

123 wind turbines under construction

3 Months March 2020 – May 2020

- Net sales 380.6 (520.3) MSEK.
- EBIT 38.1 (10.9) MSEK. Profit before tax 13.5 (10.0) MSEK. Net profit 17.6 (12.2) MSEK.
- Earnings per share, before and after dilution equals 0.71 (0.49) SEK.
- During the three month period 0 (0) wind turbines were taken into operations with a total installed capacity of 0 (0) MW.
- During the three month period the equivalent of 0 (1) wind turbines with an installed capacity of 0 (2.0) MW was handed over to customers.
- At the end of the period Eolus had 687 (421) MW under asset management.
- In March 2020 the project company Øyfellet Wind AS, which Eolus has a construction management agreement with, signed a turbine supply agreement with Nordex regarding 72 wind turbines of the model N149 with a total installed capacity of 400 MW. A 20-year Premium Service contract with options for extension was also signed.

Significant events after the balance sheet date

- In July Eolus signed a cooperation agreement with SCA regarding development of wind power projects. Under the cooperation agreement Eolus and SCA will initiate joint development of a number of projects and Eolus will also be able to sign land lease agreements in other identified projects areas. The goal is to reach around 1 000 MW of projects for realization in Sweden, Estonia and Latvia.

Financial summary	Interim	Interim	6 month	6 month	Full year
	Mar 2020 - May 2020	Mar 2019 - May 2019	Sep 2019 - May 2020	Sep 2018 - May 2019	Sep 2018 - Aug 2019
Net sales, MSEK	380,6	520,3	934,3	998,2	2 031,9
EBIT, MSEK	38,1	10,9	143,4	46,4	118,3
Profit before tax, MSEK	13,5	10,0	108,7	43,3	116,0
Changes in market valuation of financial derivatives, MSEK	32,2	-18,7	52,2	-39,9	-24,9
Net profit, MSEK	17,6	12,2	135,4	51,8	132,8
Earnings per share before and after dilution, SEK	0,71	0,49	5,44	2,08	5,33
Equity per share, SEK	39,40	32,43	39,40	32,43	35,65
Cashflow from operating activities, MSEK	37,8	-328,1	-362,2	-353,9	566,6
Total assets, MSEK	2 073,6	2 211,1	2 073,6	2 211,1	2 057,8
Net debt - /net cash +, MSEK	373,1	-120,4	373,1	-120,4	800,1
Signed customer contracts, MSEK	4 826,0	2 691,6	4 826,0	2 691,6	1 348,9
No of turbines taken into operation, amount	-	-	43,0	3,0	31,0
No of turbines handed over to customers, amount	-	1,0	44,0	5,0	34,0
Turbines taken into operation, MW	-	-	163,4	10,8	115,2
Turbines handed over to customers, MW	-	2,0	164,2	14,8	120,0
Managed turbines, MW	687	421	687	421	524
Equity/assets ratio, %	47,3	36,6	47,3	36,6	43,2
Return on equity after tax, %	24,2	28,3	24,2	28,3	15,6

Change of the company's financial year

Eolus is planning for an Extraordinary General Meeting (EGM) Thursday August 27th. The Board of Directors will propose that the EGM resolves to change the company's financial year to run from 1 January to 31 December, instead of 1 September to 31 August. The current financial year is extended to cover a period of 16 months, that is, until 31 December 2020. Five financial statements will be given and the fifth will cover four months, 1 September – 31 December 2020. Annual report for the extended financial year will be given during the spring of 2021.

Project portfolio

Eolus' success as a developer of renewable energy projects is in large dependent on access to a high-quality project portfolio that develops and is optimized over time. Over time the project portfolio consists of projects for wind, solar and storage in different phases developed by Eolus or acquired from others. Development and optimization of projects is done during a long period of time. Development and optimization of the most important projects in the total project portfolio is therefore key activities for Eolus.

