

Annual Report 2021

The logo for Eolus, featuring a stylized white wing or leaf shape to the left of the word "eolus" in a lowercase, sans-serif font, with a registered trademark symbol (®) to the right.

We see the potential – today and tomorrow

Eolus has been focused on the transition to a renewable energy system since the onset. 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 more than 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. And 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 have not stopped. In 2022, we will scale up and expand – we are going to employ more people. Many more. To attract employees with the right skills and motivation, we are strengthening our communication across all channels with a clear message: being part of Eolus is more than just a job, it's part of something bigger. An opportunity to create change from the bottom up – for everyone who is passionate about the renewable transition. Or believes that renewable energy is the only way forward. For everyone who wants energy to last for a long time. For everyone who also sees the potential.



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



Significant events during the fiscal year

Consultation on plan for 2,500 MW of offshore wind capacity in Sweden

In 2021, consultations on three planned offshore wind power projects in Sweden were commenced or completed. The projects are located in parts of Sweden with a major need for added electricity generation to offset the existing deficit and meet the forecast of growing demand. The Sjollen (up to 300 MW) and Arkona (up to 1,200 MW) projects can help to reduce the deficit in Skåne, while the Västvind project (up to 1,000 MW) plays a key role in contributing to regional electricity generation in western Sweden.



Wind Wall – a repowering project in the US

During the year, the Wind Wall project was completed and handed over to the customer, Cubico Sustainable Investments. The customer's takeover in May 2021 marked the completion of Eolus's first project in the US. Wind Wall comprises 13 Vestas V126 3.6 MW wind turbines with a combined installed capacity of 46.5 MW. This is a repowering project, where the new wind turbines will replace nearly 400 old turbines while increasing electricity generation nearly four-fold. Eolus provides asset management services to maximize the facility's output.



First energy storage project divested

In December 2021, Eolus concluded an agreement to sell its first energy storage project by divesting the Cald standalone battery storage project in Los Angeles, in the US. The project comprises total battery storage of 120 MW and the investor is Aypa Power (a Blackstone company). Eolus divested all shares in the project company to Aypa and simultaneously signed a development agreement under which the company will continue to provide development services to Aypa for the project. Deployment is scheduled for 2024.

Poland – a new market

As part of the company's growth strategy, Eolus expanded its operations in 2021 by entering the Polish market. Poland is one of the countries in Europe that is most dependent on fossil-based electricity generation, which offers major growth potential for renewable electricity generation. It is already one of the strongest growing markets in Europe in utility-scale solar. Eolus mainly sees opportunities for the company to contribute to the transformation of the Polish energy market in solar, but also in onshore and offshore wind power. In the short term, Eolus sees the greatest business opportunities in solar power, and this was also the technology for which the company first secured access to land.

Partnership with Hydro REIN

During the year, Eolus concluded two partnerships with Hydro REIN. One partnership involves the acquisition of the permitted Stor-Skälsjön wind power project in SE 2. The project comprises a total of 260 MW, and Eolus's stake is 51%. Eolus and Hydro REIN have agreed to divest most of the shares in the project, which is scheduled for deployment in the fourth quarter of 2023. Siemens Gamesa will supply the wind turbines. The other partnership relates to the joint development of a portfolio with nine early-phase wind projects in Sweden. Hydro REIN has acquired 50% of the project portfolio which is owned of Eolus and comprises 672 MW in SE3 and SE4. The projects are scheduled for deployment between 2027 and 2032, depending on when the necessary permits are secured.

Intensive efforts with Øyfjellet

During the fiscal year, intensive efforts have taken place with the establishment of Øyfjellet, a large-scale 400 MW wind power project in Norway. All 72 wind turbines were installed in 2021, but were not energized or in operation by the end of the year. The wind farm is now scheduled for completion by the end of the second quarter of 2022. The delays were mostly due to technical problems experienced by the turbine manufacturer, the prolonged COVID-19 pandemic, and extreme weather with heavy snow and high winds for long periods of time. The cost for winter working are high and the project margin forecast was subsequently revised down.

Acquisition of projects comprising 99 MW in SE3

In June 2021, Eolus acquired two fully permitted wind power projects in Sweden from RWE. The Skallberget/Utterberget projects in Avesta Municipality and Tjörnäs in Hedemora Municipality are located in SE3 and comprise 74 MW and 25 MW, respectively.

117 MW PPA signed

In December 2021, Eolus announced the signing of a 117 MW power purchase agreement (PPA) with a major international energy company. The original agreement for 68 MW was renegotiated during the year to include the Skallberget/Utterberget (74 MW), Tjörnäs (25 MW) and Rosenskog (18 MW) projects. The wind farms are scheduled for deployment in 2023.

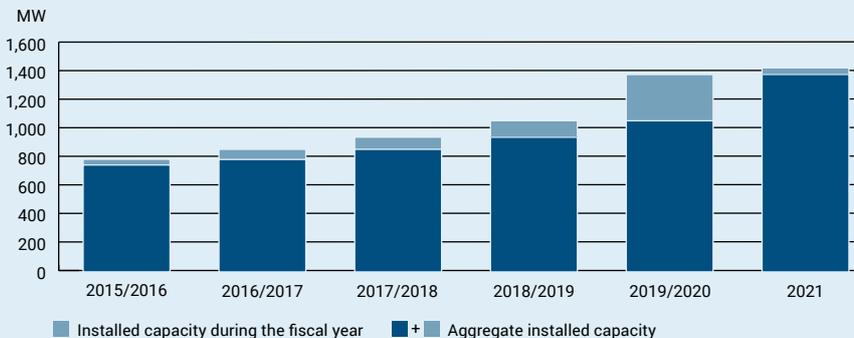
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In December 2021, Eolus divested its first energy storage project. The Cald standalone battery storage project in Los Angeles in the US has a capacity of 120 MW.

2,500

During the fiscal year, consultation commenced on the three planned offshore wind farms in Sweden with a combined capacity of up to 2,500 MW.

EOLUS'S CUMULATIVE INSTALLED CAPACITY



FIVE-YEAR SUMMARY

SEK M	2021	2019/2020*	2018/2019	2017/2018	2016/2017
Net sales	2,614	2,469	2,032	1,366	1,066
Operating profit/loss	-25	280	118	202	40
Profit/loss before tax	-40	183	116	199	34
Net profit/loss for the year	-24	198	133	194	25
Earnings/loss per share, before and after dilution, SEK	-0.74	7.96	5.33	7.81	1.02
Turbines constructed and deployed, MW	47	324	115	84	72
Managed turbines, MW	914	903	524	415	351

* refers to 16 months

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Eolus stands firm as a key player in the transformation – in existing and new markets

Countries, companies and organizations continue to strengthen their targets for reduced emissions. There is no doubt that the transition to renewable electricity generation is one of the most important factors for achieving these targets. The transition must go fast, and the development and realization of renewable energy projects is an important piece of the puzzle. In 2021, we achieved several key milestones in Eolus's development.

First project completed in the US

During the year, we completed the Wind Wall repowering project in the US. We installed 13 modern turbines to replace some 400 wind turbines from the mid-1980s. The new farm will generate four times more electricity and is testimony to the fantastic progress of renewable electricity generation in just a few decades.

We are in the midst of establishing the 400 MW Øyfjellet project in Norway, which is Eolus's largest project to date. Estimated electricity generation is approximately 1.3 TWh, or about 1% of Norway's total electricity generation. Unfortunately, we had to confirm that the project was delayed by COVID-19, some technical problems for the turbine manufacturer and severe weather conditions during the winter. The delay had an adverse impact on Eolus's sales and margin in 2021. All turbines were installed in autumn 2021 and the project is scheduled for completion during the first half of 2022.

More solar power and energy storage in growing markets

We continued our geographic expansion and strategic technological diversification, including our entry into the Polish market. Poland is an attractive market due to the country's size, electricity consumption and strong dependence on coal-fired electricity generation. The initial focus for our Polish operations will

be to implement solar PV projects, due to the short lead time from start date to implementation. At the same time, we are building up a portfolio of Polish wind power projects.

Another milestone was passed in December when we divested Cald, our first battery storage project in the US. The project is developing storage capacity of approximately 120 MW. Eolus has also concluded an agreement with the customer concerning continued development of the project until the customer makes an investment decision, which is expected to be announced in 2022.

We are strengthening the project portfolio to meet needs

Based on the major need for renewable electricity generation in the coming decades, we are continuing to invest heavily in our project development. During the year, the total portfolio increased 6.0 GW to 13.8 GW. We will develop projects in those markets with the greatest needs, and with the technology that can best meet those needs. This requires an even greater technological diversification of our project portfolio, where onshore wind capacity currently accounts for about half the volume, while projects for offshore wind capacity, solar panels and energy storage account for about 15–20% each.

Experienced partner and project acquirer

To secure access to high-quality and realizable projects, Eolus acquires projects in various phases of development. With extensive experience in the development, establishment and divestment of facilities, we are an attractive partner to collaborate with. During the year, for example, we acquired the construction-ready Stor-Skälsjön (260 MW) and Skallberget/Utterberget/Tjärnäs (99 MW) projects. Stor-Skälsjön was acquired together with Hydro REIN, which owns



“Eolus will develop projects in those markets with the greatest needs, and with the technology that can best meet those needs. During the year, the total portfolio increased 6.0 GW to 13.8 GW.”



49% of the project. Wind turbines and contractors were procured for all projects. The divestment process is ongoing and the farms are scheduled for deployment in autumn 2023.

Importance of decentralized renewable electricity generation

The Russian invasion of Ukraine is first and foremost a humanitarian disaster. In addition to the deteriorating security situation, the war is further increasing the risk of supply chain disruptions, and rising costs for components, commodities and transportation. Higher electricity prices are continuing to drive interest in the deployment of renewable electricity generation. This trend clearly demonstrates the need for decentralized electricity generation from renewable sources to increase security of supply in Europe and reduce dependence on Russian natural gas. The European Commission has already taken several steps to eliminate this dependence by introducing

the REPowerEU plan. The Commission stresses the need for fast electrification, the expansion of renewable electricity generation and shorter permitting processes.

Well-equipped for future challenges and opportunities

In 2021, Eolus established a new business plan for 2022–2024. The plan is based on the power of the transition to sustainable energy systems and the electrification trend. With Eolus's experience, a high-quality project portfolio and competent employees, we see growth potential in all technologies and all of our markets. Due to the new business plan, we are also communicating new financial targets. The growth targets entail annual average sales of at least 1,000 MW during the 2022–2024 period, and at least 1,500 MW thereafter.

Despite a loss in 2021, which was mainly attributable to the delay of Øyfjellet, Eolus is well-equipped to meet the opportunities and challenges of the

years ahead. We entered 2022 with an order backlog of SEK 1.8 billion, 737 MW under construction, a project portfolio of 13.8 GW, a stable net cash position and an equity/assets ratio of 67%. That creates a solid foundation for our continued growth as a key player in the ongoing sustainable energy transition.

Eolus is growing and I would therefore like to take this opportunity to welcome all of our new employees to the company. I would like to conclude by thanking all employees for your important efforts for the company during the year. We will continue to develop the company together and contribute to the social transition.

PER WITALISSON

Chief Executive Officer

A pioneering spirit, expertise and good business sense have taken us a long way

30 years of progress and continuous evolution. Since the company's inception in 1990, Eolus has evolved into a leading Nordic wind power developer – and a prominent player in the important transition to a renewable energy system. A proven success factor is that we never slow down. On the contrary, we are always moving forward – with one eye on profitability, and the other on potential. Eolus has now entered a strong stage of growth with our sights set on widening our geographic reach and further enhancing and strengthening our offering in renewable energy and energy storage – because we know that tomorrow's opportunities are already here.

From the first independent developer of commercial wind power in Sweden, Eolus has now evolved into a company focused on renewable energy and energy storage with operations in the Nordic region, the Baltics, Poland and the US. The company offers attractive and competitive investment opportunities in wind, solar and energy storage to both local and international investors.

Eolus is currently in a growth phase with high objectives to expand in all technologies, and in all markets where the company operates. The organization is continuously strengthened to meet this growth and new expertise is added to the company's existing expertise. The combined experience accumulated by the company over the past 30 years guarantees effective processes and knowledge about how renewable energy projects and energy storage should be conducted to achieve maximum efficiency. The renewable energy market is growing steadily and the power of the social transition is strong, which is creating major opportunities for a company like Eolus. In addition to accumulated expertise, the company has a strong financial position and an extensive and growing project portfolio in onshore and offshore wind, solar and energy storage.

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 objects to both local and international investors.

Business model

Eolus's main business focus is to develop and install facilities for renewable energy and energy storage. The choice of technology is determined by the location and the prevailing market conditions. In the past, projects were mainly realized through divestment of turnkey facilities. As the company grows and investors are increasingly warming to early-phase projects, fewer facilities will be built in that way. It will be more common for investors to acquire project rights from Eolus and then engage the company to handle the construction.

The investor will finance the construction with equity or some other source of funding instead of Eolus. This will reduce the need for Eolus to raise construction loans, and minimize construction risk.

This business model also allows parts of the project portfolio to be realized through sales of project rights for permitted projects and divestment of projects

under development. Partnerships for the development of specific projects or parts of the project portfolio are also included in the business model, while projects under development or companies may also be acquired.

The company currently operates in the Nordic region, the Baltics, Poland and the US, and the Polish market was the most recent addition during the fiscal year.

In addition to the project development segment, Eolus also offers asset management. In this operating segment, Eolus offers a full range of asset management services to investors, enabling carefree ownership of facilities for renewable energy and energy storage.

The Eolus Group

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 wind power projects.

At December 31, 2021 Eolus's project portfolio in Sweden, Norway, the US, Poland, Finland, Estonia and Latvia comprised 6,709 MW of onshore wind capacity, 2,500 MW of offshore wind capacity, 2,526 MW of solar capacity and 2,088 MW of energy storage from early phase to establishment. Of these, onshore wind power under establishment in Norway and Sweden accounted for 737 MW. At the same date, Eolus had asset management assignments of 914 MW plus contracted assignments for an additional 408 MW.

Objectives

Mission

Eolus is creating a better tomorrow by leading the way to a renewable future.

Eolus's overall objectives for the three-year period of 2022–2024 are:

- Average annual sales shall amount to at least 1,000 MW during the 2022–2024 period.
- From 2025, average annual sales shall amount to at least 1,500 MW.
- The Group's average return on equity shall exceed 10% per fiscal year.
- The Group's equity/assets ratio shall exceed 30%.
- 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.



The Jenåsen wind farm

Strategy

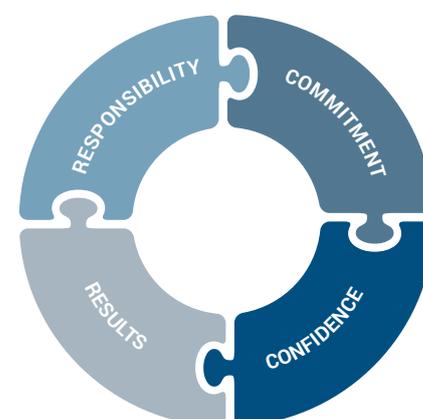
Eolus's business is focused on the development and installation of facilities for renewable energy and energy storage. The company currently conducts operations in onshore and offshore wind power, solar power and energy storage.

The strategy for the company's project development activities is to focus on the projects that are most likely to be realized regardless of technology and market, and to develop them with the highest possible quality at the lowest possible cost. This increases opportunities for offering end-investors facilities that provide the lowest-possible cost per megawatt-hour generated over the facility's lifetime. A careful selection process based on access to wind or solar, opportunities for grid connection, and constructability in terms of roads and foundations is paramount, combined with a commercial focus in the early phases. This ensures that projects with the greatest potential receive sufficient priority.

Eolus does not normally own the land on which facilities are established, but secures usufruct through land leases. Eolus's strategy is to offer landowners a

commercial lease that is normally paid as an annual lease equivalent to a certain percentage of the value of the electricity generated by the facility. In some projects, neighboring landowners are also offered land lease income.

EOLUS'S CORE VALUES



A reliable partner for renewable energy projects

Since the company's inception in 1990, Eolus has developed extensive expertise in the development and establishment of renewable energy facilities due to the large number of wind power projects established by the company and an extensive project portfolio. Due to this expertise, when you invest in a generating facility established and developed by Eolus you gain a stable and dependable partner. We are using our long-standing experience of wind power to develop solar and storage facilities, which generally have shorter permitting processes than wind power.

Structured and profitable

Eolus is focused on good overall economy throughout the entire life cycle of the facilities and therefore applies a structured process where each step is aimed at meeting both financial and environmental requirements. Eolus is an independent developer and does not produce any wind turbines, solar panels or batteries. Our focus is to find the best and most suitable sites for the establishment of facilities that can accelerate renewable energy deployment. In wind, solar and energy storage, we choose the

suppliers that best meet our demands and the requests of our customers.

Facilities for co-existence

While project portfolios vary from country to country, the objective is always the same. Eolus's mission is to establish facilities that can contribute to renewable energy generation or storage at the lowest possible cost per megawatt-hour, while also accounting for the impact on the local environment.

All facilities are subject to a suitability assessment by the authorities based on the regulations that are in place 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 new and existing markets. Sites are identified and assessed to investigate the potential for constructing wind, solar or energy storage facilities at an early stage. Origination works with the development of our own projects, as well as the acquisition of projects in various phases of development. If the initial investigations show po-

120

During the fiscal year, Eolus divested its first battery storage project. The Cald project in Los Angeles in the US has capacity of 120 MW.

tential for renewable energy establishment and the possibility of co-existence with other community interests, access to the relevant sites is secured by signing agreements with landowners.

Project Development

The project is then handed over to the Project Development function. In this part of the value chain, consultation with the public and authorities takes place, and the studies, inventories and investigations required for a permitting process are carried out. These studies may relate to, for example, the cultural environment, co-existence with local communities, conservation val-





The Kråktorpet wind farm

PROJECT DEVELOPMENT – KEY FIGURES

SEK M	2021 12 months	2019/2020 16 months
Net sales	2,588	2,436
Other operating income	34	114
Operating profit/loss	-34	272

ues and bird inventories. At the same time, the potential 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.

Alongside of project development during the permitting stage, dialog is initiated with wind turbine, solar panel or battery storage suppliers regarding the possibility of technical solutions that could optimize the facility's electricity generation based on the conditions that exist on the site, and the provisions of future permits. At this stage, dialog with potential investors can also commence.

In the latter stage of project development, dialog with various suppliers commences with the aim of optimizing a forthcoming establishment. A process to match the project with potential investors and a possible Power Purchase Agreement (PPA) partner also commences. Read more about the types of customers who invest in the various projects and facilities that Eolus develops on pages 24–25. A summary of Eolus's project portfolio and the changes

that took place during the fiscal year can be found on pages 20–21.

Project Delivery and Construction

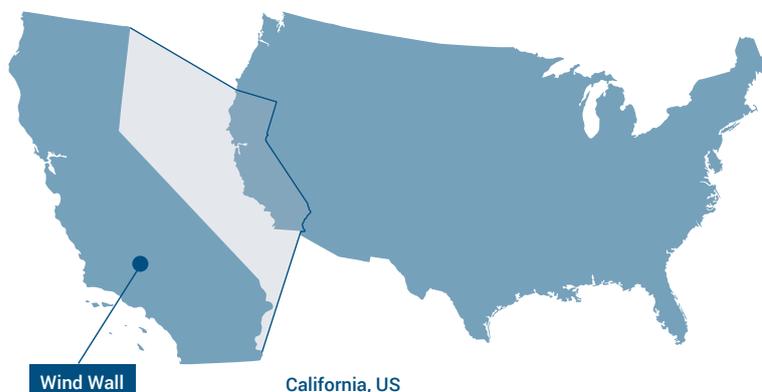
When a project has been divested, it moves into the construction and delivery phase. Eolus purchases contracting services from external providers. Eolus's role is to manage the construction of renewable energy projects, and serve as client for the project's contracting, grid, turbine or solar PV system provider. The main elements of this phase for wind power establishments are the construction of roads, crane sites, foundations and internal power, and the installation and deployment of turbines. For solar power projects, this can include roads, grids and the installation and deployment of solar panels. All types of establishments require a grid connection, which is arranged with the relevant grid owner for the site. The implementation and construction of utility-scale energy projects require detailed planning and a follow-up of time and cost estimates, as well as quality assurance and a follow-up of the completed contract work.

