



**Annual Report and Sustainability Report
2022**

We see the potential – today and tomorrow



Eolus has been focused on the transition to a renewable energy system since the company's inception in 1990. We are building big, aiming high and thinking long-term in order to change and improve, extend and renew – today and tomorrow.

We were wind power pioneers when we started. Today, wind power is rubbing shoulders with innovations and investments in solar energy and storage solutions. From one employee to about 100 dedicated full-time workers in Eolus's operations all over the world, the company has evolved into a key player in an era when demand for renewable energy is stronger than ever. The core is still informal entrepreneurship. Short decision paths, an open work environment and close-knit teams. Always with the future in sight.

A PART OF SOMETHING BIGGER

The past 30 years of development will not stop. We are now scaling up and expanding. In 2022, we more than doubled our workforce and had the pleasure of welcoming as many as 49 new colleagues! We are now more than one hundred dedicated employees who are passionate about the green transition. But we need even more people. We have room for more employees who believe that renewables are the only way to go. Who want energy to last for a long time. And who also see the potential. Welcome to Eolus!



Eolus is active on several digital and social media channels. Follow us for the latest news and insights into our operations.



Significant events during 2022



Several new offshore wind projects

At the beginning of 2022, Eolus's project portfolio comprised 2,500 MW of offshore wind capacity. The portfolio included Sjollen in Öresund (300 MW), Västvind outside Gothenburg (1,000 MW) and Arkona south of Skåne (1,200 MW).

During the year, we added offshore projects with a capacity of 5,500 MW to the portfolio. One of these is Blekinge Offshore (1,000 MW), where Eolus is a majority shareholder. The project was rejected by the Swedish Government in 2016, but we have since adapted the project to meet the defence force's requirements, and due to technological advancements, have been able to significantly reduce both the number of wind turbines and the area of the farm. The project received a new start in 2022 with a new consultation process. Consultation also commenced for the Najaderna project outside Gävle and Tierp (1,000 MW) during the spring. At the end of December, the Finnish government granted exploration permits for the two offshore projects, Navakka (formerly known as Tuulia, 1,500 MW) and Wellamo (2,000 MW). Wellamo is a floating wind power project within the framework of a joint venture, SeaSapphire, powered by Simply Blue Group and Eolus, that was established in November 2022. Another three floating wind power projects are also being developed through SeaSapphire.

Read more on pages 16–17, 23 and 25–27.

Growth in Poland

Eolus established operations in Poland in 2021. In 2022, we employed several new people and initiated strategic partnerships with parties including the Polish developer Horizons. The Polish project portfolio grew through acquisitions and own development, and amounted to just over 1,000 MW at year-end. Most projects are solar, but we also have two wind projects. Eolus has also submitted three applications to develop offshore wind farms in the Baltic Sea, north of Poland. Read more about Eolus in Poland on page 27.

Øyfellet project approaching completion

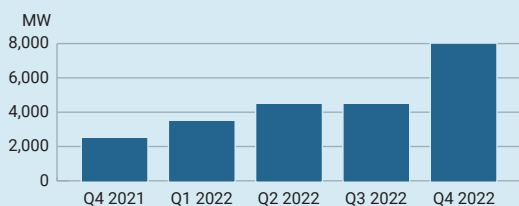
Construction of the Øyfellet project in Norway continued during the year. The project has been hit by delays since the onset of the pandemic, but the owner took over all wind turbines from the turbine manufacturer in November 2022. At year-end, the economic completion rate of the project was 95%. Read more about the project on page 20.

Divestment of Stor-Skälsjön wind farm

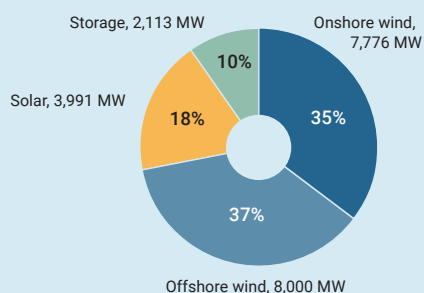
In April, Eolus and Hydro REIN signed an agreement with MEAG to divest 75% of the shares in the 260 MW Stor-Skälsjön wind power project and the transaction was completed in June. Eolus sold its entire shareholding of 51%, while Hydro REIN sold 24% of the shares and remains as a 25% shareholder. Eolus and Hydro REIN acquired the project, which is located in the Sundsvall and Timrå Municipalities of Sweden (SE2), from Enercon in June 2021. Read more about the project on page 21.



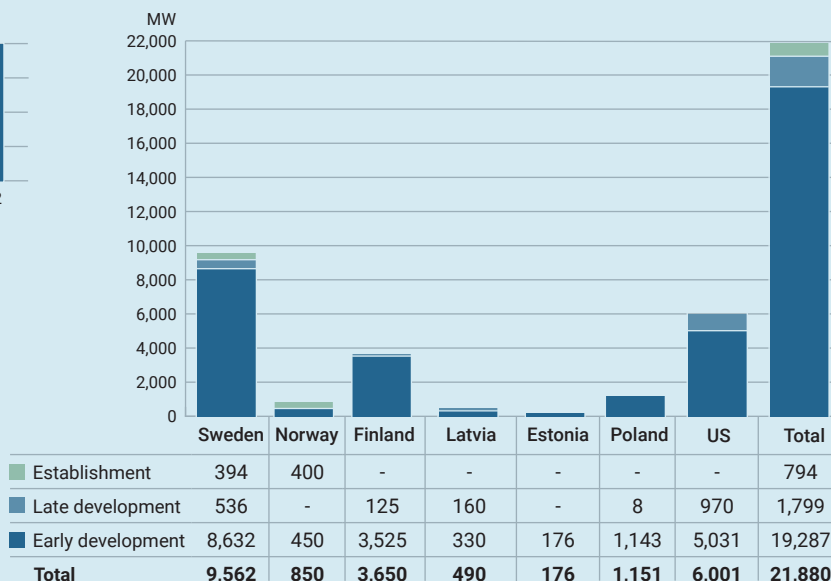
DEVELOPMENT OF PROJECT PORTFOLIO IN OFFSHORE WIND



PROJECT PORTFOLIO PER TECHNOLOGY, DECEMBER 31, 2022



PROJECT PORTFOLIO PER MARKET AND PHASE OF DEVELOPMENT, DECEMBER 31, 2022



49

In 2022, 49 new employees started working at Eolus. At the end of 2022, we had 95 employees. The average number of employees in 2022 was 76, compared with 54 in 2021.

8,000

During the year, Eolus's project portfolio grew by approximately 8,000 MW. Offshore wind and solar accounted for the largest increase. Finland, Sweden and Poland accounted for the largest increase in 2022.

Rapid growth of utility-scale solar for Eolus

Eolus has been developing solar projects in the US for several years, but did not start to develop solar projects in other markets until 2021 and 2022. At the end of 2022, we had solar projects with an approximate capacity of 4,000 MW in the portfolio, of which the US and Poland accounted for the vast majority. In 2022, we created several solar projects in Sweden. Three projects with a total capacity of 130 MW are now fully permitted, and solar projects with additional capacity of 680 MW are under development. Read more about Eolus's markets and project portfolio on pages 25–31.

Construction is ongoing in Skallberget/Utterberget and Tjárnäs

In March 2022, Eolus signed an agreement with Siemens Gamesa for the delivery of 16 wind turbines to the Skallberget/Utterberget and Tjárnäs projects in Sweden. The Siemens Gamesa SG 6.6-170 turbines will be constructed in Skallberget/Utterberget in Avesta Municipality (12 turbines, approximately 74 MW), and in Tjárnäs in Hedemora Municipality (4 turbines, approximately 25 MW). Both projects are located in electricity price area SE3.

At the end of 2022, all foundations had been cast in both projects. In summer 2023, assembly of the wind turbines will commence and deployment is planned for the fourth quarter of 2023. Read more about the projects on page 22.

Eolus and DalaVind realize Fageråsen wind power project

Eolus and DalaVind have been collaborating on the Fageråsen wind power project in Sweden for some time, and the project was granted final approval in 2018. During the year, Eolus signed an agreement with DalaVind to increase its stake in the project to 49%. The wind farm is located outside Malung, on the border between Dalarna and Värmland, and comprises 33 wind turbines with a total capacity of just over 200 MW. The farm will generate about 700 GWh of renewable electricity per year. Deployment of the farm is scheduled for 2027.

Divestment of solar and battery projects in the US

In October, Eolus divested a solar and battery storage project in Arizona, US, to a US-based portfolio company that is part of a large listed global venture capital company. This is Eolus's third divestment in the US. The project is expected to have initial capacity of 750 MWac solar photovoltaic generation and battery storage capacity, with deployment planned for 2025. Eolus received an initial payment of USD 12 M in connection with the divestment. Additional consideration will be paid in stages, based on continued development and the completion of specific milestones. A considerable amount of the total consideration will be paid when construction commences. At present, the total consideration is estimated to range between USD 104 M and USD 190 M, with payments until 2025, provided the project is realized according to plan. Read more on page 24.

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New employees and new projects are paving the way for continued growth

For Eolus, 2022 was the first year of the 2022–2024 business plan, where the strategy is that Eolus will grow in all technologies, and in all of our markets. The plan's targets are ambitious and formulated to unlock the potential of the energy transition, while we will also benefit from Eolus's long experience.

Market and external factors have a major impact on Eolus's operations. Since Russia's invasion of Ukraine in February 2022, Europe has been facing a major energy crisis. This has led to record-high prices for electricity, which are affecting both private individuals and businesses. At the same time, electrification and a massive transition are taking place to meet emissions reduction targets, and electricity demand is thus expected to rise dramatically. Accelerating the expansion of renewable energy is crucial to ensuring energy security and decentralized systems, and providing electricity at affordable prices for private individuals and businesses.

Policy decisions are driving the energy transition

In its REPowerEU plan, the European Commission has taken several steps to reduce Europe's reliance on Russian oil and gas. In December, EU energy ministers also agreed on a regulation whereby Member

States must accelerate permitting for renewable energy projects. In summer, the US Congress passed the new Inflation Reduction Act (IRA), making the single largest investment in renewable energy in the country's history. With one quarter of our project portfolio in the US, Eolus is well-positioned to benefit from the expected surge in renewable energy projects.

Sweden is still our biggest market and the tone of the political debate in the lead up to the general elections in September and the period thereafter has been clearly polarized, where various energy sources have been pitted against each other. However, repeated calls from the business sector for a massive expansion of renewable energy, primarily wind power, have started to gain traction with both regional and national politicians.

Growing organization and strengthened leadership

Eolus's core business is project development and our employees are a key resource here. In 2022, we expanded our organization significantly and more than doubled the number of employees. At end of the year, we had around 100 dedicated and skilled employees. We also worked on the development of our company culture, and the creation of a leader-



ship style that matches our expanded organization. Several new managers were employed and we expanded Group Management, which means we are well-equipped to leverage the potential in all of our markets.

Sharp increase in new projects

Our strategy is primarily to develop projects until they are ready for construction and at this stage, find the right buyer for the project. In the vast majority of cases, we also manage the construction of the facility and normally operate the facility on behalf of the buyer.

During the year, we expanded our project portfolio by approximately 8,000 MW, a year-on-year increase of about 58%. Offshore wind accounted for the biggest increase, following the Finnish government's approval of exploration permits for the Wellamo and Navakka (formerly Tuulia) projects, with total capacity of 3,500 MW, in December 2022. Sweden and the US mainly accounted for the increase in onshore wind and solar. At year-end, we had a project portfolio of 22 GW for wind, solar and storage.

Project divestments in Sweden and the US

The single most significant event of the year was divestment of the Centennial Flats solar and battery storage project in Arizona in the US, with an expected initial aggregate capacity of 750 MWac. This was our third divestment in the US and a key milestone. Eolus received an initial payment of USD 12 M in connection with the divestment. Additional consideration will be received in stages, based on continued development of the project and the completion of specific milestones. At present, the total consideration is estimated to range between USD 104 M and USD 190 M, with payments until 2025, provided the project is realized according to plan.

We also divested our entire stake of 51% in the Stor-Skålsjön wind power project in Sweden. Our project partner, Hydro REIN, retained its 25% ownership of the project. The buyer is MEAG, a German asset manager. Eolus and Hydro REIN are constructing the wind farm together on behalf of MEAG, and Eolus will provide asset management for the farm. Stor-Skålsjön is a successful project that is on schedule and budget and will be completed in the fourth quarter of 2023.

With these two divestments, we achieved our target in the business plan to divest at least 1,000 MW per year between 2022 and 2024.

The Øyfjellet Project in Norway was hit by further delays and cost increases during the year, which subsequently impacted Eolus's earnings, and we were forced to revise down the forecast for the project's total profitability in the first quarter. In November 2022, the customer, Øyfjellet Wind AS, took over all wind turbines from the turbine manufacturer, Nordex, and at year-end, the project's economic completion rate was 95%.

Revenue from construction and divestments

Eolus's full-year profit totaled SEK 116 M, with revenue mainly derived from Øyfjellet and Stor-Skålsjön, and the divestment of Centennial Flats. Construction of the Skallberget/Utterberget, Tjärnäs and Rosensskog wind projects is ongoing, but since the projects had not been divested at year-end, no revenue was recognized for these projects during the year. The divestment process is ongoing and expected to be finalized in the second quarter of 2023.

Development of Eolus's sustainability practices

Eolus contributes to sustainable development through its core business. Our starting point is to act in a responsible and sustainable manner in all aspects of our business. During the year, we took several steps to systematize and develop our approach to sustainability. These



included a new stakeholder mapping, and the identification of material sustainability topics for Eolus. We also strengthened our governance with new and updated policies and guidelines. Eolus has joined the UN Global Compact and we have thereby committed to responsible business practices in the areas of human rights, labor, the environment and anti-corruption. Our Sustainability Report is on pages 34–45.

Well-equipped to exploit the potential

In view of the energy crisis, emissions reduction targets and electrification, there is a very great need to continue the deployment of renewable energy. With a large and diversified project portfolio of 22 GW, an equity/assets ratio of 54%, a stable net cash position and secured financing of SEK 1,500 M, Eolus is well-equipped to unlock the tremendous potential that exists. I am very much looking forward to the continued development of Eolus together with all of our fantastic employees who are brave, flexible, kind and determined, and continuously striving for fantastic results on the path to a sustainable society.

PER WITALISSON

Chief Executive Officer

Brave and flexible employees will realize the strategy

Eolus is a Nordic leader in renewable energy and we are active across the entire value chain, from early project development to the establishment and operation of renewable energy facilities. We offer attractive and competitive investment opportunities in solar, wind and battery energy storage in the Nordic region, the Baltics, Poland and the US.

We were wind power pioneers when we started in 1990, which has given us solid knowledge and a strong foundation to stand on. The renewable energy market is steadily growing and the power of the social transition is strong. This is creating major opportunities for Eolus. The company has therefore adopted a business plan for 2022–2024 outlining expansion in all technologies, and in all of our markets. We also evaluate new technologies and markets on a continuous basis.

The combined experience accumulated over the past 30 years guarantees efficient processes, and knowledge about how to conduct renewable energy and energy storage projects successfully. In addition, we are continuously strengthening the organization to enable continued growth. About 50 new people were employed in 2022 and at year-end, Eolus had 95 employees.

In addition to our accumulated experience and expertise, Eolus has a strong financial position and a strong and growing project portfolio in onshore and offshore wind, solar and energy storage. Overall, this provides good opportunities to continue the powerful expansion that is under way.

Business model

Eolus's main business focus is to develop, install and manage facilities for renewable energy and energy storage.

We are flexible in our project development and base our choice of technology on the location and current market conditions. We develop our own projects from scratch, but also acquire projects in various phases of development.

Business plan and financial targets 2022–2024

The Board of Eolus adopted a business plan for 2022–2024 outlining an expansion in all technologies and in all of our markets. Based on the business plan, Eolus has communicated the following financial targets:

Financial targets	Outcome/comments
Average annual sales shall amount to at least 1,000 MW during the 2022–2024 period.	In 2022, Eolus divested renewable energy projects with a total capacity of 1,010 MW, of which Stor-Skälsjön in Sweden accounted for 260 MW, and a solar and battery project in the US for 750 MW.
From 2025, average divestment will amount to at least 1,500 MW per year.	With a strong focus on the development of existing and new projects, we are creating the conditions for having a sufficient number of projects ready for divestment from 2025 and onwards.
The Group's average return on equity shall exceed 10% per fiscal year.	In 2022, return on equity was negative since loss after tax attributable to Eolus's shareholders totaled SEK -5 M.
The Group's equity/assets ratio shall exceed 30%.	At the end of 2022, the equity/assets ratio was 54%.
The dividends paid by Eolus shall be based on long-term earnings and correspond to 20–50% of the Group's profit after tax. However, dividends shall be dependent on the company's investment requirements and financial position.	Prior to the 2023 Annual General Meeting, the Board proposes a dividend of SEK 1.50 per share for 2022, totaling SEK 37.4 M. The proposed dividend complies with Eolus's dividend policy and is deemed justifiable in view of the Group's financial position and future liquidity requirements.

Previously, we were mainly focused on the divestment of turnkey energy facilities. But as the company has grown and projects have become larger and more capital-intensive, it is more common for investors to enter projects at an earlier stage now. The investors buy project rights from Eolus and then sign an outsourcing agreement, whereby Eolus manages the construction on behalf of the buyer. Under this type of arrangement, the investor finances the construction with equity or some other source of funding, instead of Eolus. This also reduces the need for Eolus to raise construction loans, and minimizes construction risks.

We also appreciate the benefits of partnerships when it comes to developing specific projects or parts of the project portfolio. The business model also enables acquisitions of projects under development, or companies.

Moreover, the business model allows sales of project rights for permitted projects and projects under development.

Eolus is currently active in the Nordic region, the Baltics, Poland and the US.

In the asset management operating segment, Eolus offers a full range of asset management services to customers, enabling carefree ownership of facilities for renewable energy and energy storage.

Strategy

Eolus's strategy is to focus on projects that are most likely to be realized, and to develop the projects with the highest possible quality at

Business concept

Eolus aims to create value at every level of project development, establishment and operation of facilities for renewable energy and energy storage, and to offer attractive and competitive investment opportunities to both local and international investors.



In 2022, Eolus revised the company's shared values and all employees were involved in the process.

the lowest possible cost. That allows us to offer end-investors facilities that provide the lowest-possible cost per megawatt-hour generated over the facility's lifetime.

We have a careful selection process with a strong focus on, for example, access to wind or solar, potentially conflicting interests, local acceptance for our projects and opportunities for grid connection and constructability in terms of roads and foundations. This ensures that projects with the greatest potential receive sufficient priority.

Eolus does not normally own the land on which energy facilities are established, but secures usufruct through land leases and other forms of usufruct agreements. Our strategy is to have a long-term relationship with the landowners that we sign agreements with. Before an agreement is signed, we usually engage in many long discussions about the project, its development and how it will work when the facility is deployed. Landowners are often very enthusiastic and can also serve as ambassadors for the project. Offering the landowners market-based compensation is a matter of course, and this often takes the form of an annual lease corresponding to a certain percentage of the value of the electrical energy generated by the facility. In many projects, lease income is allocated across large areas in order to also include neighboring landowners and other local interests that are affected by the establishment.

Strong growth for projects and organization

The 2022–2024 business plan outlines robust expansion for Eolus, in terms of both projects and organization. In 2022, the project portfolio grew by approximately 8,000 MW to 21,880 MW in onshore and off-shore wind power, solar power and battery storage projects.

In 2022, Eolus employed 49 new people, which is more than a two-fold increase. At the end of 2022, we had 95 employees. During the year, the average number of employees in the Group, converted to full-time equivalents, was 76, compared with 54 in the preceding year.

Company culture

Eolus has been characterized by a strong entrepreneurial spirit historically, with a strong bond between all parts of the company. Now that the company has entered a strong phase of growth, nurturing and developing the company's culture is important so that it helps us achieve our business goals. In 2022, we revised our shared company values and summarized them into four core values that reflect the qualities that employees and managers believe should characterize our culture. The core values are described in the summary below.

Core Values

Eolus's shared company values have been summarized in four core values. These have been formulated in English to cover and include employees in all of our markets.



ACT TODAY WITH THE FUTURE IN MIND

The transition to a sustainable society is our responsibility. We make sustainable and ethical decisions with the future in mind.



BE KIND AND CARING

We value building healthy relationships in a welcoming environment and see kindness as a superpower.



GO FOR EXCELLENT RESULTS

We are professional in our work, flexible in our approach, and focused on achieving excellent results.



STAY BRAVE AND HUNGRY

We are eager to learn, ready to change, willing to empower, and hungry to create value.

The project value chain – from idea to deployment

Eolus has a large and growing project portfolio comprising wind power, solar power and energy storage projects. We develop projects from scratch – on our own, or in partnerships – and also acquire projects in various phases of development. Our solid knowledge in the development and establishment of renewable energy facilities makes us a stable and reliable partner for our customers.

Structured and profitable

Eolus is focused on good overall economy throughout the entire life cycle of the facilities and every stage of the development process is aimed at meeting both financial and environmental requirements. Our focus is on finding the best sites for the establishment of facilities that can accelerate the deployment of renewable energy. The ability to dismantle the facility in a manner that enables responsible disposal and re-use is also an important part of the design of a project. Read more about resource use and circularity on page 39.

Eolus is an independent project developer and does not produce any wind turbines, solar panels or batteries. The company purchases these from the suppliers that best meet our demands and requests, and those of our customers.

Co-existence is the key to success

While the project portfolio varies from country to country, the target is always the same – Eolus shall develop profitable projects that contribute to renewable energy or energy storage, while also accounting for other community interests. The projects always undergo a screening process where the authorities test suitability based on the applicable regulations, to ensure co-existence with other community interests.

The project value chain

Origination

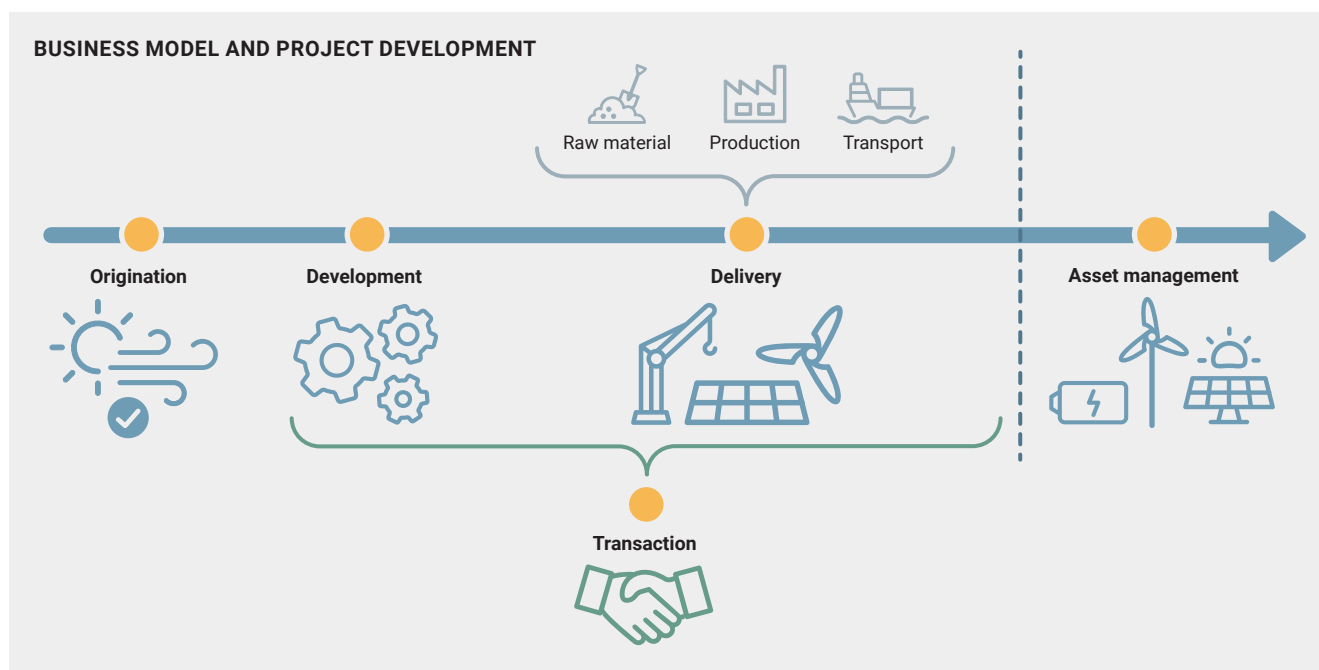
The starting point for a potential project lies with the Origination function, which is focused on creating new business opportunities in existing and new markets. Our business developers identify and assess possible sites in order to investigate the potential for constructing wind, solar or energy storage facilities at an early stage. We work not only with the development of our own projects, but also with acquisitions of projects in various phases of development.

If the initial investigations show potential for a successful establishment of renewable energy and the possibility of co-existence with other community interests, access to the relevant sites is secured by signing agreements with landowners. Development then continues in the Project Development function.

Project Development

In Project Development, we work with consultation and communication with the general public and authorities, and with the studies, inventories and investigations that are required in a permitting process. The studies may be related to, for example, the cultural environment, co-existence with local communities, nature conservation values, bird inventories and seabed investigations. Alongside of these surveys, the planned project undergoes a technical feasibility study in relation to wind or solar resources, layout, size of the facility, grid connection and access roads. A permit application may then be submitted.

In the latter stage of the project's development, dialogue with various suppliers commences in order to optimize a forthcoming establishment. Another process to match projects with potential investors and a possible power purchase agreement (PPA) partner also commences.



Transaction

The Transaction function is responsible for identifying potential buyers for the projects and completing the transaction process, with the aim of divesting the project before construction commences. In this stage, various stakeholders are also engaged in PPA discussions. It has become increasingly common for manufacturing companies, for example, to enter into a PPA to purchase all or some of the electricity generated by a specific energy facility for a long-term period. Over the years, Eolus has signed PPAs with Google, Amazon, Alcoa and energy companies.

Delivery & Construction

Once the project has received final approval, it moves on to the construction phase, which is managed by the Delivery & Construction function. Normally, the aim is to divest the project before establishment commences.

Eolus's role is to manage the construction and serve as client for the project's contracting, grid, turbine or solar panel suppliers. We do not have our own contracting employees, so we purchase these services from external providers. The implementation and construction of utility-scale energy projects require detailed planning, a follow-up of time and cost plans, as well as quality assurance and follow-ups of the completed contract work.

The main elements of this phase for wind power facilities are the construction of roads, crane sites, the foundations and internal electrical grid, and the assembly and deployment of turbines. For solar projects, this can include roads, electrical grids and the assembly and deployment of solar panels. All types of establishments require a grid connection, which is arranged with the relevant grid owner for the area.

Asset Management

Once the facility is completed it moves over to operational phase. The buyer usually signs a multi-year asset management agreement with



Akram Kaadi is a construction project manager at Eolus and manages the construction of energy facilities developed by Eolus on behalf of customers.

Eolus for management of the facility's assets. The goal of the asset management services is to ensure that the owner receives professional management of all aspects related to the operation of a facility, including surveillance, control, monitoring, administration and contact with the owner's contracted service provider. Read more about Eolus's asset management services on pages 32–33.

From the company's inception in 1990 until the balance sheet date of December 31, 2022, Eolus has been involved in the installation of 1,414 MW of wind power capacity. At the end of the year, wind power capacity of 794 MW was under construction, comprising 400 MW in Norway and 394 MW in Sweden. The project portfolio comprised 21.9 GW of wind, solar and energy storage capacity in various phases.



Eolus does not do any contracting work. The company's role is to manage the construction, and serve as client for the project's contracting, electrical grid and turbine or solar panel suppliers. The Stigafjellet wind farm in Norway.

Long-term relationships and flexible customer offering

As an experienced developer of renewable energy projects, Eolus has built trusting relationships with customers, landowners, creditors and employees. Trust is a critical success factor and creates new and more business opportunities in an ever-changing market.

Flexibility in a changing market environment

Different customers have different demands at different times. Because we are flexible and willing to adapt, we can meet the demands posed by shifting market conditions and needs. Eolus's strong balance sheet gives us more opportunities to be flexible with our customers.

As projects grow in terms of both number and size, there are also more types of buyers for the facilities that Eolus develops. From divesting most of the installed facilities to various types of investors in the Swedish market, the vast majority of customers are now major international players. Moreover, Eolus is also active in more markets than Sweden now.

Eolus's customers are mainly in the institutional investor and major consumer segments, where geographic market and technology are not as critical as for smaller domestic players. The trend that more and more facilities are covered by PPAs has been an underlying factor for the changed structure of business arrangements, and made it possible to construct larger facilities.

Broad offering at lower cost

Since the company's inception in 1990, Eolus has been involved in the

installation of 1,414 MW of wind power in Sweden, Norway, the US and Estonia. Throughout these years, the company has developed expertise across the entire value chain and a financial position that makes Eolus a strong, stable and reliable partner.

Our diversified project portfolio in onshore and offshore wind, solar and storage presents major opportunities to offer facilities tailored to the specific needs of individual investors at the lowest possible cost per megawatt hour. With Eolus's full range of asset management services, we can also offer professional management that maximizes income for the investor. As a major player, we can keep investment and operating expenses down, which benefits customers.

Institutional investors

Most buyers of wind power projects in the markets where we operate are international institutional investors, such as various types of funds, insurance companies and reinsurance companies. Most indicators are showing the same trend when it comes to investments in utility-scale solar and storage.

Ownership in public infrastructure, such as renewable energy, is driven by long-term investments with relatively stable returns and cash flows. In turn, this builds trust in the investors' commitments to their own customers in the reinsurance and pension investment segments.

The strong global focus on sustainability is also leading to a growing interest in renewable energy investments – as an owner of energy facilities, and a shareholder in companies like Eolus. Anyone who



Institutional investors account for most buyers of the energy projects developed by Eolus. The Iglasjön wind farm in Kungsbacka Municipality was developed by Eolus and divested to MEAG, which is the global asset manager of Munich Re.



Eolus has expertise in the entire value chain, and collaboration between various functions is crucial to meeting customer needs and requests in the best way.

invests in renewable electricity generation is also supporting the transition to fossil-free electricity generation, which reduces CO₂ emissions and ultimately reduces risks in other climate-related investments and insurance commitments. The allocation of capital to investments in renewable energy is a key factor in the social journey to achieve emissions reduction targets.

Major consumers

Many energy-intensive companies and organizations are interested in hedging their electricity costs over a long period. Wind and solar systems ensure secure, low and stable electricity prices, while helping to increase security of supply and reduce fossil-fuel dependence. This is in line with companies wanting to play a clear role in the transition to a fossil-free future and achieving their high sustainability ambitions to meet the demands of customers and other stakeholders for accountability and reduced environmental impact.

Companies can secure access to electricity by investing in their own facilities or, even more common, by entering into long-term PPAs. Under these contractual agreements, the customer commits to purchasing all or some of the electricity generated by a specific facility for a fixed period of time and thereby helps to secure capacity without owning any facilities. Eolus has entered into PPAs with various players for wind farms in Sweden, Norway and the US, including Google, Amazon, and industrial companies such as Alcoa in Norway.

Energy demand is a critical and strategic issue for manufacturing industries and we engage in dialogue with several major companies about PPAs and other forms of collaboration around, for example, wind power, solar power and hydrogen.

Energy companies

Over the years, Eolus has divested wind power facilities to both Swedish and international energy companies. This enables the energy

companies to add new, cost-efficient generation capacity, while also offering their customers green electricity from their own facilities. Energy companies can also enter into PPAs instead of owning their own facilities.

In Sweden, Eolus is collaborating with Hydro, a Norwegian aluminum and energy company, on the development of a portfolio with nine wind power projects. This is taking place in a partnership agreement with Hydro REIN, which is Hydro's business area for the development of renewable projects. Hydro REIN is also a shareholder and partner in the Stor-Skälsjön wind power project. Read more about the project on page 21.

Public-sector investors

Public-sector investors, such as municipalities, county councils/regions and municipal companies, also invest in renewable energy. Ownership of electricity generation facilities creates predictability and control over electricity costs. Investments in renewable electricity generation are also contributing to sustainable development and therefore meet the environmental and energy objectives of many public players.

Wind turbine cooperatives

One factor that has contributed to Eolus's success over the years is the sale of shares in wind turbines. This has enabled thousands of consumers and companies to share the ownership of facilities that Eolus has installed. However, due to changed market conditions and larger facilities, or the packaging of several small facilities into a larger transaction, Eolus is not establishing any shared-ownership projects at present. This does not rule out these types of establishments in the future, however. Especially when this can create local engagement in various projects.

Focus on renewable energy sources and secure energy supply

The power of the energy transition has been clear for many years. In 2022, Russia's invasion of Ukraine and the Nord Stream pipeline sabotage increased the focus on energy. At the same time, the UN Intergovernmental Panel on Climate Change (IPCC) has repeatedly highlighted the need to address climate change and the imminent risk that limiting global warming to well below 2°C, and preferably 1.5°C, is beyond reach. Switching to fossil-free energy is central to reducing GHG emissions and addressing climate change.

Huge need for renewable energy

Due to the climate crisis, energy crisis and electrification, the world needs enormous additions of renewable and fossil-free energy. To illustrate the scope, the Swedish government estimated in its Tidö Agreement that Sweden's energy consumption will more than double by 2045 and that the country's electricity demand will be 300 TWh per year. Electricity generation at present is about 160 TWh, of which 80 TWh will be decommissioned before 2045. Sweden will therefore need to add new electricity generation of about 220 TWh. Thereby, an average of 10 TWh will need to be added every year between 2023 and 2045, corresponding to the electricity generated by one nuclear reactor the size of Oskarshamn 3 per year. New figures from the Swedish Energy Agency show that the increase may go even faster and that electricity demand will reach 280 TWh by as early as 2035, and 370 TWh by 2045. That calls for even faster growth of new electricity generation.

The rapid transition of the energy market is driven not only by environmental considerations and political ambitions, but also by economic factors. In more and more markets, renewable energy sources like wind and solar are cheapest to install per megawatt-hour generated. Due to rapid technological advancements combined with substantial cost reductions, renewables are no longer a costly and exotic feature in the energy mix, but the new normal.

The energy trilemma – the global energy challenge

The global energy challenge can be summarized as the Energy Trilemma. It is defined as every nation's need to find a balance between the three dimensions of energy security, energy equity and environmental sustainability. The World Energy Council prepares the World Energy Trilemma Index every year to measure the performance of every country across each of the three trilemma dimensions:

- Energy security – a nation's capacity to meet current and future energy demand reliably, withstand and bounce back swiftly from system shocks with minimal disruption to supplies.
- Energy equity – access to reliable, affordable, and abundant energy for domestic and commercial use.
- Environmental sustainability – the transition of a country's energy system toward mitigating and avoiding potential environmental harm and climate change impacts.

Energy security has become increasingly topical over the past year due to the energy crisis. The ability of countries to supply society with energy has become increasingly important for reducing dependence on imports and for maintaining a normal price level. The growth of renewable energy can help to provide energy security, but also environmental sustainability and energy equity.

Nordic and Baltic countries and the US are among the top 15 countries on the index, while Poland is ranked slightly lower.

Major energy focus in the EU and US

The EU has introduced several plans to help European countries reduce their dependence on Russian energy. One of these is the REPowerEU plan to make Europe independent from Russian fossil fuels well before 2030. REPowerEU is a plan for saving energy, producing clean energy

ENERGY TRILEMMA

The World Energy Council prepares the World Energy Trilemma Index every year to measure the performance of every country across each of the three trilemma dimensions.

Environmental sustainability
The transition of an energy system towards mitigating and avoiding potential environmental harm and climate change impacts.



Energy security
The capacity to meet current and future energy demand reliably.



Energy equity
The ability to provide universal access to affordable, fairly priced and abundant energy for domestic and commercial use.



and diversifying our energy supplies. The European Commission also proposes that the common target for at least 40% renewable energy sources in the overall energy mix by 2030 be raised to 45%. Renewable methods of generation have a key role to play here, together with cost-efficient storage solutions for an electrified future, and to guarantee supply security. Countries also have their own energy and emissions reduction targets and Sweden, for example, has set a target of 100% renewable electricity in the energy mix by 2040.

In 2022, the Inflation Reduction Act (IRA) was passed in the US, containing USD 370 billion to support investments in climate and energy over the next decade, which is expected to create a huge increase in investments in renewable energy.

Read more about our markets on pages 25–28.

Outlook for renewables

In the New Energy Outlook 2022, the research and analysis provider BloombergNEF (BNEF) presents updated scenarios for how the energy transition might evolve from today. The Economic Transition Scenario is a baseline assessment of how the energy transition might evolve from today as a result of cost-based technology changes, while the Net Zero Scenario describes an economics-led evolution of the energy economy to achieve net-zero emissions in 2050. In both cases, renewable electricity generation from solar and wind plays a key role, as well as carbon capture, storage and hydrogen.

In January 2023, BNEF also published an analysis of the ten big trends to watch across world's energy markets in 2023. Global wind additions are expected to hit 110 GW in 2023, up from 98 GW in 2022. Offshore installations will rise 80%, but onshore wind growth will be much slower and stagnate in some countries.

Global solar deployment will continue to grow in 2023 to about 316 GW, up from about 268 GW in 2022 and 182 GW in 2021. In Europe, however, expansion has been bottlenecked by grid connection, land availability and labor shortages.

Battery pack prices are expected to rise, given the uncertainty surrounding China's reopening after lifting its Covid Zero policy and



Demand for renewable energy is stronger than ever.

the continued disruption to metal supply chains due to Russia's war in Ukraine. Higher prices for batteries may be partially offset by some incentives such as those outlined in the US Inflation Reduction Act.

At the same time, good opportunities for financing investments in hydrogen projects are predicted, such as Sweden-based H2 Green Steel, which has already secured debt financing.

BNEF also predicts that EV adoption will continue to rise steadily. The majority of these will be passenger cars but the commercial EV segment is also growing quickly. This trend is also expected to further increase electricity demand.

A continued focus on sustainable investing is also expected to boost renewable energy investment moving forward. In December, the International Energy Agency (IEA) presented an updated analysis of the sector in Renewables 2022, where its forecast for renewable capacity additions has been revised upwards by almost 30%, compared with 2021. Global renewable capacity is expected to increase by almost 2,400 GW between 2022 and 2027, an 85% acceleration on the last five years' expansion rate and equal to the entire installed power capacity of China today. Renewable energy will account for over 90% of the worldwide increase in installed electricity capacity during the period.

Overall, the analyses and the global situation are pointing to continued major investments in renewable energy, providing good opportunities for growth for Eolus in all of our markets.

Power Purchase Agreements – new record in 2022

Many major wind power establishments in the Nordic region are covered by various forms of PPAs. There is a similar trend in other markets and also includes installed solar capacity in countries where utility-scale facilities are established. A corporate PPA is a contract between an electricity generator and an electricity purchaser to buy electricity directly from specific facilities. The agreements can vary from a few years and upwards, with



There is a huge interest in signing PPAs, especially among manufacturing industries.

fixed predetermined prices for all, or a predetermined portion, of the electricity generated by the facility. Long-term contracts with predetermined prices provide security for electricity purchasers and clarity in relation to costs during the contractual term. Guaranteed levels of revenue also provide security for the owner, as well as the company that installs the facility.

Facilitating financing and expansion

PPAs have played a pivotal role in the rapid expansion of wind power in the Nordic market, and for both wind and solar in other markets. These agreements will also be important in the future for financing the expansion of renewable generation facilities. In view of the climate crisis, electrification and the ongoing energy crisis in Europe, more large electricity users will probably sign PPAs moving forward.

New record high for PPAs in 2022

According to statistics from BloombergNEF (BNEF), companies committed to buy 36.7 GW of clean power through PPAs worldwide in 2022, up 18% from the previous record in 2021. Agreements signed in the Americas rose 18%. The Asia Pacific region saw corporate PPA activity more than double to 4.6 GW, led by India and Australia. Activity slipped 7% in the Europe, Middle East and Africa region, mostly due to the region's energy crisis.

Amazon remained the largest PPA buyer with 10.9 GW of PPAs signed in 2022, totaling 24.8 GW to date. Amazon was followed by Meta (Facebook), Google and Microsoft with the largest PPA volumes in 2022.

In total, corporations have signed PPAs for 148 GW of clean power since 2008 – more than the total power-generating capacity of France.

Onshore and offshore wind power

Two-fold capacity worldwide 2022–2027

In its Renewables 2022 report, the International Energy Agency (IEA) forecasts that global installed wind power capacity will almost double between 2022 and 2027. Onshore wind continues to dominate, while offshore wind accounts for one-fifth of the growth. Onshore wind additions are expected to increase from 74 GW in 2021 to 109 GW in 2027. Global annual offshore wind installations are expected to increase 50% to over 30 GW in 2027, but could surge to 25% if countries address permitting challenges and other regulatory limitations.

Wind power in Europe increased 33%

In 2022, Europe installed 19 GW of new wind capacity, up 4% on 2021 according to WindEurope. EU countries accounted for 16 GW, up 40% compared with 2021, but significantly less than what the EU should be building to be on track to deliver its 2030 Climate and Energy goals. Germany, Sweden and Finland dominate in terms of new wind installations, followed by France and the UK. 87% of the new wind installations in Europe were onshore. Offshore wind is not expected to really accelerate until 2025 and onwards. Nearly all projects were new greenfield sites and very few were repowering projects, where old wind turbines are replaced by more efficient models. There is major potential here since, on average, repowering triples the output of a wind farm with one quarter fewer turbines.

High targets for expansion in the EU

According to the IEA, however, the deployment rate is insufficient to reach the REPowerEU plan's renewable electricity target of 45% by 2030. According to estimates, 510 GW of installed wind capacity will be required by 2030, corresponding to capacity additions of 36 GW per year up to 2030. Forecasts for actual wind capacity additions indicate installations of 17 GW per year between 2022 and 2027, which means that the average expansion needs to be more than doubled.

