

Final permit for project Öyfjellet granted

3 Months September 2016 – November 2016

- Net sales 86.4 (31.7) MSEK.
- EBIT -11.7 (-19.8) MSEK. Profit before tax -5.4 (-27.2) MSEK. Net profit -4.4 (-21.6) MSEK.
- Net profit has been affected by changes in market valuation of financial derivatives by +1.9 (-6.0) MSEK.
- Earnings per share, before and after dilution equals -0.16 (-0.86) SEK.
- During the three month period 1 (0) wind turbines were taken into operation with a total installed capacity of 3.3 (0) MW.
- During the three month period the equivalent of 2.8 (2.0) wind turbines with an installed effect of 7.0 (4.0) MW was handed over to customers.
- Electricity production from wind farms owned was 22.1 (36.9) GWh with an average revenue of 445 (401) SEK/MWh.
- In October Eolus signed an agreement with E:ON regarding grid connection of 84 MW for wind farm Jenåsen in the municipality of Sundsvall. The agreement also covers the construction of a grid station in Nysäter which creates capacity to connect additional wind farms in the area. In regards to Eolus the construction allows future connection for the fully permitted projects Kråktorpet and Nylandsbergen totaling about 200 MW.
- In October Eolus ordered 23 wind turbines of the model Vestas V126 3.45 MW for construction in wind farm Jenåsen.
- In November Eolus obtained the final permit from the Norwegian Oil- and Energy department regarding the Norwegian wind power project Öyfjellet. The project is Eolus's largest permitted project to date and will comprise up to 330 MW. The project will include up to 110 wind turbines, with an estimated annual generation of up to 1.4 TWh once the farm is fully constructed.

Significant events after the balance sheet date

- 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 (AllianzGI).
- 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.

Financial overview

Financial summary	Q1	Q1	Full year
	Sep 2016 - Nov 2016	Sep 2015 - Nov 2015	Sep 2015 - Aug 2016
Net sales, MSEK	86,4	31,7	693,4
EBIT, MSEK	-11,7	-19,8	-15,9
Profit before tax, MSEK	-5,4	-27,2	-29,1
Changes in market valuation of financial derivatives, MSEK	2,4	-7,7	-5,0
Net profit, MSEK	-4,4	-21,6	-23,9
Earnings per share before and after före dilution, SEK	-0,16	-0,86	-0,92
Equity per share, SEK	26,8	28,51	26,94
Cashflow from operating activities, MSEK	-88,7	-64,5	134,2
Total assets, MSEK	1 136,4	1 355,6	1 269,6
Net debt - /net cash +, MSEK	50,6	0,3	139,8
Signed customer contracts, MSEK	589,7	431,9	620,7
No of turbines taken into operation, amount	1,0	0,0	14,0
No of turbines handed over to customers, amount	2,8	2,0	26,5
Turbines taken into operation, MW	3,3	0,0	37,7
Turbines handed over to customers, MW	7,0	4,0	57,55
Electricity generation, GWh	22,1	36,9	123,6
Equity/assets ratio, %	58,7	52,4	52,9
Return on equity after tax, %	neg	neg	neg

Consolidated income statement

Consolidated income statement	Q1	Q1	Full year
KSEK	Sep 2016	Sep 2015	Sep 2015
	- Nov 2016	- Nov 2015	- Aug 2016
Net sales	86 372	31 719	693 446
Other operating income	5 445	1 594	2 215
	91 818	33 313	695 661
Operating expenses			
Change in inventories of products in progress, finished goods and work in progress	15 303	16 489	73 558
Cost for goods and project development	-85 222	-36 647	-681 186
Other external costs	-12 064	-10 785	-43 615
Employee benefits expenses	-8 848	-5 971	-28 175
Depreciation/amortization and impairment of property, plant and equipment and intangible	-9 796	-7 187	-26 719
Result from participations in associated companies	0	0	-1 309
Other operating expenses	-2 875	-9 057	-4 165
Operating profit	-11 685	-19 845	-15 949
Profit/loss from financial items	6 257	-7 382	-13 108
Profit before tax	-5 428	-27 227	-29 057
Tax on profit	1 075	5 619	5 139
Net profit for the period	-4 353	-21 608	-23 918
Whereof related to the shareholder of the parent company	-4 051	-21 361	-22 925
Whereof related to minority stakeholders	-302	-247	-993
Net profit for the period	-4 353	-21 608	-23 918
Total shares	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	-0,16	-0,86	-0,92

Consolidated statement of comprehensive income

KSEK			
Net profit for the period	-4 353	-21 608	-23 918
Other comprehensive income			
Translation differences	-222	114	-3
Other comprehensive income for the period net after tax	-222	114	-3
Total comprehensive income for the period	-4 575	-21 494	-23 921
Whereof related to the shareholder of the parent company	-4 273	-21 247	-22 928
Whereof related to minority stakeholders	-302	-247	-993
Total comprehensive income for the period	-4 575	-21 494	-23 921

