



# AGM 2015

Halmstad, 5 May

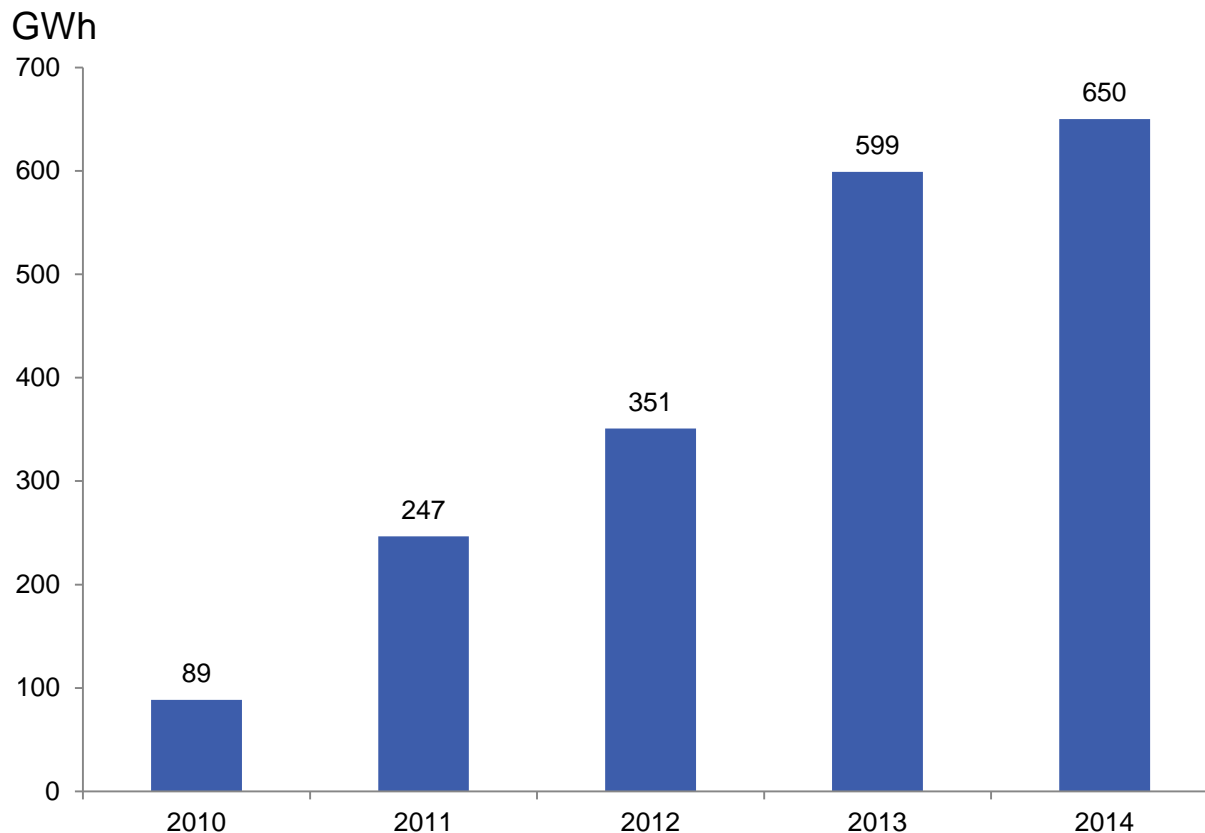
# Summary of events in the year

- The year was marked by consolidation of our own operations and a revised business model (switch to also selling, building and managing wind farms for others)
  - First half:
    - Refinancing of bank loans via a 5-year secured bond (SEK 1.1 bn)
    - Reduced borrowing level (SEK 90 m) and redemption of existing interest rate swaps (SEK 80 m)
    - Commissioning of Bohult (12.8 MW)
    - Switch to a project-selling organisation
  - Second half:
    - Refinancing of unsecured bond (SEK 350 m), where we also bought back parts of it (SEK 32 m)
    - Sale of ready-to-build project to BlackRock (46 MW/approx. SEK 650 m)
    - Sale of commissioned project (7.2 MW) to KumBro Vind AB
    - New external management contract (30 MW)

# Results for 2014

- Negative (SEK -24 m before tax) caused by:
  - Weaker than normal winds at our joint-owned Jädraås wind farm (on the east coast), partly compensated by higher production from our own facilities (on the west coast)
  - Lower average earnings because of lower market prices for electricity and certificates (approx. SEK 100/MWh)
  - Restructuring costs (SEK -24 m) broken down as follows;
    - One-off financing costs: (SEK -12 m)
    - Early redemption of interest rate swaps: (SEK -12 m/year for approx. 5 years)
  
- Revenue: SEK 254 (260) m
- EBITDA : SEK 197 (211) m
- Operating cash flow: SEK 185 (185) m