From the company's inception in 1990 until the balance sheet date of December 31, 2021, Eolus has been involved in the installation of 1,414 MW of wind power capacity. During the 2021 fiscal year, wind power capacity of 47 MW of was completed. At the end of the fiscal year, wind power capacity of 737 MW was under construction, comprising 400 MW in Norway and 337 MW in Sweden.

In 2021, Eolus concluded an agreement to divest the Cald battery storage project in Los Angeles in the US. The 120 MW project is under development, and the investor is Aypa Power. Eolus will continue to develop the project until the customer makes a decision regarding construction start, which is expected to be announced in 2022.

Projects completed during the year

During the fiscal year, Eolus completed and handed over one wind farm with an aggregate installed capacity of approximately 46.5 MW. A total of 13 wind turbines were established, compared with 81 wind turbines with a total capacity of 324 MW in the preceding fiscal year. The established wind farm is located in California in the US.



WIND FARMS ESTABLISHED DURING THE 2021 FISCAL YEAR

Name	Municipality	Capacity in MW
Wind Wall	Kern, CA	46.5
Total		46.5



No. of turbines: 11 Vestas V126 3.6 MW and 2 Vestas VI26-3.45 MW
Hub height: 87 meters
Installed capacity: 46.5 MW
Investor: Cubico Sustainable Investments

Wind Wall

The Wind Wall Project was completed and handed over in May 2021. Wind Wall is Eolus's first completed project in the US. The facility is a repowering project located in Tehachapi in California. The project involved the replacement of about 400 old wind turbines with an installed capacity of about 36 MW with new and modern turbines. The 13 new wind turbines have a total capacity of 46.5 MW and annual generation that is about four times higher than the previous facility. The establishment of this wind farm is a typical example of the efficiency of modern turbines compared with older models. The project highlights the potential for installing new and modern wind turbines on the sites of old facilities. Repowering offers many benefits, including the ability to use infrastructure such as the grid connection, and access to generation data over a long period of time in order to secure estimated annual generation.

The project is eligible for the full amount of production tax credits (PTC) and is covered by a long-term PPA with Amazon Web Services (AWS). The facility is owned by Cubico Sustainable Investments and Eolus provides asset management services for the facility.

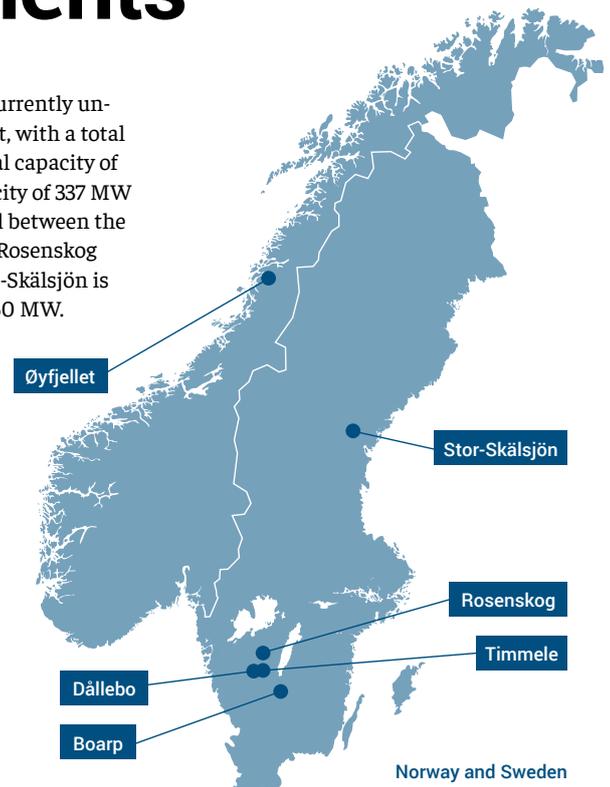
Ongoing establishments

At the end of the fiscal year, the company had wind power capacity of 737 MW under establishment in Norway and Sweden. Projects are considered 'under establishment' when agreements for the delivery of wind turbines, solar panels or energy storage technology have been signed.

The largest establishment is currently under way in Norwegian Øyfjellet, with a total of 72 wind turbines with a total capacity of 400 MW. The remaining capacity of 337 MW is located in Sweden, allocated between the Stor-Skälsjön, Boarp, Dällebo, Rosenskog and Timmele wind farms. Stor-Skälsjön is the largest, with capacity of 260 MW.

WIND FARMS UNDER CONSTRUCTION

Name	Municipality	Capacity in MW
Øyfjellet	Vefsn, NO4	400
Stor-Skälsjön	Timrå/Sundsvall, SE2	260
Boarp	Vaggeryd, SE3	24
Dällebo	Ulricehamn, SE3	26
Rosenskog	Falköping, SE3	18
Timmele	Ulricehamn, SE3	8
Total		737



The Øyfjellet wind farm



No. of turbines: 72 Nordex N149/5.X MW
Hub height: 105 meters
Installed capacity: 400 MW
Investor: Aquila Capital

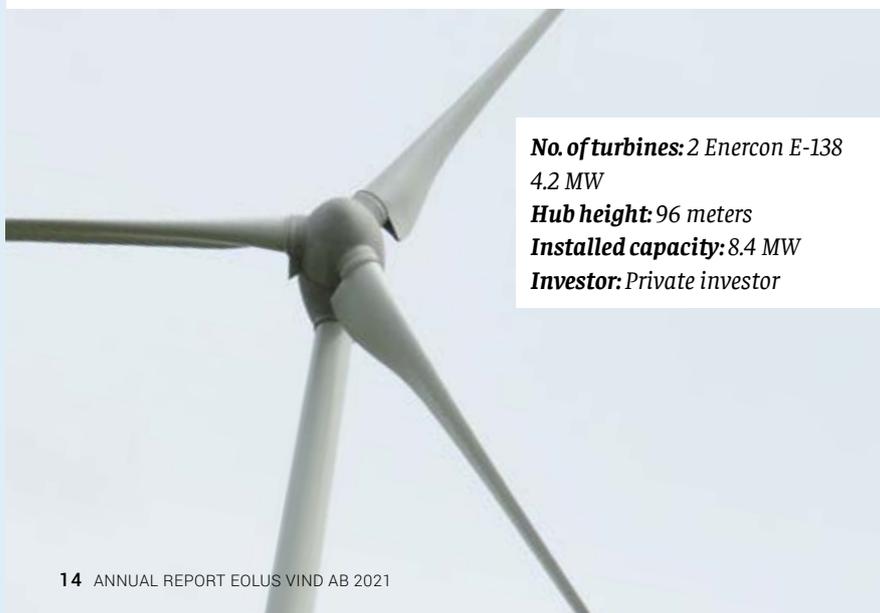


Øyfjellet

The Øyfjellet Project is located in Mosjøen, in the Municipality of Vefsn in Norway. With capacity of 400 MW, Øyfjellet is Eolus's largest permitted project to date. Originally a local initiative, Eolus acquired the rights to the project in 2012. The original concession for 330 MW was extended to 400 MW in October 2018. Due to rapid technological advancements, the extension will result in the establishment of fewer but larger wind turbines than originally planned. This has enabled a smaller project site. A total of 72 wind turbines are being constructed 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 Power Purchase Agreement (PPA) with Alcoa Norway AS. The wind farm will subsequently supply Alcoa's production plant in Mosjøen with locally generated renewable electricity. As part of the arrangement, Eolus has signed a power guarantee with the Norwegian Export Credit Guarantee Agency (GIEK). The guaranteed amount is EUR 256 M.

In 2019, Eolus sold 100% of the shares in the subsidiary that owns all rights to establish the wind farm, including the 15-year PPA with Alcoa, to Aquila Capital. A construction agreement was signed at the same time, whereby Eolus will manage construction of the wind farm on behalf of the investor. Construction commenced in December 2019. All wind turbines are assembled and are currently being energized. The project is now scheduled for completion in the second quarter of 2022 due to a series of delays. The delays were mostly due to technical problems for the turbine manufacturer, the prolonged COVID-19 pandemic, and extreme weather with heavy snow and high winds for long periods of time.



No. of turbines: 2 Enercon E-138 4.2 MW
Hub height: 96 meters
Installed capacity: 8.4 MW
Investor: Private investor

Timmele

The Timmele project comprises two wind turbines in Ulricehamn. In 2021, an agreement to divest the facility was signed with a private investor and a turbine supply agreement was signed with Enercon. The turnkey facility will be handed over upon completion.

Stor-Skälsjön

In June 2021, Eolus and Hydro REIN acquired the fully permitted Stor-Skälsjön project from Enercon. This 260 MW project is located in the municipalities of Timrå and Sundsvall in SE2 in Sweden. The project is jointly owned by Eolus (51%) and Hydro REIN (49%) and covered by a long-term PPA with Hydro. The parties have agreed to sell most of the shares in the project to an external investor and the process is ongoing.

In addition to the turbine supply agreement with Siemens Gamesa, a construction contract was signed with Svevia for the internal road network and crane sites. Construction of the internal road system has commenced and the grid connection is now in place. The original permit when the project was acquired is now being optimized to increase the rotor diameter. Optimization of the permit will enable realization of this 260 MW project with fewer turbines.

The wind farm is being built in an area where Eolus has previously installed 319 MW of wind power capacity allocated between four farms.



No. of turbines: 42 Siemens Gamesa SG 6.6-170
Hub height: 20 turbines 123 meters, and 22 turbines 115 meters
Installed capacity: 260 MW
Investor: The sales process is ongoing.

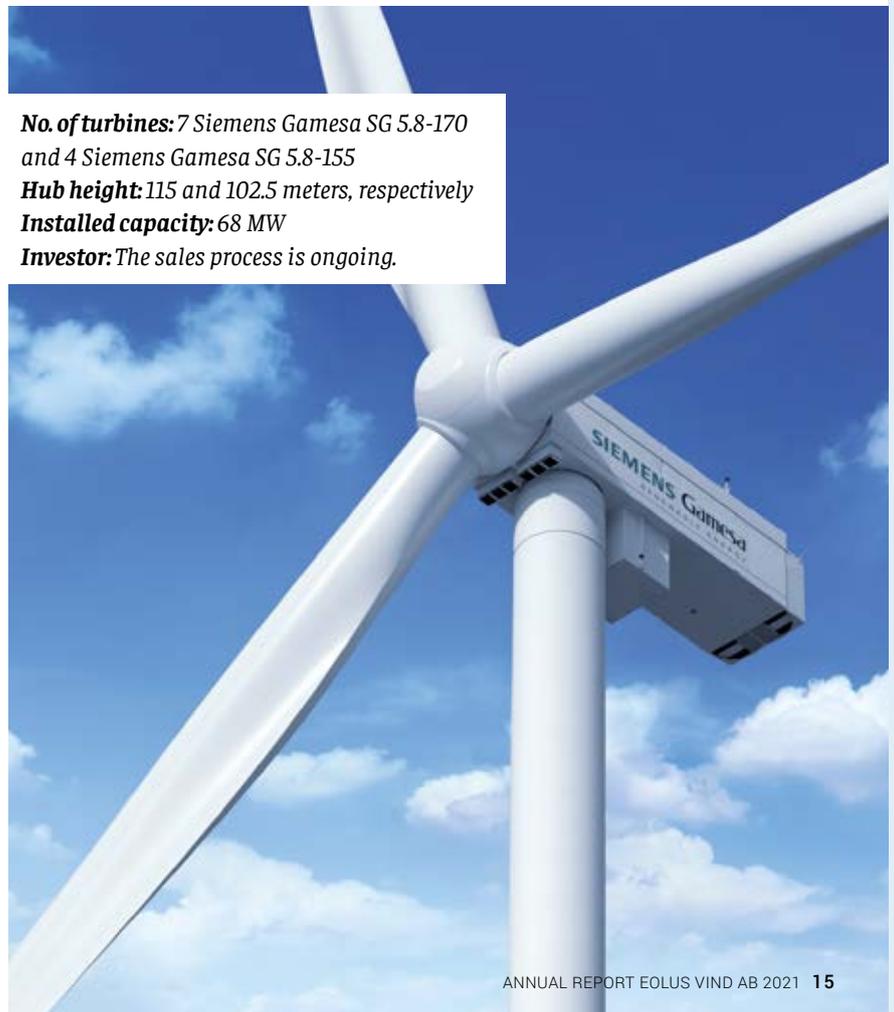


Boarp, Dällebo and Rosenskog

During the fiscal year, the investor, Commerz Real, canceled the share transfer agreement for these three wind farms due to non-fulfillment of certain conditions for the transaction by the agreed date for Boarp and Dällebo. Eolus has not recognized any revenue from the transaction. Efforts to solve the outstanding permit issues are ongoing and a new sales process has now commenced.

The PPA signed with a major international energy company regarding these three farms, comprising capacity of 68 MW, has been renegotiated and transferred, and now comprises 117 MW. Boarp and Dällebo are not included in the agreement, while Rosenskog has been transferred.

In March 2022, the turbine supply agreement for Boarp and Dällebo was transferred to a new agreement for the Skallberget/Utterberget and Tjärnäs farms. The agreement for Rosenskog remains in force.



No. of turbines: 7 Siemens Gamesa SG 5.8-170 and 4 Siemens Gamesa SG 5.8-155
Hub height: 115 and 102.5 meters, respectively
Installed capacity: 68 MW
Investor: The sales process is ongoing.

Renewables are the way forward – country by country with Eolus

Eolus currently operates in Sweden, Norway, the US, Poland, Finland, Latvia and Estonia. In addition, the company is continuously assessing new market opportunities. The most recent addition is the Polish market, which Eolus entered in 2021. The largest project portfolio is in Sweden, followed by the US. During the fiscal year, both offshore wind and solar projects were added to the Swedish portfolio. Solar dominates the US portfolio, as well as the first projects in the Polish market. Project devel-

opment in other countries is currently focused on onshore and offshore wind projects. Energy storage projects are confined to the US at present.

Geographic expansion

As the company develops projects and completes facilities in countries other than Sweden, which is the country that has dominated to date, the operations will become less dependent on individual geographic markets and it will be easier to see

where the most profitable projects exist – regardless of technology. However, the permitting process for solar projects tends to be shorter than for wind power projects. These markets are diverse in terms of how much renewable power has been deployed, and what is currently under construction. The countries have varying conditions in terms of geography, infrastructure, grid capacity and policy instruments for renewable energy.

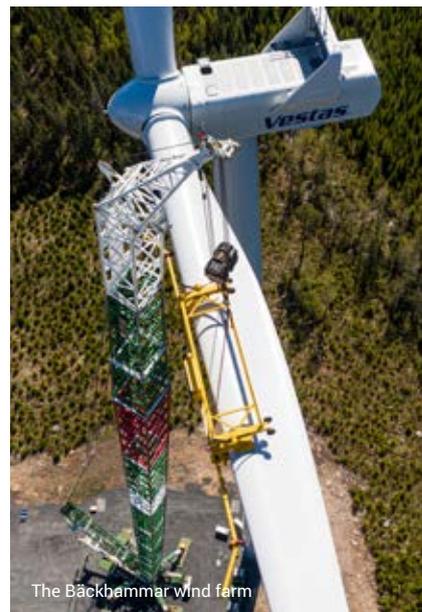
Sweden

Wind power development has been very strong in Sweden and this source of energy is an established and important part of the Swedish energy mix. Wind power capacity surpassed annual generation of 1 TWh for the first time in 2006. In 2021, the comparative figure was 27.4 TWh, representing about 16% of Swedish generation. Within a few years, wind power is projected to exceed annual nuclear power generation and become the second-largest source of electricity generation in the country. According to Swedish Wind Energy's statistics for the

fourth quarter of 2021, installed capacity in Sweden was 12,200 MW, with normal annual generation of 33.1 TWh, at the end of 2021.

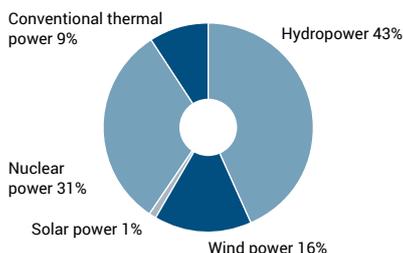
Strong growth for onshore wind deployment

Sweden has good conditions for wind power and, in 2021, was the country that added most onshore wind capacity in Europe. Despite this strong growth, there is still major potential. Some of the factors behind Sweden's favorable conditions for a high share of wind power generation are good access to a regulated power supply, good wind resources, grid stability and a relatively low population density. Due to good transmission capacity to other countries, Sweden has become a net exporter of electricity, which is displacing generation from fossil fuels in other countries. At the same time, it is also possible to import electricity should it be needed.



The Bäckhammar wind farm

ELECTRICITY GENERATION IN 2021



In 2021, electricity generation reached 165.5 TWh in Sweden. Of this amount, 33.9 TWh was exported. Sweden imported a total of 8.3 TWh, bringing net exports to 25.3 TWh. Most exports went to Finland, and most imports came from Norway.

Sweden has been a net exporter of electricity for 11 consecutive years. Solar capacity exceeded 1 TWh for the first time with total generation of 1.1 TWh, up approximately 40%. Wind power generated 27.4 TWh.

Source: Swedish Energy Agency

Offshore wind capacity needs to increase

Despite the fact that Sweden is one of the countries in Europe with the lowest onshore wind costs, and subsequently accounts for the fifth-highest installed wind power capacity in Europe, there is very little offshore wind deployment. Sweden lags behind Germany, Denmark, the Netherlands and the UK in this area. Offshore wind power capacity has a key role to play, not least when it comes to narrowing the gap between consumption and generation in western Sweden and Skåne/Blekinge.

Better storage enables more wind and solar

Solar has accounted for a limited share of Swedish electricity generation to date – approximately 1.1 TWh in 2021. However, there is potential for a considerably higher share from both domestic solar PV systems and utility-scale facilities. The pairing of wind and solar is an advantageous complement due to their varying strengths throughout the day and year. Better storage solutions will enable solar and wind to account for a larger share of Swedish electricity generation moving forward.

Norway

The growth of new power generation has accelerated in Norway in recent years. According to the Norwegian Water Resources and Energy Directorate (NVE), this is the highest growth rate since the end of the 1970s. Onshore wind capacity has steadily increased and, in 2021, accounted for almost 7.5% of Norwegian electricity generation, which is otherwise mainly hydropower. In 2021, approximately 11.8 TWh was generated by wind power, a year-on-year increase of nearly 20%. At the end of 2021, Norway had approximately 4,650 MW of installed wind power capacity, compared with total installed capacity of 1,675 MW at the end of 2018.

Expected wind deployment growth

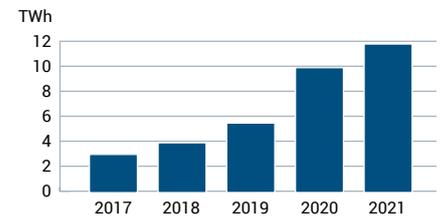
The regulatory framework for wind power deployment is currently being revised,

which has temporarily suspended the granting of new concessions and placed developers in a wait-and-watch mode. The new government that took office in autumn 2021 intends to expand wind power generation, including offshore, which means continued market potential.

Best conditions for wind and potential for solar

Onshore wind power 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 contributes to lower costs per unit of MWh generated. The conditions for wind power are among the best in Europe. While electricity generation from solar is low, Norway has much the same potential as Sweden.

ELECTRICITY GENERATION FROM WIND IN NORWAY PER YEAR



Source: The Norwegian Water Resources and Energy Directorate (NVE)



The Stigafjellet wind farm

US

The US energy market is fragmented and should be seen as several different markets because of geography and the regulatory diversity in regard to permitting, grid connection, electricity trading and renewable energy targets.

Carbon pollution-free power sector by 2035

Renewable energy sources, such as solar and onshore/offshore wind, are playing a key role in the current US administration’s goal to reach 100% carbon pollution-free electricity by 2035. Different types of storage solutions are also important for reaching this goal and contributing to system stability.

Excellent conditions for solar and record levels for wind

The U.S. Energy and Information Administration (EIA) expects that approximately 46.1 GW of new utility-scale electric generating capacity will be added to the US power grid in 2022. Almost half of the planned capacity additions (22.1 GW) are solar. Most planned solar additions will be in Texas

(6.1 GW) followed by California (4.0 GW). California is the state with the most installed solar capacity, and has also set ambitious goals for renewable electricity generation. In 2021, 15.1 GW of utility-scale solar capacity was added to the US grid, so the growth rate is high. Wind increased in 2021 and exceeded the record by adding another 17.1 GW of installed capacity. In 2022, wind is projected to account for 17% of capacity additions despite a drop to 7.6 GW in planned additions. Like solar, most wind capacity additions are in Texas.

