EOLUS VIND AB

ANNUAL REPORT AND SUSTAINABILITY REPORT 2023

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THE PAST YEAR

In 2023, Eolus continued to expand, adding new employees and new projects based on our business plan. We welcomed 55 new employees and the total project portfolio grew by 5 GW. At the beginning of the year, the Øyfjellet project in Norway was handed over to its owner, Øyfjellet Wind, and the Skallberget/Utterberget, Tjärnäs and Rosenskog projects were completed in December. Construction of the Stor-Skälsjön project also continued during the year. Several new projects were added in Sweden, Finland and Poland, while the focus in the US and Latvia was mainly to further develop existing projects.

The Øyfjellet Wind Farm in Norway was completed. The project is Eolus's largest project to date and comprises 72 wind turbines, installed capacity of 400 MW and annual electricity generation of 1.3 TWh, which is delivered to Alcoa's facility in nearby Mosjøen.

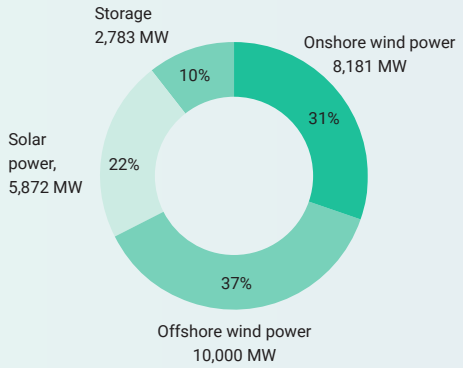
61 wind turbines with installed capacity of 386 MW were raised in the Swedish projects of Stor-Skälsjön, Skallberget/Utterberget, Tjärnäs and Rosenskog. The latter three were divested to BKW in June and handed over in December. Stor-Skälsjön is in the final stage of construction.

Construction of the Pome battery project in the US commenced. The 100 MW project is located in California. An agreement for use of the battery storage has been signed with an undisclosed customer. The project is scheduled for completion in 2024.

Permit applications were submitted for three offshore wind projects in Sweden during the year:
- Västvind in Kattegatt outside Gothenburg
- Arkona off the south coast of Sweden
- Najaderna in the Bothnian Sea outside Tierp.

Eolus grew significantly in Finland through the acquisition of YIT Energy with 2.3 GW in projects and 16 employees, and a co-operation agreement with property owner Finsilva for 600 MW of wind power. Eolus also employed a new Country Manager during the year – Tiina Partanen.

Project portfolio per technology, December 31, 2023



Shaping the future of renewable energy

35 years ago, Eolus was just an idea. A vision of a renewable future, where sustainability and growth coexist. Where everyone can lead a fulfilling, yet sustainable life. We are not there yet, but we have come a long way. Eolus now has more than 100 employees and projects in both Europe and the US. In 2023, our project portfolio grew 22% and we welcomed 55 new colleagues. And we are continuing to grow. At the end of 2023, our project portfolio comprised 26.8 GW and our prospects for the next few years are excellent.

Our goal is still a future where everyone can live within the limits of our planet. We believe that the solution is innovative and customized energy solutions. Whether it's solar, wind or any other source of energy doesn't matter. We know that the future is renewable. We also know that big innovations always begin with small ideas. That's why we are always moving forward, one step at a time. Like we did in 1990, and like we are doing today and tomorrow. Small actions can really make a big difference and it always starts with trust – with one person trusting another. That's why all business is local. That's why we are both big and small. We know where we come from.

Welcome to Eolus. We are shaping the future of renewable energy.

MESSAGE FROM THE CEO

The best year to date for Eolus and a future full of opportunities

Eolus is continuing to grow and it is gratifying to see that 2023 was the best year in the company's lengthy history. We can look back on net sales of SEK 2,301 M (2,356) and earnings of SEK 573 M (116).

As regards the targets in our business plan, we achieved our targets for return on equity and equity/assets ratio. The target for divestment of at least 1,000 MW on average per year was not achieved in 2023. This was mainly due to a postponement of the divestment processes for Fågelås, Boarp, Dållebo and Pome and because the final stages of development for several major European and US projects have taken longer than expected.

The Board proposes a dividend of SEK 2.25 (1.50) per share, a 50% increase compared with the preceding year. This means that we are meeting the target for a dividend corresponding to 20–50% of net profit over time.

Most of net profit for the year was from the Swedish wind power projects Skallberget/Utterberget, Tjärnäs, Rosenskog and Stor-Skälsjön, which were constructed during the year, and a large payment for milestones achieved in Centennial Flats, a solar and battery storage project in the US. A final payment for the Cald battery storage project in the US also made a positive contribution to net profit for the year as did an arbitration award linked to a contracting dispute related to two wind farms in Sundsvall.

Record year for new projects

2023 was also a record year for the development of Eolus's project portfolio, as 5 GW of projects were added and at the end of the year, we had a total of 26.8 GW. We have a strong organization for the development of the projects from early phase, but we also create and develop projects through partnerships and acquisitions.

During the year, the project portfolio in Finland noted growth, when we acquired the Finnish YIT Energy in December with a number of employees and a project portfolio with a total capacity of 2.3 GW, of which 1.2 GW are mature projects that were included in the recognized portfolio. During the year, we also signed a cooperation agreement with property owner Finsilva regarding the development of 600 MW of onshore wind power on its land.

In Poland, we doubled our project portfolio with the addition of new solar and wind projects. We can now see the results of the investments made since Eolus established operations in Poland in 2021. Regulatory and policy changes are also expected to make a positive contribution to the development of renewable energy in the future.

In Sweden, offshore projects accounted for the largest increase, and two new projects were included in the portfolio during the year. Major advances were made in existing projects where we submitted three permit applications during the year and a fourth in early 2024. We also initiated a strategic review of offshore wind power activities in order to create optimal conditions for permitting and realizing the projects. We know that continued development and, in due course, the construction of offshore projects will require major resources, both organizational and financial, and we can therefore see the benefits of doing this in partnerships.

I cannot imagine any other industry or company that is facing such an interesting future.

PER WITALISSON, CEO

Onshore wind power continues to have a key role to play as the technology that can be established at the most competitive terms before 2030. Many Swedish projects reached more mature phases during the year. Work with environmental impact assessments and permit applications are ongoing in a wide range of projects in all of our markets. In Sweden, we expect to submit several new permit applications in 2024. The focus in early 2024 is also on divestment and procurement of wind turbines for Fågelås, Boarp and Dållebo with total capacity of 100 MW.

In the US, Eolus continued to provide development services for Centennial Flats, which was sold in 2022. Important interim targets were achieved during the year that resulted in a considerable milestone payment. We also made a decision to

invest in the stand-alone Pome battery storage project in San Diego County with the ambition that the project will be sold during the first half of 2024 and completed before the end of the year. Several other US projects are under development, but at earlier stages.

During the year, the strong focus in the Baltics was on continuing to develop the organization and preparing for construction of Pienava, an 158 MW onshore wind project. The project is progressing well and the ambition is that construction can commence in early 2025.

Strong forces pushing for more renewable energy

There is still great interest to invest in renewable energy projects. The climate crisis and the energy transition are driving the global electrification trend and there is an enormous need for additional renewable energy on attractive terms for industry and consumers. The EU has assumed a clear role as a leader in this. In 2023, this included the adoption of an updated directive (RED II) with the aim of doubling the share of renewable energy by 2030. In December, the Energy Ministers of 26 member states also endorsed the European Wind Charter, committing to implement the 15 actions set out in the EU's Wind Power Package to boost the expansion of wind energy.

The business community has also continued to highlight the need for electricity from fossil-free sources to achieve its transition. As a result of this, Eolus entered into collaborations with Volvo Cars and the Port of Gothenburg for our Västvind offshore project during the year. As part of Eolus's partnership with Volvo Cars, the Västvind wind power project will supply electricity to Volvo Cars' operations in Gothenburg, including the new battery factory being constructed together with Northvolt. The Port of Gothenburg became a partner in the project and acquired 5% of the shares as part of its work to secure access to electricity from renewable sources. We are involved in similar discussions in other projects, both in Sweden and in our other markets.

Long-term sustainability strategy for Eolus

Through our operations, we contribute to the energy transition and tackling climate change. In all of this, it is also important for us to conduct our operations responsibly. During 2023, we adopted a long-term sustainability strategy until 2040 that is presented on pages 40–55. Eolus has joined the UN Global Compact and we commit to continue to follow its principles in the areas of human rights, labor, the environment and anti-corruption.

Eolus's continued success is completely dependent on a strong organization. During the year, we welcomed 55 new colleagues and by the end of the year we had 134 employees. There is enormous commitment and a wide range of skills in Eolus and it is a pleasure to see that so many people want to work in the forward-looking renewable energy sector. Many people choose Eolus because of our strong culture and successful history.

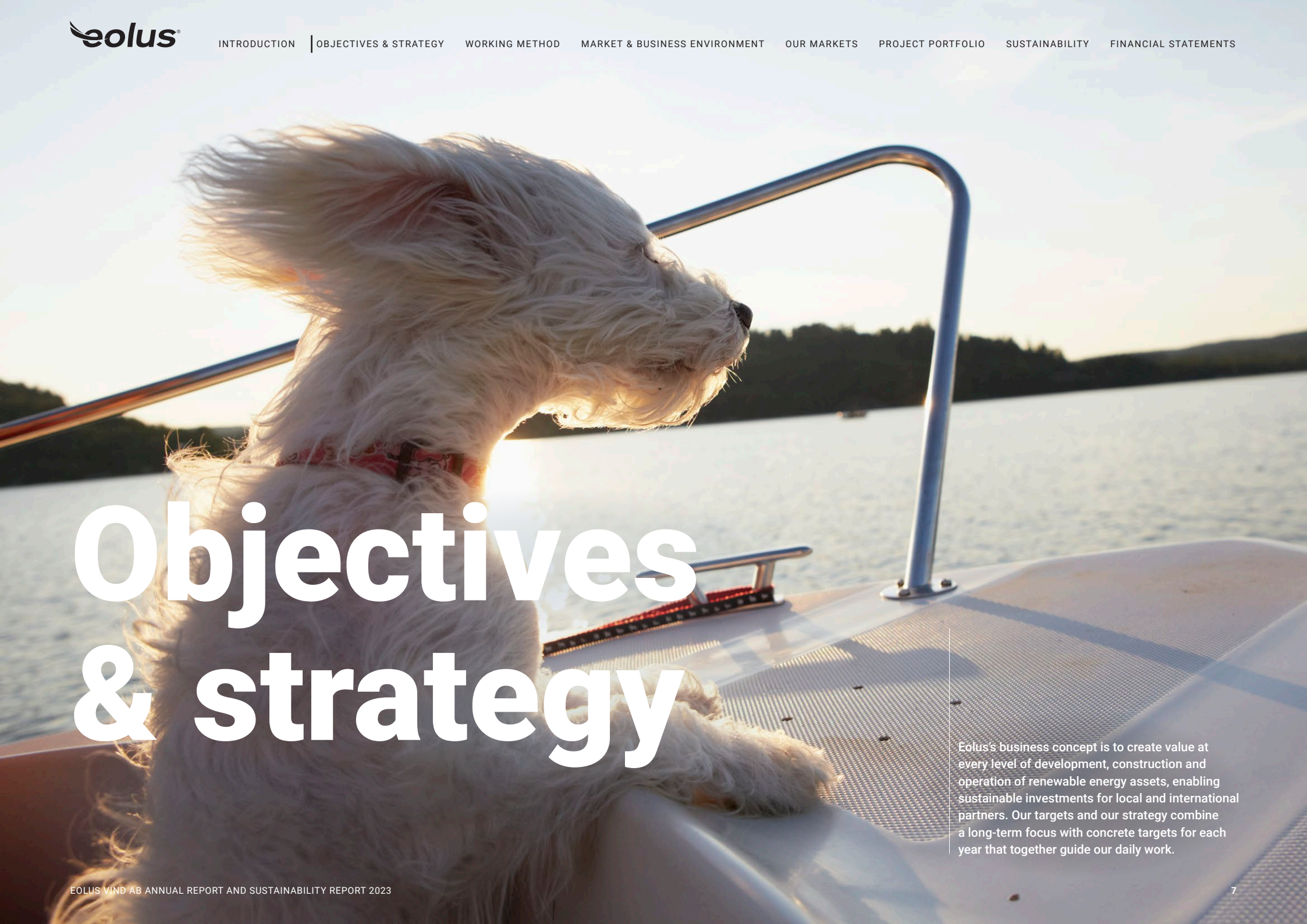
Entrepreneurial spirit and long-term focus

With dedicated employees and a high-quality project portfolio, we have an immensely strong foundation for the future. In 2024, our focus is on driving project development to increase the degree of maturity and to have permitted projects that are ready to be sold and constructed both within the next few years and further into the future. As always, our focus is on the long-term, while our ambition is to retain our entrepreneurial spirit and courage, which have been with us since the company's inception in 1990.

I have had the privilege to have been the CEO for more than ten years and it has never been more exciting. I cannot imagine any other industry or company that is facing such an interesting future. Many thanks to all employees, my colleagues in Group Management, the Board of Eolus, customers and shareholders for the record year of 2023! I look forward to an exciting and eventful 2024 when we will formulate a business plan and targets for the years ahead – targets that will contribute toward Eolus's vision of a renewable future where everyone can lead a fulfilling, yet sustainable life.

Hässleholm, March 2024

PER WITALISSON
CEO



Objectives & strategy

Eolus's business concept is to create value at every level of development, construction and operation of renewable energy assets, enabling sustainable investments for local and international partners. Our targets and our strategy combine a long-term focus with concrete targets for each year that together guide our daily work.

VISION We want to enable a renewable future where everyone can lead a fulfilling, yet sustainable life.

From idea to reality

The Øyfjellet Project was completed and handed over to its owner, Øyfjellet Wind AS, in March 2023. The facility comprises 72 wind turbines with annual electricity generation of about 1.3 TWh. The electricity provides Alcoa's production facility in nearby Mosjøen with renewable electricity, enabling Alcoa to make extensive investments in the facility.

Eolus's business concept is to create value at every level of development, construction and operation of renewable energy solutions. That is how we enable sustainable investments for our local and international business partners. It's therefore exciting to see how the renewable energy market is growing so fast.

In the business plan for 2022–2024, we are expanding in all technologies and all of our markets. We now offer competitive investment opportunities in solar, wind and energy storage in the Nordic region, the Baltics, Poland and the US. At the same time, we are keeping an eye on future technologies and markets.

Experience, competence, courage and a successful strategy will lead to a strong financial position and a growing business. And that's also the case for Eolus. We have the knowledge on how to develop renewable energy projects in our DNA. The power of the transition of the society is stronger than ever so our strategy and business model are providing excellent conditions for Eolus's continued expansion ahead.

Our strategic direction

We focus on projects that are most likely to be realized, with the highest possible quality at the lowest possible cost. This method means that we can offer our investors facilities with low cost per megawatt-hour, throughout the entire lifespan of the facility.

We secure land for our energy facilities with clear land-use rights and land leases. Before entering into agreements, we discuss the project, its development and possible collaborations in depth. At the same time, we build long-term relationships with the landowners. The more involved they are, the better ambassadors they are for the project. Offering market-based compensation is therefore a matter of course for us. This usually takes the form of an annual lease based on the value of the electricity generated. In many cases, the lease income is also allocated over large areas. In that way, we include neighboring landowners and other local interests who are affected by the establishment.

Our selection process encompasses the entire business opportunity and everything that is included during the project period: access to wind or solar, potentially conflicting interests, local acceptance, opportunities for grid connection and the constructability of roads and foundations. Actually creating the best possible conditions for projects with high realization potential has proved a sustainable strategy for us.

Business concept

To create value at every level of development, construction and operation of renewable energy assets, enabling sustainable investments for local and international partners.

New sustainability strategy for Eolus

In 2023, Eolus's Board of Directors adopted a long-term sustainability strategy for Eolus for the period up to 2040. The aim of the strategy is to enable a strong integration of sustainability in Eolus's core business and this will influence Eolus's future business plans.

The sustainability strategy is based on Eolus's material topics and contains targets for climate, biodiversity and social engagement. The strategy and targets are described on pages 40–55.

Our business model

Eolus develops, constructs and manages facilities. We develop our own projects from scratch, but also acquire projects in various phases of development. We are flexible and base our choice of technology on the location and current market conditions. That is how we create value with every step. Previously, we were mainly focused on the divestment of turnkey energy facilities. Today, our projects are larger and more capital-intensive, which is why we now welcome investors at an earlier stage of the process. Investors acquire the project from us, and we often sign a Construction Management Agreement where we manage and perform the construction. That way, the buyer can finance the construction instead of us. That reduces Eolus's risks and the need to raise capital for the construction costs.

Entering into more partnerships is entirely in line with our overall view of business, trust and collaboration. Eolus's business model also enables acquisitions of companies or projects under development. The model also allows sales of project rights for permitted and ongoing projects.

Magnus Axelsson, COO and Deputy CEO, and Catharina Persson, CFO, at Eolus's annual company conference.

Business plan and financial targets 2022–2024

Eolus's business plan for 2022–2024 involves an expansion in all technologies and in all of our markets. Based on the business plan, Eolus has communicated the following financial targets:

Financial targets	Outcome 2023/comments
Sales of 1,000 MW per year on average during the period 2022–2024.	In 2023, the Skallberget/Utterberget, Tjärnäs and Rosenskog projects totaling 125 MW were sold. In 2022, 1,010 MW were sold. The average for the years 2022-2023 thus amounts to 567.5 MW. The goal has not yet been achieved.
From 2025, sales shall amount to 1,500 MW per year on average.	Through a strong focus on the development of existing and new projects in combination with the acquisition of projects, we create the conditions to have enough projects ready to sell from 2025 onwards. During 2023, the project portfolio grew by 5,000 MW. This is a long-term goal that follows the plan.
Return on equity at Group level shall exceed 10% per year on average.	The return on equity amounted to 46 percent. Goal achieved.
Equity ratio at Group level shall exceed 30%.	The equity ratio amounted to 56%. Goal achieved.
Eolus' dividend over time shall follow the earnings and correspond to 20–50% of the Group's profit after tax. However, dividends will be subject to the Group's investment requirements and financial position.	The Board of Directors proposes a dividend of SEK 2.25 per share, a total of SEK 56 million for 2023. The proposed dividend follows Eolus' dividend policy and is deemed to be justifiable with regard to the group's financial position and future funding needs. Goal achieved.

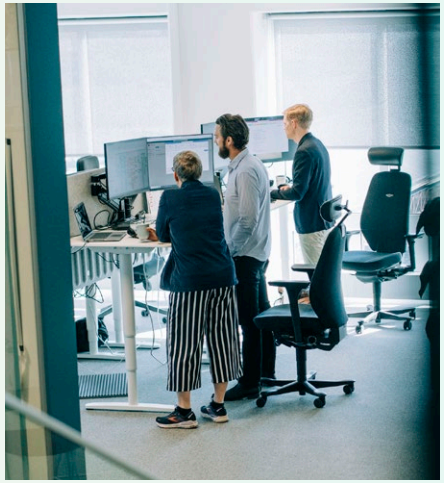
CORE VALUES

Our company culture has always been characterized by an entrepreneurial spirit and a strong bond. That is how we intend to continue. As we expand, nurturing and developing our culture is important. We want to grow wisely and build an even stronger team spirit with four core values that we have formulated together.

Values that describe who we are and how we want to be perceived. Values that focus on a long-term approach, results, flexibility, collaboration, care and courage. They strengthen us in our ambition to be both local and global. A strong bond requires trust and that always begins with one person trusting another.

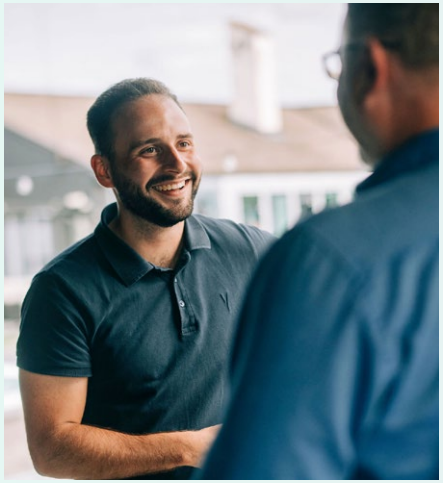
Act today with the future in mind

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



Go for excellent results

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



Be kind and caring

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

Stay brave and hungry

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

The share

Eolus Vind AB (publ) has two share classes, Class A and Class B. The company's Class B share is traded on Nasdaq Stockholm Mid Cap under the ticker EOLU B. The share is included on Nasdaq's OMX Stockholm Benchmark Index, which includes the largest and most traded securities listed on Nasdaq Stockholm.

Share price performance

In 2023, the share price fluctuated between the lowest price of SEK 62.85 on August 23, 2023 and the highest price of SEK 118.05 on February 2, 2023. On the last trading day of the year, December 29, 2023, the closing price was SEK 88.70. Eolus's share price dropped 19.4% during the year, to be compared with Nasdaq Stockholm Mid Cap's index, which rose 7.21% during the same period. A total of 11,845,195 Class B shares were traded during the year.

Dividends

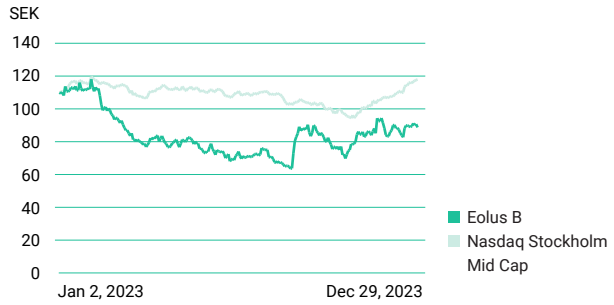
Eolus's long-term dividend policy entails that dividends over a long period of time will be determined by earnings and correspond to 20–50% of the company's profit after tax. However, dividends will be adapted to the company's investment requirements and financial position. Prior to the 2024 Annual General Meeting, the Board proposes a dividend of SEK 2.25 (1.50) per share, totaling SEK 56 M (37.4). This is a 50% increase compared with the preceding year and corresponds to a direct yield of 2.5%.

Share capital

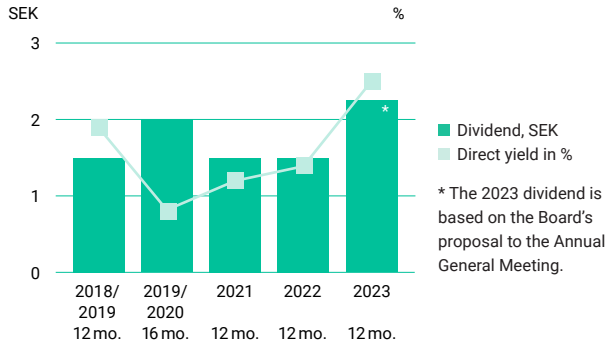
At December 31, 2023, the nominal amount of share capital in Eolus Vind AB (publ) was SEK 24,907,000. The total number of shares was 24,907,000 (24,907,000), divided between 1,284,625 Class A shares carrying one (1) voting right per share, and 23,622,375 Class B shares, carrying one-tenth (1/10) of a voting right per share. Under the Articles of Association, shareholders may convert their Class A shares to Class B shares. Such a conversion took place in September 2023, when 1,000 Class A shares were converted to 1,000 Class B shares at the request of shareholders. The number of voting rights decreased by 900, from 3,647,762.5 to 3,646,862.5, while the total number of shares remained unchanged.

Eolus has completed 11 new share issues since the company's inception in 1990, of which the latest was in 2011 in conjunction with Eolus's acquisition of Svenska Vindbolaget AB. The purpose of all new share issues has been to facilitate faster expansion than the company's earnings growth has enabled. For information about the share capital trend, refer to www.eolus.com.

Share price performance



Dividend per share and direct yield



* The 2023 dividend is based on the Board's proposal to the Annual General Meeting.

Eolus as an investment

Growing demand for renewable energy
Switching to fossil-free energy is essential for reducing GHG emissions and slowing climate change. The transition of industry and the transport sector requires large amounts of new, fossil-free electricity generation and renewable energy is most cost-efficient to construct. The need to become independent of Russian oil and gas has also increased demand for renewable, decentralized electricity generation in Europe.

Long experience and strong organization
Eolus was founded in 1990 and has long experience of developing wind projects. In recent years, we have also built up expertise in solar energy and storage. We have grown sharply in recent years and built a strong organization where we have maintained and developed Eolus's strong company culture with courage, kindness, ambition and entrepreneurship.

Business model for higher profitability and lower risk
Eolus's business model essentially involves developing projects until they are ready for construction to start. The projects are then sold to a long-term investor who normally finances the construction and Eolus manages the construction on behalf of the buyer. This means that we reduce construction risk and the need for construction loans.

Diversified project portfolio
Our project portfolio is diversified and has a good spread over both markets and technologies. This means that we reduce the risk of changed conditions in a certain country or for a certain type of technology having too significant impact.

Stable financial position
Eolus has a strong equity/assets ratio and high equity.
This gives us flexibility when new business opportunities arise – for acquiring companies or projects, for example.

Ownership structure

At December 31, 2023, the company had 33,555 shareholders, down 3,050 during the fiscal year. The ten largest shareholders accounted for 28.5% (28.2) of the capital, and 48.7% (48.4) of the voting rights. The largest shareholders were mainly Domneåns Kraftaktiebolag and Hans-Göran Stennert. At the end of the 2023 fiscal year, Eolus Vind AB did not hold any treasury shares.

Key figures per share

	Dec 31, 2023
Earnings per share, before and after dilution, SEK	23.00
Ordinary dividend, SEK[1]	2.25
Direct yield, %[2]	2.5
Share price at year-end, SEK	88.70
Market capitalization at year-end, SEK M[3]	2,209
No. of shares outstanding, 000s	24,907
Average number of shares during the year, 000s	24,907

[1] Based on the Board of Director's dividend proposal
[2] Dividend divided by the closing price for the current fiscal year
[3] Also includes unquoted Class A shares

Shareholders at Dec 31, 2023

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	606,354	986,454	4.0%	12.1%
Åke Johansson	202,120	400,000	602,120	2.4%	6.6%
Hans Johansson and Borgunda bygghandel, through companies	189,520	40,418	229,938	0.9%	5.3%
Avanza Pension	0	1,247,006	1,247,006	5.0%	3.4%
Clearstream Banking S.A.	0	436,600	436,600	1.8%	1.2%
Nordnet	500	406,813	407,313	1.6%	1.1%
Ingvar Svantesson	40,000	6,500	46,500	0.2%	1.1%
Second AP Fund	0	396,932	396,932	1.6%	1.1%
Lannebo Sverige Hållbar	0	388,375	388,375	1.6%	1.1%
Other shareholders	102,235	17,700,452	17,802,687	71.5%	51.3%
Total	**1,284,625**	**23,622,375**	**24,907,000**	**100.0%**	**100.0%**

Intervals	No. of shares	% of capital	No. of shareholders	% of shareholders
1–500	2,366,069	9.6%	30,432	90.7%
501–1,000	1,144,128	4.6%	1,482	4.5%
1,001–5,000	2,705,127	10.9%	1,236	3.7%
5,001–10,000	1,278,676	5.1%	177	0.2%
10,001–15,000	642,351	2.6%	52	0.2%
15,001–20,000	541,963	2.1%	30	0.2%
20,001–	16,228,686	65.1%	146	0.5%
	24,907,000	**100.0%**	**33,555**	**100.0%**

Our ways of working

Through our process for the development of wind, solar and storage projects, we guide the projects step by step through the development process, with the final objective to complete a facility that delivers electricity from renewable sources to consumers and businesses.

Value with every step

Our aim to create value with every step has always shown us the way forward. Over the years, we have developed an ability to define the ideas and projects we want to invest in at an early stage. We develop projects from scratch – on our own, or in partnerships – and we also acquire projects in various phases. Our experience in developing and establishing facilities, from beginning to end, makes us a stable and reliable partner.

We follow a proven process in five steps (origination, development, commercialization, construction and asset management). That is how we ensure quality, economic value and high sustainability ambitions for the entire lifespan of the facilities.

Origination

In the first step (origination), we create new business opportunities. Our business developers identify and assess potential sites and investigate the possibility for constructing wind, solar and/or energy storage. If we see potential for a successful establishment and a possibility to co-exist with other community interests, we secure access to the relevant sites by signing agreements with landowners.

Development

In the next stage (development), we develop the project in consultation with the public, municipalities and authorities and complete the necessary steps to apply for a permit for the project. The goal of this stage is to obtain all of the permits required to realize the project. We carry out thorough studies of, for example, the cultural environment, co-existence with local communities, conservation value, bird habitats and seabeds. Alongside of this, we work intensively to secure grid connection so that the electricity generated can be efficiently distributed to users and consumers. We also carry out a technical feasibility study prior to submitting a permit application.

Commercialization

Phase three (commercialization) involves preparing the projects for divestment, procuring construction and wind turbines, solar panels or battery storage systems, identifying potential buyers for the project and managing the transaction process. The aim is to sell the project before construction starts. In this stage, we also engage in dialogue about price hedging strategies with investors and electricity retailers or major electricity consumers. It has become increasingly common for manufacturing companies to sign electricity contracts where they purchase elec-

Cooperation across team boundaries plays a key role in ensuring the projects are developed effectively and with high quality. Social activities across team boundaries take place both during and outside of working hours.

tricity from a specific energy facility under a multi-year agreement. Over the years, Eolus has signed agreements with, for example, Google, Amazon, Alcoa, Hydro and several energy companies.

Construction

In the fourth stage (construction), the actual construction commences. This takes place when all of the necessary permits for the project have been obtained and an investment decision has been made. Eolus manages the construction on behalf of the owner under a Construction Management Agreement (CMA). We purchase the right services from external suppliers, and manage the construction, assembly and commissioning. For a wind power project, this involves the construction of roads, crane sites, foundations and internal grids, and the assembly and commissioning of wind turbines. For solar projects, this can include roads, electrical grids and the assembly and deployment of solar panels. When the project is completed, it is finally handed over to the owner.

Asset management

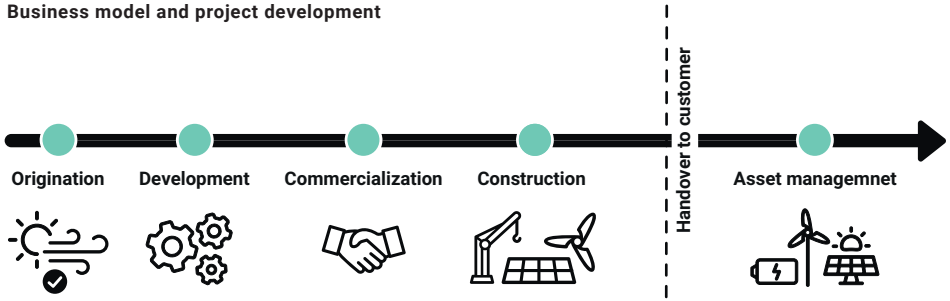
In the fifth and final stage (asset management), the facility is completed and transferred to operational phase. The buyer usually signs a multi-year asset management agreement with Eolus for the facility. The goal of the asset management services is to ensure that the owner receives professional management of all aspects related to the operation of a facility, including surveillance, control, monitoring, administration and contact with the owner's contracted service provider, who also preforms the practical service and maintenance work.

