

Customer contracts for 279 MW signed

3 Months December 2017 – February 2018

- Net sales 139.4 (688.6) MSEK.
- EBIT 30.0 (31.0) MSEK. Profit before tax 27.8 (29.2) MSEK. Net profit 35.9 (21.6) MSEK.
- Earnings per share, before and after dilution equals 1.44 (0.88) SEK.
- During the three month period 2 (15) wind turbines were taken into operation with a total installed capacity of 4.4 (49.5) MW.
- During the three month period the equivalent of 3.1 (21.2) wind turbines with an installed effect of 6.8 (61.8) MW was handed over to customers.
- Electricity production from wind farms owned was 9.3 (15.0) GWh with an average revenue of 437 (442) SEK/MWh.
- 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 1 turbines with a capacity of 68.4 MW. Revenue from the sale of project rights for wind farm Kråktorpet have affected net sales and EBIT during the period. 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.

Significant events after the balance sheet date

- In March, Eolus signed a Power Purchase Agreement (PPA) with Alcoa Norway ANS stating that Alcoa will buy all electricity produced in wind farm Öyfjellet in Norway when it is commissioned in 2021. The annual production is estimated at 1.2 TWh. As part of the agreement Eolus has signed a power purchase guarantee with the Norwegian Export Credit Guarantee Agency (GIEK). The guarantee amount is EUR 256 million.

Financial summary	Q2	Q2	Year to date	Year to date	Full year
	Dec 2017 - Feb 2018	Dec 2016 - Feb 2017	Sep 2017 - Feb 2018	Sep 2016 - Feb 2017	Sep 2016 - Aug 2017
Net sales, MSEK	139,4	688,6	157,5	1 065,7	1 065,7
EBIT, MSEK	30,0	31,0	33,0	40,2	40,2
Profit before tax, MSEK	27,8	29,2	37,6	34,2	34,2
Changes in market valuation of financial derivatives, MSEK	-5,9	1,6	4,5	3,7	3,7
Net profit, MSEK	35,9	21,6	43,3	24,5	24,5
Earnings per share before and after före dilution, SEK	1,4	0,88	1,7	1,02	1,02
Equity per share, SEK	26,6	26,15	26,6	26,41	26,41
Cashflow from operating activities, MSEK	-201,4	228,9	-288,9	91,0	91,0
Total assets, MSEK	1 095,7	840,2	1 095,7	900,8	900,8
Net debt - /net cash +, MSEK	-159,1	225,7	-159,1	167,6	167,6
Signed customer contracts, MSEK	3 885,0	281,1	3 885,0	1 061,0	1 061,0
No of turbines taken into operation, amount	2,0	15,0	2,0	25,0	25,0
No of turbines handed over to customers,	3,1	21,2	3,4	36,8	36,8
Turbines taken into operation, MW	4,4	49,5	4,4	72,2	72,2
Turbines handed over to customers, MW	6,8	61,8	7,5	92,8	92,785
Electricity generation, GWh	9,3	15,0	18,9	58,6	58,6
Equity/assets ratio, %	60,7	77,5	60,7	73,2	73,2
Return on equity after tax, %	21,6	13,3	13,1	3,7	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
Jenäsen	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. Construction of turbines from Vestas is ongoing. Eolus is financing the establishment with bank construction loans.
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. Construction have started.
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. Construction have started. 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	Vefsn, Norway, NO4	80-100	330	1,200-1,500	2021	Fully concessioned. Grid capacity reserved. Fifteen-year Power Purchase Agreement signed with Alcoa. Sales process initiated.

Consolidated income statement	Q2	Q2	Q1- Q2	Q1- Q2	Full year
KSEK	Dec 2017	Dec 2016	Sep 2017	Sep 2016	Sep 2016
	- Feb 2018	- Feb 2017	- Feb 2018	- Feb 2017	- Aug 2017
Net sales	139 383	688 616	157 522	774 988	1 065 668
Other operating income	1 455	3 989	15 662	9 434	17 379
	140 838	692 605	173 184	784 422	1 083 047
Operating expences					
Change in inventories of wind turmbines, wind turbines under construction and projekts under development	31 475	-274 383	129 683	-259 080	-183 858
Cost for goods and project development	-116 965	-352 567	-225 247	-437 789	-739 026
Other external costs	-11 475	-19 275	-20 952	-31 340	-54 382
Employee benefits expenses	-8 084	-8 279	-15 740	-17 127	-30 650
Depreciation/amortization and impairment of property, plant and equipment and intangible	-4 553	-6 197	-6 760	-15 993	-23 423
Result from participations in associated companies	-	-	-	-	-2 570
Other operating expenses	-1 266	-895	-1 210	-3 771	-8 904
Operating profit	29 970	31 008	32 958	19 323	40 233
Profit/loss from financial items	-2 148	-1 829	4 614	4 427	-6 009
Profit before tax	27 822	29 179	37 573	23 750	34 224
Tax on profit	8 062	-7 551	5 727	-6 476	-9 720
Net profit for the period	35 884	21 628	43 299	17 275	24 504
Whereof related to the shareholder of the parent company	35 924	21 912	43 386	17 862	25 317
Whereof related to minority stakeholders	-41	-284	-86	-587	-813
Net profit for the period	35 884	21 628	43 299	17 275	24 504
Total shares	24 907	24 907	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	1,44	0,88	1,74	0,72	1,02