Energy storage project growth

Battery storage has now entered a strong phase of growth driven by falling costs, deployment of battery storage together with renewable generation, and by adding value in regional grids. In 2022, the EIA expects utility-scale battery storage capacity to grow by 5.1 GW. In 2021, Eolus divested its first battery storage project in the US. The Cald project in Los Angeles in the US has capacity of 120 MW and Eolus will provide the customer with project development

services. Utility-scale battery storage systems have major potential in the US market as solar and wind generation account for a growing share of the energy mix. Standalone energy storage systems also have a key role to play in approaches to balancing and reliability improvements.

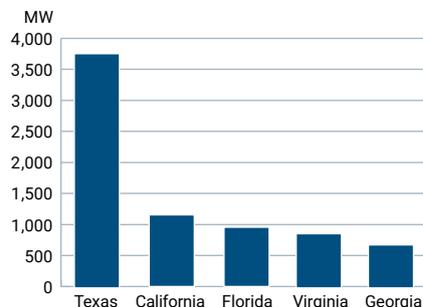
Objectives for offshore wind power

As in other markets, offshore wind power has huge potential in the US, mainly on the East Coast. The goal of the current administration is to deploy 30 GW of offshore wind by 2030. There are only two offshore facilities in operation at present. At the end of February 2021, a federal auction for six offshore projects outside New York and New Jersey netted a combined bid of USD 4.37 billion.

Eolus’s project portfolio in the US includes projects in solar, onshore wind and energy storage and is currently focused on the western US region.



UTILITY-SCALE SOLAR CAPACITY ADDITIONS IN 2021



Source: American Clean Power, Clean Power Quarterly Report Q4 2021.

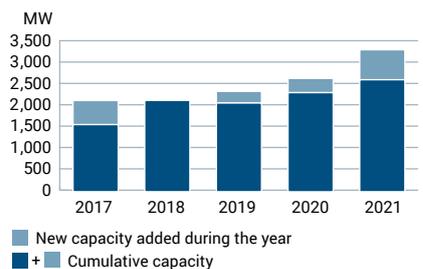
Finland

The Finnish wind power market has grown substantially in recent years. According to statistics from the Finnish Wind Power Association, 671 MW of installed capacity was added in 2021, compared with approximately 240 MW in 2019, and 300 MW in 2020. Wind power, with capacity of close to 8.1 TWh in 2021, accounted for nearly 12% of Finnish electricity generation. The trend of installing the largest turbines in Europe continued in 2021. As in Sweden and Norway, entering into long-term PPAs is a common component of business arrangements

for wind-power investments. Finland’s cumulative installed wind capacity totaled 3,257 MW. The market’s strong interest in Finnish wind power is fueling continued growth.

There is some potential for utility-scale solar power in Finland but a country like Sweden is considered to have better conditions for growth, why the outlook for growth in Finland is weaker than for other countries, including Sweden.

CUMULATIVE INSTALLED WIND POWER CAPACITY IN FINLAND



Source: WindEurope

Estonia and Latvia

Wind power has ground to a halt in these markets in recent years. In Estonia, the Armed Forces' restrictions on altitude due to radar interference has made wind power deployment difficult and caused project developers to lose interest. The Estonian government has decided to upgrade its radar systems to enable new wind power projects, which may offer new opportunities. The government has also indicated an interest in offshore wind deployment. In Latvia, very little wind power capacity has been installed. However, there are excellent wind resources in both the western and central regions of the country, offering high potential for wind power. As in Estonia, there is also an ambition to increase offshore wind deployment. Eolus is actively

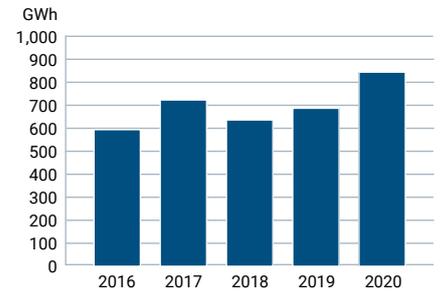
developing onshore wind projects in Latvia, and the company sees good prospects for also being involved in the development of offshore wind in the country.

According to WindEurope's statistics, Estonia has 320 MW of installed capacity, and Latvia has 66 MW.

Small market with high solar capacity

Estonia has a relatively high share of installed solar capacity in relation to its population, the seventh-highest per capita of European countries. However, the market is relatively small, which means that the total installed capacity is low. In Latvia, installed solar capacity is low both in total and on a per capita basis.

ELECTRICITY GENERATION FROM WIND IN ESTONIA PER YEAR



Source: Statistics Estonia

Poland

Eolus entered the Polish market in 2021. As one of the largest economies in Europe, this is a market with huge development potential and a major need to transform the energy system, which is heavily dependent on coal power. Poland is one of the most fossil-dependent countries in Europe, but has also committed to reducing its CO₂ emissions in line with international climate initiatives.

Strong market for solar power

The Polish market for renewables has primarily been dominated by solar power growth in recent years. Poland has been one of the leading countries in Europe in terms of new solar power capacity over the past few years. In both 2020 and 2021, Poland accounted for the fourth-highest solar capacity growth in Europe. Approximately 3,200 MW was added in 2021, bringing total installed capacity to over 7,100 MW. In recent years, small-scale domestic solar PV systems have grown popular due to investment incentives. These conditions have now deteriorated, however, and SolarPower Europe, among others, expects to see strong growth in utility-scale installed solar capacity. One driver of solar capacity growth, in addition to the need for new generation capacity, is that permitting processes are faster than for wind power, where conditions are much stricter, which is helping to accelerate new electricity generation.

Planned solar 2022–2025

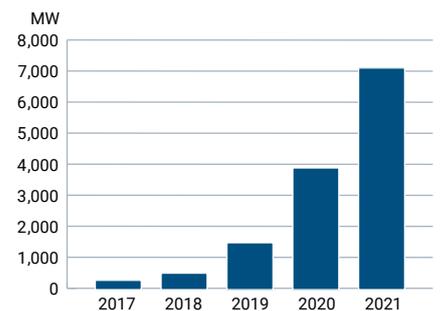
In its medium scenario, SolarPower Europe predicts that Poland will add nearly 10,000 MW of installed solar capacity between 2022 and 2025. With annual growth

of 24%, Poland is expected to reach nearly 17,000 MW of installed solar capacity by 2025.

Potential for more wind deployment

In 2021, 660 MW of wind capacity was added, bringing total installed capacity to 6,347 MW. This makes Poland the tenth-largest installer of wind power in Europe. Poland has no offshore wind capacity at present. However, there is potential for establishments in the Baltic Sea. As for many other countries, offshore wind power has a key role to play in Poland's transition, and this technology will become increasingly attractive as costs decline.

CUMULATIVE INSTALLED SOLAR POWER CAPACITY IN POLAND



Source: SolarPower Europe.
The figures for 2021 are preliminary.



Strong project portfolio is laying the foundation for success

Eolus’s success as a developer of renewable energy projects is largely dependent on access to a high-quality project portfolio that is developed and optimized over time. The project portfolio comprises green field and acquired wind, solar, and storage projects in various phases. The company also collaborates with other players on project development when this is considered commercially appropriate. Projects are developed and optimized over a long period of time. Prioritization and optimization of the most important projects in the total project portfolio are therefore key activities for the company. All project development normally takes place at Eolus’s own risk, and even though the company has well-developed processes for project development, there is a risk that some of the projects will not be realized due to market or permit factors in the future.

An evolving market

Market conditions are changing fast in terms of technological advancements, establishment costs, electricity prices and investors. Eolus’s strategic focus is to concentrate on the development, divestment and establishment of projects with the best conditions to be realized at the lowest cost

per megawatt-hour, regardless of technology or market. Over the years, the company has succeeded in meeting the demands and requests of investors, which have changed over time. A clear trend in a rapidly changing market is that the divestment process is starting earlier and investors are already involved during the project development phase – before permits are obtained.

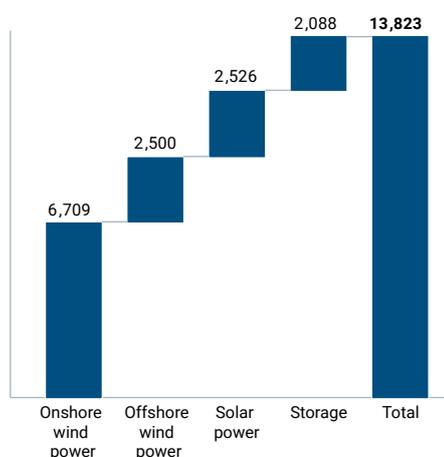
Solar and storage under development

Eolus’s projects in the solar and storage portfolio are generally in earlier phases than onshore wind power projects. This is only natural, since the company is relatively new to solar and storage projects compared with wind. During the fiscal year, Eolus divested its first storage project, the Cald standalone battery storage project, with capacity of 120 MW in Los Angeles in the US. Projects in the storage portfolio are confined to the US market to date, but European markets also hold major potential. In addition to the US, the solar portfolio was expanded with projects in Sweden and Poland during the year. Solar projects may also be added in other markets where Eolus operates, and in new geographic markets that the company enters. Obtaining permits and establishing solar projects gen-

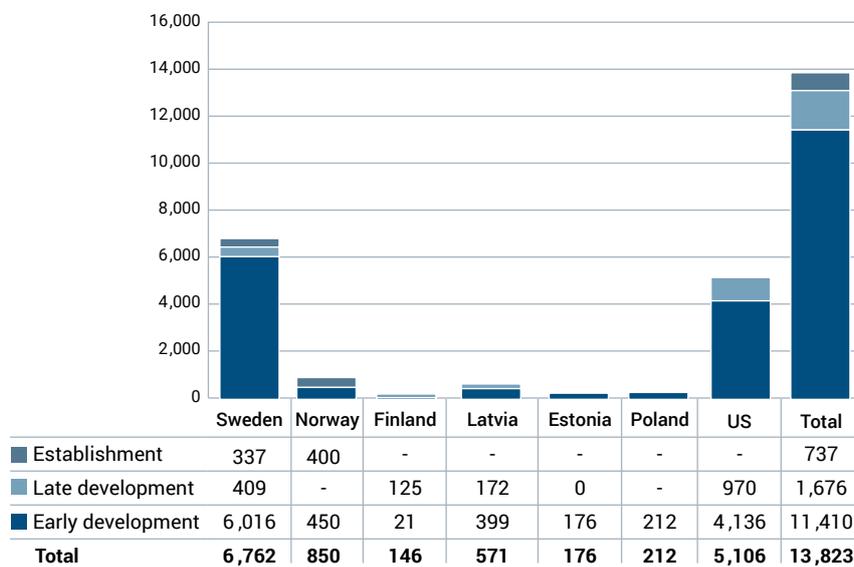


The Jenåsen wind farm

PROJECT PORTFOLIO IN MW PER TECHNOLOGY DECEMBER 31, 2021



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



erally takes less time than for wind power projects.

Stronger focus on offshore wind

Offshore wind power has a key role to play in the ongoing electrification of society, not least because of the size of the facilities, where each establishment can generate large amounts of electricity. Eolus is active in offshore wind as well as onshore wind, solar and energy storage. At the end of the fiscal year, the project portfolio contained three projects with a total capacity of 2,500 MW in Sweden. More offshore wind

projects in the Nordic region and Baltic Sea will gradually be added to this portfolio. Of the markets where Eolus operates in addition to Sweden, Eolus has made the most progress in offshore wind project development in Latvia.

New partnerships

During the fiscal year, two partnership agreements were concluded with Hydro REIN: the companies made a joint acquisition of the permitted Stor-Skålsjön project in SE2 in Sweden, and they agreed to jointly develop and establish a portfolio compris-

ing 672 MW owned by Eolus. The projects in SE3 and SE4 in Sweden are in early phases of development, Hydro REIN has acquired 50% of the portfolio, and the companies will jointly develop the nine projects under the management of Eolus.

During the fiscal year, the capacity of Eolus's project portfolio in onshore and offshore wind, solar and energy storage increased from 7,830 MW to 13,823 MW.

LATE-PHASE OR DIVESTMENT-PHASE PROJECTS

Project	Location	Technology	Capacity, MW	Planned deployment	Comments
Stockåsbodarna	Sundsvall, Sweden	Wind	50	2024	The Land and Environment Court ruled in favor of the project in July 2021, but the ruling has since been appealed. The grounds for appeal will be addressed. Grid connection secured.
Ölme	Kristinehamn, Sweden	Wind	81	2025	Environmental permit for 150 meters total height in force. Application to raise total height under review. To support the review, the municipality endorsed the application to vary the permit in April 2021. In January 2022, the Land and Environment Court granted a permit for a total height of 200 meters. The decision has been appealed to the Land and Environment Court of Appeal.
Fågelås	Hjo, Sweden	Wind	43	2024	Environmental permit for 150 meters total height in force. Changed permit conditions regarding raised total height of a total of seven wind turbines granted by the Environmental Assessment Delegation in April 2020, and by the Land and Environment Court in January 2022. The decision has been appealed to the Land and Environment Court of Appeal.
Vaberget	Sollefteå, Sweden	Wind	50	2025	Environmental permit in force. The project is dependent on the connection of several other projects to the new main grid substation. New permitting process for optimization of the project is ongoing. To support the review, the municipality endorsed a new application in May 2021. The district court granted permission for a total height of 250 meters in November 2021. The decision has been appealed to the Land and Environment Court.
Siggebohyttan	Lindesberg, Sweden	Wind	42	2025	The Land and Environment Court granted an environmental permit for a total of seven wind turbines in September 2021. Eolus appealed the decision to the Land and Environment Court of Appeal. for a review of whether a permit can be granted for more wind turbines. Permission to appeal was granted in February 2022.
Skallberget/ Utterberget	Avesta, Sweden	Wind	74	2023	Permitted project was acquired in June 2021. A divestment process has commenced with the aim of signing with an investor in the first half of 2022.
Tjämnäs	Hedemora, Sweden	Wind	25	2023	Permitted project was acquired in June 2021. A divestment process has commenced with the aim of signing with an investor in the first half of 2022.
Pörtom	Närpes, Finland	Wind	125	2024	Permit in force. Project development for the grid connection commenced. Eolus has acquired the remaining parts of the project, and the total project now comprises permitted rights for up to 19 turbines.
Peineva/Dobeļe	Tukums and Dobeļe, Latvia	Wind	172	2024	Environmental impact assessment approved at state level. Negative decision from municipality received in March 2020. Eolus's appeal of the decision was granted in July 2021. A new municipal decision is expected in spring 2022.
Centennial Flats	Arizona, US	Solar + storage	500 + 250	2024	A permit has been granted for the project. Grid connection secured.
Group			1,412		

The compilation applies at February 17, 2022.

Carefree ownership and maximum returns

To maximize returns from facilities for renewable electricity generation and energy storage over time, Eolus offers a range of asset management services. The aim is to create carefree ownership. The goal of our 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. As asset manager, Eolus works closely with a range of service providers in the market. In partnership with them, Eolus ensures that the facility's availability is high and that downtime is minimized. Eolus currently provides management services for onshore wind assets. When Eolus establishes facilities for renewable electricity generation combined with other technologies, such as solar and energy storage facilities, the aim is to offer the services that are required to guarantee a maximum return.

High availability with center of expertise

Eolus's driving force is that we want our customers to see the company as a partner that will do anything to maximize availability and minimize operating costs over the life of their facility. Over the years, since the company's foundation in 1990, extensive expertise in asset management for wind power facilities has been built up and refined into the services that Eolus can offer the market. Eolus's asset management organization, headed by the Eolus Wind Power Management subsidiary, has evolved into a center of expertise where knowledge is offered on a consultative basis, both externally to turbine customers and manufacturers, and internally within the organization during the project development and installation phases.

Professional approach

Wind power is now clearly established as a significant source of power in a total energy mix, and has continued to grow rapidly. A similar development is either ongoing or

322

In Eolus's Sundsvall cluster Sweden, the company manages total wind power capacity of 322 MW on behalf of its customers.

pending for solar, depending on the geographic market. This development has led to a more professional approach and view of asset management for facilities, regardless of technology or size. Eolus sees significant market demand, from institutional investors as well as other players, for professional asset management. Investors whose core operations are not wind or solar energy offer strong growth potential. Players without any business operations in the relevant geographic market also offer potential. Institutional investors who invest in the Nordic market often belong to both of these categories.

Long-term revenue streams

At the end of the fiscal year, Eolus's asset management portfolio for installed wind power capacity comprised 914 MW. In addition, agreements were in place for not yet deployed wind power facilities comprising 408 MW. When these farms are deployed, Eolus will manage wind power assets with estimated annual generation capacity of approximately 4.1 TWh. This segment provides recurring, stable and long-term revenue streams for Eolus, and enables the company to build long-term customer relationships.

At the end of the fiscal year, Eolus had asset management assignments on both its own behalf and that of customers of 914 MW, and agreements in place for an additional 408 MW. Investors that have chosen Eolus's asset management concept include Aquila Capital, ewz, Munich Re, KGAL, Cubico Sustainable Investments, Tolvmanstegen Drift and Mirova/European Investment Bank.

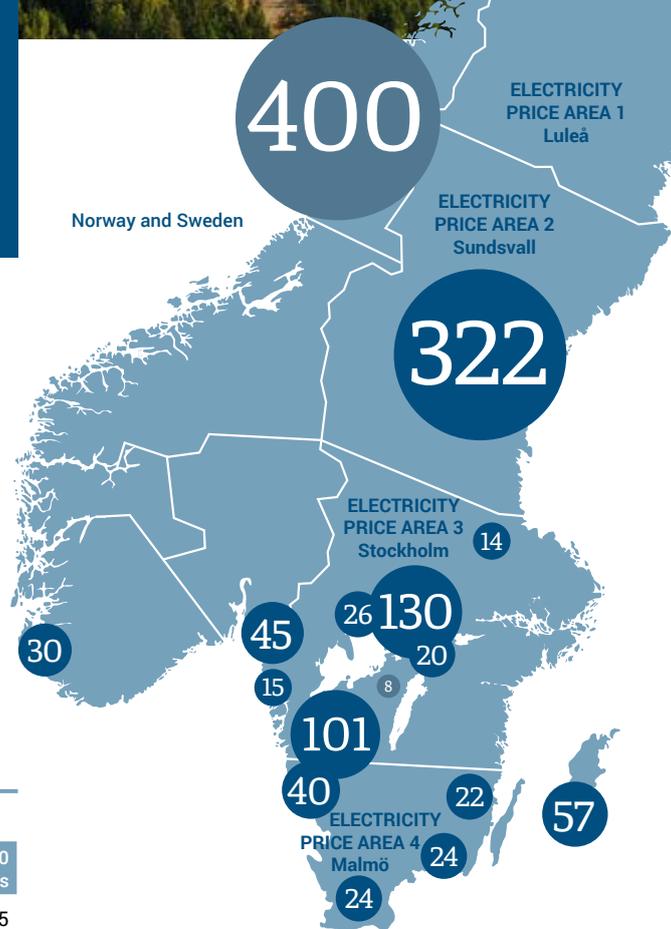
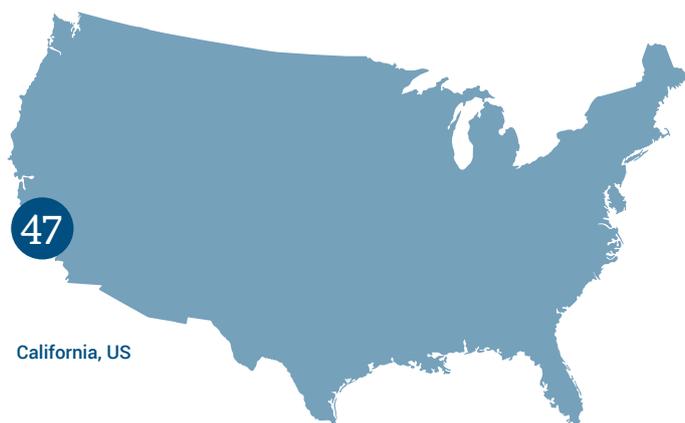


The Bäckhammar wind farm

Secure and profitable

A competent asset management partner

Eolus's services in this segment include technical operation and all administration of a facility, such as responsibility for electrical operations, occupational health and safety, accounting and financial statements, and insurance. The company also serves as the point of contact for the facility's relevant suppliers, regulators and insurance companies. Eolus's staff check and monitor the facility via the company's 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 Eolus offers in all markets where the company is active.