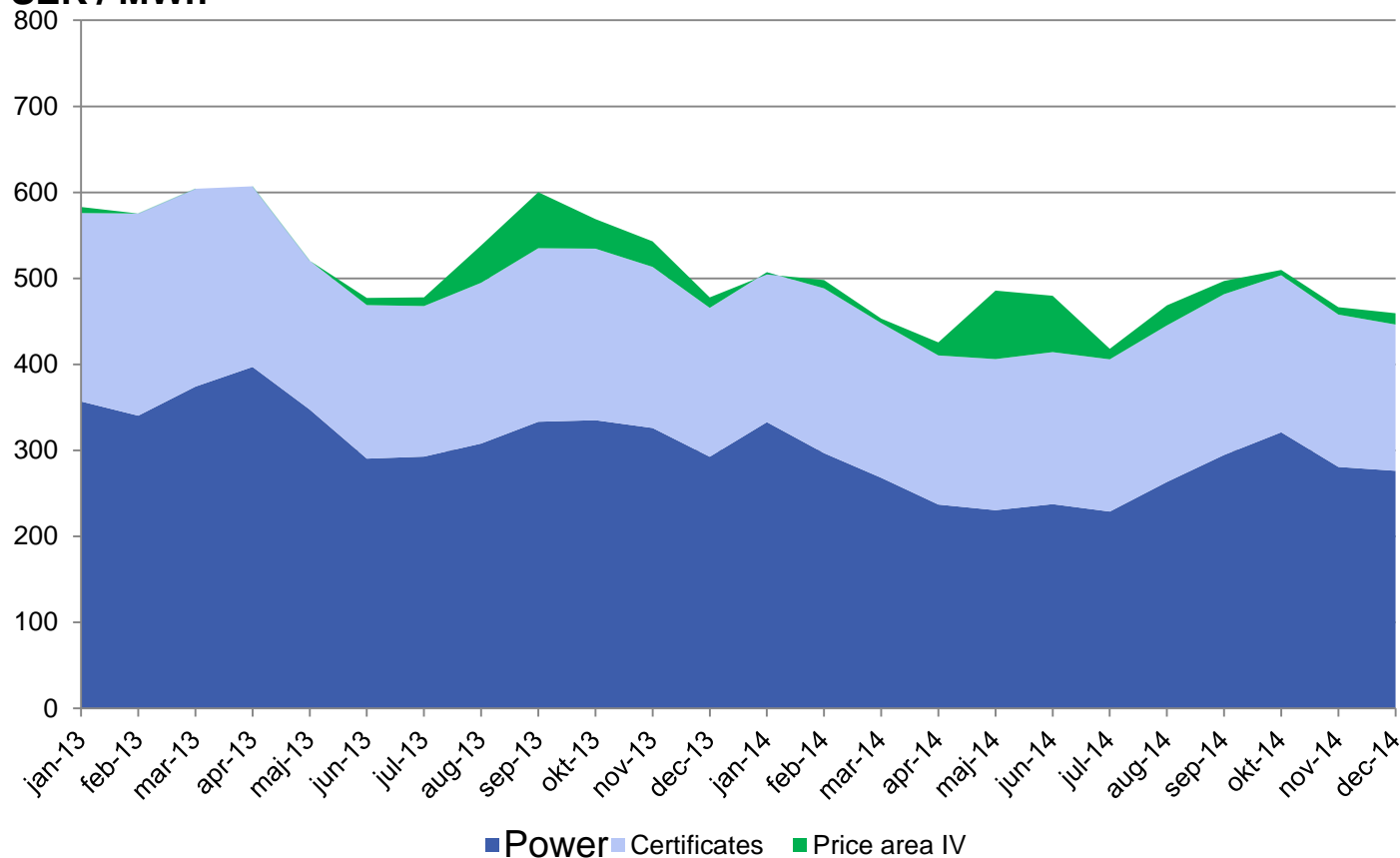
# Production



- Production was 9 % higher in 2014 compared to 2013 (650 GWh vs 599 GWh)
- Production 2014 some 10 % below plan due to weaker than normal winds
  - West coast on plan
  - East coast (incl. Jädraås) significantly below plan
- Expected annual production 698 GWh (incl. 50 % of Jädraås)

