

The sale of wind farm Jenåsen produces record size backlog

3 Months March 2017 – May 2017

- Net sales 9.3 (158.0) MSEK.
- EBIT -7.3 (-11.7) MSEK. Profit before tax -7.8 (-11.7) MSEK. Net profit -5.7 (-13.8) MSEK.
- Earnings per share, before and after dilution equals -0.22 (-0.43) SEK.
- During the three month period 0 (7) wind turbines were taken into operation with a total installed capacity of 0.0 (14.6) MW.
- During the three month period the equivalent of 0.0 (5.8) wind turbines with an installed effect of 0.0 (11.9) MW was handed over to customers.
- Electricity production from wind farms owned was 11.6 (20.8) GWh with an average revenue of 407 (362) SEK/MWh.
- In March all conditions for the acquisition of 60 % of Wind Wall Development, LLC was fulfilled and Eolus subsidiary Eolus North America has taken over its share of the company.
- In May Eolus signed an agreement with Munich Re regarding the sale of wind farm Jenåsen for a purchase amount of EUR 106 million. The construction of the wind farm that comprises 23 Vestas V126 3.45 MW wind turbines is ongoing and is expected to be completed during the summer of 2018 when payment will occur. The wind farm is covered by a PPA that Eolus signed with Google in December 2015. In connection with the agreement Eolus will, for EUR 9 million, acquire the right to 96 percent of all electricity certificates that will be produced in the wind farm during the 15 year period the wind farm is eligible for certificates.

Financial overview

Financial summary	Q3	Q3	Q1- Q3	Q1- Q3	Full year
	Mar 2017 - May 2017	Mar 2016 - May 2016	Sep 2016 - May 2017	Sep 2015 - May 2016	Sep 2015 - Aug 2016
Net sales, MSEK	9,3	158,0	784,3	635,1	693,4
EBIT, MSEK	-7,3	-11,7	12,1	-9,9	-15,9
Profit before tax, MSEK	-7,8	-13,8	16,0	-23,0	-29,1
Changes in market valuation of financial derivatives, MSEK	0,0	0,7	4,1	-5,3	-5,0
Net profit, MSEK	-5,7	-11,1	11,5	-18,6	-23,9
Earnings per share before and after före dilution, SEK	-0,22	-0,43	0,5	-0,72	-0,92
Equity per share, SEK	25,9	27,15	25,9	27,15	26,94
Cashflow from operating activities, MSEK	-127,0	-53,0	13,1	120,9	134,2
Total assets, MSEK	871,9	1 037,1	871,9	1 037,1	1 269,6
Net debt - /net cash +, MSEK	94,5	145,1	94,5	145,1	139,8
Signed customer contracts, MSEK	1 305,7	618,3	1 305,7	618,3	620,7
No of turbines taken into operation, amount	0,0	7,0	16,0	14,0	14,0
No of turbines handed over to customers, amount	0,0	5,8	24,0	21,8	26,5
Turbines taken into operation, MW	0,0	14,6	52,8	37,7	37,7
Turbines handed over to customers, MW	0,0	11,9	68,9	51,5	57,55
Electricity generation, GWh	11,6	20,8	48,7	106,0	123,6
Equity/assets ratio, %	74,3	65,2	74,3	65,2	52,9
Return on equity after tax, %	neq	neq	2,3	neq	neq

Consolidated income statement

Consolidated income statement	Q3	Q3	Q1- Q3	Q1- Q3	Full year
KSEK	Mar 2017	Mar 2016	Sep 2016	Sep 2015	Sep 2015
	- May 2017	- May 2016	- May 2017	- May 2016	- Aug 2016
Net sales	9 274	157 962	784 262	635 110	693 446
Other operating income	5 142	153	14 576	2 399	2 215
	14 416	158 115	798 838	637 509	695 661
Operating expenses					
Change in inventories of products in progress, finished goods and work in progress	67 801	-29 059	-191 279	-101 583	73 558
Cost for goods and project development	-66 642	-114 018	-504 431	-462 814	-681 186
Other external costs	-11 355	-11 001	-42 695	-35 328	-43 615
Employee benefits expenses	-6 979	-7 211	-24 106	-19 789	-28 175
Depreciation/amortization and impairment of property, plant and equipment and intangible	-3 070	-6 768	-19 063	-20 883	-26 719
Result from participations in associated companies	0	-100	0	-100	-1 309
Other operating expenses	-1 434	-1 671	-5 205	-6 926	-4 165
Operating profit	-7 263	-11 713	12 060	-9 914	-15 949
Profit/loss from financial items	-521	-2 082	3 906	-13 105	-13 108
Profit before tax	-7 784	-13 795	15 966	-23 019	-29 057
Tax on profit	2 057	2 728	-4 418	4 382	5 139
Net profit for the period	-5 727	-11 066	11 548	-18 637	-23 918
Whereof related to the shareholder of the parent company	-5 567	-10 734	12 295	-17 841	-22 925
Whereof related to minority stakeholders	-160	-333	-747	-796	-993
Net profit for the period	-5 727	-11 066	11 548	-18 637	-23 918
Total shares	24 907	24 907	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	-0,22	-0,43	0,49	-0,72	-0,92

Consolidated statement of comprehensive income

KSEK					
Net profit for the period	-5 727	-11 066	11 548	-18 637	-23 918
Other comprehensive income					
Translation differences	157	-20	-67	105	-3
Other comprehensive income for the period net after tax	157	-20	-67	105	-3
Total comprehensive income for the period	-5 570	-11 086	11 481	-18 532	-23 921
Whereof related to the shareholder of the parent company	-5 352	-10 753	12 285	-17 736	-22 928
Whereof related to minority stakeholders	-217	-333	-804	-796	-993
Total comprehensive income for the period	-5 570	-11 086	11 481	-18 532	-23 921

