85 080	77 765
Other liabilities	904	145	854
Total non-current liabilities	110 093	219 077	136 434
Current liabilities			
Current interest bearing liabilities	18 500	24 402	31 558
Bills payable	7 726	15 053	109 998
Derivative instruments	16 411	37 153	38 753
Current tax liabilities	86	93	76
Accrued expenses and deferred income	25 784	36 611	15 678
Advance payment from customers	5 581	122 692	237 831
Other liabilities	5 082	6 145	28 122
Total current liabilities	79 170	242 150	462 017
Total equity and liabilities	840 214	1 148 249	1 269 616

Consolidated cash flow statement

Consolidated cash flow statement	Q2	Q2	Q1- Q2	Q1- Q2	Full year
	Dec 2016 - Feb 2017	Dec 2015 - Feb 2016	Sep 2016 - Feb 2017	Sep 2015 - Feb 2016	Sep 2015 - Aug 2016
KSEK					
Operating activities					
Operating profit	31 008	21 644	19 323	1 799	-15 949
Non cash items	7 412	4 743	15 662	14 674	27 000
	38 420	26 388	34 985	16 473	11 051
Interest received	706	179	717	-142	1 081
Interest paid	-2 761	-3 706	-5 743	-6 583	-11 650
Income tax paid	21 007	-8 433	6 436	-17 374	-6 814
Net cash flow from operating activities before changes in working capital	57 372	14 428	36 395	-7 626	-6 333
Adjustments of working capital	171 503	223 983	103 765	181 515	140 522
Cash flow from operating activities	228 875	238 410	140 161	173 889	134 190
Acquisition of property, plant and equipment	-1 092	-419	-1 597	-1 659	-2 503
Sales of property, plant and equipment	400	732	400	13 208	13 836
Acquisition of participations in subsidiaries/asset acquisition	0	0	0	0	-450
Sales of financial assets	118	0	152	853	873
Cash flow from investing activities	-574	313	-1 046	12 402	-10 395
Repayment of loans	-25 067	-10 420	-37 559	-38 503	-107 141
Redemption derivative instrument	-15 810	0	-15 810	0	0
Capital contribution	-25	0	-18	158	749
Paid dividends	-37 361	-37 361	-37 361	-37 361	-37 361
Cash flow from financing activities	-78 263	-47 782	-90 747	-75 706	-143 754
Cash flow for the year	150 038	190 941	48 368	110 584	-19 959
Cash and cash equivalents at beginning of year	119 928	161 126	221 549	241 515	241 522
Exchange-rate differences in cash and cash equivalents	-21	-11	28	-43	-13
Cash and cash equivalents at year-end	269 945	352 056	269 945	352 056	221 549

Specification of movements in equity

Consolidated statement of changes in equity

KSEK	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total, Eolus's shareholders	Non-controlling interests	Total equity
At 1 September 2015	24 907	190 843	-39	515 602	731 313	51	731 364
Net profit for the year				-7 107	-7 107	-463	-7 571
Other comprehensive income			124		124		124
Total comprehensive income			124	-7 107	-6 983	-463	-7 446
Transactions with shareholders							
Dividend				-37 361	-37 361		-37 361
Capital contribution from non-controlling interests						465	465
At 29 February 2016	24 907	190 843	85	471 134	686 970	53	687 023
Net profit for the year				-15 818	-15 818	-530	-16 348
Other comprehensive income			-128		-128		-128
Total comprehensive income			-128	-15 818	-15 946	-530	-16 475
Transactions with shareholders							
Capital contribution from non-controlling interests						616	616
At 1 September 2016	24 907	190 843	-42	455 315	671 026	140	671 166
Net profit for the year				17 862	17 862	-587	17 275
Other comprehensive income			-224		-224		-224
Total comprehensive income			-224	17 862	17 637	-587	17 051
Transactions with shareholders							
Acquisition of shares from non-controlling interests				10	10	-10	0
Liquidation associated company				95	95		95
Dividend				-37 361	-37 361		-37 361
At 28 February 2017	24 907	190 843	-266	435 921	651 407	-456	650 950