According to WindEurope, 80 GW of wind power projects are currently stuck in permitting procedures across Europe, which is undermining new investments in wind farms – despite record high interest in wind power among industrial companies in Europe, and the EU's ambitious targets for the energy transition.

However, urgent measures to accelerate the permitting processes have been taken within the framework of the REPowerEU plan. In December 2022, for example, EU Energy Ministers agreed to urgently

speed up the permitting of renewables and under the new regulation, member states must accelerate the permit-granting process for all new wind power projects. How the regulation will be implemented in each country remains to be seen. In Sweden, a Commission is currently examining strengthened incentives for new wind power, and will propose a national regulatory framework for compensation to local communities that are affected by wind power expansion. The Commission will submit the findings of its inquiry in spring 2023.

New Act to boost wind power in the US

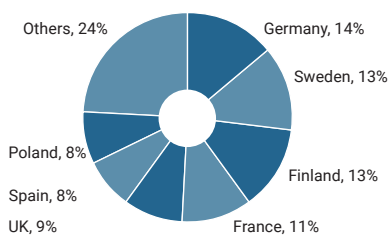
In the US, renewable capacity additions are forecast to increase 75%, or 280 GW, between 2022 and 2027. Solar and wind are expected to provide the vast majority of additions. The forecast has been revised upwards by more than 25% from last year, since the new Inflation Reduction Act (IRA) was approved in 2022. In addition to the incentives in the IRA, 37 of 50 US states have set targets that support the expansion of renewable energy. But despite new incentives, renewable capacity additions are expected to fall in 2022 compared with the preceding year due to supply chain constraints and higher costs.

For onshore wind power, the previously expected decline due to the phase-out of tax credits was changed to an expected increase in installed wind power capacity, especially from 2023 and onwards due to the incentives in the IRA. There are challenges however, mainly in connection with the large number of applications for grid connection that



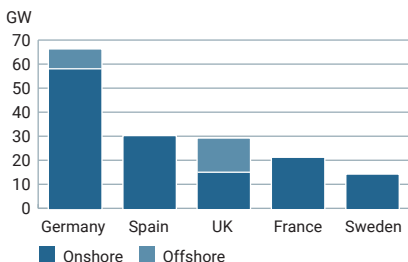
Onshore wind power is still the fastest and most cost-efficient technology to build. The Nylandsbergen wind farm in Sundsvall was completed in 2019.

PROPORTION OF INSTALLED WIND POWER CAPACITY IN 2022 IN EUROPE



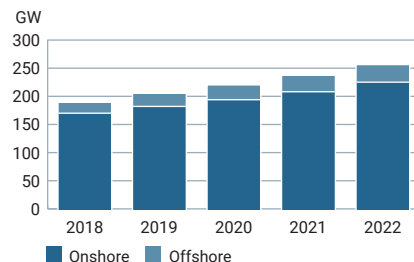
Source: WindEurope

EUROPEAN COUNTRIES WITH HIGHEST CUMULATIVE INSTALLED WIND POWER CAPACITY 2022



Source: WindEurope

INSTALLED WIND POWER CAPACITY IN EUROPE OVER THE PAST FIVE YEARS



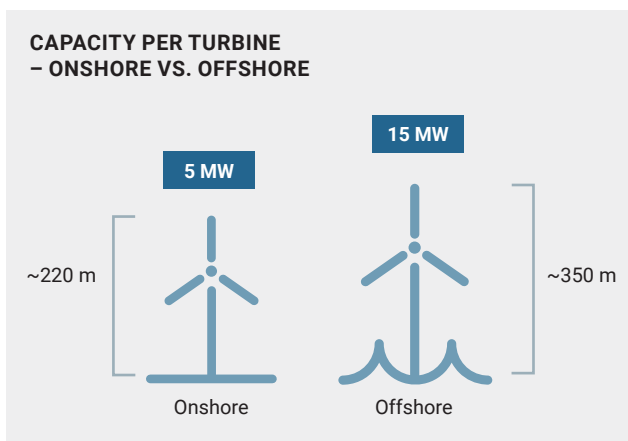
Source: WindEurope



At present Germany, the Netherlands, Denmark and Belgium are the European countries with the most installed offshore wind capacity, but there is a lot of potential in Sweden, Finland, the Baltics and Poland where Eolus is active.

are pending review. This may be resolved by the proposed amendment of the Energy Independence and Security Act. Forecasting the outcome is also complicated by uncertainty regarding a number of aspects of the IRA.

For offshore wind capacity, the federal target is to add 30 GW of offshore wind capacity by 2030, whereby significant capacity additions are also forecast. Several auctions have been held for expansion areas and new areas have been identified, but there are still challenges in the form of lengthy permitting processes, laws that restrict the entry of installation vessels into US ports and the need to expand ports and infrastructure for transmission. Eolus is not developing offshore wind power in the US at present.



The illustration shows the average capacity of onshore wind turbine deployed in 2022 compared with the offshore turbines now planned. Offshore wind turbines generate significantly more electricity, but the efficiency of onshore turbines is rising fast. In 2018, average capacity per turbine was around 3 MW. Higher wind turbines can be built offshore, with bigger rotor blades that capture more wind. Combined with faster offshore wind speeds, offshore wind farms are very efficient.

Source: The Swedish Wind Energy Association, Swedish Environmental Protection Agency

Emerging technologies are making turbines more efficient

New wind farms generate more electricity per megawatt hour than older farms. Modern onshore turbines generate on average 3 TWh of electricity per year for each GW installed; modern offshore turbines generate on average 4.4 TWh per year, according to WindEurope. Sweden and Finland dominate when it comes to installing the latest wind power technology. The ability to build higher turbines is key to this development, since larger rotor blades can be used and wind speeds increase with height. Over the past five years, wind turbine capacity has increased by more than 0.5 MW per year in Sweden, which increases the capacity factor. Ten years ago, the average capacity factor for onshore wind was about 24% compared with just over 37% today, according to the Swedish Wind Energy Association. The capacity factor is the average power generated by a wind turbine divided by its peak capacity.

Offshore wind farms generates more electricity

Offshore wind farms can be larger than those onshore. In addition, offshore winds are both stronger and more even and often reach about 9 m/s, compared with 7–7.5 m/s onshore, according to Swedenergy, an industry organization for energy companies. Offshore winds are also easier to forecast, which is an advantage for operation of the power system. Due to the distance from local communities, offshore wind turbines can also be larger. Overall, this means that offshore capacity factors are about 50% compared with about 40% for onshore turbines. A modern offshore wind turbine can generate electricity about 90% of the time, but with varying capacity. At present, wind turbines with fixed foundations are most common, and these can be used for depths down to 50–70 meters. Floating wind turbines are also being established, and these can be installed on sites with deeper water. Floating foundations are also moored to the seabed, however.

Utility-scale solar

Driven by high energy prices and geopolitical tensions, solar power installations hit a new record in Europe in 2022. In 2022, new solar capacity of 41 GW was installed in Europe, up 47% compared with 2021. Germany is the largest solar market in Europe, followed by Spain, Poland, the Netherlands and France. Sweden is also one of the ten largest solar markets in Europe. In 2022, 12.6 GW of new solar capacity was installed in the US. That is about the same level as in 2021 and considerably lower than the expected 30% growth, according to the American Clean Power Association. In total, 74.1 GW of installed solar is operating across the US.

Three-fold capacity worldwide 2022–2027

Between 2022 and 2027, total worldwide solar capacity is expected to triple and grow by 1,500 GW. The annual deployment rate is expected to increase every year over the next five years. Solar could thereby surpass natural gas in 2026 and coal in 2027, and become the largest power source in the world. Despite price increases, utility-scale solar is the least expensive option for new electricity generation in the absolute majority of the world's countries.

High targets for expansion in the EU

To achieve the REPowerEU plan's target of 45% renewable energy sources in the EU's overall energy mix by 2030, the EU estimates that the share of renewables in electricity must be 69%. According to estimates, 592 GW of installed solar capacity will be required by 2030, corresponding to solar capacity additions of 48 GW per year up to 2030. According to the IEA, the forecast for actual solar capacity additions indicates installations of 39 GW per year between 2022 and 2027, but that also means that average growth needs to expand by an additional 22% compared with the forecast. However, permitting processes and grid limitations pose a challenge for both solar and wind power.

The EU is promoting the acceleration of solar technologies and has adopted the EU Solar Energy Strategy as part of the REPowerEU plan. The strategy includes a focus on making permitting processes shorter in member states and ensuring the availability of a skilled workforce across the entire value chain.



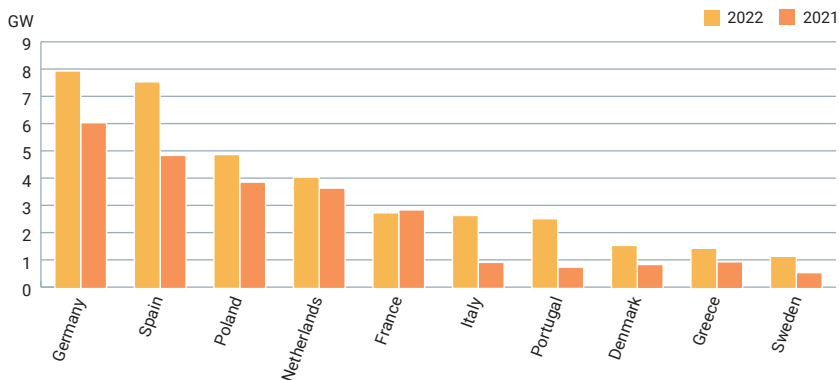
The expansion of utility-scale solar is moving fast and Sweden is one of the ten largest solar markets in Europe.

New Act promoting solar initiatives in the US

In the US, renewable capacity additions are forecast to increase 75%, or 280 GW, between 2022 and 2027. Solar and wind are expected to provide the vast majority of additions. The forecast has been revised upwards by more than 25% from last year, since the new Inflation Reduction Act (IRA) was approved in 2022. In addition to the incentives in the IRA, 37 of 50 US states have set targets that support the expansion of renewable energy.

The Solar Energy Industries Association (SEIA) has analyzed how the IRA will affect the US solar industry and market and forecasts that over the next 10 years, the IRA will lead to 69% more solar deployment than would otherwise be expected under a no-IRA scenario, that the US will have installed more than five times the amount installed today by 2032, and that over the next nine years, industry employment will more than double.

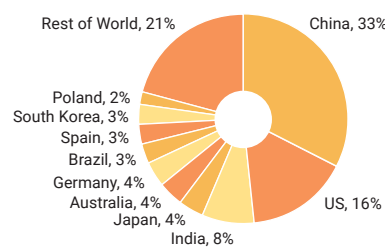
TOP SOLAR GW MARKETS IN THE EU, 2021 AND 2022



The figures for 2022 are a forecast.

Source: SolarPower Europe, EU Market Outlook for Solar Power, 2022–2026

PROPORTION OF GLOBAL SOLAR CAPACITY ADDITIONS IN 2021



Source: SolarPower Europe, Global Market Outlook for Solar Power, 2022–2026

Battery storage and hydrogen

As renewable electricity generation grows, various forms of energy storage are becoming increasingly important since electricity generated from wind and solar is uneven and seasonal. There are many different technologies for energy storage. Eolus mainly develops battery storage at present, as either independent installations or in combination with utility-scale solar. We also engage in dialogue with potential business partners about combining wind power with hydrogen production, for example, in the offshore wind farms that we develop.

Battery storage

Utility-scale battery storage is a key technology in the transition to a sustainable energy system. Battery systems can support a wide range of services for the electricity system, from providing frequency regulation, voltage support, load leveling and grid investment deferral to increased self-consumption of renewable energy, peak shaving and backup power. Battery storage facilities can be co-located alongside of solar or wind energy projects, or developed as stand-alone projects depending on local conditions and needs.

Batteries are a flexible resource and can be rapidly charged to full, but they have a relatively short lifespan and so far, the energy can only be stored for a few hours. Therefore, batteries are mainly a resource for distributing electricity usage between hours, rather than days or seasonal variations. Batteries are quick to build and their storage capacity is scalable. In many countries, batteries are used to support services such as frequency regulation and high voltage maintenance, backup power, integration of renewable electricity generation, and to create stability in isolated grids.

The battery storage market is growing fast, and the global market is projected to grow faster than forecast due to new political initiatives such as the Inflation Reduction Act (IRA) in the US and the REPowerEU plan. BloombergNEF forecasts that cumulative capacity will exceed 400 GW by 2030, a 15-fold increase on 2021 when installed capacity was 27 GW.

Hydrogen

Hydrogen is used to carry, store and deliver energy. Hydrogen can be produced from a variety of energy sources but is usually produced from solar, wind or hydropower. Compared with batteries as a storage option, hydrogen can be stored for a long time. Hydrogen can therefore be produced when the wind is blowing strongly or the sun is shining,



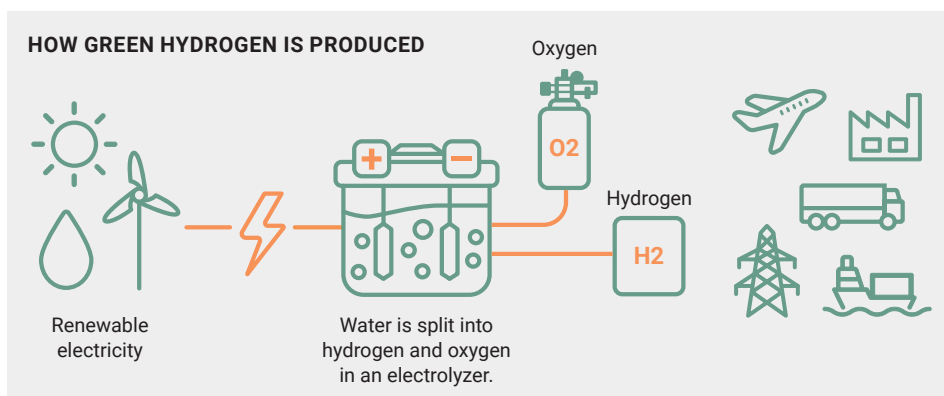
Facilities combining wind and solar with battery storage will become increasingly common.

and used later when needed. Hydrogen can also be used in fuel cell systems to produce heat and electricity for buildings, with water vapor as the only emission.

Globally, hydrogen is used to store solar and wind energy, make homes self-sufficient in energy and as fuel for vehicles, which then give out no harmful tailpipe emissions.

In Sweden, hydrogen is mainly used in the chemicals industry where it is usually produced from fossil natural gas. However, several new projects are underway where coal and coke are being phased out and replaced by fossil-free electricity to produce hydrogen through electrolysis. Hybrit and H2 Green Steel are two such projects in Sweden. Several initiatives are also taking place in the chemicals industry to use hydrogen to switch to sustainable production. Transportation is another area in which hydrogen is expected to play a key role in the transition to fossil-independent transportation. Many types of vehicles can run on hydrogen, including planes, trains and ships.

In view of the green transition in industry, and the fact that electricity and batteries are not suitable for all types of industries and vehicles, green hydrogen will play a key role in the future energy system. In order to produce such large amounts of hydrogen, a large amount of green electricity is required. This could be generated in offshore wind farms, which are well suited for coupling with hydrogen production due to their size, capacity and continuous electricity generation.



Hydrogen is produced by splitting water into hydrogen and oxygen with an electric current in a process called electrolysis. The process is an established technology and has been used on an industrial scale for more than 100 years. Hydrogen production can be increased when electricity availability is high, and reduced when availability is lower. In addition to hydrogen, which can be used in industry and transport, oxygen is also created, and could be used in industry and healthcare, for example. Hydrogen produced using renewable electricity is green hydrogen.

Source: Hydrogen Sweden

Projects in focus

Øyfjellet, Norway

In northern Norway, Eolus has developed and constructed the Øyfjellet wind farm in Mosjøen. The project comprises 72 wind turbines, has a combined capacity of 400 MW and is expected to generate 1.3 TWh of green electricity annually. The electricity that is generated is purchased by Alcoa Norway AS.

Øyfjellet is Eolus's largest installed project to date. Originally a local initiative, Eolus acquired the rights to the project in 2012. The original concession comprised 330 MW, but was extended to 400 MW in 2018. Due to rapid technological advancements, the project could be modified so that the number of turbines was reduced, but they were larger than originally planned. This also meant that the size of the project site could be reduced. The 72 wind turbines are located in mountainous areas at altitudes of 600–800 meters above sea level. The project site is characterized by complex terrain with excellent wind resources.

The wind farm is covered by a 15-year PPA with Alcoa Norway AS where the wind farm will supply Alcoa's generating facility in Mosjøen with local renewable electricity.

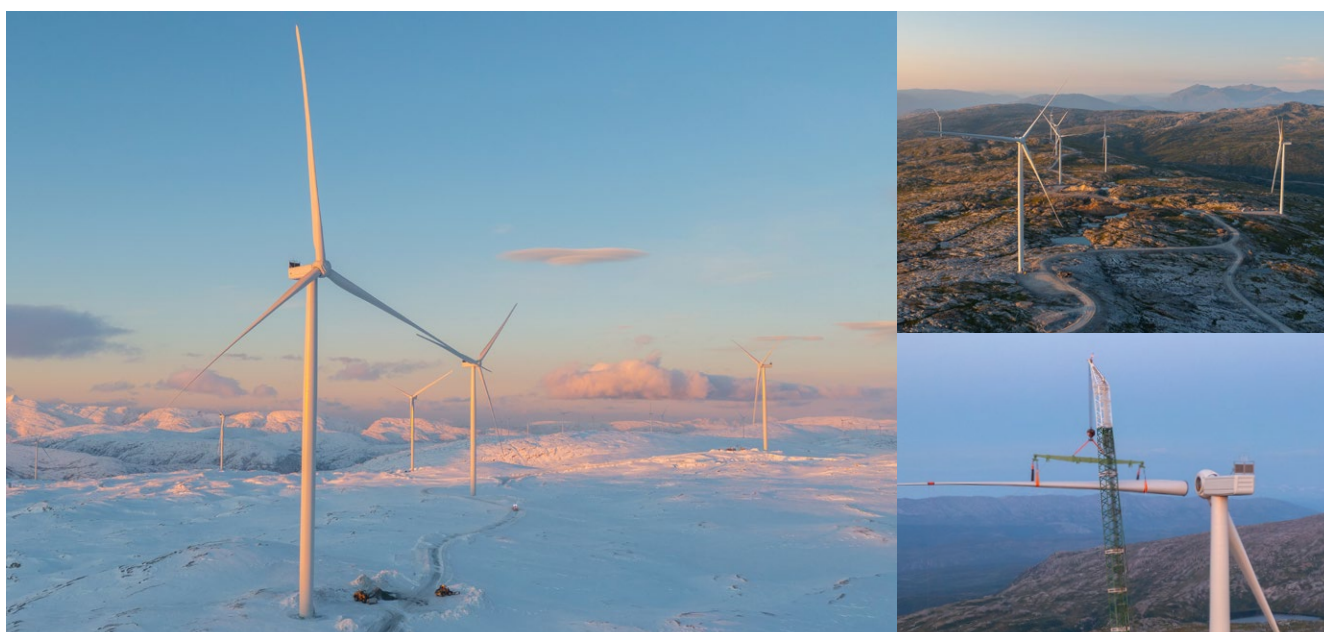
In 2019, Eolus sold 100% of the shares in the subsidiary that owns all rights to establish the wind farm (Øyfjellet Wind AS), including the 15-year PPA with Alcoa, to Aquila Capital. At the same time, an EPCM contract was signed under which Eolus agreed to establish the wind farm on behalf of the owner.

Construction commenced in December 2019 but was affected by delays during the pandemic, including travel restrictions for employees and component shortages. When the deployment of turbines needed to continue into the winter, instead of being completed by autumn 2021, the project was faced by additional costs and further delays due to extreme winter weather at the project site. A number of turbines were also affected by quality issues.

At the end of 2022, Eolus's role in the project was almost completed, since the owner had taken over all wind turbines from turbine manufacturer Nordex in November 2022. Some work and undertakings remained however.



Status:	Project under construction
Wind turbines:	72 Nordex N149/5.X MW
Hub height:	105 m
Installed capacity:	400 MW
Customer:	Aquila Capital



The Øyfjellet Wind Farm in Norway is located in mountainous areas at altitudes of 600–800 meters above sea level. The project site is characterized by complex terrain with excellent wind resources.

Stor-Skälsjön, Sweden

In Sundsvall and Timrå municipalities, Eolus is installing the Stor-Skälsjön wind farm in partnership with Hydro REIN. The farm consists of 42 wind turbines with a total capacity of 260 MW and is expected to generate 800 GWh of green electricity annually. Hydro Energi will purchase the electricity generated by the farm.

Eolus and Hydro REIN acquired the project jointly from Enercon in June 2021. Eolus purchased 51%, and Hydro REIN 49%. The project was fully permitted, but due to optimization and an application to change the existing permit, the wind farm is now being constructed with fewer turbines than originally planned, but with the same capacity of 260 MW.

In April 2022, Eolus and Hydro REIN entered into an agreement to divest 75% of the project to German MEAG. Eolus sold its entire stake in the project (51%), while Hydro REIN sold 24% of the shares and will remain a 25% shareholder. In connection with the divestment, the parties entered into an outsourcing agreement with MEAG, under which Eolus and Hydro REIN will construct the wind farm on behalf of MEAG. Eolus will also provide asset management services for the wind farm under a 15-year contract when the farm is completed. The divestment was completed in June 2022 when all conditions had been met.

Deployment 2023

Construction of the project commenced in spring 2022. A turbine supply agreement has been signed with Siemens Gamesa, and Svevia is responsible for the cabling, building the farm's road network and crane sites, and for casting the foundations. All foundations had been cast by November 2022, and delivery and assembly of the wind turbines will commence in summer 2023. The wind farm is scheduled for completion at the end of 2023.

Wind power cluster in Sundsvall

Sundsvall has become a wind power cluster. Eolus has previously constructed the Nötåsen (2014), Jenåsen (2018), Kråktorpet (2019) and Nylandsbergen (2019) wind farms in the area. These farms have a total installed capacity of 319 MW.



Stor-Skälsjön

Status:	Project under construction
Wind turbines:	42 Siemens Gamesa SG 6.2-170
Hub height:	20 123-meter turbines and 22 115-meter turbines
Installed capacity:	260 MW
Electricity price area:	SE2
Customers:	MEAG and Hydro REIN



The foundations for the 42 wind turbines in the Stor-Skälsjön wind farm were completed in autumn 2022. Delivery and installations of the wind turbines will commence in summer 2023 and the farm is scheduled for completion by the end of 2023.

Skallberget/Utterberget, Sweden

The Skallberget/Utterberget wind farm is being constructed in Avesta Municipality. The farm comprises 12 wind turbines with a total capacity of 79 MW and estimated annual generation of 210 GWh.

Eolus purchased the project from RWE in June 2021 and the wind farm was fully permitted. Construction commenced in spring 2022. A turbine supply agreement has been signed with Siemens Gamesa and Kanonaden Entreprenad is building roads, foundations and so forth. The foundations will be completed in spring 2023 and assembly of the wind turbines will commence in summer 2023. The wind farm is scheduled for completion by the end of 2023. Divestment of the project is ongoing.

Status:	Project under construction
Wind turbines:	12 Siemens Gamesa SG 6.6-170
Hub height:	115 m
Installed capacity:	79 MW
Electricity price area:	SE3
Customer:	Divestment process is ongoing



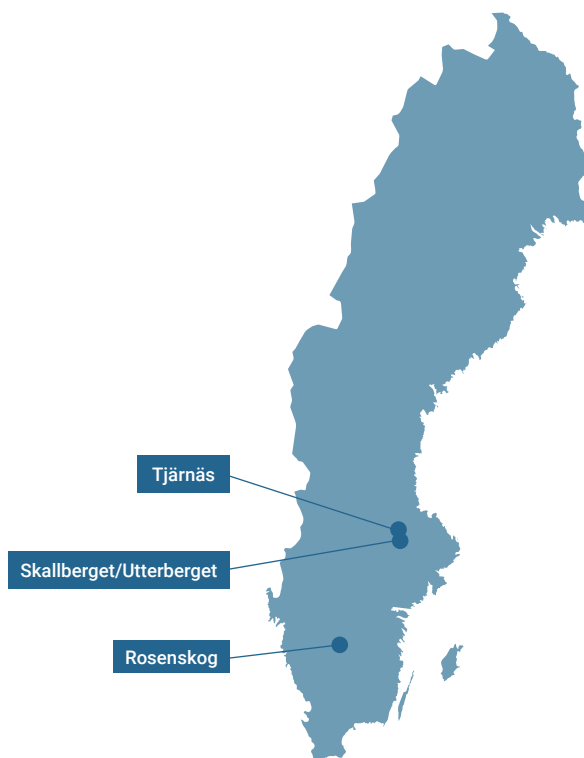
Intensive work with the foundations for Tjárnäs took place during autumn.

Tjárnäs, Sweden

In Hedemora Municipality, Eolus is constructing the Tjárnäs wind farm with four wind turbines, installed capacity of 26 MW and annual electricity generation of 66 GWh.

Eolus purchased the Tjárnäs project, together with Skallberget/ Utterberget projects, from RWE in June 2021. The project was fully permitted and construction commenced in spring 2022. A turbine supply agreement has been signed with Siemens Gamesa and Kanonaden Entreprenad is building roads, foundations and so forth. The foundations will be completed in spring 2023 and assembly of the wind turbines will commence in summer 2023. The project is scheduled for completion by the end of 2023. Divestment of the project is ongoing.

Status:	Project under construction
Wind turbines:	4 Siemens Gamesa SG 6.6-170
Hub height:	115 m
Installed capacity:	26 MW
Electricity price area:	SE3
Customer:	Divestment process is ongoing.



The foundations for the Rosenskog project were cast during autumn 2022.

Rosenskog, Sweden

Eolus is building the Rosenskog wind farm in Falköping Municipality. The project comprises three wind turbines with installed capacity of 19 MW and annual electricity generation of 56 GWh.

The project was developed from scratch by Eolus and establishment commenced in spring 2022. A turbine supply agreement has been signed with Siemens Gamesa and Kanonaden Entreprenad is building roads, foundations and so forth. The foundations were completed in autumn 2022 and assembly of the wind turbines will commence in summer 2023. The project is scheduled for completion by the end of 2023. Divestment of the project is ongoing.

Status:	Project under construction
Wind turbines:	3 Siemens Gamesa SG 6.X-170
Hub height:	115 m
Installed capacity:	19 MW
Electricity price area:	SE3
Customer:	Divestment process is ongoing



Södra Valla in Örebro Municipality could be the first Swedish solar project realized by Eolus.

Södra Valla, Sweden

Utility-scale solar energy is a relatively new segment in Eolus, and the Södra Valla solar farm in Örebro Municipality could be the first Swedish solar project realized by Eolus. The solar farm will have installed capacity of about 27 MW with estimated annual generation of 40 GWh. It may also be possible to add battery storage capacity of 20 MW to the project.

The project has been developed from scratch by Eolus and was granted a permit in 2022. The project's time plan is governed by the possibility of grid connection, which is not possible until 2025. The solar farm is scheduled for completion in 2025. The procurement of solar panels and construction work is expected to take place during spring/summer 2023 and the divestment process will commence during the year. The estimated lifespan of the project is 40 years, after which the solar panels can be disassembled and the land restored.

Eolus has three fully permitted solar projects and Södra Valla has made the most progress. The others are Säbyholm in Laholm Municipality with capacity of 51 MW and Hässlåholm in Falkenberg Municipality with capacity of 42 MW.



Status: Late-phase project
Installed capacity: 27 MW (prel.)
Electricity price area: SE3

Pienava, Latvia

In Latvia, construction start-up is approaching for the Pienava wind power project in Tukums Municipality. The project comprises installed capacity of approximately 160 MW with annual electricity generation of about 600 GWh.

The Pienava wind farm could be the first project constructed by Eolus in Latvia. The project site is located in Tukums Municipality, approximately 70 kilometers south-west of Riga. The project has all of the permits required to submit a building permit application and commence construction. Construction is planned to start in 2024 and the project is scheduled for completion by the end of 2026. Eolus is also developing the Dobeles wind farm close to Pienava, which could provide additional capacity and use the same grid connection as Pienava.



Status: Late-phase project
Wind turbines: Approx. 22-28
Installed capacity: 160 MW (prel.)



Offshore wind power can contribute large amounts of new electricity, which is vital for meeting the growing demand. Sjollen in Öresund is one of Eolus's offshore projects.

Sjollen, Sweden

Sjollen is an offshore wind project in Öresund that could potentially generate 1.3 TWh of renewable electricity for electricity price area 4, which has very high electricity prices. The wind farm comprises 23 wind turbines with estimated installed capacity of 300 MW.

The Sjollen wind farm is located in Swedish territorial waters in Malmö and Kävlinge Municipalities. Öresund is particularly well suited to offshore wind power establishments due to wind resources, relatively shallow water, and the potential to connect the wind farm to existing grid infrastructure. The location in the Öresund region offers many benefits in view of the high electricity consumption of both households and industries, and the electricity shortfall in the region.

Consultation was completed in 2021 and a complementary consultation was carried out in 2022. We are planning to submit a permit application to the Land and Environment Court in 2023. If a permit is granted, deployment could take place as early as 2027 or 2028, unlike some other offshore projects which are not scheduled for completion until well into the 2030s.



Status: Early-phase project
Installed capacity: 300 MW (prel.)
Electricity price area: SE4

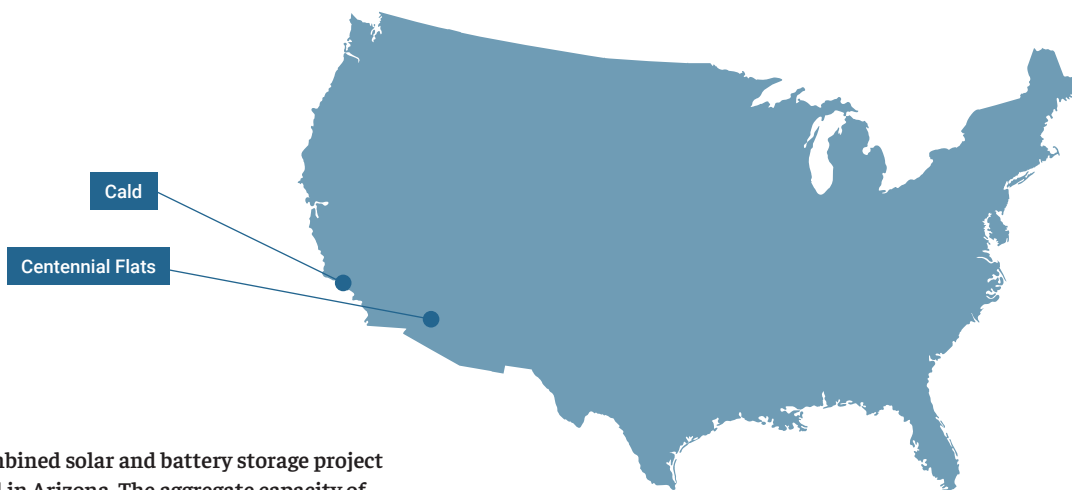
Pörtom, Finland

Pörtom in Närpes Municipality is Eolus's first wind power project in Finland. The project comprises installed capacity of 125 MW with annual generation of about 340 GWh.

Pörtom is located on the west coast of Finland, 50 kilometers south of Vaasa. In 2015, Eolus purchased a stake in the project from Triventus corresponding to nine turbines, and then acquired the remaining stake in 2021, which means that Eolus is now the sole owner of the project. The project is in a late phase of development, and wind measurements, a renewed building permit process and land agreement updates are ongoing. A new 110 kV power transmission line is being installed to prepare for grid connection. We are also looking into the possibility of adding solar power to the project. The wind farm is planned for deployment in 2027.



Status: Late-phase project
Wind turbines: 19
Installed capacity: 125 MW (prel.)



Centennial Flats, US

Centennial Flats is a combined solar and battery storage project that Eolus has developed in Arizona. The aggregate capacity of the project is expected to reach 750 MWac initially, with the potential to generate more than 1,000 GWh of plannable and renewable electricity per year.

Eolus acquired the project in 2018 and has continued to develop it. In October 2022, the project was divested to a US-based portfolio company that is part of a major, listed global venture capital company. However, Eolus will deliver some development services to the buyer until the project commences commercial operation. Deployment is planned for 2025.

Eolus received an initial payment of USD 12 M in connection with the divestment. Additional consideration will be paid in stages, based on continued development of the project and the completion of specific milestones. These include continued development of the project and preparations for financing and construction. A considerable amount of the total consideration will be paid to Eolus when construction commences. The total consideration is currently estimated to range from USD 104 M to USD 190 M, with payment during the 2023–2025 period. The buyer’s continued development and sizing of the project will affect the level of future payments to Eolus within this range.

The divestment was Eolus’s third transaction in the US market and a key milestone in the company’s ongoing expansion in the US, where one-quarter of our project portfolio is now located. Read more about Eolus in the US on page 28.



The combination of solar panels with battery storage provides opportunities for plannability.

Status: Late-phase project
Installed capacity: 750 MWac
Customer: Not disclosed

Cald, US

In Los Angeles, Eolus is developing its first standalone battery storage project, Cald, with capacity of 120 MW.

The project was divested to Aypa Power in December 2021, but Eolus will continue to provide the buyer with development services until the customer makes an investment decision. Construction is expected to commence in 2023 with completion scheduled for 2024.

Battery storage technologies are part of the solution to storing electricity for short durations and reducing intermittency problems. Revenue streams from battery storage include capacity compensation, frequency compensation and revenue from real-time price arbitrage. The battery storage market has developed faster in the US than in Europe, since needs are clearer there. In addition to Cald, Eolus is also developing a number of battery storage projects in southwestern US, including Pome in California, which is scheduled for completion in 2024.



In the US, standalone battery storage projects are more common.

Status: Late-phase project
Capacity: 120 MW
Customer: Aypa Power

Our markets

Sweden

In Sweden, most electricity is generated from hydro and nuclear power, but wind power has increased sharply over the past decade. In 2022, wind accounted for 19% of electricity generation and solar for 1%.

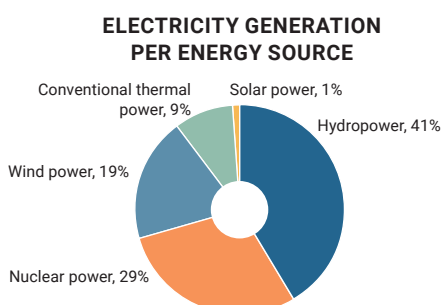
Swedish energy policy is based on EU energy policy and legislation, but Sweden also has its own energy targets. One of these targets is 100% renewable electricity by 2040, although there is no phase-out date for nuclear power. In its Tidö Agreement, the Swedish government estimates that Sweden's electricity demand will be at least 300 TWh per year by 2045. Electricity generation at present is about 160 TWh, of which 80 TWh will be decommissioned before 2045. Sweden will therefore need to add new electricity generation of least 220 TWh. New figures from the Swedish Energy Agency show that the increase may go even faster and that electricity demand will reach 280 TWh by as early as 2035, and 370 TWh by 2045. Regardless of the scenario, electricity generation must be considerably expanded.

Strong demand but few new permits for wind power

Wind power is expanding like never before and new capacity of 2,054 MW was installed in 2022, according to the Swedish Wind Energy Association. But the deployment rate is expected to slow after 2024, despite the high interest in investing in Swedish wind power. This is due to the lack of permits for new projects. Statistics from SWEA show that 78% of all wind turbines were stopped by municipal vetoes in 2021, which is a sharp increase compared with 38% in 2020. The armed forces have also frequently stopped projects.

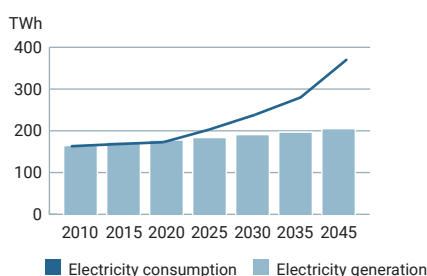
In the lead up to the 2022 elections, energy was hotly debated and energy sources were often pitted against each other. Demand for renewable energy is high from industry, which is currently in the midst of a green transition, and onshore wind is deemed the only source of energy that can be expanded in the near term and meet industry's needs. The wind industry hopes that pressure from industry players will gain traction with policy makers at municipal and national levels. In March 2023, the so-called "Incentives Commission" will submit its final report on how strengthened incentives can facilitate the expansion of wind power.

There is also major potential for expanding offshore wind power, since Sweden has relatively few offshore wind farms. Offshore wind can play a key role in narrowing the gap between consumption and generation in western Sweden and Skåne/Blekinge.



The figures refer to 2022 and are preliminary.
Source: Swedish Energy Agency

ELECTRICITY GENERATION AND ELECTRICITY CONSUMPTION IN SWEDEN



To date, electricity generation in Sweden has been higher than electricity consumption and the country has been a net exporter of electricity. However, electricity consumption is expected to increase sharply moving forward. The generation figures for 2025–2045 show estimated generation if the growth rate is the same as it was in the period 2015–2020. Generation would therefore need to increase at a considerably faster rate to meet the growing demand, and additions of renewable energy will play a key role here.

Source: SCB (historic figures), the Swedish Energy Agency (forecast).



Magnus Axelsson is Deputy CEO and COO of Eolus. Around forty employees are based at Eolus's new offices close to Malmö Central Station.

Solar and storage

In 2022, Sweden was one of the ten EU countries with the most installed solar power according to preliminary figures from trade association SolarPower Europe. During the year, 1.1 GW of new solar power was installed, representing growth of a full 98%. Of this amount, domestic installations accounted for around 50% of the expansion, industrial and commercial installations for 35–40%, and utility-scale solar farms for 10–15%. The conditions for utility-scale solar are favorable due to high land availability and low population density. There are challenges, however, including uncertainty surrounding permitting, due to the rejection of applications by the County Administrative Board. Battery storage and solar panels can be combined, and several of Eolus's solar projects include plans for storage.

Eolus in Sweden

Eolus has its base and roots in Sweden, and Sweden remains a core market. At the end of 2022, 43% of Eolus's project portfolio was based in Sweden. Of the total portfolio of 9,562 MW, onshore and offshore wind accounted for around 90% and solar for 10%. Read more about current Swedish projects on pages 21–23.

At the end of 2022, Eolus had just over 80 employees in Sweden. These include employees who work with project development in Sweden, and specialist and staff functions for the Group.

Finland

Despite a relatively late start, the Finnish wind power market has grown significantly in recent years and surpassed growth forecasts for several years. According to statistics from trade association Finnish Energy, 2,420 MW of new wind capacity was installed in 2022, compared with 671 MW in 2021, and 302 MW in 2020. At the end of 2022, Finland's cumulative installed wind capacity totaled 5,677 MW.

Electricity generated from wind power increased 41% during the year, and with total generation of 11.5 TWh, wind power accounted for 17% of domestic electricity generation and 14% of electricity consumption.

Wind power expansion is expected to continue in Finland and the Finnish grid operator, Fingrid, forecasts that Finland's installed capacity will reach 20,000 MW by 2030. Consulting firm McKinsey estimates that onshore wind will account for 26.5 TWh, and offshore wind for 15 TWh, of annual generation by 2030. There is also potential for utility-scale solar in Finland but forecasts for expansion in Finland

are weaker than for Sweden, for example, which is deemed to have better conditions.

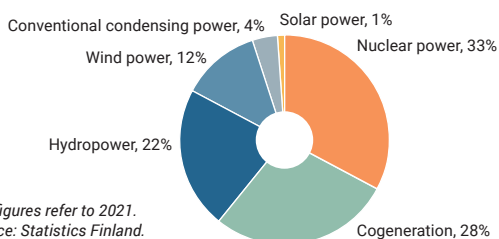
Eolus in Finland

Eolus has been active in Finland for several years and we have built up a Finnish organization in recent years led by a local Country Manager. At year-end, the project portfolio comprised 3,650 MW. Of this amount, the offshore wind projects Navakka (formerly Tuulia, 1,500 MW) and Wellamo (2,000 MW) accounted for 3,500 MW. Navakka is being developed by Eolus, while Wellamo is being developed under a joint venture called SeaSeaphire, powered by Eolus and Simply Blue Group. The partnership comprises four offshore wind projects in total, of which two are in Finland and two in Sweden. The project portfolio also includes the Pörtom onshore wind farm, where we are also looking into a combination with solar power. The project is under development with deployment scheduled for 2027. Read more about the project on page 23. In addition to this, the portfolio also includes a number of smaller early-phase solar projects.



Mikko Niininen is the Country Manager for Eolus in Finland.

ELECTRICITY GENERATION PER ENERGY SOURCE



The figures refer to 2021. Source: Statistics Finland.

Norway

The growth of new power generation has accelerated in Norway in recent years. Onshore wind capacity has increased over time – from 1,675 MW in 2018, to 5,083 MW in 2022. According to WindEurope, 432 MW of new wind capacity was installed in 2022, which is less than the year before. In 2022, wind power accounted for 11% of Norway's electricity generation, which is otherwise mainly generated from hydropower.

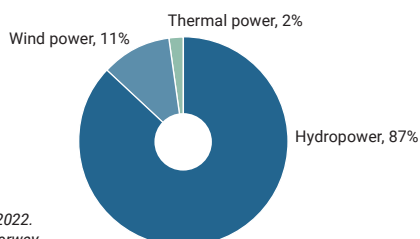
The regulatory framework for wind power expansion is currently being revised, which has temporarily suspended the granting of new concessions and placed developers in a wait-and-watch mode. In April 2022, however, the Norwegian government announced plans to allocate new wind power capacity, with the relevant municipality's consent. Work on the new regulatory framework is ongoing and in autumn 2022,

the Norwegian government proposed a property tax for wind power which has now been submitted for consultation. During the year, the government also announced a target to allocate areas for 30 GW of offshore wind capacity by 2040, where approximately 2 GW on average can be allocated for expansion every year between 2025 and 2040. In December, a proposal for allocation of the first offshore projects on the Norwegian continental shelf was announced, but there are still some uncertainties surrounding this process.