Consolidated balance sheet

Consolidated balance sheet KSEK	Nov 31 2016	Nov 31 2015	Aug 31 2016
ASSETS			
Fixed assets			
Tangible fixed assets	232 959	304 854	259 323
Participations in associated companies	8 038	8 680	8 076
Deferred tax asset	43	40	41
Other longterm receivables	23 754	2 223	24 356
Total fixed assets	264 794	315 797	291 795
Current assets			
Inventories, work in progress	484 553	412 192	462 301
Advance payment to suppliers	180 234	233 010	204 597
Account receivable - trade	9 232	143 192	28 793
Derivative instruments	2 348	0	4 130
Actual tax receivables	35 032	27 455	19 095
Other receivables	29 473	50 272	29 131
Prepaid expenses and accrued income	10 844	12 564	8 225
Cash and bank balances	119 928	161 119	221 549
Total current assets	871 644	1 039 805	977 821
TOTAL ASSETS	1 136 438	1 355 602	1 269 616
KSEK	Nov 31 2016	Nov 31 2015	Aug 31 2016
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	666 755	710 066	671 026
Equity related to minority stake holders	-162	5	140
Total equity	666 593	710 071	671 166
Non-current liabilities			
Non-current interest bearing liabilities	36 139	132 179	50 216
Provision, non current	7 228	7 927	7 599
Deferred taxes	78 060	83 482	77 765
Other liabilities	916	293	854
Total non-current liabilities	122 343	223 881	136 434
Current liabilities			
Current interest bearing liabilities	33 186	28 595	31 558
Bills payable	4 946	32 829	109 998
Derivative instruments	34 558	37 333	38 753
Current tax liabilities	78	92	76
Accrued expenses and deferred income	21 945	22 099	15 678
Advance payment from customers	247 826	300 591	237 831
Other liabilities	4 963	111	28 122
Total current liabilities	347 503	421 651	462 017
Total equity and liabilities	1 136 438	1 355 602	1 269 616

Consolidated cash flow statement

Consolidated cash flow statement	Q1 Sep 2016 - Nov 2016	Q1 Sep 2015 - Nov 2015	Full year Sep 2015 - Aug 2016
KSEK			
Operating activities			
Operating profit	-11 685	-19 845	-15 949
Non cash items	8 250	9 932	27 000
	-3 435	-9 914	11 051
Interest received	11	-321	1 081
Interest paid	-2 982	-2 877	-11 650
Income tax paid	-14 571	-8 941	-6 814
Net cash flow from operating activities before changes in working capital	-20 977	-22 053	-6 333
Adjustments of working capital	-67 738	-42 469	140 522
Cash flow from operating activities	-88 715	-64 521	134 190
Acquisition of property, plant and equipment	-505	-1 240	-2 503
Sales of property, plant and equipment	0	12 476	13 836
Acquisition of participations in subsidiaries/asset acquisition	0	0	-450
Sales of financial assets	34	853	873
Cash flow from investing activities	-471	12 089	-10 395
Repayment of loans	-12 491	-28 083	-107 141
Capital contribution	7	158	749
Paid dividends	0	0	-37 361
Cash flow from financing activities	-12 484	-27 925	-143 754
Cash flow for the year	-101 670	-80 357	-19 959
Cash and cash equivalents at beginning of year	221 549	241 522	241 522
Exchange-rate differences in cash and cash equivalents	49	-46	-13
Cash and cash equivalents at year-end	119 928	161 119	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				-21 361	-21 361	-247	-21 608
Other comprehensive income			114		114		114
Total comprehensive income			114	-21 361	-21 247	-247	-21 494
Transactions with shareholders							
Capital contribution from non-controlling interests						201	201
At 30 November 2015	24 907	190 843	75	494 241	710 066	5	710 072
Net profit for the year				-1 564	-1 564	-746	-2 310
Other comprehensive income			-117		-117		-117
Total comprehensive income			-117	-1 564	-1 681	-746	-2 426
Transactions with shareholders							
Dividends				-37 361	-37 361		-37 361
Capital contribution from non-controlling interests						881	881
At 1 September 2016	24 907	190 843	-42	455 315	671 026	140	671 166
Net profit for the year				-4 051	-4 051	-302	-4 353
Other comprehensive income			-222		-222		-222
Total comprehensive income			-222	-4 051	-4 273	-302	-4 575
Transactions with shareholders							
Capital contribution from non-controlling interests							
At 30 November 2016	24 907	190 843	-264	451 265	666 755	-162	666 593