To increase the long-term visibility of our activities the company in conjunction with the interim report for the first period of the fiscal year redefined the classification of our project portfolio and will clarify the communication for our most prioritized projects for establishment from 2022 onwards. The intention is to describe the progress of the projects in interim reports and on Eolus website and continually add information about future projects when they reach the late development phase.

All project development normally occurs at Eolus own risk and even if Eolus has well developed processes for project development, there is a risk that some projects might not be able to establish due to market and permit factors in the future.

Projects under establishment

Project	Location	Number of WTG	Capacity, MW	Estimated production, GWh	Planned commissioning	Comment
Wind Wall	Tehachapi, California, USA	13	47	155	2020	Repowering project. Full-value production tax credit granted for the project. 15 year PPA signed with Amazon Web Service. Construction of roads and foundations is ongoing as well as erection of wind turbines from Vestas. Sales process is ongoing.
Stigafjellet	Bjerkheim, Norway, NO2	7	30	120	2020	The wind farm is sold to ewz who will take over the facility upon completion which is expected to be in the second half of 2020. Construction of roads and foundations is completed. Erection of wind turbines from Siemens Gamesa is ongoing.
Bäckhammar	Kristinehamn/Degerfors, Sweden, SE3	31	130	400	2020	The wind farm is sold to KGAL who will take over the facility upon completion which is expected to be in the autumn of 2020. Construction of roads and foundations is completed. Erection of wind turbines from Vestas is ongoing.
Öyfjellet	Vefsn, Norway, NO4	72	400	1,400	2021	Fully concessioned. Grid capacity reserved. 15 year PPA signed with Alcoa. The customer Aquila Capital has acquired all shares in the project company. Turbine supply agreement signed with Nordex. Construction of the wind farm and the electricity system has started.

As of July 8, 2020

Degree of completion per wind farm under construction

2020-05-31

Wind Farm	Degree of completion
Stigafjellet	57%
Bäckhammar	54%
Wind Wall*	0%
Öyfjellet	0%

* Wind Wall don't fulfill the requirement for percentage of completion as contract with customer is not signed

Projects in late development phase or sales phase

Project	Location	Technology	Capacity, MW	Planned commissioning	Comment
Stockåsbodarna	Sundsvall, Sweden	Wind	44	2022	Sales and procurement process initiated. Environmental permit appealed. Grid connection secured.
Rosenskog	Falköping, Sweden	Wind	16	2022	Sales and procurement process initiated. Environmental permit with legal force.
Dållebo	Ulricehamn, Sweden	Wind	22	2022	Sales and procurement process initiated. Environmental permit with legal force.
Boarp	Vaggeryd, Sweden	Wind	22	2022	Sales and procurement process initiated. Environmental permit with legal force.
Ölme	Kristinehamn, Sweden	Wind	64	2023	Environmental permit with legal force for maximum height of 150 meters. Application for increased maximum height in process.
Stor-Vrången	Ockelbo, Sweden	Wind	49	2022	Environmental permit with legal force for maximum height of 150 meters. Ongoing optimization in regards to the restriction of the permit.
Fågelås	Hjo, Sweden	Wind	35	2023	Environmental permit with legal force for maximum height of 150 meters. Changed permit regarding increased total height for in total seven wind turbines was approved in April 2020. The decision has been appealed to the Land- and Environment court.
Vaberget	Sollefteå, Sweden	Wind	49	2024	Environmental permit with legal force. The project dependent on other projects being connected to a new grid sub station.
Siggebohyttan	Lindesberg, Sweden	Wind	20	2024	Application for environmental permit submitted. Wind measurements to begin during 2020. Environmental permit granted for 4 of 15 wind turbines in March 2020. Eolus has filed an appeal of the decision to the Land and Environment Court to grant permit for more wind turbines.
Pörtom	Närpes, Finland	Wind	44	2023	Permit with legal force. The project is dependent on grid connection with other projects in the area.
Peineva/Dobele	Tukums och Dobele, Latvia	Wind	172	2024	Environmental impact assessment approved at the federal level. Negative decision on municipality level in March 2020. Eolus has filed an appeal of the municipal decision.
Centennial Flats	Arizona, US	Solar & Storage	500 + 250	2023	Grid connection secured. Required permits are expected to be obtained during 2020.
Group			1 287		