Onshore wind projects in the Norwegian market are often characterized by complex terrain and infrastructure combined with high mean wind speeds. This leads to high generation rates and helps to lower costs per megawatt-hour generated. Offshore conditions are also favorable, due to the very long coastline combined with strong winds. Norway's conditions for efficient wind power generation are among the best in Europe.

As in Sweden, there is potential for utility-scale solar expansion, but electricity generation from solar is low in Norway to date.

ELECTRICITY GENERATION PER ENERGY SOURCE



The figures refer to 2022. Source: Statistics Norway.

Eolus in Norway

Eolus has developed two large wind power projects in Norway: Stigafjellet, which was completed in 2020, and Øyffjellet, which was almost completed at the end of 2022. Read more about Øyffjellet on page 20. Project development in Norway is managed by our Swedish organization.

Poland

Poland is an attractive market for renewable energy due to favorable weather and wind conditions and large areas of land. The country is also highly dependent on coal-fired generation, which needs to be phased out. Poland has high electricity prices, and is one of the most fossil-dependent countries in Europe, but has also committed to reducing its CO₂ emissions in line with international climate action initiatives. According to the International Energy Agency (IEA), the target is 28 GW of renewable energy in the energy mix by 2025, which will then increase to 50 GW by 2030. The Polish government has made notable progress in energy and environmental policy, although it still lags far behind many other countries. In 2021, a new and ambitious plan was announced with targets for the transition to a more renewable energy system. In Poland's energy policy for the period up to 2040, the target is that the amount of electricity generated from renewables will be 32% of the total power mix, while energy from coal power will fall back to under 56%. There are challenges, however, in the form of grid capacity limitations and the need for amended legislation to facilitate the expansion.

The transition to a fossil-free and renewable energy system is mainly driven by solar expansion. In recent years, Poland has been one

of the leading countries in Europe in terms of new solar installations. The growth rate is so fast that the target to install capacity of 20 GW by 2025 is within reach. In 2022, installed solar capacity amounted to about 12 GW. The Polish research institute IEO forecasts that up to 30 GW of solar capacity can be added by 2030.

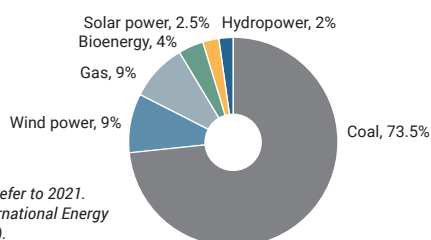
However, Poland is not only a solar power market, the country also has potential for wind power expansion. According to Wind-Europe, Poland installed 1,517 MW of new wind capacity in 2022 and total capacity is 7,864 MW. That makes Poland the ninth-largest wind power player in Europe.

Poland has no offshore wind farms at present. However, the country has set ambitious targets for offshore wind and is aiming to install 3.8 GW by 2030, 10 GW by 2040 and as much as 28 GW by 2050.



Daniel Larsson is the Country Manager for Eolus in Poland.

ELECTRICITY GENERATION PER ENERGY SOURCE



The figures refer to 2021.
Source: International Energy Agency (IEA).

Eolus in Poland

Eolus has been active in Poland since 2021 and in just a short time, we have built up a considerable project portfolio and a strong organization under the leadership of a Country Manager. At year-end, the project portfolio comprised 1,151 MW. Solar projects accounted for 1,019 MW of this amount, but we also have some early-phase onshore wind projects. We develop projects both on our own and together with some strategic and long-term business partners. The plan is that installation of the first solar project will commence in 2023. We are also participating in three ongoing state contract processes for offshore wind power.

The Baltics

In Latvia, the expansion of renewable energy, such as wind and solar power, has been very limited to date. Hydropower accounts for most of Latvia's electricity generation, which means that Latvia – despite a minor share of electricity generation from wind and solar – is still considered one of the greenest countries in Europe. However, the country is aiming to reduce its reliance on imported energy, and reduce the proportion of gas in its electricity generation. The target is that renewable sources will account for 50% of electricity consumption by 2030.

In 2022, there was only 137 MW of installed wind capacity, of which 59 MW had been added during the year. The potential for both onshore and offshore wind is great, however. In the Baltic Energy Market Interconnection Plan (BEMIP), which Sweden is also part of, Latvia could have an estimated 15 GW of offshore capacity installed by 2050. The target for onshore wind is 800 MW by 2030, which would require very fast growth in view of the currently low installed capacity

of 66 MW. Overall, this means there is a major potential for renewable energy expansion in Latvia.

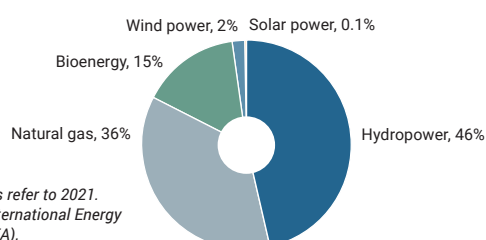
Eolus in the Baltics

Eolus has been active in the Baltics for more than a decade and established wind turbines in Estonia. In 2022, we bolstered resources by employing a new Head of Baltics and several other employees in Latvia. At year-end, the project portfolio comprised 490 MW in Latvia and 176 MW in Estonia. All projects are onshore wind farms. In Latvia, we have been working with the Pienava project for several years. The aim is to commence design and construction in 2024, and deployment is scheduled for the end of 2026. In January 2023, Eolus and the German wind farm developer PNE formed a partnership to develop the Kurzēme offshore wind project with capacity of 1,000 MW in Latvia. Although Eolus is primarily focused on Latvia in the Baltics, we have long-term plans to increase our activity and presence in Estonia and Lithuania, where there is great future potential.



Inga Abolina is Head of Baltics and was employed by Eolus in October 2022.

ELECTRICITY GENERATION PER ENERGY SOURCE



The figures refer to 2021.
Source: International Energy Agency (IEA).



Hans-Christian Schulze, Country Manager for Eolus North America, at Eolus's company conference in 2022.



The Wind Wall project is a repowering project that was completed in 2021.

US

The US energy market is fragmented and could actually be seen as several different markets due to geography and the regulatory diversity in regard to permitting, grid connection, electricity trading and renewable energy ambitions. Over the past decade, the share of renewables in the energy mix has become increasingly important in the US. The new Inflation Reduction Act (IRA) is expected to further accelerate renewable energy growth. The new Act promises both lower energy prices and major investments in green energy, manufacturing and innovation.

Wind and solar currently account for about 14% of electricity generation and the largest share is generated using natural gas. In 2022, the U.S. Energy Information Administration (EIA) projected that solar and wind will grow fastest moving forward and account for 42% of electricity generation by 2050.

Massive solar expansion

Solar is expanding rapidly in the US and in 2022, the country achieved installed capacity of over 135 GW. Almost 5% of US electricity now comes from solar energy. Between 2023 and 2027, the Solar Energy Industries Association (SEIA) forecasts annual growth of 21% for solar and predicts that as much as 544 GW will be installed over the next decade. This massive expansion is mainly taking place in the states of California, Texas, Florida and North Carolina.

Wind power

In the US, the installed capacity of onshore wind power has almost doubled since 2015. This is mainly due to cost reductions driven by technological advancements, and the production tax credit for wind power. In 2022, however, the pace of new installations decelerated for the first time since 2018, according to American Clean Power. This was largely due to phase-out of the production tax credit pending introduction of the IRA, supply chain constraints and lengthy delays connecting projects to the grid. At the end of 2022, the US had 144 GW of onshore wind power. There is major potential for offshore wind in the US, and

many states have set targets for the expansion of offshore wind power. This mainly applies to East Coast states at present, such as New York, New Jersey and Massachusetts, where Eolus is not active.

Strongest year ever for battery storage

The battery storage market in the US has continued to grow rapidly. In the past, most battery storage projects were stand-alone facilities, but battery storage combined with solar and wind is now increasing rapidly. 2022 was a record year for battery storage, and cumulative operating battery storage capacity increased 80% measured in MW, according to American Clean Power. Battery storage is considered critical to the creation of a flexible and resilient system with a large share of renewable production. According to EIA, the installed capacity of battery storage is now 10 GW and is expected to reach 30 GW by 2025. This indicates very strong growth, and is mainly expected to take place in Texas and California.

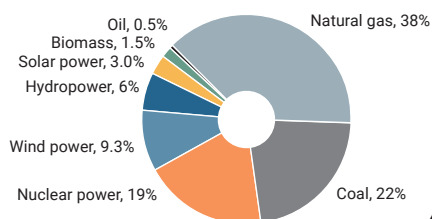
Eolus in the US

Eolus has been active in the US since 2015 and at the end of 2022, one-quarter of our project portfolio was in the US. The project portfolio comprises total capacity of 6,000 MW, with about one third each of solar, wind and battery storage. The focus lies on the states of California, Arizona, Nevada, Idaho, Utah, Wyoming, Washington and New Mexico in the western US region. The activities are conducted together with a local development partner.

Wind Wall was the first project completed by Eolus in the US – a repowering project in Tehachapi, California, where almost 400 older wind turbines with installed capacity of 36 MW were replaced with 13 new, modern turbines with combined capacity of 46.5 MW. The annual generation of the 13 new turbines is about four times higher than the 400 old wind turbines.

Ongoing, late-phase projects include the Centennial Flats and Cald projects. Centennial Flats is a combined solar and battery project in Arizona with an expected initial capacity of 750 MWac. The project was divested in October 2022 and Eolus will continue to provide the buyer with some development services. The project is scheduled for completion in 2025. Another ongoing development project is the Cald stand-alone battery project in Los Angeles with capacity of 120 MW, and completion scheduled for 2024. The project was divested to Aypa Power in 2021. Read more about both of these projects on page 24.

ELECTRICITY GENERATION PER ENERGY SOURCE



The figures refer to 2021. Source: U.S. Energy Information Administration (EIA).

A strong project portfolio with a solid base for future development

A large and diverse project portfolio with high quality is essential for our continued growth and success. By diversifying both our technologies and markets, we are reducing risk and creating favorable conditions for unlocking a range of business opportunities.

Eolus's project portfolio comprises wind, solar, storage and hybrid projects in various phases. In all development projects, we now look into opportunities to combine either solar and wind, or solar and storage. Moving forward, solar or wind combined with hydrogen production will also be an interesting option. Eolus also partners with other players on project development, when we find it commercially viable.

Own projects and partnerships

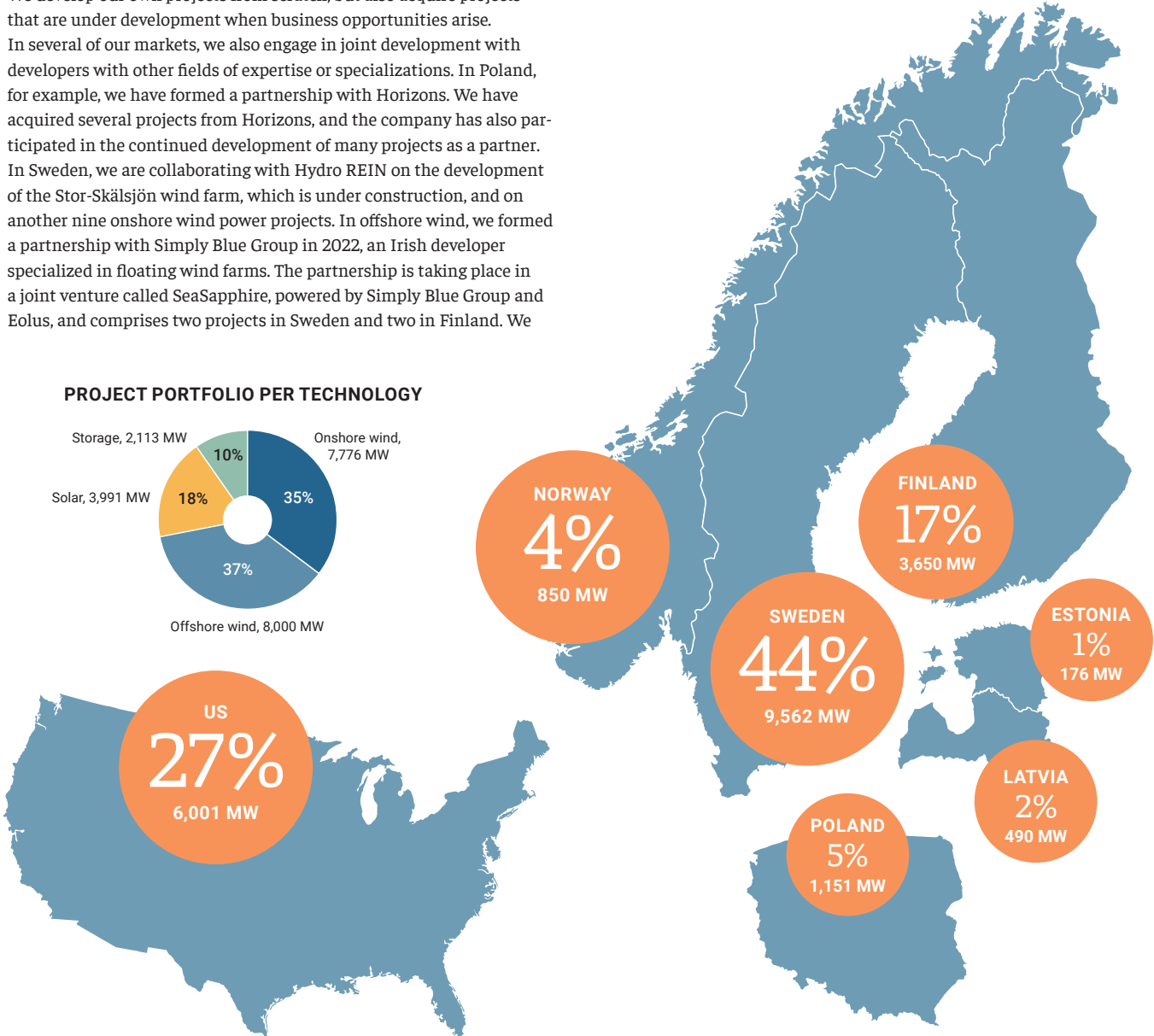
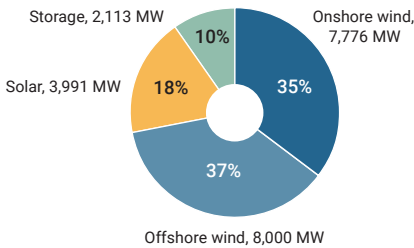
We develop our own projects from scratch, but also acquire projects that are under development when business opportunities arise. In several of our markets, we also engage in joint development with developers with other fields of expertise or specializations. In Poland, for example, we have formed a partnership with Horizons. We have acquired several projects from Horizons, and the company has also participated in the continued development of many projects as a partner. In Sweden, we are collaborating with Hydro REIN on the development of the Stor-Skälsjön wind farm, which is under construction, and on another nine onshore wind power projects. In offshore wind, we formed a partnership with Simply Blue Group in 2022, an Irish developer specialized in floating wind farms. The partnership is taking place in a joint venture called SeaSapphire, powered by Simply Blue Group and Eolus, and comprises two projects in Sweden and two in Finland. We

see major benefits in these collaborations, and are expecting to form more partnerships moving forward.

Long development period

Developing and optimizing projects takes time and we work continuously to prioritize and optimize the most important projects in our project portfolio. All project development normally takes place at Eolus's own risk, and although we have well-developed processes and extensive experience in project development, there is a risk that some of the projects will not be realized due to market conditions, or because the project is not granted the required permits.

PROJECT PORTFOLIO PER TECHNOLOGY

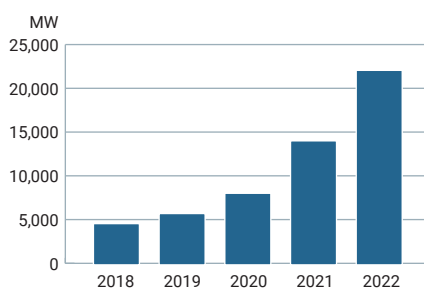


Strong growth in 2022

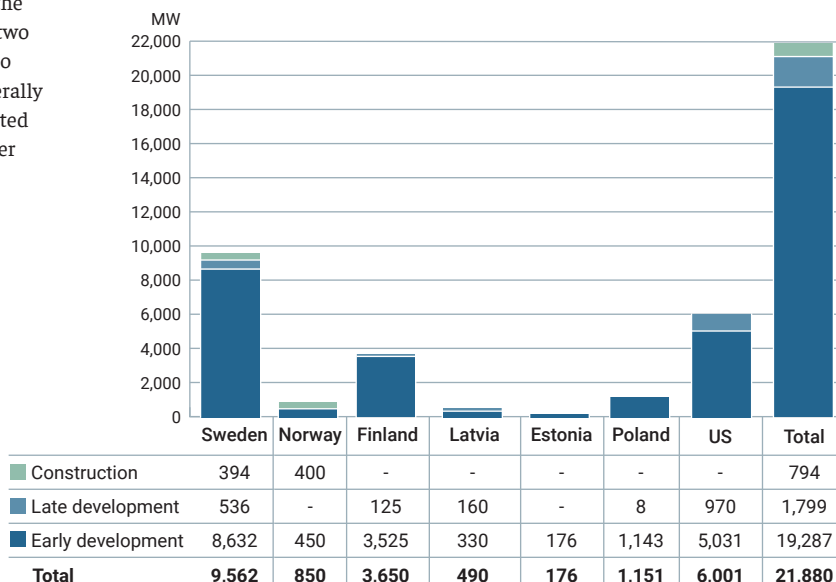
Solar, storage and offshore wind projects are generally in earlier phases than onshore wind projects. This is only natural, since Eolus has not been active in these segments for as long.

In 2022, the project portfolio increased 58%, from 13.8 GW to 21.9 GW. Growth took place in solar, onshore wind and offshore wind. Offshore wind accounted for the largest increase, where we now have five Swedish and two Finnish early-phase projects, but the solar portfolio also grew. The development period for solar projects is generally shorter than for wind, and we now have several permitted solar projects in Sweden and a number of projects under way in Poland.

EOLUS'S PROJECT PORTFOLIO – DEVELOPMENT 2018–2022



PROJECT PORTFOLIO IN MW PER MARKET AND PHASE OF DEVELOPMENT DECEMBER 31, 2021



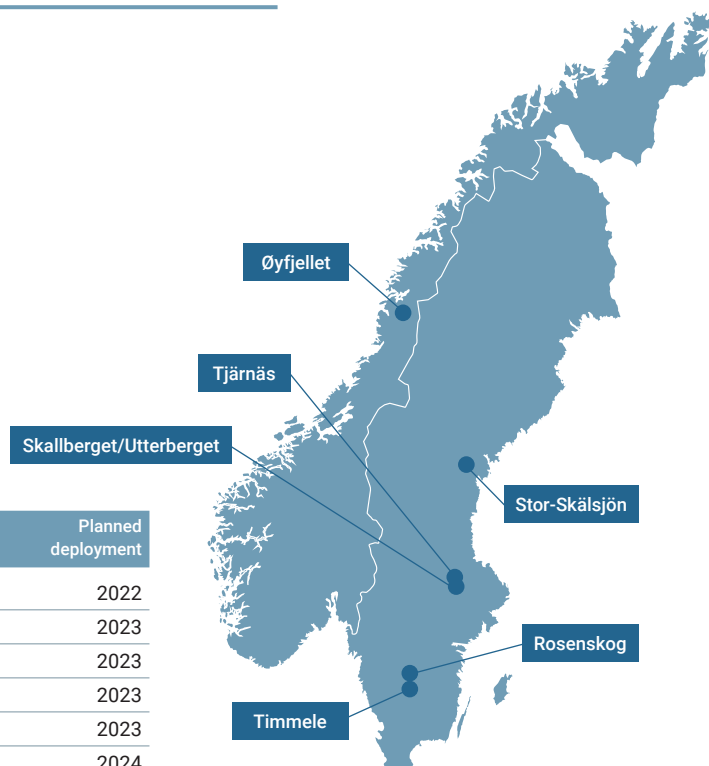
Projects under construction

At the end of 2022, Eolus had energy establishments of 794 MW under construction. All ongoing establishments are wind farms in Sweden and Norway.

The Øyfjellet project in Norway was almost completed at year-end after the owner, Øyfjellet Wind AS, taking over all wind turbines from turbine manufacturer Nordex in November. Some commercial discussions remained, however, which is why the owner had not taken over the project at year-end. In Sweden, the Stor-Skälsjön wind farm in the Sundsvall area is the largest project under construction. The project comprises 260 MW and is being developed jointly with Hydro REIN. The farm will generate about 800 GWh of green electricity annually. Read more about Stor-Skälsjön and some of the other projects on pages 21–22.

ENERGY FACILITIES UNDER CONSTRUCTION

Name	Municipality/electricity price area	Technology	Capacity, MW	Planned deployment
Øyfjellet	Vefsn, NO4	Wind	400	2022
Stor-Skälsjön	Timrå/Sundsvall, SE2	Wind	260	2023
Rosenskog	Falköping, SE3	Wind	19	2023
Skallberget/Utterberget	Avesta, SE2	Wind	79	2023
Tjärnäs	Hedemora, SE2	Wind	26	2023
Timmele	Ulricehamn, SE3	Wind	8	2024
Total			794	



Late-phase projects

The development of renewable energy facilities normally takes many years. Extensive explorations and studies are required for a permit application, and often take several years to complete. The actual permitting process can also take several years. The processes are shorter for solar projects, however.

When the main permits for a project have been granted by the local authority, Eolus normally places them in the 'Late-phase or

divestment-phase' category. In Poland, however, inability to secure grid connection is a strong limiting factor, which is why projects do not advance to this phase in Poland before grid connection conditions have been obtained. The process is different in the US, and projects proceed to the late-development stage when, for example, land agreements and certain feasibility studies for grid connection are complete. This may vary, however, depending on the type of technology.

LATE-PHASE OR DIVESTMENT-PHASE PROJECTS

Project	Location	Technology	Capacity, MW	Planned deployment	Comments
Krobia & Rekowo	Krobia, Rekowo, Poland	Solar	8	2023	Permit in force. Grid connection conditions in place.
Stockåsbodarna	Sundsvall, Sweden	Wind, onshore	50	2024	Permit in force. Construction preparations ongoing.
Fågelås	Hjo, Sweden	Wind, onshore	43	2024	Permit in force. Construction preparations ongoing.
Cald	Los Angeles, US	Storage	120	2024	The project has been divested to Aypa Power. Eolus is developing the project until construction start, which is expected to take place in 2023.
Pome	San Diego, US	Storage	100	2024	Permitting process, detailed design and connection agreement negotiations are ongoing.
Vaberget	Sollefteå, Sweden	Wind, onshore	50	2025	Permit in force. New permitting process for optimization of the project is ongoing. Permit granted by local authority in November 2021. The permit has been appealed to the Land and Environment Court. The project is dependent on the connection of several other projects to the new main grid substation.
Ölme	Kristinehamn, Sweden	Wind, onshore	73	2025	Permit in force.
Siggebohyttan	Lindesberg, Sweden	Wind, onshore	43	2025	Permit in force.
Dållebo	Ulricehamn, Sweden	Wind, onshore	26	2025	Permit in force.
Boarp	Vaggeryd, Sweden	Wind, onshore	24	2025	Permit in force.
Södra Valla	Örebro, Sweden	Solar	27	2025	Permit in force.
Centennial Flats	La Paz, US	Solar + storage	500+250	2025	The project has been divested to a US-based portfolio company. Eolus will deliver development services until deployment, which is planned for 2025.
Pienava	Tukums, Latvia	Wind, onshore	160	2026	Environmental impact assessment approved at state level. Positive court decision announced in May 2022. Municipal approval obtained in June 2022.
Fageråsen	Malung, Sweden	Wind, onshore	200	2027	Permit in force. The project is being developed in partnership with Dalavind. Eolus owns 49%, DalaVind 51%.
Pörtom	Närpes, Finland	Wind, onshore	125	2027	Zoning plan in force. Grid planning commenced.
Total			1,799		

The compilation applies at February 16, 2023.

Asset management – a key component of the total offering

To enable maximum returns and carefree ownership, we offer a range of asset management services for renewable electricity generation and energy storage facilities. By engaging Eolus for asset management, the owner receives professional management of all aspects related to surveillance, control, monitoring, administration and contact with the owner's service provider. We work closely with several service providers in the market and in partnership with them, we ensure that the facility's availability is high and downtime is minimized.

Eolus currently provides management services for onshore wind assets. In line with our development and installation of solar farms and energy storage facilities, our aim is to offer similar services for these as well. We currently have asset management agreements in Sweden, Norway and the US, but we also are planning to offer asset management services in our other markets as projects are realized.

High availability with center of expertise

Our driving force is that we want our customers to see Eolus as a partner that will do anything to maximize availability and minimize operating costs over the life of their facility. By being active for more than 30 years, we have built up extensive expertise in asset management for wind power facilities and gradually developed our offering. Eolus's asset management organization is part of the Eolus Wind Power Management subsidiary and has evolved into a center of expertise that acts as

advisor both externally, to customers and wind turbine manufacturers, and internally, during the planning and construction phases.

Professional approach

Eolus sees significant market demand, from institutional investors as well as other players, for professional asset management. There is great potential for growth in asset management services for those owners whose core business is not wind or solar energy, or who are not active in the relevant geographic market. A typical example is institutional investors who buy energy facilities in Sweden.

Long-term revenue streams

At the end of the fiscal year, Eolus had asset management agreements for a total capacity of 882 MW on behalf of customers. In addition, agreements for 668 MW have been signed for facilities not yet deployed. When these farms are deployed, Eolus will manage wind power assets with estimated annual generation of approximately 4.8 TWh. The segment provides recurring, stable and long-term revenue streams and enables us to build long-term customer relationships.

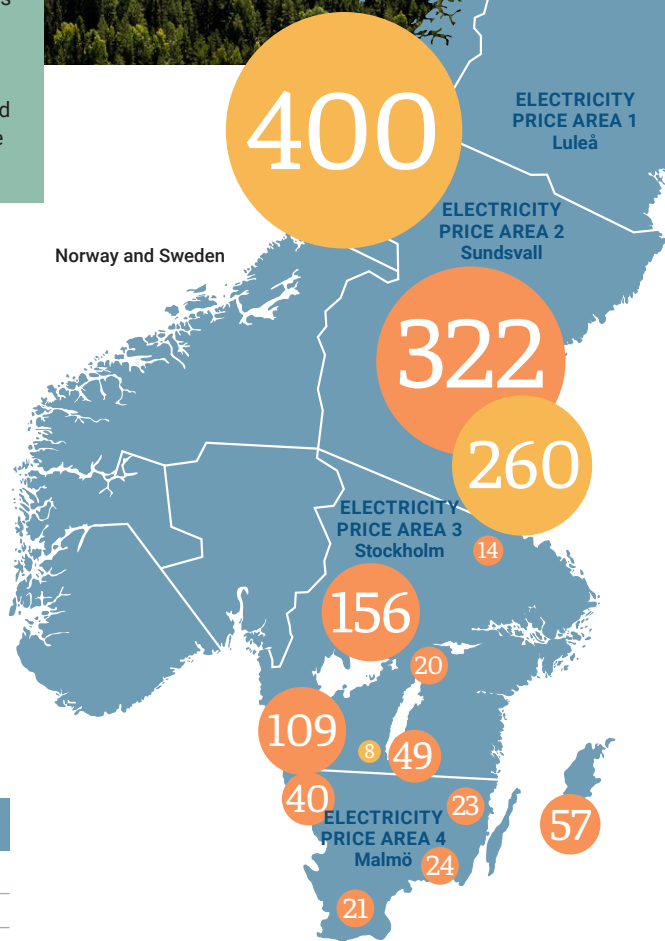
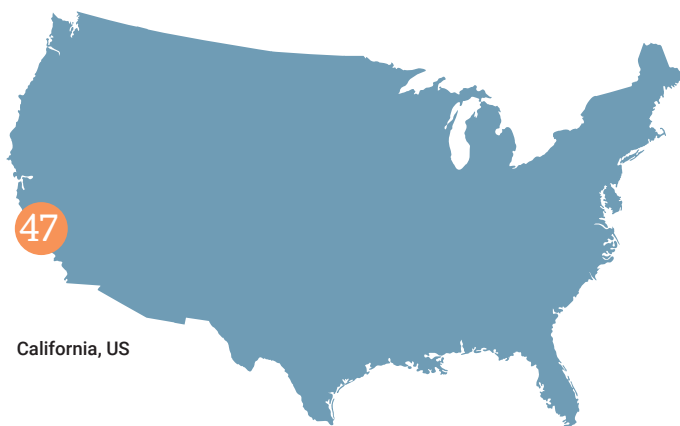


Cooperation between various functions is important for creating a positive customer experience. Thomas Henrysson is a construction project manager and Kristian Holmgren is technical asset manager.



A competent asset management partner

Eolus offers technical operation and all administration of a facility, such as responsibility for electrical operations, health and safety, accounting and financial statements, and insurance. We also serve as the point of contact for the facility's relevant suppliers, regulators and insurance companies. Eolus's staff check and monitor the facility via our operations center, follow up planned and unplanned service, make regular visits to the site, conduct annual inspections of the facility and ensure compliance with regulatory conditions and requirements. Our customers can purchase total solutions or some of the services that we offer in all of our markets.



ASSET MANAGEMENT DEC 31, 2022

KEY FIGURES	2022	2021
Net sales, SEK M	30	27
Other operating income, SEK M	9	9
Operating profit, SEK M	9	9
Managed turbines, MW	882	914
Signed agreements, not yet deployed farms, MW	668	408

● MW managed capacity.
 ● MW managed capacity, signed but not yet deployed.

Sustainable all the way

About the Sustainability Report

Eolus's 2022 Sustainability Report mainly comprises the information on pages 34–45 of the 2022 Annual Report and Sustainability Report (this document), but also contains references to other sections. A description of material company risks can be found on pages 51–52, and the most material sustainability risks are presented on page 37. The Sustainability Report, which is also Eolus's statutory Sustainability Report under the Swedish Annual Accounts Act, covers the period of January 1–December 31, 2022. The report covers the entire Group (including all subsidiaries according to Note 16 on pages 96–98, but not joint ventures). For a description of Eolus's markets, refer to pages 25–28. The Board of Eolus is responsible for the Sustainability Report. For the auditor's report on the Sustainability Report, refer to page 45.

Business model and value creation

Eolus's fundamental business concept is to create opportunities to invest in renewable energy for a sustainable future. We aim to create value at all levels of the project value chain, from project development and establishment to the operation of facilities for electricity generation from renewable sources, and offer attractive and competitive investment opportunities to investors. That means that our business concept and entire core business contribute to the achievement of the UN Sustainable Development Goals and the European Green Deal, as well as the transition to a fossil-free energy system. Eolus's business concept, business model, strategy and project activities are described in more detail on pages 8–13.

Strategic approach to sustainability

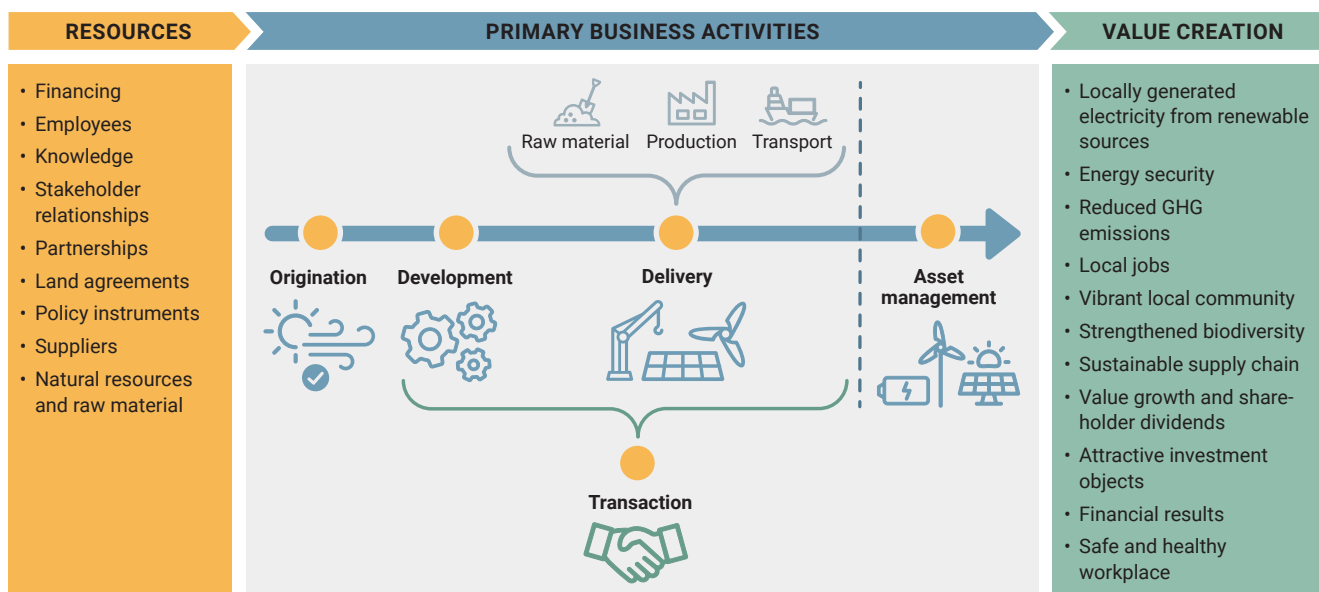
Contributing to long-term sustainable development is a cornerstone of Eolus's business concept and our starting point is that responsibility and sustainability will permeate every aspect of our work. We also aim to minimize and prevent the potentially undesired effects of our operations. Since every aspect of sustainability is relevant and important to Eolus, we work proactively with the environment, social responsibility and corporate governance.

Stakeholder expectations on Eolus's sustainability performance are constantly changing and both Eolus and our stakeholder groups are subject to new regulatory requirements. As of 2025, Eolus will be subject to the EU's new rules on sustainability reporting: Corporate Sustainability Reporting Directive (CSRD). We are already subject to certain requirements indirectly, due to applicability of the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR) for several of our stakeholder groups. Against this background, we conducted a comprehensive mapping process in 2022 together with an external consulting firm to identify the strategic sustainability topics that are material for Eolus and that should therefore be prioritized in the coming years. We also arranged training and workshops on the EU Taxonomy and CSRD for Eolus's Board and Group Management.

Based on our materiality assessment, our aim in 2023 is to create a sustainability strategy, and an action plan to further systematize our approach to sustainability, prioritize material activities, set clearer targets, increase transparency and develop our reporting. The aim is to further integrate sustainability into all of the company's processes to ensure a long-term sustainable business and a continued strong contribution to the energy transition.

VALUE CHAIN AND VALUE CREATION

Eolus is a Nordic leader in renewable energy and we are active across the entire value chain, from early project development to the construction and operation of renewable energy facilities. We offer attractive investments in solar, wind and battery energy storage in Nordic and the Baltics, Poland and the US.





The Kråktorpet wind farm in Sundsvall is one of many facilities that Eolus has developed and is contributing to the achievement of the UN Sustainable Development Goals and the transition to a fossil-free energy system.

The mapping process included in-depth interviews with several high-priority stakeholders (read more on page 36), and we also engage in regular dialogue with our stakeholders. In addition, we also are members of trade associations where we monitor relevant sustainability topics and gain insights from various sustainability forums.

The EU taxonomy

The EU Taxonomy Regulation is an EU-wide classification system to help investors assess whether investments meet robust environmental standards. The regulation is designed to support the achievement of the European Green Deal objectives and is the first uniform and credible framework that enables financial players to adjust their business models for the transition to low-carbon, climate-resilient and sustainable strategies. While Eolus is not yet subject to the reporting requirements of the EU Taxonomy, we have elected to report those economic activities in our business operations that are taxonomy eligible for 2022. The table on the right shows Eolus's economic activities that are already considered eligible (Bold) and those that are expected to be eligible in the near future.

According to Eolus's business model, the company's revenue is derived from project development, the construction and divestment of energy facilities and subsequent deployment phases. Projects are usually divested when they are fully developed and ready for construction, but divestment can also take place during the construction phase (see Eolus's business model on pages 10–11). This means that deployed facilities are not classified as an asset for Eolus since the company does not own them, but provides the owner with asset management services. Since the EU Taxonomy only covers tangible (refer to Note 13, page 93) and intangible assets (refer to Note 12, page 92), Eolus's financial assets, including project portfolio, and construction and management services, are not taxonomy eligible. Therefore, information about CapEx, OpEx and turnover is not considered relevant to Eolus, based on its business model.

An economic activity is considered aligned with the EU Taxonomy when it makes a substantial contribution to at least one of the six environmental objectives, while also doing no significant harm to the remaining objectives and meets the minimum safeguards described in the EU Taxonomy. This means that several criteria must be met before the business can be considered taxonomy-aligned and therefore sustainable. Eolus conducted an assessment in 2022 where we identified that, in addition to the taxonomy conditions that we already meet, we also need to make climate risk assessments for all of the deployed energy facilities that we manage. These assessments will commence in 2023. The aim moving forward is to apply the same methodology to all of our projects as part of the project development process.

ECONOMIC ACTIVITIES COVERED BY THE TAXONOMY REGULATION

Activity	Description	Applicable NACE code**
4.1	Electricity generation from solar photovoltaic technology*	D35.1.1, F42.2.2
4.3	Electricity generation from wind power	D35.1.1, F42.2.2
4.9	Transmission and distribution of electricity	D35.1.2, D35.1.3
4.10	Electricity storage*	-
7.3	Installation, maintenance and repair of renewable energy technology	F42.2.2, F43.1.2, M71.2.0

* Activities not currently deployed by Eolus, but could be in the very near future.
 ** NACE codes are the standard European nomenclature of productive economic activities. There is a table with explanations of each code under Key figures and definitions on page 44.

The 2030 Agenda for sustainable development

Eolus's approach to sustainability is aligned with the UN Sustainable Development Goals and the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. We work strategically to implement the ten principles into our business strategy, culture and daily activities. Our main focus lies on Goals 7, 13, 14 and 15 (see the table below), since they have a clear link to Eolus's core business and the sustainability topics we have identified as material for the company.



also, therefore, for Eolus, and to identify the most important sustainability topics. In our assessment, we evaluated double materiality, which means the external impacts of our activities, especially environmental and social sustainability, and how these impacts affect the company, mainly financially. This assessment comprised a current situation analysis, a trend and competitive analysis, risk assessment, stakeholder dialogue and stakeholder assessment. The material topics identified will provide a basis for the prioritization and development of Eolus's ongoing sustainability practices moving forward. In the matrix on page 37, the topics and their assessments are visualized.

Stakeholders

By communicating with our various stakeholders, we gain insight into the expectations of us as a company in terms of sustainability, the topics that are important for our stakeholders, how our activities affect them, and how we can solve joint challenges together. We are engaged in continuous dialogue, but conducted a more systematized stakeholder dialogue and assessment during the past fiscal year. Together with a consulting firm, we conducted 17 semi-structured interviews and one employee survey with a focus on Eolus. The stakeholder groups included in our stakeholder dialogue are financiers, shareholders, investors, business partner, contractors, turbine manufacturers, PV panel suppliers, the Board and employees.

Materiality assessment

In 2022, we also conducted a new materiality assessment to determine the sustainability topics that are important for our stakeholders and

Governance and organization





The Board of Eolus is ultimately responsible for ensuring that the company is managed in a sustainable and responsible manner. The Board has delegated day-to-day responsibility for sustainability to the CEO who is responsible for execution of the Board's decisions and strategies. Group Management is responsible for creating and monitoring strategies, priorities, guidelines and decisions related to sustainability. Eolus's Head of Communications and Sustainability is a member of Group Management and ensures that sustainability is integrated into the operations. Eolus's General Counsel and Head of HR are also members of Group Management, and both hold key roles in the company's sustainability governance structure. Eolus also has a Sustainability Coordinator and an HSE Coordinator who are working actively to integrate and delegate sustainability topics together with the HR function.

Eolus's approach to sustainability is aligned with the 2030 Agenda and the Ten Principles of the UN Global Compact, and governed by

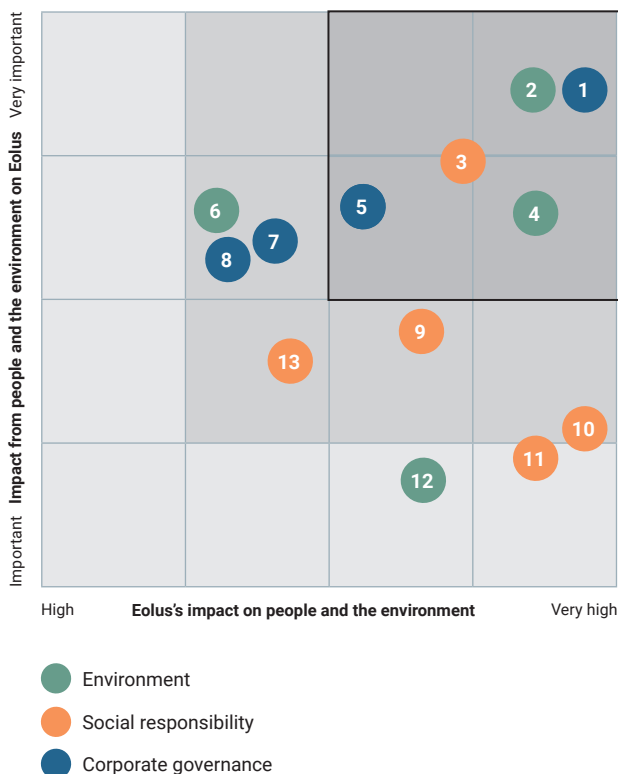
UN SUSTAINABLE DEVELOPMENT GOALS

As a member of the UN Global Compact, Eolus also contributes to the achievement of the 17 Sustainable Development Goals (SDGs) in the 2030 Agenda. We have identified that we can make a specific contribution to achieving four of the SDGs and some of their targets. In addition, we are indirectly helping to achieve several of the other targets.