Collaboration is the key

Eolus is an independent developer and does not produce any wind turbines, solar panels or battery storage systems. We collaborate with various partners and use the suppliers that best meet our demands and requests, and those of our customers. This arrangement creates major benefits for us in terms of scalability and flexibility. While the project portfolio varies from country to country, the target is always the same – that Eolus shall develop profitable projects that contribute to renewable electricity generation or storage, while also accounting for other community interests.

Always with the goal of adding value.
With every step.

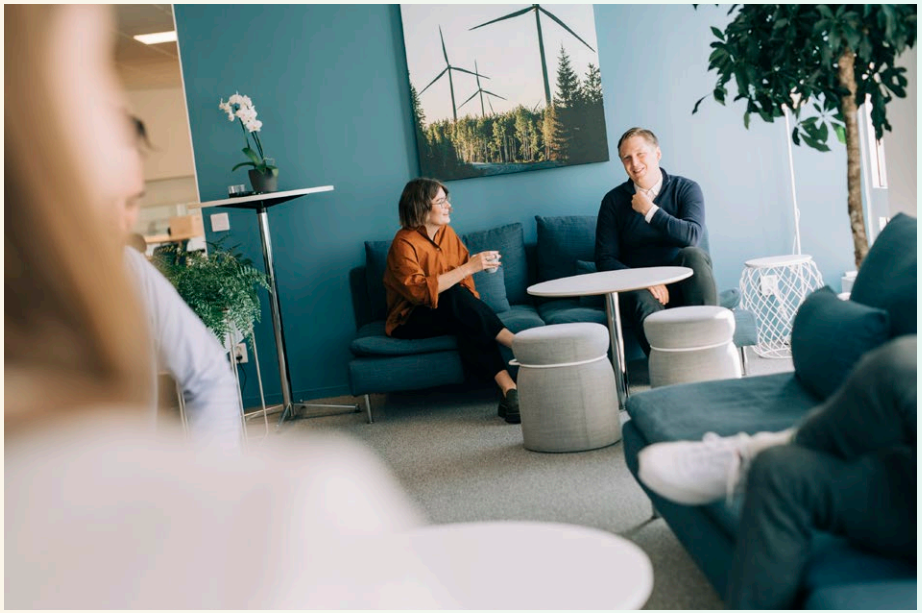
Business model and project development



The illustration describes Eolus's project development process and how Eolus manages the technical and administrative aspects of the facility after handing it over to the owner.

Through its offering in asset management, Eolus provides technical and economic services to owners of, for example, wind farms. Linus Schedin is one of several technical asset managers.

Long-term relationships in a fast-moving world



Eolus's employees have a strong focus on building relationships with various stakeholders, internally and externally. Greta Aurell, project manager for offshore wind power, and Andreas Persson, HR Business Partner, are shown here.

We are proud of the strong trust we have gained from customers, landowners, creditors and employees. Without the trust we have built, we would never be where we are today. Our strong belief in positive, long-term relationships with our business partners is one of our main success factors.

Different customers have different needs at different times. The world is changing faster than ever and becoming both more complex and dynamic. Our ability to keep pace is constantly being challenged. We therefore take pride in our ability to adapt and meet demands as the earth spins faster around us.

Our customers

As our projects grow in both number and size, so does our customer base. We now see more and varied types of buyers for the facilities we develop. From divesting mostly in the Swedish market, the vast majority of our customers are now major international players. This is an exciting trend where relationship-building and flexibility are the cornerstones of continued expansion.

Eolus's main customer groups are currently institutional investors, major consumers and energy companies. In the past, we have also signed agreements with public-sector investors and wind turbine cooperatives.

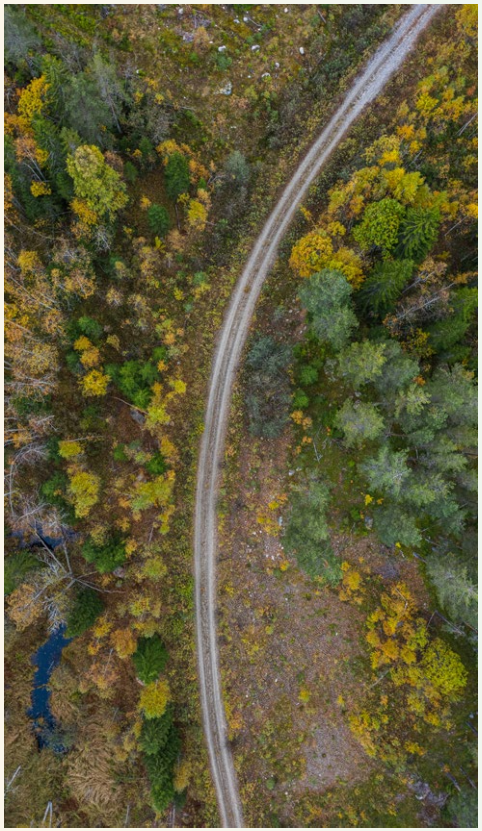
Institutional investors

Most of our customers are Swedish and international financial investors, such as infrastructure funds, insurance companies and pension funds. This trend will continue for investments in utility-scale solar and storage. Public infrastructure ownership, of renewable energy in particular, has a long investment horizon. This enables stable returns and continuous cash flows, providing security for investors. Due to the global focus on sustainability, the interest in renewable energy investments is growing, both as owners of energy facilities, and shareholders in companies like Eolus. These investments in renewable electricity generation are helping to drive the energy transition, reduce CO_2 emissions and reduce risks in other green investments. The allocation of capital to renewable energy is an important driver for the world to meet its climate goals.

Major consumers

As companies and organizations need to secure their long-term electricity prices, wind and solar power offer a stable and low-cost road forward for meeting the ambitious sustainability targets of these companies. By investing in their own facilities, or signing multi-year PPAs, the companies are securing a sustainable electricity supply for

the future. The customer can purchase electricity generation from a specific facility and secure capacity without owning the facility themselves through Power Purchase Agreements (PPA). The largest PPA buyers globally are Amazon, Meta, Google and Microsoft. We have signed PPAs with players in Sweden, Norway and the US with major success over the years, including Google and Amazon, but also with industrial companies such as Alcoa and Hydro. The importance of access to renewable energy on attractive terms is expected to increase in line with the powerful electrification trend and we are engaged in ongoing discussions with large companies regarding opportunities to collaborate around wind power, solar and storage.



Energy companies

Over the years, we have divested wind power facilities to both Swedish and international energy companies. The energy companies can thereby increase their generation capacity cost-efficiently, and offer green electricity from their own facilities. Some energy companies choose to sign PPAs instead of owning the facilities. In Sweden, we collaborate with the Norwegian company Hydro, for example, which operates in the aluminum and energy sector. We are working together on a portfolio of nine wind power projects. This confirms that collaboration is often the way forward.

Wind turbine cooperatives

We have been successfully selling shares in wind turbines to consumers and businesses for many years, which has created local engagement. Several thousand individuals and businesses are now partners in the facilities we have installed. Our main focus at present is large projects, but share sales may become relevant again in the future. Not least for building confidence and creating local engagement.

Photomontage showing Västvind seen from Hönö.

Eolus is collaborating with Volvo Cars and the Port of Gothenburg on the Västvind offshore project

In 2023, Eolus entered into collaborations with both Volvo Cars and the Port of Gothenburg for our Västvind offshore wind project. Collaborations show clearly how a secure electricity supply is strategically important for companies to manage the transition.

The Port of Gothenburg has bought into Västvind as a partner and owns 5% of the project. Eolus has retained a 95% stake.

"The world's major ports will become energy hubs and centers for the production of hydrogen and e-fuel for shipping. The Port of Gothenburg's strategy is to lead the transition to green shipping, but that position will not come without effort. Access to green electricity will be crucial for the Port's development and competitiveness. Investing in offshore wind power is therefore a strategic decision for us. In this situation, we have to do everything we can to ensure the Port's access to green electricity," said Elvir Dzanic, CEO of Göteborgs Hamn AB, in connection with the acquisition.

Volvo Cars and Eolus took the first step in a partnership based on an ambition that the wind farm would deliver large amounts of electricity to Volvo Cars' operations in Hisingen.

"The world is facing a massive challenge due to the climate crisis. Volvo Cars is planning to sell only all-electric vehicles by 2030. We are working hard to reduce CO_2 emissions throughout the entire life cycle of our cars, including the electricity used to manufacture the vehicles and their batteries. By investing in electricity from offshore wind power outside Hisingen, our aim is to secure access to supplies of local renewable electricity at a reasonable cost," said Johan Lannering, Head of Strategic Collaborations and Projects at Volvo Cars, in connection with signing the Letter of Intent.

Read more about Västvind on page 36.

Asset management – a key component of the total offering

Eolus provides asset management services to owners of renewable energy facilities. Operations economist Lembi Olofsson visiting one of the wind farms managed by Eolus.

An important part of the life cycle of a wind, solar or battery facility is the operational phase – when the project is completed and fully operational This phase requires professional management of both the technology and administration. For many owners, such as institutional investors, electricity generation is not their core business, or they do not have a local presence in the actual market.

Eolus offers asset management for projects that we have developed as well as facilities developed by other players. We manage the assets on behalf of the owner, with the aim of maximizing accessibility and minimizing operating costs. This service includes surveillance, control, monitoring, administration, accounting and contact with the owner's contracted service provider, who also performs the practical service and maintenance work.

Partner and adviser with long experience

During our more than 30 years in the industry, we have built up extensive expertise in asset management. Eolus now provides asset management for onshore wind facilities in Sweden and the US. Our aim is to expand this offering to other markets and for other technologies in pace with our realization of projects in more technologies and in other markets.

Eolus's asset management organization is part of the Eolus Wind Power Management subsidiary. Here are experienced employees who serve as advisers to both customers and suppliers, but also internally to other parts of the company during the project development and construction phases. Close collaboration in these stages creates the conditions for high quality in the asset management stage.

Two of Eolus's technical asset managers at a turbine in Sötterfällan near Jönköping.

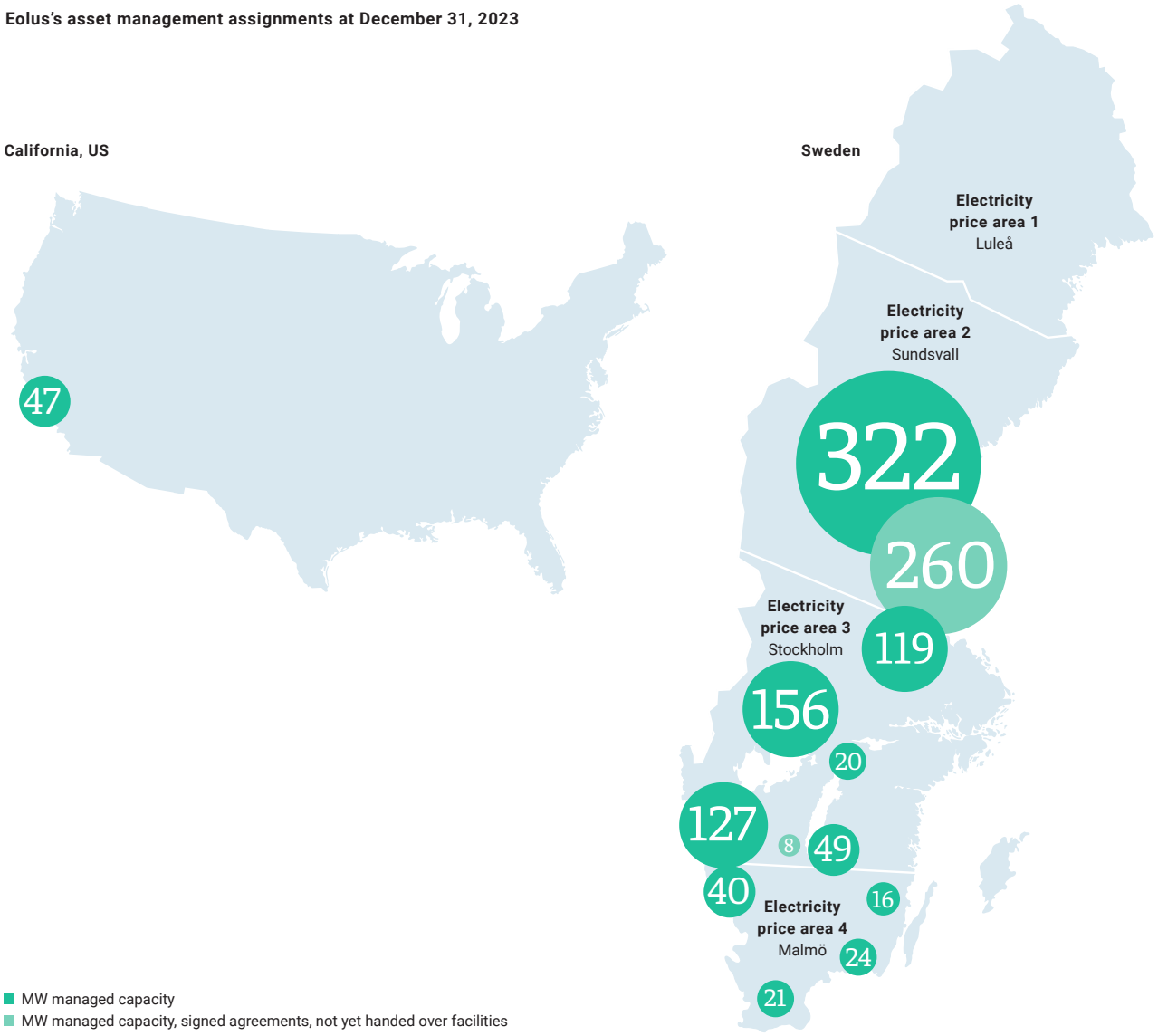
Long-term revenue streams

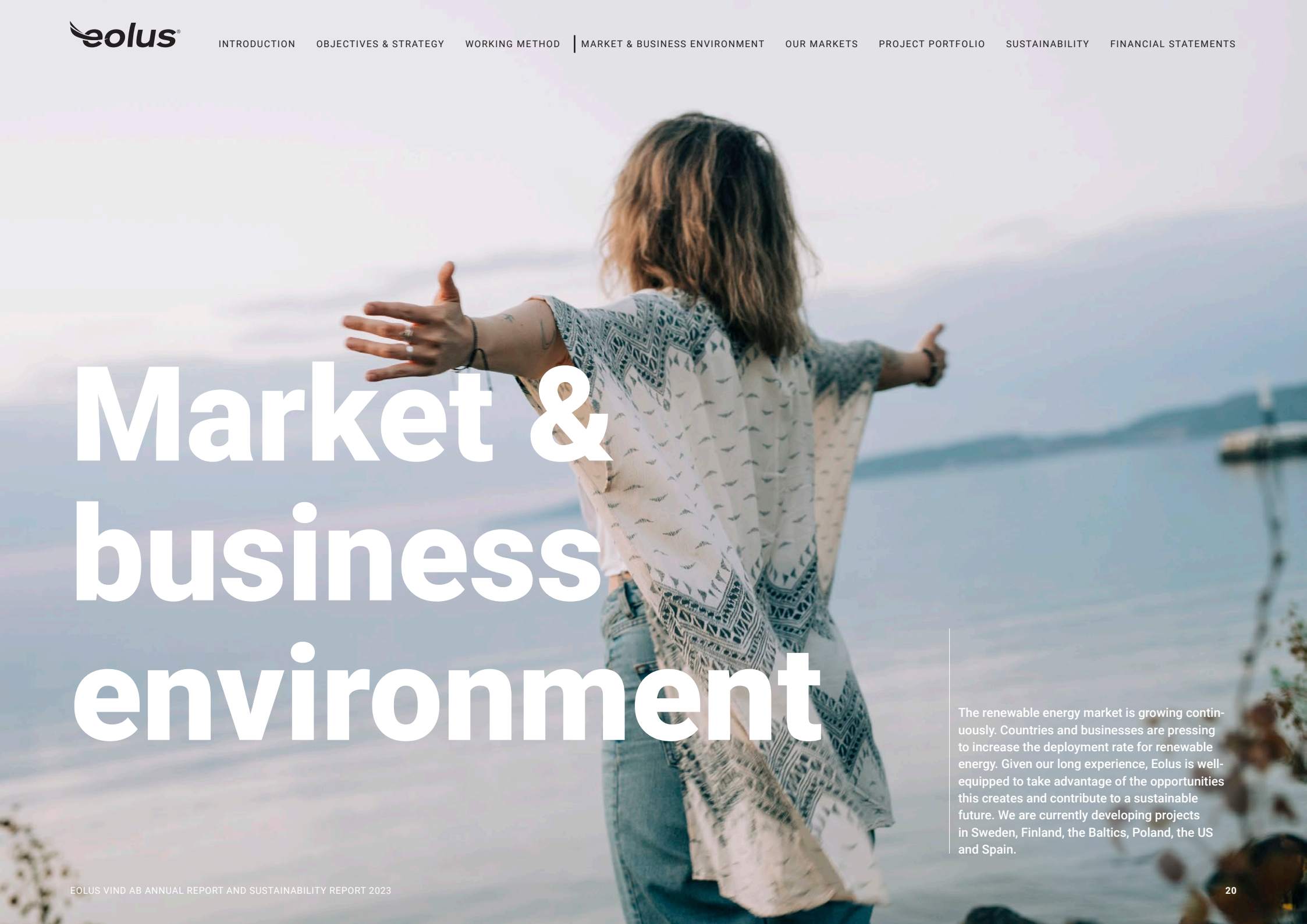
At the end of 2023, Eolus had signed asset management agreements for 941 MW. In addition, agreements for 268 MW have been signed for facilities not yet deployed. When these farms are deployed, Eolus will manage wind power assets with estimated annual generation of approximately 6 TWh. Asset management services contribute to stable and long-term revenue streams and enable us to create value through long-term customer relationships.

Eolus's asset management offering

Eolus offers technical operation and all administration of a facility, such as responsibility for electrical operations, health and safety, accounting and financial statements, and insurance. We also serve as the point of contact for the facility's relevant suppliers, regulators and insurance companies. Our employees check and monitor the facility from Eolus's operations center, monitor scheduled and unscheduled service, perform on-site visits, carry out annual inspections and ensure compliance with regulatory requirements. The customer can choose to either purchase a total solution or individual selected services.

Eolus's asset management assignments at December 31, 2023





Market & business environment

The renewable energy market is growing continuously. Countries and businesses are pressing to increase the deployment rate for renewable energy. Given our long experience, Eolus is well-equipped to take advantage of the opportunities this creates and contribute to a sustainable future. We are currently developing projects in Sweden, Finland, the Baltics, Poland, the US and Spain.

Onshore wind power

Eolus develops onshore wind capacity in all of our markets. We have around 8 GW of onshore wind capacity in our portfolio, of which half is in Sweden. The fact that most of the projects are in Sweden is only natural since the development of wind power projects takes a long time and Sweden is our original market where we have been developing projects for many years. In Finland, we expanded our wind power portfolio significantly in 2023 through the acquisition of YIT Energy Oy. For more information about our project portfolios in each market, refer to pages 26–29.

Cost-efficient electricity generation

Onshore wind power is still highly cost-effective. According to the International Energy Agency (IEA), three-fourths of newly installed onshore wind and utility-scale solar had lower costs for electricity generation than existing fossil energy facilities.

The expansion of wind power is expected to continue, but conditions vary between each country. In its Renewables 2023 report, the IEA forecasts that global installed wind power capacity will more than double between 2022 and 2028.

The EU wants to facilitate wind power

In September 2023, the EU adopted RED II – a revised version of the Renewable Energy Directive (RED I) from 2009 – which is aimed at doubling the share of renewable energy by 2030. It contains a number of measures to accelerate the expansion of renewables and the rules in the Directive must be incorporated into the national legislation of each member state by the first half of 2025.

In addition, the Energy Ministers of 26 member states endorsed the European Wind Charter in December, committing to implement the EU's Wind Power Package. The Package contains 15 actions to strengthen the continued expansion of wind power and was endorsed by all EU countries where Eolus operates – Sweden, Finland, Estonia, Latvia, Lithuania, Poland and Spain.

New Act to boost wind power in the US

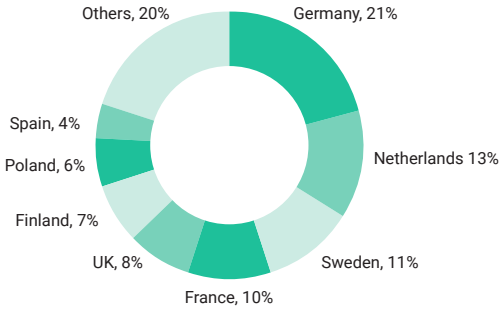
In the US, investments in renewable energy are expected to increase significantly over the next few years due to the new Inflation Reduction Act (IRA) that was introduced in 2022. In addition to the incentives in the IRA, 37 of 50 US states have set targets that support the expansion of renewable energy. From 2023–2028, nearly 340 GW of renewable energy capacity is expected to be added in the US and, in principle, exclusively in the form of wind and solar power according to the IEA. Growth is expected to be particularly strong toward the end of the five-year period, largely due to the IRA.

Emerging technologies are making turbines more efficient

Today's new wind turbines generate more electricity per megawatt than ever before and Sweden and Finland dominate when it comes to installing the latest wind power technology. The ability to build higher turbines is key to this development, since longer rotor blades can be used and wind speeds increase with height. In Sweden, wind turbine capacity has increased by more than 0.5 MW per year in recent years. Ten years ago, the average capacity factor for onshore wind was about 24% compared with just over 37% today, according to the Swedish Wind Energy Association. The capacity factor is the average power generated by a wind turbine divided by its peak capacity.

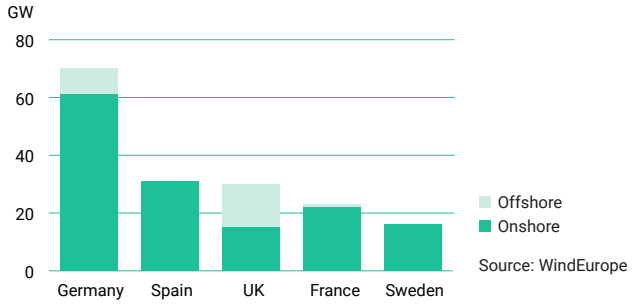
The Skallberget/Utterberget wind farm in Avesta Municipality was completed in 2023.

New installations of wind power in Europe 2023



Source: WindEurope. Refers to installed capacity.

European countries with highest cumulative installed wind power capacity 2023



Source: WindEurope

Offshore wind power

Eolus has offshore wind projects of 10 GW, with about two-thirds in Sweden and one-third in Finland. The Swedish projects include projects located in Sweden's economic zone, where permits are approved by the Swedish government, and projects in territorial waters, where the Land and Environment Court reviews the applications in the same manner as for onshore wind power. We also have some projects located across both zones.

In 2023, we submitted applications for three Swedish offshore wind projects: Västvind outside Gothenburg, Arkona south of Sweden and Najaderna outside Tierp. In Finland, we submitted an application for continued development exclusivity of the Finnish Wellamo and Navakka projects. We also have one offshore project in Latvia that is being developed together with German PNE, as well as additional early-stage projects in Sweden.

In 2023, Eolus submitted permit applications for three offshore projects in Sweden and in early 2024 a fourth application was submitted.

Utility-scale offshore electricity generation

Offshore wind power has the potential to account for a major share of the renewable energy increase that is needed to meet the energy transition. To give some idea of the capacity, the annual electricity generated by two large offshore wind farms combined is roughly the same as the electricity generated by Sweden's largest nuclear reactor at present, Oskarshamn 3.

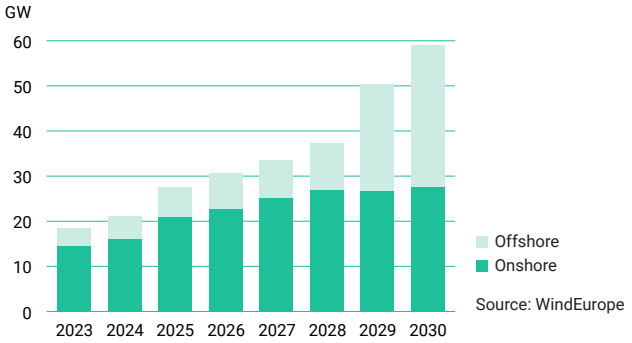
Offshore wind power is more expensive to build than onshore wind capacity, but has many benefits. Offshore wind farms can be larger than those onshore. In addition, offshore winds are both stronger and more even. Offshore winds are also easier to forecast, which is an advantage for operation of the power system. Offshore wind turbines can also be larger. Overall, this means that offshore capacity factors are about 50% compared with about 40% for onshore turbines. A modern offshore wind turbine can generate electricity about 90% of the time, but with varying capacity.

Lower costs close to the shore

In its Global Offshore Wind Report 2023, the Global Wind Energy Council predicts a double-digit growth rate for offshore wind power in Europe this decade, but the biggest increase is not expected until after 2026. Growth is expected to be boosted by the EU's energy policy, REPowerEU, the European Green Deal and the EU's Net Zero Plan. However, offshore wind power has been impacted by the macroeconomic situation with inflation, rising costs and supply chain disruptions, which has meant that investments have been canceled or postponed in the UK and the US in particular.

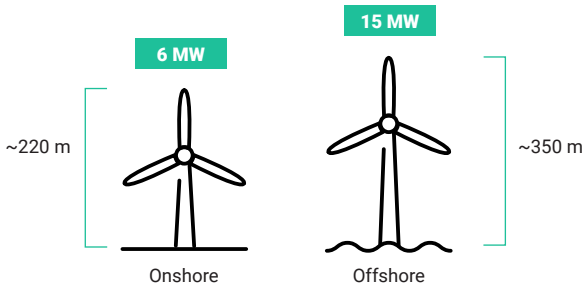
In Sweden and Finland, we expect that the favorable conditions for offshore wind power development will continue. Since construction and installation costs increase as projects move further away from the shore, it can be assumed that projects closer to land are more likely to be constructed in the foreseeable future.

Forecast for new installations of wind power



Source: WindEurope

Capacity per turbine – onshore vs. offshore



The illustration shows the average capacity of onshore wind turbines deployed in 2022 compared with the offshore turbines now planned. Taken together, higher installed capacity per turbine, the option to build higher turbines with larger rotor blades that capture more wind and strong offshore winds make offshore wind farms highly effective and they have the potential to contribute large amounts of new electricity generation.

Source: Swedish Wind Energy Association, Swedish Environmental Protection Agency

Solar power

Eolus is developing utility-scale solar projects in Sweden, Finland, Poland, the US and Spain with a total capacity of 5.9 GW. The largest project is Centennial Flats in Arizona, US, with 500 MW of solar power and 250 MW of battery energy storage. The project was divested in 2022 though Eolus has continued to provide development services. Read more about the project on page 38. The right conditions exist in Poland for utility-scale solar and Eolus has a large number of projects under development here. In Sweden, we have several permitted solar projects, but due to the waiting time for connection to the electricity grid, construction will probably be delayed for a year or so.

Renewable electricity with low impact on the local area

Utility-scale solar power has many benefits. The permitting process is generally easier than for wind power, although it differs between countries. The impact on neighbors is low and it is relatively easy to screen the solar farm from view with trees that surround the farm with greenery. Initiatives that promote biodiversity are also possible in a solar farm, such as growing plants that attract pollinators like bees and butterflies. We are also looking into the possibility of testing agrivoltaics, where photovoltaics are combined with agriculture.

Solar power also has its challenges, mainly in the form of human rights violations in the supply chain. This is because 85% of the world's silicon, which is used to produce solar panels, is produced in China, where it is found that minority groups work under conditions of forced labor. Eolus makes clear demands on our suppliers, but there are challenges in regard to opportunities for reviewing and ensuring compliance. That is why we are also working with our industry to drive this development. We are members of the Solar Stewardship Initiative, for example, which is a quality program with a focus on improving performance in environmental and social sustainability as well as corporate governance in the solar energy value chain. Read more about this on pages 54–55.

High targets for expansion in the EU

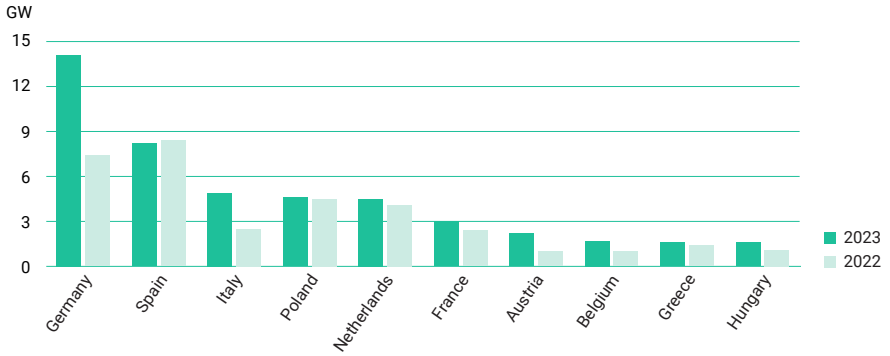
The EU is promoting the acceleration of solar technologies and has adopted the EU Solar Energy Strategy as part of the REPowerEU plan. The strategy includes a focus on making permitting processes shorter in member states and ensuring the availability of a skilled workforce across the entire value chain. The revised Renewable Energy Directive (RED II) that was adopted in 2023 also contains initiatives to make permitting procedures for renewable energy easier and faster. The EU aims to deliver 320 GW of solar photovoltaic by 2025 and almost 600 GW by 2030. Sweden and Poland are two of the ten EU countries that are expected to install most solar power between 2024 and 2027.

New Act promoting solar initiatives in the US

Similar to wind power, investments in solar power are expected to increase significantly over the next few years due to the new Inflation Reduction Act (IRA) that was introduced in 2022. In addition to the incentives in the IRA, 37 of 50 US states have set targets that support the expansion of renewable energy. Almost 340 GW of additional renewable energy capacity is expected between 2023–2028, according to the International Energy Agency. The installation rate for commercial solar energy projects in the US is expected to increase from 1,700 MW of new installations in 2023 to 2,442 MW in 2028 according to Wood Mackenzie.

Solar power can be combined with various forms of agriculture. For example, sheep could graze in a solar farm.