ASSET MANAGEMENT – KEY FIGURES

SEK M	2021 12 months	2019/2020 16 months
Net sales	27	35
Other operating income	9	9
Operating profit	9	8
Managed turbines, MW	914	903
Signed agreements, not yet deployed farms, MW	408	515

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

High level of expertise for long-term relationships

As an experienced developer of wind power projects, as well as other technologies in renewable electricity generation and energy storage in recent years, Eolus has inspired confidence among customers, landowners, creditors and employees. This confidence is a key factor for the company's success and opportunities to enter into new business arrangements in an ever-changing market environment.

Flexible in an ever-changing market environment

By showing flexibility and a willingness to adapt to shifting market conditions, Eolus has been able to meet the demands that investors have made, and are continuing to make, from time to time. The company's strong balance sheet has helped to enable this flexibility. In pace with the changing market, especially in terms of volume and structure, the customer base has also changed. From divesting most of the com-

pleted facilities to various types of domestic investors in the Swedish market, the vast majority of customers are now major international players and the company's operations are no longer confined to the Swedish market. 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 prior to investment decisions has been an underlying factor for the changed structure of business arrangements, and has made it possible to construct larger facilities.

Broad offering at low-cost

From the company's inception in 1990 until the end of the fiscal year, Eolus has been involved in the construction of 1,414 MW of wind power capacity in Sweden, Norway, the US and Estonia. Throughout these years, the company has built up expertise

of the entire value chain and a financial position that makes the company a strong, stable and reliable partner. Eolus's project portfolio in onshore and offshore wind, solar and energy storage presents major opportunities to offer facilities tailored to the specific needs of individual investors at the lowest possible cost per MWh of electricity or energy storage capacity. Eolus's full range of asset management services ensures professional management that maximizes revenue for both large and small investors. As one of the largest players in the Nordic region, Eolus can push investment and operating costs down, which benefits investors in all customer groups.

Institutional investors

International institutional investors, such as various types of funds, insurance companies and reinsurance companies, now account for the majority of investments in the Nordic wind power market. This trend is also noticeable from a global perspective, where investments in solar projects are significant. Everything suggests that the wind power trend in the Nordic region will be followed by corresponding investments in solar projects when these are scaled up.

Part of the transition

Ownership of public infrastructure, such as renewable energy in the form of wind power and installed solar capacity, is driven by long-term investments with relatively stable returns and cash flows. This in turn generates security in companies' commitments to their own customers in the reinsurance and pension investment segments. Anyone who invests in renewable electricity generation is also supporting the transition to fossil-free electricity generation, which reduces CO₂ emissions and, in the long term, reduces risk in other climate-related investments and insurance commitments. With a strong trend in sustainable investments, this category of players will continue to play a key role in the social transition.

Major consumers

Major consumers are those companies and organizations that consume large amounts of electricity but do not have electricity generation as their core business. These companies want to secure prices ahead of





The Stigafjellet wind farm

time for electricity as a commodity. Wind and solar electricity secures low and stable electricity prices for a long time. Additionally, these purchases are helping to increase security of supply and reduce dependence on fossil fuels in various industrial processes, and subsequently reduce CO₂ emissions. More and more companies want to play a clear role in the transition to a fossil-free future, and have set ambitious sustainability targets. Quite simply, to meet their customers' demands and requests for a lower environmental impact and accountability. Investments can take the form of direct investments in own facilities or, more commonly, by signing long-term PPAs. A PPA is a contract whereby a party agrees to purchase the power generated by a specific facility for a certain period of time and thereby contributes to expanded capacity without actually owning any facilities. This type of arrangement does not tie up capital needed for core operations, but still creates environmental benefits. Eolus has signed PPAs for wind farms in Sweden, Norway and the US with a wide range of players.

Energy companies

Onshore wind power is one of the most cost-efficient ways to add new generation capacity in many markets, including the Nordic region. Solar power is the cheapest alternative in other markets. These basic conditions make investments in renewable electricity generation attractive to companies with energy generation as their business concept. In addition to adding cost-efficient generation capacity, investments in wind and solar power are enabling energy companies to offer their customers green electricity from their own facilities. In the US, energy companies are actively signing PPAs instead of owning their own facilities. This has also started happening in Europe. Over the years, Eolus has divested wind power facilities to both Swedish and international energy companies.

Public-sector investors

Public-sector investors are mainly municipalities, county councils/regions and municipal companies. Ownership of electricity generation facilities creates predictability

and control over costs for electricity consumption in their own operations. Investments in renewable electricity generation are contributing to sustainable development and thus meeting the environmental and energy objectives that many public-sector players have set for their operations.

Wind turbine cooperatives

One factor that has contributed to Eolus' success over the years is the sale of shares (usually eighths or sixteenths) 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 a focus on utility-scale facilities or the packaging of several small facilities into one larger transaction, Eolus is not establishing any shared-ownership projects at present. But that does not rule out the possibility of future wind and solar establishments in this customer segment given the right conditions. Especially when these types of investments can help to engage the local community in various projects.

Renewable energy sources are more important than ever

The power of the global energy transformation should not be underestimated. Growth projections for renewable energy sources have tended to be lower than actual outcomes. There is no question that the transformation is needed. In its reports, the UN Intergovernmental Panel on Climate

Change (IPCC) has repeatedly highlighted the need to address climate change and the threat it poses to people, animals and the environment. At the current rate, we are at imminent risk of exceeding the 1.5°C limit within the next 10–20 years. The world must reduce its greenhouse gas (GHG)

emissions, and prepare for the changes that emissions have already caused. At the COP26 Climate Change Conference in November 2021, the phase-out of coal power and fossil-fuel subsidies were named for the very first time, which is a real political milestone.

Lower costs and greater security

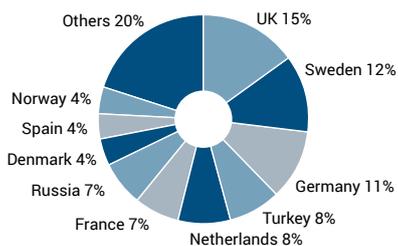
The rapid transition of the energy sector is driven not only by environmental considerations and political ambitions, but also by economic realities. In more and more markets, renewable energy sources like wind and solar are cheapest to install per unit of energy generated (MWh). Due to rapid technological advancements combined with substantial cost reductions, renewables are no longer a costly and exotic feature in the energy mix, but the new normal. While energy supply security has long been relevant, the Russian invasion of Ukraine has brought this issue to the fore. Reducing dependence on oil, coal and gas from countries that use these commodities to exert geopolitical pressure is vital. Due to the EU's dependence on Russian gas and oil, the European Commission has proposed a plan (REPowerEU) to eliminate this dependency before 2030. 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.

Net zero emissions by 2050

BloombergNEF's New Energy Outlook for 2021 presented three climate scenarios for achieving net zero emissions by 2050.

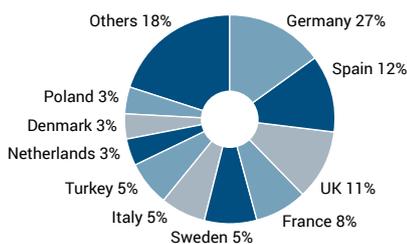


PROPORTION OF INSTALLED WIND POWER CAPACITY IN 2021 IN EUROPE



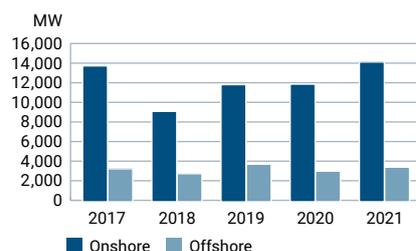
Source: WindEurope, Wind Energy in Europe 2021

PROPORTION OF CUMULATIVE INSTALLED WIND POWER CAPACITY IN 2021 IN EUROPE



Source: WindEurope, Wind Energy in Europe 2021

INSTALLED WIND POWER CAPACITY IN EUROPE OVER THE PAST FIVE YEARS



Source: WindEurope, Wind Energy in Europe 2017–2021



The Øyfjellet wind farm

Renewable electricity generation from solar and wind plays a key role in each scenario, combined with widespread use of carbon capture and storage technologies. In one of the scenarios for 2050, smaller nuclear plants are used to complement solar and wind. In terms of cost, either wind or solar is predicted to be the cheapest form of new-build electricity generation in almost all major markets. Markets that cover two-thirds of the world population account for

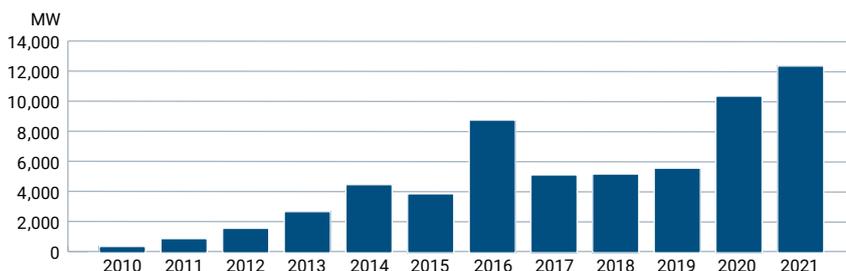
some 77% of global GDP and 91% of all electricity generation. Furthermore, it is now cheaper to build new wind and solar capacity from scratch than to operate existing coal and gas plants in a growing number of countries, including China, India and much of Europe.

Growth of renewables and energy storage by 2030

In the short term until 2030, Bloom-

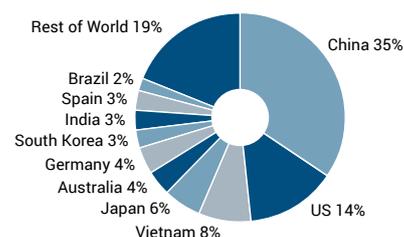
bergNEF highlights the need for massive deployment of clean electricity and energy storage to get on track for meeting net zero by 2050. Regardless of scenario, capital flows in wind, solar and energy storage will need to accelerate markedly, since investment has remained flat at around USD 300 billion per year for several years. By 2026, the International Energy Agency (IEA) predicts that renewables will accelerate by almost 60% compared with 2020. China is

UTILITY-SCALE SOLAR CAPACITY ADDITIONS IN THE US 2010–2021



Source: American Clean Power, Clean Power Quarterly Report Q4

PROPORTION OF GLOBAL SOLAR CAPACITY ADDITIONS IN 2020



Source: SolarPower Europe, Global Market Outlook for Solar Power, 2021–2025

160

In 2021, 160 GW of solar capacity was added globally.

expected to remain the leader, followed by Europe, the US and India. These four markets alone account for 80% of renewable capacity expansion worldwide. By 2026, investments in renewable generation capacity will account for 95% of the increase in global power capacity, according to the IEA, which revised up its forecast from a year earlier.

Independence with cost reductions

As costs for wind and solar fall, the need for subsidies in the market will also decline and these technologies will be able to stand on their own two feet moving forward – if they don't already do so. This trend is challenging existing business models and presenting new business opportunities for those who are embracing the change, rather than sticking to past truths and old business models.

Accelerated generation ahead

According to preliminary figures from the IEA, 290 GW of renewable capacity was added in 2021, which is 3% higher than 2020's growth. Solar set a new annual record of 160 GW, up 17%. In many countries, solar is proving the least costly option for



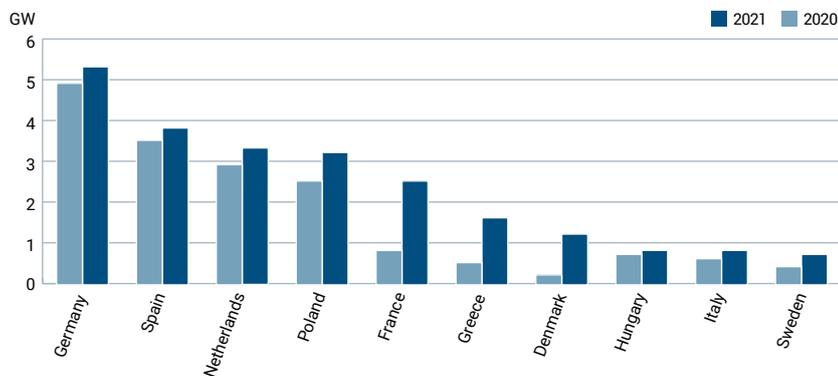
adding new electricity capacity, which means that the high growth rate will continue. Onshore wind additions are forecast to average 75 GW per year by 2026, entailing a 25% higher growth rate per year than during the 2015–2020 period. Offshore wind power holds major potential in both the Nordic region and globally, and plays a key role in the renewable energy transition. The installation costs for offshore wind power were previously high but are now falling fast, and under the right conditions,

facilities are being established without subsidies. The IEA forecasts that offshore wind capacity will more than triple by 2026 and account for approximately 20% of the global wind market.

Lower prices for battery storage

Just like costs for wind and solar, the price of batteries has fallen sharply for both utility-scale storage and electric vehicles. In 2020, for example, a battery cost fell below USD 100 per installed kWh in an electric

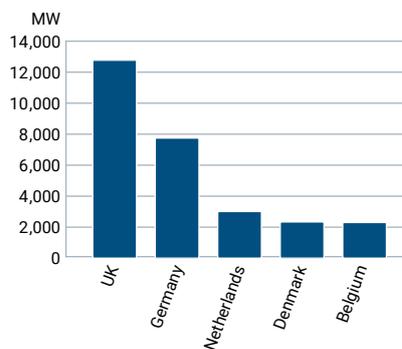
TOP SOLAR GW MARKETS IN THE EU, 2020 AND 2021



The figures for 2021 are a forecast.

Source: SolarPower Europe, EU Market Outlook for Solar Power, 2021–2024

TOP FIVE COUNTRIES IN THE EU WITH HIGHEST CUMULATIVE OFFSHORE WIND POWER 2021



Source: WindEurope, Wind Energy in Europe 2021



The Kråktorpet wind farm

Power purchase agreements – new record 2021

Practically all 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 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 both owners and the company that constructs 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. It is reasonable to expect that more players who haven't signed these types of agreements in the past may do so in the future.

Record high volumes in 2021

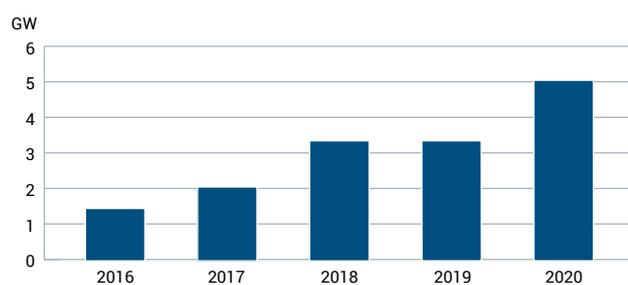
According to statistics from BloombergNEF, corporations bought a record 31.1 GW of clean energy through PPAs in 2021, up nearly 25% from the previous year's record. The US was once again the world's largest market, with total signed volumes of 17 GW. In 2021, and 2020, Amazon was the biggest buyer of new agreements. Amazon signed new agreements totaling 6.2 GW, bringing its total PPA capacity to 13.9 GW. Microsoft and Meta (Facebook) had the next largest volumes of signed PPAs.

vehicle for the first time. The electric vehicle battery market is larger than utility-scale battery storage and the rapidly falling costs have a certain spillover effect on utility-scale solutions. According to BloombergNEF, the cost of utility-scale battery storage was halved between 2018 and 2020 to a benchmark levelized cost of electricity (LCOE) of about USD 150 per MWh for storage with four-hour discharge duration. These rapidly falling costs have been driven by technological advancements

combined with scaled-up facilities. Varying market conditions in terms of generation methods, prices and consumption patterns are creating opportunities for other storage solutions in addition to batteries. In general, both utility-scale batteries and small-scale flexible battery solutions for households and electric vehicles are expected to offer significant potential for storage. Utility-scale storage can contribute to increased intermittent renewable energy generation, provide opportunities for balancing

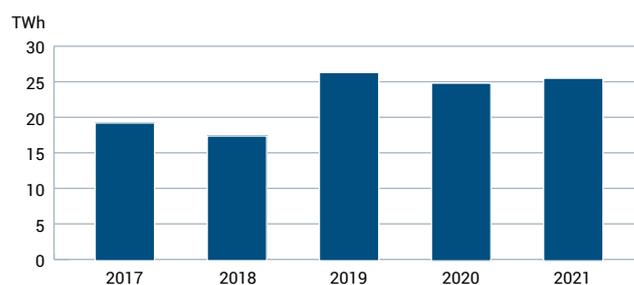
capacity, reduce consumption peaks and improve the reliability of electricity systems by simply replacing generation facilities based on their availability. Battery storage facilities can be co-located alongside of solar or wind energy projects, or developed as stand-alone projects pursuant to permitting conditions.

GLOBAL ENERGY STORAGE DEPLOYMENT, 2016–2020



Source: International Energy Agency

SWEDEN'S NET ELECTRICITY EXPORTS, 2017–2021



Source: Statistics Sweden

Sustainable all the way

As a company, Eolus has a corporate responsibility to promote economic, environmental and social sustainability. With our business concept of developing and installing facilities for renewable energy and energy storage, Eolus is involved in the social

transition away from fossil fuels. We are committed to continuous improvement and, in the coming year, the company will intensify its focus on the achievement of three selected sustainability targets.

Sustainability targets

Based on the material sustainability topics identified, the current situation and potential risks associated with the targets that Eolus has set for the coming fiscal year are outlined below.

Systematic specification of requirements and supplier follow-ups

As part of the process to systematize our approach to sustainability, we intensified our focus on requirements specification and following up the sustainability practices of our suppliers during the past fiscal year.

When arranging our company conference, we decided that the premises must be Nordic Swan Ecolabelled and that employees must be able to travel there by public transport. We also reviewed the types of products that we purchase, such as Christmas presents for employees. This is the beginning of a process that must become more systematized and continuously monitored across every part of the supply chain. In 2022, we will therefore create a structure for systematic specification of requirements and supplier follow-ups to ensure that sustainability permeates all aspects of our operations.

Target: To create a structure that enables a systematic specification of requirements and follow-up of our suppliers' sustainability practices in 2022.

New reporting system for accidents and near misses

Our aim is that everyone who works for Eolus shall have a safe and healthy work environment. We therefore work proactively to ensure that health and safety is an integral part of our everyday operations, which is a continuous process. As part of this process, the need for a new reporting system for accidents and near misses was identified to systematize the company's work with health, safety and environment (HSE) issues. The system will also enable systematic reporting of deviations in other areas, including the environment and quality, and can also be used to organize and carry out risk assessments and safety inspections.

Target: To introduce a new reporting system for accidents and near misses in 2022.

Anonymous screening in our recruitment process

Eolus promotes diversity and equal opportunity in our own business operations, as well as our sector. We believe that cultural diversity benefits our business, and society at large. Diversity also creates the conditions for development and innovation. However, everyone has preconceived notions, even if they don't realize it. By including anonymous screening in our recruitment process, we can take a further step to ensure that we live up to our own objectives in relation to diversity and equal opportunity.

Target: To evaluate anonymous screening as a potential tool for our recruitment process.

Fulfillment of the targets in the preceding year's Sustainability Report

When preparing Eolus's Sustainability Report for the 2019/2020 fiscal year, two sustainability topics were identified as material for the coming year: the establishment of a new position with responsibility for sustainability, and the implementation of employee satisfaction surveys. In the preceding year, one topic was identified – the carbon footprint of the company's activities. Due to the COVID-19 pandemic, the targets was postponed. A summary of the target fulfillments for these three topics is presented below.

Establishment of a new position with responsibility for sustainability

Target: To establish a new position with responsibility for sustainability in 2021.

Target fulfillment: In September 2021, one part-time position was increased by about 20% to include responsibility for sustainability. This position will be converted to 100% during the spring of 2022 and include responsibility for the company's practical aspects of sustainability. A Director of IT, Communication and Sustainability will also be appointed as part of a restructuring process. The target has therefore been achieved.

Implementation of annual employee satisfaction surveys

Target: As of 2021, conduct annual employee satisfaction surveys and establish methods for working with improvements based on past results.

Target fulfillment: In 2021, we conducted an employee satisfaction survey using a new digital tool. The aim is to achieve a better understanding of how our employees perceive their work environment, and to enable systematic improvements based on the results. This is a continuous process and an employee satisfaction survey will be carried out every year.

Carbon footprint of the company's activities

Target: To map the company's carbon footprint in 2019/2020 and create an action plan proposal.