Goal	Target	Eolus's contribution	UN Global Compact Principle
	7.2 – Increase substantially the share of renewable energy in the global energy mix.	By developing, establishing and managing utility-scale facilities for renewable energy, we are helping to reduce the use of fossil fuels and increase the share of renewable energy in the global energy mix.	9
	13.3 – Improve education, awareness-raising and human and institutional capacity to meet climate change.	We take action to raise awareness of how renewable energy can reduce global GHG emissions and address climate change.	7, 8, 9
	14.2 – Protect and restore ecosystems.	When we develop offshore wind power, we avoid high conservation value areas and work to strengthen the resilience of marine areas by taking action to restore ecosystems to achieve healthy and productive oceans.	7, 8, 9
	15.1 – Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services. 15.5 – Reduce the degradation of natural habitats and halt the loss of biodiversity.	We strive to protect ecosystems, and preserve and promote biodiversity by avoiding impact on ecosystems, wherever possible, and taking action to mitigate and compensate any effects.	7, 8, 9

MATERIALITY MATRIX



SUSTAINABILITY TOPICS

- | | |
|----|---|
| 1 | Ensure stable financial performance and long-term company profit |
| 2 | Reduce GHG emissions |
| 3 | Local engagement in our project areas through continuous dialogue and collaboration |
| 4 | Protect and strengthen biodiversity |
| 5 | Systematic requirement specifications and follow-ups of the sustainability performance of suppliers and business partners |
| 6 | Environmentally friendly services, resource efficiency and circularity |
| 7 | Prevent corruption and increase transparency |
| 8 | Sustainable and circular business models and promotion of innovation |
| 9 | Equality, diversity and equal opportunity |
| 10 | Safe and healthy workplace |
| 11 | Employee engagement and development |
| 12 | Reduce emissions to air, land and water |
| 13 | Good working conditions and terms of employment |

Eolus’s internal Code of Conduct and various policies, guidelines and procedures. During the year, we reviewed our governing documents. As part of that process, we adopted a human rights policy, standards for the protection of the rights of indigenous peoples and updated some existing policies. For a list of Eolus’s Group-wide policies, refer to page 54. Efforts to expand our governing documents will continue in 2023, when we will also train our employees to ensure that everyone has been informed and acts in accordance with our policies and guidances.

We will also be launching a new project management model, where we integrate material sustainability topics to enable governance and monitoring of sustainability topics at project level.

Sustainability risks

In 2022, we conducted a separate risk assessment with a focus on sustainability. The aim was to identify and evaluate the company’s sustainability risks and build a risk register to manage risk more effectively. The risk assessment was based on the concept of double materiality, and on Eolus’s project development model and value chain, and took the form of a long workshop. The employees who took part in the workshop came from various parts of the company and have a natural connection with monitoring external issues.

A risk analysis tool was used that assesses risks based on their probability and impact, and provides a structure for categorizing risks from a sustainability perspective (environment, social responsibility and corporate governance). The workshop identified a broad spectrum of sustainability risks that were classified on a scale of low (1–5), medium (6–9) and high (10–16). We have elected to focus on the risk deemed to have the highest probability and greatest impact: that suppliers’ activities have negative effects on the working environment, health

and human rights despite demands and monitoring from Eolus in the supply chain. This risk is also described under Eolus’s major company risks on pages 51–52. In this area, governance takes the form of Eolus’s internal Code of Conduct, human rights policy and standards for the protection of the rights of indigenous peoples. Read more under ‘Sustainable supply chain’ on page 43.

ESG risk ratings

Companies that use publicly available information to evaluate the sustainability performance of a company, or ‘ESG risk ratings,’ have become increasingly important for our stakeholders as well as the Eolus brand. We work continuously to improve our sustainability performance, and our results in these ratings are a subsequent effect.

In 2022, we focused on improving our ratings from Sustainalytics*, a leading player in ESG ratings with a focus on listed companies. We achieved a significant improvement in our ratings from Sustainalytics during the year, mainly because we expanded the sustainability data on our website and created new governing documents, such as a human rights policy. Sustainalytics has now categorized Eolus as a low ESG risk company.



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Environment and climate

In our core business, we contribute to environmental sustainability by developing renewable energy facilities. Environmental protection is natural for us and we work continuously to reduce our carbon footprint. We require our employees, consultants and sub-contractors to take active environmental responsibility in their daily work. Governance and responsibility for climate and the environment follow the same principles as sustainability governance in general, which is described under 'Governance and organization' on page 36. In addition, our environmental practices are also governed by our internal Code of Conduct, which also contains guidelines for our environmental practices.

Climate impact

Helping to combat climate change is fundamental to our business concept by creating opportunities to invest in renewable energy. Wind and solar power uses renewable resources and helps to reduce GHG emissions to air, land and water. However, the establishment of wind turbines, solar panels and batteries is not carbon-neutral. The manufacturing and construction phase is the greatest contributor to Eolus's carbon footprint. Emissions come from, for example, manufacturing, transportation, logging, road construction and the casting of foundations for wind turbines. Reducing GHG emissions in all phases of our projects is a material sustainability topic for Eolus and we intend to work more systematically with that issue as we move forward, both in our own activities and when specifying supplier requirements. In 2022, we measured the GHG emissions of our Swedish operations in Scope 1 (including vehicles), Scope 2 (including purchased energy), and

in two categories of Scope 3 (related to business travel). In 2023, we will measure these emissions in all of our markets.

At present, business travel (Scope 3, Category 6) accounts for the highest share of Eolus's measured emissions (see Key figures and defini-

SCOPE 1, 2 & 3 EMISSIONS

Tonnes CO ₂ equivalents*	2022
Direct (Scope 1) emissions	19.0
Indirect (Scope 2) emissions	10.4
Other indirect (Scope 3) emissions	97.0
Total	126.4

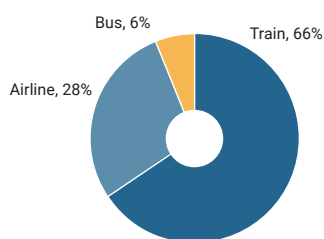
* For detailed information about the categories that are measured in each Scope, refer to Sustainability data and definitions on pages 37–45

tions on page 45). According to our internal guidelines, public transport should be the first choice for business travel and rail trips accounts for most of our travel. In 2022, employees in our Swedish operations made 665 rail journeys, which is 65% of the total number of business trips with public transport. In addition to this, employees travel by car to a certain extent – these emissions are reported under Scopes 1 and 3. Our travel patterns changed significantly during the pandemic and we are still participating in many meetings remotely instead of traveling to various locations, which is helping to reduce our emissions. For 2023, we have set an internal, bonus-based target for all employees with the aim of reducing our GHG emissions from business travel.



Resource use and circularity are key issues for the wind power industry. To date, rotor blades have proved a challenge to recycle, but several wind turbine manufacturers have now developed new rotor blades that are recyclable, and found methods for breaking down the materials in end-of-life blades so they can be used to make new blades. The Kråktorpet wind farm in Sundsvall.

BUSINESS TRAVEL PER PUBLIC TRANSPORT MODE, 2022



Eolus does not conduct any manufacturing, but purchases goods and services from sub-contractors, which is why Scope 3 emissions account for most of our carbon footprint. In 2022, we worked to create a structure for measuring the GHG emissions in our supply chain, in our projects specifically. We are planning to initiate two pilot projects – one to measure emissions from early development phase until deployment, and the other from construction phase until deployment. That will enable us to evaluate the method that works best and provides the most relevant information for setting emissions reduction targets. Our aim is to commence both pilot projects in 2023.

Resource use and circularity

Eolus has a key role to play in the transition to a circular economy and we strive to include a life cycle approach in our decisions. When a wind power or solar farm reaches the end of its technical and economic life, it can be dismantled. The site can then either be used for new electricity generation with new facilities, or used for other purposes. To ensure responsible use – and re-use – of all resources, cooperation between many players is required and Eolus maintains close dialogue and shares best practices with manufacturers and other industry players.

A wind turbine is composed of around 85% steel and iron, which can now be re-used or recycled. The biggest challenge is the rotor blades, which are mainly composed of fiberglass and thermoset composites – a material that is difficult to recycle cost and energy-efficiently. This is one of the biggest challenges to creating a circular economy for the wind power industry and intense research is taking place to find solutions for dealing with rotor blades at the end of their service life. To drive industry development, Eolus plays an active role in the Swedish Wind Energy Association's Sustainability Council, and collaborates with industry colleagues to drive development in the field. In 2022, several wind turbine manufacturers delivered a circular model for wind turbine blades. As we approach the start date for the construction of solar farms and battery storage facilities, we will also need to engage in corresponding dialogues and collaboration with the suppliers in these sectors.

In 2022, we commenced a process to specify more systematic sustainability requirements for our suppliers, which includes higher demands on circular design for wind turbine and solar panel components. Read more about our efforts to achieve a sustainable supply chain on page 43.

Biodiversity

Despite all the technological advances that modern society offers, humans are completely dependent on healthy and well-functioning ecosystems. Since climate change poses one of the biggest threats to biodiversity, our core business makes a vital contribution to reducing negative impacts. To protect and strengthen land and sea biodiversity has been identified as a material sustainability topic for Eolus and will



Biodiversity is a material sustainability topic for Eolus and therefore an important focus area.

therefore be one of several focus areas during the coming year. We are planning to formulate a biodiversity strategy, set measurable targets and integrate these issues into our project model more clearly. During the year, we began to study how biodiversity can be measured in our projects, how we can work systematically with compensatory measures and set targets for biodiversity. We are always aiming to minimize our impact on ecosystems and to take action to mitigate any effects. Identification of the impact of our projects on nature is largely governed by legislation, where an environmental impact assessment or the equivalent is mandatory when we apply for a permit to establish an energy project. We also take protective and compensatory measures in our projects voluntarily by, for example, building frog ponds, restoring ditches and setting up bird houses on the sites of our projects. In Poland, we are running two pilot projects where we intend to combine wildflower meadows with solar farms to promote biodiversity.

We want to be able to set targets for biodiversity at company level and have therefore joined the Changing Land use Impact on Biodiversity (CLIMB) research project, which aims to develop a proposal for a valuation model to measure biodiversity in Sweden and the Nordic region. Our participation contributes to the research, and will eventually help us set science-based targets for biodiversity.

In 2022, we also entered into a partnership with the Baltic Sea Action Group (BSAG), a non-profit foundation that is taking action to protect and promote the marine ecosystem in the Baltic Sea. The partnership confirms our commitment to the establishment of offshore wind power that respects the sensitive environment in the Baltic Sea. Our commitment applies for the 2022–2025 period and includes all offshore wind projects that Eolus develops in the Baltic Sea – in Swedish and Finnish waters at present, but possibly future projects in Poland and the Baltics moving forward.

Social responsibility

Eolus aims to be a responsible company that contributes to social development and to the achievement of our emissions reduction targets. We strive to maximize our positive impact and minimize the potentially negative effects of our activities at every stage. Social sustainability governance and responsibility follow the same principles as sustainability governance in general, which is described under 'Governance and organization' on page 36. In addition, these activities are governed by our Code of Conduct, and a number of policies and guidelines for various areas.

Health and safety

Our aim is that everyone who works for Eolus shall have a safe and healthy work environment. Eolus has a zero accident vision for its employees as well as the contractors in our projects. The objective is to create a physical and mentally sound and stimulating workplace for all employees, contractors and everyone else involved. We therefore work proactively to integrate health and safety into every aspect of our business. Great emphasis is placed on preventive measures where Group Management, employees and Health and Safety Officers work together. The aim is to prevent the risk of occupational injuries and work-related illness, as well as pollution and environmentally harmful emissions.

Eolus's systematic approach to health and safety is governed by our internal Code of Conduct, health and safety policy, work instructions and internal checklists. The CEO is legally responsible for the company's health and safety aspects, but the responsibility for health and safety in each function has been delegated to the respective manager. We also have a health and safety team that meets at least twice per year, comprising representatives of Group Management, the HSE Coordinator, Head of HR, Operations Manager and Health and Safety Officers. The team monitors Eolus's systematic health and safety management, and the measures taken by each function are presented and discussed. Eolus's Group Management monitors the systematic health and safety management on an annual basis.

We evaluate health and safety risks continuously in order to identify the measures that we need to take to prevent illness or accidents. We conduct annual safety inspections of offices, projects under establishment and operational facilities, and perform regular risk assessments for the employees who are working on the facilities. Employee performance reviews and satisfaction surveys are conducted annually. Read more under 'Attractive employer' on page 41.



Eolus has a strong focus on health and safety. Mathilda Svensson, project manager, and Daniel Claesson, technical asset manager, during a visit to a wind farm.

Our target in 2022 was to launch a new reporting system for accidents and near misses in order to systematize Eolus's management of HSE issues and make it possible to minimize risks and therefore the number of accidents. The incident management system was rolled out in April and all employees have now received training in how incidents are reported. Everyone who works for, or on behalf of, Eolus has a duty to report risk observations, near misses and accidents. Events are investigated and actions are proposed to prevent the recurrence of risks and accidents. Serious near misses and accidents are promptly reported to the responsible authority in each country/region. In 2022, we had no serious accidents in our own operations or those of our contractors. For more information, refer to the Key figures, Health and Safety table on page 45.

The supply chain accounts for the greatest workplace health and safety risks, since Eolus does not conduct any production or construction work. We have therefore established minimum requirements for workplace health and safety that apply to anyone who performs work on behalf of the company. Eolus's rules for workplace health and safety provide a common basis for health and safety measures across our business operations, regardless of country. In addition, the rules and health and safety measures are aligned with the applicable laws in each country and local conditions. Contractors are required to follow the applicable laws, have systematic health and safety management in place and comply with Eolus's rules and procedures for workplace health and safety. Suppliers that do not comply with these rules may be subject to penalties and/or be banned from working on the site.

Diversity and inclusiveness

We believe that diversity and different points of view are a strength for both our business and society at large and therefore work to promote diversity and equal opportunity. Eolus works systematically with both psychosocial and physical risks in the workplace and has zero tolerance for all forms of discrimination and harassment. Eolus's employees are urged to report misconduct, both internal and external, to their line manager, HR or anonymously via our whistleblowing system. To prevent discrimination, we have specific guidelines for diversity and fair treatment. We are also planning to create an equality and diversity plan in 2023.

It is important for Eolus that everyone enjoys the same rights and opportunities to develop at work. Equality is a natural feature of our business operations, and confirmed by, for example, how we work with recruitment and competence development.

We want to attract employees with different backgrounds and use competency-based interviews that have a clear starting point in the requirements of a specific role. We promote fair distribution and when choosing between two equally qualified candidates, we choose the individual whose cohort is underrepresented on the team. Our target in 2022 was to evaluate anonymous screening as a potential tool in our recruitment process but, unfortunately, our recruitment system lacked the technical support for full implementation. As a result, we are now trying to find other methods and systems support for anonymous screening.

We conduct annual employee satisfaction surveys that include questions about discrimination, and annual salary surveys to ensure there are no unwarranted pay gaps between employees.

In 2022, Eolus was nominated for the Allbright prize, which is awarded to listed companies in Sweden that strive for diversity and inclusion and can demonstrate results. We were ranked 32 on Allbright's Green List, which means that Eolus is one of the most gender-balanced



All employees meet at Eolus's annual company conference. The 2022 conference focused on strategy and company culture.

listed companies in Sweden, due to the gender balance of our Group Management (43% women, 57% men). In 2022, we recruited 47 new employees and at end of the fiscal year, women represented 37% of our employees, and men 63%. For more information, refer to the diagrams below and on page 45.

Attractive employer

In 2022, we had a strong focus on developing our company culture and corporate values, where all employees were involved to provide feedback on Eolus's culture. Since Eolus has entered an expansion phase, formulating shared values to guide our culture, behavior and actions is important. Eolus formulated new core values at the end of the year, and these will be rolled out to the organization in 2023. Read more on page 9.

Eolus believes that a safe and healthy workplace should include opportunities for our employees to grow and develop. We have a competence development process where employees and managers sit down together to review the training that employees are required to complete and any other needs for development. The HR function compiles a list of competencies required by the organization and, if necessary, procures tailored training programs for the company. In 2022, for example, we arranged project management training on two occasions. We also work actively with leadership development, since leadership plays a key role in our company culture.

We focus not only on traditional training but also on peer learning, which is when employees learn from each other. We therefore encourage and facilitate initiatives where employees can learn about their colleagues' specialist skills via, for example, meetings and the intranet.

Social engagement

The development and permitting of renewable energy facility projects is governed by a series of laws and regulations that ensure the facilities can coexist with other community interests.

Eolus has long experience of local dialogue and a strong focus on involving and respecting the people who live and work close to our project areas. Engaging in dialogue for a positive development of the local community near our projects is a material sustainability topic for Eolus. We have a responsibility to listen, understand and cooperate around the varying – and sometimes contradictory – interests of stakeholders in order to find solutions and to make a local contribution. All projects have their own communication plan to ensure clear and transparent communication and to prioritize dialogue in all project phases.

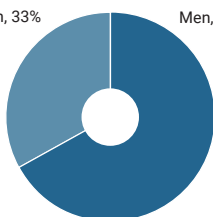
Our aim is to contribute to the positive development of local communities in the project's catchment area. Since every project has different conditions, we adapt our initiatives accordingly.

Our aim is to always promote local jobs wherever possible. During the most intensive phase of the construction of the Skallberget/Utterberget and Tjärnäs wind farms in Avesta and Hofors municipalities, respectively, local businesses provided about 50% of the transportation, rental and construction equipment and their operators. For the Stor-Skålsjön wind farm in Sundsvall and Timrå municipalities, local businesses provided 25–50% of the services.

Eolus grants wind funds for several farms that are operational. This is a form of community funding to support the local community economically and application is open to associations and schools. Priority is given to local associations with a focus on activities for children and young people and/or development of the local area for recreational, outdoor and tourism purposes. The wind funds are a long-term

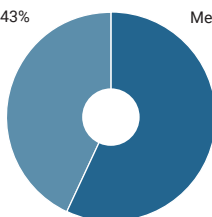
**GENDER DISTRIBUTION,
BOARD OF DIRECTORS**

Women, 33% Men, 67%



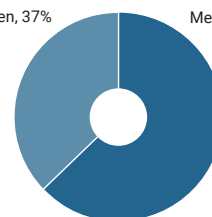
**GENDER DISTRIBUTION,
GROUP MANAGEMENT**

Women, 43% Men, 57%



**GENDER DISTRIBUTION
EMPLOYEES, TOTAL**

Women, 37% Men, 63%





Eolus contributes to the local community by, for example, supporting activities for children and young people through wind funding or by sponsoring clubs and activities close to our projects and offices.

commitment and paid out every year for the life of the farm. In 2022, wind funds were granted in the Sundsvall area for the renovation of an illuminated running track, the construction of a barbecue hut for a day-care center, and for activities for the elderly in rural areas. In addition, we also sponsor sports and cultural events that take place near our offices and projects. In 2022, for example, we sponsored the installation of a padel court in Horndal, close to the ongoing construction of the Rosenskog wind farm in Falköping Municipality.

We also contribute to knowledge-building and have formed long-term collaborations with several colleges and universities. Eolus offers work experience and opportunities for undertaking degree projects. In 2022, for example, employees supervised a degree project where students studied whether solar and wind power could be combined in the same grid connection. We also give lectures, take part in panel discussions and assist in the mapping of future needs to secure the provision of skills for the industry.

Human rights

Eolus supports internationally recognized conventions on human rights and labor standards. Eolus has zero tolerance for child labor, forced labor and human trafficking. Our work in this area is aligned with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the Ten Principles of the UN Global Compact, which is the world's largest corporate sustainability initiative, and was endorsed by Eolus in October 2022.

In the risk assessment performed in 2022, a high risk of human rights abuses was identified in our supply chain, specifically in connection with the procurement of solar panels, which is a known challenge for the industry. We are continuously refining our requirement specifications for suppliers to prevent this. Read more on page 43.

We have also identified a need to formalize and communicate various processes and positions as the company grows. During the past fiscal year, we therefore created a human rights policy which was adopted by the Board in November 2022, as well as associated standards for the protection of the rights of indigenous peoples. In 2023, all of our employees will undergo training to become familiar with the governing documents and to ensure compliance.

The development and permitting of energy facility projects is governed by a series of laws and regulations. The aim is to ensure that the facilities can co-exist with other community interests such as indigenous people. Permitting is preceded by a democratic process with opportunities for public input, and a number of surveys are conducted. Eolus has long experience of engaging in dialogue with indigenous people who live and work near or within the site of our wind farms and we always strive for early dialogue with indigenous people when we are investigating a project site.

The energy transition must also take careful consideration of the rights of indigenous peoples, such as the Sámi people. In Norway, there are clear rules regarding the permits that are required to establish and operate renewable energy projects, including how the rights of indigenous peoples must be incorporated and considered in the permitting process. In relation to this, there are also some views that the rights of indigenous peoples have not been sufficiently accounted for in this process. These concerns must be carefully evaluated in each potential project. In the Øyfjellet project in Norway, the local reindeer herding district has expressed concern about its possibility to conduct reindeer husbandry in the area due to the project, with the view that the wind turbines will prevent the use of a reindeer migration route to and from a winter grazing area located near the wind farm. However, this has been carefully investigated by Norwegian regulators and courts, with the conclusion that the project does not impinge upon the rights of the reindeer herding district. The project has all of the necessary national and local permits and the reindeer herding district was consulted several times throughout the course of the permitting process, upon which Eolus also changed the design of the farm. Agreements on compensation and remedial measures have been concluded for the construction phase and Eolus has worked hard to reach an agreement for the operational stage as well, even though this isn't a formal requirement. Unfortunately, the parties have not been able to reach such an agreement for the operational stage and the level of compensation to be paid to the reindeer herding district will therefore be settled in a case before the Helgeland District Court, which is scheduled for May/June 2023.

Responsible business

Eolus wants to help create a better tomorrow and a sustainable future by developing renewable energy facilities. To ensure long-term success, our business practices must be responsible, long-term and economically sustainable. That is why we have a strong focus on profitability and business ethics. Governance and responsibility for responsible business and business ethics follow the same principles as sustainability governance in general, which is described under 'Governance and organization' on page 36. In addition, our work with business ethics and responsibility is also governed by our internal Code of Conduct

Financial stability and growth

Eolus's business concept is to create value in all phases of a project, from development and construction to operation of the facilities. In order to continue our expansion and achieve our aims, we must have financial stability with good profit margins, a high equity/assets ratio and good access to capital. To create profitable transactions for Eolus, our projects must provide attractive and competitive opportunities for investment. A focus on cost efficiency is also a critical aspect of financial stability.

The Board of Eolus adopted a business plan for 2022–2024 that includes financial and operational targets. The plan ensures that the company is moving towards long-term financial sustainability. The financial results for 2022 are presented on pages 66–77.

Anti-corruption and transparency

For Eolus, acting responsibly in our business relationships goes without saying and we have a zero tolerance approach to corruption. We have therefore created an internal Code of Conduct that all employees and consultants are expected to embrace. We follow internationally recognized principles for good business ethics and the anti-corruption laws and regulations of each country. We also expect our suppliers to abide by these principles and regulations. To clarify this expectation, the creation of a specific Code of Conduct for our suppliers and business partners is currently under way. Read more under Sustainable supply chain on page 43.

If irregularities or serious misconduct are suspected, Eolus urges employees and consultants to report them via our whistleblowing system. Any irregularities or serious incidents that are suspected breaches of laws, ordinances or regulations, or the policies, guidelines or procedures adopted by Eolus, can be reported. Internal processes protect the whistleblower from reprisals. Our aim is to expand the whistleblowing system to also cover external players who want to report suspected irregularities. In 2022, no cases of corruption or serious misconduct were identified.

Sustainable supply chain

Eolus does not manufacture its own energy facilities or employ construction workers – we use contracted suppliers. Therefore, other companies account for most of our impacts on the environment and working conditions, which means that our responsibility extends beyond our own operations. Our business relies on long, complex and global supply chains with risks for environmental violation, corruption, poor working conditions and human rights abuses. In the risk assessment performed in 2022, a material risk of human rights abuses was identified in our supply chain in connection with the extraction of raw materials needed to manufacture wind turbines, solar panels and batteries. The background is that extraction of the metals required

for the renewable energy transition is mainly concentrated in China, where there is known occurrence of vulnerable groups being forced into labor. This applies particularly to solar panels, since China accounts for 85% of the global extraction of silicon, a key raw material in solar panel manufacturing.

To offset and mitigate these risks, we specify requirements for our suppliers in regard to the environment, climate, social responsibility and business ethics. The suppliers must also sign our internal Code of Conduct. In 2022, our target was to create a structure that enables systematic requirement specifications and follow-ups of our suppliers' sustainability performance. During the year, we focused on systematizing our procurement process and requirement specifications for our suppliers. As part of this process, we established a central purchasing function in 2022 to support the organization and ensure requirement specifications and follow-ups for suppliers. We also started working on a specific Code of Conduct for our suppliers and business partners, as well as a policy and procedures for requirement specifications in regard to the environment, social conditions, respect for human rights and anti-corruption.

In 2023, we are also planning to evaluate various methods for performing inspections and resolving supplier challenges, such as the implementation of a self-declaration that can be distributed to our main suppliers at regular intervals.



Karin Wittsell Heydl, Head of Communications and Sustainability, is a member of Group Management.

Sustainability data and definitions

Additional sustainability data, as well as definitions and the methods for calculating the data, are presented here.

LIST OF NACE CODES (EU TAXONOMY)

Code	Description
D35.11	Production of electricity
D35.12	Transmission of electricity
D35.13	Distribution of electricity
F42.22	Construction of utility projects for electricity and telecommunications
F43.12	Site preparation
M71.20	Technical testing and analysis

SUMMARY OF EMISSIONS COVERED BY THE GHG PROTOCOL

Eolus uses the Greenhouse Gas Protocol to acquire an overview of the emissions from the company's activities, from our own operations as well as the value chain. The company's emissions data is collected and analyzed using ESG software from Position Green. The emissions data presented in this report only includes emissions from Eolus's activities in Sweden, not in other markets. In 2023, the aim is to measure emissions in all of the company's markets and eventually in all areas, in order to set targets and activities for reduced emissions.

The Greenhouse Gas (GHG) Protocol is the world's most widely used accounting and reporting standard for GHG emissions. Emissions are categorized into:

- Scope 1: Direct emissions associated with fuel combustion from sources that are controlled by the company.
- Scope 2: Indirect emissions from purchased electricity, heat, or cooling.
- Scope 3: Value chain emissions as well as other indirect emissions, divided into categories.

Emissions are calculated and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. GHG emissions are calculated and expressed as CO₂-equivalents (CO₂e) and include the following greenhouse gases: CO₂, CH₄, N₂O, HFCs and PFCs. The calculation is based on sources that are owned or controlled by Eolus, which means that energy emissions that Eolus has a limited ability to affect, from leased assets for example, are reported under Scope 3. Based on data availability and relevance, Categories 3 and 6 have been included. The reference year for the calculations is the 2022 financial year.

In the table below, Scope 1 GHG emissions amount to 19.0 tonnes of CO₂e and are derived from pool cars and company cars. These are used by employees to travel to various project areas and deployed farms, which are often located in rural areas without adequate public transport services.

Scope 2 emissions amounted to 10.4 tonnes of CO₂e and arise from purchased electricity, heating and cooling for Eolus's offices, and the emissions associated with charging the company's electric cars. Scope 2 emissions have been calculated using the market-based method of allocation as described in the GHG Protocol. The market-based allocation method means that specific emissions for the purchased

EMISSION FACTORS USED FOR DATA CONSOLIDATION

Type of energy	Scope 1 emission factor	Scope 2 emission factor	Scope 3 emission factor	Unit	Source/Comments
Electricity		0.00000004–0.000023	0.000003954–0.000027	tonnes CO ₂ e/kWh	Association of Issuing Bodies (AIB) (2021), Vattenfall EPD, Vattenfall Source of electricity, Supplier-specific data
Cooling		0.00000341	0.000001–0.00006	tonnes CO ₂ e/kWh	Supplier-specific data
District heating		0.000003–0.000109	0.000003–0.000008	tonnes CO ₂ e/kWh	Supplier-specific data
Car trips	0.0000087–0.00236	0.000073054–0.00036527	0.00002421192558–0.00292	tonnes CO ₂ e/km tonnes CO ₂ e/liter	DEFRA (2022), Sweden's Greenhouse Gas Inventory 2021, WTW Swedish Act on Sustainability Criteria for Biofuels and Bioliquids (2019), TTW Swedish Environmental Protection Agency: Emission Factors and Calorific Values (2020), TTW Swedish Transport Administration: Handbook for Exhaust Emissions from Road Transport, WTW Swedish Energy Agency: Fuel Quality Act, Circle K: product sheet (2019), Circle K: product sheet (2020), Calculations with the Nordic residual mix according to the Swedish Energy Markets Inspectorate
Train trips			0.0000007–0.00003399	tonnes CO ₂ e/km	EU energy mix, NTM (2018)
Bus trips			0.00008	tonnes CO ₂ e/km	NTM (2018)
Air trips					
Regional <785 km			0.000374–0.000408	tonnes CO ₂ e/km	NTM (2018), RFI from IVL (2020)
Continental 785–3,600 km			0.000255	tonnes CO ₂ e/km	NTM (2018), RFI from IVL (2020)
Intercontinental <3,600 km			0.000238	tonnes CO ₂ e/km	NTM (2018), RFI from IVL (2020)

energy are used if they are available, otherwise the residual mix is used. However, both methods have been used in the complete emissions calculation (internal).

It can be confirmed that most of Eolus's emissions are encompassed by Scope 3, although not all categories have been included in the reporting for 2022. Most of Eolus's measured emissions fall into Category 6, Business travel, which amounted to 94.1 tonnes of CO₂e. However, emissions from other Categories such as 4 and 9 are probably higher since these include the transportation of goods by road and sea. Eolus does not conduct any manufacturing, but purchases goods and services from suppliers, which is why the largest source of our GHG emissions is our value chain. These emissions cannot be reported for 2022, however, because no data is available.

GHG EMISSIONS 2022

Direct Scope 1 emissions	GHG emissions (tonnes CO ₂ e)
Pool cars	6.0
Company cars	13.0
Total Scope 1	19.0

Indirect Scope 2 emissions ¹	GHG emissions (tonnes CO ₂ e)
Electricity consumption	8.9
District heating	0.5
Company cars	1.0
Total Scope 2	10.4

Scope 3 Value chain emissions and other indirect emissions	GHG emissions (tonnes CO ₂ e)
<i>Upstream</i>	
Category 3	
– Fuel and energy-related activities	2.9
Category 6 – Business travel ²	94.1
Total Scope 3³	97.0
Total Scope 1, 2 & 3 emissions	126.4

¹ Partly estimated emissions based on residual mix and square meter (m²) of offices. Emissions from company cars calculated using estimated mileage.

² Emissions calculated using data reported by employees in Position Green Platform, where emission factors have been used for the calculation of emissions per transport mode and fuel.

³ Eolus does not measure all Scope 3 Categories as yet, which means that this figure should not be considered representative of the company's total value chain emissions.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Eolus Vind AB (publ),
corporate identity number 556389-3956

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit

KEY FIGURES EMPLOYEES, DEC 31, 2022

Gender distribution	Women		Men	
	No.	Share	No.	Share
Group Management	3	43%	4	57%
Others manager	2	29%	5	71%
Employees	30	37%	51	63%
Total employees	35	37%	60	63%
Board of Directors	2	33%	4	67%

No. of employees per age group 2022

Age	Under 30	30–50	Over 50
No. of employees	9	73	13

New employee hires and employee turnover 2022

No. of new employees	47
No. of employees who left	6
Employee turnover (%)	8%

KEY FIGURES HEALTH AND SAFETY

Reported incidents 2022	
Accidents	3*
Near misses	26
Risk observations	25
Environmental events	13
Total no. of events	67

* No serious accidents occurred in 2022. The figure refers to contractors. No accidents were recorded for Eolus's employees during the year.

Lost-time accidents

Total number of recorded accidents with at least one day of absence	0*
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* The figures refer to Eolus's employees only.

FURTHER INFORMATION

If you have any questions about this report, contact Karin Wittsell Heydl, Head of Communications and Sustainability, karin.heydl@eolusvind.com or Sigrid Carstairs, Sustainability Coordinator, sigrid.carstairs@eolusvind.com

conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö the 23 March 2023
PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant

Share and ownership structure

Eolus Vind has two share classes, Class A and Class B. The company's Class B share has been traded on Nasdaq Stockholm Mid Cap since January 1, 2020, under the ticker EOLU B. Prior to that, the company's Class B share was traded on Nasdaq OMX First North between May 28, 2009 and May 4, 2014, on Nasdaq First North Premier between May 5, 2014 and February 1, 2015 and on Nasdaq Stockholm Small Cap between February 2, 2015 and December 31, 2019. Eolus's Class B share has been included on Nasdaq's OMX Stockholm Benchmark Index since December 1, 2022, which measures the performance of a selection of the largest and most traded securities listed on Nasdaq Stockholm.

Share price performance

In 2022, the share price fluctuated between the lowest price of SEK 65.80 on March 7, 2022 and the highest price of SEK 153.90 on September 6, 2022. On the last trading day of the year, December 30, 2022, the closing price was SEK 105.60. Eolus's share price dropped 16.0% during the year, compared with Nasdaq Stockholm Mid Cap's index, which dropped 30.5% during the same period. A total of 27,449,511 Class B shares were traded during the year.

Ownership structure

At December 31, 2022, the company had 36,605 shareholders, up 2,018 during the fiscal year. The ten largest shareholders accounted for 28.2% (28.2) of the capital, and 48.4% (48.4) of the voting rights. The largest shareholders were mainly Domneåns Kraftaktiebolag and Hans-Göran Stennert. At the end of the 2022 fiscal year, Eolus Vind AB did not hold any treasury shares.

Share capital

At December 31, 2022, the nominal amount of share capital in Eolus Vind AB was SEK 24,907,000. The total number of shares was 24,907,000 (24,907,000), divided between 1,285,625 Class A shares carrying one (1) voting right per share, and 23,621,375 Class B shares, carrying one-tenth (1/10) of a voting right per share. All shares outstanding are fully paid and entitle the holder to an equal share of the company's assets and earnings. Each share has a quotient value of SEK 1.00. Share-

holders are entitled to dividend payments in amounts determined by the Annual General Meeting. There are no restrictions on the transfer of shares or the voting rights of each shareholder at Annual General Meetings due to provisions in the Articles of Association. Under the Articles of Association, shareholders may convert their Class A shares to Class B shares. No shares were converted during the fiscal year. For information about the procedure, refer to the company's website. Eolus has completed 11 new share issues since the company's inception in 1990. The purpose of all new share issues has been to facilitate faster expansion than the company's earnings growth has enabled. The share capital trend for the 1990–2022 period is presented in the table on page 45.

Dividends

Eolus's long-term dividend policy entails that dividends over a long period of time will be determined by earnings and correspond to 20–50% of the company's profit after tax. However, dividends will be adapted to the company's investment requirements and financial position. Eolus may incur net debt over time in order to continue developing the company. For a company like Eolus, where the development and divestment of renewable energy facilities is an essential part of the business, maintaining a strong financial position is vital. The Board will therefore account for the company's long-term financing requirements on each occasion. In view of Eolus's strong financial position, the Board of Directors proposes that a dividend of SEK 1.50 (1.50) per share be adopted by the AGM, corresponding to an unchanged level. That corresponds to a transfer of SEK 37.4 M (37.4), and a direct yield of 1.4%.

Financial information

Eolus's Investor Relations (IR) communication is characterized by open, relevant and accurate information to shareholders, investors and analysts with the aim of raising awareness of the Group's operations and share. Eolus communicates information in the form of quarterly reports, Annual Report and press releases, and publishes detailed information about the company at www.eolusvind.com

KEY FIGURES PER SHARE

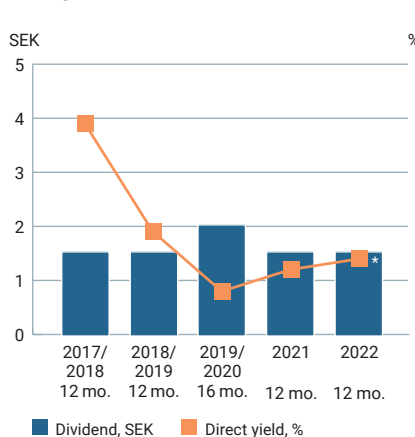
	2022 12 months
Loss per share, before and after dilution, SEK	-0.40
Ordinary dividend, SEK	1.50 ¹
Direct yield, % ²	1.4
Share price at year-end, SEK	105.60
Market capitalization, SEK M ³	2,630
No. of shares outstanding, 000s	24,907
Average number of shares during the year, 000s	24,907

¹ Based on the Board of Director's dividend proposal

² Dividend divided by the closing price for each fiscal year

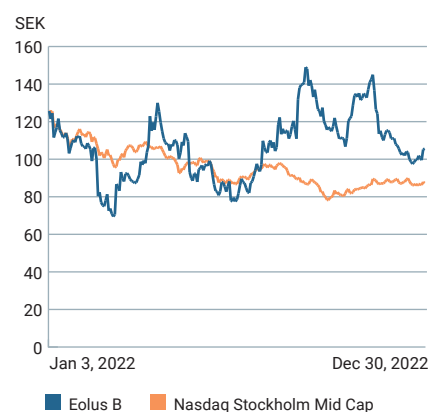
³ Also includes unquoted Class A shares

DIVIDEND PER SHARE AND DIRECT YIELD



* The 2022 dividend is based on the Board's proposal to the Annual General Meeting.

SHARE PRICE PERFORMANCE



SHAREHOLDERS AT DEC 31, 2022

Shareholder	No. Class A shares	No. Class B shares	Total no. of shares	% of capital	% of votes
Domneåns Kraftaktiebolag	370,150	1,992,925	2,363,075	9.5%	15.6%
Hans-Göran Stennert, directly and through endowment insurance	380,100	606,354	986,454	4.0%	12.1%
Åke Johansson	202,120	400,000	602,120	2.4%	6.6%
Hans Johansson and Borgunda bygghandel, through companies	189,520	40,418	229,938	0.9%	5.3%
Avanza Pension	0	1,114,383	1,114,383	4.5%	3.1%
Lannebo Sverige Hållbar	0	446,106	446,106	1.8%	1.2%
Länsförsäkringar Småbolag Sverige	0	438,225	438,225	1.8%	1.2%
Ingvar Svantesson	40,000	0	40,000	0.2%	1.1%
Second AP Fund	0	396,932	396,932	1.6%	1.1%
Nordnet	500	383,471	383,971	1.5%	1.1%
Other shareholders	103,235	17,802,561	17,905,796	71.9%	51.6%
Total	1,285,625	23,621,375	24,907,000	100.0%	100.0%

Intervals	No. shares	% of capital	No. shareholders	% of shareholders
1–500	2,527,234	10.2%	33,381	91.2%
501–1 000	1,203,236	4.8%	1,555	4.2%
1,001–5,000	2,783,816	11.2%	1,275	3.5%
5,001–10,000	1,189,393	4.8%	168	0.5%
10,001–15,000	629,655	2.5%	51	0.1%
15,001–20,000	698,487	2.8%	39	0.1%
20,001–	15,875,179	63.7%	136	0.4%
	24,907,000	100.0%	36,605	100.0%

SHARE CAPITAL TREND

Year	Event	Total share capital, SEK	Change in share capital, SEK	No. Class A shares	No. Class B shares	Change in Class A shares	Change in Class B shares	Quotient value, SEK
1990	Company foundation	1,200,000	1,200,000	5,000	7,000	5,000	7,000	100.00
1991	New share issue	3,000,000	1,800,000	5,000	25,000	-	18,000	100.00
1996	New share issue	5,000,000	2,000,000	5,000	45,000	-	27,000	100.00
2001	New share issue	6,000,000	1,000,000	6,000	54,000	1,000	9,000	100.00
2003	New share issue	8,000,000	2,000,000	6,000	74,000	-	20,000	100.00
2005	New share issue	10,000,000	2,000,000	7,500	92,500	1,500	18,500	100.00
2006	New share issue	12,000,000	2,000,000	9,000	111,000	1,500	18,500	100.00
2007	Non-cash issue	14,100,200	2,100,200	9,000	132,002	-	21,002	100.00
2007	New share issue	16,114,400	2,014,200	10,285	150,859	1,285	18,857	100.00
2007	New share issue	18,114,400	2,000,000	10,285	170,859	-	20,000	100.00
2008	Split 100:1	18,114,400	-	1,028,500	17,085,900	1,018,215	16,915,041	1.00
2009	New share issue	22,643,000	4,528,600	1,285,625	21,357,375	257,125	4,271,475	1.00
2011	Non-cash issue	24,907,000	2,264,000	1,285,625	23,621,375	-	2,264,000	1.00
2015	Split 2:1	24,907,000	-	2,571,250	47,242,750	1,285,625	23,621,375	0.50
2015	Stock dividend	49,814,000	24,907,000	-	-	-	-	1.00
2015	Redemption	24,907,000	-24,907,000	1,285,625	23,621,375	-1,285,625	-23,621,375	1.00
		24,907,000		1,285,625	23,621,375			1.00

Source: Euroclear and Eolus

Directors' Report

The Board of Directors and CEO of Eolus Vind AB (publ), Corp. Reg. No. 556389-3956, hereby submit the Annual Report and consolidated financial statements for the 2022 fiscal year. Unless otherwise stated, all amounts are presented in millions of Swedish kronor (SEK M). Figures in parentheses pertain to the preceding fiscal year.

INFORMATION ABOUT BUSINESS OPERATIONS

Eolus aims to create value at all levels of project development, establishment and operation of facilities for renewable energy and energy storage, and to offer attractive and competitive investment opportunities to both local and international investors in the Nordic region, the Baltics, Poland and the US.

Eolus's primary operations are to develop renewable energy facilities and to realize these through sales of project rights for permitted projects and projects under development to a broad base of customers.