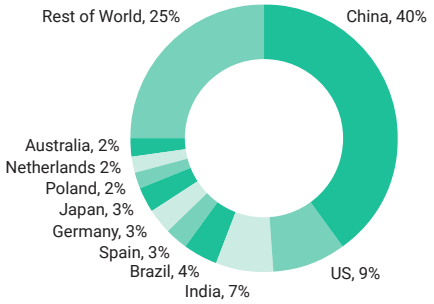
Top solar GW markets in the EU, 2022 and 2023



The figures for 2023 are a forecast.

Source: SolarPower Europe, EU Market Outlook for Solar Power, 2023–2027.

Proportion of global solar capacity additions in 2022



Source: SolarPower Europe, EU Market Outlook for Solar Power, 2023-2027.

Battery storage systems and hydrogen

Electricity generation from renewable sources is increasing. Since electricity generation from wind and solar varies and is seasonal, energy storage in various forms is becoming increasingly important. There are several technologies for energy storage. Eolus mainly develops battery storage facilities at present, as either stand-alone installations or in combination with wind or solar power. Hydrogen will be an effective way to store energy moving forward and we are looking into the possibility of combining hydrogen production with wind and solar power. In Aurum, the offshore wind project outside Robertsfors, Eolus is also planning to apply for a permit for hydrogen production.

Battery storage

Utility-scale battery storage is a key technology in the transition to a sustainable energy system. Battery systems can support a wide range of services for the electricity system. Some examples are frequency regulation, peak shaving, voltage support, load leveling, grid investment deferral, increased self-consumption of renewable energy and backup power. Battery storage facilities can be established either in combination with solar or wind, or as stand-alone installations, depending on local conditions and needs.

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

The battery storage market is growing fast, and the global market is projected to grow faster than forecast due to new political initiatives such as the Inflation Reduction Act (IRA) in the US and the REPowerEU plan. BloombergNEF forecasts that cumulative capacity will exceed 650 GW by 2030, a 15-fold increase on 2023 when installed capacity was 42 GW.

Hydrogen

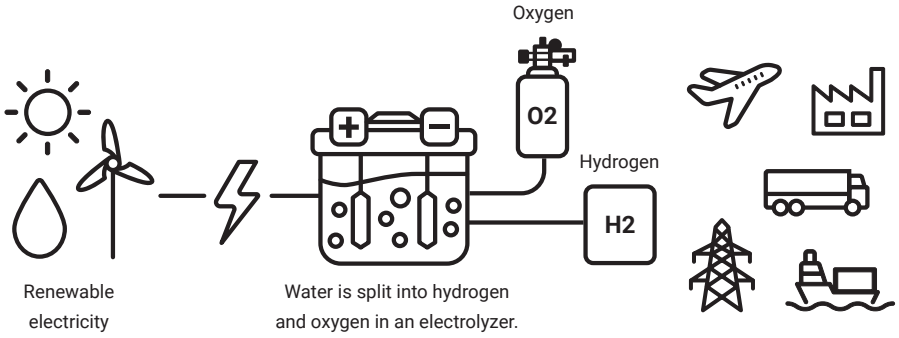
Hydrogen is used to carry, store and deliver energy. Hydrogen can be produced from a variety of energy sources but is usually produced from solar, wind or hydropower. Compared with batteries as a storage option, hydrogen can be stored for a long time. Hydrogen can therefore be produced when it is very windy or sunny and stored for later use. Hydrogen can also be used in fuel cell systems to produce heat and electricity for buildings, with water vapor as the only emission.

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

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

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

How green hydrogen is produced



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

Source: Hydrogen Sweden

Our markets

Eolus's operations reach far beyond Sweden's borders. We are developing projects for renewable energy in Sweden, Norway, Finland, the Baltics, Poland, the US and Spain. All markets have different conditions and opportunities. This is why our local organizations and business partners are key to succeeding in each country.

Sweden

Magnus Axelsson, COO and Deputy CEO, Eolus

Swedish energy policy is based on EU energy policy and legislation, but Sweden also has its own energy targets. These include 100% fossil-free electricity generation by 2040.

The Swedish government estimates that Sweden's electricity demand will be at least 300 TWh per year by 2045. According to the Swedish Energy Agency, that figure could be even higher. In 2023, Sweden generated 163 TWh of energy, of which about 80 TWh is expected to reach end-of-life before 2045. That means that nearly 220 TWh new electricity generation will need to be added before 2045. According to the Swedish Energy Agency's scenarios, the increase is expected to take off by as early as 2030–2035, mainly depending on the industry's transition and development, and new industries for the production of, for example, electrofuels, batteries and new ore mining.

Onshore and offshore wind power

Wind power is expanding at a rapid rate. According to the Swedish Wind Energy Association, about 2,000 MW of new wind power was installed in 2023. In addition, new wind turbines with a total capacity of 1,244 MW were ordered, which is a recovery from a very weak 2022 but slightly lower than the record years of 2017–2021. According to the Swedish Wind Energy Association's forecast, wind power could account for about 28% of Sweden's electricity generation by 2025. Many projects are being stopped however by municipal vetoes and the armed forces. In 2022, 73% of all wind turbines were stopped by municipal vetoes, which means that the projects' permits were never reviewed by a court.

In spring 2023, the Incentives Inquiry presented its final report – The value of wind. The Inquiry was tasked with proposing increased incentives to facilitate the expansion of wind power. The proposal included that a proportion of the farm's annual revenue should be used to develop the local community. Local residents should also share the revenue, and those who live closest should have the right to redeem their properties. The Inquiry confirmed, however, that sufficient incentives for facilitating wind capacity additions could only be achieved by sharing revenue with the municipality, but that it was not possible to present such a proposal due to the terms of reference for the Inquiry. The Inquiry's report has been under consultation since autumn 2023. The government has not communicated what the next step will be.

Eolus already offers compensation to landowners, distributes revenue to local residents and funds to the local community, but agrees with the Inquiry's findings that direct incentives to municipalities would facilitate wind power expansion. Since wind power can contribute more utility-scale electricity generation long before new nuclear power becomes operational, we believe there is major potential for both onshore and offshore wind power expansion.

Solar and energy storage

In Sweden, utility-scale solar is still in an early stage, but developments are moving fast and conditions are favorable due to good access to land and low population density. There are challenges, however, mainly the waiting time for connection to the electricity grid and some uncertainty surrounding permits. In 2023, 1.6 GW of new solar power was installed, bringing total installed capacity to about 4.5 GW according to preliminary figures from SolarPower Europe. Of the total installed capacity, small installations on residential buildings accounted for more than 60%. Battery storage and solar panels can be combined, and several of Eolus's solar projects include plans for storage.

Eolus in Sweden

Sweden is Eolus's original market, where we have constructed approximately 15% of wind turbines, and the country remains a key market for us. In 2023, Eolus's Swedish project portfolio grew by more than 2,100 MW and at year-end the Swedish projects accounted for 44% of Eolus's total project portfolio. Of total capacity of 1,700 MW in Sweden, onshore and offshore wind power accounted for just over 90% and solar for 10%. We also have battery storage projects under development, but this is a relatively new area. Four wind power projects with a total of 61 wind turbines were being built in 2023. Read more about these and other projects on pages 34–38.

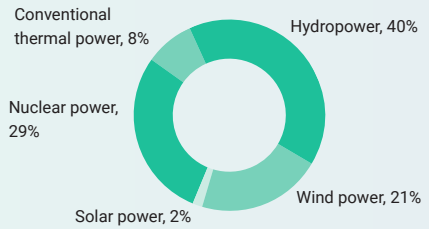
At the end of 2023, Eolus had just over 100 employees in Sweden. These include employees who work with project development and specialist and staff functions for the Group. We have offices in Malmö, Hässleholm, Halmstad, Gothenburg and Sundsvall.

Eolus has built approximately 15% of wind power in Sweden. The Stor-Skälsjön project under construction in Sundsvall.

SWEDEN/Project portfolio, December 31, 2023

SWEDEN/Asset Management December 31, 2023

SWEDEN/Electricity generation per energy source 2023



Source: The Swedish Energy Agency

Finland

Tiina Partanen, Country Manager Finland

In Finland, nuclear power, cogeneration, hydropower and wind power are the main sources of electricity generation. Despite a relatively late start, the Finnish wind power market has grown significantly in recent years. According to the Finnish Wind Power Association, 212 new wind turbines were installed in 2023 with a total capacity of 1,278 MW. The country's total installed wind power capacity was about 6,900 MW. In 2023, wind power generated 14.5 TWh, corresponding to 18.5% of Finnish electricity consumption.

The expansion of wind power is expected to continue in Finland. The Finnish grid operator, Fingrid, forecasts in its local power scenario in the Electricity System Vision 2023 report that Finland will have 14 GW of installed wind power capacity by 2035. The same report estimates that annual generation from onshore wind will amount to 43 TWh, and offshore wind to 6 TWh, by 2035.

Local acceptance for wind power is relatively high in Finland, since revenue from the wind power project's property tax goes to the municipality where the project is based, instead of to the government.

There is also potential for utility-scale solar in Finland but forecasts are weaker than for Sweden, for example, where conditions are considered better.

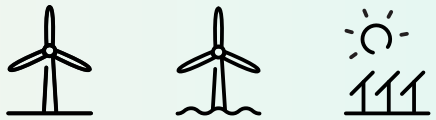
Eolus in Finland

Eolus has been active in Finland since 2014 and we now have a strong local organization with 25 employees. The biggest event of the year for Eolus in Finland was the acquisition of YIT Energy Oy – the division of Finland's largest development and construction company, YIT, that develops renewable energy projects. The acquisition included a project portfolio of 2,300 MW and 16 employees. During the year, Eolus also signed a cooperation agreement with property owner Finsilva regarding the development of five wind power projects with total installed capacity of more than 600 MW.

Eolus has a series of onshore wind power projects in the country, but is also developing two offshore projects: Navakka (1,500 MW) and Wellamo (2,000 MW). In 2023, seabed investigations were carried out for both projects and an application for continued development exclusivity has been submitted to the government.

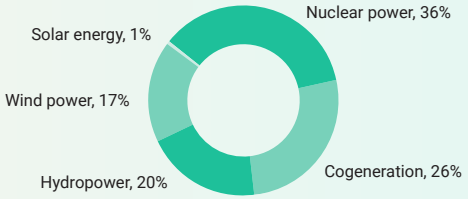
Read more about some of our Finnish projects on page 37.

FINLAND/Project portfolio, December 31, 2023



31% 1,657 MW | 65% 3,500 MW | 4% 219 MW

FINLAND/Electricity generation per energy source 2022



Source: Statistics Finland

Spain

Spain has favorable conditions for both wind and solar power, and the expansion rate for renewable energy has been high for many years. In 2023, electricity from renewable sources accounted for more than 50% of total electricity generation and the government has set an ambitious target of 74% by 2030. Spain is also expected be an attractive market moving forward, mainly due to sharp growth in solar power. The rapid expansion of solar and wind has created challenges for the electricity grid, however, leading to grid constraints in some areas.

Eolus in Spain

Spain is not an active market for Eolus, but in 2023 we started developing a hybrid project of 750 MW wind, solar and energy storage together with a local partner. The project area is located north of Alicante. Deployment is expected to take place gradually, starting in 2027.

SPAIN/Project portfolio, December 31, 2023

33% 250 MW | 33% 250 MW | 33% 250 MW

Norway

In Norway, hydropower accounts for 88% of total electricity generation. Over the past two years, the expansion of onshore wind capacity has been limited by the delay of a new concession process, which included a proposed new property tax on wind turbines. The tax was lower than expected and the market has recovered. Among other things, government-run Statkraft has presented ambitious plans to invest in onshore wind capacity. Norway has also good conditions for offshore wind power. A first offshore wind auction was held in 2023. Solar power is also increasing – capacity doubled in 2023 alone. The Storting (Norwegian parliament) has also set targets to accelerate the deployment rate.

Eolus in Norway

Eolus has developed two large wind power projects in Norway: Stigafjellet, which was completed in 2020, and Øyfjellet, which was completed in 2023. While we don't have any active projects in Norway at present, we are following the market trend and evaluating the potential for new projects on an ongoing basis.

Poland

Daniel Larsson, Country Manager Poland

Poland is heavily dependent on coal power but investors, companies and the population are calling for clean air and renewable energy. Energy security is also high on the agenda. The country's target is to increase electricity generation from renewable sources from the current level of 22% to 65% by 2035, while electricity demand is expected to increase from 167 to 200 TWh. The new government after the 2023 elections is also expected to create considerably better conditions for renewable energy. While the high percentage of coal power is keeping electricity prices high, prices are expected to fall as solar and wind power are expanded. Poland is an attractive market, also in view of the country's favorable weather and wind conditions and the large areas of land that are available. However, grid constraints could be an obstacle in some places.

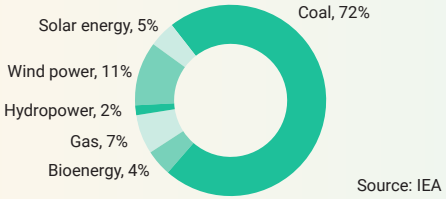
In recent years, Poland has been one of the leading countries in Europe in terms of new solar installations. 4.6 GW was installed in 2023, bringing total installed capacity to 17 GW, according to SolarPower Europe. While most of these installations are on residential properties, the expansion of utility-scale solar is now gathering momentum and according to the Polish research institute IEO, up to 30 GW of solar power could be deployed by 2030. In recent years, wind power expansion has been limited by the rule that the minimum distance between a wind turbine and housing is ten times the tip height of a turbine. The distance was changed to 700 meters in 2023, which is improving conditions. Poland has also set ambitious targets for offshore wind capacity.

Eolus in Poland

Eolus has been active in Poland since 2021 and built up an extensive project portfolio and a strong organization with around ten employees. Projects are developed under own management, and together with strategic business partners. For example, we have formed a partnership with Horizons from whom we acquired several projects and the company participates in the continued development of the projects.

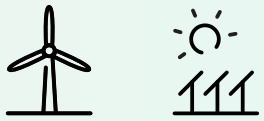
The project portfolio mostly comprises solar projects at present, but also a number of onshore wind projects. The solar projects Krobia and Rekowo (8 MW) have a secured grid connection and are currently the most mature projects in the portfolio. The aim for 2024 is to strengthen the focus on adding more wind power to the project portfolio.

POLAND/Electricity generation per energy source 2022



Source: IEA

POLAND/Project portfolio, December 31, 2023



20% 416 MW

80% 1,678 MW

The Baltics

Inga Abolina, Head of Baltics

In Latvia, the deployment of wind and solar power has been very low to date. Hydropower accounts for most of the country's electricity generation, which means that Latvia is still considered one of the greenest countries in Europe. Following Russia's invasion of Ukraine, the Latvian government's agenda includes several policy documents that support energy independence and climate plans, and thereby a higher share of renewable energy. The target is to reach 57% of final energy consumption from renewable sources by 2030. The country is also working to reduce its emissions from transport, which will increase the need for renewable electricity to produce hydrogen and e-fuels, for example.

In 2023, there was only 137 MW of installed wind capacity, of which 59 MW had been added during 2022. No new wind capacity was installed in 2023. The potential for both onshore and offshore wind is substantial, however. According to a forecast from WindEurope, just over 500 MW of offshore wind capacity may be installed by 2030. The target for onshore wind is to increase to 800 MW by 2030, which would require very fast growth.

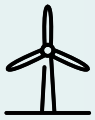
Eolus in the Baltics

Eolus has been active in the Baltics for more than twenty years and is today one of the largest renewable energy developers in Latvia. We have a local organization that in recent years has grown to around ten employees and that moved to larger premises in Riga in 2023. We also have certain resources in Estonia where we have constructed a number of wind turbines. During 2023, we took an initial step in Lithuania by establishing contact with a local partner.

The onshore wind projects of Pienava and Valpene in Latvia with a total capacity of approximately 400 MW were designated prioritized investment projects (Green Energy Corridor status) in 2023, which means they have prioritized access to state administrative resources associated with construction and physical planning. The aim is to commence construction of Pienava in 2025 with deployment planned for 2027. Several advances were made in Valpene in 2023 linked to land control and permits.

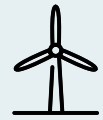
During the year, a partnership was initiated with German PNE to develop the Kurzéme offshore wind project with installed capacity of 1,000 MW.

LATVIA/Project portfolio, December 31, 2023



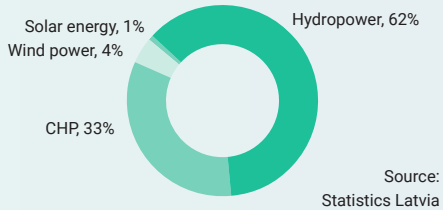
100% 688 MW

ESTONIA/Project portfolio, December 31, 2023



100% 176 MW

LATVIA/Electricity generation per energy source 2023



Source: Statistics Latvia

US

Hans-Christian Schulze, Country Manager, US

Energy regulation in the US is complex with varying rules for permitting, grid connection and electricity trading in different states. Renewable energy ambitions and targets also vary depending on geography and other conditions. The energy transition has become increasingly important in the US and growth has been further accelerated by the new Inflation Reduction Act (IRA). According to the US Energy Information Administration's (EIA) forecast from 2023, solar and wind power are expected to grow in all US states and account for nearly 50% of all electricity generation by 2050.

Solar power continues to grow

Solar power is the fastest growing technology and accounted for 48% of all new capacity installations during the first three quarters of the year, according to the Solar Energy Industries Association. California has long dominated the solar power market, but states such as Texas, Florida and New York are also growing. The deployment rate is driven by the falling cost of solar power, which has dropped more than 40% over the past decade. At the end of the third quarter of 2023, the US had 162 GW of installed solar capacity.

Wind power is expected to expand

Following historically low growth of onshore wind in 2023, the market is now expected to rebound according to the American Clean Power Association (ACP). Wind capacity additions are expected to reach 13 GW in annual installed capacity by 2028, which is twice the amount of 6.5 GW that was installed in 2023. The upgrade of existing wind turbines will be accelerated and older turbines replaced with newer and larger turbines with higher electricity generation. This is expected to be performed on over 30 GW of the existing US onshore wind energy fleet by the end of 2028.

The market for offshore wind is also expected to rebound. The first utility-scale project in the US is now under construction and expansion is expected to continue at a rapid rate. By 2028, the ACP expects offshore wind to reach 12 GW of installed capacity.

Eolus's project development in the US is conducted in partnership with a local development partner. Eolus's Deputy CEO and COO Magnus Axelsson is shown here visiting the office in San Diego.

Strong battery storage market

The rapid rate of battery storage deployment continued in the US with total installed capacity of about 16 GW by the end of 2023. According to forecasts from the EIA, the market is expected to nearly double and reach 30 GW by the end of 2024. Battery storage is considered critical to the creation of a flexible and resilient system and the expansion will mainly take the form of hybrid projects that combine battery storage with solar and wind.

Eolus in the US

Eolus has been active in the US since 2015 and at the end of 2023, nearly one-quarter of our project portfolio was in the US. The focus lies on the states of California, Arizona, Nevada, Idaho, Utah, Wyoming, Washington and New Mexico in the western US region. The activities are conducted together with a local development partner.

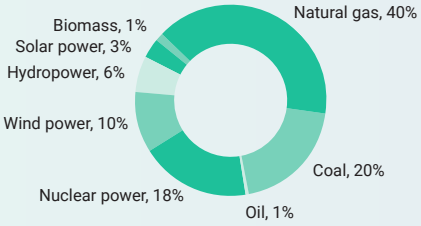
Current projects include Centennial Flats, a combined solar and battery storage project with capacity of 750 MWac in Arizona. The project was divested in 2022 and Eolus has continued to provide the buyer with some development services. In 2023, Eolus received a large milestone payment for the achievement of project milestones.

During the year, an investment decision was made for the Pome battery storage project in San Diego County in California with planned capacity of 100 MW/400 MWh. An agreement to deliver battery storage was signed with a global supplier of battery storage systems and a ten-year battery storage agreement has been signed with an undisclosed customer. Construction and divestment of the project are ongoing and the project is scheduled for completion in 2024. Read more about Centennial Flats and Pome on page 38.

US/Project portfolio, December 31, 2023

US/Asset management, December 31, 2023

US/Electricity generation per energy source 2022



Source: EIA

Project portfolio

Eolus's project portfolio is the core of the company and we have projects in both early and more mature phases, in various technologies and in several markets. We develop our own projects from scratch, but also acquire projects that are under development. Projects are also developed together with players with other fields of expertise or specializations. Today, we have projects of more than 26 GW under development.

Project portfolio continues to grow

Our project portfolio is the core of our company. It's essential that we have a large and diverse project portfolio. With a spread in terms of technology and markets, we minimize risk and create optimum conditions for leveraging various types of business opportunities.

We have onshore and offshore wind power projects, solar power projects and battery storage projects, as well as hybrid projects. In all development projects, we now study the possibility of creating hybrid projects where we can combine solar and wind, or solar and battery storage, for example. Moving forward, solar or wind combined with hydrogen production will also be an interesting option.

Own projects and partnerships

We develop our own projects from scratch, but also acquire projects that are under development. In several of our markets, we also develop projects together with players with other fields of expertise or specializations. In Poland, for example, we have formed a partnership with Horizons from whom we acquired several projects and the company has continued to participate in the continued development of the projects. In Sweden, we are collaborating with Hydro REIN on the development of around ten onshore wind projects. The Stor-Skälsjön project in Sundsvall is another collaboration with Hydro REIN. Read more about the project on page 34. We see major benefits in collaboration, and are planning to form more partnerships moving forward.

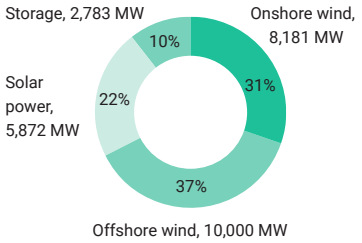
Long development period

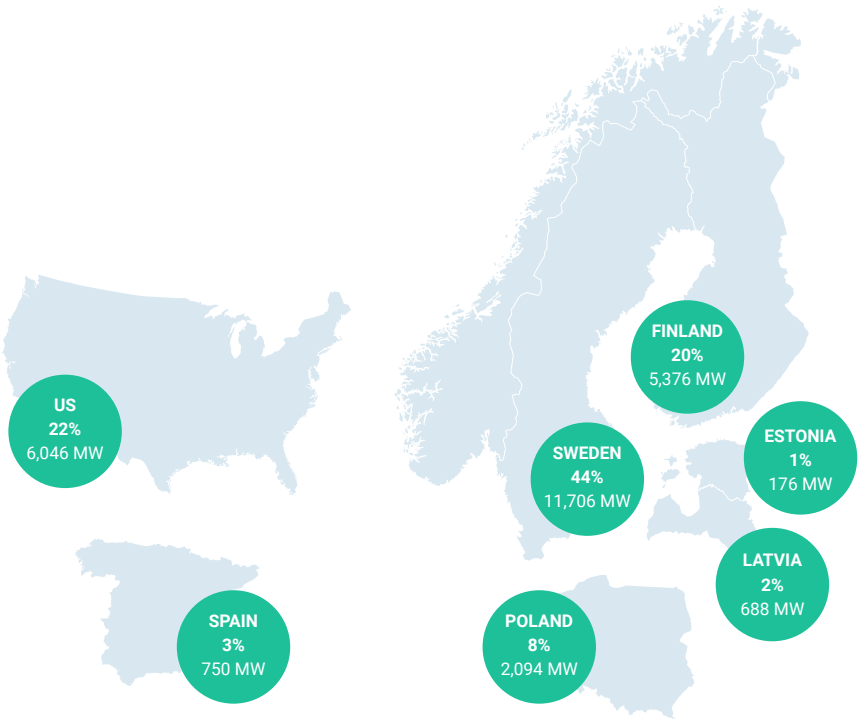
Developing and optimizing projects takes time and the permitting process can sometimes take many years. A project's conditions can change along the way due to, for example, uncertainty surrounding grid connection or changed political conditions. An important part of project development is, therefore, to evaluate, prioritize and optimize the most important projects. All project development normally takes place at Eolus's own risk, and although we have well-developed processes and extensive experience, there is a risk that some of the projects cannot be realized due to market conditions, or because the project is not granted the required permits.

Continued growth in 2023

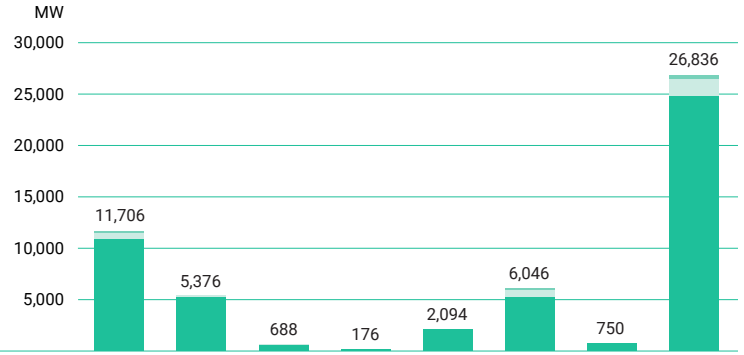
In 2023, the project portfolio increased 22%, from about 21.9 GW to 26.8 GW. All of our technologies grew. Solar power accounted for the highest percentage of growth, mainly in Poland and the US. Several new battery storage projects were added in the US. Onshore wind projects mainly increased in Finland and Poland. Two new offshore projects were also added during the year.

Project portfolio per technology, December 31, 2023





Project portfolio per market and phase of development, December 31, 2023



	Sweden	Finland	Latvia	Estonia	Poland	US	Spain	Total
Construction	268					100		368
Late development	629	125	158		8	750		1,670
Early development	10,809	5,251	530	176	2,086	5,196	750	24,798
Total	**11,706**	**5,376**	**688**	**176**	**2,094**	**6,046**	**750**	**26,836**

Construction and completion of projects

In 2023, Eolus constructed 61 wind turbines in Sweden with a total installed capacity of 386 MW. The total annual generation from these projects is enough to supply approximately 226,000 houses with electricity (estimated using consumption of 5,000 kWh per year). The Skallberget/Utterberget, Tjärnäs and Rosenskog wind projects, with total capacity of 125 MW, were completed and handed over to the owner, BKW, in December. The Stor-Skälsjön project in Sundsvall with 42 turbines with a total capacity of 260 MW is in the final stage of the construction phase and all turbines have been deployed since November 2023. Read more about these projects on pages 34–35.

The Cald battery storage project in Los Angeles, with capacity of 120 MW, was also completed during the year. The project was divested to Aypa Power in 2021 and Eolus has continued to provide Aypa with development services.

The Øyfjellet Project in Norway was almost completed by the end of 2022, and the wind farm was handed over to its owner, Øyfjellet Wind, in March 2023.

Ongoing and upcoming construction projects

In the US, the stand-alone Pome battery storage project of 100 MW is currently under construction in San Diego County. Read more about the project on page 38.

Timmele, a small wind power project of 8 MW in Ulricehamn, has been delayed by complications in the permitting process, and the project is scheduled for completion by 2025 at the earliest.

In 2024, the plan is to commence construction of the Fågelås, Boarp and Dållebo wind projects in Sweden. The projects have a total capacity of 96 MW. Read more about Fågelås on page 36.

In Latvia, we are preparing to start up the construction of Pienava, a 158 MW onshore wind project, and our aim is to begin construction of the project in 2025.

Energy facilities under construction, Dec 31, 2023

Name	Municipality/electricity price area	Technology	Capacity, MW	Planned deployment
Stor-Skälsjön	Timrå/Sundsvall, SE2	Onshore wind	260	2024
Timmele	Ulricehamn, SE3	Onshore wind	8	2025
Pome	San Diego	Battery storage	100	2024
Total			**368**	

The Stor-Skälsjön project is under construction in the Sundsvall area and comprises 42 wind turbines with a total capacity of 260 MW.

Late-phase or divestment-phase projects

Energy projects normally take many years to develop, especially wind power projects. Extensive explorations and studies are required for a permit application, and often take several years to complete. The actual permitting process can also take several years. The permitting process is easier and faster for solar projects, however.

When the main permits for a project have been granted by the local authority, we normally place them in the 'Late-phase or divestment-phase' category. Some markets have other conditions, however, which is why our definitions of the various phases also differ.

Late-phase or divestment-phase projects

Project	Location	Technology	Capacity, MW	Planned deployment	Comments
Krobia & Rekowo	Krobia, Rekowo, Poland	Solar	8	2024	Permit in force. Grid connection secured.
Fågelås	Hjo, Sweden	Wind, onshore	46	2025	Permit in force for seven wind turbines. Divestment of the project is expected to be completed in the first quarter of 2024.
Dållebo	Ulricehamn, Sweden	Wind, onshore	24	2025	Permit in force for four wind turbines. Divestment of the project is expected to be completed in the first quarter of 2024.
Boarp	Vaggeryd, Sweden	Wind, onshore	26	2025	Permit in force for four wind turbines. Divestment of the project is expected to be completed in the first quarter of 2024.
Södra Valla	Örebro, Sweden	Solar	30	2025	Permitted project.
Stockåsbodarna	Sundsvall, Sweden	Wind, onshore	54	2026	Permit in force for eight wind turbines.
Vaberget	Sollefteå, Sweden	Wind, onshore	54	2026	Permit in force for eight wind turbines.
Centennial Flats	La Paz, US	Solar + storage	500+250	2026	The project has been divested to a US-based portfolio company. Eolus will provide development services until deployment, which is planned for 2026.
Ölme	Kristinehamn, Sweden	Wind, onshore	73	2027	Permit in force for 11 wind turbines.
Pienava	Tukums, Latvia	Wind, onshore	158	2027	All required permits obtained. Construction is planned to start in 2025.
Fageråsen	Malung, Sweden	Wind, onshore	238	2027	Permit in force for 33 wind turbines. The project is being developed in partnership with Dalavind. Eolus owns 49%, DalaVind 51%.
Pörtom	Närpes, Finland	Wind, onshore	125	2028	Zoning plan in force. Building permit for electrical substation approved and approval of the building permits for 19 turbines is expected in 2024.
Siggebohyttan	Lindesberg, Sweden	Wind, onshore	84	2028	Permit in force for 12 wind turbines.
Total			**1,670**		

The compilation applies at February 15, 2024.

Projects in focus

SWEDEN

Stor-Skälsjön

Eolus is currently completing the Stor-Skälsjön wind farm in Sundsvall and Timrå municipalities together with Hydro REIN. The farm consists of 42 wind turbines with a total capacity of 260 MW and is expected to generate 800 GWh of green electricity annually.

Electricity from the farm will be purchased by Hydro Energi under a long-term PPA. Eolus and Hydro REIN acquired the project jointly from Enercon in June 2021. By optimizing and amending the permits, the project could be built with fewer turbines than planned but with the same total capacity.

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

Commissioning 2024

Construction of the project commenced in spring 2022. A turbine supply agreement was signed with Siemens Gamesa, and Svevia was responsible for the cabling, building the farm's road network and crane sites, and for casting the foundations. All foundations had been cast by November 2022, and delivery and assembly of the wind turbines commenced in summer 2023. Construction is in the final stage and all wind turbines have been installed since November 2023.

