

Well prepared for future expansion

3 Months September 2017 – November 2017

- Net sales 18.1 (86.4) MSEK.
- EBIT 3.0 (-11.7) MSEK. Profit before tax 9.8 (-5.4) MSEK. Net profit 7.4 (-4.4) MSEK.
- Earnings per share, before and after dilution equals 0.30 (-0.16) SEK.
- During the three month period 0 (1) wind turbines were taken into operation with a total installed capacity of 0.0 (3.3) MW.
- During the three month period the equivalent of 0.4 (2.8) wind turbines with an installed effect of 0.8 (7.0) MW was handed over to customers.
- Electricity production from wind farms owned was 9.5 (22.1) GWh with an average revenue of 428 (445) SEK/MWh.

Significant events after the balance sheet date

- In December, Eolus signed an agreement with KGAL regarding the sale of 47 MW wind power for a preliminary purchase price of EUR 57.7 million. Wind farm Sötterfällan (36.0 MW) is expected to be delivered turnkey in the summer of 2019 and wind farm Anneberg (10.8 MW) in December 2018. Eolus will provide asset management services for the wind farms.
- In December, Eolus signed an agreement with Aquila Capital regarding the sale of 232 MW wind power for a preliminary purchase price of EUR 264 million. Eolus will construct the wind farms Kråktorpet comprising 43 turbines with a capacity of 163.4 MW and Nylandsbergen comprising 18 turbines with a capacity of 68.4 MW. Both wind farms will be commissioned during the second half of 2019. Eolus will provide asset management services for the wind farms.
- In December Eolus signed an agreement with Vestas for the delivery of 74 wind turbines of the model V136 totaling 279 MW to the wind farms Kråktorpet, Nylandsbergen, Sötterfällan and Anneberg. All four wind farms have full service agreements for 15-20 years from commissioning.
- In January Eolus signed a balance of plant contract with Veidekke for construction of the wind farms Kråktorpet and Nylandsbergen as well as an agreement with E.ON Elnät regarding grid connection of the wind farms.

Financial summary	Q1	Q1	Full Year
	Sep 2017 - Nov 2017	Sep 2016 - Nov 2016	Sep 2016 - Aug 2017
Net sales, MSEK	18,1	86,4	1 065,7
EBIT, MSEK	3,0	-11,7	40,2
Profit before tax, MSEK	9,8	-5,4	34,2
Changes in market valuation of financial derivatives, MSEK	10,4	2,4	3,7
Net profit, MSEK	7,4	-4,4	24,5
Earnings per share before and after före dilution, SEK	0,3	-0,16	1,02
Equity per share, SEK	26,7	26,77	26,41
Cashflow from operating activities, MSEK	-87,5	-88,7	91,0
Total assets, MSEK	891,2	1 136,4	900,8
Net debt - /net cash +, MSEK	79,4	50,6	167,6
Signed customer contracts, MSEK	1 057,4	589,7	1 061,0
No of turbines taken into operation, amount	-	1,0	25,0
No of turbines handed over to customers, amount	0,4	2,8	36,8
Turbines taken into operation, MW	-	3,3	72,2
Turbines handed over to customers, MW	0,8	7,0	92,8
Electricity generation, GWh	9,5	22,1	58,6
Equity/assets ratio, %	74,8	58,7	73,2
Return on equity after tax, %	4,5	neg	3,7

Priority projects

The market conditions change rapidly when it comes to technological development, electricity prices and investors. Eolus's strategic focus will therefore concentrate on the development, establishment and divestment of a number of high-priority projects in the coming years, i.e. those with the best conditions to be realized at the lowest cost per megawatt-hour. With fewer, but larger, established wind farms fluctuations between individual quarters will be greater in terms of constructed wind turbines, tied up capital, turnover and results.

To highlight information about the status of these high-priority projects, they will be given a separate heading in Eolus's interim reports. The same information will be presented on Eolus's website. The website will be updated following the publication of interim reports, or due to other significant project events announced via press release.

The following are currently our high-priority projects for the coming years. However, the summary does not rule out establishment of other projects from Eolus's high-quality project portfolio that meet investors demands and requirements.