In most cases, sales are supplemented with a construction contract for installation of the facility. Eolus offers a full range of asset management services to energy facility owners for carefree ownership that maximizes revenue and production.

The Group comprises the Parent Company, Eolus Vind AB (publ), and associated operating subsidiaries, and a number of companies formed to manage the development of specific projects for energy facilities.

EOLUS'S OBJECTIVES 2022–2024

Eolus's business plan for 2022 to 2024 involves expansion in all technologies and markets where Eolus operates.

Based on the business plan, Eolus has communicated the following financial targets:

Financial targets	Outcome/comments
Average annual sales shall amount to at least 1,000 MW during the 2022–2024 period.	In 2022, Eolus divested renewable energy projects with a total capacity of 1,010 MW, of which Stor-Skälsjön in Sweden accounted for 260 MW, and a solar and battery project in the US for 750 MW.
From 2025, average divestment will amount to at least 1,500 MW per year.	With a strong focus on the development of existing and new projects, we are creating the conditions for having a sufficient number of projects ready for divestment from 2025 and onwards.
The Group's average return on equity shall exceed 10% per fiscal year.	In 2022, return on equity was negative since loss after tax attributable to Eolus's shareholders totaled SEK -5 M.
The Group's equity/assets ratio shall exceed 30%.	At the end of 2022, the equity/assets ratio was 54%.
The dividends paid by Eolus shall be based on long-term earnings and correspond to 20–50% of the Group's profit after tax. However, dividends shall be dependent on the company's investment requirements and financial position.	Prior to the 2023 Annual General Meeting, the Board proposes a dividend of SEK 1.50 per share for 2022, totaling SEK 37.4 M. The proposed dividend complies with Eolus's dividend policy and is deemed justifiable in view of the Group's financial position and future liquidity requirements.

Project development

Eolus is a Nordic leader in renewable energy and the company is active across the entire value chain, from early project development to the construction and operation of renewable energy facilities. Founded in 1990, Eolus has constructed 666 wind turbines with a capacity of 1,414 MW. Eolus has signed contracts for about 1,550 MW of asset management services of which 882 MW are in operation. In 2022, Eolus's project portfolio was expanded with 8,057 MW of projects in onshore and offshore wind, solar energy and battery storage projects to a total portfolio of 21,880 MW. Projects are realized either by selling project rights combined with a construction contract, or a contract for construction management services for the installation of renewable energy facilities. In both cases, revenue is recognized over time using the percentage of completion method, which means that revenue and expenses are recognized based on the percentage of completion of the energy facility. The construction projects that commence before a divestment agreement is signed with a customer do not meet the requirements for revenue rec-

ognition over time, instead this settlement begins on the date the customer takes over the project rights. During the year, partnerships were formed for the development of joint projects with several different business partners. Eolus also sells project rights in early stages together with project development services. These are recognized in revenue in conjunction with the fulfillment of predetermined criteria.

Sales and earnings vary between individual quarters and fiscal years, depending on the pace of construction of the energy facilities. The project development operations are mainly financed by equity, advance payments from customers and construction loans.

At present, Eolus conducts project development operations in Sweden, Norway, Finland, the Baltics, Poland and the US.

Sales from project development, establishment and divestment of energy facilities amounted to SEK 2,330 M (2,588). During the fiscal year, no energy facilities were completed and handed over. Other operating income of SEK 28 M (34) mainly comprised exchange rate gains and invoiced costs.

EARNINGS AND FINANCIAL POSITION

	2022 12 months	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months
Overview Group					
Net sales	2,356	2,614	2,469	2,032	1,366
Operating profit/loss	80	-25	280	118	202
Profit/loss after financial items	109	-40	183	116	199
Return on capital employed, %	9	neg	16	11	22
Return on equity after tax, %	neg	neg	21*	16	26
Total assets	1,919	1,885	1,808	2,058	1,895
Equity/assets ratio, %	54	67	57	43	43
Average number of employees	76	54	45	39	35

	2022 12 months	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months
Overview Parent Company					
Net sales	22	158	1,073	1,413	1,116
Profit/loss after financial items	101	85	-98	207	289
Total assets	1,676	1,541	1,701	2,375	2,040
Equity/assets ratio, %	67	67	59	45	44
Average number of employees	51	34	28	27	25

* Return on equity after tax is calculated for 16-month earnings relative to average equity.

DEFINITIONS OF KEY FINANCIAL FIGURES

<i>Return on equity after tax</i>	Rolling 12-month earnings relative to average equity.
<i>Equity/assets ratio</i>	Equity including non-controlling interests expressed as a percentage of total assets.
<i>Return on capital employed</i>	Profit after financial items plus interest expense as a percentage of average capital employed.
<i>Capital employed</i>	Total assets minus non-interest-bearing liabilities.

ENERGY FACILITIES UNDER CONSTRUCTION, DECEMBER 31, 2022

	Location	Technology	Capacity, MW	Estimated generation, GWh	Planned deployment	Percentage of completion
Øy fjellet	Vefsn, Norway, NO4	Onshore wind power	400	1,300	2023	95%
Stor-Skälssjön	Sundsvall and Timrå, Sweden, SE2	Onshore wind power	260	800	2023	27%
Rosenskog	Falköping, Sweden, SE3	Onshore wind power	19	56	2023	0%*
Skallberget/Utterberget	Avesta, Sweden, SE2	Onshore wind power	79	210	2023	0%*
Tjärnäs	Hedemora, Sweden, SE2	Onshore wind power	26	66	2023	0%*
Timmele	Ulricehamn, Sweden, SE3	Onshore wind power	8	23	2024	0%
Total			794	2,455		

* Criteria for revenue recognition over time not satisfied.

Asset management

Over the years, Eolus has developed extensive expertise in virtually all areas related to the establishment and operation of energy facilities. Eolus offers full asset management services to facility owners to provide carefree ownership that maximizes revenue and production. Eolus sees increasing demand for these services both from major institutional investors that own large renewable energy facilities, and from local players with smaller facilities. These operations provide Eolus with stable, recurring and long-term revenue streams.

Sales from asset management of energy facilities amounted to SEK 30 M (27).

At the end of the fiscal year, Eolus's asset management assignments on both its own behalf and that of customers totaled 882 MW (914). In addition to these assignments, the company has signed asset management agreements for the Stor-Skälsjön (260 MW), Øyfjellet (400 MW) and Timmele (8 MW) wind farms.

THE GROUP'S NET SALES AND EARNINGS

Net sales amounted to SEK 2,356 M (2,614), a decrease of SEK 258 M compared with the preceding year. Operating profit amounted to SEK 80 M (-25), an improvement of SEK 105 M. The lower sales reflected the fact that only the value of the construction management agreement pertaining to Stor-Skälsjön was recognized in revenue. For previous construction projects, the full value of the facility was recognized as sales. Operating profit improved primarily through sales of project rights at Stor-Skälsjön and the US solar and battery project in Arizona.

Changes in the fair value of currency derivatives had a negative impact of SEK 15 M on operating profit, compared with a negative amount of SEK 37 M in the year-earlier period. Financial items amounted to SEK 28 M, compared with SEK -15 M in the preceding year. In addition to the revaluation of receivables attributable to capital tied-up in foreign operations, the market valuation of other financial assets gave a positive contribution to earnings. Changes in the fair value of interest rate derivatives had a positive impact of SEK 3 M, compared with a positive impact of SEK 2 M in the preceding year. In total, changes in the fair value of foreign exchange and interest rate derivatives had a negative impact of SEK 12 M on profit before tax, compared with a negative amount of SEK 35 M in the preceding year. The effective tax rate varies considerably between periods, depending on the structure of energy facility divestments.

FINANCIAL POSITION

Total assets are significantly affected by the size of ongoing energy facility projects, the phase they are in, and the use of credit facilities. For the installation of energy facilities, the company aims to secure customer financing in pace with the project's completion.

The Group's equity/assets ratio was 54% at the end of the fiscal year, compared with 67% at the end of the preceding fiscal year.

CASH FLOW AND CASH AND CASH EQUIVALENTS

Cash flow from operating activities was SEK -191 M, compared with SEK -97 M in the preceding year. Cash flow from investing activities was SEK -33 M, compared with SEK -3 M in the preceding year. Cash flow from financing activities was SEK 153 M, compared with SEK 32 M in the preceding year.

At the end of the fiscal year, cash and cash equivalents amounted to SEK 568 M (625), down SEK 57 M. In addition to cash and cash equivalents, there was an overdraft facility of SEK 100 M that was unutilized. Of the company's total construction loans of SEK 1,100 M, SEK 50 M had been utilized. At the end of the preceding fiscal year, the overdraft facility was unutilized and construction loans had been utilized in an amount of SEK 50 M. Net cash at the end of the fiscal year amounted to SEK 258 M (439), a decrease of SEK 181 M.

WORK IN PROGRESS, PROJECTS UNDER DEVELOPMENT AND ELECTRICITY CERTIFICATES

At the end of the period, work in progress and projects under development amounted to SEK 772 M (843), down SEK 71 M. The difference is due to the number of ongoing establishments and their current phase.

At the end of the fiscal year, renewable energy facilities with capacity of 794 MW (737) were under construction, comprising 394 MW (337) in Sweden and 400 MW (400) in Norway.

LIABILITIES

Interest-bearing liabilities to credit institutions amounted to SEK 311 M (186) at the end of the fiscal year. Liabilities are affected by the size of ongoing projects and their current phase.

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

During the first quarter, the Øyfjellet project in Norway was forced to address further challenges and cost increases related to the impact of the pandemic, which restricted travel by employees and led to component shortages, as well as quality problems for a number of turbines. This led to a lower-than-expected percentage of completion for the project as well as higher costs. Previously reported earnings from the project, which were based on forecasts, were revised in the first quarter and had a negative impact on quarterly earnings.

In December 2021, Eolus signed an agreement with Hydro REIN regarding the joint project development of nine Swedish wind power projects of 672 MW in early stages. In January 2022, Eolus handed over 50% of the project rights to Hydro REIN and received an upfront consideration. Eolus has continued to consolidate the total value of the project and the handover therefore had no earnings impact during the quarter. The collaboration also includes future profit-sharing between the parties based on the percentage of completion of the projects.

In conjunction with the publication of the year-end report for 2021, Eolus announced updated financial targets based on the 2022–2024 business plan (the targets are presented on page 48).

In February, Magnus Axelsson was recruited as new COO and Deputy CEO of the Parent Company. Magnus Axelsson has extensive experience of the energy sector and his most recent position was as CEO of the Norwegian wind power company Austri Vind. Marcus Landelin stepped down as COO and Deputy CEO of Eolus on April 28, 2022 and Magnus Axelsson assumed the position on September 1, 2022.

In March, Eolus placed an order for the delivery of 16 wind turbines from Siemens Gamesa for the projects Skallberget/Utterberget and Tjärnäs in Sweden. The Siemens Gamesa SG 6.6-170 turbines will be constructed in Skallberget/Utterberget in Avesta Municipality (12 turbines, approximately 79 MW), and in Tjärnäs in Hedemora Municipality (4 turbines, approximately 26 MW). Both projects are located in SE3. The divestment process is ongoing and deployment is scheduled for the fourth quarter 2023.

In March, Eolus appointed Karin Wittsell Heydl as Head of Communication, Sustainability and IT and she assumed the new position on March 14, 2022. Karin has a long and broad experience of communication in several different industries, with an in-depth focus on sustainability in recent years. She has, among other positions, served as Director of Corporate Communications and Marketing at Wihlborgs Fastigheter.

On April 15, Eolus and Hydro REIN signed an agreement with MEAG for the sale of 75% of the shares in Stor-Skälsjön Vind, a wind power project comprising 260 MW in Sweden's Sundsvall and Timbro municipalities (Electricity Price Area SE2). Eolus has sold all of its shares, amounting to 51%, for a purchase price of EUR 18 M. Hydro REIN has sold 24% of its shares and remains as co-owner of the project with a 25% interest. On June 14, the purchaser MEAG took possession of 75% of the shares in the project company. Eolus and Hydro REIN are jointly installing the wind farm on behalf of the investors. Income from the con-

struction management agreement is estimated to total EUR 42 M and will be allocated between Eolus (51%) and Hydro REIN (49%). The wind farm is estimated to be completed in the second half of 2023. Eolus has also been entrusted to deliver asset management services for the wind farm in a 15-year contract.

In June, further delays were announced to the Øyfjellet project. Despite intensive efforts to accelerate the works, the target date for handover of the wind farm to the customer Aquila Capital in June 2022 was not possible to meet. Construction of all 72 turbines was completed, 68 of which had reached first electricity production on June 30. The delay resulted in a lower-than-expected percentage of completion in the project.

In June, Eolus signed an agreement with DalaVind to expand its participating interest in the Fageråsen wind power project to 49%. Together, the companies intend to create a wind farm of just over 200 MW outside Malung, Sweden. Eolus and DalaVind have been partners in this project for some time, and the project has held an environmental permit for the wind farm since 2018. Eolus and DalaVind own 49% and 51%, respectively, of the shares in the project company through which the partnership will take place. Deployment of the farm is planned for autumn 2027.

In July, Eolus secured financing of SEK 1,500 M by signing credit facilities with Swedbank totaling SEK 1,200 M and increasing the credit facilities with Svensk Exportkredit. With these agreements, the company has secured financing for Eolus's planned expansion in the next four years. The credit agreement with Swedbank comprises liquidity and construction loans totaling SEK 1,200 M with a term of four years. The agreement has secured funding for Eolus's expansion in this forthcoming period in terms of both ongoing and future establishments in which Eolus is responsible for financing during the construction phase, and ensuring strong liquidity in the ongoing operations. At the same time, Eolus's credit agreement with Svensk Exportkredit (Swedish Export Credit Corporation) has been increased to SEK 300 M.

From September 1, Eolus's Group Management expanded with the addition of Michiel Messing, Head of Delivery & Construction, and Heléne Sebrén, Head of HR. At the same time, Magnus Axelsson assumed the position of Deputy CEO and COO as well as a member of Group Management. Heléne Sebrén has held the position as Head of HR since 2020 and Michiel Messing joined Eolus as Head of Delivery & Construction in 2021.

In October, Eolus signed an agreement to sell a solar and battery storage project located in Arizona, US. The buyer was a US-based portfolio company backed by a large publicly traded global private equity investment firm. The project is expected to have initial aggregate capacity of 750 MWac solar photovoltaic generation and battery storage capacity. Commissioning is currently planned for 2025. The buyer has acquired all the membership units in the project company from Eolus and has also signed an agreement for Eolus to provide certain development services to the project through commercial operation. Eolus has received an initial payment of USD 12 M and will be paid additional purchase price installment payments depending upon the progress of the project and the fulfillment of certain milestones. These include continued development of the project and preparations for financing and construction. A considerable amount of the total consideration will be paid to Eolus when construction commences. At present, the total consideration is estimated to range between USD 104 M and USD 190 M, with payments until 2025, provided the project is realized on time. The buyer's continued development and dimensioning of the project will influence the amounts of further payments to Eolus within the above-mentioned range.

Inga Abolina was appointed Head of Baltics and took office on October 24, 2022. Inga Abolina is an experienced finance manager with a proven track record in the energy industry including management of large-scale energy projects. She has, among others, held positions as

CFO and Board Member of the Latvian natural gas company Latvijas Gāze and Director of Project Management of state-owned energy provider Latvenergo.

Christer Baden Hansen was appointed Chief Commercial Officer and member of the Group Management. Christer Baden Hansen has extensive experience from the wind industry through his long career within Vestas where he has held several positions within sales. Most recently he was Vice President, Head of Global Sales of Vestas Group. Christer took office on February 1, 2023.

In November, Eolus and Simply Blue Group signed an agreement to co-develop four offshore floating wind projects in the Baltic Sea under the joint venture named SeaSeapphire, powered by Eolus and Simply Blue Group. The partnership comprises two projects in Sweden and two in Finland. If all were to go ahead according to current plans, the projects would produce up to 40TWh/year helping to address Sweden's and Finland's ambition and need to increase green electricity generation.

In December, research permits were received for two offshore wind projects Wellamo and Navakka (previously referred to as Tuulia) in Finland. This is an important step toward realizing Eolus's first offshore wind projects in Finland. The total planned capacity of the two offshore wind farms is 3.5 GW, which would add 14–16 TWh of renewable electricity to the Finnish electricity grid annually. The number of turbines for the wind farms is approximately 100 each, but the final number will be determined at a later stage.

EMPLOYEES

During the year, the average number of employees in the Group was 76 (54). The average number of women employees was 26 (17), corresponding to 34% (31). For information regarding distribution of the number of employees and salaries paid, other remuneration, social security expenses pertaining to the Board and the CEO, as well as remuneration of senior executives, refer to Notes 5 and 6 and the Remuneration Report on pages 64–65.

SIGNIFICANT RISKS AND UNCERTAINTIES

Risk management

Eolus's risk management is governed by Eolus's Corporate Governance Policy, guidelines for risk and internal control and the Finance and Risk Policy. Every year, Eolus conducts an overall risk assessment when Eolus identifies, assesses and prioritizes the most material risks based on the Group's vision and targets. The risk assessment is conducted as a workshop with Group Management when risks are identified and assessed in the following risk categories:

- Strategic risks
- Operational risks
- Regulatory risks
- Financial risks

The risks identified are evaluate based on two criteria:

- Impact on different dimensions of Eolus's targets if the risk should materialize.
- The probability that the risk will (with the defined impact) materialize within the strategic planning period.

Identified risks are documented in a risk map and explained in an accompanying risk register. Every year, the CEO is responsible for presenting the outcome of the risk assessment to the Audit Committee and Board. Significant changes to the risk landscape or major incidents are reported immediately to the Board.

To improve and ensure a sufficient level of internal control, Eolus has a procedure for minimum internal control requirements. The procedure requires the function managers in the Group's process structure to first identify the five most important risks in each function and then

perform a self-assessment of the effectiveness of the management of these. The starting point for the self-assessment is the actual management of the risks over the past 12-month period.

STRATEGIC, OPERATIONAL AND REGULATORY RISKS

Dependence on regulations, legislation and policy measures.

Permitting of renewable electricity generation facilities is subject to a number of laws and regulations. These differ between countries. Since project development of these facilities can take a long time, there is a risk that laws and regulations could change during the project development and permit process based on changes in political intent. As project development takes place at Eolus's own risk, the company must closely monitor potential changes in all markets in which the company is active. Different countries also have differing regulations and processes for appealing issued permits, which can lead to delays or make projects impossible to realize. If the process to obtain a permit were to be extended or made more difficult, this would entail delays and make the project more expensive.

There is widespread consensus among the world's researchers and politicians on the need for action to reduce GHG emissions. This has fostered political willingness around the world to expand renewable electricity generation, both with and without various forms of subsidies. Combined with financial reasons, where renewable wind and solar power is the cheapest way to add new capacity in many markets, rapid growth is predicted. However, this is no guarantee that political decisions will not be made in the future that could make it more difficult to expand renewable electricity generation in individual markets, which could impact Eolus's operations and financial position.

Dependence on agreements

Eolus strives to enter into agreements on customary terms for the sector as a means of managing the legal and commercial risks in the company's business. When establishing energy facilities, the company's activities include signing component supply agreements with manufacturers. Advance payments to suppliers can add up to considerable amounts. Since the size of the company's projects has increased in recent years, while the number of manufacturers of components in the market is limited and delivery times are relatively long, the inability of a particular manufacturer to fulfill agreements could have a significantly adverse effect on the company's financial position.

Dependence on strategic partners

Eolus establishes facilities for renewable electricity generation with the highest possible technical and economic efficiency from world-leading manufacturers. The renewable energy industry is growing at a rapid pace and the number of manufacturers of components has increased in recent years. While new manufacturers of components are entering the markets where Eolus operates, it can take time for them to establish construction and service organizations, which is a condition for signing agreements with partners.

Dependence on key individuals and employees

Eolus is a knowledge-based company, where dependence on the knowledge, experience and creativity of individual employees is high. Loss of key individuals or recruiting difficulties during ongoing expansion could have significantly adverse effects for the company.

Earning capacity

Eolus's revenue is mainly derived from the sale of rights for renewable energy projects, facility installment contracts, and the technical and commercial operation of facilities for renewable electricity generation. As a project developer, Eolus's earning capacity is dependent on access to a flow of high-quality projects that can be realized at a pace that meets the company's objectives. The value of projects is determined by

wind resources, solar resources and the direct costs of wind turbines, solar PV panels and the necessary infrastructure. In addition, the value of projects and therefore Eolus's earning capacity is affected by the fact that projects are expected to meet the ROI requirements of our customers. This is mainly affected by factors such as electricity generation, operating costs, size of the investment, estimated economic life, electricity price trend, interest rates and risk assessment for the specific market as well as the actual project.

Competition

Since the industry for the establishment of renewable electricity generation facilities has gained momentum in recent years, the number of market players has increased. Under the current conditions, this has increased the range of projects in markets where Eolus operates. We are also seeing a growing interest in acquiring projects from other players, which has increased competition. In the project development phase, Eolus competes with smaller players, major utilities companies and international project developers. For asset management services, Eolus competes with major players that offer complete management services, and with owners who want to carry out these services themselves. For electricity sales, renewable electricity competes with all other types of electricity generation since all electricity is traded on a single market.

Human rights abuses

As part of work to install renewable energy facilities, Eolus purchases materials, plant and contracting services. There is a risk of human rights abuses in the supply chain, such as unreasonable working conditions, inadequate working environment, forced labor and discrimination. This may have a negative impact on people's working conditions and health, damage reputation and confidence in Eolus and lead to fines, charges and legal action. To prevent and minimize these risks, Eolus works proactively with requirement specifications and follow-up of our suppliers and this work is governed by Eolus's Code of Conduct, Human Rights Policy and guidelines for the rights of indigenous peoples. Read more about work to achieve a sustainable supply chain on page 43.

FINANCIAL RISKS

Capital requirements and financing ability

Eolus has a large, high-quality project portfolio. The planning of project development activities includes working on short-, medium-, and long-term projects, and ensuring that building permits and other permits do not expire before the facilities for renewable electricity generation are installed.

Eolus secured financing for the next four years in July 2022. The credit agreement, signed with Swedbank, comprises liquidity and construction loans totaling SEK 1,200 M. The agreement has secured funding for Eolus's expansion in this forthcoming period in terms of both ongoing and future establishments in which Eolus is responsible for financing during the construction phase, and ensuring strong liquidity in the ongoing operations. Of the company's total construction loans of SEK 1,100 M, SEK 50 M had been utilized at the end of the fiscal year. In addition, there was an unutilized overdraft facility of SEK 100 M. At the end of the preceding fiscal year, the overdraft facility was unutilized and construction loans had been utilized in an amount of SEK 50 M. The Board has adopted a Finance and Risk Policy containing guidelines for the equity/assets ratio, maturity structure of loans and the management of liquidity preparedness to reduce refinancing risk.

Exchange-rate changes

A large portion of Eolus's divestments of renewable electricity generation facilities are denominated in EUR and USD. Exchange rate fluctuations against the SEK can thus affect the profitability of facility constructions. This is offset by currency futures, advance payments from customers and borrowing in EUR and USD. The Board has stated in the

Finance and Risk Policy that at least 75%, and a maximum of 125%, of the estimated net flow of each currency over a 12-month period is to be hedged. On the balance sheet date, the company's outstanding currency futures for selling contracts amounted to EUR 23 M (52). These had a total negative market value of SEK 15 M (0).

Interest rate risk

Eolus's operations are partly financed by bank loans. Each credit facility that Eolus draws on during construction could involve significant amounts but for relatively short periods. Changes in market interest rates may therefore have limited effects on future earnings and profitability. In the Finance and Risk Policy, the Board has outlined the possibility of fixing interest rates if more long-term financing is required. This can be achieved by a combination of fixed interest rates, variable interest rates and derivative instruments. Interest rate derivatives may not exceed 100% of interest-bearing liabilities to credit institutions. On the balance sheet date, signed interest rate derivatives had a market value of SEK 0 M (-3).

SHAREHOLDERS

On December 31, 2022, Eolus had 36,605 shareholders listed in the shareholder register maintained by Euroclear Sweden AB. Shareholders with a direct and indirect shareholding who represent more than 10% of the votes are Domneåns Kraftaktiebolag and Hans-Göran Stennert. The largest shareholders of Eolus shares are presented on page 37. The number of shares held by individuals with an insider position are presented on Eolus's website: www.eolusvind.com.

SHARES

On December 31, 2022, the share capital in Eolus Vind AB amounted to SEK 24,907,000, distributed between 1,285,625 Class A shares and 23,621,375 Class B shares. Class A shares carry one voting right, while Class B shares correspond to one-tenth (1/10) of a voting right. All shares carry equal rights to the company's assets, profit and dividends.

CORPORATE GOVERNANCE

For information about the company's governance during the year, refer to the Corporate Governance Report on pages 54–63.

Eolus's remuneration guidelines for senior executives were adopted by the Annual General Meeting on May 19, 2022. For information about these guidelines, refer to the Corporate Governance Report on pages 57–58.

SUSTAINABILITY

Contributing to long-term sustainable development is a cornerstone of Eolus's business concept and our starting point is that responsibility and sustainability will permeate every aspect of our work. We also aim to minimize and prevent the potentially negative effects of our operations. Since every aspect of sustainability is relevant and important to Eolus, we work proactively with the environment, social responsibility and corporate governance. Eolus's Sustainability Report for 2022 is integrated into the Annual Report and consists of the content on pages 34–45. For the auditor's opinion on the statutory Sustainability Report, refer to page 45. The Sustainability Report is also available on the company's website www.eolusvind.com.

DIVIDEND POLICY

The Board has adopted a dividend policy entailing that dividends issued by Eolus over the long term will be based on the company's earnings and correspond to 20–50% of the company's profit. However, dividends will be adapted to the company's investment requirements and financial position. For the 2021 fiscal year, the Annual General Meeting on May 19, 2022 resolved to pay dividends corresponding to SEK 1.50 (2.00) per share. The dividends were paid out on May 27, 2022.

PROPOSED DISTRIBUTION OF PROFIT

The Board of Directors proposes a dividend of SEK 1.50 (1.50) per share for the 2022 fiscal year in line with the company's dividend policy.

The proposed record date for the dividends is Tuesday, May 16, 2023.

Payment of the dividends is expected to take place on Monday, May 22, 2023. The Board of Directors deems that the proposal is consistent with the prudence rule in Chapter 17, Section 3 of the Swedish Companies Act, as follows:

The following profits are at the disposal of the Annual General Meeting (amounts in SEK):

Share premium reserve	168,662,573
Retained earnings	777,755,635
Net profit for the year	121,056,721
Total	1,067,474,929

The Board of Directors proposes that the profits be appropriated as follows:

dividend to the shareholders	37,360,500
to be carried forward	1,030,114,429
Total	1,067,474,929

Statement:

The proposed dividend is considered justifiable in view of the earnings trend after the end of the fiscal year. The proposed distribution of profit is also considered justifiable in view of the requirements concerning equity, consolidation requirements, liquidity and financial position in general for both the Parent Company and the Group.

DEFINITIONS OF KEY FINANCIAL FIGURES

Return on equity after tax Rolling 12-month earnings relative to average equity.

Equity/assets ratio Equity including non-controlling interests expressed as a percentage of total assets.

Return on capital employed Profit after financial items plus interest expense expressed as a percentage of average capital employed.

Capital employed Total assets minus non-interest-bearing liabilities.

Corporate Governance Report

CORPORATE GOVERNANCE REPORT FOR EOLUS VIND AB (PUBL)

Eolus Vind AB is a Swedish public limited liability company that has been listed on Nasdaq Stockholm since February 2, 2015. Eolus is governed through General Meetings, the Board of Directors, the CEO and Group management in accordance with the Swedish Companies Act, the Articles of Association and the rules of procedure for the Board of Directors and CEO. Representatives from the Eolus Group's management are also members of its subsidiaries' boards.

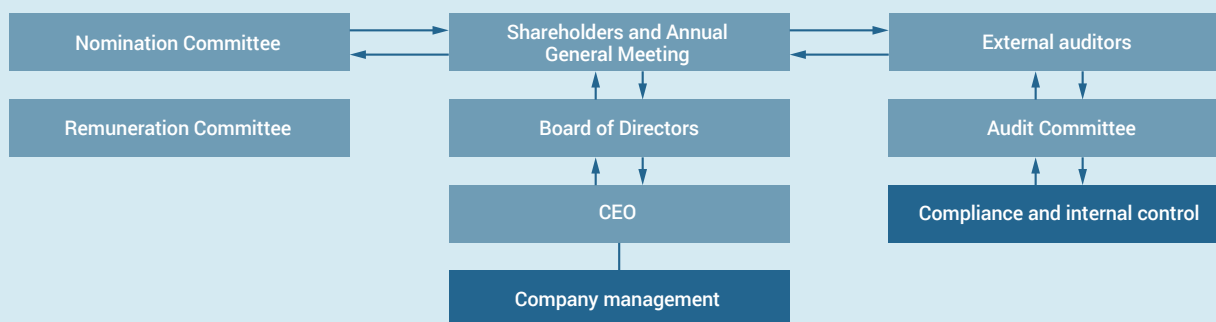
With Nasdaq Stockholm, Eolus has committed to apply the Swedish Corporate Governance Code (the "Code"), www.bolagsstyrning.se/the-code/current-code__3724, which is to be applied by all Swedish limited liability companies whose shares are traded on a regulated market in Sweden. Eolus is governed by external requirements and also internal governing documents, processes and risk management.

The Corporate Governance Report is included in Eolus's Annual Report.

ARTICLES OF ASSOCIATION

The current Articles of Association were adopted at the Annual General Meeting on May 19, 2021. They state that the Board's registered office is to be in Hässleholm, Sweden, that the Board's members are to be elected every year by the Annual General Meeting for a period up to the next Annual General Meeting, and that one Class A share entitles the holder to one vote while one Class B share entitles the holder to one-tenth of a vote. The Articles of Association do not specify specific provisions as regards the election of the Board of Directors other than what is stated in Swedish law. The complete Articles of Association are available on Eolus's website, www.eolusvind.com.

GOVERNANCE STRUCTURE



CENTRAL EXTERNAL GOVERNING DOCUMENTS

- The Swedish Companies Act.
- Rulebook for Issuers Nasdaq Nordic Main Market.
- The Swedish Corporate Governance Code.
- Swedish Annual Accounts Act.
- The Swedish Securities Market Act.
- The EU's Market Abuse Regulation.
- International Financial Reporting Standards (IFRS) and other accounting rules.

CENTRAL INTERNAL GOVERNING DOCUMENTS:

- The Articles of Association, which are available on Eolus's website.
- The Board's and the Board committees' rules of procedure, including instructions for the CEO.
- Group-wide policies adopted by the Board:
 - Code of Conduct
 - Corporate Governance Policy
 - Finance and Risk Policy
 - Human Rights Policy
 - Information and Insider Policy
 - IT Policy
 - Privacy Policy
 - Work Environment Policy

SHAREHOLDERS

Information about Eolus's shareholders can be found on pages 46–47 and in Note 29 on page 106 of the Annual Report.

GENERAL MEETINGS

The shareholders exercise their decision-making rights regarding central issues at the General Meeting. The Meeting resolves on adoption of the income statement and balance sheet, appropriation of the company's profit or loss, discharge of liability for Board members and CEO, election of the Board of Directors and auditors, and remuneration of the Board of Directors and auditors.

Notice convening the Annual General Meeting for Eolus must be issued not earlier than six weeks and not later than four weeks prior to the Meeting.

The notice is to be advertised in Post- och Inrikes Tidningar and on Eolus's website. The fact that notification has been issued is to be announced in the Swedish daily Dagens Industri. Shareholders who wish to participate in the Annual General Meeting are to notify the company by no later than the date stipulated in the notice.

2022 Annual General Meeting

Eolus's 2022 Annual General Meeting was held in Hässleholm, Sweden, on Thursday, May 19. 70 shareholders were represented at the Meeting, corresponding to 37% of the voting rights in the company. In addition to shareholders, the Chairman of the Board, CEO and other members of company management as well as the auditor were represented at the Meeting. The minutes of the Meeting are available on Eolus's website, www.eolusvind.com. All resolutions were made in accordance with the proposals from the Nomination Committee and the Board of Directors.

Some of the resolutions passed by the Meeting include:

- Dividend of SEK 1.50 per share for the 2021 fiscal year.
- The Board of Directors is to comprise six members, with no deputy members.
- Re-election of Board members Hans-Göran Stennert, Sigrun Hjelmquist, Hans Johansson, Hans Linnarson, Bodil Rosvall Jönsson and Jan Johansson.
- Re-election of Hans-Göran Stennert as Board Chairman.
- Re-election of PricewaterhouseCoopers AB as the company's auditors with Vicky Johansson elected as new Auditor in Charge.
- Fees to the Board Chairman, Board members and auditor.
- Rules for the appointment and work of the Nomination Committee.

2023 Annual General Meeting

The next Annual General Meeting for Eolus's shareholders will be held on Friday, May 12, 2023. For more information about the Annual General Meeting, registration, etc. refer to page 115.

NOMINATION COMMITTEE

The Nomination Committee nominates the people who are proposed for election to Eolus's Board of Directors at the Annual General Meeting. It also presents proposals for auditors' fees, Board fees for the Chairman and other Board members, and remuneration for committee work. All the proposals are presented at the Annual General Meeting, in the notice and on the website ahead of the Annual General Meeting.

The Nomination Committee comprises the Chairman of the Board and representatives appointed by Eolus's three largest shareholders in terms of voting rights on August 31, 2022. Hans-Göran Stennert, Chairman of the Board, presented the Nomination Committee's composition on November 11, 2022.

Ahead of the Annual General Meeting on May 12, 2023, the Nomination Committee consists of the following members:

Name	Represents	Holding on Aug 31, 2022
Hans-Göran Stennert	In his capacity as Chairman of the Board	
Ingvar Svantesson	Domneåns Kraftaktiebolag	15.6%
Hans Gydell (Chairman)	Hans-Göran Stennert	11.9%
Hans Johansson	Åke Johansson	6.6%

The Nomination Committee held its first meeting on January 18, 2023. The Nomination Committee has more meetings scheduled before the Committee presents its proposals to the 2023 Annual General Meeting. The work of the Nomination Committee begins with the members reviewing the evaluation of the Board carried out during the year.

DIVERSITY ON THE BOARD

The Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Under this rule, the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the Board. The Nomination Committee found that the evaluation of the Board indicated that the work of the Board has functioned well. The number of Board members is considered appropriate and the expertise possessed by the Board is both complementary and relevant.

THE BOARD OF DIRECTORS AND ITS WORK

Eolus's Board of Directors decides on the company's business focus, strategy, business plan, resources and capital structure, organization, acquisitions, major investments and divestments, annual reports and interim reports, as well as other general matters of a strategic nature. The Board also appoints the CEO who is in charge of the day-to-day management in accordance with the Board's instructions.

Board members

Board members are elected every year by the Annual General Meeting for the period up until the next Annual General Meeting. According to the Articles of Association, the Board is to comprise no fewer than four and no more than ten regular members and no more than six deputy members.

From the Annual General Meeting on May 19, 2022, the Board has consisted of six members. For a presentation of the Chairman of the Board and Board members, and their independence in relation to Eolus and company management (also independence for members of the Audit Committee), major shareholders, number of participations in the company and previous experience, see pages 60–61. Eolus's CEO is not a member of the Board but usually participates in Board meetings as rapporteur, as do the Deputy CEO, CFO and General Counsel.

The work of the Board

At the first regular Board meeting following the Annual General Meeting, Eolus's Board adopts written instructions that describe the Board's rules of procedure. The adopted rules of procedure stipulate the division of duties among the Board's members and how often the Board will convene. Furthermore, the rules of procedure regulate the Board's duties, quorum, instructions for the CEO, the division of responsibilities between the Board and the CEO, and more. The Board has also established a Remuneration Committee comprising three Board members, and an Audit Committee comprising two Board members.

The Board convenes according to a one-year plan proposed in advance and more meetings are arranged as needed. The Board held 14 minuted Board meetings during the 2022 fiscal year.

The issues addressed in 2022 included:

- Annual accounts including the auditors' report, the proposed distribution of profit and year-end report.
- Annual report and preparations ahead of the Annual General Meeting.
- Follow-up with the Auditor in Charge regarding the year's audit.
- Interim reports.
- Rules of procedure for the Board and CEO.
- Annual review of policies.
- Budget.
- Strategic issues and risks.
- Ongoing forecasts.
- Business plan.
- Project acquisitions and divestments.
- Liquidity planning with respect to future prioritized projects.
- Economic climate and conditions.
- Development of Eolus's sustainability practices
- Effects of the COVID-19 pandemic on the operations.

In addition to the Board meetings, the Board Chairman and the CEO have an ongoing dialog regarding the management of the company. The CEO, Per Witalisson, is in charge of implementation of the business plan, the day-to-day management of the company's affairs and the daily operations of the company. Prior to Board meetings, Board members receive written information in the form of a CEO report containing a follow-up of the company's sales, operational results, liquidity forecasts, interest rate and currency hedges, order backlog update, total scale of energy facilities under construction and comments on the performance of various markets. Prior to Board meetings, Board members also review the balance sheet and cash flow statement.

The Chairman presents the results of the annual evaluation of the Board's work. The evaluation includes the composition of the Board, the individual Board members and the Board's work and procedures.

The Code contains rules concerning the Board members' independence and stipulates that the majority of the Board members are to be independent in relation to the company and company management. At least two of the Board members who are independent in relation to the company and company management must also be independent in relation to all shareholders who control 10% or more of the shares or the votes in Eolus Vind AB. No more than one person from company management may be a member of the Board.

BOARD ATTENDANCE IN 2022

	Function	Independent ¹⁾	Board meetings	Remuneration Committee	Audit Committee
Hans-Göran Stennert	Chairman	2)	14 of 14	4 of 4	
Sigrun Hjelmquist	Board member	X	14 of 14	4 of 4	
Hans Johansson	Board member	X	14 of 14		
Hans Linnarson	Board member	X	13 of 14		5 of 5
Bodil Rosvall Jönsson	Board member	X	14 of 14	4 of 4	5 of 5
Jan Johansson	Board member	X	12 of 14		

¹⁾ According to the definition in the Swedish Corporate Governance Code.

²⁾ Not independent (in relation to Eolus's major shareholders).

REMUNERATION COMMITTEE

The Remuneration Committee comprises Hans-Göran Stennert, Sigrun Hjelmquist and Bodil Rosvall Jönsson. Hans-Göran Stennert is the Committee's Chairman.

The duties of the Remuneration Committee include:

- preparing and on behalf of the Board make decisions on matters regarding the remuneration policy, remuneration and other terms of employment for senior management including submitting proposals to the Annual General Meeting on behalf of the Board on the guidelines for remuneration of senior executives that the Annual General Meeting is to resolve on,
- monitoring and evaluating any ongoing and during-the-year adopted programs for variable remuneration to company management,
- monitoring and evaluating the application of the guidelines for remuneration of senior executives decided by the Annual General Meeting as well as relevant remuneration structures and levels in the company,
- ensuring that the company's auditor submits a written statement to the Board no later than three weeks before the Annual General Meeting regarding whether the guidelines for remuneration of senior executives valid since the previous Annual General Meeting have been followed, and
- carrying out the other duties that are assigned the Remuneration Committee in the Swedish Corporate Governance Code and other applicable rules and regulations for the company.

The Remuneration Committee held four minuted meetings in 2022, at which all members were present, and all Board members attended three of the meetings.

AUDIT COMMITTEE

The Audit Committee consists of Hans Linnarson and Bodil Rosvall Jönsson. Hans Linnarson chairs the Committee.

The duties of the Audit Committee include:

- monitoring the company's financial reporting,
- monitoring the effectiveness of the company's risk management and internal controls over financial reporting and providing recommendations and proposals to ensure the reliability of financial reporting,
- annually evaluating the need for an internal audit, which is incumbent upon the Board,
- remaining informed about the audit of the annual report and consolidated financial statements, and assessing how the audit contributed to the reliability of financial reporting,
- meeting the company's auditor on an ongoing basis to learn about the focus and scope of the audit and to discuss views on the company's risks,
- determining guidelines for non-auditing services that the company may procure from the company's auditor,
- reviewing and monitoring the auditor's impartiality and independence,
- assisting the Nomination Committee in preparing proposals for the General Meeting's decisions regarding auditors and fees for the audit assignment,
- executing the other duties incumbent upon the Audit Committee by law, under the Swedish Corporate Governance Code, and in accordance with other relevant rules and regulations for the company.

The Audit Committee held five minuted meetings in 2022, and all members were present.

CHIEF EXECUTIVE OFFICER

The CEO of Eolus is Per Witalisson (born 1971), Master of Business Administration. The Board has adopted instructions for the work and role of the CEO. The CEO is responsible for the day-to-day management of the Group's business in accordance with the Board's guidelines. For a presentation of the CEO, refer to page 62. For information about CEO remuneration, refer to Note 6.

GROUP MANAGEMENT

Per Witalisson leads the work of Group management and makes decisions in consultation with other members of management. Group management consists of seven people, in addition to the CEO, COO/Deputy CEO, CFO, General Counsel, Head of Communications and Sustainability, Head of HR and Head of Delivery & Construction. From February 1, 2023, the Chief Commercial Officer is also a member. For a presentation of the management, see pages 62–63. During 2022, management held 14 meetings. The year's meetings were dominated by a continuous reconciliation of the rolling business plan, strategy issues, action plans and the impact of the pandemic on the Group's operations. Standing items on the agenda are minutes from the previous meeting, reports from establishment operations, the operational team, finances, project development, establishment, sales and marketing, operation, foreign operations, personnel, occupational health and safety, and legal issues.

AUDIT

At the Annual General Meeting on May 19, 2022, Pricewaterhouse Coopers AB (PwC) was re-elected with Vicky Johansson elected as new Auditor in Charge.