Target fulfillment: This target was set for 2020, but the conditions for meeting the target were changed by the COVID-19 pandemic and the project was therefore delayed. Efforts have now resumed and we have invested in a strategic tool for processing our sustainability data. During the past fiscal year, we began a process to map the scope 1 and 2 emissions of our Swedish operations in accordance with the GHG Protocol, and we will expand this work in 2022 to also include scope 3 emissions, which we can see is the main source of our carbon footprint. Scope 1 covers our direct GHG emissions (e.g. from vehicles) and scope 2 covers our indirect emissions (e.g. purchased energy). Scope 3 emissions are the result of activities from assets that we do not own or control (e.g. our supply chain). We will eventually measure our carbon footprint in all of the markets in which we operate, which means that the company intends to work proactively with this target. The target has therefore been partially achieved.

UN Sustainable Development Goals

The blueprint for our work with sustainable development is the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015. The SDGs affect all sectors of society, and the business sector has a key role to play in their achievement. Eolus's business concept embraces several SDGs, such as climate action, affordable and clean energy, and decent work and economic growth.

Climate action

Take urgent action to combat climate change and its impacts.



In May 2021, the concentration of atmospheric carbon dioxide surged past 420 parts per million, the highest level since measurements began in 1974. According to the latest report from the IPCC, the message is crystal clear: climate change is widespread, rapid, and intensifying and GHG emissions must be dramatically reduced to limit global warming. At the current rate, we are at imminent risk of exceeding the 1.5°C limit within the next 10–20 years, which could have serious negative impacts on our world. The energy sector is a major source of global GHG emissions, which means that efforts to transform energy systems are a key factor for achieving this target. With our business concept, and our development, establishment and management of renewable energy facilities, Eolus as a company is contributing to the global energy transformation. Technological innovation has reduced the cost of renewable electricity generation and we are continuously striving to establish renewable energy facilities at the lowest possible cost per megawatt-hour, which is creating attractive investment opportunities. Eolus has been forward-thinking since the company was founded in 1990 and we are now working actively in several markets across Europe and the US to transform energy systems, and helping to combat climate change around the world.

Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.



The energy transformation is a major factor for achieving the SDGs and the willingness to switch to a sustainable energy system has increased over the years. At the COP26 Climate Change Conference in November

2021, the phase-out of coal power and fossil-fuel subsidies were named for the very first time, which is a real milestone. Reliable and sustainable energy systems are central to addressing the challenge of climate change, and continuous technological innovation and energy efficiencies are thereby core elements. Eolus does not produce or develop new energy technologies, but contributes by continuously evaluating and using new technological innovation that suits the conditions of our projects and customer requests. As one of the leading Nordic project developers, Eolus has helped to establish new wind turbine models from various manufacturers on several occasions in Sweden, and we are currently evaluating hybrid solutions for new and existing projects.

Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



As a company, Eolus strives to create value at every level. The operations should generate a profit and the company's target is an average return of at least 10% of equity after tax. Since the company's inception in 1990, Eolus has only posted negative results for two fiscal years, which has helped to build a strong and healthy company.

Our core business is helping to reduce GHG emissions, but we also have a greater social responsibility to create a meaningful and productive workplace for our employees. As a knowledge-intensive company with a small-scale organization, the experience, knowledge, creativity and commitment of our employees are key factors for Eolus's continued development. To promote a creative company culture, our employees must have a safe and secure work environment that enables a work/life balance. Eolus has high ambitions when it comes to reducing the risk of occupational injuries and illness. We therefore work proactively to develop a systematic approach to OHS management and improve the procedures that ensure a good work environment. Our annual employee satisfaction surveys also create conditions for resolving any problems related to workloads, development or health.

Since Eolus operates in an international market, we have a corporate responsibility to impose demands on our suppliers and to ensure decent working conditions in

our value chain. As part of this process, this work is currently being systematized in order to ensure compliance with our Code of Conduct.

Gender equality

Achieve gender equality and empower all women and girls.



In May 2021, Kraftkvinnorna published a report titled "Gender equality in the Energy industry," which mapped the current situation in the Swedish energy sector. The results showed that more than 75% of employees in the energy sector are men. This is also reflected at international level and, according to the IEA, women account for only 22% of employees in the energy sector. To ensure a continued pipeline of competence in the energy sector, the sector needs to attract more employees, including women. As a company in a growth phase, Eolus has an ability to contribute here by proactively working to achieve a better gender balance both in our functions and in our senior positions.

Reduced inequality

Reduce inequality within and among countries.



Creating a sustainable society requires a fair distribution of resources and an inclusive society where no one is left behind. Eolus is committed to promoting diversity and, since the company is in a growth phase, we will be increasing the number of recruitments and employees in the coming year. This will enable a structured approach for reducing inequalities and reducing the incidence of unequal outcomes. By introducing anonymous screening as a tool in our recruitment process, we can ensure that we are living up to our own objectives in relation to diversity and equal opportunity, and working to reduce social inequalities.

Sustainability Report

Eolus's Sustainability Report has been prepared as a separate document. The Sustainability Report, and this Annual Report, are available on the company's website www.eolusvind.com

Remuneration report

INTRODUCTION

This report describes how the remuneration guidelines for senior executives of Eolus Vind AB (publ) were applied during the 2021 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 72 of the 2021 Annual Report. For information about the Remuneration Committee's work, refer to the Corporate Governance Report on pages 45–49 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 72 of the Annual Report.

Developments during 2021

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 requires that the company can offer competitive remuneration. Accord-

ing 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 47–48 of the Annual Report. In 2021, 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. During the fiscal year, there was one deviation from the guidelines. In reference to the guidelines adopted by the Annual General Meeting in 2021, the deviation comprised some of the variable cash remuneration of the Deputy CEO being solely based on continued employment at a certain date. The deviation was adopted by the Board on the grounds of safeguarding the company's long-term interests, including its sustainability, by offering attractive conditions that enable the company to recruit and retain a highly skilled management team with the capacity to achieve set targets. 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

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	2021 12 months	2.69	0.05	0.56 ³⁾	-	0.52	3.82	85% / 15%
	2019/2020 16 months	2.77	0.05	0.30 ⁴⁾	-	0.64	3.76	92% / 8%
Marcus Landelin, Deputy CEO	2021 12 months	2.04	0.06	0.62 ³⁾	-	0.58	3.30	81% / 19%
	2019/2020 16 months	2.51	0.06	0.27 ⁴⁾	-	0.54	3.38	92% / 8%

¹⁾ Including vacation pay.

²⁾ Refers to company car.

³⁾ Paid during the fiscal year, refers to the 2019/2020 fiscal year.

⁴⁾ Paid during the fiscal year, refers to the 2018/2019 fiscal year.

SHARE OWNERSHIP PROGRAMS

The company currently has three ongoing share ownership programs for the company's employees, including the CEO and Deputy CEO – the 2018/2019, 2019/2020 and 2021 Share Ownership Programs. 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	2017/2018	2018-2021	2018-12-04	2021-08-31	2021-08-31	703	-	-703	-
	2018/2019	2019-2022	2020-02-06	2022-08-31	2022-08-31	205	-	-	205
	2019/2020	2021-2023	2021-03-15	2023-12-31	2023-12-31	-	378 ²⁾	-	378
Marcus Landelin, Deputy CEO	2017/2018	2018-2021	2018-12-04	2021-08-31	2021-08-31	1,213	-	-1,213	-
	2018/2019	2019-2022	2020-02-06	2022-08-31	2022-08-31	-	-	-	-
	2019/2020	2021-2023	2021-03-15	2023-12-31	2023-12-31	-	-	-	-

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 2021 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	84	0	0.00
	Operational objectives for project development activities	16	56	0.09
Marcus Landelin, Deputy CEO	Return on equity for the fiscal year	80	0	0.00
	Operational objectives for project development activities	20	56	0.08
	Multi-year target		100	1.19

COMPARATIVE INFORMATION REGARDING CHANGES IN REMUNERATION AND THE COMPANY'S RESULTS

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	IS vs. IS-1 ¹⁾	2021
Per Witalisson, CEO	0.08 (4%)	-0.19 (-8%)	0.74 (33%)	-0.13 (-4%)	1.00 (36%)	3.82
Marcus Landelin, Deputy CEO	0.20 (12%)	0.02 (1%)	0.61 (32%)	0.02 (1%)	0.76 (30%)	3.30
Operating profit/loss	-252%	503%	58%	177%	-12%	-25
Average remuneration based on the number of full-time equivalents, excl. Group management	0.06 (9%)	-0.02 (-3%)	0.05 (7%)	0.10 (13%)	-0.14 (-16%)	0.75

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

FINANCIAL SUMMARY

Amounts in SEK M	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months	2016/2017 12 months
Income statement					
Net sales	2,614	2,469	2,032	1,366	1,066
Operating profit/loss	-25	280	118	202	40
Profit/loss after financial items	-40	183	116	199	34
Net profit/loss for the year	-24	198	133	194	25
Balance sheet					
Non-current assets	59	83	111	177	148
Current assets	1,826	1,725	1,947	1,718	753
Assets	1,885	1,808	2,058	1,895	901
Equity, Eolus's shareholders	984	1,037	888	814	658
Equity, non-controlling interests	280	-1	2	2	2
Non-current liabilities	105	228	160	124	75
Current liabilities	516	545	1,008	955	167
Equity, provisions and liabilities	1,885	1,808	2,058	1,895	901
Cash flow statement					
Cash flow from operating activities	-97	-483	567	242	91
Cash flow from investing activities	-3	4	-101	-1	-10
Cash flow from financing activities	32	73	-103	297	-101
Cash flow for the year	-68	-407	363	538	-20
Cash and cash equivalents at beginning of year	691	1,103	740	202	222
Exchange rate differences in cash and cash equivalents	2	-6	0	1	0
Cash and cash equivalents at year-end	625	691	1,103	740	202

KEY FIGURES FOR THE GROUP***

	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months	2016/2017 12 months
Turbines taken into operation, MW	47	324	115	84	72
Managed turbines, MW	914	903	524	415	351
Average number of employees, full-time positions	54	45	39	35	33
Operating margin, %	neg	11.3	5.8	14.8	3.8
Profit margin, %	neg	7.4	5.7	14.6	3.2
Return on capital employed, %	neg	15.5	10.9	21.9	5.8
Return on equity after tax, %	neg	20.6**	15.6	26.4	3.7
Equity/assets ratio, %	67	57	43	43	73
Earnings/loss per share, SEK	-0.74	7.96	5.33	7.81	1.02
Equity per share, SEK	39.50	41.63	35.65	32.68	26.41
Dividend per share, SEK	1.50*	2.00	1.50	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 99.

The Stigafjellet wind farm



Eolus's 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.

Share price performance

During the fiscal year, the share price fluctuated between the lowest price of SEK 108.75 on December 14, 2021 and the highest price of SEK 300.00 on January 8, 2021. On the last trading day of the fiscal year, December 30, 2021, the closing price was SEK 123.70. Eolus's share price dropped 48.5% during the fiscal year, compared with the Nasdaq Stockholm Mid Cap's index, which rose about 36.5% during the same period. A total of 34,556,261 Class B shares were traded during the fiscal year.

Ownership structure

At December 31, 2021, the company had 34,587 shareholders, up 695 during the fiscal year. The ten largest shareholders accounted for 28.2% (28.1) 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 2021 fiscal year, Eolus Vind AB did not hold any treasury shares.

Share capital

At December 31, 2021, 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. Shareholders 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 implemented 11 new share issues since the company was founded 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 1990–2021 period is presented in the table on page 37.

Dividends

Eolus's long-term dividend policy entails that dividends over a long period of time will be determined by earnings and corre-

spond 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 investment 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 proposes that the Annual General Meeting adopt a dividend corresponding to SEK 1.50 (2.00) per share, corresponding to an unchanged level with consideration for the fact that the preceding fiscal year was a period of 16 months. That corresponds to a transfer of SEK 37.4 M (49.8), and a direct yield of 1.2%.

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 interim reports, annual reports and relevant press releases and provides detailed information about the company in the IR section of the company's website, www.eolusvind.com Company presentations and interviews with the CEO of Eolus are also available on the website.

KEY FIGURES PER SHARE

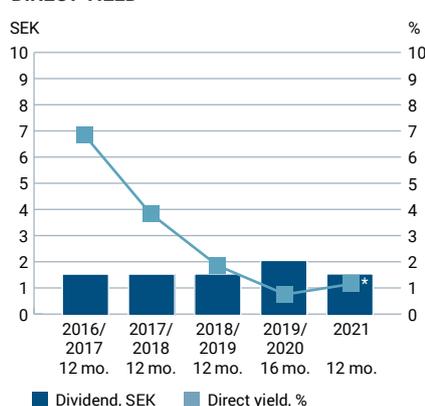
	2021 12 mo.	2019/ 2020 16 mo.
Earnings/loss per share, before and after dilution, SEK	-0.74	7.96
Ordinary dividend, SEK	1.50 ¹	2.00
Direct yield, % ²	1.2	0.8
Share price at year-end, SEK	123.70	236.8
Market capitalization, SEK M ³	3,081	5,898
No. of shares outstanding, 000s	24,907	24,907
Average number of shares during the year, 000s	24,907	24,907

¹ Based on the Board of Directors' 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 2021 dividend is based on the Board's proposal to the Annual General Meeting.

SHARE PRICE PERFORMANCE



SHAREHOLDERS AT DEC 31, 2021

Shareholder	No. of Class A shares	No. of 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	518,984	899,084	3.6%	11.8%
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%
Försäkringsaktiebolaget Avanza Pension	0	1,090,033	1,090,033	4.4%	3.0%
Länsförsäkringar Småbolag Sverige	0	560,942	560,942	2.3%	1.5%
Odin Small Cap	0	480,000	480,000	1.9%	1.3%
Ingvar Svantesson	40,000	0	40,000	0.2%	1.1%
Lannebo Sverige Hållbar	0	386,550	386,550	1.6%	1.1%
BNY Mellon SA/NV	0	363,734	363,734	1.5%	1.0%
Other shareholders	103,735	17,787,789	17,891,524	71.8%	51.6%
Total	1,285,625	23,621,375	24,907,000	100.0%	100.0%

Intervals	No. of shares	% of capital	No. of shareholders	% of shareholders
1–500	2,355,028	9.5%	31,559	91.3%
501–1,000	1,128,309	4.5%	1,440	4.2%
1,001–5,000	2,612,270	10.5%	1,191	3.4%
5,001–10,000	1,166,062	4.7%	164	0.5%
10,001–15,000	628,494	2.5%	50	0.1%
15,001–20,000	757,661	3.0%	42	0.1%
20,001–	16,259,176	65.3%	141	0.4%
	24,907,000	100.0%	34,587	100.0%

SHARE CAPITAL TREND

Year	Event	Total share capital, SEK	Change in share capital, SEK	No. of Class A shares	No. of 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



Eolus's Group Management

Throughout most of the 2021 fiscal year, Eolus had five senior executives: Per Witalisson, Marcus Landelin, Catharina Persson, Karl Olsson and Richard Larsson. Richard Larsson stepped down from Group Management in December 2021. Karin Wittsell Heydl took office as Head of Communication, Sustainability and IT in March 2022 and is included in the company's Group Management. Information regarding when these executives were employed, their dates of birth, experience, shareholding in Eolus at February 28, 2022 and their ongoing assignments is presented below. Assignments within the Group and the assignments of deputy Board members are not specified. Company shareholdings include own shares, both direct and indirect, and those of related parties.



PER WITALISSON
CEO

Born: 1971. Employed since 2006 and CEO since August 2012. Master of Business Administration. Previously an auditor at Ernst & Young from 1996–2006, where he was an authorized public accountant from 2003–2006.

Other assignments: Chairman of the Board of Rockneby Vind AB and Långmarken Wind AB. Board member of Triventus AB.

Shareholding in Eolus: 15,925 Class A shares and 46,869 Class B shares



MARCUS LANDELIN
Deputy CEO and COO

In a press release in February 2022, it was announced that Marcus Landelin would be leaving Eolus in April 2022. He will be succeeded by Magnus Axelsson in September 2022, which was also announced in February 2022.

Born: 1978. Employed since 2015. Bachelor of Laws degree and Master of Business Administration. Most recently worked at E.ON, where he was Head of Origination and Project Development for onshore wind power in Northern Europe, as well as working with offshore wind power. He also worked with export and trade issues at the Swedish Trade Council in Eastern Europe and ran his own trading and construction businesses.

Other assignments: Chairman of the Board of Nima Energy AB. Board member of Landelin Energy AB.

Shareholding in Eolus: 0 Class B shares



CATHARINA PERSSON
CFO

Born: 1975. Employed since 2013. Master of Business Administration and 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: 5,579 Class B shares



KARL OLSSON
General Counsel

Born: 1963. Employed since 2011. Bachelor of Laws degree. Previously employed as a 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, prior to joining Eolus, conducted his own business Terrier Law AB.

Other assignments: Chairman of the Board of Vindkraft i Dalåsen 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: 8,231 Class B shares

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 2021 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, which was a 16-month period (September 1, 2019-December 31, 2020).

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 Baltic countries, Poland and the US.

Eolus's main operations are to realize projects primarily through sales of turnkey facilities to a broad customer base of investors. The business model also includes parts of the project portfolio to be realized through sales of project rights, meaning permitted projects, and projects under development. In these cases, sales are often 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 minimizes production losses.

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.

Project development

Since its inception in 1990, Eolus has evolved into a leading wind power developer throughout Sweden and the Nordic region. By the end of the fiscal year, Eolus had participated in the installation of 700 wind turbines with a combined capacity of approximately 1,420 MW. In 2021, Eolus's project portfolio was expanded with offshore wind, solar energy and battery storage projects, in addition to onshore wind power projects. 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, or by establishing renewable energy facilities that are divested to investors as turnkey 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. During the year, partnerships were formed for the development of joint projects.

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 Baltic countries, Poland and the US.

Sales from project development, establishment and divestment of energy facilities amounted to SEK 2,588 M (2,436). During the fiscal year, energy facilities with a combined capacity of 47 MW (324) were completed and handed over. Other operating income of SEK 34 M (114) mainly comprised exchange rate gains and invoiced costs.

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 pro-

vide carefree ownership that maximizes revenue and minimizes production losses. 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 27 M (24).

At the end of the fiscal year, Eolus's asset management assignments on both its own behalf and that of customers totaled 914 MW (903). In addition to these assignments, the company has signed asset management agreements for the not-yet deployed Øyfjellet (400 MW) and Timmele (8 MW) wind farms. Øyfjellet is scheduled for deployment and handover in the first half of 2022.

THE GROUP'S NET SALES AND EARNINGS

Net sales amounted to SEK 2,614 M (2,469), up SEK 145 M compared with the preceding year. Operating loss amounted to SEK -25 M (280), down SEK 305 M. The higher sales were due to the percentage of completion of the Øyfjellet wind farm in Norway, for which revenue is recognized over time. In addition to over time recognition of construction in progress during the period, the Wind Wall wind farm in the US with a capacity of 47 MW was installed and handed over, and the project rights to the Cald battery storage project in the US were handed over. Two turbines from inventories were also handed over. In the preceding fiscal year, wind farms with a total capacity of 324 MW were handed over.

Changes in the fair value of currency derivatives had a negative impact of SEK 37 M on operating profit, compared with a positive amount of SEK 65 M in the year-earlier period. Financial items amounted to an expense of SEK -14 M, compared with SEK -97 M in the preceding year. A stronger SEK exchange rate during the period had a negative impact on the revaluation of receivables attributable to capital tied-up in foreign operations. Changes in the fair value of interest rate derivatives had a positive impact of SEK 2 M, compared with a positive impact of SEK 5 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 35 M on profit before tax, compared with a positive amount of SEK 70 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 67% at the end of the fiscal year, compared with 57% at the end of the preceding fiscal year.