Project	Location	Number of WTG	Capacity, MW	Estimated production, GWh	Planned commissioning	Comment
Jenåsen	Sundsvall, Sweden, SE2	23	79	275	2018	Ten-year Power Purchase Agreement with Google. The wind farm is sold to Munich Re who will take over the facility upon completion which is expected in the summer of 2018. Turbine supply agreement signed with Vestas. Roads and foundations are under construction. Eolus is financing the
Nylandsbergen	Sundsvall, Sweden, SE2	18	68.4	230-250	2019	The wind farm is sold to Aquila Capital who will take over the facility upon completion which is expected to be in the second half of 2019. Turbine supply agreement signed with Vestas. Agreement regarding grid connection signed with E.ON Elnät and a balance of plant contract signed with Veidekke.
Kråktorpet	Sundsvall, Sweden, SE2	43	163.4	550-590	2019	The wind farm is sold to Aquila Capital who will take over the facility upon completion which is expected to be in the second half of 2019. Turbine supply agreement signed with Vestas. Agreement regarding grid connection signed with E.ON Elnät and a balance of plant contract signed with Veidekke. Aquila will provide construction financing.
Wind Wall	Tehachapi, California, USA	11 to 12	38-40	135-145	2019	Repowering project. Full-value production tax credit granted for the project.
Stigafjellet	Bjerkheim, Norway, NO2	8 to 9	30	110-130	2019	Fully concessioned. Grid capacity reserved. Sales process initiated.
Sötterfällan	Jönköping, Sweden, SE3	10	36	125-135	2019	The wind farm is sold to KGAL who will take over the facility upon completion which is expected to be in the summer of 2019. Turbine supply agreement signed with Vestas.
Bäckhammar	Kristinehamn/Degerfors, Sweden, SE3	30	100-130	350-400	2019	Fully permitted. Turbine procurement process initiated.
Öyfjellet	Vefsna, Norway, NO4	80-100	330	1,200-1,500	2021	Fully concessioned. Grid capacity reserved.

Consolidated income statement	Q1	Q1	Full year
KSEK	Sep 2017	Sep 2016	Sep 2016
	- Nov 2017	- Nov 2016	- Aug 2017
Net sales	18 139	86 372	1 065 668
Other operating income	14 206	5 445	17 379
	32 346	91 818	1 083 047
Operating expenses			
Change in inventories of wind turbines, wind turbines under construction and projects under development	98 208	15 303	-183 858
Cost for goods and project development	-108 282	-85 222	-739 026
Other external costs	-9 476	-12 064	-54 382
Employee benefits expenses	-7 656	-8 848	-30 650
Depreciation/amortization and impairment of property, plant and equipment and intangible	-2 207	-9 796	-23 423
Result from participations in associated companies	-	-	-2 570
Other operating expenses	56	-2 875	-8 904
Operating profit	2 988	-11 685	40 233
Profit/loss from financial items	6 762	6 257	-6 009
Profit before tax	9 751	-5 428	34 224
Tax on profit	-2 335	1 075	-9 720
Net profit for the period	7 416	-4 353	24 504
Whereof related to the shareholder of the parent company	7 461	-4 051	25 317
Whereof related to minority stakeholders	-46	-302	-813
Net profit for the period	7 416	-4 353	24 504
Total shares	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	0,30	-0,16	1,02

Consolidated statement of comprehensive income

KSEK			
Net profit for the period	7 416	-4 353	24 504
Other comprehensive income			
Translation differences	-147	-222	172
Other comprehensive income for the period net after tax	-147	-222	172
Total comprehensive income for the period	7 269	-4 575	24 677
Whereof related to the shareholder of the parent company	7 198	-4 273	25 729
Whereof related to minority stakeholders	71	-302	-1 053
Total comprehensive income for the period	7 269	-4 575	24 677