The auditors review the annual accounts and annual report, as well as the company's ongoing operations and procedures in order to form an opinion on the accounts and the administration of the Board of Directors and the CEO. The annual accounts and the annual report are audited in February and March. An examination is then made of whether the Annual General Meeting's guidelines for the remuneration of senior executives have been followed. Eolus's third-quarter report is reviewed in October and an interim review is performed in November. In addition to Eolus, Vicky Johansson is also auditor for Doro AB (publ), Euroflorist and Allard Support for Better life. Vicky Johansson is an authorized public accountant and member of FAR. In 2022, fees paid to PwC for non-audit assignments totaled SEK 1 M (1).

REMUNERATION

Remuneration of the Board

Fees and other remuneration of the Board, including the Chairman of Eolus's Board, are determined by the Annual General Meeting. The Annual General Meeting on May 19, 2022 resolved on total annual fees of KSEK 1,575, of which KSEK 450 would be paid to the Chairman and KSEK 225 to each of the other Board members. For more information about remuneration of the Board, refer to Note 6.

CURRENT GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The executives encompassed by, and application of, the guidelines

The guidelines apply to those persons who are members of Eolus Vind AB's (publ) ("Eolus") Group management, currently the CEO, COO/Deputy CEO, CFO, General Counsel, Head of Communications and Sustainability, Head of HR and Head of Delivery & Construction.

To the extent that a Board member performs work for Eolus alongside his or her Board duties, these guidelines shall also apply to any remuneration (such as consultant's fees) for such work.

The guidelines shall be applied to remuneration that is agreed, and any changes that are made to previously agreed remuneration, after the guidelines were adopted by the 2022 Annual General Meeting. The guidelines do not encompass remuneration resolved by the General Meeting.

How the guidelines advance the company's business strategy, long-term interests and sustainability

In brief, Eolus's business strategy is for the company, by installing turn-key facilities for renewable energy and energy storage, to create value at all levels of project development, establishment and operation of such facilities, and to offer attractive and competitive investment opportunities to both local and international investors. For more information about the company's strategy, refer to page 8.

Successful implementation of the company's business strategy and safeguarding the company's long-term interests, including its sustainability, require the company to recruit and retain a highly skilled management team with the capacity to achieve set targets. This requires that the company can offer competitive remuneration. According to these guidelines, senior executives may be offered a competitive total remuneration package. Variable cash remuneration encompassed by these guidelines is to be based on criteria aimed at advancing the company's business strategy and long-term interests, including its sustainability.

Forms of remuneration, etc.

Remuneration is to be market-based and competitive and may comprise the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The level of remuneration for individual executives is to be based on such factors as position, expertise, experience and performance. In addition, the General Meeting can, irrespective of these guidelines, resolve on share and share-price based remuneration, for example.

If the fulfillment of criteria for variable cash remuneration is measured over a period of one year, the annual variable cash remuneration may amount to a maximum of five monthly salaries for the CEO, a maximum of four monthly salaries for the Deputy CEO and a maximum of three monthly salaries for other senior executives. If the fulfillment of criteria for variable cash remuneration is measured over a period of several years, the variable cash remuneration for such a multi-year measurement period may amount to a total (i.e. including any variable cash remuneration attributable to a one-year measurement period) maximum of the combined annual variable cash remuneration for each executive during the fiscal years covered by this multi-year measurement period. Variable remuneration may not be pensionable, unless otherwise stipulated in mandatory collective agreements.

Pension benefits, including health insurance, are to be defined-contribution, unless the executive is part of a defined-benefit pension according to mandatory collective agreements. The pension premiums for defined-contribution pension plans may amount to a maximum of 30% of pensionable income.

Other benefits may include, for example, life assurance, medical expense insurance and company car benefits. Premiums and other costs associated with such benefits may amount to a maximum of 15% of pensionable income.

For employment conditions subject to non-Swedish regulations, the appropriate adjustments must be made to pension benefits and other benefits to follow such regulations or fixed local practice, with the aim of meeting the overall purpose of the guidelines as far as possible.

Termination of employment

Senior executives are to be employed on a permanent basis or for a specific period of time. The period of notice for termination of employment is a maximum of 12 months. Severance pay is not paid. The period of

notice if the CEO terminates employment is a maximum of 12 months, and six months if other senior executives terminate employment.

Criteria for payment of variable cash remuneration, etc.

Variable cash remuneration shall be based on predefined and measurable financial and non-financial criteria determined by the Board, such as return on equity, delivery of ongoing projects, order intake and CapEx reduction. The criteria shall apply for one fiscal year at a time. By rewarding clear and measurable progress in relation to bonus targets linked to the company's financial and operational development, these criteria help support and motivate employees to achieve Eolus's established business strategies, long-term targets and sustainability.

After the end of the measurement period for fulfillment of the criteria for payment of variable cash remuneration, the level of fulfillment of the criteria is assessed and confirmed. The Remuneration Committee is responsible for performing the assessment of variable cash remuneration for the CEO, and the CEO is responsible for the assessment for other senior executives. Fulfillment of financial criteria is to be confirmed based on the most recent financial information published by the company.

Salary and employment terms

The Board considers salary and employment terms of the company's employees when preparing proposals on remuneration criteria by including information amount total employee remuneration, remuneration components and the increase and rate of increase in remuneration over time in the decision-making data used by the Remuneration Committee and Board to evaluate the reasonableness of the guidelines and their limitations.

Consultant's fees to Board members

If Board members (including through their wholly owned companies) perform services for Eolus in addition to their Board duties, special fees are paid for such work (consultant's fees), provided that such services contribute to the implementation of Eolus's business strategy and safeguarding of Eolus's long-term interests, including its sustainability. The annual consultant's fee for each Board member may never exceed the annual Board fee. The fee shall be market-based and proportionate with respect to the value for Eolus.

Decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Committee's duties include preparing the Board's decisions on proposed guidelines for remuneration of senior executives. The Board is to prepare proposals for new guidelines when significant changes are required and at least once every four years, and the proposal is to be presented for resolution by the Annual General Meeting. These guidelines are to apply until new guidelines are adopted by the General Meeting. The Remuneration Committee is also to monitor and evaluate the variable remuneration program for company management, the application of the guidelines for remuneration of senior executives as well as relevant remuneration structures and levels in the company. The members of the Remuneration Committee are independent in relation to the company and company management. The CEO and other members of company management do not participate in the Board's discussions and decisions on remuneration-related matters that pertain to them.

Deviations from these guidelines

The Board may decide to temporarily deviate, wholly or partly, from these guidelines if there are special reasons to do so in individual cases and such a deviation is necessary to safeguard the company's long-term interests, including its sustainability, or to ensure the company's financial strength. As stated above, the Remuneration Committee's

duties include preparing the Board's decisions on remuneration matters, including decisions to deviate from these guidelines.

For more information about remuneration of senior executives, refer to Note 6 of this Annual Report and the remuneration report on pages 64–65.

The Board's proposed guidelines for remuneration of senior executives

The Board proposes that the 2023 Annual General Meeting resolve on guidelines for remuneration of senior executives that primarily correspond to the guidelines adopted by the 2022 Annual General Meeting.

Remuneration of auditors

Fees for the audit assignment are paid as invoiced and amounted to SEK 1 M for the 2022 fiscal year. Fees paid to PwC for non-audit assignments totaled SEK 1 M during the 2022 fiscal year. For more information about the remuneration of auditors, refer to Note 7.

SUSTAINABILITY

The Board of Eolus is ultimately responsible for ensuring that the company is managed in a sustainable and responsible manner. The Board has delegated day-to-day responsibility for sustainability to the CEO who is responsible for execution of the Board's decisions and strategies. Group Management is responsible for guidelines, strategies, priorities and decisions related to sustainability. Eolus's Head of Communications and Sustainability is a member of Group Management and ensures that sustainability is integrated into the operations.

Eolus's approach to sustainability is aligned with the 2030 Agenda and the Ten Principles of the UN Global Compact, and governed by Eolus's Code of Conduct and various policies, guidelines and procedures.

In 2022, Eolus signed the UN Global Compact, which means the company has committed to support ten principles in the areas of human rights, labor, environment and anti-corruption. As part of the commitment, Eolus will present a report every year on the company's work and results in the four areas in a Communication on Progress.

Eolus's Sustainability Report can be found on pages 34–45 of this Annual Report and Sustainability Report. For the auditor's opinion on the Sustainability Report, refer to page 45.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE 2022 FISCAL YEAR

The Board's responsibility for internal control is governed by the Swedish Companies Act and Swedish Corporate Governance Code. This includes monitoring Eolus's financial reporting and the effectiveness of the company's internal control and risk assessment.

Internal control over financial reporting aims to provide reasonable assurance of the reliability of the external financial reporting in the form of annual reports and interim reports published by Eolus every year, and that financial reporting is prepared in accordance with the law, applicable accounting standards and other requirements for listed companies. Internal control also aims to ensure high-quality financial reporting to company management and the Board so that decisions are made on accurate information.

To describe internal control over financial reporting, Eolus proceeds from the five components of internal control defined in the COSO Internal Control-Integrated Framework – Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The description below therefore relates to Eolus's internal control system in relation to the 2013 edition of the COSO Framework.

Control environment

The Board's rules of procedure and the Board's instructions for the duties of the CEO and the Board's Committees clearly define the division of responsibility and powers in order to ensure effective management of

risks in the business operations. The Audit Committee reviews the instructions and procedures used in the financial reporting process, as well as accounting policies and changes thereof. The CEO reports to the Board of Directors, according to established procedures, on the operations and financial performance prior to every Board meeting. Internal control instruments for financial reporting mainly comprise the finance and risk policy, information and insider policy, IT Policy and the Group's accounting manual, which defines the accounting and reporting rules.

Risk assessment

Significant risks for the operations are analyzed by the Board of Directors as part of financial reporting. These are described in the company's guidelines for risk management and internal control. The risk areas are documented on the basis of probability and their probable impact. Based on this, control processes are designed to ensure high-quality financial reporting.

Control structures

The organizational structure, and the division of responsibility and rules of authorization, are clearly described and communicated through instructions. The operations are organized into functions that are monitored. The company performs an annual self-assessment of internal controls in management, core and support processes. The results of these self-assessments form the basis for ongoing improvement initiatives within risk management and internal control.

Information and communication

An accounting manual with guidelines and instructions for financial reporting has been produced. The accounting manual is continuously updated and issued to the concerned employees at Eolus. Prior to all quarterly and annual accounts, specific written instructions are also provided to ensure accurate information in the external reporting. Employees receive regular information about updates to policies and guidelines on Eolus's intranet.

External financial communication is governed by Eolus's information and insider policy, which address responsibilities, procedures and rules. The policy is continuously evaluated to ensure that information to the stock market maintains high quality and is in accordance with the stock exchange's rules. Financial information such as quarterly reports, annual reports and significant events are published through press releases and on Eolus's website. Meetings with financial analysts are arranged regularly in conjunction with the publication of quarterly reports.

Monitoring

Group management continuously analyzes the financial performance of the Group's segments. At all levels of the organization, continuous monitoring is generally performed through comparisons against budget, forecasts and plans, as well as evaluation of key figures.

Prior to Board meetings, the Board receives financial reporting on Eolus's performance. In addition to formal reporting, there are informal information channels to the CEO and Board for significant information from the employees. The Board continuously evaluates the information provided by the CEO. This involves ensuring that measures are taken regarding any shortcomings and proposed measures that have arisen during the internal control and external audit.

The Board and the auditor have regular dialogues. All members of the Board and the auditor receive a copy of interim reports before they are published. The Board and the auditor meet at least once per year, without the presence of management.

Internal audit opinion

To date, the Board has not found any reason to establish an internal audit function, as the above functions are deemed to fulfill this duty. However, the Board annually evaluates the need for such a function.

Eolus Board of Directors



HANS-GÖRAN STENNERT *Chairman of the Board*

Born: 1954

Elected: 2008, Chairman since 2009.

Education and background: Holds a Master of Business Administration degree and has extensive experience from positions and assignments in the IKEA Group, including Board member of the IKEA Group's holding company INGKA Holding BV in 1993–2007. He served as Chairman of the Board for the last nine years of this period.

Other assignments: Board member of Cuptronic Technology AB, Entreprenörinvest Sverige AB and Winplantan AB.

Shareholding in Eolus: Class A shares: 380,100. Class B shares: 606,354.

Dependencies in accordance with the Swedish Corporate Governance Code: Independent in relation to the company and company management. Not independent in relation to major shareholders.



SIGRUN HJELMQUIST *Board member*

Born: 1956

Elected: 2011

Education and background: Master of Civil Engineering and Licentiate of Engineering in Engineering Physics from KTH. Executive Partner Facesso AB. Active in the Ericsson Group 1979–2000, most recently as President of Ericsson Components AB. Investment Manager at BrainHeart Capital 2000–2005.

Other assignments: Board member of Addnode Group AB (publ), Ragnsellsföretagen AB and IGOT AB.

Shareholding in Eolus: Class B shares: 1,000.

Dependencies in accordance with the Swedish Corporate Governance Code: Independent in relation to the company and senior management, as well as in relation to major shareholders.



HANS JOHANSSON *Board member*

Born: 1965

Elected: 2016

Education and background: Extensive experience in the Swedish building materials trade through former duties at the purchasing firm Woody Bygghandel AB which has 50 member companies, and in operations at the family firm Borgunda Bygghandel where he is the CEO.

Other assignments: CEO and Chairman of Borgunda Bygghandel AB and CEO or Board member in the associated subsidiaries. Chairman of the Board of Borgunda Drift & Förvaltning, Borgunda Holding AB, Borgunda Logistics AB, Borgunda

Tributo AB, Borgunda Uterque AB, Skövdevillan AB, Skövdevillan Holding AB, Vendunt Ett AB and Vendunt Två AB. Board member of Borgunda Gård AB, Credibilis Nordic Holding AB, Norskär AB, Stenatorp Såg AB and Tile i Skaraborg AB. Partner of Borgunda Fastighet Handelsbolag.

Shareholding in Eolus: Class A shares: 189,520. Class B shares: 40,418.

Dependencies in accordance with the Swedish Corporate Governance Code: Independent in relation to the company and senior management, as well as in relation to major shareholders.



JAN JOHANSSON *Board member*

Born: 1959

Elected: 2019

Education and background: Master of Science in Road and Hydraulic Engineering from the Faculty of Engineering, Lund University. Active within the Peab Group between 1986–2013, most recently as CEO of Peab AB. From 2014 until the end of 2018, CEO of Malmö Cityfastigheter AB.

Other assignments: Chairman of the Board of Götenehus Group AB, Starka AB and Malmö Cityfastigheter AB. Board member of Bravida Holding AB and EHF Holding AB.

Shareholding in Eolus: Class A shares: 0. Class B shares: 2,000.

Dependencies in accordance with the Swedish Corporate Governance Code: Independent in relation to the company and senior management, as well as in relation to major shareholders.



HANS LINNARSON *Board member*

Born: 1952

Elected: 2017

Education and background: Electronics engineer and B.A. Experience from a number of different assignments as CEO of Swedish international industrial companies for more than 30 years, such as Enertec Component AB, CTC AB and Asko Cylinda AB. Senior positions in the Electrolux Group, and President and CEO of Husqvarna AB.

Other assignments: Chairman of the Board of Ellwee AB (publ), EW Fritid AB, Hörberg Petersson Tronic AB, Nibe Industrier AB and N.P. Nilssons Trävaruaktiebolag. Board member of Inission AB, Nordiska Plast AB and Zinkteknik i Bredaryd Aktiebolag.

Shareholding in Eolus: Class A shares: 0. Class B shares: 2,500.

Dependencies in accordance with the Swedish Corporate Governance Code: Independent in relation to the company and senior management, as well as in relation to major shareholders.



BODIL ROSVALL JÖNSSON *Board member*

Born: 1970

Elected: 2017

Education and background: Master of Business Administration from the Faculty of Economics and Business Administration, Lund University. Senior Advisor at Hypergene and Navet. Former member of the Advisory Board for Handelsbanken Malmö-Triangeln. CEO of Business Region Skåne and Enterprise Manager at Skåne County Council 2013–2016, CEO of Minc 2006–2013 and positions with E.ON 1996–2006.

Other assignments: Chairman of the Board of VoiceDiagnostic Sweden AB. CEO and Board member of BRJ Management AB. Board member of Språkservice i Sverige AB, Språkservice Sverige Produktion AB and Malmö FF.

Shareholding in Eolus: Class A shares: 0. Class B shares: 4,000.

Dependencies in accordance with the Swedish Corporate Governance Code: Independent in relation to the company and senior management, as well as in relation to major shareholders.

Other disclosures regarding the Board of Directors and senior executives

The assignments of Board members and senior executives described above refer to assignments outside the Eolus Group, and do not include assignments as a deputy or Board member of subsidiaries for which the person is a Board member of the Parent Company. Reported shareholdings comprise both direct, indirect and related party shareholdings in accordance with the shareholder register maintained by Euroclear on December 31, 2022 and thereafter with any changes known by Eolus. The Board members were elected at the Annual General Meeting on May 19, 2022 for the period until the 2023 Annual General Meeting. There are no separate agreements with major

shareholders, customers, suppliers or other parties under which Board members or senior executives have been elected or appointed. There are no agreements with Eolus or any of its subsidiaries regarding benefits after the completion of each assignment. There are no close family ties between the company's Board members and senior executives. Nor do any conflicts of interest exist, whereby the private interests of Board members and senior executives could conflict with those of Eolus. All Board members and senior executives can be reached by contacting Eolus's head office.

Eolus's Group Management

Several changes took place to Eolus's Group Management in 2022. In March, Karin Wittsell Heydl assumed the position as Head of Communications, Sustainability and IT. In April, Marcus Landelin stepped down as Deputy CEO and COO and was succeeded in September by Magnus Axelsson. From September 1, Group Management was also expanded with the addition of Heléne Sebrén, Head of HR, and Michiel Messing, Head of Delivery & Construction. On February 1, 2023, Christer Baden Hansen assumed the position as Chief Commercial Officer and member of the Group Management. Information about members of

Group Management is presented below. Other assignments shows assignments outside the Eolus, though not assignments as deputy Board members. Shareholding in Eolus is reported as of March 13, 2023 and includes own shares, both direct and indirect, and those of related parties.



PER WITALISSON, CEO

Born: 1971

Employed since 2006 and CEO since August 2012.

Education: Master of Business Administration.

Previous positions: Auditor at Ernst & Young from 1996–2006, where he was an authorized public accountant from 2003–2006.

Other assignments: Board member of Triventus AB.

Shareholding in Eolus: Class A shares: 15,925. Class B shares: 50,266.



MAGNUS AXELSSON COO and Deputy CEO

Born: 1973

Employed since 2022.

Education: BSc in Energy Systems.

Previous positions: Leading positions in the energy sector, including E.ON, Sarepta Energi and CEO of the Austri Vind.

Other assignments: None

Shareholding in Eolus: Class A shares: 0. Class B shares: 776



CATHARINA PERSSON CFO

Born: 1975

Employed since 2013.

Education: Master of Business Administration.

Previous positions: Previously CFO at ACAP Invest AB (publ).

Other assignments: Chair of the Board of Wind Farms Götaland Svealand AB and Wind Farm Jenasen AB. Board member of SD Förvaltning i Malmö AB.

Shareholding in Eolus: Class A shares: 0. Class B shares: 6,985.



KARIN WITSELL HEYDL *Head of Communications, Sustainability and IT*

Born: 1972

Employed since 2022.

Education: BSc in Communication Studies.

Previous positions: Has held various positions within communications, including as Director of Corporate Communications and Marketing at Wihlborgs Fastigheter AB.

Other assignments: None

Shareholding in Eolus: Class A shares: 0.
Class B shares: 3,364.



KARL OLSSON *General Counsel*

Born: 1963

Employed since 2011.

Education: Bachelor of Laws degree.

Previous positions: Lawyer at Setterwalls and Linklaters law firms, and General Counsel in Vattenfall AB's Group staff unit. He has also been an employee and member of the management team at Awapatent AB and conducted his own business Terrier Law AB.

Other assignments: Chairman of the Board of Vindkraft i Daläsen AB. Board member and CEO of Terrier Law AB. Board member of Skogskovall AB and Rockneby Vind AB. Agent for service of process for Snickaregatan Holding AB.

Shareholding in Eolus: Class A shares: 0.
Class B shares: 9,541.



HELÉNE SEBRÉN *Head of HR*

Born: 1969

Employed since 2022.

Education: BSc in Human Resources Management and Labor Law.

Previous positions: Consultant assignment as Head of HR at Eolus, Head of HR at Tetra Pak, Sony Ericsson and Länsförsäkringar and HR consultant in own business.

Other assignments: None

Shareholding in Eolus: Class A shares: 0.
Class B shares: 1,271.



MICHIEL MESSING *Head of Delivery & Construction*

Born: 1975

Employed since 2021.

Education: BSc in Business Economics and Languages.

Previous positions: Leading positions within onshore and offshore wind, including at Maersk, E.ON and Uniper as well as Head of Procurement at One Nordic.

Other assignments: None.

Shareholding in Eolus: Class A shares: 0.
Class B shares: 580.

Remuneration Report

INTRODUCTION

This report describes how the remuneration guidelines for senior executives of Eolus Vind AB (publ) were applied during the 2022 fiscal year. The report also contains information about the remuneration of the CEO and Deputy CEO. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

For more information about the remuneration of senior executives, refer to Note 6 (Remuneration of Board of Directors, CEO and other senior executives) on page 88 of the 2022 Annual Report. For information about the Remuneration Committee's work, refer to the Corporate Governance Report on pages 54–63 of the Annual Report.

Board fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are presented in Note 6 on page 88 of the Annual Report.

Developments during 2022

The CEO summarizes the overall performance of the company in his comments on pages 6–7 of the Annual Report.

The company's remuneration guidelines: application, purpose and deviations

These guidelines were applied during the fiscal year. One condition for successful implementation of the company's business strategy and safeguarding its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified employees. This re-

quires that the company can offer competitive remuneration. According to the company's remuneration guidelines, senior executives may be offered a competitive total remuneration package. According to the guidelines, the remuneration of senior executives should be market-based and may comprise the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial and non-financial criteria. The criteria should be designed to promote the company's business strategy and long-term interests, including its sustainability, by being clearly linked to the business strategy, for example, or promoting the executive's long-term development.

The guidelines can be found on pages 57–58 of the Annual Report. In 2022, the company adhered to the applicable remuneration guidelines adopted by the Annual General Meeting. According to the guidelines, the Board is able to deviate from the principles if there are special reasons to motivate such action and the deviation is necessary for meeting the long-term interests of the company. No deviations from the guidelines occurred during the fiscal year. The auditor's opinion on the company's compliance with the guidelines is available at <https://www.eolusvind.com/ir-financial/bolagsstyrning/ersattningar> (Swedish only). There was no request for repayment of the remuneration.

Total remuneration of the CEO and Deputy CEO, SEK M – amounts paid

Name of executive (position)	Fiscal year	FIXED REMUNERATION		VARIABLE REMUNERATION			Total remuneration	Percentage of fixed and variable remuneration, resp.
		Basic salary ¹⁾	Other benefits ²⁾	One-year	Multi-year	Pension costs		
Per Witalisson, CEO	2022	2.78	0.05	0.11	-	0.52	3.46	97%/3%
	2021	2.69	0.05	0.56	-	0.52	3.82	85%/15%
Magnus Axelsson, Deputy CEO, from Sep 1, 2022	2022	0.60	0.00	0.02	-	0.14	0.75	100%/0%
	2021							
Marcus Landelin, Deputy CEO, until Apr 28, 2022	2022	1.14	0.06	1.19	-	0.17	2.54	53%/47%
	2021	2.04	0.06	0.62	-	0.58	3.30	81%/19%

1) Including vacation pay.

2) Refers to company car.

SHARE OWNERSHIP PROGRAMS

The company currently has three ongoing Share Ownership Programs for the company's employees, including the CEO and Deputy CEO. On August 31, 2022, the lock-up period for the 2018/2019 Share Ownership Program expired and a total of 205 matching shares were acquired for an average price of SEK 111 and delivered to the CEO. The current Share Ownership Programs comprise 2019/2020, 2021 and 2022, and the

allotment under the 2022 Share Ownership Program will take place in the spring of 2023. Within the framework of each Share Ownership Program, the CEO and Deputy CEO have invested vested variable cash remuneration corresponding to a maximum of one monthly salary in Savings Shares. Provided that the CEO or Deputy CEO, respectively, retains all Savings Shares and is still employed by the Eolus Group three years after the acquisition, the Eolus Group will reimburse the CEO or

Deputy CEO, respectively, for the cost of acquiring a number of shares corresponding to half the number of Savings Shares (Matching Shares). The acquisition of Matching Shares will take place through the agency of the company on Nasdaq Stockholm within 20 trading days of the three-year date of acquiring the Savings Shares. Within the framework

of each Share Ownership Program, the CEO and Deputy CEO, respectively, have been allotted share options (the right to acquire Matching Shares) on the basis of the number of Savings Shares as set out in the table below.

Share Ownership Program (CEO and Deputy CEO)

Name of executive (position)	Name of program	MAIN TERMS OF SHARE OWNERSHIP PROGRAMS				INFORMATION FOR THE REPORTED FISCAL YEAR			
		Vesting period	Allotment date ¹⁾	Vesting date	End of lock-up period	Opening balance	During the year		Closing balance
						Share options at beginning of year	Allotted	Vested	Allotted but not vested at year-end
Per Witalisson, CEO	2018/2019	2019-2022	Feb 6, 2020	Aug 31, 2022	Aug 31, 2022	205		-205	-
	2019/2020	2021-2023	Mar 15, 2021	Dec 31, 2023	Dec 31, 2023	378	-	-	378
	2021	2022-2024	May 19, 2022	Dec 31, 2024	Dec 31, 2024	-	490 ²⁾	-	490

Magnus Axelsson, Deputy CEO, is included in the approved but not allotted Share Ownership Program for 2022.

1) The allotment date depends on when the Savings Shares were acquired.

2) The aggregate market value of the underlying shares on the allotment date is KSEK 78.

APPLICATION OF PERFORMANCE CRITERIA

The performance criteria for the variable remuneration paid to the CEO and Deputy CEO have been chosen in order to realize the company's strategy and to encourage actions that promote the long-term interests

of the company. When determining performance criteria, the strategic objectives and long and short-term business priorities for 2022 have been taken into account. The non-financial performance criteria contribute to further adaptation to sustainability and to the company's values.

The performance of the CEO and Deputy CEO during the reported fiscal year: variable cash remuneration

	Description of criteria for the remuneration component	Relative weight of performance criteria	Performance measurement (%)	Actual allotment/remuneration outcome (SEK M)
Per Witalisson, CEO	Return on equity for the fiscal year	48	0	0.00
	Operational objectives for project development activities	52	17	0.41
Magnus Axelsson, Deputy CEO	Return on equity for the fiscal year	20	0	0.00
	Operational objectives for project development activities	80	56	0.07

In 2022, Marcus Landelin was not entitled to any variable remuneration.

Changes in remuneration and the company's results over the past five fiscal years reported (IS), SEK M

Remuneration of CEO and Deputy CEO	IS-4 vs. IS-5	IS-3 vs. IS-4	IS-2 vs. IS-3	IS-1 vs. IS-2 ¹⁾	IS vs IS-1	2022
Per Witalisson, CEO	-0.19 (-8%)	0.74 (33%)	-0.13 (-4%)	1.00 (36%)	-0.36 (-9%)	3.46
Marcus Landelin, Deputy CEO	0.02 (1%)	0.61 (32%)	0.02 (1%)	0.76 (30%)	N/A	2.54 ²⁾
Magnus Axelsson, Deputy CEO	N/A	N/A	N/A	N/A	N/A	0.60 ³⁾
Operating profit/loss	403%	-42%	77%	-112%	N/A	80
Average remuneration based on the number of full-time equivalents, excl. Group management	-0.02 (-3%)	0.05 (7%)	0.10 (13%)	-0.14 (-16%)	-0.09 (-12%)	0.66

1) The 2019/2020 fiscal year refers to 16 months. Outcome for the fiscal year was adjusted to 12 months for comparability.

2) Employed until April 28, 2022.

3) Employed from September 1, 2022.

Consolidated statement of income

SEK M	Note	2022	2021
Net sales	3, 4	2,356	2,614
Other operating income	8	37	42
Total operating income		2,394	2,656
Cost of goods and project development		-2,047	-2,485
Other external expenses	7, 14	-137	-93
Employee benefits expenses	5, 6	-86	-59
Depreciation and impairment of intangible assets and property, plant and equipment	13	-14	-5
Profit from participations in associated companies	19	2	-
Other operating expenses	8	-32	-39
Total operating expenses		-2,314	-2,681
Operating profit/loss		80	-25
Interest income	9	4	2
Interest expense	9	-16	-17
Other financial items	9	41	0
Profit/loss from financial items		28	-15
Profit/loss before tax		109	-40
Tax	11	8	16
Net profit/loss for the year		116	-24
Attributable to Parent Company shareholders		-5	-19
Attributable to non-controlling interests	17	122	-5
Total		116	-24
Earnings per share, before and after dilution	23	-0.22	-0.74

Consolidated statement of other comprehensive income

SEK M	Note	2022	2021
Net profit/loss for the year		116	-24
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		57	18
Tax attributable to other comprehensive income	11	-10	-5
Total other comprehensive income		47	13
Comprehensive income for the year		163	-10
Attributable to Parent Company shareholders		36	-3
Attributable to non-controlling interests	17	127	-7
Total		163	-10

Consolidated statement of financial position

SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets	12	4	11
Property, plant and equipment	13	43	26
Holdings in associated companies	19	30	-
Deferred tax assets	11	41	6
Other financial assets	25	43	16
Total non-current assets		161	59
Current assets			
Work in progress and projects under development	20	772	843
Advance payments to suppliers		230	170
Accounts receivable	21, 25	95	71
Derivative instruments	25	-	2
Current tax assets		23	24
Other current receivables	21, 25	61	55
Prepaid expenses and accrued income	22	10	35
Cash and cash equivalents	25	568	625
Total current assets		1,758	1,826
TOTAL ASSETS		1,919	1,885

SEK M	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	23	25	25
Additional paid-in capital		191	191
Reserves		40	-1
Retained earnings		727	770
Equity attributable to Eolus's shareholders		983	984
Non-controlling interests	17	61	280
Total equity		1,044	1,264
Non-current liabilities			
Non-current interest-bearing liabilities to credit institutions	24, 25, 27	231	21
Non-current provisions		0	0
Deferred tax liabilities	11	2	18
Other non-current liabilities	27	75	65
Total non-current liabilities		309	105
Current liabilities			
Current interest-bearing liabilities to credit institutions	24, 25, 27	79	165
Accounts payable	25	274	186
Derivative instruments	25	15	5
Current tax liabilities		0	4
Accrued expenses and deferred income	22, 25	177	116
Advance payments from customers		10	10
Other current liabilities		11	31
Total current liabilities		567	516
TOTAL EQUITY AND LIABILITIES		1,919	1,885

Consolidated statement of changes in equity

SEK M	Note 23	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total Eolus's shareholders	Non-controlling interests	Total equity
At January 1, 2022		25	191	-1	770	984	280	1,264
Net profit/loss for the year					-5	-5	122	116
Other comprehensive income				42		42	5	47
Total comprehensive income				42	-5	36	127	163
Transactions with shareholders								
Change in non-controlling interests attributable to divestments of subsidiaries						-	-427	-427
Dividends					-37	-37		-37
Capital contribution from non-controlling interests						-	80	80
At December 31, 2022		25	191	40	727	983	61	1,044

SEK M	Note 23	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total Eolus's shareholders	Non-controlling interests	Total equity
At January 1, 2021		25	191	-17	838	1,037	-1	1,036
Net loss for the year					-19	-19	-5	-24
Other comprehensive income				15		15	-2	13
Total comprehensive income				15	-19	-3	-7	-10
Transactions with shareholders								
Dividends					-50	-50		-50
Capital contribution from non-controlling interests						-	288	288
At December 31, 2021		25	191	-1	770	984	280	1,264

Consolidated statement of cash flows

SEK M	Note	2022	2021
Operating activities			
Operating profit/loss		80	-25
Non-cash items	26	-94	46
		-13	21
Interest received		3	2
Interest paid		-15	-19
Income tax paid		-24	-26
Net cash flow from operating activities before changes in working capital		-49	-22
Adjustments of working capital			
Increase in work in progress, and projects under development as well as advance payments to suppliers		-703	-648
Decrease in operating receivables		6	316
Increase in operating liabilities		554	257
Cash flow from operating activities		-191	-97
Cash flow from investing activities			
Acquisition of property, plant and equipment	13	-5	-4
Sale of property, plant and equipment	13	2	1
Acquisition of financial assets	19	-30	-
Cash flow from investing activities		-33	-3
Cash flow from financing activities			
Borrowings	24	300	50
Repayment of loans	24	-189	-258
Dividends		-37	-50
Payment from minority shareholders		80	290
Cash flow from financing activities		153	32
Cash flow for the year			
Cash and cash equivalents at beginning of year		625	691
Exchange rate differences in cash and cash equivalents		14	2
Cash and cash equivalents at year-end		568	625

Parent Company income statement

SEK M	Note	2022	2021
Net sales	4	22	158
Change in work in progress and projects under development		8	-16
Own work capitalized		18	12
Other operating income	8	44	23
Total operating income		92	177
Cost of goods and project development		-60	-57
Other external expenses	7, 14	-40	-42
Employee benefits expenses	5, 6	-65	-45
Depreciation and impairment of intangible assets and property, plant and equipment		-5	-1
Other operating expenses	8	1	-1
Total operating expenses		-169	-146
Operating profit/loss		-77	31
Profit from participations in Group companies	16	115	33
Interest income	9	9	7
Interest expense	9	-15	-11
Other financial items	9	70	25
Profit from financial items		179	54
Profit after financial items		101	85
Appropriations	10	22	14
Profit before tax		123	99
Tax on profit for the year	11	-3	-17
Net profit for the year		121	82

Parent Company statement of other comprehensive income

SEK M	Note	2022	2021
Net profit for the year		121	82
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income		-	-
Comprehensive income for the year		121	82

Parent Company balance sheet

SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Intangible assets	12	4	11
Property, plant and equipment			
Land and buildings	13	0	0
Equipment	13	1	3
		2	3
Financial assets			
Participations in Group companies	16	32	18
Participations in associated companies	19	-	-
Other securities held as non-current assets	15	1	1
Deferred tax assets	11	7	10
Non-current receivables from Group companies		275	269
		314	297
Total non-current assets		320	311
Inventories, etc.			
Work in progress and projects under development		40	52
Advance payments to suppliers		32	15
		72	67
Current receivables			
Accounts receivable		4	4
Receivables from Group companies		840	677
Current tax assets		18	18
Other current receivables		6	1
Prepaid expenses and accrued income	22	8	3
		877	704
Cash and cash equivalents		406	458
Total current assets		1,355	1,229
TOTAL ASSETS		1,676	1,541

SEK M	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Restricted equity	23		
Share capital		25	25
Statutory reserve		22	22
		47	47
Non-restricted equity			
Share premium reserve		169	169
Retained earnings		778	733
Net profit for the year		121	82
		1,067	984
Total equity		1,115	1,031
Untaxed reserves	10	1	2
Provisions		0	0
Non-current liabilities			
Non-current liabilities to credit institutions	24	225	19
Other non-current liabilities		64	65
Total non-current liabilities		289	83
Current liabilities			
Liabilities to credit institutions	24	75	161
Advance payments from customers		24	30
Accounts payable		127	124
Liabilities to Group companies		30	52
Other liabilities		7	27
Accrued expenses and deferred income	22	7	30
Total current liabilities		270	424
TOTAL EQUITY AND LIABILITIES		1,676	1,541

Parent Company statement of changes in equity

SEK M	Note 23	Share capital	Paid-in capital	Reserves	Retained earnings	Total equity
At January 1, 2022		25	22	169	815	1,031
Net profit for the year					121	121
Total comprehensive income					121	121
<i>Transactions with shareholders</i>						
Dividends					-37	-37
At December 31, 2022		25	22	169	899	1,115

SEK M	Note 23	Share capital	Paid-in capital	Share premium reserve	Retained earnings	Total equity
At January 1, 2021		25	22	169	783	998
Net profit for the year					82	82
Total comprehensive income					82	82
<i>Transactions with shareholders</i>						
Dividends					-50	-50
At December 31, 2021		25	22	169	815	1,031

Parent Company cash flow statement

SEK M	Note	2022	2021
Operating activities			
Operating profit/loss		-77	31
Non-cash items	26	6	6
		-72	37
Interest received		9	7
Interest paid		-15	-13
Income tax paid		-	-17
Net cash flow from operating activities before changes in working capital		-77	14
Adjustments of working capital			
Increase/decrease work in progress, projects under development and advance payments to suppliers		-3	22
Increase/decrease in operating receivables		-202	19
Decrease in operating liabilities		53	20
Cash flow from operating activities		-229	75
Cash flow from investing activities			
Acquisition of property, plant and equipment	12	-1	0
Sale of property, plant and equipment	12	2	0
Change in financial assets		87	-15
Cash flow from investing activities		88	-15
Cash flow from financing activities			
Borrowings	24	300	47
Repayment of loans	24	-188	-255
Group contributions received/paid		13	6
Dividends		-37	-50
Cash flow from financing activities		89	-252
Cash flow for the year			
Cash and cash equivalents at beginning of year		458	650
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		406	458

Notes

NOTE 1 GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The Parent Company, Eolus Vind AB, Corporate Registration Number 556389-3956, is a limited liability company registered and headquartered in Sweden. The Group's main operations comprise development, divestment and establishment of facilities for renewable energy and energy storage, and asset management services on behalf of the facility owners. The address of the head office is Tredje Avenyen 3, Hässleholm, Sweden, under the postal address Box 95, SE-281 21 Hässleholm, Sweden. The company is listed on Nasdaq Stockholm.

The Board of Directors approved these consolidated financial statements and the financial statements for the Parent Company on March 23, 2023 and they will be presented to the Annual General Meeting for adoption on May 12, 2023.

The most important accounting policies applied to the preparation of these consolidated financial statements are stated below. These policies were applied consistently for all years presented, unless otherwise stated.

REGULATIONS APPLIED TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Annual Accounts Act and recommendation RFR 1 Supplementary Accounting Rules for Groups were applied.

BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are based on historical cost, unless otherwise stated. The Group's presentation currency is SEK, which is the Parent Company's functional currency. Unless otherwise stated, all figures are presented in millions of Swedish kronor (SEK M).

INTRODUCTION OF NEW ACCOUNTING POLICIES

The Group has decided to comment only on standards and interpretations that are deemed to be, or may in the future be, relevant to the Group and its operations.

NEW IFRS STANDARDS NOT YET APPLIED

The standards, interpretations and amendments effective on or after the 2023 fiscal year are currently being evaluated. The initial assessment is that they will not have any significant effects on the Group's financial statements.

NEW IFRS STANDARDS THAT HAVE BEEN APPLIED

No IFRS amendments that became effective in 2022 had any significant effects on the Group's financial statements.

REVENUE

Revenue is measured at the fair value of what has been received or will be received, excluding value-added tax. Sales proceeds are recognized as follows:

Revenue from transfer of project rights and signed construction contracts

On sale of energy facilities where the customer takes over the project rights, a construction contract is often entered into with Eolus for installation of the facility. In respect of project rights, this revenue is recognized on handover and the construction contract is recognized over time, in line with Eolus's fulfillment of its performance obligation. Since construction contracts entail that Eolus carries out work on land that is controlled by the customer via leasehold agreements, Eolus creates an asset that the customer controls as the asset is created.

Revenue recognition over time

When recognizing revenue over time, revenue is recognized in proportion to the percentage of completion of the energy facility. Information about the following components is required to calculate the revenue generated at a given point of time:

- Revenue from construction: the nature of revenue must be that Eolus can credit the revenue in the form of actual payments or consideration to the company.
- Expense: expenses attributable to Eolus's construction corresponding to the revenue.
- Percentage of completion: stages in the construction for completion of the energy facility.

The basic condition for revenue recognition over time is that it must be possible to reliably quantify revenue and expenses in proportion to the percentage of completion. The effect of revenue recognition over time is that revenue recognition stands directly in relation to the percentage of completion and reflects the revenue trend for construction in progress. Recognizing revenue over time contains a component of uncertainty. Sometimes unforeseen events occur that make the end result of construction projects either higher and lower than expected. It is particularly difficult to assess results at the start of construction projects and for projects that extend over a long period of time. Provisions for losses are established as soon as they become known.

Balance sheet items affected by revenue recognition over time are Accrued income, Advance payments from customers and Accrued expenses. Balance sheet items, Accrued income and Advance payments from customers are recognized net on a project-by-project basis. The construction projects that have higher accrued income than advance payments from customers will be recognized as current assets, while the projects that have higher advance payments from customers than accrued income will be classified as non-interest-bearing current liabilities.

Revenue from transfer of energy facilities where construction has begun

Revenue from energy facility agreements is recognized over time as control of the facility is transferred to the customer. This is because Eolus has no alternative use for the sold energy facility and Eolus has an enforceable right to payment for the performance completed to date. If neither of these criteria are met, revenue shall be recognized at a point in time, upon completion and handover to the customer. The extent to which Eolus has an enforceable right to payment for the performance completed to date depends on the agreement terms and currently applicable legislation, and is an assessment that needs to be made on a case-by-case basis.

Revenue from transfer of project rights without signed construction contracts

Revenue from sales of project rights without a construction contract is recognized as a sale when control has been transferred to the customer.

Sale of asset management services

Revenue from asset management services is recognized in the period in which the services were essentially carried out.

Interest

Interest income is recognized as financial income through application of the effective-interest method.

Dividends

Dividends are recognized in profit or loss when the shareholders' rights to receive payment have been determined.

CONSOLIDATION BASIS

The consolidated financial statements encompass the Parent Company and its subsidiaries. The financial statements for the Parent Company and subsidiaries included in the consolidated financial statements pertain to the same period and have been prepared in accordance with the same accounting policies as for the Group.