CASH FLOW AND CASH AND CASH EQUIVALENTS

Cash flow from operating activities was SEK -97 M, compared with SEK 483 M in the preceding year. Cash flow from investing activities was SEK -4 M, compared with SEK 4 M in the preceding year. Cash flow from financing activities was SEK 32 M, compared with SEK 73 M in the

EARNINGS AND FINANCIAL POSITION

	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months	2016/2017 12 months
Overview Group					
Net sales	2,614	2,469	2,032	1,366	1,066
Operating profit/loss	-25	280	118	202	40
Profit/loss after financial items	-40	183	116	199	34
Return on capital employed, %	neg	16	11	22	6
Return on equity after tax, %	neg	21*	16	26	4
Total assets	1,885	1,808	2,058	1,895	901
Equity/assets ratio, %	67	57	43	43	73
Average number of employees	54	45	39	35	33

	2021 12 months	2019/2020 16 months	2018/2019 12 months	2017/2018 12 months	2016/2017 12 months
Overview Parent Company					
Net sales	158	1,073	1,413	1,116	910
Profit/loss after financial items	85	-98	207	289	83
Total assets	1,541	1,701	2,375	2,040	890
Equity/assets ratio, %	67	59	45	44	74
Average number of employees	34	28	27	25	32

* 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 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, DEC 31, 2021

	Location	Technology	Capacity, MW	Estimated generation, GWh	Planned deployment	Percentage of completion
Øyfjellet	Vefsn, Norway, NO4	Onshore wind power	400	1,300	2022	65%
Stor-Skälsjön	Sundsvall and Timrå, Sweden, SE2	Onshore wind power	260	800	2023	0%
Boarp	Vaggeryd, Sweden, SE3	Onshore wind power	24	72	2024	0%
Dållebo	Ulricehamn, Sweden, SE3	Onshore wind power	26	66	2023	0%
Rosenskog	Falköping, Sweden, SE3	Onshore wind power	18	55	2023	0%
Timmele	Ulricehamn, Sweden, SE3	Onshore wind power	8	23	2023	0%
Total			737	2,316		

preceding year. During the year, construction-related loans in the US were repaid, and payment was received from minority shareholders.

At the end of the fiscal year, cash and cash equivalents amounted to SEK 625 M (691), down SEK 66 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 950 M, SEK 50 M was 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 244 M.

Net cash at the end of the fiscal year amounted to SEK 439 M (304), up SEK 135 M.

WORK IN PROGRESS, PROJECTS UNDER DEVELOPMENT AND ELECTRICITY CERTIFICATES

At the end of the year, work in progress, projects under development and electricity certificates amounted to SEK 843 M (429), up SEK 414 M. The difference was due to the number of ongoing establishments and their current phase.

At the end of the fiscal year, renewable energy facilities with capacity of 737 MW (524) were under construction, comprising 337 MW (77) in Sweden, 400 MW (400) in Norway and 0 MW (47) in the US.

During the fiscal year, two wind turbines were reclassified from non-current assets to inventories in preparation for sale.

LIABILITIES

Interest-bearing liabilities to credit institutions amounted to SEK 186 M (387) 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

In January 2021, Eolus signed PPAs with a major international energy company for three wind farms (Boarp, Dållebo and Rosenskog) with a total capacity of 68 MW. The agreements cover 100% of the electricity generated by the wind farms, which have been divested to Commerz Real.

In March, Eolus established operations in Poland, which is a rapidly-growing market for renewable energy, but also one of the most fossil-fuel dependent countries in Europe when it comes to electricity generation. This venture into a new market is in line with the company's growth strategy.

In March, Eolus signed an agreement with a customer regarding the establishment of a turnkey wind power facility in Timmele in the Swedish Municipality of Ulricehamn. The facility will comprise two Enercon E-138 turbines with a total installed capacity of 8.4 MW.

In May, Eolus completed and handed over the Wind Wall 1 repowering project in Tehachapi, California in the US to Cubico Sustainable Investments. The wind farm has a total installed capacity of 47 MW and is covered by a PPA with Amazon Web Services. Eolus will provide asset management services for the wind farm. Revenue recognition over time is applied for the establishment under construction from the date on which the customer contract was signed. As a result, revenue from the project has affected both the current and preceding fiscal years.

In June, Eolus signed an agreement with RWE to acquire two fully permitted Swedish wind power projects. The 99 MW projects are located in SE3 and Eolus has commenced the divestment process. Deployment is scheduled for 2023.

In June, Eolus and Hydro REIN signed an agreement to acquire the fully permitted Stor-Skålsjön wind power project from Enercon. The 260 MW project is located in SE2 and covered by a 12-year PPA with Hydro. A process to sell most of the shares has commenced and deployment is scheduled for 2023.

In October, the investor, Commerz Real, canceled the share transfer agreement for three wind farms (Boarp, Dållebo and Rosenskog) in Sweden with a total installed capacity of 68 MW due to the non-fulfillment of certain permitting conditions for the transaction. Eolus has not

recognized any revenue from the transaction. A new divestment process has commenced.

In December, a turbine supply agreement for 42 wind turbines with a capacity of 260 MW was signed with Siemens Gamesa for the Stor-Skålsjön project that is jointly owned with Hydro REIN. Eolus owns 51% of the project. The total value of the project is thereby included on the consolidated balance sheet and affects equity, work in progress and advance payments to suppliers.

In December, the 68 MW PPA that was signed with a major international energy company was increased to 117 MW. The new agreement covers the Skallberget/Utterberget, Tjärnäs and Rosenskog wind farms. All farms are located in Electricity Price Area 3 in Sweden. The wind farms are scheduled to become operational in 2023.

In December, an agreement was signed with Hydro REIN regarding the joint development of 672 MW in nine Swedish wind power projects owned by Eolus. The projects are early phase and located in SE3 and SE4 Electricity Price Areas. After the end of the period, Hydro paid an upfront consideration for 50% of the project rights. The collaboration also includes future profit-sharing between the parties based on the percentage of completion of the projects. Since Eolus intends to continue consolidating the total value of the projects, the handover of shares to Hydro REIN will have no impact on earnings for the Eolus Group.

In December, Eolus concluded an agreement to divest the Cald battery storage project in Los Angeles in the US. The 120 MW project is under development, and the investor is Aypa Power. The divestment will be recognized over time during the fiscal year. Eolus will continue to develop the project on behalf of the customer under a development agreement, whereby revenue will be recognized over time until the customer makes a decision regarding construction start, which is expected to be announced in 2022.

Handover of the Øyffjellet project in Norway to the customer Aquila is expected to be delayed until the second quarter of 2022. The main reasons for the delay are technical problems for the turbine manufacturer, pandemic-related travel restrictions for employees and delivery delays due to component shortages, and challenging weather conditions which affected installation. The delay has led to a lower than expected percentage of completion for the project as well as higher costs, with an overall negative impact on Eolus's sales and earnings. Previously reported earnings from the project were based on forecasts. These were revised in the fourth quarter and had a negative impact on earnings.

ENVIRONMENTAL IMPACT

Eolus has operations in several countries, where project development, construction and operation of facilities for renewable electricity generation and energy storage are subject to various degrees of regulation. At all stages of the development and operation phase, the company complies with the applicable laws and regulations of the specific countries, and the conditions of the necessary permits issued. The company currently conducts operations in onshore and offshore wind power, solar power and energy storage. Wind and solar power are clean and renewable sources of energy with very low emissions over the lifetime of the facility. During operation, the main environmental impacts of wind power are noise and shadow casts. Asset management of energy facilities owned by customers is provided via the subsidiary Eolus Wind Power Management. The customers hold the necessary permits for electricity generation, which is handled by Eolus Wind Power Management.

EMPLOYEES

During the year, the average number of employees in the Group was 54 (45). The number of women employees was 17 (15), corresponding to 31% (33). 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 32–33.

SIGNIFICANT RISKS AND UNCERTAINTIES

Significant risks

A number of risk factors considered significant for the future development of Eolus are outlined below. The following risks are not ranked in order of priority and do not claim to be comprehensive.

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.

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 has not concluded any operational or financial agreements with terms considered uncommon for the industry. 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 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 has increased in recent years. While new manufacturers 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 with a small organization, 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.

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 September 2018. The credit agreement was signed with Swedbank and comprises liquidity and construction loans totaling SEK 950 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 850 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 244 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 52 M (32) and USD 0 M (24). These had a positive combined market value of SEK 0 M (37).

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 negative market value of SEK 3 M (5).

SHAREHOLDERS

On December 31, 2021, Eolus had 34,589 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, 2020, 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 45–49.

Eolus's remuneration guidelines for senior executives were adopted by the Annual General Meeting on May 19, 2021. For information about these guidelines, refer to the Corporate Governance Report on pages 47–48.

SUSTAINABLE PERFORMANCE

Eolus proactively assumes responsibility for people and the environment throughout its operations. In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Eolus Vind AB must prepare a Sustainability Report that is separate from the Annual Report. This Sustainability Report is available on www.eolusvind.com.

The Sustainability Report was submitted to the auditor at the same time as the Annual Report. A summary of the Sustainability Report is provided on pages 30–31 of this Annual Report.

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 2019/2020 fiscal year, the Annual General Meeting on May 19, 2021 resolved to pay dividends corresponding to SEK 2.00 (1.50) per share. The dividends were paid out on May 26, 2021.

PROPOSED DISTRIBUTION OF PROFIT

The Board of Directors proposes a dividend of SEK 1.50 (2.00) per share for the 2021 fiscal year in line with the company's dividend policy.

The proposed record date for the dividends is Monday, May 23, 2022.

Payment of the dividends is expected to take place on Wednesday, May 27, 2022. 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	732,825,969
Net profit for the year	82,290,439
Total	983,778,708

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

dividend to the shareholders	37,360,500
to be carried forward	946,418,208
Total	983,778,708

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"), which is to be applied by all Swedish limited liability companies whose shares are traded on a regulated market in Sweden.

ARTICLES OF ASSOCIATION

The current Articles of Association were adopted at an Extraordinary 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 complete Articles of Association are available on Eolus's website, www.eolusvind.com.

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.

2021 Annual General Meeting

Eolus's 2021 Annual General Meeting was held on Wednesday, May 19, and executed in accordance with Section 22 of Act (2020:198) on temporary exceptions to facilitate the execution of general meetings for companies and other associations, which means that the Annual General Meeting was held by postal voting only and without the physical presence of shareholders. 167 shareholders were represented at the Meeting, corresponding to 36% of the voting rights in the company, by exercising their voting right in advance by postal voting. 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 2.00 per share for the 2019/2020 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 Eva Carlsvi as Auditor in Charge.
- Fees to the Board Chairman, Board members and auditor.
- Rules for the appointment and work of the Nomination Committee.

2022 Annual General Meeting

The next Annual General Meeting for Eolus's shareholders will be held on Thursday, May 19, 2022. For more information about the Annual General Meeting, registration, etc. refer to page 99.

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, 2021. Hans-Göran Stennert, Chairman of the Board, presented the Nomination Committee's composition on November 15, 2021.

The Nomination Committee consists of the following members:

Name	Represents	Holding on Aug 31, 2021
Hans-Göran Stennert	In his capacity as Chairman of the Board	
Ingvar Svantesson	Domneåns Kraftaktiebolag	15.6%
Hans Gydell (Chairman)	Hans-Göran Stennert	11.8%
Hans Johansson	Åke Johansson	6.6%

The Nomination Committee held its first meeting on October 13, 2021.

The Nomination Committee has one more meeting scheduled before the Committee presents its proposals to the 2022 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 plan. 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 agreed unanimously that the current composition is satisfactory. The number of Board members is considered appropriate and the expertise possessed by the Board is both complementary and relevant. The composition of the Board is also considered satisfactory in terms of equality.

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, 2021, the Board has consisted of six members. For a presentation of the Chairman of the Board and Board members, see pages 96–97. 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 13 minuted Board meetings during the 2021 fiscal year.

Items on the agenda for 2021 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.
- 2022–2024 business plan.
- Project acquisitions and divestments.
- Liquidity planning with respect to future prioritized projects.
- Economic climate and conditions.
- 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, MWs of renewable energy capacity 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 2021

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

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
- performing all other duties incumbent upon the Remuneration Committee under the Swedish Corporate Governance Code and other relevant rules and regulations for the company.

The Remuneration Committee held two minuted meetings in 2021, at which all members were present, and all Board members attended one 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 2021, and all members were present.

CHIEF EXECUTIVE OFFICER (CEO)

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 39. 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 four people, in addition to the CEO, Deputy CEO, CFO and General Counsel. During the 2021 fiscal year, Group Management held 20 meetings, of which the majority were virtual meetings. The year's meetings were dominated by a continuous reconciliation of the rolling business plan, strategy issues, action plans and the impact of COVID-19 on the Group's operations. Standing items on the agenda are minutes from the previous meeting, reports from project delivery, 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, 2021, PricewaterhouseCoopers AB (PwC) was re-elected with Eva Carlsvi as 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, Eva Carlsvi is also Auditor in Charge for BHG Group AB (publ), BE Group AB (publ), Vattenfall AB and KappAhl AB (publ). Eva Carlsvi is an authorized public accountant and member of FAR. In 2021, 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, 2021 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") management, currently the CEO, Deputy CEO/COO, CFO and General Counsel.

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 2021 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 the most recent Eolus Annual Report.

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 manage-

ment 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 32–33.

The Board's proposed guidelines for remuneration of senior executives

The Board proposes that the 2022 Annual General Meeting resolve on guidelines for remuneration of senior executives that primarily correspond to the guidelines adopted by the 2021 Annual General Meeting.

Remuneration of auditors

Fees for the audit assignment are paid as invoiced and amounted to SEK 1 M for the 2021 fiscal year. Fees paid to PwC for non-audit assignments totaled SEK 1 M during the 2021 fiscal year. For more information about the remuneration of auditors, refer to Note 7.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE 2021 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 efficiency of the company's internal control and risk assessments.

Internal control over the financial reporting is intended to provide a reasonable level of reliability in the external financial reporting in the form of annual reports and interim reports that Eolus publishes every year, and that the financial statements are prepared in conformity with laws, 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 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 segments 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.

External communication is governed by Eolus's information and insider policy and communication plan, 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.

Consolidated statement of income

SEK M	Note	2021 12 months	2019/2020 16 months
Net sales	3, 4	2,614	2,469
Other operating income	8	42	122
Total operating income		2,656	2,591
Cost of goods and project development		-2,485	-2,109
Other external expenses	7, 14	-93	-83
Employee benefits expenses	5, 6	-59	-71
Depreciation and impairment of property, plant and equipment	13	-5	-8
Other operating expenses	8	-39	-40
Total operating expenses		-2,681	-2,311
Operating profit/loss		-25	280
Interest income	9	2	4
Interest expense	9	-17	-20
Other financial items	9	0	-81
Loss from financial items		-15	-97
Profit/loss before tax		-40	183
Tax	11	16	16
Net profit/loss for the year		-24	198
Attributable to Parent Company shareholders		-19	198
Attributable to non-controlling interests		-5	0
Total		-24	198
Earnings/loss per share, before and after dilution	22	-0.74	7.96

Consolidated statement of other comprehensive income

SEK M	Note	2021 12 months	2019/2020 16 months
Net profit/loss for the year		-24	198
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		18	-21
Tax attributable to other comprehensive income	11	-5	6
Total other comprehensive income		13	-15
Comprehensive income for the year		-10	184
Attributable to Parent Company shareholders		-3	184
Attributable to non-controlling interests		-7	0
Total		-10	184

Consolidated statement of financial position

SEK M	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	12	11	25
Property, plant and equipment	13	26	30
Deferred tax assets	11	6	41
Other financial assets	24	16	15
Total non-current assets		59	111
Current assets			
Work in progress, projects under development and electricity certificates	19	843	429
Advance payments to suppliers		170	47
Accounts receivable	20, 24	71	16
Derivative instruments	24	2	37
Current tax assets		24	8
Other current receivables	20, 24	55	7
Prepaid expenses and accrued income	21	35	463
Cash and cash equivalents	24	625	691
Total current assets		1,826	1,698
TOTAL ASSETS		1,885	1,808

SEK M	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	22	25	25
Additional paid-in capital		191	191
Reserves		-1	-17
Retained earnings		770	838
Equity attributable to Eolus's shareholders		984	1,037
Non-controlling interests		280	-1
Total equity		1,264	1,036
Non-current liabilities			
Non-current interest-bearing liabilities to credit institutions	23, 24, 26	21	135
Non-current provisions		0	1
Deferred tax liabilities	11	18	21
Other non-current liabilities	26	65	71
Total non-current liabilities		105	228
Current liabilities			
Current interest-bearing liabilities to credit institutions	23, 24, 26	165	252
Accounts payable	24	186	169
Derivative instruments	24	5	5
Current tax liabilities		4	7
Accrued expenses and deferred income	21, 24	116	103
Advance payments from customers		10	-
Other current liabilities		31	9
Total current liabilities		516	545
TOTAL EQUITY AND LIABILITIES		1,885	1,808

Consolidated statement of changes in equity

SEK M	Note 22	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total 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	0	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

SEK M	Note 22	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total Total, Eolus's shareholders	Non-controlling interests	Total equity
At September 1, 2019		25	191	-2	674	888	2	890
Net profit for the year					198	198	0	198
Other comprehensive income				-15	0	-15	0	-15
Total comprehensive income				-15	198	184	0	184
Transactions with shareholders								
Acquisition of shares from non-controlling interests					3	3	-3	-
Dividends					-37	-37		-37
At December 31, 2020		25	191	-17	838	1,037	-1	1,036

Consolidated statement of cash flows

SEK M	Note	2021 12 months	2019/2020 16 months
Operating activities			
Operating profit/loss		-25	280
Non-cash items	25	46	-58
		21	222
Interest received		2	4
Interest paid		-19	-21
Income tax paid		-26	0
Net cash flow from operating activities before changes in working capital		-22	205
Adjustments of working capital			
Increase/decrease in work in progress, projects under development and electricity certificates and advance payments to suppliers		-648	104
Decrease/increase in operating receivables		316	-565
Increase/decrease in operating liabilities		257	-227
Cash flow from operating activities		-97	-483
Cash flow from investing activities			
Acquisition of property, plant and equipment	13	-4	-16
Sale of property, plant and equipment	13	1	20
Cash flow from investing activities		-3	4
Cash flow from financing activities			
Borrowings	23	50	263
Repayment of loans	23	-258	-153
Dividends		-50	-37
Payment from minority shareholders		290	-
Cash flow from financing activities		32	73
Cash flow for the year		-68	-406
Cash and cash equivalents at beginning of year		691	1,103
Exchange rate differences in cash and cash equivalents		2	-6
Cash and cash equivalents at year-end		625	691

Parent Company income statement

SEK M	Note	2021 12 months	2019/2020 16 months
Net sales	4	158	1 073
Change in work in progress and projects under development		-16	-527
Own work capitalized		12	15
Other operating income	8	23	18
Total operating income		177	579
Cost of goods and project development		-57	-653
Other external expenses	7, 14	-42	-33
Employee benefits expenses	5,6	-45	-52
Depreciation and impairment of property, plant and equipment	13	-1	-2
Other operating expenses	8	-1	-15
Total operating expenses		-146	-755
Operating profit/loss		31	-176
Profit from participations in Group companies	16	33	183
Interest income	9	7	11
Interest expense	9	-11	-17
Other financial items	9	25	-99
Profit from financial items		54	78
Profit/loss after financial items		85	-98
Appropriations	10	14	155
Profit before tax		99	57
Tax on profit for the year	11	-17	27
Net profit for the year		82	84

Parent Company statement of other comprehensive income

SEK M	Note	2021 12 months	2019/2020 16 months
Net profit for the year		82	84
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		82	84

Parent Company balance sheet

SEK M	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Intangible assets	12	11	25
Property, plant and equipment			
Land and buildings	13	0	0
Equipment	13	3	4
		3	4
Financial assets			
Participations in Group companies	16	18	17
Other securities held as non-current assets	15	1	1
Deferred tax assets	12	10	27
Non-current receivables from Group companies		269	227
		297	271
Total non-current assets		311	300
Inventories, etc.			
Work in progress, projects under development and electricity certificates		52	76
Advance payments to suppliers		15	-
		67	76
Current receivables			
Accounts receivable		4	4
Receivables from Group companies		677	660
Current tax assets		18	0
Other current receivables		1	4
Prepaid expenses and accrued income	21	3	7
		704	675
Cash and cash equivalents		458	650
Total current assets		1,229	1,401
TOTAL ASSETS		1,541	1,701

SEK M	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Restricted equity	22		
Share capital		25	25
Statutory reserve		22	22
		47	47
Non-restricted equity			
Share premium reserve		169	169
Retained earnings		733	699
Net profit for the year		82	84
		984	951
Total equity		1 031	998
Untaxed reserves	10	2	4
Provisions		0	0
Non-current liabilities			
Non-current liabilities to credit institutions	23	19	131
Other non-current liabilities		65	70
Total non-current liabilities		83	202
Current liabilities			
Liabilities to credit institutions	23	161	250
Advance payments from customers		30	-
Accounts payable		124	124
Liabilities to Group companies		52	67
Other liabilities		27	5
Accrued expenses and deferred income	21	30	52
Total current liabilities		424	497
TOTAL EQUITY AND LIABILITIES		1,541	1,701

Parent Company statement of changes in equity

SEK M	Note 22	Share capital	Paid-in capital	Reserves	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

SEK M	Note 22	Share capital	Paid-in capital	Share premium reserve	Retained earnings	Total equity
At September 1, 2019		25	22	169	736	952
Net profit for the year					84	84
Total comprehensive income					84	84
<i>Transactions with shareholders</i>						
Dividends					-37	-37
At December 31, 2020		25	22	169	783	998

Parent Company cash flow statement

SEK M	Note	2021 12 months	2019/2020 16 months
Operating activities			
Operating profit/loss		31	-176
Non-cash items	25	6	11
		37	-165
Interest received		7	12
Interest paid		-13	-22
Income tax paid		-17	6
Net cash flow from operating activities before changes in working capital		14	-170
Adjustments of working capital			
Decrease in work in progress, projects under development and advance payments to suppliers		22	694
Decrease/increase in operating receivables		19	-252
Increase/decrease in operating liabilities		20	-797
Cash flow from operating activities		75	-525
Cash flow from investing activities			
Acquisition of property, plant and equipment	12	0	0
Sale of property, plant and equipment	12	0	1
Acquisition of financial assets		-15	0
Cash flow from investing activities		-15	1
Cash flow from financing activities			
Borrowings	23	47	263
Repayment of loans	23	255	-150
Group contributions received/paid		6	17
Dividends		-50	-37
Cash flow from financing activities		-252	92
Cash flow for the year			
Cash and cash equivalents at beginning of year		650	1,082
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		458	650

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 22, 2022 and they will be presented to the Annual General Meeting for adoption on May 19, 2022.