Consolidated statement of comprehensive income					
KSEK					
Net profit for the period	35 884	21 628	43 299	17 275	24 504
Other comprehensive income					
Translation differences	17	-2	-129	-224	172
Other comprehensive income for the period net after tax	17	-2	-129	-224	172
Total comprehensive income for the period	35 901	21 626	43 170	17 051	24 677
Whereof related to the shareholder of the parent company	35 973	21 910	43 171	17 637	25 729
Whereof related to minority stakeholders	-72	-284	-1	-587	-1 053
Total comprehensive income for the period	35 901	21 626	43 170	17 051	24 677

Consolidated balance sheet	Feb 28	Feb 28	Aug 31
KSEK	2018	2017	2017
ASSETS			
Non-current assets			
Property, plant and equipment	91 136	136 646	111 443
Participations in associated companies	3 763	8 037	3 763
Deferred tax asset	3 309	43	2 236
Other financial assets	32 763	38 404	30 517
Total fixed assets	130 971	183 131	147 959
Current assets			
Inventories, work in progress	481 593	243 140	344 840
Advance payment to suppliers	416 497	82 976	128 435
Account receivable - trade	26 172	21 763	25 686
Derivative instruments	2 296	1 643	-
Current tax assets	-	6 660	-
Other receivables	12 027	24 026	44 493
Prepaid expenses and accrued income	7 263	6 930	7 840
Cash and bank balances	18 851	269 945	201 509
Total current assets	964 699	657 083	752 805
TOTAL ASSETS	1 095 670	840 214	900 764
KSEK			
	Feb 28	Feb 28	Aug 31
	2018	2017	2017
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	663 603	651 407	657 791
Equity related to minority stake holders	1 718	-455	1 719
Total equity	665 320	650 951	659 510
Non-current liabilities			
Non-current interest bearing liabilities	14 340	25 730	12 740
Provision, non current	3 323	5 234	3 789
Deferred taxes	54 231	78 225	57 291
Other liabilities	826	904	797
Total non-current liabilities	72 720	110 093	74 617
Current liabilities			
Current interest bearing liabilities	163 646	18 500	21 169
Bills payable	32 049	7 726	28 276
Derivative instruments	12 866	16 411	15 097
Current tax liabilities	7 587	86	15 598
Accrued expenses and deferred income	17 762	25 784	32 483
Advance payment from customers	122 013	5 581	51 300
Other liabilities	1 708	5 082	2 714
Total current liabilities	357 630	79 170	166 637
Total equity and liabilities	1 095 670	840 214	900 764

Consolidated cash flow statement	Q2	Q2	Q1-Q2	Q1-Q2	Full year
	Dec 2017 - Feb 2018	Dec 2016 - Feb 2017	Sep 2017 - Feb 2018	Sep 2016 - Feb 2017	Sep 2016 - Aug 2017
KSEK					
Operating activities					
Operating profit	29 970	31 008	32 958	19 323	40 233
Non cash items	11 613	7 412	4 499	15 662	23 715
	41 583	38 420	37 457	34 985	63 948
Interest received	659	706	1 573	717	730
Interest paid	-1 956	-2 761	-3 071	-5 743	-8 632
Income tax paid	-2 824	21 007	-6 487	6 436	-1 175
Net cash flow from operating activities before changes in working capital	37 461	57 372	29 473	36 395	54 871
Adjustments of working capital	-238 907	171 503	-318 389	103 765	36 100
Cash flow from operating activities	-201 446	228 875	-288 917	140 161	90 971
Acquisition of property, plant and equipment	-	-1 092	-1 104	-1 597	-6 698
Sales of property, plant and equipment	365	400	432	400	606
Acquisition of participations in subsidiaries/asset acquisition	-	-	-	-	-4 009
Sales of financial assets	-	118	-	152	383
Cash flow from investing activities	365	-574	-672	-1 046	-9 718
Repayment of loans	-10 842	-25 067	-16 272	-37 559	-47 865
Redemption derivative instrument	-	-15 810	-	-15 810	-15 810
Capital contribution	-	-25	-	-18	-
Paid dividends	-37 360	-37 361	-37 360	-37 361	-37 361
Cash flow from financing activities	112 123	-78 263	106 693	-90 747	-101 036
Cash flow for the year	-88 957	150 038	-182 895	48 368	-19 784
Cash and cash equivalents at beginning of year	107 853	119 928	201 509	221 549	221 549
Exchange-rate differences in cash and cash equivalents	-45	-21	237	28	-256
Cash and cash equivalents at year-end	18 851	269 945	18 851	269 945	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				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
Changes 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	650 951
Net profit for the year				7 456	7 456	-226	7 230
Other comprehensive income			636		636	-240	397
Total comprehensive income			636	7 456	8 092	-466	7 626
Transactions with shareholders							
Non-controlling interest arising at acquisition of group companies						2 641	2 641
Changes associated company				-1 705	-1 705		-1 705
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				43 386	43 386	-86	43 299
Other comprehensive income			-215		-215	85	-129
Total comprehensive income			-215	43 386	43 171	-1	43 170
Transactions with shareholders							
Dividend				-37 360	-37 360		-37 360
At 28 February 2018	24 907	190 843	154	447 697	663 601	1 718	665 320