# Market price development 2014 vs 2013

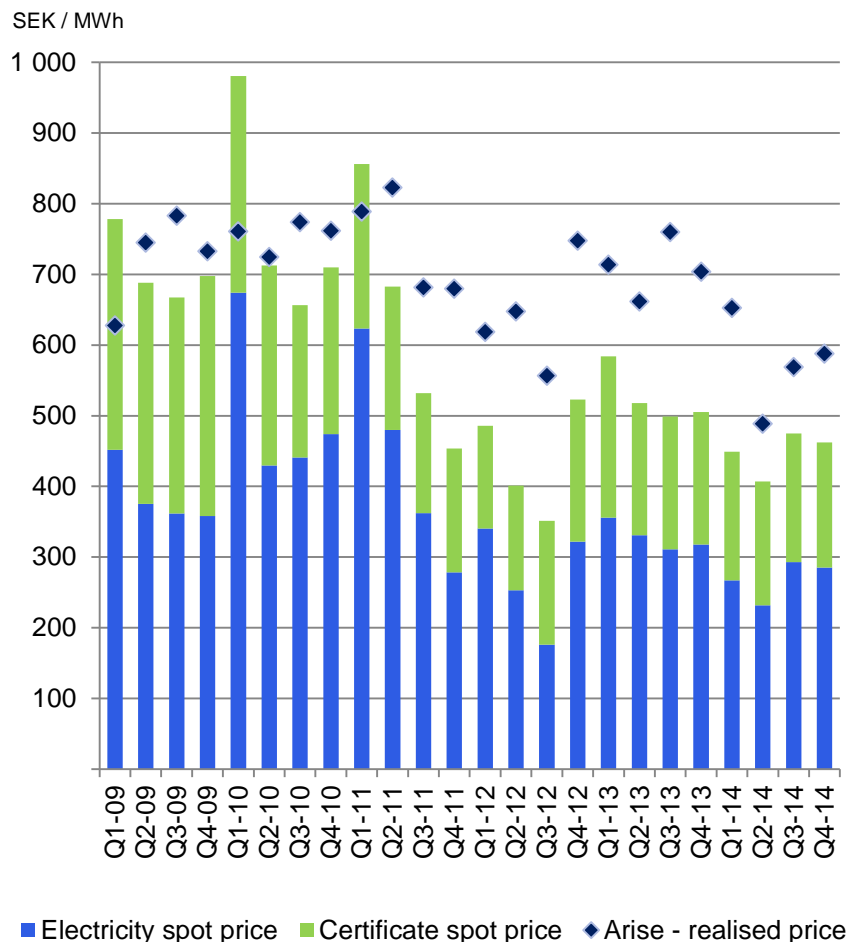
SEK / MWh



- Continued negative market price development
- Ave. market price 2014 -15% vs 2013
- Ave. market price Q4 2014 vs Q4 2013 -12%

# Realised prices and hedge portfolio

## Realised prices 2009-2014, own production



## Hedge portfolio

Price hedging 31 Dec 2014	2015	2016	2017
Own production, budget, MWh	413 000	413 000	413 000
- Power hedge, MWh	318 511	136 145	56 514
- Certificate hedge, MWh	95 100	85 900	124 500
- Power price, incl. CfD, SEK/MWh	388	270	264
- Certificate price, SEK/MWh	220	218	198
Co-owned production, budget MWh	285 000	285 000	285 000
- Power hedge, MWh	176 891	176 889	176 889
- Certificate hedge, MWh	194 080	194 080	194 080
- Power price, incl. CfD, SEK/MWh	430	434	434
- Certificate price, SEK/MWh	178	198	206
9.4 SEK/EUR rate			

- Realised price in 2014, 47 % and 20 % above market price for power and certificates, respectively
- Bulk of own production capacity remains leased to customer at a price premium

# Events after the period

## Q1/2015:

- Positive result of SEK 17 m before tax in Q1/2015
- Generally normal winds
- Bond buyback for a further SEK 18 m

## April:

- Continued low electricity and certificate prices, but some positive signs discernible:
  - Proposal for revision of electricity certificate system from 01/01/2016 (decision due 10 June)
  - Vattenfall announces intention to close Ringhals 1 & 2 (approx. 1700 MW, or 8 % of Sweden's electricity production)
- Good electricity production (approx. +30 % against budget)
- Extension of leases on wind farms to April 2016, when contracts lapse
- Negotiations to dispose of some commissioned assets (20 MW), some ready-to-build (50 MW) and cranes

# Outlook for 2015

## Electricity production

- Approx. 700 GWh given normal winds for the rest of the year
- Continued work on measures to increase production
- No investments of our own in new wind farms

## Changes in electricity and certificate prices compared to current levels

- Electricity prices: Short term: Unclear, hydro and coal will determine  
Long term: Positive based on signs of run-down in nuclear power
- Certificate prices: Positive given decision on 10 June to revise the system

## Hedging

- Electricity: Good level in own operations to H1/2016 and joint-owned to 2018
- Certificates: Open position in own operations and good in joint-owned
- In summary: Well positioned to benefit from expected increase in certificate prices in the short term and rising electricity prices in the medium term

## Project development

- Sale of projects: commissioned Disposal of 50 to 100 MW ready-to-build and 20 MW
- Management: Increase in MW under management with same workforce



# Focus in 2015



- Continued development of the best wind power projects in Sweden, Norway and Scotland with low investment costs per kWh produced
- Focus on cash flow and growth in share price, to be achieved by:
  - Effective cost control
  - Increased production in existing facilities through optimisation measures
  - Continued successful hedging strategy for electricity and certificates
  - Faster pace and increased efficiency in sales of new ready-to-build projects