Wind power cluster in Sundsvall

Sundsvall has become a wind power cluster. Eolus has previously constructed the Nötåsen, Jenåsen, Kråktorpet and Nylandsbergen wind farms in the area. These farms have a total installed capacity of 319 MW. In the areas surrounding these wind farms, many local development projects have been realized over the years because of the wind funds that can be applied for every year. In 2023, a wheelchair-accessible fishing pier, wind protection for fishing spots and a new terrace for a local culture center were made possible by wind funds from the Kråktorpet wind farm. Read more about wind funds on pages 50 and 51.

Status:	Projects under construction
Wind turbines:	42 Siemens Gamesa SG 6.2-170
Hub height:	20 123-meter turbines and 22 115-meter turbines
Installed capacity:	260 MW
Electricity generation:	800 GWh/year
Electricity price area:	SE2
Customers:	MEAG and Hydro REIN

"Collaboration with Hydro REIN has made the project a success; together we can hand over a really good facility."

Erik Nilsson, project manager for construction of the Stor-Skälsjön project

SWEDEN

Skallberget/ Utterberget

The Skallberget/Utterberget wind farm in Avesta Municipality was completed in 2023. The farm comprises 12 wind turbines with a total capacity of 79 MW and annual generation of 210 GWh.

Eolus purchased the project from RWE in June 2021 and the wind farm was fully permitted. Construction commenced in spring 2022. Siemens Gamesa delivered and installed turbines and Kanonaden Entreprenad built roads and cast foundations. In June 2023, the project was divested to Swiss BKW together with the Tjärnäs and Rosenskog projects. The wind farm was handed over to the customer in December 2023. Eolus provides asset management services under a long-term contract.

Status:	Project in operation
Wind turbines:	12 Siemens Gamesa SG 6.6-170
Hub height:	115 m
Installed capacity:	79 MW
Electricity price area:	SE3
Customer:	BKW

SWEDEN

Tjärnäs

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

Eolus purchased the Tjärnäs project, together with the Skallberget/ Utterberget project, from RWE in June 2021. The project was fully permitted at the acquisition date, and construction commenced in spring 2022. Siemens Gamesa delivered and installed turbines and Kanonaden Entreprenad built roads and cast foundations. In June 2023, the project was divested to BKW together with the Tjärnäs and Rosenskog projects. The wind farm was handed over to the customer in December 2023. Eolus provides asset management services under a long-term contract.

Status:	Project in operation
Wind turbines:	4 Siemens Gamesa SG 6.6-170
Hub height:	115 m
Installed capacity:	26 MW
Electricity price area:	SE3
Customer:	BKW

SWEDEN

Rosenskog

Eolus completed the Rosenskog wind farm in Falköping Municipality in 2023. The project comprises three wind turbines with installed capacity of 19 MW and annual electricity generation of 56 GWh.

Eolus developed Rosenskog from scratch and construction commenced in spring 2022. In June 2023, the project was divested to BKW together with Skallberget/Utterberget and Tjärnäs. Siemens Gamesa delivered and installed turbines and Kanonaden Entreprenad built roads and cast foundations. The wind farm was handed over to the customer in December 2023. Eolus provides asset management services under a long-term contract.

Status:	Project in operation
Wind turbines:	3 Siemens Gamesa SG 6.X-170
Hub height:	115 m
Installed capacity:	19 MW
Electricity price area:	SE3
Customer	BKW

SWEDEN

Fågelås

In Hjo Municipality in West Götaland County, we are preparing to start construction of the Fågelås wind farm. The project comprises seven turbines with a total capacity of 46 MW and a maximum height of 250 meters.

The project is fully permitted and construction is expected to start in spring 2024 with deployment scheduled for 2025. Divestment of the project is ongoing together with the Boarp and Dållebo wind projects, which are located in Vaggeryd and Ulricehamn Municipalities respectively, and the sales process is expected to conclude in the first half of the year. We are also looking into the possibility of establishing solar PV facilities close to the wind farm. Both of these energy sources complement each other, and create optimization gains in terms of land use and infrastructure.

Status:	Late-phase project
Wind turbines:	7
Installed capacity:	46 MW
Annual electricity generation:	173 GWh
Electricity price area:	SE3
Customer:	Divestment process is ongoing.

SWEDEN

Västvind

In Kungälv and Öckerö Municipalities outside Gothenburg, we are developing the Västvind offshore wind project. With up to 50 turbines and installed capacity of about 1,000 MW, Västvind is expected to generate 4,000–4,500 GWh of renewable electricity per year.

The Western Götaland region is in general need of more capacity for new industrial establishments, research and development activities and electrification. In 2023, the Port of Gothenburg became a partner of Västvind and Volvo Cars signed a letter of intent to purchase a considerable amount of the electricity that the wind farm can generate. Read more about partnership on page 17. In July 2023, a permit application was submitted to both the Swedish government and the Land and Environment Court since the farm is located in both territorial waters and Sweden's economic zone. Västvind can be completed by 2029.

Status:	Early-phase project
Wind turbines:	Maximum 50
Installed capacity:	1,000 MW
Electricity generation:	4,000–4,500 GWh/year
Electricity price area:	SE3

SWEDEN

Fageråsen

Together with DalaVind, Eolus is developing a wind farm with 33 turbines with a total height of 200 meters in Malung-Sälen Municipality. With a total capacity of 238 MW, the project can generate an annual addition of more than 700 GWh of renewable electricity.

DalaVind is a regional player that contributes extensive knowledge and local engagement to the project. The collaboration has been under way for some time, and there has been an environmental permit for the wind farm since 2018. In 2022, the collaboration deepened and Eolus now owns 49% of the project and DalaVind 51%. The area has excellent wind conditions and good infrastructure that supports the transportation and installation of wind turbines. In June 2023, an agreement was signed with Ellevio to construct a new main grid substation that will lead to more secure electricity supply throughout the county. Construction can begin on the wind farm in 2025 and be completed in 2027.

Status:	Late-phase project
Wind turbines:	33
Installed capacity:	238 MW
Electricity generation:	700–740 GWh/year
Electricity price area:	SE3

LATVIA

Pienava

In Tukums Municipality, an hour's drive from the Latvian capital Riga, Eolus is developing the Pienava wind power project with 22 turbines with a total capacity of 158 MW. The wind farm will be one of the largest onshore wind farms in Latvia and play a key role in strengthening the local electricity generation and in reducing fossil-fuel dependence.

The project area has a strategic location that leverages the excellent wind conditions on the Semigallian Plain in Tukums Municipality. The project's environmental impact assessment was approved in 2019 and in 2022 the wind farm received a first approval by Tukums Municipality, followed by a license from the Ministry of Economics for new generation capacity. In 2023, power grid capacity was secured. Start of construction is planned for 2025 and commissioning in early 2027.

Status:	Late-phase project
Wind turbines:	22
Installed capacity:	158 MW
Planned electricity generation:	570 GWh/year

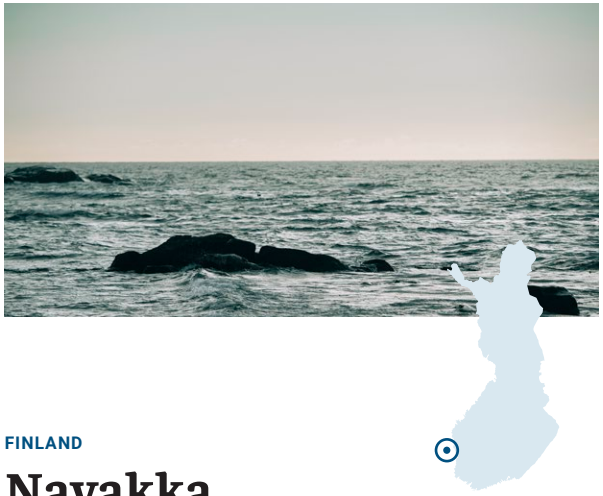
FINLAND

Murtomäki 2

Murtomäki 2, located in Pyhäjärvi, is a wind-solar hybrid project. The project comprises 120 MW wind and 50 MW solar, with annual generation capacity of 350 GWh electricity per year. The project area is located in North Ostrobothnia, approximately 70 km west of Lisalmi.

Murtomäki 2 was added to Eolus's project portfolio in December 2023 when YIT Energy (a subsidiary of the Finnish development and construction company YIT) was acquired. The project's environmental impact assessment was completed in 2023 and the permitting process is ongoing. Wind measurements and a partial master plan are pending approval by the Municipality during the year. Commissioning is planned for 2027.

Status:	Early-phase project
Wind turbines:	15
Installed capacity:	120 MW wind, 50 MW solar
Planned electricity generation:	350 GWh/year



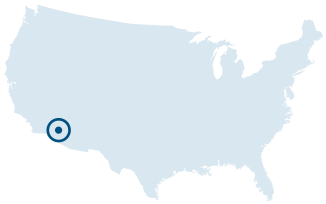
FINLAND

Navakka

Navakka is an offshore wind project in the Bothnian Sea off the west coast of Finland. With up to 100 turbines and installed capacity of about 1,500 MW, the farm is expected to generate up to 7 TWh of renewable electricity per year.

The wind farm's project area is located in the Finnish economic zone, about 30 km outside Merikarvia Municipality. The project was granted an exploration permit by the Finnish government at the end of 2022, and completed the first part of a two-way environmental impact assessment in April 2023. The permitting process is ongoing and the farm could potentially be realized in the early 2030s. Electricity generation from Navakka would be highly significant for Finland and for meeting the country's climate targets.

Status:	Early-phase project
Wind turbines:	70–100
Installed capacity:	1,500 MW
Planned electricity generation:	6,500–7,000 GWh/year



US

Centennial Flats

Centennial Flats is a combined solar and battery storage project that Eolus has developed in Arizona. The project is Eolus's first divestment of a combined solar and battery storage project. Its aggregate capacity is expected to reach 750 MWac initially, with installed generation capacity of more than 1,000 GWh of plannable and renewable electricity per year.

Eolus acquired the project in 2018 and has continued to develop it. In October 2022, the project was divested to a US-based portfolio company that is part of a major, listed global venture capital company. Eolus will continue to provide certain development services to the buyer until commercial operation.

In the second quarter of 2023, a key milestone was achieved for the project, including secured land rights and a signed grid connection agreement. Eolus subsequently received a considerable milestone payment. The total consideration is estimated to range from USD 104–190 M with progress payments until completion, which is scheduled for 2026. At the end of 2023, Eolus had received about 40% of the lower amount in the range. The buyer's continued development and dimensioning of the project will affect the amounts of upcoming payments to Eolus within the range set out above.

The divestment was Eolus's third transaction in the US market and a key milestone in the company's continued expansion in the US, which now accounts for around 20% of the total project portfolio. Read more about Eolus in the US on page 29.

Status:	Late-phase project
Installed capacity:	500 MW solar, 250 MW energy storage
Customer:	Undisclosed

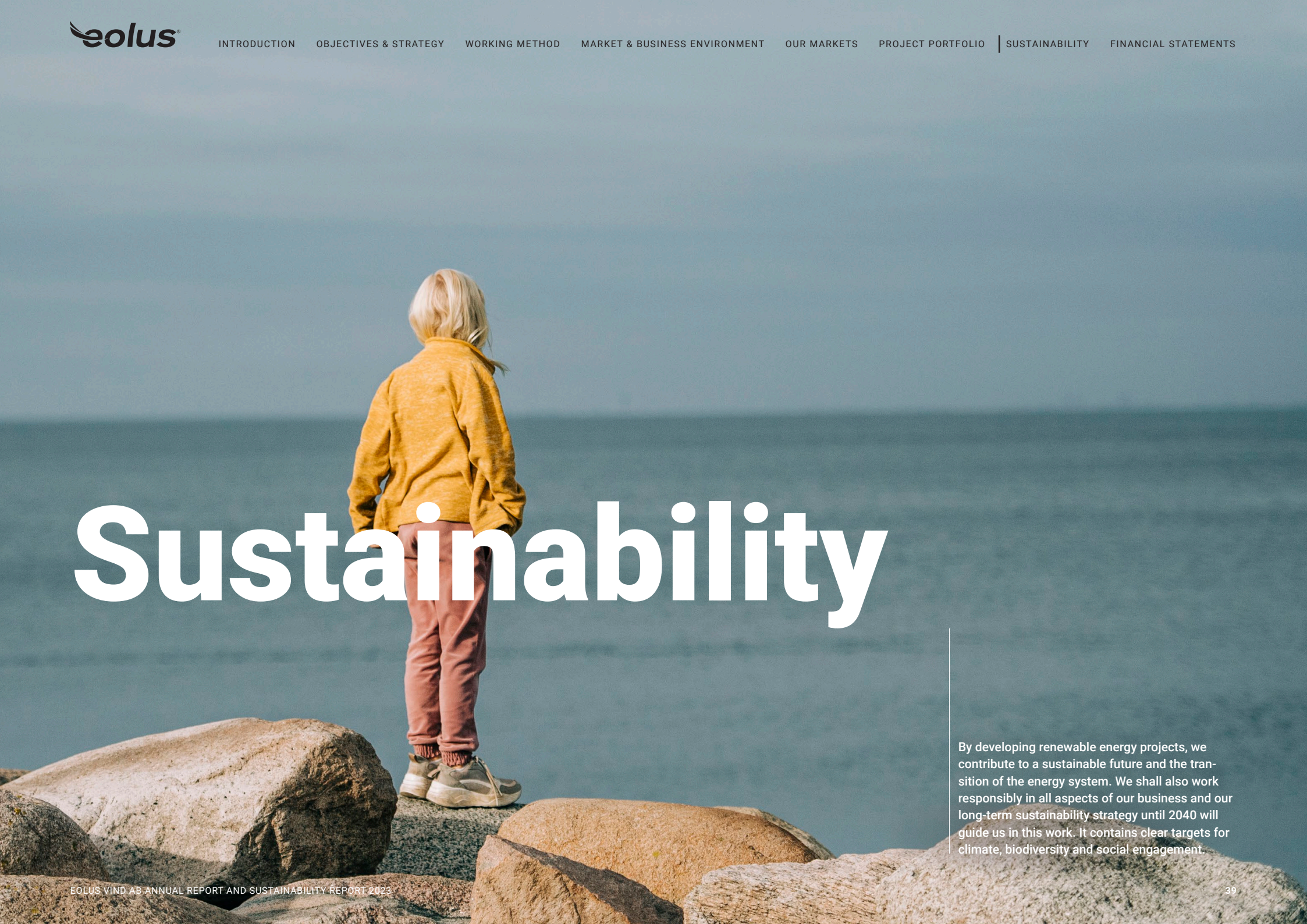
US

Pome

Pome is a stand-alone battery storage project in San Diego, California, with planned capacity of 100 MW/400 MWh. Eolus has been developing Pome since 2019 and following an investment decision in 2023, construction could commence at the end of the year.

The project is scheduled for deployment in the fourth quarter of 2024. An agreement was signed with a global supplier of battery storage systems and a ten-year agreement has been signed with a customer regarding use of the battery energy storage system. Divestment of the project is ongoing and expected to conclude in the first half of 2024. Pome will be Eolus's second battery storage project in the US. Eolus completed its first battery project, Cald, in Los Angeles, in 2023.

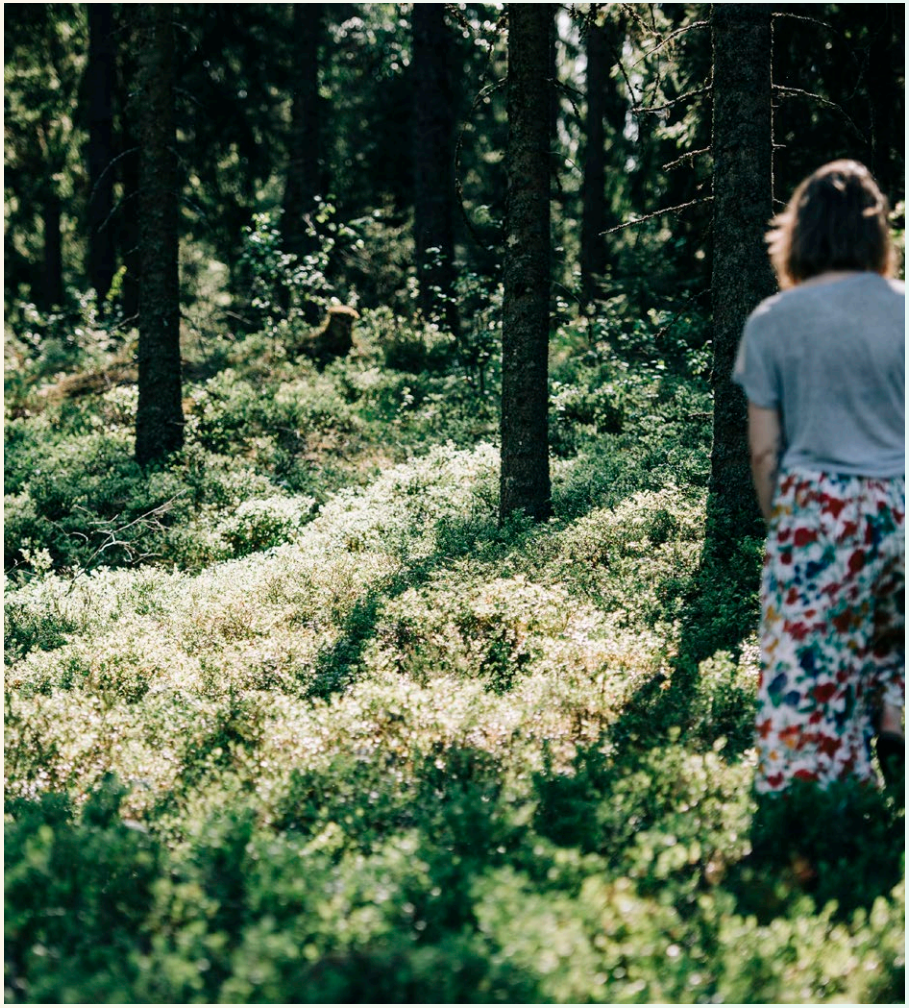
Status:	Project in construction phase
Installed capacity:	100 MW
Customer:	Divestment process is ongoing.



Sustainability

By developing renewable energy projects, we contribute to a sustainable future and the transition of the energy system. We shall also work responsibly in all aspects of our business and our long-term sustainability strategy until 2040 will guide us in this work. It contains clear targets for climate, biodiversity and social engagement.

Setting a new standard



By now, we all know it. The world is getting warmer, ecosystems are disrupted, and extreme weather is becoming the new normal. Climate change is very real. For over thirty years Eolus has been envisioning a future where you can lead a good life within the planetary boundaries. And although the planet is still getting warmer, Eolus has come a long way. Now we want to do even more.

In reaching the climate goals and preserving our ecosystems we need to work together. Because it's all connected. Solving these challenges is not an easy task, but starting now, we will make it happen. So, we're setting concrete goals, taking on three specific sustainability targets – climate, biodiversity, and community engagement.

Three catalysts for a renewable future

What we do at Eolus is vital for achieving the climate goals. By harvesting the power of wind and sun we are already contributing to reducing greenhouse gas emissions and mitigating climate change. However, the establishment and construction of wind turbines, solar panels and batteries still causes greenhouse gas emissions. The goal is that our climate impact shall be non-existent, simply put – we want to run a net zero business throughout all operations.

Biodiversity, or the variety of life on earth, is closely related to our climate target. A decline in biodiversity can disrupt food chains leading to imbalances, potentially causing population declines or entire species going extinct. We all rely on healthy ecosystems to live a good life, both animals and humans. So, making a net positive impact on our collective ecosystems is crucial for us in the years to come.

Taking on these big challenges starts right here. Where we stand. It is together, by involving and respecting the people who live and work close to our project areas, that we can shape the future. Sometimes the interests of our stakeholders may be contradictory and to succeed we need to agree on every new venture. That's why dialogue is so important to us. That's why our community engagement is so fundamental.

Turning words into action

These three target areas will guide each step we take going forward. As crucial parts of our core business they will serve as stepping stones in reducing our ecological footprint. Every day, in everything we do. By 2040 we aim to reach a state of net zero emissions, achieving a net positive impact on biodiversity and being the preferred renewable energy actor in local communities by 2030.

Our vision is to enable a renewable future where everyone can lead a fulfilling, yet sustainable life. To make this happen we need to break down our ambitious goals, dividing them into smaller, achievable parts. That's why our three target areas – climate, biodiversity, and community engagement – will make a huge difference. Both in the daily work of our employees, and ultimately for the good of all life on this planet. Because small steps can make a big difference.

That's how we are shaping the future of renewable energy.

Vision: To enable a future where everyone can lead a fulfilling, yet sustainable life.

Sustainability Targets

CLIMATE

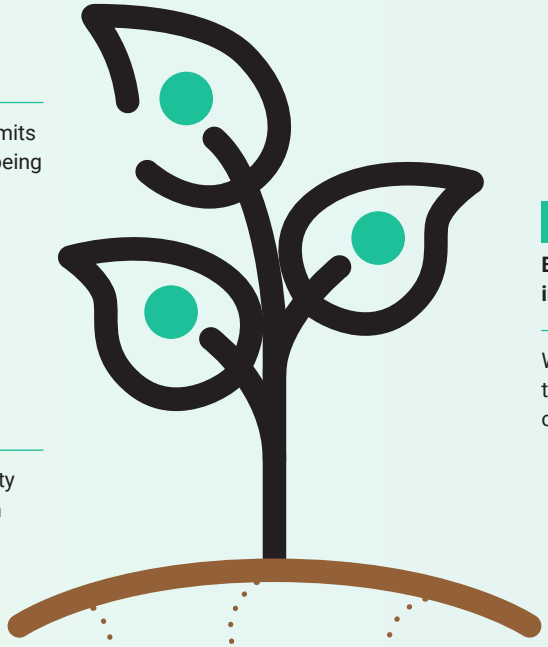
By 2040: Net-zero emissions

Our operations and our entire value chain emits net zero greenhouse gases, enabled by us being collaborative, innovative and transparent.

BIODIVERSITY

By 2030: Net positive impact

We have a net positive impact on biodiversity and nature in our areas of influence on both land and sea.



COMMUNITY ENGAGEMENT

By 2030: The preferred renewable energy actor in local communities

We are known for being a responsible and trustworthy actor with a transparent and caring approach.

Sustainability Enablers

Eolus as an Employer

Our dedicated co-workers are a key resource for the implementation and success of our sustainability strategy.

Circularity

Circularity is the core that supports our business model.

Supplier and Partner Dialogues

We are a demanding and caring partner to our stakeholders. We are responsible and transparent.

New sustainability strategy for Eolus

In 2023, the Board of Eolus adopted a long-term sustainability strategy for Eolus for the period up to 2040. The strategy is based on the material topics identified by Eolus and contains three sustainability targets, three enablers and a number of strategic initiatives and related action plans. The strategy and targets are outlined on this page and described in more detail on the following pages.

Sustainability at the heart of our business

Our target is a future where everyone can live within the within the planetary boundaries. We believe that the solution lies in our fundamental business concept: to create value at every level of project development, construction and operation of renewable energy assets, enabling sustainable investments for local and international partners. That means that Eolus's business concept and core business contribute to the UN Sustainable Development Goals and the EU's climate targets, as well as the transition to a fossil-free electricity system. Whether it is wind, solar or any other source of energy is less important. What we do know is that renewables are the way forward.

Eolus's business concept, business model, strategy and working method are described on pages 8–9 and 14–15.

An evolving business environment

The developments taking place within the sustainability area are leading to an unprecedented change in modern times. The background is the global commitment to tackling climate change, which is formulated in the Paris Agreement, the Sustainable Development Goals (SDGs), the EU's climate targets and the European Green Deal. The focus also lies on a just and sustainable transition that respects human rights. Read more about this on pages 49 and 55.

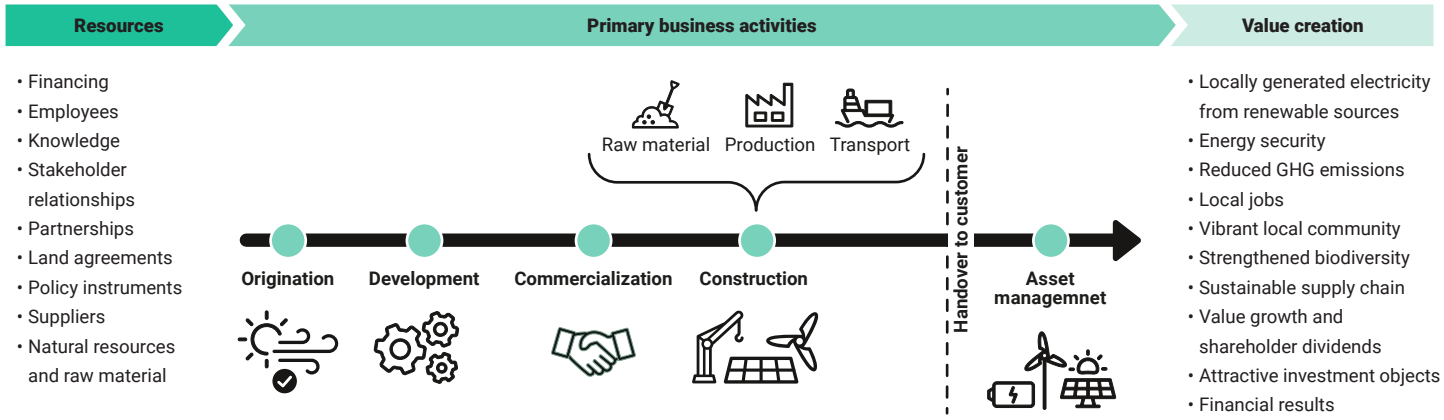
In the agreements and regulatory frameworks, a great deal of responsibility is placed on companies contributing to the transition. One aspect of this is the EU's new directive: Corporate Sustainability Reporting Directive (CSRD). Eolus will be subject to these reporting requirements from the 2025 fiscal year and is currently working to develop the company's sustainability reporting so that it complies with the CSRD and meets stakeholder expectations. Eolus is already subject to indirect requirements since many of the company's stakeholder groups are covered by the EU Taxonomy and other reporting requirements that are not directly applicable to Eolus. Read more under Sustainability disclosures on pages 56–61.

Eolus's sustainability strategy until 2040

During the year, we formulated and established a long-term sustainability strategy for Eolus for the period up to 2040. The strategy is based on the requirements in the CSRD, stakeholder expectations and Eolus's business model. The strategy was approved by Eolus's Group Management first and then established by the company's Board. The sustainability strategy is based on the material topics identified by Eolus and contains three targets, three enablers and a number of strategic initiatives and related action plans. By involving Eolus's Group Management and Board in the creation of the strategy, it is firmly supported by the company's management. The strategy is now being implemented internally, and every employee plays a key role in achieving the targets. A wide range of activities will be introduced to involve, inspire and garner support for the sustainability strategy, so that all employees know how they are expected to contribute to the company's achievement of the targets in the strategy.

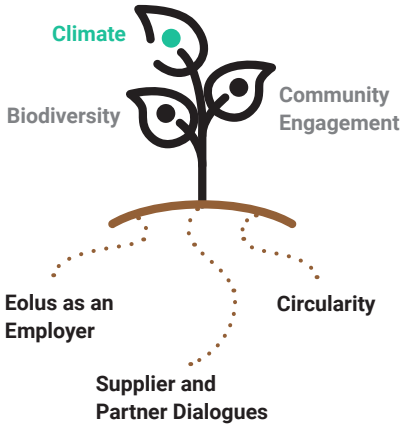
The sustainability strategy's targets and enablers are outlined on page 41 and described in more detail on pages 43–55. Eolus's sustainability governance is described on pages 54–55. Each section describes some of the strategic initiatives that will be in focus during 2024.

Business model and value creation



Eolus's business concept is to create value at every level of project development, construction and operation of renewable energy assets, enabling sustainable investments for local and international partners. Read more about Eolus's business model and value chain on pages 8–9 and 14–15.

Reduced climate impact across the entire value chain



To fulfill our vision of a renewable future, where everyone can lead a fulfilling, yet sustainable life, we need to work actively to reduce the climate impact from our operations. In our sustainability strategy, we have set a target that Eolus will achieve net-zero emissions by 2040. This means that Eolus's operations and our entire value chain must achieve a balance between the total amount of Greenhouse Gas Emissions (GHG) emissions produced and the amount that is removed from the atmosphere.

Climate impact

Wind and sun are renewable resources and electricity generated from wind and solar power is helping to reduce GHG emissions in air, land and water. However, the establishment of wind turbines, solar panels and batteries is not carbon-neutral. The manufacturing and construction phase is the largest source of Eolus's climate impact. Emissions come from, for example, the manufacturing of turbines, solar panels and batteries, transportation, logging, road construction and foundation casting.

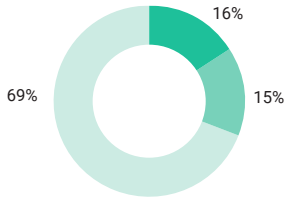
Eolus does not conduct any manufacturing, but purchases goods and services from sub-contractors, which means that most of our GHG emissions come from our value chain, not from Eolus's own activities. In 2023, we continued to create structures for measuring GHG emissions in the value chain, specifically in our projects. The aim was to complete two pilot projects in 2023. In the first project, our intention was to measure emissions from an early phase of development until operation, and in the second project, from the construction phase until operation. This would allow us to evaluate the best method for providing a basis for setting emissions-reduction targets. However, due to inadequate emission data from suppliers, we were unable to complete the planned pilot projects. For this reason, in 2024, we will start using environmental product declarations, life cycle assessments and default values when actual data is not available for mapping the GHG emissions from our projects.

Emission reduction target

We work actively to reduce emissions and we are aiming to join the Science Based Targets initiative (SBTi) in 2024. This means that we commit to setting science-based climate targets that are in line with the Paris Agreement. We will map the sources of Eolus's emissions in order to formulate an emission reduction target for approval by the SBTi.

The force of the wind is not only useful but also enjoyable. A number of Eolus's employees kite surf in their leisure time. Måns Larsson and Joanna Marchlewska Moberg, both project managers for offshore wind, are pictured together with Pawel Maciejewski, Head of project development in Poland.

Distribution of Scope 1, 2 & 3 emissions – all markets
Market-based, tCO_2e



The percentages in the diagram refer to 2023

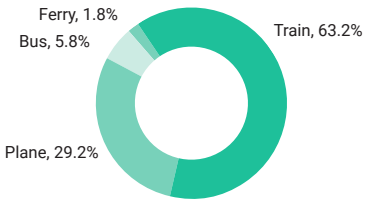
Scope	2023	2022
Direct (Scope 1) emissions	41.2	19.0
Indirect (Scope 2) emissions	35.9	10.4
Scope 3 Value chain emissions and other indirect emissions	173.9	97
Total emissions	**251.0**	**126.4**

We currently measure Scope 1 (including vehicles) and Scope 2 (including purchased district heating) GHG emissions, as well as three categories in Scope 3 (Fuel and energy-related activities, Business travel and Employee commuting).