Consolidated balance sheet

Consolidated balance sheet KSEK	May 31 2017	May 31 2016	Aug 31 2016
ASSETS			
Fixed assets			
Tangible fixed assets	134 141	290 331	259 323
Participations in associated companies	8 037	8 680	8 076
Deferred tax asset	41	40	41
Other longterm receivables	38 857	5 518	24 356
Total fixed assets	181 077	304 569	291 795
Current assets			
Inventories, work in progress	316 804	294 490	462 301
Advance payment to suppliers	175 337	43 839	204 597
Account receivable - trade	14 837	1 397	28 793
Derivative instruments	1 140	602	4 130
Actual tax receivables	11 688	45 495	19 095
Other receivables	24 450	49 121	29 131
Prepaid expenses and accrued income	9 290	6 100	8 225
Cash and bank balances	137 315	291 508	221 549
Total current assets	690 861	732 551	977 821
TOTAL ASSETS	871 938	1 037 120	1 269 616
KSEK	May 31 2017	May 31 2016	Aug 31 2016
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	646 056	676 217	671 026
Equity related to minority stake holders	1 990	116	140
Total equity	648 046	676 333	671 166
Non-current liabilities			
Non-current interest bearing liabilities	24 938	86 426	50 216
Provision, non current	5 286	7 958	7 599
Deferred taxes	80 349	85 183	77 765
Other liabilities	872	947	854
Total non-current liabilities	111 445	180 514	136 434
Current liabilities			
Current interest bearing liabilities	17 893	59 940	31 558
Bills payable	32 847	8 569	109 998
Derivative instruments	15 895	35 610	38 753
Current tax liabilities	29	9	76
Accrued expenses and deferred income	19 788	32 997	15 678
Advance payment from customers	24 960	38 718	237 831
Other liabilities	1 035	4 430	28 122
Total current liabilities	112 447	180 273	462 017
Total equity and liabilities	871 938	1 037 120	1 269 616

Consolidated cash flow statement

Consolidated cash flow statement	Q3	Q3	Q1- Q3	Q1- Q3	Full year
	Mar 2017	Mar 2016	Sep 2016	Sep 2015	Sep 2015
KSEK	- May 2017	- May 2016	- May 2017	- May 2016	- Aug 2016
Operating activities					
Operating profit	-7 263	-11 713	12 060	-9 914	-15 949
Non cash items	3 420	5 462	19 082	20 136	27 000
	-3 843	-6 251	31 142	10 222	11 051
Interest received	17	-300	734	-442	1 081
Interest paid	-1 558	-1 855	-7 301	-8 438	-11 650
Income tax paid	-2 768	-9 233	3 668	-26 607	-6 814
Net cash flow from operating activities before changes in working capital	-8 153	-17 639	28 243	-25 265	-6 333
Adjustments of working capital	-118 894	-35 359	-15 129	146 156	140 522
Cash flow from operating activities	-127 047	-52 998	13 114	120 891	134 190
Acquisition of property, plant and equipment	-249	-588	-1 846	-2 247	-2 503
Sales of property, plant and equipment	259	249	659	13 457	13 836
Acquisition of participations in subsidiaries/asset acquisition	-4 008	-420	-4 008	-420	-450
Acquisition of financial assets	0	-3 295	0	-3 295	-22 152
Sales of financial assets	0	0	152	853	873
Cash flow from investing activities	-3 998	-4 054	-5 043	8 348	-10 395
Repayment of loans	-1 418	-3 997	-38 977	-42 500	-107 141
Redemption derivative instrument	0	0	-15 810	0	0
Capital contribution	2	503	-16	661	749
Paid dividends	0	0	-37 361	-37 361	-37 361
Cash flow from financing activities	-1 416	-3 494	-92 164	-79 200	-143 754
Cash flow for the year	-132 461	-60 545	-84 093	50 039	-19 959
Cash and cash equivalents at beginning of year	269 945	352 056	221 549	241 522	241 522
Exchange-rate differences in cash and cash equivalents	-170	-3	-142	-53	-13
Cash and cash equivalents at year-end	137 315	291 508	137 315	291 508	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				-17 841	-17 841	-796	-18 637
Other comprehensive income			105		105		105
Total comprehensive income			105	-17 841	-17 736	-796	-18 532
Transactions with shareholders							
Dividend				-37 361	-37 361		-37 361
Capital contribution from non-controlling interests						861	861
At 31 May 2017	24 907	190 843	66	460 401	676 217	116	676 333
Net profit for the year				-5 085	-5 085	-197	-5 281
Other comprehensive income			-108		-108		-108
Total comprehensive income			-108	-5 085	-5 192	-197	-5 389
Transactions with shareholders							
Capital contribution from non-controlling interests						220	220
At 1 September 2016	24 907	190 843	-42	455 315	671 026	140	671 166
Net profit for the year				12 295	12 295	-747	11 548
Other comprehensive income			-10		-10	-57	-67
Total comprehensive income			-10	12 295	12 285	-804	11 481
Transactions with shareholders							
Acquisition of shares from non-controlling interests				10	10	-10	0
Non-controlling interest arising at acquisition of group companies						2 664	2 664
Liquidation associated company				95	95		95
Dividend				-37 361	-37 361		-37 361
At 31 May 2017	24 907	190 843	-52	430 356	646 056	1 990	648 046