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.

On the income statement, Eolus has elected to recognize the total of line items 'Change in wind turbine inventories, wind turbines under construction and projects under development' and 'Cost of goods and project development' as 'Cost of goods and project development.' On the balance sheet, the line item 'Wind turbine inventories, wind turbines under construction, projects under development and electricity certificates' has now been changed to 'Work in progress, projects under development and electricity certificates.' The reason for the change is to make the financial statements easier to read.

NEW IFRS STANDARDS NOT YET APPLIED

The standards, interpretations and amendments effective on or after the 2022 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 2021 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

Revenue from energy facility agreements where the customer takes over the project rights and enters into a construction contract with Eolus 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. Eolus therefore recognizes revenue over time.

Revenue from transfer of energy facilities under construction

Revenue from energy facility agreements is recognized over time as control is transferred, since Eolus has no alternative use for the sold wind farm 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 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: the completion of the energy facility to date.

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 directly 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, 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 project rights

Revenue from energy facility agreements where the project rights are transferred to the customer 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, 2021	10.2269	1.0254	2.2279	9.0437
Average rate for the period 2021	10.1439	0.9979	2.2232	8.5756
Closing day rate, Dec 31, 2020	10.0375	0.9546	2.2166	8.1886
Average rate for the period 2019/2020	10.5317	0.9992	2.3911	9.3195

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 will take 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. Loan receivables and accounts receivable are recognized at amortized cost after the date of acquisition using the effective interest method. 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.

For the loan receivables and accounts receivable categories, impairment is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future loan losses that have not occurred), discounted to the original effective interest of the financial asset. The asset's carrying amount is impaired and this impairment loss is recognized in the consolidated income statement.

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, PROJECTS UNDER DEVELOPMENT AND ELECTRICITY CERTIFICATES

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 com-

mitment 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 probable 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

A lessee 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. Short-term leases and low-value leases are exempted.

Lease payments are divided into two components: amortization and interest expense. The exceptions are 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.

Provisions for doubtful receivables

Accounts receivable are initially measured at fair value and thereafter at the expected realizable value. An estimate of doubtful receivables is based on the conduct of an objective evaluation of all amounts outstanding at the end of the year. Losses attributable to doubtful receivables are recognized in profit or loss under other operating expenses. Refer to Note 10.

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 floating 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 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 floating, refer to Note 23. 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. 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 floating interest rates for fixed rates. At December 31, 2021, 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 0.6 years on the closing date. At December 31, 2021, interest-bearing liabilities amounted to SEK 186 M (387). On the closing date, 24% (12) of the Group's liabilities to credit institutions were covered by interest rate hedging instruments. Excluding interest rate derivatives, the average interest rate was 2.1% (2.1). Including interest rate derivatives, the average interest rate was 2.5% (2.3). A change in interest rates of +/- 1 percentage point would have an earnings impact of +/- SEK 2 M (4). The same fluctuation would have an earnings effect of +/- SEK 1 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, 2021, the Group had outstanding currency hedges comprising a nominal amount of EUR 52 M (32) and USD 0 M (24). 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 100%. 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 EUR/SEK exchange rate of SEK 1 at the end of the fiscal year would result in an earnings impact of +/- SEK 48 M (31), given the translation of currency accounts and any outstanding futures contracts at December 31, 2021.

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 are 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 20. 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. Due to the current interest rate of 0% on bank balances, there was no interest income from credit institutions for the 2021 fiscal year.

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 investors. 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 investors, 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 950 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 2021 fiscal year, all covenants entered into with credit institutions were met.

Interest-bearing liabilities amounted to SEK 186 M (387), of which SEK 21 M (135) was non-current. At the end of the fiscal year, the fixed-term period for loans was about 0.8 years (0.5), with an average interest

rate of 2.2% (2.1), excluding interest rate derivatives. Refer to Note 17 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.

Loan maturity structure	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
6 months or less	96	232	94	231
6–12 months	69	20	67	19
1–5 years	21	135	19	131
More than 5 years	-	-	-	-
Total	186	387	180	381

NOTE 3 OPERATING SEGMENTS

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

Asset management which pertains to full asset management services for external and internal renewable energy facilities.

2021, 12 months	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	-
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/loss 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	0	-	4

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 5 M (30) on operating profit in the Project Development segment.

2019/2020, 16 months	Project development	Asset management	Joint eliminations	Total Group
Segment revenue				
Net sales, external customers	2,435	34	-	2,469
Inter-segment transactions	1	1	-2	-
Other revenue	114	9	-1	122
Expenses	-2,277	-36	3	-2,311
(of which depreciation and impairment)	(-8)	(-0)	(-)	(-8)
Operating profit	272	8	0	280
Financial items				-97
Profit before tax				183
Tax				16
Net profit for the year				198
Segment's assets at December 31, 2020	1,014	15	779	1,808
Assets include:				
Purchase of non-current assets	19	-	-	19

2% (34) 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 95% of revenue: 82% and 13% respectively. In the preceding year, four customers accounted for 92% of revenue: 40%, 18%, 17% and 17% respectively.

Non-current assets	Dec 31, 2021	Dec 31, 2020
Sweden	10	11
US	15	14
Estonia	-	5
Total	25	30

NOTE 4 REVENUE

2021, 12 months	Project development	Asset management	Total Group
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
Baltic countries	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

2019/2020, 16 months	Project development	Asset management	Total Group
Time of revenue recognition			
Over time	2,119	34	2,152
At a point in time	317	-	317
Net sales, external customers	2,435	34	2,469
Geographic market			
Sweden	800	33	834
Norway	1,218	0	1,218
Baltic countries	2	-	2
US	416	-	416
Net sales, external customers	2,435	34	2,469
Type of contract			
Transfer of project rights and signed construction contracts	1,956	-	1,956
Transfer of energy facilities under construction	425	-	425
Electricity certificates	52	-	52
Asset management	-	34	34
Electricity generation	2	-	2
Net sales, external customers	2,435	34	2,469

Contract assets	GROUP	
	Dec 31, 2021	Dec 31, 2020
Energy facilities under construction	6	227
Advance payments to suppliers	15	47
Accounts receivable	-	-
Accrued contract income	78	454
Total	99	729

Contract liabilities	GROUP	
	Dec 31, 2021	Dec 31, 2020
Advance payments from customers	44	-
Invoiced but not accrued revenue	-	-
Total	44	-

All contract liabilities recognized on December 31, 2020 were recognized as revenue in the fiscal year.

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, 2021.

NOTE 5 SALARIES, REMUNERATION AND NUMBER OF EMPLOYEES

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

	2021 12 months		2019/2020 16 months	
	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	31.0	14.1	36.7	15.4
		(3.9)		(4.3)
Sweden – subsidiaries	7.6	3.1	10.5	4.1
		(0.5)		(0.8)
Estonia	0.3	0.1	0.3	0.1
		(-)		(-)
Finland	0.4	0.2	-	0.3
		(0.1)		(-)
Latvia	1.0	0.4	0.8	0.3
		(-)		(-)
Norway	2.5	0.2	5.2	0.3
		(0.1)		(0.2)
Poland	0.9	0.1	-	-
		(0.1)		(-)
Group	43.6	18.2	53.5	20.2
		(4.6)		(5.2)

	2021 12 months		2019/2020 16 months	
	Salaries and other remuneration (of which bonus)	Pension expenses	Salaries and other remuneration (of which bonus)	Pension costs
Board of Directors and CEO	5.0	0.5	4.4	0.6
	(0.6)		(0.3)	
Other employees	38.6	4.1	49.1	4.6
	(3.9)		(1.5)	
Group	43.6	4.6	53.5	5.2
	(4.5)		(1.8)	

Gender distribution, Board of Directors and other senior executives	Dec 31, 2021		Dec 31, 2020	
	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	4	3	5	4
Group and Parent Company	10	7	11	8

Average number of employees	2021 12 months		2019/2020 16 months	
	Average number of employees	Of whom men	Average number of employees	Of whom men
Sweden – Parent Company	33	20	28	16
Sweden – subsidiaries	13	10	12	10
Estonia	1	1	1	1
Finland	1	1	-	-
Latvia	2	1	1	1
Norway	2	2	3	2
Poland	2	2	-	-
Group	54	37	45	30

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 targets set by the Board. The bonus corresponds to a whole 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 for the CEO, four monthly salaries for the Deputy CEO, and three monthly salaries for 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, an additional bonus in the form of matching shares may be payable to those who acquire savings shares in the company for some or all of their bonus salary instead of cash, and who keep 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, 2021 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. In addition, the Meeting resolved that a retroactive fee of KSEK 125 would be paid to the Chairman and a retroactive fee of KSEK 58 to other Board members pro rata to their extended term of office due to the alteration of the company's fiscal year in 2020. No remuneration was paid to Board members other than the Board fees described below and the transactions presented in Notes 5 and 28. 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 2021 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 2021, 12 months	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	0.61	0.58	0.06	3.30
Other senior executives (3 individuals)	3.47	0.93	0.79	0.18	5.38
Total	10.33	2.11	1.89	0.29	14.62

Remuneration and other benefits 2019/2020, 16 months	Basic salary/ Board fee	Variable remuneration*	Pension costs	Car benefits	Total
Board of Directors:					
Chairman of the Board Hans-Göran Stennert	0.38	-	-	-	0.38
Director Fredrik Daveby	0.18	-	-	-	0.18
Director Sigrun Hjelmqvist	0.18	-	-	-	0.18
Director Hans Johansson	0.18	-	-	-	0.18
Director Hans Linnarson	0.18	-	-	-	0.18
Director Bodil Rosvall Jönsson	0.18	-	-	-	0.18
Senior executives:					
Per Witalisson, CEO	2.77	0.30	0.64	0.05	3.76
Marcus Landelin, Deputy CEO	2.51	0.27	0.54	0.06	3.38
Other senior executives (3 individuals)	4.76	0.55	1.06	0.23	6.60
Total	11.29	1.12	2.23	0.34	14.99

* Variable remuneration refers to remuneration paid during the year.

NOTE 7 REMUNERATION OF AUDITORS

	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
PricewaterhouseCoopers				
Audit assignment	1.1	1.0	0.9	0.7
Audit activities in addition to the audit assignment	0.3	0.7	0.3	0.7
Tax consultancy	0.1	0.3	0.1	0.3
Other services	0.5	0.0	0.5	0.0
Total	1.9	2.0	1.8	1.7
of which to PricewaterhouseCoopers AB				
Audit assignment	0.9	0.7	0.9	0.7
Audit activities in addition to the audit assignment	0.3	0.7	0.3	0.7
Tax consultancy	0.1	0.3	0.1	0.3
Other services	0.5	0.0	0.5	0.0
Total	1.8	1.7	1.8	1.7
Assertum Audit OÜ				
Audit assignment	0.0	0.0	-	-
Total	0.0	0.0	-	-
Total	1.9	2.1	1.8	1.7

NOTE 8 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Other operating income				
Exchange rate gains attributable to project activities	16	32	0	13
Capital gains attributable to divestment of land	-	11	-	-
Capital gains attributable to other non-current assets	0	1	0	1
Fair value of change in currency derivatives	-	65	-	-
Invoiced expenses	24	12	23	4
Other	1	1	0	0
Total	42	122	23	18
Other operating expenses				
Exchange rate losses attributable to project activities	-2	-40	-1	-15
Fair value of change in currency derivatives	-37	-	-	-
Other	0	-	-	-
Total	-39	-40	-1	-15

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

	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Interest income				
Loans and receivables	2	4	0	0
Loans and receivables to Group companies	-	-	7	11
Total financial income	2	4	7	11
Interest expense				
Bank loans	-17	-20	-10	-15
Liabilities to Group companies	-	-	-1	-2
Total financial expenses	-17	-20	-11	-17
Other financial items				
Exchange rate differences intra-Group receivables and liabilities	4	-126	31	-154
Exchange rate differences in cash and cash equivalents	5	10	5	13
Exchange rate differences, other	-8	38	-9	46
Other financial expenses	-2	-7	-2	-4
Fair value of change in interest rate derivatives	2	5	-	-
Total other financial items	0	-81	25	-99
of which attributable to balance sheet items measured at fair value	2	5	-	-

NOTE 10 APPROPRIATIONS AND UNTAXED RESERVES

Appropriations	PARENT COMPANY	
	2021 12 months	2019/2020 16 months
Change in tax allocation reserve	-	148
Depreciation in excess of plan	1	2
Group contributions received/paid	13	6
Total	14	155
Untaxed reserves	Dec 31, 2021	Dec 31, 2020
Accumulated depreciation in excess of plan	2	4
Total	2	4

NOTE 11 INCOME TAX

	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Current tax:				
Current tax on net profit for the year	-1	0	-	-
Current tax attributable to prior periods	-1	-	-	-
Total current tax	-2	0	-	-
Deferred tax:				
Origination and reversal of temporary differences	44	-8	-	-
Deferred tax due to changes in tax rate	-	-1	-	-
Tax loss carryforwards utilized during the year	-26	-	-17	-
Loss carryforwards capitalized during the year	-	27	-	27
Total deferred tax	18	17	-17	27
Tax	16	16	-17	27

Reconciliation of effective tax rate	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Profit/loss before tax	-40	183	99	57
Tax calculated at applicable tax rate in Sweden	8	-39	-20	-12
Difference between Swedish and foreign tax rates	1	0	-	-
Non-taxable income	13	64	7	41
Non-deductible expenses	-3	-5	0	-2
Interest surcharge for tax allocation reserve	-	0	-	0
Deferred tax due to changes in tax rate	-	-1	-	-
Non-capitalized loss carryforwards	-2	-3	-3	-
Total tax expense/tax income	16	16	-17	27

Tax of -5 (6) attributable to translation differences is recognized in other comprehensive income.

GROUP

Specification of deferred tax assets and tax liabilities:	2021 12 months		2019/2020 16 months	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	0	0	1	4
Assets measured at fair value	1	0	0	8
Untaxed reserves	-	1	-	1
Work in progress, projects under development and electricity certificates	6	53	5	2
Temporary differences	36	1	27	10
Capitalized loss carryforwards:	1	-	10	-
Total	43	55	43	25
of which to be utilized/paid after more than 12 months	6	54	16	7
of which to be utilized/paid within 12 months	37	0	27	8

PARENT COMPANY

	2021 12 months	2019/2020 16 months
Specification of deferred tax assets:		
Loss carryforwards	10	27
Total	10	27

Recognized in the statement of financial position/balance sheet:	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Deferred tax assets	6	41	10	27
Deferred tax liabilities	-18	-21	-	-
Deferred tax liabilities (assets), net	-12	19	10	27

Change in deferred taxes	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
At September 1	19	-2	27	-
Tax income/expenses recognized in profit or loss	18	17	-17	27
Reclassification from current tax	-	4	-	-
Reclassification to current tax	-49	-	-	-
Acquisition of subsidiaries	-	-	-	-
At December 31	-12	19	10	27

At December 31, 2021, 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 10 M (27). Deficits have no determined maturity date.

NOTE 12 INTANGIBLE ASSETS

Certificates	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Opening accumulated cost	25	54	25	54
New acquisitions	-	-	-	-
Reclassifications	-14	-29	-14	-29
Closing accumulated cost	11	25	11	25

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 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

2021, 12 months	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	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	-	2	-	-	-
Exchange rate differences	-	0	0	-	0	-	-	-
Closing accumulated depreciation	-	-20	-22	-2	-45	-	-17	-17
Opening accumulated impairment	-2	0	-	-	-2	-2	-	-2
Impairment for the year	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate differences	-	0	-	-	0	-	-	-
Closing accumulated impairment	-2	0	-	-	-2	-2	-	-2
Net carrying amount at year-end	15	0	5	6	26	0	3	3

During the fiscal year, 0 (0) wind turbines that were previously recognized as inventories were reclassified as non-current assets.

During the fiscal year, 2 (2) wind turbines previously recognized as non-current assets were reclassified as inventories and then divested.

2019/2020, 16 months	GROUP					PARENT COMPANY		
	Land and buildings	Wind turbines	Equipment	Right-of-use assets	Total	Land and buildings	Equipment	Total
Opening accumulated cost	15	57	31	-	103	3	25	28
New acquisitions	15	-	1	3	19	0	0	0
Divestments and disposals	-8	-	-2	-	-11	-	-2	-2
Reclassifications	-	-15	-	6	-8	-	-	0
Exchange rate differences	-3	-2	0	-	-4	-	-	0
Closing accumulated cost	20	41	29	9	99	3	23	26
Opening accumulated depreciation	-	-45	-24	-	-69	-	-20	-20
Depreciation for the year	-	-2	-2	-4	-8	-	-2	-2
Divestments and disposals	-	-	2	-	2	-	2	2
Reclassifications	-	7	0	0	7	-	0	0
Exchange rate differences	-	1	0	-	1	-	-	-
Closing accumulated depreciation	-	-39	-23	-3	-66	-	-20	-20
Opening accumulated impairment	-2	0	-	-	-2	-2	0	-2
Impairment for the year	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate differences	-	0	-	-	0	-	-	-
Closing accumulated impairment	-2	0	-	-	-2	-2	0	-2
Net carrying amount at year-end	17	1	5	6	30	0	4	4

ACQUISITIONS AND DIVESTMENTS OF PROJECTS AND COMPLETED WIND TURBINES

In accordance with industry practice, wind power projects are often conducted in separate companies. This means that certain acquisitions and divestments of projects and completed wind turbines are structured as share transactions.

A number of such transactions were carried out during the 2021 and 2019/2020 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 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 costs for these are included in profit or loss.

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:

Right-of-use assets	Dec 31, 2021	Dec 31, 2020
Properties	1	1
Equipment	0	0
Vehicles	5	5
Total	6	6

Liabilities	Dec 31, 2021	Dec 31, 2020
Current	3	2
Non-current	3	4
Total	6	6

Lease payments and future lease payments for operating leases for premises and equipment for the fiscal year amounted to:

	Premises		Equipment	
	Group	Parent Company	Group	Parent Company
2021	2	2	1	1
2022	3	2	1	1
2023	2	2	1	1
2024	2	2	0	0
2025	0	0	-	-
Total	10	10	3	3

NOTE 15 OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Holdings in other companies	No. of shares	Capital/votes (%)	Dec 31, 2021	Dec 31, 2020
Långmarken Wind AB	50	10/10		
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.