The reason why Scope 1, 2 and 3 emissions have increased is that the comparative data from 2022 was not complete. In addition, Eolus's operations both inside and outside Sweden grew during the year, leading to an increased need for travel between countries. For an in-depth report on climate change impacts and definitions, refer to pages 59–60.

Out of the Scope 3 emissions that were measured, most come from the category Business travel. While business travel accounts for a small amount of our Scope 3 emissions, it is an emission category that we have a significant opportunity to influence. We have an internal, bonus-based target for all employees with the aim of reducing our GHG emissions from business travel. To further encourage and facilitate climate-friendly travel, we are planning to develop and update our internal business travel guidelines and evaluate other possible initiatives for making climate-friendly travel easier.

Business travel per public transport mode in 2023



Climate – strategic initiatives in focus 2024

We use science-based solutions and technological advances to minimize emissions.

We request electricity from renewable sources for our projects and offices.

Eolus regularly invites employees to visit operational facilities. Mathilda Gylling is a Communications Specialist at Eolus.

Resource use and circularity

Since Eolus is dependent on natural resources in order to establish renewable energy facilities, we have a key role to play in the transition to a circular economy. We strive to include a life cycle approach in our decisions and we integrate this approach in the early phases of our projects that provides wind or solar farms the conditions to be circular. To clarify this commitment, we introduced an environmental policy in 2023 that includes clear instructions on how Eolus shall work with circularity. All employees will undergo training in the policy and receive knowledge and inspiration for how it can be applied.

Responsible use, re-use and recycling of resources requires collaboration between many players. We therefore engage in close dialogue and share our experience and knowledge with manufacturers and as well as other actors in the sector. To drive industry development, Eolus has taken an active role in the Swedish Wind Energy Association's Sustainability Council, and collaborates with industry colleagues to drive developments in circularity. In 2023, various manufacturers launched recyclable rotor blades and a new method for recycling existing wind turbine blades. This is a positive trend for the industry since recycling wind turbine blades has long been a challenge. This is because the rotor blades are generally composed of fibreglass thermoset composites, which are difficult to recycle recycle in a cost and energy efficient manner.

It is important for Eolus that sustainability is a feature of all activities. Daniel Claesson is technical asset manager and is in contact with several of the company's customers in areas ranging from inspections and follow-up to discussions about sustainability information.

Since Eolus also develops solar PV and battery projects, we expanded our monitoring of re-use and recycling of materials from these as well during the year. In solar panels, it is mainly aluminium, plastic and glass that is recycled or re-used, but materials that are found in smaller fractions, such as silicon, still poses a challenge. In Poland, where Eolus has many solar projects, we signed a letter of intent with Stena Recycling in 2023 to secure responsible disposal of end-of-life solar panels from the projects that we develop.

The estimated lifespan of battery storage systems is at least 30 years, although the battery cells need to be replaced after 10–15 years, depending on use. Since batteries are manufactured with critical raw materials such as copper, nickel and cobalt, the recycling industry is working hard to develop effective recycling processes, as this is essential for achieving the EU climate objectives.

A key contribution to a circular approach is to set clear requirements for suppliers of wind turbines, solar panels and battery storage systems, for example, in relation to circularity. Read more on page 55.

Climate risks

In 2023, we evaluated various methods for assessing climate risks in Eolus' wind and solar projects, and in 2024 we are planning to implement a tool for assessing climate risks in our projects. The tool will be a step in Eolus's project model, which must always be implemented at a certain stage of the project. The aim is to provide a better basis for assessing risks in planned projects and to meet the EU Taxonomy's requirements for climate risk assessments, which many of Eolus's investors are subject to. We will also evaluate the financial impact of possible investments required for managing climate risks.

Circularity – strategic initiatives in focus 2024

When developing and designing projects, we work to find new innovative ways to increase recycling and reuse of all resources throughout the entire value-chain.

We design all of our projects with a life cycle approach to minimize waste.

The world's first climate-neutral seabed investigation

As part of the Wellamo project in Finland, vessels were operated on the renewable fuel HVO100 during seabed investigations in 2023.

In 2023, the first climate-neutral* seabed investigation for offshore wind power was carried out. In the Finnish Wellamo project, the seabed investigation was carried out by Clinton Marine Survey using vessels running on HVO100, a completely renewable and fossil-free fuel.

"With a method that allows us to use smaller boats and fossil-free fuel, we can make the survey carbon-neutral," says Philip Ljungström, Project Director at Clinton.

"Using HVO100 is slightly more expensive than diesel, but the environment is important to us and it's been exciting to test this way of reducing the project's carbon footprint," says Måns Larsson, project manager at Eolus.

Sea transport in connection with the measurement, construction and maintenance of offshore wind farms involves an unavoidable environmental risk. But vessels running on HVO100 reduces the impact considerably.

HVO stands for Hydrotreated Vegetable Oil, and is a biofuel for diesel engines. The fuel is made from renewable biological sources such as vegetable oils and animal fats, which are converted into biodiesel. A seabed investigation usually consumes 6,000–10,000 liters of diesel per day, according to Clinton Marine Survey.

Anna Lundsgård is Head of Eolus's offshore wind power activities.

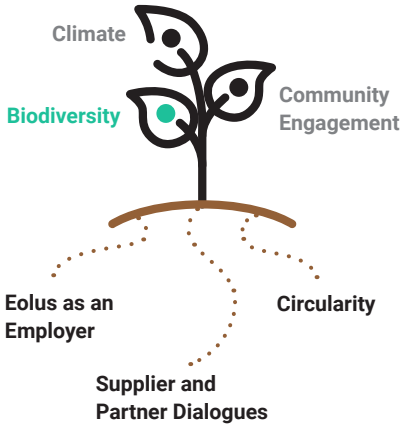
"According to our calculations, we saved between 500 and 845 tonnes of CO_2e in the Wellamo project**," says Philip Ljungström.

"We are proud of being first to use this fuel in a seabed investigation, and hope it will become standard soon," says Anna Lundsgård, Head of Offshore at Eolus.

** HVO100 can reduce GHG emissions by up to 90%, according to its producer Neste. Clinton offsets the remaining 10% of CO_2e. This is primarily carried out by planting mangrove trees. If this is not possible, Clinton offsets the remaining 10% by by using HVO100 fuel in another project. This is possible because not all projects run on HVO100 today, due to the higher cost of the fuel.*

*** The calculation was made by comparing emissions with the number of liters of diesel that would have been used if HVO100 hadn't been used.*

Positive contribution to biodiversity



Despite all technological advances, humans are completely dependent on healthy and well-functioning ecosystems. Climate change is one of the main causes of biodiversity loss, which means that both need to be tackled simultaneously. In Eolus's sustainability strategy, we have set a target for net positive biodiversity impacts, both onshore and offshore, in our areas of influence, by 2030. This means that Eolus's activities must have a predominantly positive effect on the protection and strengthening of biodiversity.

CLImB – a pilot projects for measuring biodiversity

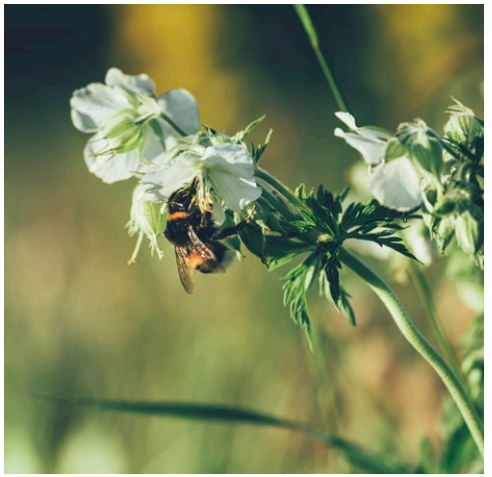
Eolus is planning to set science-based targets for biodiversity and in 2024, will evaluate the Science Based Targets for Nature (SBTN) as a potential tool. In order to set these types of targets, we need to be able to measure our impact on biodiversity. In 2023, Eolus participated in the CLImB (Changing Land use Impact on Biodiversity) pilot project, with the aim of creating a tool for measuring Swedish and Nordic nature. The project has now ended and a working group in Eolus analyzed those parts of the model that could be relevant to our projects. This process will continue in 2024 by using relevant parts of the method in a pilot project and evaluating whether the model will be suitable for measuring impacts in our Swedish projects. We are also determining the measurement models that could be suitable for Eolus's markets outside of Sweden.

Meticulous inventories to map impacts on biodiversity

Since climate change is one of the main causes of biodiversity loss, the expansion of renewable energy makes an important contribution to reducing the negative impact on biodiversity. This means that Eolus's core business plays a key role. How we work in our projects is also significant for opportunities to strengthen biodiversity. The project's impact on nature is carefully mapped by carrying out various natural value inventories and studies that are compiled in an environmental impact assessment or equivalent. This process identifies how we can minimize any harmful effects on biodiversity in our projects, and how we can strengthen and promote the various species identified in the natural value inventory.

To achieve our target of a net positive biodiversity impact we need to develop and systematize how we work. In 2024, we are planning to launch a tool for assessing biodiversity risk in our projects, to provide us with a better view in the early stage of project development of the impact that the project could have on biodiversity in the project area. The aim is that the assessment will serve as a complement to mandatory inventories and environmental impact assessments, and be part of Eolus's project model.

An important part of working with biodiversity is to apply a structured approach in accordance with the mitigation hierarchy – Avoid, Minimize, Restore, Compensate. The aim is to conduct restorative and compensatory measures more systematically, such as restoring ditches or wetlands. Eolus's sustainability strategy outlines that at least one measure to promote biodiversity must be implemented in each project. For example, we are looking into the possibility of combining a solar farm with a sheep pasture in one of our Swedish projects and contributing to the Swedish Society for Nature Conservation's project – The world's longest flower meadow.



Eolus has set a target for net positive biodiversity impacts, both onshore and offshore, and in the areas we are able to control, by 2030.

Biodiversity – strategic initiatives in focus 2024

We assesses risks and biodiversity impacts in all new projects and use the results as a key factor when assessing the feasibility of the project.

We measure and set targets for our biodiversity impacts through the Science Based Targets for Nature initiative or another relevant framework.

Wind power development with respect for the marine environment

Eolus is collaborating with Baltic Sea Action Group to contribute to the well-being of the Baltic Sea and helping to spread knowledge about the value of renewable electricity generation.

Anu Vaahtera, project manager for offshore wind, took part in a joint workshop with Baltic Sea Action Group.

In 2023, Eolus took major steps towards more sustainable offshore wind development through collaboration with the Baltic Sea Action Group (BSAG).

"The Baltic Sea is unique in many ways, with low salinity and a limited surface area, making it vulnerable to things that us humans do," says Anna Lundsgård, Head of Offshore at Eolus.

Collaboration with the Baltic Sea Action Group is part of the process to establish offshore wind power in a manner that respects the sensitive environment of the Baltic Sea, and Eolus's commitment initially applies for the period of 2022–2025. It includes all offshore wind projects that Eolus is developing in the Baltic Sea – in Swedish and Finnish waters at present, but possibly even future projects in Poland and the Baltics.

Eolus's commitment involves taking part in projects and activities that contribute to the well-being of the Baltic Sea and helping to spread knowledge about the value of renewable electricity generation in the area. We have also undertaken to identify and minimize the risks that offshore wind power poses for marine life, and raise general awareness about both the risks and the measures. In addition, we have committed to working to reduce the environmental impact of maritime traffic during development, construction and operation.

"Within the framework of collaboration with the Baltic Sea Action Group, we held a workshop with experts during the year about how we can protect the sensitive marine environment in the Baltic Sea when developing offshore wind power. We received positive feedback after the workshop and are planning to continue the process in 2024," says Tiina Partanen, Eolus's Country Manager in Finland.

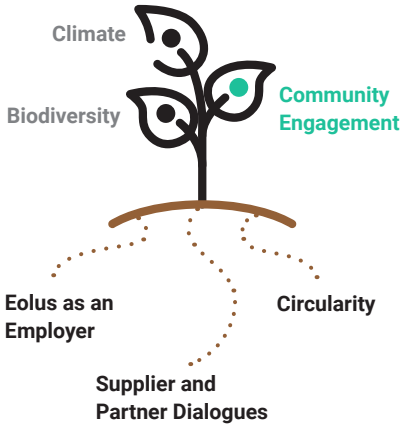
In 2023, Eolus also explored the possibility of entering into research partnerships with various universities to raise knowledge about the effects on marine environments during offshore wind power establishments. This process will continue and our aim is to set up a scholarship that university students can apply for to write their master's thesis.

"It's important that we work both long-term and in-depth, while also reaching out and spreading knowledge. That's why we took part in in Baltic Sea Day in August by picking up litter along the banks of the Vantaa River. It was one way to raise awareness about the amount of garbage that ends up in the sea from our inland rivers," says Tiina Partanen.

During the year, Eolus also strengthened its requirements for seabed investigation procurement in relation to emission data reports and outlined a zero tolerence for emissions of harmful gray water.

In addition to the collaboration with the Baltic Sea Action Group, Eolus commenced several local initiatives to promote biodiversity in the areas where our projects are located, with a specific focus on threatened species.

An open, inclusive and just energy transition



A basic requirement for the development of a wind or solar project is to engage in meaningful dialogue and involve the people who live and work in the local area. Open and transparent communication at an early stage is important for creating trust between Eolus and local stakeholders, while also strengthening local support for the project. Our aim is to be the preferred player for renewable energy development in local communities by 2030. To achieve that goal, we will continue to focus on developing our methods and approaches for dialogue and communication. We are convinced that all business is local and that each project has its own, unique conditions.

Local dialogue and acceptance

Eolus has long experience of local dialogue and a strong focus on involving and respecting the people who live and work close to our projects. We have a responsibility to listen, understand and cooperate around the varying – and sometimes contradictory – interests of local stakeholders in order to contribute solutions that benefit the community. All projects have different conditions and because each project has a communication plan adapted to the particular needs of that project, we ensure transparent communication and prioritize dialogue throughout all phases of the project.

Dialogue with indigenous peoples in project areas

The energy transition must also respect human rights, not least the rights of indigenous peoples, such as the Sámi people. Energy facility permitting is governed by a series of laws and regulations to ensure that the rights of indigenous peoples are respected, and that other community interests are taken into account. Before a permit process can begin, there is a democratic process of consultation, and various studies are also carried out. Eolus has long experience of dialogue with indigenous peoples who live and work in or close to our project areas and we always strive to initiate dialogue as early as possible. Over the past year, all of Eolus's employees completed training in governing documents in the area of human rights, and we introduced specific guidelines into our project model for engaging in dialogue with indigenous peoples. We also provided basic information about indigenous people and reindeer husbandry for new employees.

In the Øyfjellet project in Norway, which Eolus completed and handed over to the owner, Øyfjellet Wind, in 2023, the local reindeer herding district has expressed concern about their ability to conduct reindeer husbandry in the area. The view is that the wind turbines will prevent the use of a reindeer migration route to and from a nearby winter grazing area. However, Norwegian regulators and courts have ruled that the project does not impinge upon the rights of the reindeer herding district. The project has all of the necessary permits and the reindeer herding district was consulted several times during the permitting process,

Communication with local stakeholders is a key component in all phases of project development.

Eolus works continuously to develop project communication in terms of design, methods and timing.

upon which Eolus also changed the design of the wind farm. Agreements on compensation and remedial measures were entered into, and followed throughout the construction period. A great deal of effort was made to reach an agreement for the operational stage as well, despite not being a formal requirement. Unfortunately, the parties have not been able to reach an agreement and the level of compensation to be paid to the reindeer herding district will therefore be settled in a case before the Helgeland District Court, which has been postponed several times but is now scheduled for spring/summer 2024.

Communication throughout the entire project

Communication and dialogue takes place throughout the entire project life cycle and includes everything from information and consultation to regular communication and events during and after the construction of a wind or solar farm. We work continuously to develop our project communication by testing new methods and training our project managers in the best way to communicate throughout all phases of the project.

Local jobs

We aim to use local businesses when constructing projects, for both construction and other services, such as accommodation, catering and forest logging. During the most intensive phase of the construction of the Skallberget/Utterberget and Tjärnäs wind farms in Avesta and Hofors municipalities, respectively, local businesses provided about 50% of the transportation, rental and construction equipment and their operators. For the Stor-Skälsjön wind farm in Sundsvall and Timrå municipalities, local businesses provided 25–50% of the services. We use also a high proportion of local workers in the facilities where we perform asset management assignments. They take care of thinning, ditch trimming and snow removal, for example.

Wind funds for local development

Eolus grants wind funds for several wind projects that are operational. This is a form of development funding to support the local community and application is open to associations and schools. Priority is given to local associations with a focus on sustainable development. Wind funds are granted annually during the entire project life cycle.

In May, the annual wind funds were distributed between wind farms that Eolus manages in the Sundsvall area. A total of SEK 420,000 was awarded to associations and initiatives with a focus on promoting tourism, infrastructure, recreation, services for children, young people and the elderly, and nature and culture. Some specific examples are the construction of two outdoor gyms, a pétanque court and a wheelchair-accessible pier, renovation of the roof on a local culture center and a contribution to the installation of a solar farm on a local culture center. Read more on page 51. In 2024, applications for wind funds will also be open for the newly constructed Skallberget, Utterberget, Tjärnäs and Stor-Skälsjön projects.

In addition, Eolus sponsors sports and cultural events that take place near our offices and projects. In recent years, we have realigned our sponsorship and increased the focus on social initiatives, equality and activities for children and young people. In 2023, we sponsored ski and cycle events close to our existing wind farms, a girl's ice hockey team, a music festival and an initiative to get children and more physical active school hours.

Partnerships with universities

To contribute to knowledge-building, Eolus has formed long-term partnerships with several colleges and universities. We hold lectures, take part in panel discussions and offer work experience placements and opportunities for writing thesis in Eolus. In 2023, for example, employees mentored students who were studying how wind power can be combined with hydrogen and battery energy storage. We also arranged a case evening in partnership with Sustainergies with a focus on sustainability and project communication.

For information about how Eolus manages human rights in the supply chain, refer to page 55.

Social engagement – strategic initiatives in focus 2024

We contribute to knowledge-building and create long-term partnerships with various community stakeholders.

We meet people in person and show respect for different viewpoints by developing how we communicate.

Active outdoor life with funding from wind power

Thanks to the community funding, the Nora-Västansjö local culture center has built a deck that is perfect for summer parties and the winter scooter café.

Föreningen Uteliv (Outdoor life in Nora Association) offers discgolf, outdoor gyms and also a new petanque court. Pictured to the right are Keith Sahlin and Max Wikholm from Holms Fiskevårdsområde, which is using community funding to build a wheelchair-accessible fishing pier.

The glassy surface of the Holmsjön Lake, about 45 km from Sundsvall, reflects the steel gray sky. Some of the turbines from the Kråktorpet wind farm can be seen on the mountains surrounding the lake. Thanks to this, several associations in the area have received funding for an active outdoor life.

Keith Sahlin, a member of Holms Fiskevårdsområde's Board, has just pointed out his cabin on one of the slopes. We are standing on the other side of the lake, and he proudly shows the pier that was built at the end of last summer. A wheelchair-accessible pier will soon be built here. The investment was enabled by the annual wind funds from the wind farm.

"This is a popular area for tourists from both Sweden and abroad who are interested in fishing. So the fishing spots need to be in top shape. The wind funds make that possible," says Keith Sahlin.

Thirty minutes away by car, midway between the Norasjön and Västansjö lakes, there is a sign with the words "Uteliv i Nora" (Outdoor life in Nora).

"People come here from the surrounding towns to train at the outdoor gym, play miniature golf or play a round of discgolf in the forest," says Elisabeth Kempe. She and her partner Olle Modén are two of the enthusiasts behind the recreation area.

Further down from the outdoor gym – with equipment made from recycled materials – there are hammocks next to a small bookcase. The latest addition to the installation is a long-awaited pétanque court, financed by wind funds from the Nylandsbergen wind farm.

Föreningen Uteliv (Outdoor life in Nora Association) has about 140 members, who appreciate the fact that they can do things locally.

"We don't want to drive into town every weekend so the kids can get out. Outdoor life in Nora is the perfect solution," says Elin Fällström, who moved to the area with her family a few years ago. She is a member of Outdoor life in Nora's Board, and Chair of the local culture society. Together with other members of the Board, she tells how they applied for, and received, wind funds for a new door and deck for the Nora-Västansjö local culture center. At the inauguration in summer 2023, the center was packed. Visitors had to take turns at sitting on the robust wooden benches.

"It was fantastic! And it will be so good in winter when we open the scooter café," says Per Hallgren, who's been involved from the very beginning.

It's not easy for small rural associations to get funding," says Elin Fällström.

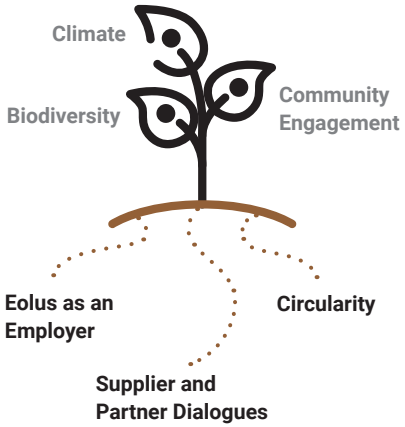
"Municipalities tend to invest most in urban associations with a lot of members. And preferably for young people. If we want something to happen here, we have to do it ourselves," she says.

"Being able to receive compensation for having the wind farm close by is really good. We all need electricity, and it's helping to develop the local community," says her Board member colleague, Katarina Modén.

About wind funds

Wind funds are a form of community funding to support the local community economically and application is open to associations and schools in defined areas around operational wind farms. Priority is given to local associations with a focus on activities for children and young people and/or development of the local area for recreational, outdoor and tourism purposes. The wind funds are a long-term commitment and paid out every year over the life of the farm. The funds are paid out by the owners of the wind farm, based on a voluntary agreement. For the wind farms mentioned in the article, Eolus handles the practicalities surrounding applications, allocation and administration as part of asset management.

A safe, healthy and inclusive work environment



Our dedicated employees are a valuable asset for Eolus, and drive the development of our projects. We want to offer our employees a safe, healthy and inclusive work environment with opportunities for personal development. Satisfied and motivated employees are vital for Eolus's continued success and development.

Development, culture and competence

Eolus welcomed 55 new colleagues in 2023, bringing the number of employees to 134 at year-end. In such an expansive phase of development, it is vital that we safeguard Eolus's strong company culture which is characterized by entrepreneurship and team spirit, with cooperation and good relationships both internally and externally as critical success factors. As part of this process, we introduced new core values during the year. These are important tools in recruitment processes, induction programs and performance reviews – but most of all in our daily work. A card game has been created to make it easier for working groups to instigate discussion around values and behaviors. Our core values are described on page 10.

Eolus's annual company conference helps to develop the organization, expertise and culture.

We also invest in the continued development of our employees and organization in pace with the company's growth. During the year, for example, we developed our method for project work and launched new IT support for projects. In addition, project management training was held on two occasions. In several of our locations, we moved to larger offices.

Competence development is important for a healthy work environment. Employees and managers discuss their training and development needs and the HR function compiles a list of competencies required for the entire organization. Tailored training programs are procured for the company when needed. We have many employees with a wide range of specializations, and therefore encourage knowledge transfers between employees.

Since leadership is central for both the company culture and development, Eolus works with leadership development in the form of training and support for managers. The annual company conference for all employees also plays a key role in developing the organization and our culture.

Health and safety

Eolus has a zero accident vision for its employees, for the contractors working on the construction of our projects, and partners. The aim of our work with health and safety is to create a physically and mentally sound workplace where managers, employees and occupational health and safety (OHS) officers work together. The aim is to prevent the risk of occupational injuries and work-related illness, as well as pollution and environmentally harmful emissions.

Eolus's systematic approach to health and safety is governed by national regulations, Eolus's internal Code of Conduct, Health and Safety Policy, work instructions and internal checklists. The CEO is ultimately responsible for health and safety and has delegated responsibility for specific parts to the respective managers. In Sweden, Eolus has a health and safety team that meets at least twice per year, comprising managers from various parts of the company, the Heads of HR and HSE, and OHS officers. The team monitors Eolus's systematic health and safety management and discusses measures within each function. Others countries have other forms of collaboration in health and safety. Eolus's Group Management monitors the systematic health and safety management on an annual basis.

Risk assessments prevent illness and accidents

Eolus evaluates health and safety risks continuously to identify any measures that are required to prevent illness or accidents. In 2023, a more comprehensive risk assessment was conducted to identify any significant health and safety risks. We also conduct annual safety inspections of offices, projects under construction and operational facilities, and perform regular risk assessments for the employees who are working on the facilities. In 2024, we will continue to strengthen measures that can prevent illness and accidents.

Anyone who works for, or on behalf of, Eolus is required to follow the applicable laws, have systematic health and safety management in place and comply with Eolus's rules and procedures for workplace health and safety. They must also report risk observations, near misses and accidents. Events are investigated and actions are proposed to prevent the recurrence of risks and accidents. Suppliers that do not comply with these rules may be subject to penalties and/or be banned from working on the site. Serious near misses and accidents are promptly reported to the responsible authority in each country/region.

In 2023, no accidents with absence were reported for our own employees. A number of accidents with absence were reported for contractors working on behalf of Eolus. The accidents are investigated and resolved by the contractor and followed-up by Eolus. For key figures, refer to page 61.

Our target in 2023 was to increase the number of events reported in the incident management system in order to minimize risks and therefore the number of accidents. We achieved our target, but this process will continue since we need to continue increasing the proportion of events reported. During the year, all new employees completed training in how to report, and we increased our follow-ups of reported events. In addition, LTAR (lost time accident rate) was introduced as a KPI, with the aim of setting an LTAR target for 2024.

The supply chain accounts for the main health and safety risks, since Eolus does not conduct any production or construction work. How we work to prevent illness and accidents in the supply chain is described on page 55.

Diversity and inclusiveness

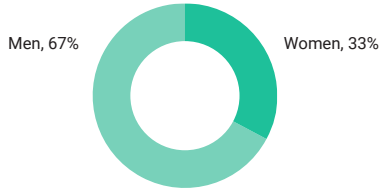
Eolus believes that diversity and different points of view are a strength and therefore works to promote diversity and equal opportunity. We work systematically with both psychosocial and physical risks in the workplace and have zero tolerance for all forms of discrimination and harassment. Eolus's employees are urged to report misconduct to their line manager, HR or anonymously via our whistleblowing system.

To prevent discrimination, we introduced a guideline for diversity and inclusion during the year. The guideline is available on the intranet and employees receive relevant information during their induction. It is important for Eolus that everyone enjoys the same rights and opportunities to develop at work. Equality is embedded in our recruitment and competence development processes. We want to attract employees with different backgrounds and use competency-based interviews that have a clear starting point in the specific requirements of a role. We promote fair distribution and when choosing between two equally qualified candidates, we choose the individual whose cohort is underrepresented on the team.

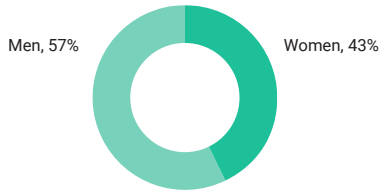
The annual employee satisfaction survey includes questions about discrimination. Our annual salary surveys ensure that there are no unwarranted pay gaps between employees.

At the end of the fiscal year, 44% of our employees were women and 56% men, representing a significant increase in the proportion of women since 2022. For more key figures, refer to page 61.

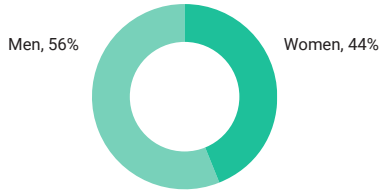
Gender distribution, Board of Directors



Gender distribution, Group Management



Gender distribution employees, total



Eolus as an employer – strategic initiatives in focus 2024

Our employees have the expertise, flexibility and will to innovate that is needed to contribute to our sustainability strategy.

We are honest and transparent with our sustainability journey to create the best conditions for our employees to remain committed to our sustainability strategy.

Governance that enables good decisions and a sustainable supply chain

A long-term and sustainable energy transition requires responsible business conduct. This means that Eolus requires our employees, as well as our business partners and suppliers, to uphold ethical business standards. Good basic governance, with clear demands and expectations, clear values and collaboration, is crucial. Eolus aims to be a demanding but caring business partner that is transparent and responsible.

Governance and organization

The Board of Eolus is ultimately responsible for ensuring that the company is managed in a sustainable and responsible manner. The Board has delegated day-to-day responsibility for sustainability to the CEO who is responsible for execution of the Board's decisions and strategies. Group Management is responsible for creating and monitoring strategies, priorities, guidelines and decisions related to sustainability. Eolus's Head of Communications and Sustainability is a member of Group Management and ensures that sustainability is integrated into decision-making and the business operations. Eolus's General Counsel and Head of HR also hold key roles in the company's sustainability governance and are members of Group Management. Eolus also has two Sustainability Specialists and an HSE Coordinator who work actively to integrate sustainability into the organization, together with the HR function. The responsibility for implementing the strategy and achieving our targets has been distributed between various roles as shown below.

