

102 turbines under construction

3 Months March 2019 – May 2019

- Net sales 520.3 (22.6) MSEK.
- EBIT 10.9 (-10.0) MSEK. Profit before tax 10.0 (-5.7) MSEK. Net profit 12.2 (-4.6) MSEK.
- Earnings per share, before and after dilution equals 0.49 (-0.18) SEK.
- During the three month period 0 (0) wind turbines were taken into operations with a total installed capacity of 0.0 (0.0) MW.
- During the three month period the equivalent of 1.0 (1.8) wind turbines with an installed capacity of 2.0 (1.4) MW was handed over to customers.
- At the end of the period Eolus had 421 (337) MW under asset management.
- Electricity production from wind farms owned was 3.3 (6.3) GWh with an average revenue of 454 (532) SEK/MWh.

Significant events after the balance sheet date

- In June Eolus signed an agreement with Vestas for delivery of up to 13 wind turbines for Wind Wall 1 Project in California.

Financial summary	Q3	Q3	Q1- Q3	Q1- Q3	Full year
	Mar 2019 - May 2019	Mar 2018 - May 2018	Sep 2018 - May 2019	Sep 2017 - May 2018	Sep 2017 - Aug 2018
Net sales, MSEK	520,3	22,6	998,2	180,2	1 366,0
EBIT, MSEK	10,9	-10,0	46,4	23,0	202,4
Profit before tax, MSEK	10,0	-5,7	43,3	31,8	198,9
Changes in market valuation of financial derivatives, MSEK	-18,7	-0,6	-39,9	4,0	2,5
Net profit, MSEK	12,2	-4,6	51,8	38,7	194,3
Earnings per share before and after dilution, SEK	0,49	-0,18	2,08	1,56	7,81
Equity per share, SEK	32,43	26,45	32,43	26,45	32,68
Cashflow from operating activities, MSEK	-328,1	-356,1	-353,9	-645,0	241,7
Total assets, MSEK	2 211,1	1 605,8	2 211,1	1 605,8	1 895,0
Net debt - /net cash +, MSEK	-120,4	-515,1	-120,4	-515,1	371,1
Signed customer contracts, MSEK	2 691,6	3 885,0	2 691,6	3 885,0	2 887,5
No of turbines taken into operation, amount	-	-	3,0	2,0	25,0
No of turbines handed over to customers, amount	1,0	1,8	5,0	5,2	30,8
Turbines taken into operation, MW	-	-	10,8	4,4	83,8
Turbines handed over to customers, MW	2,0	1,4	14,8	8,9	93,3
Managed turbines, MW	421	337	421	337	415
Electricity generation, GWh	3,3	6,3	10,2	25,1	30,2
Equity/assets ratio, %	36,6	41,1	36,6	41,1	43,1
Return on equity after tax, %	28,3	7,9	28,3	7,9	26,4

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. At the same time the fluctuations will decrease due to usage of the percentage of completion method.

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
Nylandsbergen	Sundsvall, Sweden, SE2	18	68	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. Construction of turbines from Vestas is ongoing.
Kråktorpet	Sundsvall, Sweden, SE2	43	163	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. Construction of turbines from Vestas is ongoing.
Wind Wall	Tehachapi, California, USA	13	40-47	145-155	2020	Repowering project. Full-value production tax credit granted for the project. 15 year PPA signed with Amazon Web Service. Agreement for delivery of wind turbines signed after quarter end.
Stigafjellet	Bjerkheim, Norway, NO2	7	30	110-130	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. Grid capacity reserved and construction of the grid connection has started. Turbine supply agreement signed with Siemens Gamesa and construction agreement for roads and foundations signed with Skanska.
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. Construction of turbines from Vestas is ongoing.
Bäckhammar	Kristinehamn/Degerfors, Sweden, SE3	30	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 summer of 2020. Turbine supply agreement signed with Vestas. Construction of roads and foundations has started.
Öyfjellet	Vefsn, Norway, NO4	70-90	400	1,400	2021	Fully concessioned. Grid capacity reserved. 15 year PPA signed with Alcoa. Sales process initiated.

Consolidated income statement	Q3	Q3	Q1- Q3	Q1- Q3	Full year
	Mar 2019	Mar 2018	Sep 2018	Sep 2017	Sep 2017
KSEK	- May 2019	- May 2018	- May 2019	- May 2018	- Aug 2018
Net sales	520 295	22 630	998 222	180 152	1 365 977
Other operating income	360	6 553	15 522	22 214	22 533
	520 655	29 182	1 013 744	202 366	1 388 511
Operating expenses					
Change in inventories of wind turbines, wind turbines under construction and projekts under development	-317 599	658 430	-314 047	788 113	171 724
Cost for goods and project development	-145 139	-671 407	-532 249	-896 654	-1 248 858
Other external costs	-10 621	-13 956	-37 366	-34 907	-51 542
Employee benefits expenses	-8 668	-8 536	-27 444	-24 276	-32 702
Depreciation/amortization and impairment of property, plant and equipment and intangible	-1 305	-1 916	-3 893	-8 676	-14 765
Result from participations in associated companies	-	-18	-	-18	-4 589
Other operating expenses	-26 464	-1 771	-52 375	-2 981	-5 367
Operating profit	10 859	-9 992	46 370	22 967	202 411
Profit/loss from financial items	-861	4 267	-3 026	8 882	-3 532
Profit before tax	9 999	-5 724	43 345	31 848	198 879
Tax on profit	2 160	1 086	8 494	6 813	-4 566
Net profit for the period	12 159	-4 638	51 839	38 661	194 313
Whereof related to the shareholder of the parent company	12 159	-4 600	51 884	38 786	194 460
Whereof related to minority stakeholders	-	-38	-46	-125	-147
Net profit for the period	12 159	-4 638	51 839	38 661	194 313
Total shares	24 907	24 907	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	0,49	-0,18	2,08	1,56	7,81