As of July 8, 2020

Consolidated income statement	Interim	Interim	6 month	6 month	Full year
KSEK	Mar 2020	Mar 2019	Sep 2019	Sep 2018	Sep 2018
	- May 2020	- May 2019	- May 2020	- May 2019	- Aug 2019
Net sales	380 551	520 295	934 279	998 222	2 031 911
Other operating income	49 398	360	73 868	15 522	58 706
	429 950	520 655	1 008 147	1 013 744	2 090 617
Operating expenses					
Change in inventories of wind turbines, wind turbines under construction and projects	-250 343	-317 599	-219 803	-314 047	-289 576
Cost for goods and project development	-79 579	-145 139	-526 898	-532 249	-1 503 682
Other external costs	-17 540	-10 621	-48 947	-37 366	-58 141
Employee benefits expenses	-8 418	-8 668	-25 094	-27 444	-39 088
Depreciation/amortization and impairment of property, plant and equipment and intangible	-1 571	-1 305	-4 760	-3 893	-4 968
Other operating expenses	-34 404	-26 464	-39 292	-52 375	-76 842
Operating profit	38 094	10 859	143 352	46 370	118 321
Profit/loss from financial items	-24 614	-861	-34 677	-3 026	-2 350
Profit before tax	13 480	9 999	108 675	43 345	115 971
Tax on profit	4 082	2 160	26 726	8 494	16 823
Net profit for the period	17 562	12 159	135 402	51 839	132 794
Whereof related to the shareholder of the parent company	17 562	12 159	135 440	51 884	132 876
Whereof related to minority stakeholders	-	-	-38	-46	-82
Net profit for the period	17 562	12 159	135 402	51 839	132 794
Total shares	24 907	24 907	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	0,71	0,49	5,44	2,08	5,33

Consolidated statement of comprehensive income					
KSEK					
Net profit for the period	17 562	12 159	135 402	51 839	132 794
Other comprehensive income					
Translation differences	-2 297	-448	-7 585	-690	-1 501
Other comprehensive income for the period net after tax	-2 297	-448	-7 585	-690	-1 501
Total comprehensive income for the period	15 265	11 711	127 816	51 149	131 293
Whereof related to the shareholder of the parent company	15 265	11 618	128 161	51 060	131 169
Whereof related to minority stakeholders	-	93	-345	88	125
Total comprehensive income for the period	15 265	11 711	127 816	51 149	131 293

Consolidated balance sheet KSEK	May 31 2020	May 31 2019	Aug 31 2019
ASSETS			
Non-current assets			
Intangible assets	31 778	60 650	54 084
Property, plant and equipment	43 507	34 852	31 810
Deferred tax asset	10 851	2 405	4 421
Other financial assets	16 675	22 196	20 502
Total fixed assets	102 811	120 103	110 817
Current assets			
Inventories, work in progress	770 402	428 307	472 359
Advance payment to suppliers	251 690	680 835	277 014
Account receivable - trade	12 424	22 166	25 277
Derivative instruments	24 132	-	-
Current tax assets	61 865	28 426	5 705
Other receivables	103 024	28 910	35 411
Prepaid expenses and accrued income	17 684	543 142	28 223
Cash and bank balances	729 562	359 258	1 102 983
Total current assets	1 970 783	2 091 043	1 946 973
TOTAL ASSETS	2 073 594	2 211 147	2 057 789
KSEK	May 31 2020	May 31 2019	Aug 31 2019
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	981 258	807 709	887 817
Equity related to minority stake holders	-948	2 001	2 037
Total equity	980 310	809 710	889 854
Non-current liabilities			
Non-current interest bearing liabilities	152 894	152 534	152 400
Provision, non current	766	1 114	925
Deferred taxes	26 945	44 985	6 153
Other liabilities	275	277	284
Total non-current liabilities	180 879	198 910	159 762
Current liabilities			
Current interest bearing liabilities	203 551	327 111	150 533
Bills payable	260 725	206 207	229 381
Derivative instruments	9 480	52 529	37 521
Current tax liabilities	21	32	32
Accrued expenses and deferred income	142 586	51 620	91 585
Advance payment from customers	256 162	543 706	293 791
Other liabilities	39 879	21 323	205 330
Total current liabilities	912 405	1 202 527	1 008 173
Total equity and liabilities	2 073 594	2 211 147	2 057 789