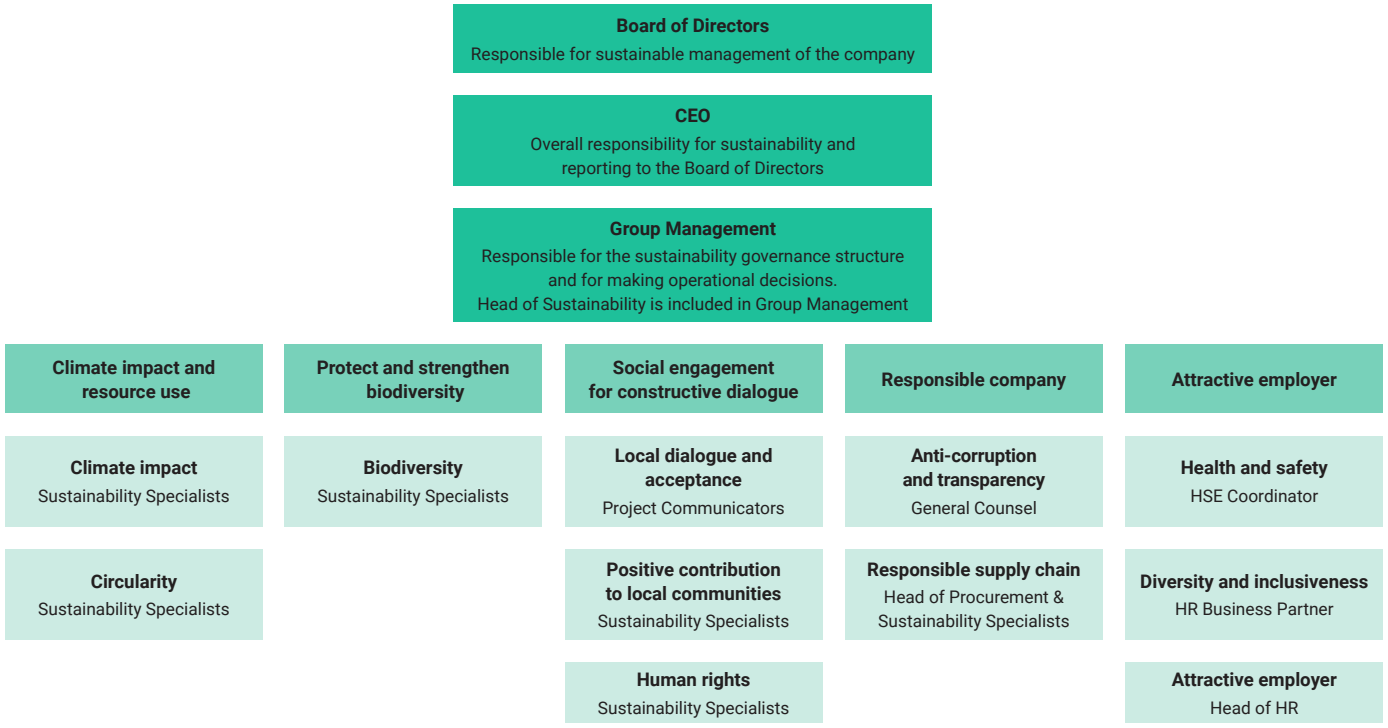
Eolus is a member of several organizations with the aim of contributing to long-term sustainable development:

- UN Global Compact
- Solar Stewardship Initiative
- Nätverket för Hållbart Näringsliv (Sustainable Private Sector Network)
- Local trade associations for wind, solar, energy storage and hydrogen.

Eolus's internal Code of Conduct, which applies to all employees, is based on internationally recognized conventions and guidelines, the company's values and sustainability strategy, and forms the basis for Eolus's other policies and guidelines. In 2023, we also implemented a Code of Conduct for suppliers and business partners. For an overview of Eolus's Codes of Conduct and policies, refer to page 71.

Anti-corruption and transparency

For Eolus, acting responsibly in our business relationships goes without saying. We follow internationally recognized principles for good business ethics and the anti-corruption laws and regulations of each country. In 2023, we updated Eolus's internal Code of Conduct in regard to environmental, health and safety requirements, as well as human rights in projects and the supply chain.



The Code of Conduct is included in employment contracts and if any changes are made, this is communicated to the entire organization.

In 2023, we implemented a specific Code of Conduct for Suppliers and Business Partners in order to clarify our requirements. Read more on pages 54–55.

If any irregularities or serious misconduct are identified, Eolus urges employees, consultants and suppliers to report them via our whistleblowing system.

In 2023, we expanded the whistleblowing system to also cover external stakeholders who want to report suspected irregularities. The whistleblowing system is managed by an independent third party and guarantees anonymity. In 2023, no cases of corruption or serious misconduct were identified.

Human rights in focus

Eolus supports internationally recognized conventions on human rights and labor standards and has zero tolerance for child labor, forced labor or human trafficking. Our work is aligned with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the Ten Principles of the UN Global Compact, which is the world's largest corporate sustainability initiative. Based on these, we have a Code of Conduct and policies that guide our approach to human rights.

Responsible supply chain

Eolus's business relies on long, complex and global supply chains with risks for environmental violation, corruption, poor working conditions and human rights abuses. By engaging in dialogue and collaboration with suppliers and partners, we acquire a basis and knowledge for creating long-term development of both Eolus and our value chain.

Eolus does not manufacture its own energy facilities or employ construction workers – we use contracted suppliers. That means that the main risks for environmental breaches, corruption, poor working conditions and human rights violations are in our supply chain. Having internal processes in place, demands on suppliers and partners in line with international practices and constructive dialogue with stakeholders are some of the factors for enabling long-term development for Eolus and quality assurance of the value chain.

Supply chain risks

We are well aware of the social challenges linked to the expansion of renewable energy generation. In the sustainability risk assessment performed by Eolus in 2022, a high risk of human rights violations in our supply chain was identified. Industry-typical risks exist in the extraction and processing of raw materials for the manufacture of wind turbines, solar panels and batteries. The social challenges identified include unsafe working conditions and disrespect for indigenous peoples' rights. Further examples are forced labor and child labor, since most of the metals required for manufacture are extracted in China and the Democratic Republic of the Congo, countries with a known problem with these issues.

To prevent and minimize social risks, including human rights violations, Eolus focused on strengthening its internal supplier management processes in 2023. Eolus implemented a Sustainable Procurement Policy, a Code of Conduct for Suppliers and Business Partners and an improved assessment process for suppliers. During the year, a more comprehensive mapping of potential suppliers of solar panels and batteries was carried out, which confirmed the risk of human rights violations in these supply chains. This risk is managed by specifying requirements and screening suppliers, but also by taking part in industry-wide initiatives. In 2023, Eolus joined the Solar Stewardship Initiative, a European industry-wide initiative to drive a more responsible, transparent and sustainable solar value chain.

During the year, we visited several suppliers, including wind turbine manufacturing facilities. The aim was to strengthen dialogue around quality and health and safety. The visits also resulted in demands for corrective actions, particularly in relation to health and safety, which were followed up with return visits and continued dialogue.

During the year, all employees completed training in Eolus's Human Rights Policy and guidelines on the rights of indigenous peoples.

Construction phase risks

Risks in connection with the construction of energy facilities are mainly linked to a safe and healthy work environment and environmental damage, such as oil spills from machinery. Eolus has established minimum requirements for workplace health and safety that apply to all contractors who perform work on behalf of the company. These comprise a joint platform for safety measures. In addition to these, health and safety measures are aligned with the applicable laws in each country and local conditions. Reported incidents are presented on page 61.

Sustainable supply chain moving forward

The process for strengthening internal supplier management is continuously evaluated to enable the best management of risks and challenges in relation to the supply chain. In the coming years, Eolus's focus will be to continue developing, strengthening and consolidating internal processes for a sustainable supply chain. This process is aligned with expectations of the upcoming EU Corporate Sustainability Due Diligence Directive (CSDDD).

Supplier dialogue – strategic initiatives in focus 2024

We are strengthening the systematic approach to suppliers and business partners, including regular follow-ups and collection of sustainability data.

We are contributing to the continuous improvement in our stakeholders' actions, regardless of their size or position in our value chain.

Sustainability disclosures

About the Sustainability Report

Eolus's 2023 Sustainability Report comprises the information on pages 39–61 of the 2023 Annual Report and Sustainability Report, and the section also contains references to other parts of this document. A description of material company risks can be found on pages 67–68, and sustainability risks are presented on page 58.
The Sustainability Report, which is also Eolus's statutory Sustainability Report under the Swedish Annual Accounts Act, covers the period of January 1–December 31, 2023. The report covers the entire Group (including all subsidiaries according to Note 16 on pages 122–126, but not joint ventures). For a description of Eolus's markets, refer to pages 26–29. The Board of Eolus is responsible for the Sustainability Report. For the auditor's report on the Sustainability Report, refer to page 62.

Further information

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

The 2030 Agenda for sustainable development
Eolus's approach to sustainability is aligned with the UN Sustainable Development Goals and the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. We work strategically to implement the ten principles into our business strategy, culture and daily activities. Eolus's main focus lies on Goals 7, 13, 14 and 15 (see the table below), since they have a clear link to Eolus's core business and the sustainability topics we have identified as material for the company.

WE SUPPORT UN GLOBAL COMPACT

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

THE GLOBAL GOALS

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

The EU Taxonomy Regulation

The EU Taxonomy Regulation is an EU-wide classification system to help investors assess whether investments can be classified as environmentally sustainable. The regulation is designed to support the achievement of the European Green Deal objectives and is the first uniform and credible framework that enables financial players to adjust their business models for the transition to low-carbon, climate- resilient and sustainable strategies. While Eolus is not yet subject to the reporting requirements of the EU Taxonomy, we have elected to report those economic activities in our business operations that are taxonomy eligible.

The table shows Eolus's economic activities that are considered eligible now (Bold) and those that are expected to be eligible in the near future. According to Eolus's business model, the company's revenue is derived from project development, establishment and divestment of energy facilities and subsequent deployment phases. Projects are usually divested when they are fully developed and ready for construction, but divestment can also take place during the construction phase (see Eolus's business model on pages 8–9 and 14–15). This means that deployed facilities are not classified as an asset for Eolus since the company does not own them, but provides the owner with asset management services. Since the EU Taxonomy only covers tangible (refer to Note 13, pages 118–119) and intangible assets (refer to Note 12, page 117), Eolus's financial assets, including project portfolio, and construction and management services, are not taxonomy eligible. Therefore, information about CapEx, OpEx and turnover is not considered relevant to Eolus, based on its business model.

An economic activity is considered aligned with the EU Taxonomy when it makes a substantial contribution to at least one of the six environmental objectives, while also doing no significant harm to the remaining objectives and meets the minimum safeguards described in the EU Taxonomy. This means that several criteria must be met before the business can be considered taxonomy-aligned and therefore sustainable. We are working actively to create processes to ensure that we can provide Taxonomy data to the stakeholders who need it.

Economic activities covered by the Taxonomy Regulation

Activity	Description	Applicable NACE code**
4.1	Electricity generation from solar photovoltaic technology*	D.35.11, F.42.22
4.3	**Electricity generation from wind power**	**D.35.11, F.42.22**
4.9	**Transmission and distribution of electricity**	**D.35.12, D.35.13**
4.10	Electricity storage*	-
7.3	Installation, maintenance and repair of renewable energy technology	F42.22, F43.12, M.71.20

* Activities not currently deployed by Eolus, but could be in the very near future.
** NACE codes are the standard European nomenclature of productive economic activities. See below for a table with explanations of what the codes mean.

List of NACE codes (EU taxonomy)

Code	Description
D.35.11	Production of electricity
D.35.12	Transmission of electricity
D.35.13	Distribution of electricity
F.42.22	Construction of utility projects for electricity and telecommunications
F.43.12	Site preparation
M.71.20	Technical testing and analysis

Sustainability risks, stakeholders and materiality

Sustainability risks

In 2022, a separate risk assessment was carried out with a focus on Eolus's sustainability-related risks. The risk assessment was based on the concept of double materiality, and took the form of a workshop. The workshop identified a broad spectrum of sustainability risks, but we have chosen to focus on the risk deemed to have the highest probability and greatest impact: that suppliers' activities have negative effects on working conditions, health and human rights in the supply chain. These risks are also described under Eolus's material company risks on pages 67–69 and on page 55.

Stakeholder dialogue

Through continuous dialogue with our stakeholders, we gain insight into the expectations of Eolus in terms of sustainability, the topics that are important for our stakeholders, how our activities affect them, and how we can solve joint challenges together. These dialogues take place in various forums, usually in meetings to discuss sustainability issues, but also in connection with industry-related forums and events. The issues that arise during these dialogues are addressed on an ongoing basis at meetings with the Board and Group Management, shareholders and in daily communication with customers, business partners, suppliers, employees and other social actors such as public and private organizations.

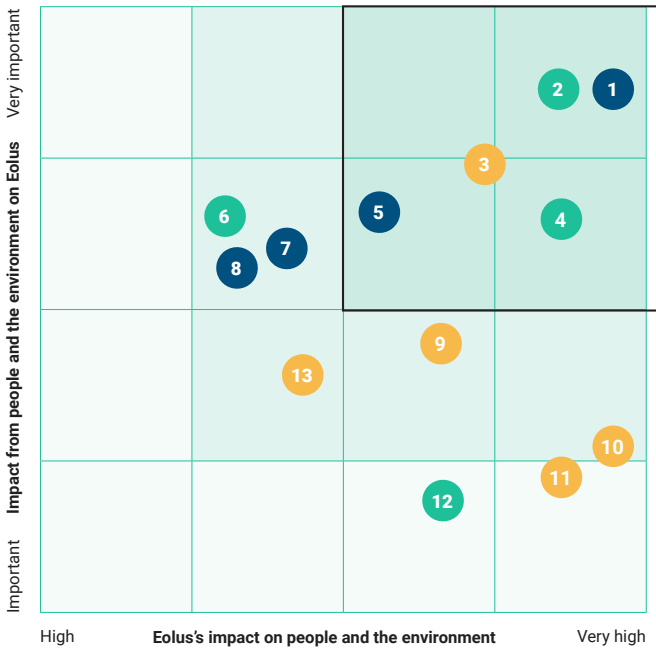
The stakeholders identified as most important for Eolus's operations are:

- Customers
- Shareholders
- Finance providers
- Business partners
- Suppliers
- Employees

Materiality assessment

Eolus's sustainability practices are based on the sustainability topics deemed material for the company. To create an understanding for the sustainability topics that are important for our stakeholders, and therefore for Eolus, materiality assessments are carried out at regular intervals. Eolus's most recent materiality assessment was carried out in 2022, when we performed the assessment according to the principles of double materiality, i.e. with consideration for how the company's operations affect the external environment with regard to various sustainability topics, and how the external environment affects the company. This assessment consisted of a current situation analysis, a trend and competitor analysis, risk assessment, stakeholder dialogue in the form of interviews, and a stakeholder assessment in the form of a compilation of the interviews, and a workshop. The material topics identified form the basis for Eolus's long-term sustainability strategy, which is described on pages 40–55. The materiality matrix on the right visualizes the topics identified and an assessment of them.

Materiality matrix



Sustainability topics

Material topics

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

Environment Social responsibility Corporate governance

Climate KPIs

Emissions data in accordance with the GHG Protocol
Eolus uses the Greenhouse Gas Protocol to acquire an overview of the emissions from the company's activities – from our own operations as well as the value chain. The emission data presented in this report includes emissions from all of Eolus's active markets. The Greenhouse Gas (GHG) Protocol is the world's most widely used accounting and reporting standard for GHG emissions. Emissions are categorized into:

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

Emissions are calculated and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. GHG emissions are calculated and expressed as CO_2-equivalents (CO_2e) and include the following greenhouse gases: CO_2, CH_4, N_2O, HFCs and PFCs. The calculation is based on sources that are owned or controlled by Eolus, which means that energy emissions that Eolus has a limited ability to affect, from leased assets for example, are reported under Scope 3 as part of our value chain.

Scope 1
Scope 1 GHG emissions amounted to 41.2 tonnes CO_2e and comprised emissions from owned and leased vehicles. These are used by employees for traveling to project areas and deployed facilities, which are often located in rural areas without adequate public transport services. In 2023, Eolus had several projects under construction, which required an increased amount of travel to the project areas.

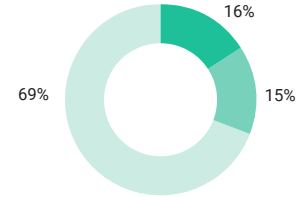
Scope 2
Scope 2 emissions amounted to 35.9 tonnes of CO_2e and were derived from purchased electricity, heating and cooling for Eolus's offices, and the emissions from charging pool and company cars. Scope 2 emissions were calculated using the GHG Protocol's market-based allocation method. This means that specific emissions for the purchased energy are used if they are available, otherwise the residual mix is used. However, both methods have been used in the complete emissions calculation (internal).

Scope 3
Based on data availability and relevance, Categories 3, 6 and 7 were included in the Scope 3 calculation, where emissions amounted to 173.9 tonnes of CO_2e. This confirms that most of Eolus's emissions are encompassed by Scope 3[1]. Most of Eolus's measured emissions fall into Category 6, Business travel, which amounted to 113.6 tonnes of CO_2e. It should be noted, however, that emissions from other categories that we don't measure at present, such as Categories 4 and 9, are probably higher since these include transportation of goods by road and sea. Eolus does not conduct any manufacturing, but purchases goods and services from suppliers, which is why the largest source of our GHG emissions is our value chain. These emissions cannot be reported for 2023, however, due to insufficient emission data from suppliers. We are working continuously to expand our demands on suppliers regarding the delivery of emissions data and in 2024, will start using environmental product declarations, life cycle assessments and default values where no data is available.

Background
The reason why Scope 1, 2 and 3 emissions increased is that no comparative data was available for 2022, since Eolus only measured emissions in Sweden in 2022 (refer to the comparative data for Sweden in the table "Comparative data for Scopes 1, 2 & 3 – Swedish market"). For the Swedish market, the reason why Scope 2 emissions increased is that Eolus expanded its office space during the year and therefore consumed more energy. The reason why Scope 3 emissions increased is mainly due to the inclusion of employee commuting, and because business travel increased due to a higher level of activity in our Swedish projects.

In 2023, we expanded our reporting to include all markets. This means that the emissions reported are considerably higher than for 2022, but also more representative. Eolus's operations both inside and outside Sweden grew during the year, leading to an increased need for travel between countries. We therefore see a relatively large increase in Scope 3 emissions, mainly comprising emissions from business travel. We are working in several ways to reduce our emissions. On page 46, there is an example of how HVO100 has been used to reduce emissions for seabed investigations. In 2024, we will start using environmental product declarations, life cycle assessments and default values when actual data is not available for mapping the GHG emissions from projects. The aim is to set science-based emissions reduction targets in accordance with the Science Based Targets initiative (SBTi).

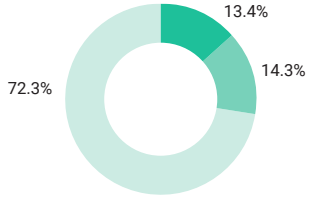
Distribution of Scope 1, 2 & 3 emissions – all markets
Market-based, tCO_2e



The percentages in the diagram refer to 2023

Scope	2023	2022
Direct (Scope 1) emissions	41.2	19.0
Indirect (Scope 2) emissions	35.9	10.4
Scope 3 Value chain emissions and other indirect emissions	173.9	97
Total emissions	**251.0**	**126.4**

Comparative data for Scopes 1, 2 & 3 – Sweden
Market-based, tCO_2e



The percentages in the diagram refer to 2023

Scope	2023	2022
Direct (Scope 1) emissions	21.9	19.0
Indirect (Scope 2) emissions	23.5	10.4
Scope 3 Value chain emissions and other indirect emissions	118.6	97
Total emissions	**164**	**126.4**

Greenhouse gases
CO_2 = Carbon dioxide
CH_4 = Methane
N_2O = Nitrogen oxide
HFCs = Fluorinated hydrocarbons
PFCs = Perfluorochemicals

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

Climate KPIs, cont.

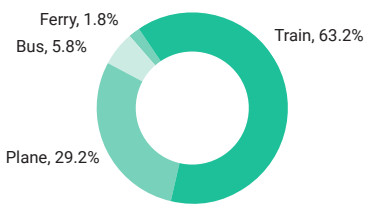
Emission sources

Emissions by source, market-based, tCO_2e

Direct Scope 1 emissions	2023	2022
Owned/Leased vehicles	41.2	19.0
Total	**41.2**	**19.0**
Indirect Scope 2 emissions[1]		
Electricity consumption	10.1	9.9
District heating	25.8	0.5
District cooling	0	0
Total	**35.9**	**10.4**
Scope 3 Value chain emissions and other indirect emissions		
Upstream		
Category 3 – Fuel and energy-related activities	3.8	2.9
Category 6 – Business travel[2]	113.6	94.1
Category 7 – Employee commuting[3]	56.4	-
Total	**173.9[4]**	**97**
Total Scope 1, 2 & 3 emissions		
Total	**251.0**	**126.4**

Compared with the equivalent table for 2022, some categories in this year's table have been changed. In Scope 1, the categories for "Pool cars" and "Company cars" that were used in 2022 have been merged into one category – Owned/Leased vehicles – for this year's reporting. In Scope 2, emissions from pool cars and company cars that run on electricity are included in "Electricity consumption." Otherwise, the district cooling category has been added, although these emissions are currently negligible. In Scope 3, "Employee commuting" was added during the year and includes employees' travel between home and the office. Since this wasn't measured in 2022, there is no comparable data between years.

Business travel per public transport mode in 2023



[1] Partly estimated emissions based on residual mix and square meter (m^2) of offices.

[2] Emissions calculated using data reported by employees in the Position Green Platform, where emission factors have been used for the calculation of emissions per transport mode and fuel. The figure does not include emissions from public transport such as the underground/subway or city bus.

[3] Emissions calculated using data reported by employees in the Position Green Platform, where emission factors have been used for the calculation of emissions per transport mode and fuel. Data was obtained from a survey where employees filled out their commuting routines for 2023.

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

Emission factors used for the consolidation of emissions data in 2023

Emissions data is shown in $kgCO_2e$

Type of energy	Emission factor	Unit	Source/Comments
Electricity	0.00006 – 0.237	$kgCO_2e$/km	AIB (2020), Swedish Energy Agency (2021) Defra (2023), Swedish Taxi Federation (2021), Supplier-specific data
	0.00004 – 0.181638	$kgCO_2e$/kWh	AIB (2022), AIM (2021), Defra WTT (2021), IEA (2022), Vattenfall EPD Supplier-specific data
	0.33378	$kgCO_2e$/ full-time equiv.	Defra (2023)
District heating	0.003 – 0.17965	$kgCO_2e$/kWh	Defra (2023), Swedenergy (2022; 2021), Finnish Energy (2020), Supplier-specific data
District cooling	0.001 – 0.17965	$kgCO_2e$/kWh	Defra (2023), Swedenergy (2022), Supplier-specific data
Motorbike	0.08306 – 0.13245	$kgCO_2e$/km	Defra (2022)
Car	0.007 – 0.26	$kgCO_2e$/km	Defra (2022; 2022), Drivkraft Sverige's Calculation Factors (2023), Swedish Energy Agency (2023; 2021), NTM (2018), Swedish Taxi Federation (2021), Swedish Transport Administration's emission factors for road transport (2022), WTW Swedish Energy Agency (2019)
	0.22 – 2.5121	$kgCO_2e$/liter	Circle K product sheet (2022), Defra (2023), WTW Swedish Energy Agency (2019), Swedish Environmental Protection Agency (2020)
Bus	0.03 – 0.1	$kgCO_2e$/km	NTM (2018)
Underground/Subway	0.00071	$kgCO_2e$/km	NTM (2018)
Train	0.00057 – 0.0525	$kgCO_2e$/km	NTM (2018)
Ferry	0.75	$kgCO_2e$/km	Swedish Environmental Protection Agency (2021)
Air	0.118 – 0.2743	$kgCO_2e$/km	NTM (2022), Defra (2023)

This table was updated for 2023 and data is now reported as $kgCO_2e$ instead of tCO_2e. In addition, the emission factors are not reported per scope, but consolidated. Three categories have been added: Ferry, Underground/Subway and Motorbike. This is because we noticed that employees have occasionally traveled by ferry. The other two categories were added as alternatives to Employee commuting, but Eolus does not measure them for business travel.

Employee, workplace health, safety and environment KPIs

Gender distribution, Dec 31, 2023

	No. of women		No. of men	
	2023	2022	2023	2022
Group Management	**3**	3	**4**	4
Other managers	**4**	2	**5**	5
Employees	**52**	30	**66**	51
Total no. of employees	**59**	**35**	**75**	**60**
Total employees, %	**44%**	**37%**	**56%**	**63%**
Board of Directors	**33%**	33%	**67%**	67%

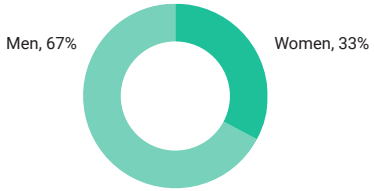
Employees per age group, Dec 31, 2023

	Under 30		30-50 years		Over 50	
	2023	2022	2023	2022	2023	2022
No. of employees	**19**	9	**92**	73	**23**	13
Total employees, %	**14%**	9%	**69%**	77%	**17%**	14%

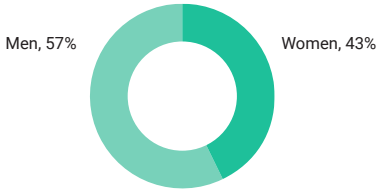
Employee turnover 2023

	2023	2022
No. of new employees	**55**	47
No. of employees who left	**10**	6
Employee turnover, %	**9%**	8%

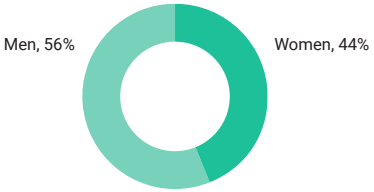
Gender distribution, Board of Directors



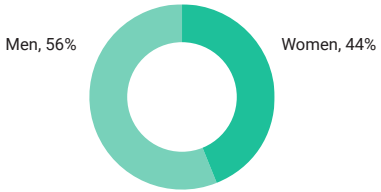
Gender distribution, Group Management



Gender distribution employees, total



Gender distribution, other managers



Reported incidents

	2023	2022
Accidents	**9***	3*
Near misses	**24**	26
Risk observations	**48**	25
Environmental incidents	**22**	13
Total no. of incidents	**94**	67

* No serious accidents occurred in 2023. The figures refer to contractors. No accidents were recorded for Eolus's employees during the year.

There are two reasons for the total increase in reported incidents. In 2023, Eolus had more wind farms under construction, and the company was focused on risk observations and near misses, and reporting them. Risk observations and near misses are key factors for preventive health and safety work.

Lost-time accidents – Eolus's own employees

	2023	2022
Lost-time accidents	**0**	0

Auditor's report on the statutory sustainability report

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

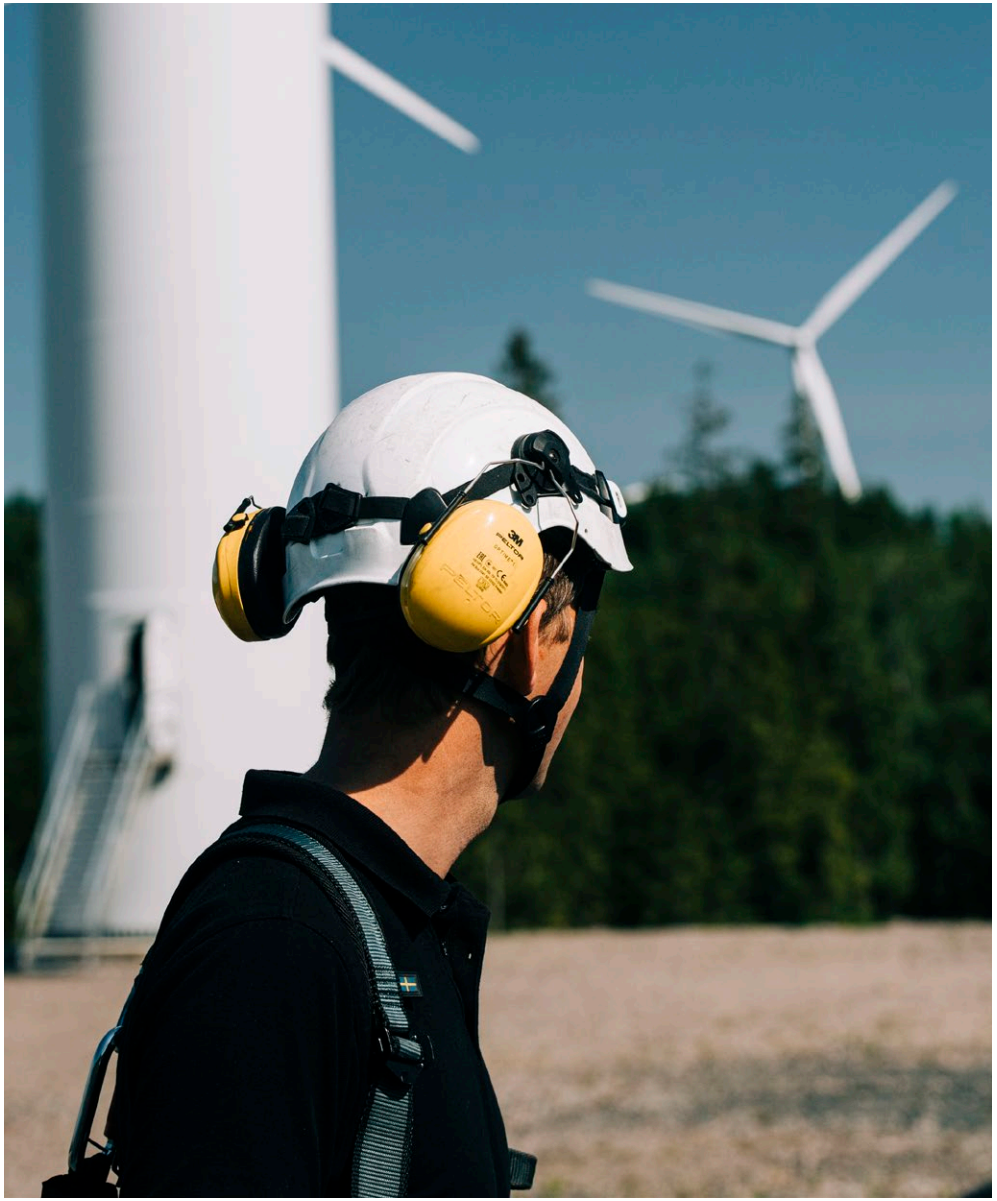
Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 39–61 and that it has been prepared in accordance with the Annual Accounts Act

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Malmö 21 March 2024
PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant



Eolus evaluates health and safety risks continuously to identify any measures that are required to prevent illness or accidents. Annual safety inspections are conducted of offices, projects under construction and operational facilities.

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 2023 fiscal year. Unless otherwise stated, all amounts are presented in millions of Swedish kronor (SEK M). Figures in parentheses pertain to the preceding fiscal year.

INFORMATION ABOUT BUSINESS OPERATIONS

Eolus's business concept is to create value at every level of project development, construction and operation of renewable energy assets, enabling sustainable investments for local and international partners.

The company's core business is to develop renewable energy facilities and realize them through sales of project rights for permitted projects and projects under development to a broad base of customers. In most cases, sales are supplemented with a Construction Management Agreement, where Eolus manages and carries out the construction on behalf of the owner. Eolus offers a full range of asset management services to energy facility owners for carefree ownership that maximizes revenue and production. The company is currently developing projects in Sweden, Norway, Finland, the Baltics, Poland, the US and Spain.

