

PRESS RELEASE – 28 October 2016

Solør Bioenergy Group continues its operational improvements during the third quarter 2016 compared to the same period last year

- The third quarter of 2016 was characterized by substantially warmer weather in comparison to the same period during the previous year.
- Despite the warmer weather, net sales increased by 2 percent compared with last year and amounted to SEK 122 M compared to SEK 120 M last year. For segment district heating net sales increased by 1 percent compared with last year, amounting to SEK 91 M compared to SEK 90 M last year.
- Consolidated gross contribution increased by 27 percent to SEK 89 M (70), mainly as a consequence of higher margins due to operational improvements such as lower raw material costs.
- EBITDA was at SEK 7 M compared to SEK -14 M last year. The increase in EBITDA is mainly attributable to the higher gross contribution.
- Profit after tax amounted to SEK -100 M compared to SEK -6 M last year. The difference compared with last year is mainly related to non-cash effective net foreign currency exchange losses during the third quarter 2016 and recognition of deferred tax assets on tax losses carryforward during the same period last year.

Solør Bioenergy Group continues with its cost reduction program during the first nine months 2016. Energy deliveries and revenues show a stable upward trend

- Net sales increased by 3 percent compared with last year and amounted to SEK 630 M compared to SEK 613 M last year. For segment district heating net sales increased by 4 percent compared with last year, amounting to SEK 503 M compared to SEK 482 M last year.
- The increase is mainly attributable to the colder weather and higher energy deliveries during the high season in the beginning of the year.
- Gross contribution amounted to SEK 391 M compared to SEK 378 M. The increase is mainly as a consequence of higher margins due to operational improvements leading to lower raw material costs.
- EBITDA increased to SEK 113 M compared to SEK 95 M last year. The increase is mainly due to operational improvements such as lower raw material costs, increased energy prices and other cost saving initiatives.
- Profit after tax amounted to SEK -175 M compared to SEK -53 M last year. The difference compared with last year is mainly related to non-cash effective net foreign currency exchange losses during the SEK -71 M (28). Moreover, previous year was also positively affected by the recognition of deferred tax assets on previous year's tax losses carryforward with SEK 74 M.
- Total equity amounts to SEK 844 M compared to SEK 731 M last year, which gives an equity ratio of 22.9 percent.

Solør Bioenergy Group comprises bioenergy companies which are providing essential energy services in Sweden, Norway and Poland. The Group produces wood-based bioenergy for the public and private sector including private households, municipalities, industrial customers and local/regional governments. As a leading bioenergy company, the Group is operating in the entire value chain from procurement, production and distribution to sale of energy in form of district heating, industrial steam, electricity and various biomass products.

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