Consolidated cash flow statement	Interim	Interim	6 month	6 month	Full year
	Mar 2020	Mar 2019	Sep 2019	Sep 2018	Sep 2018
KSEK	- May 2020	- May 2019	- May 2020	- May 2019	- Aug 2019
Operating activities					
Operating profit	38 094	10 859	143 352	46 370	118 321
Non cash items	-29 778	22 049	-44 906	48 154	29 896
	8 315	32 909	98 446	94 525	148 217
Interest received	418	2 016	1 304	3 839	4 261
Interest paid	-2 309	-2 046	-9 052	-6 321	-13 807
Income tax paid	15 563	-9 584	-14 443	-49 359	-59 140
Net cash flow from operating activities before changes in working capital	21 987	23 294	76 254	42 684	79 532
Adjustments of working capital	15 781	-351 443	-438 470	-396 557	487 098
Cash flow from operating activities	37 767	-328 149	-362 216	-353 872	566 630
Acquisition of intangible assets	-	-	-	-96 162	-96 162
Acquisition of property, plant and equipment	-15 697	-431	-16 023	-1 570	-1 939
Sales of property, plant and equipment	531	-	931	310	310
Acquisition of participations in subsidiaries/asset acquisition	-1	-	-1	-1 681	-1 681
Acquisition of financial assets	-	-1 376	-	-1 376	-1 376
Sales of financial assets	-	63	-	63	63
Cash flow from investing activities	-15 167	-1 744	-15 093	-100 416	-100 785
Repayment of loans	-	-133	-152 933	-290 673	-787 617
Cash flow from financing activities	200 727	326 445	10 430	73 544	-103 167
Cash flow for the year	223 327	-3 448	-366 878	-380 744	362 678
Cash and cash equivalents at beginning of year	512 530	362 833	1 102 983	739 825	739 825
Exchange-rate differences in cash and cash equivalents	-6 294	-128	-6 543	177	480
Cash and cash equivalents at year-end	729 562	359 258	729 562	359 258	1 102 983

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 2018	24 907	190 843	-496	598 759	814 013	1 912	815 924
<u>Adjustment for changed accounting principle:</u>							
IFRS 15 Income from agreements with customers				-20 000	-20 000		-20 000
Adjusted as per 1 september 2018	24 907	190 843	-496	578 759	794 013	1 912	795 924
Net profit for the year				51 884	51 884	-46	51 839
Other comprehensive income			-831	7	-824	134	-690
Total comprehensive income			-831	51 891	51 060	88	51 149
Transactions with shareholders							
Dividend				-37 361	-37 361		-37 361
At 31 May 2019	24 907	190 843	-1 327	593 290	807 709	2 001	809 710
Net profit for the year				80 991	80 991	-36	80 955
Other comprehensive income			-843	-40	-883	72	-811
Total comprehensive income			-843	80 951	80 108	36	80 144
At 31 August 2019	24 907	190 843	-2 170	674 240	887 817	2 037	889 854
At 1 September 2019	24 907	190 843	-2 170	674 240	887 817	2 037	889 854
Net profit for the year				135 440	135 440	-38	135 402
Other comprehensive income			-7 280	3	-7 278	-307	-7 585
Total comprehensive income			-7 280	135 443	128 161	-345	127 816
Transactions with shareholders							
Acquisition of shares from non-controlling interests				2 640	2 640	-2 640	-
Dividend				-37 361	-37 361		-37 361
At 31 May 2020	24 907	190 843	-9 450	774 962	981 258	-948	980 310