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

EOLUS'S OBJECTIVES 2022–2024

Eolus's business plan for 2022–2024 involves expansion in all technologies and markets where Eolus operates. Based on the business plan, Eolus has communicated the following financial targets:

Financial targets	Outcome 2023/comments
Sales of 1,000 MW per year on average during the period 2022–2024.	In 2023, the Skallberget/Utterberget, Tjärnäs and Rosenskog projects totaling 125 MW were sold. In 2022, 1,010 MW were sold. The average for the years 2022-2023 thus amounts to 567.5 MW. The goal has not yet been achieved.
From 2025, sales shall amount to 1,500 MW per year on average.	Through a strong focus on the development of existing and new projects in combination with the acquisition of projects, we create the conditions to have enough projects ready to sell from 2025 onwards. During 2023, the project portfolio grew by 5,000 MW. This is a long-term goal that follows the plan.
Return on equity at Group level shall exceed 10% per year on average.	The return on equity amounted to 46 percent. Goal achieved.
Equity ratio at Group level shall exceed 30%.	The equity ratio amounted to 56%. Goal achieved.
Eolus' dividend over time shall follow the earnings and correspond to 20–50% of the Group's profit after tax. However, dividends will be subject to the Group's investment requirements and financial position.	The Board of Directors proposes a dividend of SEK 2.25 per share, a total of SEK 56 million for 2023. The proposed dividend follows Eolus' dividend policy and is deemed to be justifiable with regard to the group's financial position and future funding needs. Goal achieved.

Project development

Eolus is a Nordic leader in renewable energy and the company is active across the entire value chain, from early project development to the construction and operation of renewable energy facilities. Founded in 1990, Eolus has constructed 757 wind turbines with a capacity of 1,939 MW and 120 MW in battery storage facilities. Eolus has signed contracts for about 1,209 MW of asset management services of which 941 MW are in operation. In 2023, Eolus's project portfolio was expanded with 4,956 MW of projects in onshore and offshore wind, solar energy and battery storage projects to a total portfolio of 26,836 MW. Projects are realized either by selling project rights combined with a construction contract, or a contract for construction management services for the installation of renewable energy facilities. In both cases, revenue is recognized over time using the percentage of completion method, which means that revenue and expenses are recognized based on the percentage of completion of the energy facility. The construction projects that commence before a divestment agreement is signed with a customer do not meet the requirements for revenue recognition over time, instead this settlement begins on the date the customer takes over the project rights. Eolus also sells project rights in early stages together with project development services. These are recognized in revenue in conjunction with the fulfillment of predetermined criteria.

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

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

Sales from project development, establishment and divestment of energy facilities amounted to SEK 2,274 M (2,330). During the fiscal year, the Øyfjellet, Skallberget/Utterberget, Tjärnäs and Rosenskog wind projects, with total capacity of 525 MW, were completed and handed over. In the US, milestones were achieved for Centennial Flats and Cald. Other operating income of SEK 87 M (28) mainly comprised an arbitration award (SEK 48 M), exchange rate gains and invoiced costs.

EARNINGS AND FINANCIAL POSITION

	2023 12 months	2022 12 months	2021 12 months	2019/2020 16 months	2018/2019 12 months
Overview Group					
Net sales	2,301	2,356	2,614	2,469	2,032
Operating profit/loss	764	80	-25	280	118
Profit/loss after financial items	719	109	-40	183	116
Return on capital employed, %	42	9	neg	16	11
Return on equity after tax, %	46	neg	neg	21*	16
Total assets	2,808	1,919	1,885	1,808	2,058
Equity/assets ratio, %	56	54	67	57	43
Average number of employees	107	76	54	45	39

	2023 12 months	2022 12 months	2021 12 months	2019/2020 16 months	2018/2019 12 months
Overview Parent Company					
Net sales	392	22	158	1,073	1,413
Profit/loss after financial items	373	101	85	-98	207
Total assets	2,083	1,676	1,541	1,701	2,375
Equity/assets ratio, %	70	67	67	59	45
Average number of employees	60	51	34	28	27

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

ENERGY FACILITIES UNDER CONSTRUCTION, DECEMBER 31, 2023

	Location	Technology	Capacity, MW	Estimated generation, GWh	Planned deployment	Percentage of completion
Stor-Skälsjön	Sundsvall and Timrå, Sweden, SE2	Onshore wind power	260	800	2024	79%
Timmele	Ulricehamn, Sweden, SE3	Onshore wind power	8	23	2025	0%
Pome	San Diego, US	Battery storage	100	-	2024	0%
Total			**368**	**823**		

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. When calculating the equity/assets ratio for the Parent Company, untaxed reserves after tax are included in equity.

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.

Asset management

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

Sales from asset management of energy facilities amounted to SEK 29 M (30).

At the end of the fiscal year, Eolus's asset management assignments on behalf of customers totaled 941 MW (882). In addition to these assignments, the company has signed asset management agreements for the Stor-Skälsjön (260 MW) and Timmele (8 MW) wind farms.

THE GROUP'S NET SALES AND EARNINGS

Net sales amounted to SEK 2,301 M (2,356), down SEK 55 M year-on-year. Operating profit amounted to SEK 764 M (80), an improvement of SEK 684 M. Net sales for the year are in line with the preceding year, mainly due to the divestment of Skallberget/Utterberget, Tjärnäs and Rosenskog under construction, and that completion was achieved before the end of the fiscal year. During the year, revenues from the construction of Stor-Skälsjön were also recognized based on the percentage of completion. The milestones achieved for Centennial Flats and the final milestone for Cald contributed to net sales. Operating profit was considerably improved by the divestment and completion of Skallberget/Utterberget, Tjärnäs and Rosenskog, and the milestones achieved for Centennial Flats and Cald.

Changes in the fair value of currency instruments had a positive impact of SEK 18 M on operating profit, compared with a negative year-on-year amount of SEK 15 M. Financial items amounted to an expense of SEK -44 M, compared with income of SEK 28 M in the preceding year. During the year, interest expense increased due to higher interest rates and increased borrowing. Interest expense was also affected by an arbitration award of SEK -12 M. 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 56% at the end of the fiscal year, compared with 54% at the end of the preceding fiscal year.

CASH FLOW AND CASH AND CASH EQUIVALENTS

Cash flow from operating activities was SEK -152 M, compared with SEK -191 M in the preceding year. The negative cash flow is attributable to investments in the project portfolio, large supplier payments for ongoing projects in the US and the completed acquisition of a Finnish project portfolio.

Cash flow from investing activities was SEK 41 M, compared with SEK -33 M in the preceding year. Cash flow from financing activities was SEK 116 M, compared with SEK 153 M in the preceding year.

At the end of the fiscal year, cash and cash equivalents amounted to SEK 575 M (568), up SEK 7 M. In addition to cash and cash equivalents, an overdraft facility of SEK 100 M was undrawn. Of the company's total construction loans of SEK 1,300 M, SEK 60 M was drawn. At the end of the preceding fiscal year, the overdraft facility was undrawn and construction loans had been drawn in an amount of SEK 50 M.

At the end of the fiscal year, net debt amounted to SEK 118 M compared with net cash of SEK 258 M at the end of the preceding fiscal year.

WORK IN PROGRESS, PROJECTS UNDER DEVELOPMENT

At the end of the period, work in progress and projects under development amounted to SEK 1,202 M (772), up SEK 430 M. The increase in costs incurred was due to the acquisition of projects in Finland and high project development activity.

Advance payments to suppliers amounted to SEK 183 M (230). The value of projects under development and energy facilities under construction varies greatly when they are measured, partly due to the amount of MW under construction, but also the current phase of the project.

At the end of the fiscal year, renewable energy facilities with capacity of 368 MW (794) were under construction, comprising 268 MW (394) in Sweden, 100 MW (0) in the US and 0 MW (400) in Norway.

LIABILITIES

Interest-bearing liabilities to credit institutions amounted to SEK 454 M (300) at the end of the fiscal year. Liabilities are affected by the size of ongoing projects and their current phase. Others interest-bearing liabilities refer to right-of-use assets.

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

In January, Eolus and PNE signed an agreement for a joint venture for developing the Kurzéme offshore wind project in Latvia. The wind farm will have installed capacity of about 1,000 MW and the potential to generate 4.5 TWh of renewable electricity per year. Eolus has been developing the project since 2020.

In February, Christer Baden Hansen took office as Chief Commercial Office and member of Eolus's Group Management. Christer has extensive experience from the wind industry through his long career within Vestas, where he held several positions in sales. Prior to joining Eolus, he served as Vice President, Head of Global Sales for Vestas Group.

The Øyfjellet wind farm in Norway was completed and handed over to Øyfjellet Wind AS in March. In 2019, Eolus sold its shares in project company Øyfjellet Wind AS to Aquila Capital. Eolus then constructed the wind farm on behalf of its owner under an EPCM contract. In connection with the handover, the parties agreed to terminate the previously signed asset management agreement and transfer those services to Øyfjellet Wind AS. While all the financial terms were not fully settled between the parties at the point of handover, Eolus does not expect any significant impact from the project moving forward.

In April, Göteborgs Hamn AB decided to acquire 5% of Eolus's offshore project Västvind outside Gothenburg. The port company's decision was based on the green transition faced by the port, entailing a sharp increase in the need for electricity in the period up to 2030.

In May, Eolus signed a cooperation agreement with Finnish land owner Finsilva for the development of five wind power projects with installed capacity of more than 600 MW on the company's land in Finland. The project areas are located in central Finland with good opportunities to connect the wind farms to the grid. Deployment is scheduled for 2027 and onwards.

In June, Eolus divested the Skallberget/Utterberget, Tjärnäs and Rosenskog wind projects to BKW, with a total capacity of 125 MW. The transaction comprised all shares in the project companies at an enterprise value of EUR 189.3 M and a consideration of EUR 18.9 M. Eolus has since been managing the construction of the projects on behalf of BKW under a Construction Management Agreement. The estimated revenues amount to approximately EUR 29.5 M and will be recognized based on the percentage of work completed (see below).

In June, a key milestone was achieved in Centennial Flats, a solar and battery storage project in Arizona, US, which Eolus divested in October 2022. The project is planned to comprise a 500 MW solar farm and 250 MW battery storage facility. Due to secured land rights and a signed grid connection agreement, Eolus received a considerable milestone payment during the quarter. The total consideration is estimated to range between USD 104 M and USD 190 M. After the milestone had been achieved, Eolus had received about 40% of the lower amount in the range.

In July, Eolus made a decision to invest in Pome, a 100-MW battery storage project in San Diego County, in the US. Construction commenced in the fourth quarter of 2023 with planned commercial deployment in the fourth quarter of 2024. An agreement to deliver a battery energy storage system was signed with a global supplier of battery storage systems and a ten-year tolling agreement

has been signed with an undisclosed buyer. Divestment of the project is under way with the aim of closing the deal in the first half of 2024.

In July, Eolus submitted a permit application for the Västvind offshore wind project, west of Gothenburg. The project comprises 1,000 MW capacity with estimated annual electricity generation of about 4 TWh. The application will be reviewed by both the Land and Environment Court in Västra Götaland and the Swedish government since the farm is located in both territorial waters and Sweden's economic zone.

Michiel Messing, Head of Construction, stepped down from Eolus's Group Management in July and left the company in October.

In July, Eolus commenced a strategic review of its offshore wind power activities in order to create the best conditions for permitting and realizing the projects. The review includes the possibility of seeking a strategic partner with expertise and resources that could help to accelerate the development and realization of the offshore projects.

On August 10, Tiina Partanen took office as new Country Manager in Finland. She has extensive experience of senior positions in both energy and other industrial sectors. Tiina has served in several senior positions in the Finnish nuclear power company Fennovoima, and previous roles include Project Director at Patria and Head of Manufacturing at Caverion.

In October, a contracting dispute related to the Kråktorpet and Nylandsbergen wind farms outside Sundsvall was resolved by arbitration. The arbitration award had a positive impact of SEK 96 M on Eolus's operating profit and a negative impact of approximately SEK 28 M on cash flow.

In October, Eolus and Volvo Cars signed a letter of intent to collaborate on Eolus's Västvind offshore project. The collaboration involves Västvind supplying electricity to Volvo Cars' operations in Hisingen in Gothenburg, including the new battery manufacturing plant being built jointly with Northvolt, through the joint venture Novo Energy.

In October, Eolus submitted a permit application to the government for the Arkona offshore wind project off the south coast of Sweden. The 1,400-MW project will have estimated annual electricity generation of about 5.5 TWh in an expansive region with high energy demand and low self-generated electricity.

In December, Eolus acquired YIT Energy Oy – the division of Finland's largest development and construction company, YIT, that develops renewable energy projects. The acquisition included renewable energy projects of 2.3 GW and 16 employees. Eolus acquired 100% of the shares in YIT Energy Oy for a fixed consideration of EUR 25 M. Of this amount, EUR 10 M was paid in conjunction with completion of the acquisition, and the remaining amount will be received in the form of milestone payments between 2024 and 2025. The transaction also includes variable consideration that will be determined on the basis of project divestments and installed projects up until the end of 2032. The total installed capacity of the acquired portfolio is 2.3 GW, including 1.1 GW from mature projects that were included in Eolus's project portfolio in the fourth quarter. Projects in earlier phases account for the remaining 1.2 GW.

In December, Eolus submitted a permit application for the Najaderna offshore wind project with capacity of 1,000–1,700 MW outside Tierp Municipality in Region Uppsala. The project's estimated annual electricity generation of 4–5 TWh would add a significant amount of renewable electricity to a region with consumption that is expected to increase considerably in the coming years. The application will be reviewed by both the Swedish government and the Land and Environment Court since the project is located in both territorial waters and Sweden's economic zone.

Eolus completed and handed over the Swedish Skallberget/Utterberget, Tjärnäs and Rosenskog onshore wind projects to the owner BKW in December. The projects comprise 19 wind turbines with total installed capacity of 125 MW. The projects were divested to BKW in June 2023 and Eolus has managed the construction under a Construction Management Agreement (CMA) on behalf of BKW. Based on the degree of completion, Eolus recognized remaining revenue from the projects in the fourth quarter of 2023 and received payments in the first quarter of 2024. Eolus will provide asset management services for the wind farms under a long-term contract.

EMPLOYEES

During the year, the average number of employees in the Group was 107 (76). The average number of women employees was 42 (26), corresponding to 39% (34). 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 82–84.

SIGNIFICANT RISKS AND UNCERTAINTIES

Risk management

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

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

The risks identified are evaluate based on two criteria:

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

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

To improve and ensure a sufficient level of internal control, Eolus has a procedure for minimum internal control requirements. The procedure requires the function managers in the Group's process structure to first identify the most important risks in each function and then perform a self-assessment of the effectiveness of the management of these. The starting point for the self-assessment is the actual management of the risks over the past 12-month period.

STRATEGIC, OPERATIONAL AND REGULATORY RISKS

Macroeconomic risks

Eolus operates in a sector that is affected by the political and economic situation in each country, at EU level and globally. Political stability provides good conditions for the development of renewable energy projects, but the industry is also affected by the economic climate, interest rates, electricity prices and exchange rates. The ability and willingness of customers to invest in renewable energy facilities is affected by economic changes. Higher interest rates would make customers' financing more expensive, and energy prices would also affect customers' calculations.

Geopolitical risks

Eolus operates in several markets and is dependent on other markets across the entire supply and value chain. This means that Eolus is directly and indirectly exposed to geopolitical conflicts and political instability. As such, there is a risk of disruptions to supply chains, access to necessary human resources, influence on permitting for projects in several markets in relation to defense aspects, and less interest in investing in projects located in or close to Russia and Ukraine, for example. In addition, risks for important infrastructure such as access to/quality of grid connections, roads, etc. need to be considered. The supply chain disruptions referred to above lead to increased costs, impaired profitability and an inability to meet growth targets. These risks are offset by ensuring that agreements contain a force majeure clause and by carefully following and analyzing developments in each market.

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.

Cybercrime
Cybercrime is increasing, which means that Eolus is exposed to risks such as unauthorized access to IT systems and company information, cyber fraud and hacking attacks. Should these occur, Eolus could be affected by disruptions or inefficient operations, loss of data, sensitive information leaks, financial consequences, legal consequences, negative impact on the brand, and disruptions in the energy facilities where Eolus provides asset management on behalf of owners. To prevent risk, Eolus has a strong focus on IT and information security. The IT department continuously monitors developments, analyzes threat scenarios and takes ongoing measures to reduce the risk of cybercrimes. Penetration tests are conducted on a regular basis, employees receive continuous training and updates about IT and information security, software is regularly updated and improved, and these issues are continuously discussed by Eolus's Group Management and Board.

Grid/grid connection constraints
To realize renewable energy projects, there must be capacity available in the grid and an ability to connect the facility to the grid. In several of the countries where Eolus operates, there are limitations on grid and connection capacity, which means that careful investigations are required from an early stage of the development process, and then continuously throughout the entire project. If this does not take place, there is a risk that the project will not be realized despite the major costs invested in the project. This risk is reduced by discussing the problems and potential solutions at an early stage of the project's development, and in close cooperation with the relevant grid owners. The employees are very aware of this situation.

Reduced potential in the project portfolio
As a project developer, Eolus's success and profitability is dependent on a well-diversified project portfolio where projects are distributed across a range of technologies, markets and degrees of maturity. Having a project portfolio with too many projects in the same technology or market entails a risk that Eolus will be unable to offer the investments requested by customers and therefore be unable to meet its growth targets. Having too many projects in an early stage of maturity could place Eolus in a position where the company makes large project investments with long payback periods, which could affect liquidity.

This risk is mitigated by Eolus focusing on the need for a diverse project portfolio in the company's business planning. In the 2022–2024 business plan, Eolus is focused on expansion in all technologies and all active markets and intends to evaluate expansion into at least one new market. Project development mainly takes place by Eolus identifying possible early-stage projects, but also by evaluating potential acquisitions and collaborations in order to develop and diversify the project portfolio. By developing processes and IT support, Eolus has also improved opportunities for evaluating the project portfolio on the basis of markets, technology and degree of maturity, and for monitoring percentage of completion and costs. The project portfolio's composition and development are continuously discussed by Eolus's Group Management and Board.

It is also important that Eolus can quickly align its projects and project portfolio with new opportunities and challenges in the market. Being a hands-on party, where we continuously meet customers, landowners, municipalities, authorities and other key stakeholders is part of our culture and our strategy. This is essential for our ability to quickly adapt to new or changed conditions.

Compliance
Eolus conducts operations in a range of national markets, which means that the company could breach both national and EU regulations as well as international conventions, but also miss legislative changes that could lead to new business opportunities. This could lead to legal consequences and increased costs, and have a negative impact on Eolus's brand. Eolus works with compliance by having internal or external lawyers who help the business operations comply with relevant laws and regulations, as well as our internal procedures.

Corruption
It is possible that someone in Eolus could choose to breach internal procedures, leading to a corruption offense. Eolus's internal procedures have zero tolerance for any type of corruption. There is a specific code of conduct for purchasing goods and services, which means that our suppliers commit to adherence with Eolus's zero tolerance for corruption. Eolus's investment decisions are made by a Decision Committee, and new suppliers must be approved according to special procedures in order to avoid irregularities.

Loss of key people and recruitment difficulties
Eolus is a knowledge-based company and highly dependent on the knowledge, experience and creativity of its employees. Loss of key people or difficulty recruiting employees could lead to a loss of important information, major business disruptions and a slower rate of expansion. To retain and attract new employees, Eolus continuously reviews salaries, benefits and other terms of employment. Moving forward, more systematic succession planning and mapping of critical expertise and key employees is planned. The focus also lies on strengthening the Eolus brand, living our values, developing leadership and employeeship and communicating the value of working in a stable company with a long history.

Health and safety risks
Eolus manages the construction of complex construction projects such as wind farms, but since Eolus does not conduct its own installation activities, the main health and safety risks are in the supply chain, where there is a risk of death, serious injuries or other injuries, as well as chronic illness that can lead to a shorter life expectancy or reduced quality of life. There are also some physical risks for Eolus's employees who work in the construction phase, and for those who are responsible for asset management. For employees who work in an office environment, the main risks are psychosocial and organizational illnesses. Eolus evaluates health and safety risks continuously in order to identify the measures that are required to prevent illness or accidents. A deeper analysis of health and safety risks has been carried out, and used as a basis for continued efforts to prevent accidents and injuries. Eolus also conducts annual safety inspections and performs regular risk assessments for employees who are working in the facilities. Anyone who works for, or on behalf of, Eolus is required to follow the applicable laws, have systematic health and safety management in place and comply with Eolus's rules and procedures for workplace health and safety. Risk observations, near misses and accidents are reported, and the incidents are then investigated so that measures can be taken to prevent a recurrence.

Contractual risks
Eolus strives to enter into agreements on customary terms for the sector as a means of managing the legal and commercial risks in the company's business. When establishing energy facilities, the company's activities include negotiation of component supply agreements with manufacturers. Eolus strives to sign agreements with customers at the same time as concluding agreements with the energy facility's suppliers since advance payments to suppliers can add up to a significant amount. The size and number of projects has increased during the ongoing expansion, while the number of component manufacturers in the market is limited and delivery times are relatively long. That could have a material adverse effect on the company's financial position if deliveries to projects cannot be met or are significantly delayed.

Human rights abuses
Eolus's business involves long, complex and global supply chains with a risk for human rights abuses and violation of workers' rights, such as poor working conditions, poor

workplace health and safety, forced labor and discrimination. The main and most serious risks are related to the extraction and processing of raw materials for the production of wind turbines, solar panels and batteries, which are known challenges for the industry. Challenges identified include disrespect for indigenous peoples' rights and unsafe working conditions. Further examples are forced labor and child labor, since most of the metals required for manufacture are extracted in China and the Democratic Republic of the Congo, countries with a known problem in these areas. Therefore, there are risks of adverse effects on workplace safety and health, damaged reputation and confidence in Eolus as well as fines, fees and legal processes. To prevent and mitigate these risks, Eolus continuously sets requirements and monitors the compliance of our suppliers. This is managed by Eolus's Code of Conduct for Suppliers and Business Partners, Eolus's Human Rights Policy and Eolus's Guidelines on Indigenous Peoples' Rights. Read more about our work with a sustainable supply chain on pages 54–55.

Impact on culture, leadership and organization due to rapid expansion

In recent years, Eolus has expanded in terms of both geographic markets and technologies, while the number of employees has increased considerably. This requires inductions of new employees, new processes and the development of organization, leadership and governance. A broad strategy with a range of parallel initiatives combined with a complex market trend entails a risk that Eolus will be unable to focus sufficiently on each area. This could lead to a loss of market share, the inability to achieve growth targets and loss of key employees. There is also a risk that the current governance and management structure is neither sufficient nor appropriate, which could lead to inefficiency, lack of clarity and loss of employees. This risk is mitigated with continuous organizational development, a focus on governance, management and decision-making structures, and a focus on internal communication with the aim of clarifying targets, strategy and roll distribution.

FINANCIAL RISKS

Liquidity risk

Eolus has a large, high-quality project portfolio to work with and continuously invests in it. Various delays in project development or divestments could lead to a substantial need for liquidity. Increasingly longer lead times for project development of energy facilities requires a greater focus on business planning to meet investment needs and the payment terms of suppliers. Short, medium and long-term planning is carried out and matched against available loans.

Capital requirements and financing ability

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

Eolus secured financing for the next four years in July 2022. The credit agreement, signed with Swedbank, comprises liquidity and construction loans totaling SEK 1,200 M. The agreement has secured funding for Eolus's expansion in this forthcoming period in terms of both ongoing and future establishments in which Eolus is responsible for financing during the construction phase, and ensuring strong liquidity in the ongoing operations. Of total credit of SEK 1,200 M, SEK 60 M was drawn at the end of the fiscal year. At the end of the preceding fiscal year, drawn credit amounted to SEK 50 M. The Board has adopted a Finance and Risk Policy containing guidelines for the equity/assets ratio, maturity structure of loans and the management of liquidity preparedness to reduce refinancing risk.

Exchange-rate changes

A large portion of Eolus's divestments of renewable electricity generation facilities are denominated in EUR and USD. Exchange rate fluctuations against the SEK can thus affect the profitability of facility constructions. This is offset by currency futures, advance payments from customers and borrowing in EUR and USD. The Board has stated in the Finance and Risk Policy that at least 75%, and a maximum of 125%, of the estimated net flow of each currency over a 12-month period is to be hedged. On the balance sheet date, the company's outstanding currency futures for selling contracts amounted to EUR 28 M (23). These had a total negative market value of SEK 3 M (-15).

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 affect 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.

SHAREHOLDERS

On December 31, 2023, Eolus had 33,555 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 12. The number of shares held by individuals with an insider position are presented on Eolus's website: www.eolus.com

SHARES

On December 31, 2023, the share capital in Eolus Vind AB amounted to SEK 24,907,000, distributed between 1,284,625 Class A shares and 23,622,375 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 72–80. Eolus's remuneration guidelines for senior executives were adopted by the Annual General Meeting on May 19, 2022. For information about these guidelines, refer to the Corporate Governance Report on pages 75–76.

SUSTAINABILITY

Contributing to long-term sustainable development by developing renewable energy facilities is the cornerstone of Eolus's business concept. The company's starting point is to act in a responsible and sustainable manner in all aspects of our business. We also aim to minimize and prevent the potentially negative effects of our operations. The focus for sustainability lies on the material topics identified in a materiality assessment. Refer to the summary on page 58. In 2023, the company's Board established a long-term sustainability strategy for Eolus for the period up to 2040. Eolus's Sustainability Report for 2023 is integrated into the Annual Report and Sustainability Report and comprises the content on pages 40–61. For the Auditor's Statement on the Statutory Sustainability Report, refer to page 62. The Sustainability Report is also available on the company's website: www.eolus.com

DIVIDEND POLICY

The Board has adopted a dividend policy entailing that dividends issued by Eolus over the long term will be based on the company's earnings and correspond to 20–50% of the company's profit. However, dividends will be adapted to the company's investment requirements and financial position. For the 2022 fiscal year, the Annual General Meeting on May 12, 2023 adopted a dividend corresponding to SEK 1.50 (1.50) per share. The dividends were paid out on May 22, 2023.

PROPOSED DISTRIBUTION OF PROFIT

The Board of Directors proposes a dividend om SEK 2.25 (1.50) per share for the 2023 fiscal year in line with the company's dividend policy.

The proposed record date for the dividends is Monday, May 20, 2024.

The expected payment date is Thursday, May 23, 2024. 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):

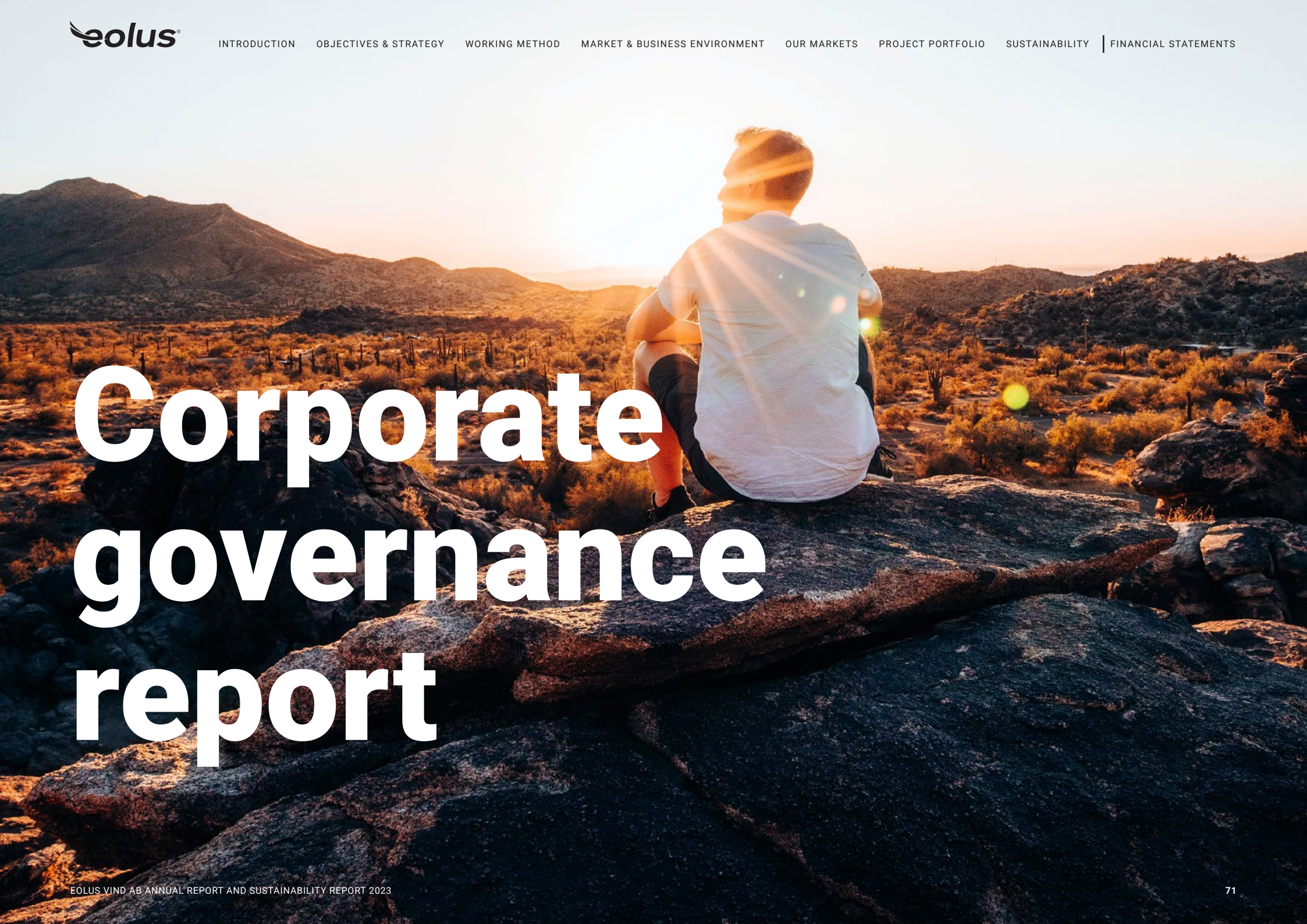
Share premium reserve	168,662,573
Retained earnings	861,451,856
Net profit for the year	325,959,412
Total	**1,356,073,841**

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

dividend to the shareholders	56,040,750
to be carried forward	1,300,033,091
Total	**1,356,073,841**

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.