Consolidated balance sheet	Nov 30	Nov 30	Aug 31
KSEK	2017	2016	2017
ASSETS			
Non-current assets			
Property, plant and equipment	109 427	232 959	111 443
Participations in associated companies	3 763	8 038	3 763
Deferred tax asset	2 651	43	2 236
Other financial assets	31 314	23 754	30 517
Total fixed assets	147 154	264 794	147 959
Current assets			
Inventories, work in progress	453 287	484 553	344 840
Advance payment to suppliers	94 531	180 234	128 435
Account receivable - trade	32 531	9 232	25 686
Derivative instruments	9 435	2 348	-
Current tax assets	-	35 032	-
Other receivables	40 055	29 473	44 493
Prepaid expenses and accrued income	6 384	10 844	7 840
Cash and bank balances	107 853	119 928	201 509
Total current assets	744 076	871 644	752 805
TOTAL ASSETS	891 230	1 136 438	900 764
KSEK	Nov 30	Nov 30	Aug 31
	2017	2016	2017
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	664 988	666 755	657 791
Equity related to minority stake holders	1 789	-162	1 719
Total equity	666 777	666 593	659 510
Non-current liabilities			
Non-current interest bearing liabilities	8 250	36 139	12 740
Provision, non current	3 867	7 228	3 789
Deferred taxes	59 746	78 060	57 291
Other liabilities	836	916	797
Total non-current liabilities	72 699	122 343	74 617
Current liabilities			
Current interest bearing liabilities	20 252	33 186	21 169
Bills payable	30 154	4 946	28 276
Derivative instruments	14 123	34 558	15 097
Current tax liabilities	12 326	78	15 598
Accrued expenses and deferred income	17 959	21 945	32 483
Advance payment from customers	54 856	247 826	51 300
Other liabilities	2 084	4 963	2 714
Total current liabilities	151 754	347 503	166 637
Total equity and liabilities	891 230	1 136 438	900 764

Consolidated cash flow statement	Q1	Q1	Full year
	Sep 2017 - Nov 2017	Sep 2016 - Nov 2016	Sep 2016 - Aug 2017
KSEK			
Operating activities			
Operating profit	2 988	-11 685	40 233
Non cash items	-7 114	8 250	23 715
	-4 125	-3 435	63 948
Interest received	914	11	730
Interest paid	-1 115	-2 982	-8 632
Income tax paid	-3 663	-14 571	-1 175
Net cash flow from operating activities before changes in working capital	-7 989	-20 977	54 871
Adjustments of working capital	-79 482	-67 738	36 100
Cash flow from operating activities	-87 471	-88 715	90 971
Acquisition of property, plant and equipment	-1 104	-505	-6 698
Sales of property, plant and equipment	67	-	606
Acquisition of participations in subsidiaries/asset acquisition	-	-	-4 009
Sales of financial assets	-	34	383
Cash flow from investing activities	-1 037	-471	-9 718
Repayment of loans	-5 429	-12 491	-47 865
Redemption derivative instrument	-	-	-15 810
Capital contribution	-	7	-
Paid dividends	-	-	-37 361
Cash flow from financing activities	-5 429	-12 484	-101 036
Cash flow for the year	-93 938	-101 670	-19 784
Cash and cash equivalents at beginning of year	201 509	221 549	221 549
Exchange-rate differences in cash and cash equivalents	282	49	-256
Cash and cash equivalents at year-end	107 853	119 928	201 509

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 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
At 30 November 2016	24 907	190 843	-264	451 265	666 755	-162	666 593
Net profit for the year				29 368	29 368	-511	28 857
Other comprehensive income			634		634	-240	394
Total comprehensive income			634	29 368	30 002	-750	29 252
Transactions with shareholders							
Acquisition of shares from non-controlling interests				10	10	-10	0
Non-controlling interest araised at aquisition of group companies						2 641	2 641
Changes associated company				-1 610	-1 610		-1 610
Dividend				-37 361	-37 361		-37 361
At 31 August 2017	24 907	190 843	369	441 673	657 791	1 719	659 510
At 1 September 2017	24 907	190 843	369	441 673	657 791	1 719	659 510
Net profit for the year				7 461	7 461	-46	7 416
Other comprehensive income			-263		-263	116	-147
Total comprehensive income			-263	7 461	7 198	71	7 269
At 30 November 2017	24 907	190 843	106	449 133	664 988	1 789	666 777