Consolidated statement of comprehensive income

KSEK					
Net profit for the period	12 159	-4 638	51 839	38 661	194 313
Other comprehensive income					
Translation differences	-448	-126	-690	-255	-538
Other comprehensive income for the period net after tax	-448	-126	-690	-255	-538
Total comprehensive income for the period	11 711	-4 764	51 149	38 406	193 775
Whereof related to the shareholder of the parent company	11 618	-4 886	51 060	38 285	193 582
Whereof related to minority stakeholders	93	122	88	121	193
Total comprehensive income for the period	11 711	-4 764	51 149	38 406	193 775

Consolidated balance sheet KSEK	May 31 2019	May 31 2018	Aug 31 2018
ASSETS			
Non-current assets			
Intangible assets	60 650	-	96 162
Property, plant and equipment	34 852	86 950	52 024
Participations in associated companies	-	3 763	37
Deferred tax asset	2 405	3 982	3 095
Other financial assets	22 196	30 621	25 953
Total fixed assets	120 103	125 315	177 271
Current assets			
Inventories, work in progress	428 307	1 174 245	574 666
Advance payment to suppliers	680 835	219 546	307 225
Account receivable - trade	22 166	26 772	53 018
Derivative instruments	-	1 468	-
Current tax assets	28 426	450	-
Other receivables	28 910	15 273	37 023
Prepaid expenses and accrued income	543 142	5 940	5 973
Cash and bank balances	359 258	36 789	739 825
Total current assets	2 091 043	1 480 482	1 717 730
TOTAL ASSETS	2 211 147	1 605 798	1 895 002
KSEK	May 31 2019	May 31 2018	Aug 31 2018
EQUITY AND LIABILITIES			
Equity			
Equity related to the share holders of parent company	807 709	658 717	814 013
Equity related to minority stake holders	2 001	1 840	1 912
Total equity	809 710	660 557	815 924
Non-current liabilities			
Non-current interest bearing liabilities	152 534	7 270	81 780
Provision, non current	1 114	2 930	2 107
Deferred taxes	44 985	54 706	39 994
Other liabilities	277	879	264
Total non-current liabilities	198 910	65 785	124 145
Current liabilities			
Current interest bearing liabilities	327 111	544 646	286 960
Bills payable	206 207	65 738	140 806
Derivative instruments	52 529	12 588	12 647
Current tax liabilities	32	4 257	35 099
Accrued expenses and deferred income	51 620	16 587	61 606
Advance payment from customers	543 706	232 459	318 782
Other liabilities	21 323	3 181	99 031
Total current liabilities	1 202 527	879 457	954 932
Total equity and liabilities	2 211 148	1 605 798	1 895 002

Consolidated cash flow statement	Q3	Q3	Q1- Q3	Q1- Q3	Full year
	Mar 2019 - May 2019	Mar 2018 - May 2018	Sep 2018 - May 2019	Sep 2017 - May 2018	Sep 2017 - Aug 2018
KSEK					
Operating activities					
Operating profit	10 859	-9 992	46 370	22 967	202 411
Non cash items	22 049	3 308	48 154	7 807	15 399
	32 909	-6 684	94 525	30 774	217 810
Interest received	2 016	-	3 839	1 573	2 667
Interest paid	-2 046	-1 070	-6 321	-4 140	-7 174
Income tax paid	-9 584	-2 903	-49 359	-9 390	-3 424
Net cash flow from operating activities before changes in working capital	23 294	-10 656	42 684	18 816	209 879
Adjustments of working capital	-351 443	-345 416	-396 557	-663 806	31 845
Cash flow from operating activities	-328 149	-356 073	-353 872	-644 990	241 724
Acquisition of intangible assets	-	-	-96 162	-	-
Acquisition of property, plant and equipment	-431	-249	-1 570	-1 353	-1 388
Sales of property, plant and equipment	-	-	310	432	437
Acquisition of participations in subsidiaries/asset acquisition	-	-	-1 681	-	-
Acquisition of financial assets	-1 376	-	-1 376	-	-
Sales of financial assets	63	-	63	-	-
Cash flow from investing activities	-1 744	-249	-100 416	-920	-952
Borrowings	326 578	374 836	401 578	535 161	360 000
Repayment of loans	-133	-915	-290 673	-17 186	-25 807
Paid dividends	-	-	-37 361	-37 361	-37 361
Cash flow from financing activities	326 445	373 921	73 544	480 615	296 832
Cash flow for the year	-3 448	17 600	-380 744	-165 295	537 604
Cash and cash equivalents at beginning of year	362 833	18 851	739 825	201 509	201 509
Exchange-rate differences in cash and cash equivalents	-128	339	177	575	712
Cash and cash equivalents at year-end	359 258	36 789	359 258	36 789	739 825

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 2017	24 907	190 843	369	441 673	657 791	1 719	659 510
Net profit for the year				38 786	38 786	-125	38 661
Other comprehensive income			-501		-501	245	-255
Total comprehensive income			-501	38 786	38 285	121	38 406
Transactions with shareholders							
Dividend				-37 361	-37 361		-37 361
At 31 May 2018	24 907	190 843	-132	443 097	658 717	1 840	660 557
Net profit for the year				155 674	155 674	-23	155 652
Other comprehensive income			-363	-14	-377	95	-282
Total comprehensive income			-363	155 660	155 297	72	155 370
At 31 August 2018	24 907	190 843	-496	598 760	814 013	1 912	815 924
At 1 September 2018	24 907	190 843	-496	598 760	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	578 760	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