Holdings in other companies	Corp. Reg. No.	Registered office	Profit/loss	Equity
Långmarken Wind AB	559032-9636	Hässleholm	-8	1
Slättens Vind AB	559022-2583	Vara	0	63

NOTE 16 PARTICIPATIONS IN GROUP COMPANIES

	2021 12 months	2019/2020 16 months
Opening values	17.4	20.4
Acquisitions	0.5	0.3
Divestments	-0.1	-3.4
Shareholders' contributions, net	-	
Impairment	-	
Closing values	17.8	17.4
Profit from participations in Group companies	2021 12 months	2019/2020 16 months
Impairment	0.0	-9.7
Reversal of impairment	-	1.0
Dividends	33.0	191.6
Profit/loss attributable to divestments	0.0	-0.1
	33.0	182.8

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, 2021	Dec 31, 2020
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	0.1	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, USA		100/100	-	-
<i>Comstock LLC</i>	<i>35-2541188</i>	<i>Nevada, USA</i>				
<i>Crescent Peak Renewables LLC</i>	<i>27-2068025</i>	<i>Delaware, USA</i>				
<i>ENA BESS1, LLC</i>	<i>61-1906369</i>	<i>Nevada, USA</i>				
<i>Eolus Assets Management LLC</i>	<i>85-1836304</i>	<i>Delaware, USA</i>				
<i>Eolus Project Holdings LLC</i>	<i>32-0598206</i>	<i>Delaware, USA</i>				
<i>Pome BESS LLC</i>	<i>85-2510057</i>	<i>Delaware, USA</i>				
<i>Cald Bess 2, LLC</i>	<i>87-2634457</i>	<i>California, USA</i>				
<i>Upstream HC-1 LLC</i>	<i>35-2646877</i>	<i>Delaware, USA</i>				
<i>Wind Wall Development LLC</i>	<i>32-0514251</i>	<i>Nevada, USA</i>				
Eolus Vindpark Fem AB	556935-0356	Hässleholm				0.1
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>Eolus Vindpark 40 AB</i>	<i>559244-3153</i>	<i>Hässleholm</i>				
Eolus Vindpark 27 AB	556956-6002	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 28 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, 2021	Dec 31, 2020
Eolus Vindpark 33 AB	559163-5106	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 34 AB</i>	559164-6798	Hässleholm				
Eolus Vindpark 35 AB	559163-5114	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 36 AB</i>	559164-6541	Hässleholm				
Eolus Vindpark 37 AB	559163-5122	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 38 AB	559164-6996	Hässleholm	501	100/100	0.1	
Eolus Vindpark 39 AB	559277-5901	Hässleholm	500	100/100	0.1	0.1
<i>Ölme Vindkraft AB</i>	556755-5965	Hässleholm				
Eolus Vindpark 41 AB	559277-5893	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 42 AB</i>	559244-3112	Hässleholm				
Eolus Vindpark 43 AB	559277-5968	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 44 AB</i>	559244-4151	Hässleholm				
Eolus Vindpark 45 AB	559277-5950	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 46 AB</i>	559251-3963	Hässleholm				
Eolus Vindpark 47 AB	559281-7448	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Vindpark 48 AB</i>	559251-4003	Hässleholm				
Eolus Vindpark 49 AB	559281-7356	Hässleholm	500	100/100	0.1	0.1
<i>Pörtom Wind Farm Ab</i>	3178978-8	Vaasa, Finland				
<i>Pörtom Vindkraft Ab/Oy</i>	2604371-1	Narpes, Finland				
Eolus Vindpark 50 AB	559313-0007	Hässleholm	500	100/100	0.1	
Eolus Vindpark 51 AB	559312-9975	Hässleholm	500	100/100	0.1	
Eolus Vindpark 53 AB	559332-9682	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 54 AB</i>	559318-2024	Hässleholm				
Eolus Vindpark 55 AB	559332-9666	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 56 AB</i>	559318-4111	Hässleholm				
Eolus Vindpark 57 AB	559332-9674	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 58 AB</i>	559318-3907	Hässleholm				
Eolus Vindpark 59 AB	559346-1154	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 60 AB</i>	559349-7356	Hässleholm				
Eolus Vindpark 61 AB	559346-1204	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 62 AB</i>	559349-7380	Hässleholm				
Eolus Vindpark 63 AB	559346-1212	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 64 AB</i>	559349-7661	Hässleholm				
Eolus Vindpark 65 AB	559346-1188	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 66 AB</i>	559349-7935	Hässleholm				
Eolus Vindpark 67 AB	559346-1196	Hässleholm	250	100/100	0.0	
<i>Eolus Vindpark 68 AB</i>	559349-7968	Hässleholm				
Eolus Wind Power Management AB	556912-1352	Hässleholm	500	100/100	0.1	0.1
<i>Eolus Wind Power Management Norge AS</i>	925247979	Oslo, Norway				
Eolus Poland Sp. z o. o.	0000868099	Warsaw, Poland		100/100	0.0	
<i>Eolus Energia Odnawialna Sp. z o. o.</i>	0000903550	Warsaw, Poland				
Eolus Poland Holding AB	559313-0023	Hässleholm		100/100	0.1	
<i>Eolus Offshore Wind Poland 1 Sp. z o. o.</i>	0000888531	Warsaw, Poland				
<i>Eolus Offshore Wind Poland 2 Sp. z o. o.</i>	0000883397	Warsaw, Poland				
<i>Eolus Energia Odnawialna 1 Sp. z o. o.</i>	0000847745	Warsaw, Poland				
<i>Eolus Energia Odnawialna 2 Sp. z o. o.</i>	0000857877	Warsaw, Poland				
Linusvind AB	556832-0054	Hässleholm	50 000	100/100	0.1	0.1
Lärkeskogen Vindkraft AB	556731-4710	Hässleholm	1 000	100/100	0.1	0.1
Näset Vindkraft AB	556721-1023	Hässleholm	1 000	100/100	-	-

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount	
					Dec 31, 2021	Dec 31, 2020
SIA Eolus	40103392542	Riga, Latvia	2 000	100/100	-	-
<i>Alokste wind SIA</i>	40203267822	Riga, Latvia				
<i>Andruves wind SIA</i>	40103703482	Riga, Latvia				
<i>Dobele wind SIA</i>	40103786319	Riga, Latvia				
<i>Gulbji wind SIA</i>	40103702769	Riga, Latvia				
<i>Mekji wind SIA</i>	40103800684	Riga, Latvia				
<i>Melderi wind SIA</i>	40103730387	Riga, Latvia				
<i>Mindes wind SIA</i>	40203267771	Riga, Latvia				
<i>Osi wind SIA</i>	40103806530	Riga, Latvia				
<i>Pienava wind SIA</i>	40103730508	Riga, Latvia				
<i>Pievikas wind SIA</i>	40203269522	Riga, Latvia				
<i>Unas wind SIA</i>	40103761071	Riga, Latvia				
<i>Valpene wind SIA</i>	50103851451	Riga, Latvia				
<i>Virzas wind SIA</i>	40103702650	Riga, Latvia				
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 Tjugoett AB</i>	556924-5110	Hässleholm				
Uddevalla Vind AB	556707-1278	Hässleholm	1 000	100/100	0.1	0.1
Carrying amount					17.8	17.4

NOTE 17 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 have both positive and negative market values. At the closing date, the net market value of

currency derivatives totaled SEK 0 M (37). Interest rate derivatives had a negative market value on the closing date. The negative market value of interest rate derivatives totaled SEK -3 M (-5).

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	32	21	34	476

Dec 31, 2020	<3 months	3 months-1 year	1-2 years	2-5 years	>5 years	Total
Borrowing	233	21	115	19	-	388
Accounts payable	169	-	-	-	-	169
Derivatives	-	1	2	1	-	5
Other financial liabilities	6	3	10	19	42	80
Total	409	25	126	39	42	641

NOTE 18 PARTICIPATIONS IN ASSOCIATED COMPANIES**GROUP AND PARENT COMPANY**

Participations in associated companies	Corp. Reg. No.	Registered office	Capital/votes (%)	Carrying amount	
				Dec 31, 2021	Dec 31, 2020
Triventus AB	556627-3016	Falkenberg	40/40	-	-
Carrying amount				-	-

NOTE 19 WORK IN PROGRESS, PROJECTS UNDER DEVELOPMENT AND ELECTRICITY CERTIFICATES

	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Inventories of certificates	4	6	4	6
Work in progress and projects under development	839	423	49	70
Total	843	429	52	76

NOTE 20 ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accounts receivable	71	16	4	4
Other current receivables	55	7	1	4
Total	126	23	5	7
Other current receivables relate to:				
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
VAT receivables	52	2	-	2
Receivables from related parties	-	-	-	-
Other receivables	3	5	1	2
Total	55	7	1	4

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, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accounts receivable, not yet fallen due or impaired	69	13	3	4
Accounts receivable, past due but not impaired	2	3	1	0
Reserve for doubtful receivables	-	-	-	-
Total accounts receivables	71	16	4	4

At December 31, 2021, past due accounts receivable for which no reserve was considered necessary amounted to SEK 2 M (3).

SEK 2 M (3) of past due accounts receivable was settled after the balance sheet date.

Age analysis of accounts receivable, past due but not impaired	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
<30 days	2	0	1	-
30–90 days	-	-	-	-
91–180 days	0	0	-	-
>180 days	0	3	0	0
Total past due but not impaired accounts receivable	2	3	1	0

Provisions for doubtful receivables correspond to 0% (0) of the total accounts receivable.

Provision for doubtful receivables	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Provision at beginning of year	-	-5	-	-
Provision for doubtful receivables for the year	-	-	-	-
Doubtful receivables paid	-	5	-	-
Written-off receivables	-	-	-	-
Amount at year-end	-	-	-	-

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, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
SEK	4	8	1	0
EUR	0	3	-	2
NOK	7	6	3	1
USD	60	-	-	-
Total KSEK	71	16	4	4

The ten largest customers represent 99% (99) of the Group's total accounts receivable. One single customer accounts for 84% (37).

NOTE 21 ACCRUALS

Prepaid expenses and accrued income	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Prepaid rental charges	0	0	0	0
Other prepaid expenses	3	4	3	4
Accrued contract income	30	454	-	-
Other accrued income	2	4	0	3
Total	35	463	3	7

Accrued expenses and deferred income	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accrued payroll expenses and personnel costs	13	17	10	13
Accrued expenses and deferred income pertaining to projects	95	80	14	34
Other accrued expenses	8	6	6	5
Total	116	103	30	52

NOTE 22 SHARE CAPITAL AND EARNINGS PER SHARE

Disclosure on number of shares	Dec 31, 2021	Dec 31, 2020
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

Earnings per share, before and after dilution	2021 12 months	2019/2020 16 months
Earnings/loss attributable to Parent Company shareholders	-19	198
Weighted average number of outstanding common shares	24,907,000	24,907,000
Earnings/loss per share, before and after dilution	-0.74	7.96

NOTE 23 BORROWING

	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Non-current borrowing from credit institutions				
Bank loans (variable interest rate)	19	131	19	131
Leases	3	4	-	-
Total non-current borrowing	21	135	19	131
Current borrowing				
Bank loans (variable interest rate)	161	250	161	250
Leases	3	2	-	-
Total current liabilities	165	252	161	250
Total borrowing	186	387	180	381

For information on pledged assets for loans raised, refer to Note 29.

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, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
6 months or less	186	387	180	381
Total	186	387	180	381

Borrowing per currency	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
SEK	137	156	131	150
USD	49	231	49	231
Total	186	387	180	381

BANK OVERDRAFT FACILITIES

	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
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, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
1–5 years	21	135	19	131
More than 5 years	-	-	-	-
Total	21	135	19	131

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 2021 fiscal year, all covenants were met.

NOTE 24 FINANCIAL INSTRUMENTS – DISCLOSURE ON FAIR VALUE PER CATEGORY

GROUP			
Dec 31, 2021	Carrying amount	Fair value	Level
Assets in the balance sheet			
Assets measured at fair value through profit or loss			
Currency swaps	2	2	2
Loan receivables and accounts receivable			
Cash and cash equivalents	625	625	2
Accounts receivable	71	71	2
Other financial assets	16	16	2
Liabilities in the balance sheet			
Liabilities measured at fair value through profit or loss			
Derivate 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
Dec 31, 2020	Carrying amount	Fair value	Level
Assets in the balance sheet			
Assets measured at fair value through profit or loss			
Currency derivatives	36	36	2
Currency swaps	1	1	2
Loan receivables and accounts receivable			
Cash and cash equivalents	691	691	2
Accounts receivable	16	16	2
Other financial assets	15	15	2
Liabilities in the balance sheet			
Liabilities measured at fair value through profit or loss			
Derivate liabilities			
Interest rate swaps	5	5	2
Liabilities measured at amortized cost			
Interest-bearing liabilities	387	387	2
Accounts payable	169	169	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 receivables/liabilities, 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 25 RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH FLOW

Non-cash items	GROUP		PARENT COMPANY	
	2021 12 months	2019/2020 16 months	2021 12 months	2019/2020 16 months
Depreciation and impairment of property, plant and equipment	5	8	1	2
Unrealized exchange rate differences	5	11	5	10
Capital gains from divestment of non-current assets	-0	-12	0	-1
Changes in provisions	-0	-0	0	0
Measurement of derivatives at fair value	37	-65	-	-
Total	46	-58	6	11

NOTE 26 CHANGES IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

2021, 12 months	Loan liabilities falling due within 1 year	Loan liabilities falling due after 1 year	Other liabilities	Total
At January 1, 2021	-252	-135	-71	-457
Cash flow	208	-	-	208
Exchange rate differences	-7	-	0	-8
Other non-cash items	-114	114	6	8
At December 31, 2021	-165	-21	-65	-251

2019/2020, 16 months	Loan liabilities falling due within 1 year	Loan liabilities falling due after 1 year	Other liabilities	Total net liability
At September 1, 2019	-151	-152	0	-303
Cash flow	-113	2	-	-110
Exchange rate differences	32	-	0	32
Other non-cash items	-21	15	-70	-76
At December 31, 2020	-252	-135	-71	-457

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for liabilities to credit institutions	GROUP		PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
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 24), are expected to arise on the basis of these.

Contingent liabilities	PARENT COMPANY	
	Dec 31, 2021	Dec 31, 2020
Contingent liabilities for the benefit of subsidiaries	5	5
Total	5	5

NOTE 28 RELATED-PARTY TRANSACTIONS**OWNER STRUCTURE AT DECEMBER 31, 2021**

Largest shareholders	No. of Class A shares	No. of Class B shares	Share of equity (%)	Share of votes (%)
Domneåns Kraftaktiebolag	370,150	1,992,925	9.5	15.6
Stennart, Hans-Göran Total	380,100	518,984	3.6	11.8
Johansson, Åke	202,120	400,000	2.4	6.6
Borgunda Total	189,520	40,418	0.9	5.3
Försäkringsaktiebolaget, Avanza Pension	0	1,090,033	4.4	3.0
Länsförsäkringar Småbolag Sverige	0	560,942	2.3	1.5
ODIN Small Cap	0	480,000	1.9	1.3
Svantesson, Ingvar	40,000	0	0.2	1.1
Lannebo Sverige Hållbar	0	386,550	1.6	1.1
BNY Mellon SA/NV	0	363,734	1.5	1.0
Other shareholders	103,735	17,787,789	71.8	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 2021 or 2019/2020, other than the remuneration stated in Note 6.

PARENT COMPANY'S TRANSACTIONS WITH OTHER GROUP COMPANIES

78% (0) 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 29 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Eolus's Deputy CEO and COO, Marcus Landelin, will step down from his position in April.

Completion of the Öyjfjellet wind power project in Norway is expected to be further delayed and is now scheduled for completion in the second quarter of 2022.

The Board of Eolus adopted a new business plan for the 2022–2024 period. The plan is based on the power of the transition to sustainable energy systems and the electrification trend. With Eolus's experience, a high-quality project portfolio and competent employees, there is growth potential in all technologies and all of Eolus's markets.

Magnus Axelsson was appointed COO and Deputy CEO of Eolus. He will take office on September 1, 2022.

Eolus signed an agreement with Siemens Gamesa for the delivery of 16 wind turbines for the Skallberget/Utterberget and Tjärnäs projects in Sweden. The turbine supply agreement for the Boarp and Dällebo projects was simultaneously canceled and transferred to this agreement.

Eolus appointed Karin Wittsell Heydl as Head of Communication, Sustainability and IT. Karin took office on March 14, 2022 and is included in the company's Group Management.

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 24, 2022

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 24, 2022.

PricewaterhouseCoopers AB

Eva Carlsvi
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 financial year 2021 except for the corporate governance statement on pages 45–49. The annual accounts and consolidated accounts are included on pages 40–91 in the Annual report.

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 2021 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 2021 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 45–49. 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. 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 completed the wind farm project Wind Wall and continued the construction of wind farm project Öyfjellet. In addition, Eolus has sold the battery storage project Cald 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 2021 to MSEK 839.</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 1–39 and 96–100. 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**Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Eolus Vind AB (publ) for the financial year 2021 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 Directors 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 Directors 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 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #7f3bec388254fca305653c94010a39e8deb38f77148feb7d80671742e38b54ff has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

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 my (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 Directors (and the Managing Director)

The Board of Directors (and the Managing Director) are responsible for ensuring that the Esef report has been prepared 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 form an opinion with 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 reasonable assurance engagement 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. 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 reasonable assurance engagement 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 45–49 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.

PricewaterhouseCoopers AB, Anna Lindhs plats 4, 203 11 Malmö, was appointed auditor of Eolus Vind AB (publ) by the general meeting of the shareholders on the 19 May 2021 and has been the company's auditor since the 24 January 2015.

Malmö 24 March 2022

PricewaterhouseCoopers AB

Eva Carlsvi

Authorized Public Accountant

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: 380,100 Class A shares, of which 378,000 Class A shares are held through endowment insurance, and 528,984 Class B shares, of which 526,984 Class B shares are held through endowment insurance.



SIGRUN HJELMQUIST *Board member*

Born: 1956

Elected: 2011

Education and background: Master of Science in Engineering and Licentiate of Engineering in Applied Physics degrees from the Royal Swedish Institute of Technology. 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: Chairman of the Board of Teqnion AB and Transcendent Group AB (publ). Board member of Addnode Group Aktiebolag (publ) and RagnSellsföretagen AB.

Shareholding in Eolus: 1,000 Class B shares



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 AB, 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: 189,520 Class A shares and 40,418 Class B shares.



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: CEO and Board member of Centuria AB. Chairman of the Board of Aalto Holding AB, Malmö Cityfastigheter AB and Starka AB. Board member of Bravida Holding AB, Erik Hemberg Fastighets AB and Götenehus Group AB.

Shareholding in Eolus: 2,000 Class B shares



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: 2,500 Class B shares



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 office Board at 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: 4,000 Class B shares

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, 2021 and thereafter with any changes known by Eolus. The Board members were elected at the Annual General Meeting on May 19, 2021 for the period until the 2022 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.

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



The Legeved wind farm

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 PPA is 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

Annual General Meeting

The next Annual General Meeting will be held on May 19, 2022. Instructions on how to register for the Annual General Meeting will be provided in the notice of the Meeting.

Financial calendar

• Interim report	Q1 May 18, 2022
• Annual General Meeting	May 19, 2022
• Interim report	Q2 August 30, 2022
• Interim report	Q3 November 17, 2022
• Year-end report	February 16, 2023

Eolus Vind AB ("Eolus") is a public company with Corporate Registration Number S56389-3956. The company is based in Håssleholm, 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 40–44), the Corporate Governance Report (pages 45–49) and the financial statements (pages 50–95).

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 brackets refer to the preceding fiscal year, 2019/2020.

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 op-

erational 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 Rolling 12-month earnings relative to average equity.

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

Equity per share before/after dilution Equity divided by the number of shares at the end of the period before/after dilution.

Net liability/cash Interest-bearing liabilities minus cash and cash equivalents.

Earnings per share before/after dilution Net profit for the period divided by the weighted average number of shares during the year before/after dilution.

Operating margin Operating profit expressed as a percentage of net sales.

Equity/assets ratio Equity relative to total assets at the end of the period.

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

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).

Profit margin Profit/loss after financial items expressed as a percentage of net sales.



Cover photo: Wind Wall wind farm in California is Eolus's first completed project in the US. The wind farm is a repowering project where about 400 old wind turbines were replaced by 13 modern Vestas V126-3.45 MW turbines, with a hub height of 87 meters. The new turbines will generate about four times more renewable electricity than the old turbines. A clear example of the technological innovation that is optimizing the value of sites used for renewable electricity generation. The facility was handed over in May 2021. Photo: Eolus

Other photographers: Daniel Larsson/Fotograf Daniel, Simen Haugom/SpectacularNorway, Johan Funcke, Istock, Envato, Siemens Gamesa, and Eolus. Layout: Mustasch Reklambyrå. Printed by: Norra Skåne Offset. Translation: The Bugli Company.

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 Baltic countries, 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 1,320 MW of installed capacity, of which 914 MW has been deployed. At December 31, 2021, Eolus Vind AB had approximately 34,500 shareholders. Eolus's Class B share is traded on Nasdaq Stockholm Mid Cap.

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