Subsidiaries

Subsidiaries are defined as all companies over which the Group exercises a controlling influence. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its holding in the company and has the ability to impact those returns through exercising its influence over the company. Subsidiaries are included in the consolidated financial statements from the acquisition date, meaning the date on which the Group gains a controlling influence, and are included in the consolidated financial statements until the date on which the controlling influence ceases.

Business combinations are recognized using the acquisition method. The purchase consideration comprises the fair value of acquired assets, liabilities and issued shares. The purchase consideration also includes the fair value of all assets and liabilities that are part of any contracted, contingent purchase considerations. Acquisition-related costs are expensed when they arise and are recognized as other expenses. Identifiable assets acquired and liabilities assumed are initially measured at fair value on the acquisition date. For each acquisition, the Group determines whether all non-controlling interests in the acquired company are measured at fair value or at the proportionate share of net assets of the acquired company.

The amount by which the consideration, any non-controlling interests and the fair value of previous shareholdings exceeds the fair value of the Group's share of identifiable assets acquired is recognized as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets, the difference is recognized directly in the statement of comprehensive income.

In accordance with common practice in the industry, energy facility projects are often conducted in separate companies. This means that acquisitions and divestments of projects and completed energy facilities can be structured as share transactions.

Since the main purpose of these transactions is to acquire or divest energy facility projects and there are no other activities or administration, or they are of minor importance, they are classified as asset acquisitions. The assets that are acquired in this manner are measured at fair value in the consolidated financial statements, and no goodwill arises.

Associated companies

Associated companies are companies over which the Group exercises a significant but not a controlling influence, which generally applies to shareholdings comprising between 20% and 50% of the votes. Holdings in associated companies are recognized in accordance with the equity method and are initially measured at cost and, thereafter, the carrying amount is increased or decreased to recognize the Group's share of the associated company's profit or loss after the acquisition date.

Non-controlling interests

Non-controlling interests are the portion of the earnings and net assets of a non-wholly owned subsidiary that accrue to other owners than Parent Company shareholders. Their share of earnings is included in net profit for the year in the consolidated income statement and the share of net assets is included in equity in the consolidated statement of financial position.

Translation of accounts of foreign subsidiaries

Items in the subsidiaries' balance sheets are presented in their respective functional currencies, which is normally the same as the local currency in that specific country. The Group's financial statements are presented in SEK, which is the Parent Company's functional currency. The income statements and balance sheets of the foreign subsidiaries are translated to SEK. The balance sheets are translated at the closing day rate. The income statements are translated at the average exchange

rate for the period. Exchange rate differences arising on translation do not impact net profit for the year and instead are recognized in other comprehensive income in the consolidated financial statements. The foreign exchange rates recognized under the section "Receivables and liabilities in foreign currencies" were used.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies are translated at the closing day rate, and unrealized exchange rate gains and losses are included in profit or loss. Exchange rate differences arising on the translation of non-current internal receivables and liabilities do not impact net profit for the year and instead are recognized in other comprehensive income in the consolidated financial statements.

	EUR	NOK	PLN	USD
Closing day rate, Dec 31, 2022	11.1283	1.0572	2.3741	10.4371
Average rate for the period 2022	10.6274	1.0518	2.2689	10.1094
Closing day rate, Dec 31, 2021	10.2269	1.0254	2.2279	9.0437
Average rate for the period 2021	10.1439	0.9979	2.2232	8.5756

RELATED-PARTY TRANSACTIONS

Transactions with related parties are concluded on normal market terms. Related parties refer to the companies over which the Group exercises a controlling or significant influence in terms of operational and financial decision-making. The sphere of related parties also includes the companies and natural persons who have the opportunity to exercise a controlling or significant influence over the Group's financial and operational decisions.

SEGMENT REPORTING

Operating segments are recognized in a manner that corresponds to the internal reporting to the chief operating decision maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the CEO.

Eolus's operating segments are described in Note 3 and comprise:

- Project development involving pre-study, project development, divestment and establishment of renewable electricity generation and energy storage facilities. This also includes technical consultancy services for renewable energy stakeholders.
- Asset management which pertains to full asset management services for external renewable electricity generation and energy storage facilities.

CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method. The recognized cash flow only includes transactions entailing incoming and outgoing payments. Cash and cash equivalents are included in cash and bank balances, and current investments with insignificant value fluctuations and original due dates of less than three months.

INTANGIBLE ASSETS

In connection with the divestment of the Jenåsen wind farm, Eolus acquired the right to 96% of the electricity certificates that the wind farm will generate over the 15-year certificate period. This right was acquired for a non-recurring amount and recognized as an intangible asset. Electricity certificates are recognized as inventory as they are issued, at which point production-based amortization of the intangible asset item takes place.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment. Expenses for improving the performance of the assets beyond the original level increase the carrying amount of the assets. Expenses for repairs and maintenance are recognized as costs in profit or loss.

Property, plant and equipment are depreciated systematically over the estimated useful lives of the assets. The useful life is tested at the end of every accounting period and is adjusted as necessary. Any residual value of the asset is taken into account when determining the depreciable amount of the asset. The straight-line depreciation method is applied to all types of assets.

The following depreciation periods are applied:

	Number of years
Equipment	3–5 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

If there is an indication that an asset subject to depreciation has declined in value, the recoverable amount of the asset is calculated. The asset is impaired to its recoverable amount if the calculated recoverable amount is less than the carrying amount. The recoverable amount is the highest of the net realizable value and value in use in the operations.

Financial instruments

Financial instruments recognized in the statement of financial position include, on the assets side, derivative receivables, accounts receivable, other receivables, participations in unlisted companies, and cash and cash equivalents. Liabilities include derivative liabilities, accounts payable, other liabilities and accrued interest expense.

Recognition and derecognition from the statement of financial position

A financial asset or financial liability is recognized in the statement of financial position when Eolus becomes party to the contractual provisions of the instrument. Accounts receivable are recognized in the statement of financial position when an invoice has been sent. Liabilities are recognized when the counterparty has performed and has a contractual obligation to pay. Accounts payable are recognized when an invoice has been received. A financial instrument is derecognized from the statement of financial position when the contractual rights have been realized, expire or Eolus relinquishes control of them. A financial liability is derecognized from the statement of financial position when the contractual obligation has been discharged or otherwise extinguished. On-demand acquisitions and sales of financial assets are recognized on the settlement date. The settlement date is the date on which an asset is delivered to or from the company.

Recognition and measurement of financial assets

Purchases and sales of financial assets are recognized at the trade date, that is, the date on which the Group commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially measured at fair value, while attributable transaction costs are recognized in profit or loss. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed substantially all the risks and rewards of ownership. Financial assets measured at fair value through profit or loss are measured at fair value after the date of acquisition. Dividend income from securities is recognized in profit or loss as a portion of financial income once the Group's right to receive payment has been established.

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets requires impairment. A financial asset or group of financial assets requires impairment and is impaired only if there is objective evidence of

an impairment requirement due to one or more events having occurred after the asset was first recognized (a loss event) and that this event (or these events) has an effect, that can be reliably estimated, on the estimated future cash flows for the financial asset or group of financial assets.

Recognition and measurement of financial liabilities

Financial liabilities measured at fair value through profit or loss comprise currency and interest rate derivatives. Other financial liabilities are initially measured at fair value less any transaction costs that have arisen. In subsequent periods, these liabilities are measured at amortized cost using the effective interest method. Eolus's accounts payable, borrowing and other current liabilities and accrued expenses are included in this category.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received at the measurement date on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date.

Financial instruments measured at fair value are classified either as fair value in profit or loss or available for sale. Measurement can be based on any of the following conditions:

- Quoted market prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices that are observable for the asset or liability, either directly (quoted prices) or indirectly (derived from quoted prices) (level 2).
- Unobservable market inputs for the asset or liability (level 3).

The fair value of financial instruments traded in an active market is based on quoted market prices on the balance sheet date. A market is considered to be active if quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length. The fair value of financial instruments not traded in an active market (for example, OTC derivatives) is determined using valuation techniques. Market information is used for this as far as possible when it is available, whereas company-specific information is used as little as possible. If all significant inputs required for measurement are observable, then level 2 measurement is applied. The fair value of unquoted securities is based on cash flows discounted at an interest rate based on the market interest rate and a risk mark-up specific to these unquoted securities. The fair value of currency futures is determined using the exchange rates for currency futures on the balance sheet date where the resulting value is discounted to the present value, meaning level 2. Eolus currently recognizes all financial instruments at level 2.

If one or more significant inputs are not based on observable market information, the instrument in question is classified as level 3. Eolus does not currently recognize any financial instruments belonging to this category. No reclassifications between the various categories took place during the period.

WORK IN PROGRESS AND PROJECTS UNDER DEVELOPMENT

Work in progress refers to energy facilities that are under construction. Projects under development refers to ongoing project development, where all projects that have incurred costs of at least KSEK 10 are included. Projects under development are reviewed at the end of every reporting period and impairment losses are recognized for projects that have been rejected by the permitting authority or are otherwise deemed infeasible. Work in progress and projects under development are measured at the lower of costs incurred and fair value.

Certain projects recognized as projects under development were acquired from third parties, whereby the purchase consideration may be paid depending on the progress of the projects. These projects are recognized at an amount corresponding to costs incurred less accumulated impairment. Additional consideration is recognized as part of the cost on the date on which the consideration is determined.

The right to electricity certificates acquired by Eolus in connection

with the divestment of the Jenåsen wind farm was recognized as an intangible asset. Electricity certificates are recognized as inventory as they are issued.

PROVISIONS

Provisions are recognized when the Group has a legal or informal commitment due to previous events and when it is probable that a payment will be required to settle the commitment and the amount can be reliably calculated. For cases in which the company expects an established provision to be compensated by an external party, for example, within the framework of an insurance contract, such expected compensation is recognized as a separate asset, but only when it is essentially certain that compensation will be received. If the time value is significant, the future payment is calculated at its present value. The calculations are made by applying a discount rate that reflects the short-term market expectations taking into account specific risks associated with the commitment. An increase in the commitment is recognized as an interest expense.

CONTINGENT LIABILITIES

Contingent liabilities comprise possible commitments originating from events that have occurred and whose occurrence is confirmed only by the occurrence or non-occurrence of one or several uncertain future events, which are not within Eolus's control. Contingent liabilities may also be a commitment originating from events that have occurred but that have not been recognized as a liability or a provision because it is not likely that the commitment will be settled or the amount of the commitment cannot be reliably calculated.

EMPLOYEE BENEFITS

Severance pay

Severance pay is paid when employment is terminated before the normal age of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. Eolus recognizes severance pay when the Group has an existing legal or informal commitment when it is more probably that an outflow of resources will be required to settle the commitment than not, and when the amount can be reliably calculated.

Pensions

Eolus's pension obligations only encompass defined-contribution plans. A defined-contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all of the remuneration to the employees that is associated with the employees' service in current and earlier periods. The Group's payments into defined-contribution pension plans are charged to net profit for the year in the year in which they are attributable.

LEASES

Eolus is to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lease payments are divided into two components: amortization and interest expense. Exceptions can be made for leases with a term of 12 months or less, and leases for which the underlying asset has a low value.

INCOME TAX

The tax expense for the period includes current and deferred tax. Tax is recognized in profit or loss, except when the tax pertains to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income and equity, respectively. All tax liabilities and tax assets are valued at nominal amounts in accordance with the tax rules and at the tax rates decided or announced and which, with all likelihood, will be adopted. Deferred tax is recognized on the balance sheet date using the balance sheet approach for determining any temporary difference between the carrying amount

of an asset or liability and its tax base. Deferred tax assets are recognized for all deductible temporary differences, including loss carryforwards, to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences can be utilized.

ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

Certain estimates and assumptions are made when the Board of Directors and CEO prepare the financial statements in accordance with applicable accounting policies that affect the carrying amounts of assets, liabilities, income and costs. The areas in which estimates and assumptions are of great significance to the Group and that could impact the income statement and balance sheet if they were to change are described below.

Revenue recognition over time

Recognizing revenue over time contains a component of uncertainty. Sometimes unforeseen events occur that make the end result of construction projects either higher and lower than expected. It is particularly difficult to assess results at the start of construction projects and for projects that extend over a long period of time. Provisions for losses are established as soon as they become known.

Legal disputes

Provisions for disputes are estimates of the future cash flows required to settle obligations. Disputes primarily refer to contractual obligations pertaining to agreements with customers and suppliers, but other types of disputes also arise in the course of normal business activities.

IMPAIRMENT OF PROJECTS UNDER DEVELOPMENT

At the end of every reporting period, the carrying amounts of the Group's projects under development are assessed to determine whether these assets may be impaired. Should such an indication exist, a comparison is made between the estimated final establishment cost and the project's acquisition value to an investor. An impairment requirement exists if the estimated establishment cost is higher than the acquisition value of the project to an investor. Other factors, such as permits, could also impact the realizability of the project and thus its value. Any impairment is recognized directly in profit or loss.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company prepares its annual reports in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 entails that the Parent Company's annual report for the legal entity is to apply all IFRSs and statements approved by the EU as far as possible under the framework of the Annual Accounts Act and by taking into account the connection between accounting and taxation. The recommendation also states the exceptions and additions that may be made compared with reporting under IFRS.

The Group's and the Parent Company's accounting policies have the following differences. Participations in subsidiaries are recognized in the Parent Company according to the cost method. Certain financial assets are measured at fair value in the consolidated financial statements. These are measured at the lower of cost and fair value in the Parent Company's accounts. The Parent Company recognizes appropriations using the alternative method stated in RFR 2 Accounting for Legal Entities. The amounts deposited in untaxed reserves comprise taxable temporary differences. Deferred tax liabilities attributable to the untaxed reserves are not recognized separately in the Parent Company due to the connection between accounting and taxation. The amounts are included in untaxed reserves instead.

None of the amendments to RFR 2 Accounting for Legal Entities have impacted the Parent Company's financial statements.

CHANGES TO RFR 2 NOT YET EFFECTIVE

None of the coming changes to RFR 2 are expected to have any significant effect on the Parent Company's financial statements.

NOTE 2 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT AT EOLUS

Through its operations, Eolus is exposed to a variety of financial risks: market risk (interest rate risk, currency risk and energy price risk), credit risk and liquidity and refinancing risk. The Group's overall risk management focuses on the unpredictability of the financial markets and seeks to minimize potentially adverse effects on the Group's earnings. These financial risks include the impact of changes in interest expense for variable interest loans, the impact of sales in EUR and USD on renewable energy facilities, the impact on purchasing components for the facilities in EUR and USD if exchange rates change, the risk of changes in electricity and electricity certificate prices, the risk of the company being unable to obtain the desired financing for future projects and having insufficient short-term liquidity to meet its existing payment obligations. Risk is managed by the finance function in accordance with a written Finance and Risk Policy that is established annually by the Board of Directors if there are any changes, or that otherwise continues to apply. Follow-ups of the Group's finance and risk policy are reported to the Board every quarter.

MARKET RISK

Eolus's primary operations comprise developing and divesting project companies as well as construction management of renewable energy facilities. Most of the market risks are both direct and indirect since Eolus's customers also need to manage these risks. Eolus may thereby be indirectly impacted by lower demand and/or lower selling prices.

Interest rate risk

Eolus's customers usually borrow for their investments in renewable energy facilities. Consequently, interest rates affect demand for these facilities.

The Group's loans have mainly been raised for project development. Interest on these credit facilities is currently variable, refer to Note 24. Loans with fixed interest rates expose the Group to fair-value interest rate risk. Changes in market rates can affect future earnings and profitability, especially for renewable energy facilities under construction that are financed with bank loans. It is up to management to assess on each occasion the amount of borrowing at fixed or variable interest rates. Under the adopted finance and risk policy, the nominal amount for interest rate derivatives is not to exceed 100% of interest-bearing liabilities to credit institutions. This can be achieved by a combination of fixed-interest loans, loans at variable interest rates and derivative instruments. The aim of the interest rate derivatives is to exchange variable interest rates for fixed rates. At December 31, 2022, the Group had outstanding interest rate derivatives amounting to a nominal value of SEK 45 M (45) that fall due in 2023. Including interest rate derivatives, the loan portfolio had an average fixed-interest period of 4 months on the closing date. At December 31, 2022, interest-bearing liabilities amounted to SEK 311 M (186). On the closing date, 14% (24) of the Group's liabilities to credit institutions were covered by interest rate hedging instruments. Excluding interest rate derivatives, the average interest rate was 4.6% (2.1). Including interest rate derivatives, the average interest rate was 4.1% (2.5). A change in interest rates of +/- 1 percentage point would have an earnings impact of +/- SEK 3 M (2). The same fluctuation would have an earnings effect of +/- SEK 0 M (1) attributable to the market value of interest rate derivatives.

Currency risk

Eolus's currency risk exposure mainly arises from the fact that most divestments of renewable energy facilities, acquisitions of project rights and purchases of components for the facilities are denominated in a foreign currency, normally EUR or USD. Exchange rate fluctuations can therefore affect the profitability of the projects. The Group's finance and risk policy stipulates how the risk of negative effects of changes in exchange rates is to be managed. The policy entails that at least 75% and

at most 125% of the forecast net flow (inward and outward payments in EUR and USD) within 12 months is to be managed using, for example, currency futures, currency swaps, loans in foreign currency or currency deposits. Calculated flows later than 12 months but within 24 months may be managed at a maximum of 75%. The risk inherent in forecast flows later than 24 months is not managed. At December 31, 2022, the Group had outstanding currency hedges comprising a nominal amount of EUR 23 M (52). All futures contracts fall due within 12 months and pertain to sales forwards. Futures contracts in relation to forecast net flows for the next 12 months amount to about 80%. The forecast net flow includes an agreed consideration to be received for renewable energy facilities under construction. EUR/SEK and USD/SEK rates were hedged during the year. A change in the SEK/EUR exchange rate of SEK 1 at the end of the fiscal year would result in an earnings impact of +/- SEK 20 M (48), given the translation of currency accounts and any outstanding futures contracts at December 31, 2022. A change in the SEK/USD exchange rate of SEK 1 at the end of the fiscal year would result in an earnings impact of +/- SEK 9 M (12), given the translation of currency accounts.

Energy price risk

The market price of electricity varies over time and depends on the speed of renewable electricity deployment and the trend in electricity demand. The future transfer price of electricity is the single most important parameter in customers' investment calculations. Fluctuations in the price of electricity and within Eolus's various markets affect the Group's potential customers. Accordingly, Eolus's operations may be indirectly affected in both the short and long term by trends in the forward market for electricity. Eolus closely follows the market to understand how it works and its correlation to the price of other energy sources and business cycles, etc.

CREDIT RISK

Credit risk, or counterparty risk, is defined as the risk of incurring a loss if the counterparty does not fulfill its commitments. Commercial credit risk encompasses customers' solvency and is managed by closely monitoring payment behavior, following up customers' financial statements and maintaining regular communication. The Group's total credit risk is divided each year between a small number of customers that account for a relatively large percentage of the Group's accounts receivable, refer to Note 21. All customers are highly transparent. During periods of temporary excess liquidity, investments may only be made by deposits with banks that are under the supervision of a financial supervisory agency in a Nordic country or by deposits with or purchases of instruments issued by the Swedish National Debt Office. The fixed-term period for each individual investment of surplus liquidity may not be longer than three months. Investments with longer fixed-term periods require separate decisions.

Investments

The Group's cash flow from operating activities and sales of project rights and renewable energy facilities is used for developing or acquiring new projects, and for financing operating activities. Surplus liquidity is to be invested with counterparties that have high credit ratings and thus low credit risk. The Group's risks regarding interest income are relatively limited. Under the agreed interest terms on bank balances, interest income is received annually.

LIQUIDITY AND REFINANCING RISK

The company's operations are financed by borrowings from credit institutions in addition to equity. Liquidity risk is defined as the risk of the Group being adversely affected by shortcomings in managing and controlling cash and cash equivalents and payment flows.

Refinancing risk pertains to the risk of experiencing difficulties in

securing financing for the operations at a given point in time. Eolus's project activities comprise development of renewable energy projects and the establishment of facilities for customers. The company works continuously to prepare 36-month cash flow forecasts for the Group. The management closely monitors rolling forecasts for trends in net debt/cash flows and to ensure that the Group has sufficient liquidity available to meet operational needs. The company strives to match payment plans for customers, in terms of liquidity buffers, with the company's plans from its largest suppliers. Eolus's current financing includes liquidity and construction loans totaling SEK 1,200 M that secure the financing of both project acquisitions and ongoing and future establishments, while enabling high liquidity for the company's ongoing operations.

Continuous dialog is maintained with credit institutions in order to negotiate new facilities well before contracts expire. To achieve optimal and cost-efficient access to finance, financing is matched with planned project activities.

Separate covenants are in place for liabilities to credit institutions. Covenants for current credit agreements pertain to the equity/assets ratio and available liquidity. If these covenants are not met, the bank can withdraw the credit facilities. During the 2022 fiscal year, all covenants entered into with credit institutions were met.

Interest-bearing liabilities amounted to SEK 311 M (186), of which SEK 231 M (21) was non-current. At the end of the fiscal year, the fixed-term period for loans was 2.7 years (0.8), with an average interest rate of 4.1% (2.2), excluding interest rate derivatives. Refer to Note 18 for disclosures about remaining liquidity flows pertaining to financial liabilities.

CAPITAL RISK

The Group's targets for its capital structure are to safeguard the Group's ability to pursue its operations so that it can generate returns for shareholders and value for stakeholders, and to maintain an optimal capital structure to keep costs for capital down.

To maintain or adjust its capital structure, the Group can change the dividends it pays to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities.

Capital refers to shareholders' share of equity. The target for Eolus' returns is at least 10% in relation to average equity. The target is followed up in conjunction with the financial statements and is communicated in interim reports.

Loan maturity structure	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
6 months or less	77	96	75	94
6–12 months	2	69		67
1–5 years	231	21	225	19
More than 5 years	-	-	-	-
Total	311	186	300	180

NOTE 3 OPERATING SEGMENTS

Project development involving pre-study, project development, divestment and establishment of renewable energy facilities. This also includes technical consultancy services.

Asset management which pertains to full asset management services for external and internal wind power facilities.

2022	Project development	Asset management	Joint eliminations	Total Group
Segment revenue				
Net sales, external customers	2,329	28	-	2,356
Inter-segment transactions	1	2	-3	0
Other revenue	28	9	0	37
Expenses	-2,287	-30	3	-2,313
(of which depreciation and impairment)	(-14)	(-0)	-	(-14)
Operating profit	71	9	-	80
Financial items				28
Profit before tax				109
Tax				8
Net profit for the year				116
Segment's assets at December 31, 2022	1,159	26	734	1,919
Assets include: Purchase of non-current assets	16	0	-	16

Following a review of the project portfolio, projects that are deemed to have lower potential for future realization were impaired. This had an impact of SEK 6 M (5) on operating profit in the Project Development segment.

2021	Project development	Asset management	Joint eliminations	Total Group
Segment revenue				
Net sales, external customers	2,588	27	-	2,614
Inter-segment transactions	0	1	-1	0
Other revenue	34	9	-1	42
Expenses	-2,655	-28	2	-2,681
(of which depreciation and impairment)	(-5)	(-0)	-	(-5)
Operating profit/loss	-34	9	-	-25
Financial items				-14
Profit before tax				-40
Tax				16
Net loss for the year				-24
Segment's assets at December 31, 2021	1,103	21	761	1,885
Assets include: Purchase of non-current assets	4	-	-	4

40% (2) of the Group's revenue is attributable to Group companies in Sweden. Refer to Note 4 for a specification by geographic market. Two customers account for 83% of revenue: 48% and 35% respectively. In the preceding year, two customers accounted for 95% of revenue: 82% and 13%, respectively.

Property, plant and equipment	Dec 31, 2022	Dec 31, 2021
Sweden	16	10
US	27	15
Total	43	25

NOTE 4 REVENUE

2022	Project development	Asset management	Total Group
Time of revenue recognition			
Over time	1,277	28	1,305
At a point in time	1,052	-	1,052
Net sales, external customers	2,329	28	2,356
Geographic market			
Sweden	927	24	951
Norway	1,253	1	1,254
US	149	3	152
Net sales, external customers	2,329	28	2,356
Type of contract			
Transfer of project rights and signed construction contracts	2,323	-	2,323
Electricity certificates	5	-	5
Asset management	-	28	28
Electricity generation	1	-	1
Net sales, external customers	2,329	28	2,356
2021			
Time of revenue recognition			
Over time	2,458	27	2,486
At a point in time	129	-	129
Net sales, external customers	2,588	27	2,614
Geographic market			
Sweden	40	25	65
Norway	2,130	1	2,131
The Baltics	1	-	1
US	417	1	418
Net sales, external customers	2,588	27	2,614
Type of contract			
Transfer of project rights and signed construction contracts	2,244	-	2,244
Transfer of energy facilities under construction	336	-	336
Electricity certificates	7	-	7
Asset management	-	27	27
Electricity generation	1	-	1
Net sales, external customers	2,588	27	2,614

Contract assets	GROUP	
	Dec 31, 2022	Dec 31, 2021
Facilities under construction	6	6
Advance payments to suppliers	32	15
Accounts receivable	26	-
Accrued contract income	2	78
Total	66	99

Contract liabilities	GROUP	
	Dec 31, 2022	Dec 31, 2021
Advance payments from customers	56	44
Invoiced but not accrued revenue	-	-
Total	56	44

All contract liabilities recognized on December 31, 2021 were also recognized as contract liabilities on December 31, 2022.

No information is provided about the transaction price allocated to outstanding performance obligations, since no such obligations with an expected term of more than one year existed at December 31, 2022.

NOTE 5 SALARIES, REMUNERATION AND NUMBER OF EMPLOYEES

The members of the Parent Company's management team also comprise Group Management.

	2022		2021	
	Salaries and other remuneration	Social security expenses (of which pension costs)	Salaries and other remuneration	Social security expenses (of which pension costs)
Sweden – Parent Company	44.1	19.8	31.0	14.1
		(5.0)		(3.9)
Sweden – subsidiaries	8.2	3.3	7.6	3.1
		(0.5)		(0.5)
Estonia	-	-	0.3	0.1
		(-)		(-)
Finland	2.5	0.5	0.4	0.2
		(0.5)		(0.1)
Latvia	2.4	0.6	1.0	0.4
		(-)		(-)
Norway	1.5	0.2	2.5	0.2
		(0.1)		(0.1)
Poland	3.1	0.4	0.9	0.1
		(-)		(0.1)
Group	61.8	24.8	43.6	18.2
		(6.0)		(4.6)

	2022		2021	
	Salaries and other remuneration (of which bonus)	Pension costs	Salaries and other remuneration (of which bonus)	Pension costs
Board of Directors and CEO	4.6	0.5	5.0	0.5
	(0.4)		(0.6)	
Other employees	57.2	5.5	38.6	4.1
	(2.5)		(3.9)	
Group	61.8	6.0	43.6	4.6
	(2.9)		(4.5)	

Gender distribution, Board of Directors and other senior executives	Dec 31, 2022		Dec 31, 2021	
	Number at balance sheet date	Of whom men	Number at balance sheet date	Of whom men
Board of Directors	6	4	6	4
CEO and other senior executives	7	4	4	3
Group and Parent Company	13	8	10	7

Average number of employees	2022		2021	
	Average number of employees	Of whom men	Average number of employees	Of whom men
Sweden – Parent Company	51	31	33	20
Sweden – subsidiaries	13	10	13	10
Estonia	-	-	1	1
Finland	3	2	1	1
Latvia	2	1	2	1
Norway	2	2	2	2
Poland	5	4	2	2
Group	76	50	54	37

Eolus has established a bonus and Share Ownership Program for all of the company's employees. A bonus is paid if the company achieves the performance targets set by the Board. The bonus corresponds to an average month's salary and is paid in the form of a cash payment and/or savings shares. As regards senior executives, the company is able to offer maximum variable remuneration of five monthly salaries to the CEO, four monthly salaries to the Deputy CEO, and three monthly salaries to other senior executives. Participation in the Share Ownership

Program for senior executives is maximized to the equivalent of not more than one monthly salary for all senior executives. Under the share ownership program, matching shares may be received by those who acquired savings shares in the company instead of cash, and who kept them for three years and remain employed at the company. The liabilities under this program amount to insignificant amounts at each balance sheet date. There is no dilution for existing shareholders since no new shares are issued under the program.

NOTE 6 REMUNERATION OF BOARD OF DIRECTORS, CEO AND OTHER SENIOR EXECUTIVES**CONDITIONS FOR BOARD OF DIRECTORS**

The Annual General Meeting on May 19, 2022 resolved that the Chairman of the Board would receive an annual fee of KSEK 450, and other Board members a fee of KSEK 225 each. No remuneration was paid to Board members other than the Board fees described below and the transactions presented in Notes 5 and 30. Proposals on remuneration of the Board of Directors are presented by the Nomination Committee.

CONDITIONS FOR THE CEO

Remuneration of the CEO is determined by the Board. CEO Per Witalisson received salary, pension benefits and car benefits during the fiscal year. The age of retirement is 65. The employment contract can be terminated with a mutual notice period of six months.

CONDITIONS FOR SENIOR EXECUTIVES

For the 2022 fiscal year, the members of Group Management are considered senior executives. Remuneration of other senior executives is determined by the CEO in consultation with the Chairman of the Board. The level of remuneration is to be based on such factors as position, expertise, experience and performance. Remuneration comprises fixed salary and may also comprise pension, variable salary and other benefits. The variable salary is to be based on the achievement of quantitative and qualitative targets. The company's pension obligations are covered in all cases by continuous pension premiums. No Board fees are paid to employees of the Eolus Group. There are no agreements on severance pay.

Remuneration and other benefits 2022	Basic salary / Board fee	Variable remuneration	Pension costs	Car benefits	Total
Board of Directors:					
Chairman of the Board Hans-Göran Stennert	0.47	-	-	-	0.47
Director Sigrun Hjelmqvist	0.24	-	-	-	0.24
Director Hans Johansson	0.23	-	-	-	0.23
Director Hans Linnarson	0.29	-	-	-	0.29
Director Bodil Rosvall Jönsson	0.27	-	-	-	0.27
Director Jan Johansson	0.23	-	-	-	0.23
Senior executives:					
Per Witalisson, CEO	2.78	0.41	0.52	0.05	3.75
Magnus Axelsson, Deputy CEO, Sep 1, 2022–Dec 31, 2022	0.60	0.07	0.14	0.00	0.81
Marcus Landelin, Deputy CEO, Jan 1, 2022–Apr 28, 2022	0.81	-	0.16	0.06	1.03
Other senior executives (5 individuals)	4.48	0.47	1.04	0.19	6.18
Total	10.38	0.94	1.86	0.30	13.48

Remuneration and other benefits 2021	Basic salary / Board fee	Variable remuneration	Pension costs	Car benefits	Total
Board of Directors:					
Chairman of the Board Hans-Göran Stennert	0.59	-	-	-	0.59
Director Sigrun Hjelmqvist	0.30	-	-	-	0.30
Director Hans Johansson	0.28	-	-	-	0.28
Director Hans Linnarson	0.34	-	-	-	0.34
Director Bodil Rosvall Jönsson	0.33	-	-	-	0.33
Director Jan Johansson	0.28	-	-	-	0.28
Senior executives:					
Per Witalisson, CEO	2.69	0.56	0.52	0.05	3.82
Marcus Landelin, Deputy CEO	2.04	1.73	0.58	0.06	4.41
Other senior executives (3 individuals)	3.47	0.93	0.79	0.18	5.38
Total	10.33	3.23	1.89	0.29	15.74

NOTE 7 REMUNERATION OF AUDITORS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
PricewaterhouseCoopers				
Audit assignment	1.0	1.1	0.8	0.9
Audit activities in addition to the audit assignment	0.4	0.3	0.4	0.3
Tax consultancy	0.0	0.1	0.0	0.1
Other services	0.3	0.5	0.3	0.5
Total	1.7	1.9	1.5	1.8
of which to PricewaterhouseCoopers AB				
Audit assignment	0.8	0.9	0.8	0.9
Audit activities in addition to the audit assignment	0.4	0.3	0.4	0.3
Tax consultancy	0.0	0.1	0.0	0.1
Other services	0.3	0.5	0.3	0.5
Total	1.5	1.8	1.5	1.8

NOTE 8 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Other operating income				
Exchange rate gains attributable to project activities	10	16	0	0
Capital gains attributable to other non-current assets	0	0	0	0
Other	27	25	43	23
Total	37	42	44	23
Other operating expenses				
Exchange rate losses attributable to project activities	-16	-2	0	-1
Fair value of change in currency derivatives	-15	-37	-	-
Other	-1	0	1	-
Total	-32	-39	1	-1

Eolus hedges future forecast payment flows in accordance with an established finance and risk policy. The difference between the price paid and forward rate on maturity results in exchange rate gains and exchange rate losses, which are recognized as other operating income and other operating expenses, respectively.

NOTE 9 FINANCIAL INCOME AND EXPENSES

Interest income	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Loans and receivables	4	2	2	0
Loans and receivables to Group companies	-	-	7	7
Total financial income	4	2	9	7
Interest expense	2022	2021	2022	2021
Bank loans	-16	-17	-14	-10
Liabilities to Group companies	-	-	-1	-1
Total financial expenses	-16	-17	-15	-11
Other financial items	2022	2021	2022	2021
Exchange rate differences intra-Group receivables and liabilities	19	4	78	31
Exchange rate differences in cash and cash equivalents	1	5	1	5
Exchange rate differences, other	-5	-8	-8	-9
Other financial expenses	-2	-2	-2	-2
Revaluation other financial assets	25	-	-	-
Fair value of change in interest rate derivatives	3	2	-	-
Total other financial items	41	0	70	25
of which attributable to balance sheet items measured at fair value	3	2	-	-

NOTE 10 APPROPRIATIONS AND UNTAXED RESERVES

Appropriations	PARENT COMPANY	
	2022	2021
Depreciation in excess of plan	1	1
Group contributions received/paid	21	13
Total	22	14
Untaxed reserves	Dec 31, 2022	Dec 31, 2021
Accumulated depreciation in excess of plan	1	2
Total	1	2

NOTE 11 INCOME TAX

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Current tax:				
Current tax on net profit for the year	6	-1	-	-
Current tax attributable to prior periods	-12	-1	-	-
Total current tax	-6	-2	-	-
Deferred tax:				
Origination and reversal of temporary differences	20	44	-	-
Tax loss carryforwards utilized during the year	-6	-26	-3	-17
Total deferred tax	14	18	-3	-17
Tax	8	16	-3	-17

Reconciliation of effective tax rate	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Profit/loss before tax	109	-40	124	99
Tax calculated at applicable tax rate in Sweden	-22	8	-26	-20
Difference between Swedish and foreign tax rates	0	1	-	-
Non-taxable income	46	13	27	7
Non-deductible expenses	0	-3	-3	0
Adjustment of current tax during prior periods	-12	-	-1	-
Non-capitalized loss carryforwards	-5	-2	-	-3
Total tax expense/tax income	8	16	-3	-17

Tax of -10 (-5) attributable to translation differences is recognized in other comprehensive income.

GROUP

Specification of deferred tax assets and tax liabilities:	2022		2021	
	Deferred tax assets	Deferred tax liability	Deferred tax assets	Deferred tax liability
Property, plant and equipment	0	0	0	0
Assets measured at fair value	3	-	1	0
Untaxed reserves	-	0	-	1
Work in progress and projects under development	31	3	30	53
Temporary differences	0	-	-	0
Capitalized loss carryforwards:	8	-	12	1
Total	42	3	43	55
of which cannot be realized until after more than 12 months	-	-	6	0
of which can be realized within 12 months	42	3	37	54

PARENT COMPANY

	2022	2021
Specification of deferred tax assets:		
Loss carryforwards	7	10
Total	7	10

Recognized in the statement of financial position/balance sheet:	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Deferred tax assets	41	6	7	10
Deferred tax liabilities	-2	-18	-	-
Deferred tax liabilities (assets), net	39	-12	7	10

At December 31, 2022, the Group's non-capitalized loss carryforwards attributable to the Swedish operations amounted to SEK 0 M (0). Deferred tax assets for the Group were recognized on tax deficits amounting to SEK 12 M (10). Deficits have no determined maturity date.

NOTE 12 INTANGIBLE ASSETS

Certificates	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening accumulated cost	11	25	11	25
New acquisitions	-	-	-	-
Impairment	-4	-	-4	-
Reclassifications	-3	-14	-3	-14
Closing accumulated cost	4	11	4	11

In connection with the divestment in 2018 of the Jenåsen wind farm, Eolus acquired the right to 96% of the electricity certificates that the wind farm will produce over the 15-year certificate period. This intellectual property right was acquired for a non-recurring amount of EUR 9 M, corresponding to SEK 96.2 M. The total acquired volume is expected to amount to 264,000 electricity certificates per year over a 15-year period, or a total of 3,960,000 electricity certificates. Electricity certificates are reclassified as inventory as they are issued.

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

2022	GROUP				Total	PARENT COMPANY		
	Land and buildings	Wind turbines	Equipment	Right-of-use assets		Land and buildings	Equipment	Total
Opening accumulated cost	18	20	27	8	73	3	20	22
New acquisitions	-	-	5	11	16	-	1	1
Divestments and disposals	-	-	-3	-4	-7	-	-2	-2
Reclassifications	-	-	-2	14	12	-	0	0
Exchange rate differences	2	-	0	0	3	-	0	0
Closing accumulated cost	20	20	26	29	96	3	18	21
Opening accumulated depreciation	-	-20	-22	-2	-45	-	-17	-17
Depreciation for the year	-	-	-1	-8	-9	-	-1	-1
Divestments and disposals	-	-	2	1	3	-	1	1
Exchange rate differences	-	-	0	-	0	-	-	-
Closing accumulated depreciation	-	-20	-22	-9	-51	-	-17	-17
Opening accumulated impairment	-2	-	-	-	-2	-2	0	-2
Impairment for the year	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-	-	-
Closing accumulated impairment	-2	-	-	-	-2	-2	-	-2
Net carrying amount at year-end	18	0	5	20	43	0	1	2

2021	GROUP				Total	PARENT COMPANY		
	Land and buildings	Wind turbines	Equipment	Right-of-use assets		Land and buildings	Equipment	Total
Opening accumulated cost	20	41	29	9	99	3	23	26
New acquisitions	-	-	1	3	4	-	0	0
Divestments and disposals	-4	-	-2	-5	-11	-	-4	-4
Reclassifications	-	-21	-1	-	-22	-	-	-
Exchange rate differences	1	-	0	-	2	-	-	-
Closing accumulated cost	18	20	27	8	73	3	20	22
Opening accumulated depreciation	-	-39	-23	-3	-66	-	-20	-20
Depreciation for the year	-	-1	-2	-3	-5	-	-1	-1
Divestments and disposals	-	-	2	4	6	-	4	4
Reclassifications	-	20	1	-	21	-	-	-
Exchange rate differences	-	-	0	-	0	-	-	-
Closing accumulated depreciation	-	-20	-22	-2	-45	-	-17	-17
Opening accumulated impairment	-2	-	-	-	-2	-2	-	-2
Impairment for the year	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	0	-	-	-
Closing accumulated impairment	-2	-	-	-	-2	-2	-	-2
Net carrying amount at year-end	15	0	4	6	26	0	3	3

NOTE 14 RIGHT-OF-USE ASSETS**INVESTMENT COMMITMENTS**

No agreements regarding acquisitions of property, plant and equipment or intangible assets had been signed on the closing date.

LEASES

The Group has entered into leases for office premises, cars and office equipment.

The Group recognizes all leases as right-of-use assets and does not utilize the option to exclude short-term leases and low-value leases.

The leasing periods vary between three months and five years and most leases can be extended at the end of the lease term on market-based conditions. However, the agreements are usually discontinued.

The following amounts related to leases were recognized in the balance sheet:

Property, plant and equipment	Dec 31, 2022	Dec 31, 2021
Properties	15	1
Equipment	0	0
Vehicles	5	5
Total	20	6

Interest-bearing liabilities	Dec 31, 2022	Dec 31, 2021
Current	5	3
Non-current	17	3
Total	22	6

Lease payments and future lease payments for leases for premises and equipment for the fiscal year amounted to:

	Premises		Equipment	
	Group	Parent Company	Group	Parent Company
2022	4	4	2	2
2023	5	5	1	1
2024	5	5	1	1
2025	3	3	0	0
2026	1	1	-	-
Total	18	18	4	4

NOTE 15 OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Parent Company's holdings in other companies	No. of shares	Capital/votes (%)	Dec 31, 2022	Dec 31, 2021
Slättens Vind AB	22,575	2/2	1	1
Carrying amount			1	1

Information about equity refers to adjusted equity, which means including the equity portion of untaxed reserves. Net profit for the year according to the Annual Report has correspondingly been adjusted, where necessary, by the equity portion of change in untaxed reserves for the year.

Parent Company's holdings in other companies	Corp. Reg. No.	Registered office	Profit/loss	Equity
Slättens Vind AB	559022-2583	Vara	0	0

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

	2022	2021
Opening values	17.8	17.4
Acquisitions	-	0.5
Divestments	-	-0.1
Shareholders' contributions, net	14.0	-
Closing values	31.8	17.8
Profit from participations in Group companies	2022	2021
Impairment	-14.0	0.0
Dividends	128.9	33.0
Profit attributable to divestments	-	0.0
	115.0	33.0

Subsidiaries and sub-subsidiaries are listed in the table below.

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount	
					Dec 31, 2022	Dec 31, 2021
Eolus Vind Amnehärad AB	556738-6312	Hässleholm	1,000	100/100	0.1	0.1
<i>Amnehärad Vindkraft Aktiebolag</i>	<i>556719-3569</i>	<i>Hässleholm</i>				
Blekinge Offshore AB	556761-1727	Karlshamn	560	60/60	-	-
Ekovind AB	556343-8208	Vårgårda	130,000	100/100	10.0	10.0
Eolus Elnät AB	556639-2477	Hässleholm	1,000	100/100	0.1	0.1
Eolus Oy	2622599-6	Vaasa, Finland	2,500	100/100	14.1	0.1
<i>Eolus Pörtom Vind Oy</i>	<i>2456946-1</i>	<i>Vaasa, Finland</i>				
Eolus Vind Norge Holding AS	920964826	Oslo, Norway	23,000	100/100	5.7	5.7
<i>Eolus Norway Offshore AS</i>	<i>926131699</i>	<i>Enebakk, Norway</i>				
Eolus North America Inc.	47-5083428	Nevada, US		100/100	-	-
<i>Comstock LLC</i>	<i>35-2541188</i>	<i>Nevada, US</i>				
<i>Crescent Peak Renewables LLC</i>	<i>27-2068025</i>	<i>Delaware, US</i>				
<i>ENA BESS1, LLC</i>	<i>61-1906369</i>	<i>Nevada, US</i>				
<i>Eolus Assets Management LLC</i>	<i>85-1836304</i>	<i>Delaware, US</i>				
<i>Eolus Project Holdings LLC</i>	<i>32-0598206</i>	<i>Delaware, US</i>				
<i>Pome BESS LLC</i>	<i>85-2510057</i>	<i>Delaware, US</i>				
<i>Cald Bess 2, LLC</i>	<i>87-2634457</i>	<i>California, US</i>				
<i>Roccasecca BESS</i>	<i>88-0774617</i>	<i>Delaware, US</i>				
<i>Forth Element Wind LLC</i>	<i>88-0651496</i>	<i>Delaware, US</i>				
<i>Cinder Mountain Energy LLC</i>	<i>88-1263025</i>	<i>Delaware, US</i>				
<i>Jean Lake Energy LLC</i>	<i>88-1274618</i>	<i>Delaware, US</i>				
<i>Roca Caliente LLC</i>	<i>88-1174346</i>	<i>Delaware, US</i>				
<i>Silverside Energy LLC</i>	<i>88-2746909</i>	<i>Delaware, US</i>				
<i>Hoodini LLC</i>	<i>88-3892558</i>	<i>Delaware, US</i>				
<i>Wind Wall Development LLC</i>	<i>32-0514251</i>	<i>Nevada, US</i>				
Eolus Vindpark Sju AB	556935-0381	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark Nitton AB	556924-5136	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 23 AB	556956-6168	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 25 AB	556956-6028	Hässleholm	500	100/100	0.1	0.1
<i>Wind Farm Boarp AB</i>	<i>559244-3153</i>	<i>Hässleholm</i>				
Eolus Vindpark 27 AB	556956-6002	Hässleholm	500	100/100	0.1	0.1
<i>Dällebo Vindpark AB</i>	<i>559121-3193</i>	<i>Hässleholm</i>				
Eolus Vindpark 29 AB	559136-0002	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 31 AB	559135-9988	Hässleholm	500	100/100	0.1	0.1

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount	
					Dec 31, 2022	Dec 31, 2021
Eolus Vindpark 33 AB	559163-5106	Hässleholm	500	100/100	0.1	0.1
<i>Stockåsbodarna Vindpark AB</i>	<i>559164-6798</i>	<i>Hässleholm</i>				
Eolus Vindpark 35 AB	559163-5114	Hässleholm	500	100/100	0.1	0.1
<i>Rosenskog Wind Farm AB</i>	<i>559164-6541</i>	<i>Hässleholm</i>				
Eolus Vindpark 37 AB	559163-5122	Hässleholm	500	100/100	0.1	0.1
<i>Hedesta Wind Farm AB</i>	<i>559276-8575</i>	<i>Hässleholm</i>				
Eolus Construction Management AB	559164-6996	Hässleholm	501	100/100	0.1	0.1
Eolus Vindpark 39 AB	559277-5901	Hässleholm	500	100/100	0.1	0.1
<i>Ölme Vindkraft AB</i>	<i>556755-5965</i>	<i>Hässleholm</i>				
Eolus Vindpark 41 AB	559277-5893	Hässleholm	500	100/100	0.1	0.1
<i>Siggebohyttan Vindpark AB</i>	<i>559244-3112</i>	<i>Hässleholm</i>				
Eolus Vindpark 43 AB	559277-5968	Hässleholm	500	100/100	0.1	0.1
<i>Fågelås Vindpark AB</i>	<i>559244-4151</i>	<i>Hässleholm</i>				
Eolus Vindpark 45 AB	559277-5950	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 47 AB	559281-7448	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 48 AB</i>	<i>559251-4003</i>	<i>Hässleholm</i>				
Eolus Finland Holding AB	559281-7356	Hässleholm	500	100/100	0.1	0.1
<i>Pörtom Wind Farm AB</i>	<i>3178978-8</i>	<i>Vaasa, Finland</i>				
<i>Pörtom Vindkraft AB/Oy</i>	<i>2604371-1</i>	<i>Närpes, Finland</i>				
Eolus Baltic Holding AB	559313-0007	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 51 AB	559312-9975	Hässleholm	500	100/100	0.1	0.1
Eolus Offshore AB	559332-9682	Hässleholm	250	100/100	0.0	0.0
<i>Sjollen Offshore AB</i>	<i>559318-2024</i>	<i>Hässleholm</i>				
<i>Arkonahavet Offshore AB</i>	<i>559318-4111</i>	<i>Hässleholm</i>				
<i>Aurum Offshore AB</i>	<i>559349-7380</i>	<i>Hässleholm</i>				
<i>West Wind Offshore AB</i>	<i>559318-3907</i>	<i>Hässleholm</i>				
<i>Najaderna Offshore AB</i>	<i>559376-1934</i>	<i>Hässleholm</i>				
<i>Tuulia Offshore AB</i>	<i>3275091-4</i>	<i>Vaasa, Finland</i>				
<i>SIA Kurzeme Offshore</i>	<i>40203406887</i>	<i>Riga, Latvia</i>				
<i>Eolus Offshore Estonia OÜ</i>	<i>16624234</i>	<i>Tallinn, Estonia</i>				
Eolus Vindpark 55 AB	559332-9666	Hässleholm	250	100/100	0.0	0.0
Eolus Vindpark 57 AB	559332-9674	Hässleholm	250	100/100	0.0	0.0
Eolus Vindpark 59 AB	559346-1154	Hässleholm	250	100/100	0.0	0.0
<i>Vaberget Vindpark AB</i>	<i>559349-7356</i>	<i>Hässleholm</i>				
Eolus Vindpark 61 AB	559346-1204	Hässleholm	250	100/100	0.0	0.0
Eolus Vindpark 63 AB	559346-1212	Hässleholm	250	100/100	0.0	0.0
<i>Eolus Vindpark 64 AB</i>	<i>559349-7661</i>	<i>Hässleholm</i>				
Eolus Vindpark 65 AB	559346-1188	Hässleholm	250	100/100	0.0	0.0
<i>Eolus Vindpark 66 AB</i>	<i>559349-7935</i>	<i>Hässleholm</i>				
Eolus Vindpark 67 AB	559346-1196	Hässleholm	250	100/100	0.0	0.0
<i>Eolus Vindpark 68 AB</i>	<i>559349-7968</i>	<i>Hässleholm</i>				
Eolus Wind Power Management AB	556912-1352	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Wind Power Management Norge AS</i>	<i>925247979</i>	<i>Oslo, Norway</i>				
Eolus Poland Sp. z o. o.	0000868099	Warsaw, Poland		100/100	0.0	0.0
<i>Eolus Energia Odnawialna Sp. z o. o.</i>	<i>0000903550</i>	<i>Warsaw, Poland</i>				
Eolus Poland Holding AB	559313-0023	Hässleholm		100/100	0.1	0.1
<i>Eolus Energia Odnawialna 4 Sp. z o. o.</i>	<i>0000888531</i>	<i>Warsaw, Poland</i>				
<i>Eolus Energia Odnawialna 3 Sp. z o. o.</i>	<i>0000883397</i>	<i>Warsaw, Poland</i>				
<i>Eolus Energia Odnawialna 2 Sp. z o. o.</i>	<i>0000847745</i>	<i>Warsaw, Poland</i>				
<i>Eolus Energia Odnawialna 1 Sp. z o. o.</i>	<i>0000857877</i>	<i>Warsaw, Poland</i>				
<i>Eolus Energia Odnawialna 5 Sp. z o. o.</i>	<i>0000982678</i>	<i>Warsaw, Poland</i>				

NOTES

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount	
					Dec 31, 2022	Dec 31, 2021
<i>Eolus Energia Odnawialna 6 Sp. z o.o.</i>	0000982677	<i>Warsaw, Poland</i>				
<i>GA2-GW Sp. z o. o.</i>	0000871927	<i>Warsaw, Poland</i>				
<i>GA3-K Sp. z o. o.</i>	0000872156	<i>Warsaw, Poland</i>				
<i>GA4-K Sp. z o. o.</i>	0000909398	<i>Warsaw, Poland</i>				
<i>GA6 Sp. z o. o.</i>	0000914378	<i>Warsaw, Poland</i>				
<i>CEPV 5 Sp. z o. o.</i>	0000854062	<i>Warsaw, Poland</i>				
<i>EPV Debrzno Sp. z o.o.</i>	0000984452	<i>Warsaw, Poland</i>				
<i>EPV Goszczyno Sp. z o.o.</i>	0000984273	<i>Warsaw, Poland</i>				
<i>EPV Kotun Sp. z o.o.</i>	0000984267	<i>Warsaw, Poland</i>				
<i>EPV Starnice Sp. z o.o.</i>	0000984448	<i>Warsaw, Poland</i>				
<i>EPV Zbyszewo Sp. z o.o.</i>	0000984224	<i>Warsaw, Poland</i>				
<i>Eolus Energia Odnawialna 7 Sp. z o.o.</i>	0000903324	<i>Warsaw, Poland</i>				
<i>GA7 Sp.z o.o.</i>	0000973410	<i>Warsaw, Poland</i>				
<i>Horizon PL9 Sp z o.o.</i>	0000934580	<i>Warsaw, Poland</i>				
<i>Horizon PL11 Sp z o.o.</i>	0000966384	<i>Warsaw, Poland</i>				
Linusvind AB	556832-0054	Hässleholm	50,000	100/100	0.1	0.1
Lunnekullen Vindkraft AB	556705-3045	Hässleholm				
Lärkeskogen Vindkraft AB	556731-4710	Hässleholm	1,000	100/100	0.1	0.1
Näset Vindkraft AB	556721-1023	Hässleholm	1,000	100/100	-	-
SIA Eolus	40103392542	Riga, Latvia	2,000	100/100	0.0	0.0
<i>Alokste wind SIA</i>	40203267822	<i>Riga, Latvia</i>				
<i>Andruves wind SIA</i>	40103703482	<i>Riga, Latvia</i>				
<i>Dobeles wind SIA</i>	40103786319	<i>Riga, Latvia</i>				
<i>Gulbji wind SIA</i>	40103702769	<i>Riga, Latvia</i>				
<i>Mekji wind SIA</i>	40103800684	<i>Riga, Latvia</i>				
<i>Melderis wind SIA</i>	40103730387	<i>Riga, Latvia</i>				
<i>Mindes wind SIA</i>	40203267771	<i>Riga, Latvia</i>				
<i>Osi wind SIA</i>	40103806530	<i>Riga, Latvia</i>				
<i>Pienava wind SIA</i>	40103730508	<i>Riga, Latvia</i>				
<i>Pievikas wind SIA</i>	40203269522	<i>Riga, Latvia</i>				
<i>Unas wind SIA</i>	40103761071	<i>Riga, Latvia</i>				
<i>Valpene wind SIA</i>	50103851451	<i>Riga, Latvia</i>				
<i>Virzas wind SIA</i>	40103702650	<i>Riga, Latvia</i>				
Skogaryd Vindkraft AB	556773-9791	Hässleholm	1,000	100/100	0.1	0.1
Skuggetorp Vindkraft AB	556773-7993	Hässleholm	1,000	100/100	0.1	0.1
Svenska Vindbolaget AB	556759-9013	Hässleholm	1,430	100/100	-	-
<i>Eolus Vindpark Tjuogoett AB</i>	<i>556924-5110</i>	<i>Hässleholm</i>				
Uddevalla Vind AB	556707-1278	Hässleholm	1,000	100/100	0.1	0.1
Carrying amount					31.8	17.8

NOTE 17 NON-CONTROLLING INTERESTS

Company name	Participating interest held by Group		Participating interest held by non-controlling interests		Primary operations
	2022	2021	2022	2021	
Eolus Vindpark 46, with subsidiary Stor-Skålsjön Vind AB	-	51%	-	49%	Project development activities
Eolus Vindpark 48 AB	50%	0%	50%	-	Project development activities
Blekinge Offshore AB	60%	60%	40%	40%	Project development activities

Summary of financial information for subsidiaries with non-controlling interests that are material for the Group. Amounts given for each subsidiary are before intra-Group eliminations.

Summary balance sheet	Eolus Vindpark 46		Eolus Vindpark 48		Blekinge Offshore AB	
	2022	2021	2022	2021	2022	2021
Work in progress and projects under development		580	121		-	-
Other current assets		41	2		3	0
Total assets	-	621	123	-	3	0
Non-current liabilities		35	-		-	-
Current liabilities		9	1		0	0
Total liabilities	-	44	1	-	0	0
Net assets	-	577	122	-	3	0
Accumulated non-controlling interests	-	280	61		0	0

Summary statement of comprehensive income	Eolus Vindpark 46		Eolus Vindpark 48		Blekinge Offshore AB	
	2022	2021	2022	2021	2022	2021
Revenue	0	1	1		-	-
Net profit/loss for the year	0	-10	-1		-3	0
Other comprehensive income	0	-4	7			
Total comprehensive income	0	-14	6	-	-3	0
Comprehensive income attributable to non-controlling interests	0	-7	3	-	-1	0

Transactions with non-controlling interests

On January 10, 2022, Eolus handed over 50% of the shares in the previously wholly owned subsidiary Eolus Vindpark 48 to Hydro REIN. The Group recognized an increase in non-controlling interests of SEK 53 M.

On June 14, Eolus handed over its 51% holding of shares in Eolus Vindpark 46, with subsidiary Stor-Skålsjön Vind AB, to MEAG. At the start of 2022, Eolus held 51% of shares in Eolus Vindpark 46. Since Eolus has had controlling influence over the company, 100% of the project was recognized in Eolus's balance sheet. Eolus recognizes the

sale of projects bundled as separate companies under IFRS 15. Eolus recognizes 100% of the sale in the consolidated income statement. Sales revenue attributable to non-controlling interests is recognized on the line net profit for the year attributable to non-controlling interests and amounted to SEK 125 M.

In addition to the transactions above, non-controlling interests made shareholders' contributions to companies in the Group corresponding to their participating interest.

NOTE 18 FINANCIAL RISK MANAGEMENT

The table below presents the remaining contractual maturities of the financial liabilities. The amounts stated in the table are the contractual and undiscounted cash flows. Currency derivatives had a negative market value on the closing date. At the closing date, the net market value

of currency derivatives totaled SEK 15 M (0). Interest rate derivatives had a negative market value on the closing date. The negative market value of interest rate derivatives totaled SEK 0 M (-3).

Dec 31, 2022	<3 months	3 months–1 year	1–2 years	2–5 years	>5 years	Total
Borrowing	70	21	15	252	-	357
Accounts payable	274	-	-	-	-	274
Derivatives	11	4	-	-	-	15
Other financial liabilities	9	4	12	30	33	88
Total	365	28	27	282	33	735

Dec 31, 2021	<3 months	3 months–1 year	1–2 years	2–5 years	>5 years	Total
Borrowing	11	156	20	2	-	189
Accounts payable	186	-	-	-	-	186
Derivatives	2	1	1	-	-	5
Other financial liabilities	25	6	12	19	34	96
Total	224	163	33	21	34	475

NOTE 19 PARTICIPATIONS IN ASSOCIATED COMPANIES**GROUP**

Participations in associated companies	Corp. Reg. No.	Registered office	Capital/votes (%)	Carrying amount	
				Dec 31, 2022	Dec 31, 2021
Triventus AB	556627-3016	Falkenberg	40/40	-	-
Dalavind Fagervind AB	559352-3870	Falun	49/49	30	-
Simply Blue Holdings (Skidbladner) AB	559377-8920	Trollhättan	50/50	-	-
Simply Blue Holdings (Herkules) AB	559372-6853	Trollhättan	50/50	-	-
Simply Blue Holdings (Draken) AB	559377-8870	Trollhättan	50/50	-	-
Simply Blue Holdings (Wellamo) AB	559377-8888	Trollhättan	50/50	-	-
Carrying amount				30	0

Profit from participations in associated companies	2022	2021
Triventus AB	2	-
Other	-	-
Total profit from participations in associated companies	2	-

Change in participations in associated companies	2022	2021
At January 1	-	-
Acquisitions	30	-
Share in profits	-	-
At December 31	30	-

PARENT COMPANY

Participations in associated companies	Corp. Reg. No.	Registered office	Capital/votes (%)	Carrying amount	
				Dec 31, 2022	Dec 31, 2021
Triventus AB	556627-3016	Falkenberg	40/40	-	-
Carrying amount				-	-

NOTE 20 WORK IN PROGRESS AND PROJECTS UNDER DEVELOPMENT

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Inventories of certificates	1	4	1	4
Work in progress under construction	347	467	6	6
Projects under development	424	372	33	43
Total	772	843	40	52

Following a review of the project portfolio, projects under development that are deemed to have lower potential for future realization were impaired by SEK 6 M (5).

ACQUISITIONS AND DIVESTMENTS OF PROJECTS AND COMPLETED ENERGY FACILITIES

In accordance with industry practice, project development of energy facilities is often conducted in separate companies. This means that

certain acquisitions and divestments of projects and completed energy facilities are structured as share transactions.

A number of such transactions were carried out during the 2022 and 2021 fiscal years. All of these transactions are considered sales or acquisitions of assets and are not therefore recognized as business combinations. Assets acquired through share transactions are measured at fair value on the acquisition date.

NOTE 21 ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accounts receivable	95	71	4	4
Other current receivables	61	55	6	1
Total	156	126	10	5

Other current receivables relate to:	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
VAT receivables	51	52	-	-
Receivables from associated companies	3	-	-	-
Other receivables	7	3	6	1
Total	61	55	6	1

The credit risk of accounts receivable that have not yet fallen due for payment or been impaired is considered low. Because customers represent various categories, such as municipalities, companies and private individuals, and due to the geographically dispersed nature of these, it is considered unlikely that all would experience financial difficulties at the same point in time. Eolus has historically low bad debt

losses and performs a credit rating review of all new customers. Accounts receivable that have fallen due for payment but have not been impaired have undergone an individual assessment. Other than the reserve for doubtful receivables, the remaining receivables are not considered to entail a material risk of losses.

Credit exposure	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accounts receivable, not yet fallen due or impaired	71	69	1	3
Accounts receivable, past due but not impaired	24	2	4	1
Accounts receivable, past due and impaired	0	-	-	-
Total accounts receivables	95	71	4	4

At December 31, 2022, past due accounts receivable for which no reserve was considered necessary amounted to SEK 24 M (2).

SEK 0 M (2) of past due accounts receivable was settled after the balance sheet date.

Age analysis of accounts receivable, past due but not impaired	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
<30 days	2	2	1	1
30–90 days	8	-	2	-
91–180 days	15	0	1	-
>180 days	0	0	0	0
Total past due but not impaired accounts receivable	24	2	4	1

Provisions for doubtful receivables correspond to 0% (0) of the total accounts receivable.

Provision for doubtful receivables	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Provision at beginning of year	-	-	-	-
Provision for doubtful receivables for the year	0	-	-	-
Doubtful receivables paid	-	-	-	-
Written-off receivables	-	-	-	-
Amount at year-end	0	-	-	-

Provisions for the reversals of reserves for doubtful receivables are included in the item "Other operating expenses" in the income statement.

Recognized amount for accounts receivable per currency including the reserve for doubtful receivables	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
SEK	2	4	1	1
EUR	1	0	-	-
NOK	26	7	3	3
USD	66	60	-	-
Total KSEK	95	71	4	4

The ten largest customers represent 99% (99) of the Group's total accounts receivable. One single customer accounts for 69% (84).

NOTE 22 ACCRUALS

Prepaid expenses and accrued income	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Prepaid rental charges	0	0	1	0
Other prepaid expenses	8	3	7	3
Accrued contract income	2	30	-	-
Other accrued income	0	2	0	0
Total	10	35	8	3

Accrued expenses and deferred income	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accrued payroll expenses and personnel costs	15	13	11	10
Accrued expenses and deferred income pertaining to projects	156	95	-8	14
Other accrued expenses	6	8	3	6
Total	177	116	7	30

NOTE 23 SHARE CAPITAL AND EARNINGS PER SHARE

Disclosure on number of shares	Dec 31, 2022	Dec 31, 2021
Number of issued and fully paid shares		
Class A shares (number of votes per share 1) quotient value SEK 1	1,285,625	1,285,625
Class B shares (number of votes per share 1/10) quotient value SEK 1	23,621,375	23,621,375
Number of issued and fully paid shares	24,907,000	24,907,000

The specification of changes in equity can be found in the consolidated statement of changes in equity. Reserves consist of exchange rate differences arising in connection with the translation of the financial statements of foreign subsidiaries.

The Parent Company has no potential common shares, which is why earnings per share are the same before and after dilution for the reported years.

GROUP

	2022	2021
Earnings per share, before and after dilution		
Earnings/loss attributable to Parent Company shareholders	-5	-19
Weighted average number of outstanding common shares	24,907,000	24,907,000
Earnings per share, before and after dilution	-0.22	-0.74

NOTE 24 BORROWING

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Non-current borrowing from credit institutions				
Bank loans (variable interest rate)	226	19	225	19
LEASES	5	3	-	-
Total non-current borrowing	231	21	225	19
Current borrowing				
Bank loans (variable interest rate)	75	161	75	161
LEASES	4	3	-	-
Total current liabilities	79	165	75	161
Total borrowing	310	186	300	180

For information on pledged assets for loans raised, refer to Note 28.

BANK LOANS

The Group's and Parent Company's exposure, on the basis of loans, to interest rate changes and contractual dates for renegotiations of interest rates are as follows:

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
6 months or less	310	186	300	180
Total	310	186	300	180

Borrowing per currency	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	SEK	254	137	251
USD	56	49	49	49
Total	310	186	300	180

BANK OVERDRAFT FACILITIES

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Amount granted	100	100	100	100
Unutilized credit is included in current borrowing and amounts to	-	-	-	-

NON-CURRENT LIABILITIES

The Group's and Parent Company's non-current liabilities. Maturity dates as presented below:

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
1–5 years	231	21	225	19
More than 5 years	-	-	-	-
Total	231	21	225	19

Special undertakings, known as covenants, are in place for liabilities to credit institutions. If these covenants are not met, the credit providers can withdraw the credit facilities. During the 2022 fiscal year, all covenants were met.

NOTE 25 FINANCIAL INSTRUMENTS – DISCLOSURE ON FAIR VALUE PER CATEGORY

GROUP			
Dec 31, 2022	Carrying amount	Fair value	Level
Assets in the balance sheet			
Assets measured at fair value through profit or loss			
Other non-current securities	43	43	2
Loan receivables and accounts receivable			
Cash and cash equivalents	568	568	2
Accounts receivable	95	95	2
Liabilities in the balance sheet			
Liabilities measured at fair value through profit or loss			
Derivative liabilities			
Currency futures	2	2	2
Currency swaps	13	13	2
Interest-rate swaps	0	0	2
Liabilities measured at amortized cost			
Interest-bearing liabilities	310	310	2
Accounts payable	274	274	2
Accrued interest expense	2	2	2
Dec 31, 2021	Carrying amount	Fair value	Level
Assets in the balance sheet			
Assets measured at fair value through profit or loss			
Other non-current securities	16	16	2
Currency swaps	2	2	2
Loan receivables and accounts receivable			
Cash and cash equivalents	625	625	2
Accounts receivable	71	71	2
Liabilities in the balance sheet			
Liabilities measured at fair value through profit or loss			
Derivative liabilities			
Currency swaps	2	2	2
Interest-rate swaps	3	3	2
Liabilities measured at amortized cost			
Interest-bearing liabilities	186	186	2
Accounts payable	186	186	2
Accrued interest expense	0	0	2

DERIVATIVE INSTRUMENTS

Eolus does not apply hedge accounting. Derivative instruments for managing currency and interest rate risk are recognized as current assets or current liabilities and classified as held for trading. Changes in the value of currency derivatives are recognized in profit or loss as other operating income or other operating expenses. Changes in the value of interest rate derivatives are recognized in net financial items.

DESCRIPTION OF FAIR VALUE**Interest-bearing liabilities**

The fair value of interest-bearing liabilities is calculated by discounting future cash flows of capital amounts and interest discounted to the current market interest rate.

Derivatives

Currency futures are measured at fair value by discounting the difference between the contracted forward rate and the forward rate and can be agreed on the balance sheet date for the remaining contract period. The fair value of interest rate swaps is based on a discounting of estimated future cash flows according to the contractual terms and maturities based on the market rate.

Other financial assets and liabilities

For accounts receivable, other non-current securities, accrued income and expenses and accounts payable with a remaining term of less than six months, the carrying amount is considered to reflect the fair value.

NOTE 26 RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH FLOW

Non-cash items	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Depreciation and impairment of intangible assets and property, plant and equipment	14	5	5	1
Unrealized exchange rate differences	1	5	1	5
Capital gains from divestment of non-current assets	0	0	0	0
Changes in provisions	0	0	0	0
Measurement of derivatives at fair value	15	37	-	-
Other*	-123	-	-	-
Total	-94	46	6	6

* Share of profit from Stor-Skälsjön paid directly to minority shareholders.

NOTE 27 CHANGES IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

2022	Loan liabilities falling due within 1 year	Loan liabilities falling due after 1 year	Total
At January 1, 2022	-165	-21	-186
Cash flow	113	-225	-112
Exchange rate differences	-8	-	-8
Reclassification between non-current and current loan liabilities	-19	19	-
Other non-cash items	-2	-4	-6
At December 31, 2022	-79	-231	-310

2021	Loan liabilities falling due within 1 year	Loan liabilities falling due after 1 year	Total net liability
At January 1, 2021	-252	-135	-387
Cash flow	208	-	208
Exchange rate differences	-8	-	-8
Reclassification between non-current and current loan liabilities	-113	113	-
Other non-cash items	0	2	2
At December 31, 2021	-165	-21	-186

NOTE 28 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for liabilities to credit institutions	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Chattel mortgages	648	648	625	625
Total	648	648	625	625

CONTINGENT LIABILITIES

The Group has contingent liabilities pertaining to legal claims that have arisen in the normal business operations. No significant liabilities, other than those for which provisions have been made (Note 25), are expected to arise on the basis of these.

Contingent liabilities	PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021
Contingent liabilities for the benefit of subsidiaries	5	5
Total	5	5

NOTE 29 RELATED-PARTY TRANSACTIONS**OWNER STRUCTURE AT DECEMBER 31, 2022**

	No. of Class A shares	No. of Class B shares	Share of equity (%)	Share of votes (%)
Largest shareholders				
Domneåns Kraftaktiebolag	370,150	1,992,925	9.5	15.6
Hans-Göran Stennert, directly and through endowment insurance	380,100	606,354	4.0	12.1
Åke Johansson	202,120	400,000	2.4	6.6
Hans Johansson and Borgunda bygghandel, through companies	189,520	40,418	0.9	5.3
Avanza Pension	0	1,114,383	4.5	3.1
Lannebo Sverige Hållbar	0	446,106	1.8	1.2
Länsförsäkringar Småbolag Sverige	0	438,225	1.8	1.2
Ingvar Svantesson	40,000	0	0.2	1.1
Second AP Fund	0	396,932	1.6	1.1
Nordnet	500	383,471	1.5	1.1
Other shareholders	103,235	17,802,561	71.9	51.6
Total	1,285,625	23,621,375	100.0	100.0

No Board members or other senior executives had any direct or indirect share transactions with the Group in 2022 or 2021, other than the remuneration stated in Note 7.

PARENT COMPANY'S TRANSACTIONS WITH OTHER GROUP COMPANIES

30% (78) of the Parent Company's sales pertain to intra-Group invoicing. The Parent Company's operating expenses include intra-Group purchases of insignificant amounts only.

The same pricing principles apply to purchases and sales between Group companies as to transactions with external parties.

NOTE 30 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In January, Eolus and PNE signed an agreement for a joint venture for developing the Kurzéme offshore wind project in Latvia. The wind farm will have approximately 1,000 MW installed capacity and the potential to generate 4.5 TWh renewable electricity per year. Eolus has developed the project since 2020.

The undersigned affirm that these consolidated financial statements and this Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting principles, and provide a true and fair view of the Group's and the Parent Company's financial position and earnings, and that the Directors' Report provides a fair review of the Group's and Parent Company's operations, financial position and earnings and describes the material risks and uncertainty factors faced by the companies included in the Group.

Hässleholm, March 23, 2023

Hans-Göran Stennert
Chairman

Hans Linnarson
Board member

Jan Johansson
Board member

Hans Johansson
Board member

Sigrun Hjelmquist
Board member

Bodil Rosvall Jönsson
Board member

Per Witalisson
Chief Executive Officer

Our auditor's report was submitted on March 23, 2023.

PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Eolus Vind AB (publ),
corporate identity number 556389-3956

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Eolus Vind AB (publ) for the year 2022 except for the corporate governance statement on pages 54–63. The annual accounts and consolidated accounts of the company are included on pages 48–107 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 54–63. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Revenue recognition – sale of energy facilities</p> <p>Eolus Vind has a business plan and a strategy which implies the construction and sale of energy facilities, either directly or via companies.</p> <p>During the financial year Eolus has continued the construction of wind farm project Øyfjellet and started the construction of wind farm project Storskålsjön. In addition, Eolus has sold the sun- and battery storage project Cetennial Flat during the year.</p> <p>Each separate transaction is individually constructed, and the contracts contain specific terms and conditions which, amongst other things, stipulate the payment model to apply and which also stipulate the respective parties' commitments and requirements for completion of the contract within the determined time period.</p> <p>The business approach and associated contract comprises a complex area where various interpretations of the executed transaction and the associated contract terms can have a significant impact on the company's accounting and revenue recognition.</p>	<p>Each separate contract for the sale of an energy facility, either directly or via a company, is individually produced and contains various regulations and clauses. In our audit we have:</p> <ul style="list-style-type: none"> • Audited the company's revenue statement by reconciling the calculation against the sales contracts • Audited the company's assessments of percentage-of-completion method at group level and reviewed that the bookkeeping of percentage-of-completion method has been handled correctly. • Examined to determine if the classification of revenue has been handled correctly in accordance with the company's accounting principles. <p>We have also assessed whether the information provided is appropriate.</p>
<p>Valuation of projects in progress</p> <p>Eolus Vind reports projects in progress in its balance sheet associated with the design of energy facilities. The projects are realized either when Eolus Vind sells the project as a construction-ready project or when the energy facility is already constructed and sold to a customer. A project can also be realized through the sale of project rights.</p> <p>The reported value of projects in progress amounted on 31 December 2022 to MSEK 772.</p> <p>The balance sheet item is significant in its size and contains a large number of different projects. As technology and demand from customers and society change rapidly, the valuation of projects in progress is a focus area in the audit.</p> <p>Each project is valued individually, and the company considers the realization potential of the project in the long and short term. The value of a project which is not seen to be realizable is written down immediately. This takes place, for example, when a project is rejected in the working permit process.</p>	<p>In performing our audit, we have obtained an understanding of the manner in which macro economic developments impact Eolus Vind and how the Board of Directors and company management work to compile information to serve as the basis of their decision making. Projects in progress have been audited based on our:</p> <ul style="list-style-type: none"> • performed random sample testing to determine that the costs referring to the projects refer to relevant project costs • studied the company's assessment of the realization of projects in the short and long term and ensured that this correlates with Eolus plan adopted by the board. • assessed and challenged the inherent parameters, such as the time plans and budgets, in the projects for which a contract has already been signed with a client • discussed and assessed projects included in the business plan and budget with management. • performed random sample testing for the remaining projects included in the project portfolio and obtained comments from project managers regarding the status and assessed value of the projects. <p>We have also assessed whether the information provided is appropriate.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–49, 64–65 and 112–115. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Eolus Vind AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes

among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Eolus Vind AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Eolus Vind AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts [and consolidated accounts]. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts [and consolidated accounts].

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 54–63 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

PricewaterhouseCoopers AB was appointed auditor of Eolus Vind AB (publ) by the general meeting of the shareholders on the 19 May 2022 and has been the company's auditor since the 24 January 2015.

Malmö on the day of our electronic signature.
PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant

FINANCIAL SUMMARY

Amounts in SEK M	2022 12 months	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months
Income statement					
Net sales	2,356	2,614	2,469	2,032	1,366
Operating profit/loss	80	-25	280	118	202
Profit/loss after financial items	109	-40	183	116	199
Net profit/loss for the year	116	-24	198	133	194
Balance sheet					
Non-current assets	161	59	83	111	177
Current assets	1,758	1,826	1,725	1,947	1,718
Assets	1,919	1,885	1,808	2,058	1,895
Equity, Eolus's shareholders	983	984	1,037	888	814
Equity, non-controlling interests	61	280	-1	2	2
Non-current liabilities	309	105	228	160	124
Current liabilities	567	516	545	1,008	955
Equity, provisions and liabilities	1,919	1,885	1,808	2,058	1,895
Cash flow statement					
Cash flow from operating activities	-191	-97	-483	567	242
Cash flow from investing activities	-33	-3	4	-101	-1
Cash flow from financing activities	153	32	73	-103	297
Cash flow for the year	-71	-68	-407	363	538
Cash and cash equivalents at beginning of year	972	691	1,103	740	202
Exchange rate differences in cash and cash equivalents	14	2	-6	0	1
Cash and cash equivalents at year-end	914	625	691	1,103	740

KEY FIGURES FOR THE GROUP***

	2022 12 months	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months
Turbines taken into operation, MW	0	47	324	115	84
Managed turbines, MW	882	914	903	524	415
Average number of employees, full-time positions	76	54	45	39	35
Operating margin, %	3.4	neg	11.3	5.8	14.8
Profit margin, %	4.6	neg	7.4	5.7	14.6
Return on capital employed, %	9.0	neg	15.5	10.9	21.9
Return on equity after tax, %	neg	neg	20.6**	15.6	26.4
Equity/assets ratio, %	54	67	57	43	43
Earnings/loss per share, SEK	-0.22	-0.74	7.96	5.33	7.81
Equity per share, SEK	39.47	39.50	41.63	35.65	32.68
Dividend per share, SEK	1.50*	1.50	2.00	1.50	1.50
No. of shares at year-end, 000s	24,907	24,907	24,907	24,907	24,907
Average number of shares during the year, 000s	24,907	24,907	24,907	24,907	24,907

* Proposed dividend.

** Return on equity after tax is calculated for 16-month earnings relative to average equity.

*** For a definition of key figures, refer to page 115.

Glossary

Electricity Price Area Geographical divisions to highlight areas that require transmission and generation capacity to be expanded to better meet consumption in the area in question.

Energy storage Facility that uses various technologies to store electricity. Can include battery, hydrogen and pumped hydro storage.

Renewable energy Renewable energy originates from sources that are continuously replenished at a rapid pace, such as wind, water, solar and biomass. Nuclear power is not considered a renewable energy form since it is based on finite resources.

Operational turbines Turbines that have undergone final commissioning and are generating electricity.

Installed capacity For wind power and solar power, capacity is measured in MW and states the performance of the facility according to design data.

Intermittent energy source A method of generating power where the level of power generated varies over time depending on external factors. For wind power, this means how much and when the wind blows, and for solar panels, how much sunlight the panels receive depending on the time of day and weather.

Hub height The height of the tower plus the nacelle of a wind turbine.

Nord Pool The Nordic Power Exchange.

Normal year The definition of an average year of a generated amount of electricity. Determined based on long-term calculations from the Swedish Meteorological and Hydrological Institute (SMHI).

Offshore Wind power constructed in bodies of water.

Power Purchase Agreement (PPA) A contract between an electricity generator and an electricity purchaser to buy electricity directly from specific facilities.

Swept area The area of the circle swept by the rotor blades of a wind turbine. A turbine with a rotor diameter of 150 meters will have a swept area of about 17,700 square meters, almost the same as three soccer fields.

Availability A measurement for the amount of total time that a generating facility has been available to generate electricity.

Total height Height of a wind turbine when one of the blades is at its highest point.

Installed turbines Turbines that have been installed, undergone final commissioning and taken over from the turbine supplier. The turbine is either transferred to the customer as a turnkey facility, or transferred to Eolus's inventories.

Volatility A measurement of the price variation of a product (for example, electricity) over a period of time.

Transmission capacity The amount of electricity that can be transmitted between different areas via the electricity grid.

Units

The unit of measurement for energy is kilowatt hours.

1 MWh = 1,000 kWh

1 GWh = 1,000,000 kWh

1 TWh = 1,000,000,000 kWh

The unit of measurement for capacity is watts.

1 MW = 1,000,000 W

1 GW = 1,000,000,000 W

For solar panels, the MWac unit is sometimes used to specify the facility's capacity converted into alternating current (AC).

3,000

A wind turbine that produces 15 GWh (15,000,000 kWh) supplies 3,000 houses with electricity per year.

A normal Swedish house uses about 5,000 kWh of electricity per year.

This means that:

1 MWh is sufficient for 0.2 houses

1 GWh is sufficient for 200 houses

1 TWh is sufficient for 200,000 houses



Annual General Meeting

The next Annual General Meeting will be held on May 12, 2023. Information about how to register for the Annual General Meeting will be provided in the notice of the Meeting.

Financial calendar

• Interim report Q1	May 11, 2023
• Annual General Meeting	May 12, 2023
• Record date for dividends	May 16, 2023
• Estimated date for dividend payment	May 22, 2023
• Interim report Q2	August 25, 2023
• Interim report Q3	November 17, 2023
• Year-end report 2023	February 15, 2024

Eolus Vind AB ("Eolus") is a public company with Corporate Registration Number 556389-3956. The company is based in Häsleholm, Sweden. This Annual Report has been published in Swedish and English. The Swedish Annual Report is the official version. The Annual Report consists of the Directors' Report (pages 48–53), the Corporate Governance Report (pages 54–63), the financial statements (pages 66–106) and the Sustainability Report (pages 34–45).

All monetary values are expressed in Swedish kronor (SEK), unless otherwise stated. The value in Swedish kronor is abbreviated SEK, thousand kronor (KSEK) and million kronor (SEK M). Figures in parentheses pertain to the preceding fiscal year, 2021.

Definition of alternative performance measures

This section contains definitions of certain financial non-IFRS measures compared with the closest comparable financial IFRS measure. Financial non-IFRS measures have limitations as analytical tools and should not be considered in isolation or as a replacement for financial measures produced in conformity with IFRS. Financial non-IFRS measures are reported to enhance investors' assessment of the company's operational result,

to provide assistance when forecasting future periods and to simplify comparisons of earnings between periods. Group Management uses these non-IFRS measures to, for example, evaluate operating activities compared with earlier results, for internal planning and for forecasts. The financial non-IFRS measures presented in this report may differ from similar measures used by other companies.

Return on equity after tax Shareholders' share of rolling 12-month earnings relative to average equity attributable to Eolus's shareholders.

Operating margin Operating profit expressed as a percentage of net sales.

Return on capital employed Profit after financial items plus interest expense expressed as a percentage of average capital employed.

Equity/assets ratio Equity relative to total assets at the end of the period.

Equity per share before/after dilution Equity attributable to Eolus's shareholders divided by the number of shares at the end of the period before/after dilution.

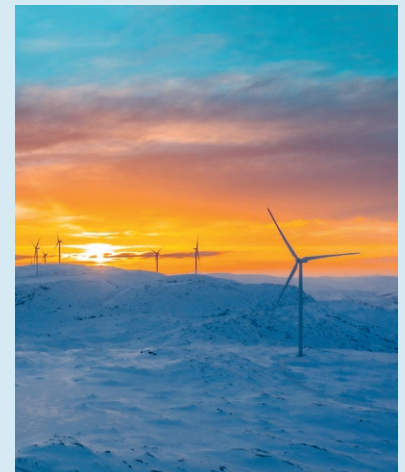
Capital employed Total assets minus non-interest-bearing liabilities.

Net liability/cash Interest-bearing liabilities minus cash and cash equivalents.

Change in fair value of financial derivatives Relates to the change in fair value of financial instruments, which is calculated using methods and based on observable input data for the asset or liability, either directly (prices) or indirectly (derived from prices).

Earnings per share before/after dilution Shareholders' share of net profit for the period divided by the weighted average number of shares during the year before/after dilution.

Profit margin Profit/loss after financial items expressed as a percentage of net sales.



Cover photo: Øyfjellet wind farm in Norway. The wind farm comprises 72 wind turbines with a total installed capacity of 400 MW and an annual generation capacity of 1.3 TWh of green electricity that is purchased by Alcoa Norway AS. Read more about the project on page 20. Photo: Simen Haugom / Spectacular Norway

Other photographers: Rebecca Wallin/Fri kommunikation, Daniel Larsson/Fotograf Daniel, Henrik Bodin/Bodin Consulting AB, Aki Rask/Akifoto, Filip Błażejowski, Johnér Bildbyrå, Shutterstock, iStock and Eolus.

Layout: Mustasch Reklambyrå. Printed by: Exakta.



Eolus is a Nordic leader in renewable energy. Eolus creates value at every level of project development, establishment and operation of renewable energy facilities. We offer attractive and competitive investment opportunities for local and international investors in the Nordic region, the Baltics, Poland and the US.

Since the company's inception in 1990, Eolus has been involved in the construction of 1,414 MW of wind power. The Eolus Group currently has customer contracts for asset management services accounting for 1,550 MW of installed capacity, of which 882 MW has been deployed. At December 31, 2022, Eolus Vind AB had approximately 36,600 shareholders. Eolus's Class B share is traded on Nasdaq Stockholm Mid Cap.

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