Corporate governance report

CORPORATE GOVERNANCE REPORT FOR EOLUS VIND AB (PUBL)

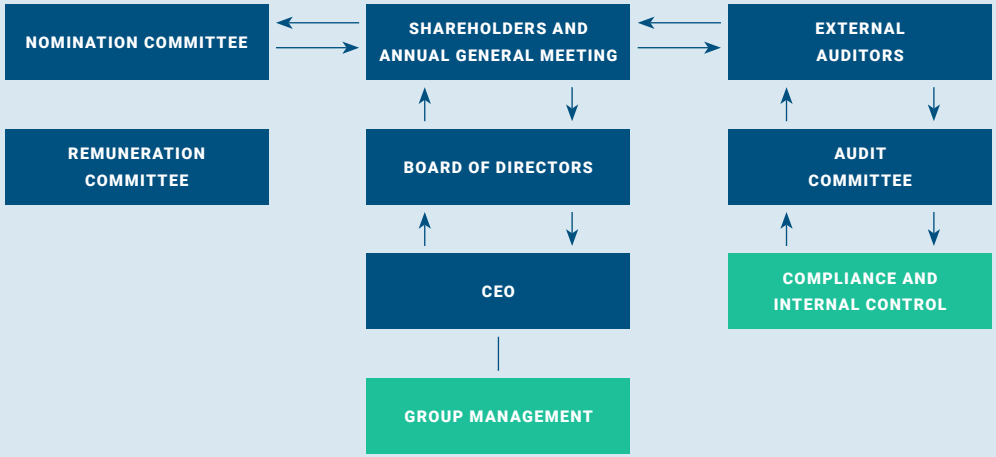
Eolus Vind AB is a Swedish public limited liability company that has been listed on Nasdaq Stockholm since February 2, 2015. Eolus is governed through General Meetings, the Board of Directors, the CEO and Group management in accordance with the Swedish Companies Act, the Articles of Association and the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

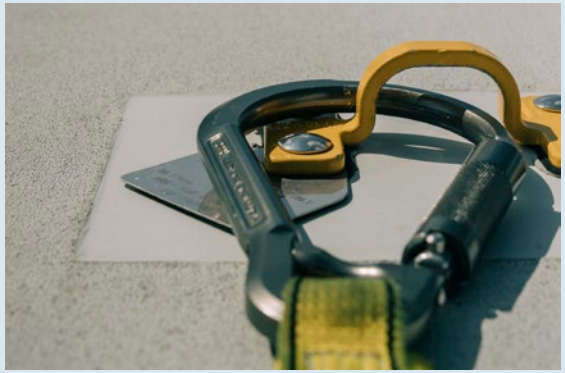
With Nasdaq Stockholm, Eolus has committed to apply the Swedish Corporate Governance Code (the "Code"), https://bolagsstyrning.se/current-code which is to be applied by all Swedish limited liability companies whose shares are traded on a regulated market in Sweden. Eolus is governed by external requirements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

ARTICLES OF ASSOCIATION

The current Articles of Association were adopted at the Annual General Meeting on May 19, 2021. They state that the Board's registered office is to be in Hässleholm, Sweden, that the Board's members are to be elected every year by the Annual General Meeting for a period up to the next Annual General Meeting, and that one Class A share entitles the holder to one vote while one Class B share entitles the holder to one-tenth of a vote. There are otherwise no restrictions in the Articles of Association as regards how many votes each shareholder may cast at an Annual General Meeting. Class A shares and Class B shares entitle the holder to the same dividend. The Articles of Association do not specify specific provisions as regards the election of the Board of Directors other than what is stated in Swedish law. The complete Articles of Association are available on Eolus's website, www.eolus.com.

GOVERNANCE STRUCTURE





CENTRAL EXTERNAL GOVERNING DOCUMENTS

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

CENTRAL INTERNAL GOVERNING DOCUMENTS:

- The Articles of Association, which are available on Eolus's website.
- Terms of reference for the Board and the Board's committees, including instructions for the CEO.
- Group-wide policies adopted by the Board:
  - Code of Conduct
  - Code of Conduct for Suppliers and Business Partners
  - Corporate Governance Policy
  - Communication and Insider Policy
  - Environmental Policy
  - Finance and Risk Policy
  - HR Policy
  - Human Rights Policy
  - IT Policy
  - Privacy Policy
  - Sustainable Procurement Policy
  - Work Environment Policy

SHAREHOLDERS

Information about Eolus's shareholders can be found on pages 11–12 and in Note 29 on page 140 of the Annual Report.

GENERAL MEETING

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.

2023 Annual General Meeting

Eolus's 2023 Annual General Meeting was held in Hässleholm, Sweden, on Thursday, May 12. 45 shareholders were represented at the Meeting, corresponding to 36% of the voting rights in the company. In addition to shareholders, the Chairman of the Board, CEO and other members of the Group Management as well as the auditor were represented at the Meeting. The minutes of the Meeting are available on Eolus's website, www.eolus.com. All resolutions were made in accordance with the proposals from the Nomination Committee and the Board of Directors.

Some of the resolutions passed by the Meeting include:

- Dividend of SEK 1.50 per share for the 2022 fiscal year.
- The Board of Directors is to comprise six members, with no deputy members.
- Re-election of Board members Hans-Göran Stennert, Hans Johansson, Hans Linnarson, Bodil Rosvall Jönsson, Jan Johansson and new election of Marie Grönborg.
- Re-election of Hans-Göran Stennert as Board Chairman.
- Re-election of PricewaterhouseCoopers AB as the company's auditors with re-election of Vicky Johansson as Auditor in Charge.
- Fees to the Board Chairman, Board members and auditor.
- Rules for the appointment and work of the Nomination Committee.

2024 Annual General Meeting

The next Annual General Meeting for Eolus's shareholders will be held on Thursday, May 16, 2024. For more information about the Annual General Meeting, registration, etc. refer to page 149.

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, 2023. Hans-Göran Stennert, Chairman of the Board, presented the Nomination Committee's composition on November 16, 2023.

Ahead of the Annual General Meeting on May 16, 2024, the Nomination Committee consists of the following members:

- Hans-Göran Stennert (in his capacity as Chairman of the Board of Eolus Vind AB).
- Ingvar Svantesson, appointed by Domneåns Kraftaktiebolag (15.6% of the voting rights).
- Hans Gydell, appointed by Hans-Göran Stennert, (12.1% of the voting rights).
- Hans Johansson, appointed by Åke Johansson (6.6% of the voting rights).

The Nomination Committee held its first meeting on February 21, 2024. The Nomination Committee has more meetings scheduled before the Committee presents its proposals to the 2024 Annual General Meeting. The work of the Nomination Committee begins with the members reviewing the evaluation of the Board carried out during the year.

DIVERSITY ON THE BOARD

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

THE BOARD OF DIRECTORS AND ITS WORK

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

Board members

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

From the Annual General Meeting on May 12, 2023, the Board has consisted of six members. For a presentation of the Chairman of the Board and Board members, and their independence of Eolus and senior management (also independence for members of the Audit Committee), major shareholders, number of participations shares in the company and previous experience, see pages 77–78. Eolus's CEO is not a member of the Board.

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 terms of reference. The adopted terms of reference stipulate the division of duties among the Board's members and how often the Board will convene. Furthermore, the terms of reference regulate the Board's duties, quorum, instructions for the CEO, the delegation of responsibilities between the Board and the CEO, and more. The Board has also established a Remuneration Committee comprising three Board members, and an Audit Committee comprising two Board members.

The Board convenes according to a one-year plan proposed in advance and more meetings are arranged as needed. The Board held 14 minuted Board meetings during the 2023 fiscal year.

The issues addressed in 2023 included:

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

In addition to Board meetings, the Chairman of the Board and the CEO engage in ongoing dialogue regarding management of the company. The CEO, Per Witalisson,

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

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

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

BOARD ATTENDANCE IN 2023

	Function	Independent[1]	Board meetings	Remuneration Committee	Audit Committee
Hans-Göran Stennert	Chairman	2)	14 of 14	3 of 3	
Sigrun Hjelmquist	Board member	X	5 of 5[3]	2 of 2	
Hans Johansson	Board member	X	14 of 14		
Hans Linnarson	Board member	X	13 of 14		5 of 5
Bodil Rosvall Jönsson	Board member	X	14 of 14	3 of 3	5 of 5
Jan Johansson	Board member	X	14 of 14	1 of 1	
Marie Grönborg	Board member	X	9 of 9[4]		

[1] According to the definition in the Swedish Corporate Governance Code.
[2] Not independent (in relation to Eolus's major shareholders).
[3] Stepped down at the Annual General Meeting on May 12, 2023.
[4] Elected at the Annual General Meeting on May 12, 2023.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Hans-Göran Stennert, Jan Johansson 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, making 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 renumeration guidelines for 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 senior management,
- monitoring and evaluating application of the remuneration guidelines for senior executives as adopted by the Annual General Meeting, as well as relevant remuneration structures and levels in the company,
- ensuring that the company's auditor submits a written statement to the Board no later than three weeks before the Annual General Meeting regarding whether the guidelines for remuneration of senior executives valid since the previous Annual General Meeting have been followed, and
- carrying out the other duties that are assigned the Remuneration Committee in the Swedish Corporate Governance Code and other applicable rules and regulations for the company.

The Remuneration Committee held three minuted meetings in 2023, 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 is the Committee's Chairman.

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 2023, and all members were present.

CHIEF EXECUTIVE OFFICER

The CEO of Eolus is Per Witalisson (born 1971), Master of Business Administration. The Board has adopted instructions for the work and role of the CEO. The CEO is responsible for the day-to-day management of the Group's business in accordance with the Board's guidelines. For a presentation of the CEO, refer to page 79. For information about CEO remuneration, refer to Note 6.

GROUP MANAGEMENT

Per Witalisson leads the work of Group Management and makes decisions in consultation with other members of management. Group Management consists of seven people – the CEO, COO/Deputy CEO, CFO, CCO, General Counsel, Head of Communications and Sustainability, and Head of HR. For a presentation of the management, see pages 79–80. During 2023, management held 17 meetings. The year's meetings were dominated by a continuous reconciliation of the rolling business plan, strategy issues, action plans and the impact of the pandemic on the Group's operations. Standing items on the agenda are minutes from the previous meeting, reports from establishment operations, the operational team, finances, project development, establishment, sales and marketing, operation, foreign operations, personnel, occupational health and safety, and legal issues.

AUDIT

At the Annual General Meeting on May 12, 2023, Pricewaterhouse Coopers AB (PwC) was re-elected with Vicky Johansson re-elected 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, Vicky Johansson is also auditor for Doro AB (publ), Euroflorist 2.0 Obligation AB (publ), Arjo AB (publ) and BHG Group AB (publ). Vicky Johansson is an authorized public accountant and member of FAR. In 2023, 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 12, 2023 resolved on annual fees totaling 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 TO SENIOR EXECUTIVES

Scope and applicability of the guidelines

These guidelines comprise the persons who are part of the management group in Eolus, currently the CEO, COO/Deputy CEO, CFO, CCO, General Counsel, Head of Communications and Sustainability, and Head of HR.

To the extent that a Board member performs work for Eolus in addition to the assignment as Board member, these guidelines shall apply also for any remuneration (e.g. consultancy fee) for such assignment.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In brief, Eolus' business strategy is to construct turnkey facilities for renewable energy and energy storage in order to create value at all stages in the planning, establishment and operation of such facilities, and offer attractive and competitive investment objects to both local and international investors. More information on the company's business strategy is available in Eolus' latest annual report.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain a highly competent management with capacity of achieving specified goals. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the senior executives a competitive total remuneration. Variable cash remuneration covered by these guidelines shall be based on criteria that aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and be competitive, and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on such factors as position, competence, experience and performance. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

If the satisfaction of criteria for awarding variable cash remuneration is measured over a period of one year, the yearly variable cash remuneration may amount to not more than five monthly salaries for the CEO, not more than four monthly salaries for the deputy CEO and not more than three monthly salaries for other senior executives. If the satisfaction of criteria for awarding variable cash remuneration is measured over a period of several years, the variable cash remuneration relating to such period of time may in total (i.e. including variable cash remuneration relating to measurement periods of one year) amount to the combined maximum of the yearly variable cash remuneration for the respective executives during the financial years included in such measurement period. Variable remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreement.

Pension benefits, including health insurance, shall be defined contribution, insofar as the executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Pension premiums for defined contribution pensions may amount to a maximum of 30 percent of the pensionable income.

Other benefits may include life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits may amount to a total of not more than 15 per cent of the pensionable income.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

Senior executives shall be employed until further notice or for a specified period of time. Upon termination of employment, the notice period may not exceed twelve months. Severance pay shall not be paid. In the event of termination by the senior executive, the notice period may not exceed twelve months for the CEO and six months for the other senior executives.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be based on predetermined and measurable financial and non-financial criteria which shall be determined by the Board of Directors, such as return on equity, delivery of on-going projects, orders received and reduction of capex. The criteria shall apply for one financial year at a time. By rewarding clear and measurable progress in bonus goals that are linked to the company's financial and operational development, the criteria will contribute to supporting and motivating employees to achieve Eolus' business strategies, long-term goals and sustainability.

The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial criteria, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment conditions

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fee to Board members

In case a Board member (including through a wholly owned company) performs services for Eolus in addition to his or her assignment as Board member, additional compensation (consultancy fees) may be paid, provided that such services contribute to the implementation of Eolus' business strategy and the safeguarding of Eolus' long-term interests, including its sustainability. The annual consultancy fee for a Board member may not exceed the annual Board fee for such Board member. The consultancy fee shall be market-based and proportionate to the benefit to Eolus.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision on proposal for guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines when there is a need for significant changes and at least every fourth year, and the proposal shall be presented for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and the executive management. The CEO or other members of the executive management, do not attend in the Board of

Directors' processing of and resolutions regarding remuneration-related matters, in so far as they are affected by the matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

For more information about remuneration of senior executives, refer to Note 6 of this Annual Report and the remuneration report on pages 82–84.

The Board's proposed guidelines for remuneration of senior executives

The Board of Directors intends to propose that the Annual General Meeting 2024 resolves on an adjustment to the current guidelines adopted by the Annual General Meeting 2021. The proposal entails that only such variable cash remuneration that is measured over a period of one year may be paid to senior executives and that variable cash remuneration to senior executives other than the CEO may amount to four months' salary. No other significant changes are proposed.

Remuneration of auditors

Fees for the audit assignment are paid as invoiced and amounted to SEK 1 M for the 2023 fiscal year. Fees paid to PwC for non-audit assignments totaled SEK 1 M during the 2023 fiscal year. For more information about the remuneration of auditors, refer to Note 7.

SUSTAINABILITY

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

Eolus's approach to sustainability is aligned with the 2030 Agenda and the Ten Principles of the UN Global Compact, and have been governed by Eolus's Code of Conduct and various policies, guidelines and procedures. Moving forward, the focus of Eolus's sustainability strategy 2040, which was adopted by the Board in 2023, will govern the company's sustainability initiatives.

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

Eolus's Sustainability Report can be found on pages 40–61 of this Annual Report and Sustainability Report. For the auditor's statement on the sustainability report, refer to page 62.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE 2023 FISCAL YEAR

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

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

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

Control environment

The terms of reference for the Board and the Board's instructions for the duties of the CEO and the Board's committees clearly define the delegation of responsibilities 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, Communication and Insider Policy, IT Policy and the Group's accounting manual, which defines the accounting and reporting rules.

Risk assessment

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

Control structures

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

Information and communication

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

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

Monitoring

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

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

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

Internal audit opinion

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

Eolus Board of Directors

Sigrun Hjelmquist stepped down from Eolus's Board at the 2023 Annual General Meeting. Marie Grönborg was elected new Board member.

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 INGKA Holding BV, which was the IKEA Group's holding company in 1993–2007, of which the last nine years he served as Chairman of the Board.

Other assignments: Board member of Cuptronic Technology AB and the Kamprad Family Foundation.

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

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

MARIE GRÖNBORG Board member

Born: 1970
Elected: 2023

Education and background: MSc in Chemical Engineering from Chalmers University of Technology/Imperial College. Experience from several senior positions in Swedish industrial companies, including EVP Business Area Specialties and Solutions/Innovation in the Perstorp Group, CEO of Purac AB and CEO of TreeToTextile AB.

Other assignments: Board member of SSAB AB, Permascand Top Holding AB and Aduro Clean Technologies Inc.

Shareholding in Eolus:
Class A shares: 0.
Class B shares: 3,025

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

HANS JOHANSSON Board member

Born: 1965
Elected: 2016

Education and background: Extensive experience in the Swedish building materials trade through assignments in purchasing firm Woody Bygghandel AB, which has some 40 member companies, and in operations at the family firm Borgunda Bygghandel where he is the CEO.

Other assignments: CEO and Chairman of Borgunda Bygghandel AB and CEO or Board member in the associated subsidiaries. Chairman of the Board of Borgunda Drift & Förvaltning, Borgunda Holding AB, Borgunda Logistics AB, Borgunda Tributo AB, Borgunda Uterque AB, Skövdevillan AB, Skövdevillan Holding AB and Vendunt Ett AB. Board member of Borgunda Gård AB, Credibilis Nordic Holding AB, Norskär AB, Stenatorp Såg AB and Tile i Skaraborg AB. Partner of Borgunda Fastighet Handelsbolag.

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

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

JAN JOHANSSON Board member

Born: 1959
Elected: 2019

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

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

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

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

HANS LINNARSON Board member

Born: 1952
Elected: 2017

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

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

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

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

BODIL ROSVALL JÖNSSON Board member

Born: 1970
Elected: 2017

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

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

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

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

OTHER DISCLOSURES REGARDING THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The assignments of Board members and senior executives described above refer to assignments outside the Eolus Group, and do not include assignments as a deputy or Board member of subsidiaries for which the person is a Board member of the Parent Company. Reported shareholdings comprise both direct, indirect and related party shareholdings in accordance with the shareholder register maintained by Euroclear on December 31, 2023 and thereafter with any changes known by Eolus. The Board members were elected at the Annual General Meeting on May 12, 2023 for the period until the 2024 Annual General Meeting. There are no separate agreements with major shareholders, customers, suppliers or other parties under which Board members or senior executives have been elected or appointed. There are no agreements with Eolus or any of its subsidiaries regarding benefits after the completion of each assignment. There are no close family ties between the company's Board members and senior executives. Nor do any conflicts of interest exist, whereby the private interests of Board members and senior executives could conflict with those of Eolus. All Board members and senior executives can be reached by contacting Eolus's head office.

Eolus's Group Management

There were two changes to Eolus's Group Management in 2023:
– Christer Baden Hansen took office as Chief Commercial Officer and member of Group Management on February 1, 2023.
– Michiel Messing, Head of Construction, stepped down from Eolus's Group Management in July 2023 and left the company in October 2023.

Information about members of Group Management is presented below. Assignments outside of Eolus are presented under Other assignments, but not assignments as deputy Board members. Shareholdings in Eolus are reported as of March 13, 2024 and 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.

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

Other assignments: Board member of Triventus AB.

Shareholding in Eolus:
Class A shares: 15,925.
Class B shares: 52,916.

MAGNUS AXELSSON COO and Deputy CEO

Born: 1973
Employed since 2022.

Education: BSc in Energy Systems.
Previous positions: Senior positions in the energy sector, in companies such as E.ON, Sarepta Energi and Austri Vind.

Other assignments: None

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

CHRISTER BADEN HANSEN Chief Commercial Officer

Born: 1979
Employed since 2023.

Education: M.Sc. Economics and Business Administration
Previous positions: Senior positions at Vestas, including Vice President, Head of Global Sales, Vestas Group and member of the expanded global management team.

Other assignments: None.

Shareholding in Eolus:
Class A shares: 0.
Class B shares: 12,083.

KARL OLSSON General Counsel

Born: 1963
Employed since 2011.

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

Other assignments: Chairman of the Board of Vindkraft i Dalåsen AB. Board member and CEO of Terrier Law AB. Board member of Skogskovall AB.

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

CATHARINA PERSSON CFO

Born: 1975
Employed since 2013.

Education: Master of Business Administration
Previous positions: Previously CFO at ACAP Invest AB (publ).

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

Shareholding in Eolus:
Class A shares: 0.
Class B shares: 7,985.

HELÉNE SEBRÉN Head of HR

Born: 1969
Employed since 2022.

Education: BSc in Human Resources Management and Labor Law.
Previous positions: Consultant assignment as Head of HR at Eolus 2020–2022, Head of HR at Tetra Pak, Sony Ericsson and Länsförsäkringar, as well as HR consultant with own business.

Other assignments: None

Shareholding in Eolus:
Class A shares: 0.
Class B shares: 1,991.

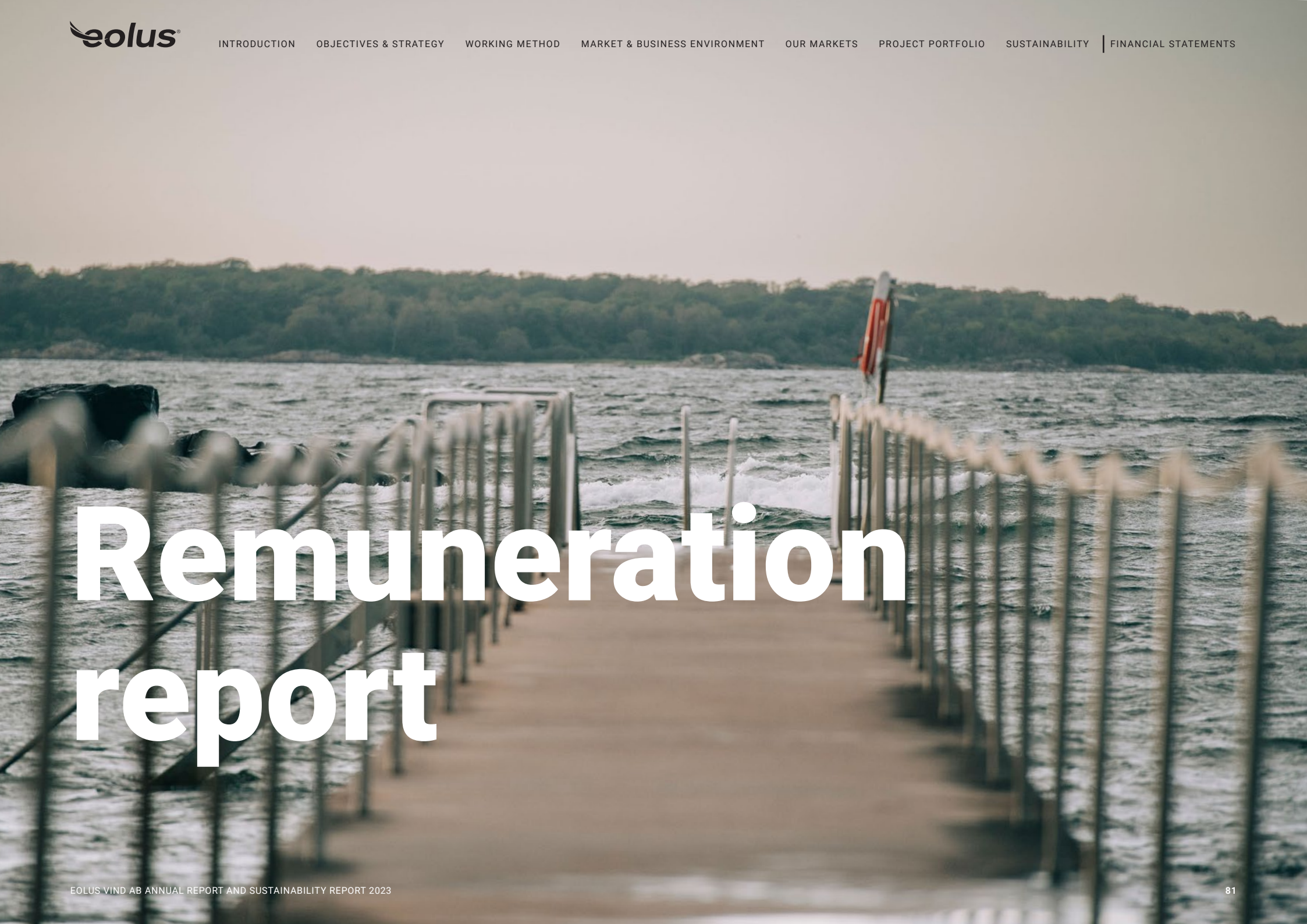
KARIN WITTSELL HEYDL
Head of Communications, Sustainability and IT

Born: 1972
Employed since 2022.

Education: BSc in Communication Studies.
Previous positions: Director of Corporate Communications and Marketing at Wihlborgs Fastigheter AB, and several positions in communication and marketing in a range of industries.

Other assignments: None

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



Remuneration report

INTRODUCTION

This report describes how the remuneration guidelines for senior executives of Eolus Vind AB (publ) were applied during the 2023 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 110 of the 2023 Annual Report. For information about the Remuneration Committee's work, refer to the Corporate Governance Report on pages 72–80 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 110 of the Annual Report.

Developments during 2023

The CEO summarizes the overall performance of the company in his comments on pages 5–6 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. According to the company's remuneration guidelines, senior executives may be offered a competitive total remuneration package. According to the guidelines, the remuneration of senior executives should be market- based and may comprise the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial and non-financial criteria. The criteria should be designed to promote the company's business strategy and long-term interests, including its sustainability, by being clearly linked to the business strategy, for example, or promoting the executive's long-term development.

The guidelines can be found on pages 75–76 of the Annual Report. In 2023, the company adhered to the applicable remuneration guidelines adopted by the Annual General Meeting. According to the guidelines, the Board is able to deviate from the principles if there are special reasons to motivate such action and the deviation is necessary for meeting the long-term interests of the company. No deviations from the guidelines occurred during the fiscal year. The auditor's opinion on the company's compliance with the guidelines is available at www.eolus.com/investerare/bolagsstyrning/ersattningar. (Swedish only). There was no request for repayment of the remuneration.

TOTAL REMUNERATION OF THE CEO AND DEPUTY CEO, SEK M – AMOUNTS PAID

Name of executive (position)	Fiscal year	Fixed remuneration		Variable remuneration		Pension costs	Total remuneration	Percentage of fixed and variable remuneration
		Basic salary [1]	Other benefits [2]	One-year	Multi-year			
Per Witalisson, CEO	2023	2.81	0.06	0.41	-	0.54	3.82	89%/11%
	2022	2.78	0.05	0.11	-	0.52	3.46	97%/3%
Magnus Axelsson, Deputy CEO from Sep 1, 2022	2023	1.82	0.00	0.07	-	0.28	2.18	97%/3%
	2022	0.60	0.00	0.02	-	0.14	0.75	100%/0%
Marcus Landelin, Deputy CEO until Apr 28, 2022	2023	-	-	-	-	-	-	-
	2022	1.14	0.06	1.19	-	0.17	2.54	53%/47%

[1] Including vacation pay.
[2] Refers to company car.

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			
						Opening balance	During the year		Closing balance
		Vesting period	Allotment date [1]	Vesting date	End of lock-up period	Share options at beginning of year	Allotted	Vested	Allotted but not vested at year-end
Per Witalisson, CEO	2019/2020	2021–2023	Mar 15, 2021	Dec 31, 2023	Dec 31, 2023	378	-	-	378
	2021	2022–2024	May 19, 2022	Dec 31, 2024	Dec 31, 2024	490	-	-	490
	2022	2023–2025	Mar 9, 2023	Dec 31, 2025	Dec 31, 2025	-	556[2]	-	556
Magnus Axelsson, Deputy CEO	2022	2023–2025	Mar 9, 2023	Dec 31, 2025	Dec 31, 2025	–	388[3]	–	388

[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 97.
[3] The aggregate market value of the underlying shares on the allotment date is KSEK 68.

SHARE OWNERSHIP PROGRAMS

The company currently has three ongoing Share Ownership Programs for all of the company's employees, including the CEO and Deputy CEO. On December 31, 2023, the lock-up period for the 2019/2020 Share Ownership Program ended and a total of 378 Matching Shares will be acquired and delivered to the CEO within 20 trading days of the three-year date of acquiring the Savings Shares. The current Share Ownership Programs comprise 2021, 2022 and 2023, and allotment of the 2023 Share Ownership Program will take place in March 2024. 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.

THE PERFORMANCE OF THE CEO AND DEPUTY CEO DURING THE REPORTED FISCAL YEAR: VARIABLE CASH REMUNERATION

	Description of criteria for the remuneration component	Relative weighting of performance criteria	Performance measurement (%)	Actual allotment/ remuneration outcome (SEK M)
Per Witalisson, CEO	Return on equity for the fiscal year	48	100	0.55
	Operational objectives for project development activities	52	31	0.19
Magnus Axelsson, Deputy CEO	Return on equity for the fiscal year	60	100	0.36
	Operational objectives for project development activities	40	50	0.12

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 2023 have been taken into account. The non-financial performance criteria contribute to further adaptation to sustainability and to the company's values.

CHANGES IN REMUNERATION AND THE COMPANY'S RESULTS OVER THE PAST FIVE REPORTED FISCAL YEARS (RFY), SEK M

Remuneration of CEO and Deputy CEO	RFY-4 vs. RFY-5	RFY-3 vs. RFY-4	RFY-2 vs. RFY-3[1)]	RFY-1 vs. RFY-2	RFY vs RFY-1	2023
Per Witalisson, CEO	0.74 (33%)	-0.13 (-4%)	1.00 (36%)	-0.36 (-9%)	0.36 (10%)	3.82
Magnus Axelsson, Deputy CEO[2)]	N/A	N/A	N/A	N/A	N/A	2.18
Marcus Landelin, Deputy CEO[3)]	0.61 (32%)	0.02 (1%)	0.76 (30%)	N/A	N/A	N/A
Operating profit/loss	-42%	77%	-112%	N/A	+864%	764
Average remuneration based on number of FTEs excl. Group management	0.05 (7%)	0.10 (13%)	-0.14 (-16%)	-0.09 (-12%)	-0.05 (-8%)	0.60

[1)] The 2019/2020 fiscal year refers to 16 months. Outcome for the fiscal year was adjusted to 12 months for comparability.
[2)] Employed from September 1, 2022.
[3)] Employed until April 28, 2022.

Financial statements

CONSOLIDATED STATEMENT OF INCOME

SEK M	Note	2023	2022
Net sales	3, 4	2,301	2,356
Other operating income	8	93	37
Total operating income		**2,394**	**2,394**
Cost of goods and project development		-1,297	-2,047
Other external expenses	7, 14	-168	-137
Employee benefits expenses	5.6	-127	-86
Depreciation and impairment of intangible assets and property, plant and equipment	13	-10	-14
Profit/loss from participations in associated companies	19	-2	2
Other operating expenses	8	-26	-32
Total operating expenses		**-1,630**	**-2,314**
Operating profit		**764**	**80**
Interest income	9	22	4
Interest expense	9	-50	-16
Other financial items	9	-17	41
Profit/loss from financial items		**-44**	**28**
Profit before tax		**719**	**109**
Tax	11	-147	8
Net profit for the year		**573**	**116**
Attributable to Parent Company shareholders		573	-5
Attributable to non-controlling interests	17	-	122
Total		**573**	**116**
Earnings/loss per share, before and after dilution	22	**23.00**	**-0.22**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK M	Note	2023	2022
Net profit for the year		**573**	**116**
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		-9	57
Tax attributable to other comprehensive income	11	0	-10
Total other comprehensive income		**-9**	**47**
Comprehensive income for the year		**563**	**163**
Attributable to Parent Company shareholders		565	36
Attributable to non-controlling interests	17	-2	127
Total		**563**	**163**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Intangible assets	12	0	4
Property, plant and equipment	13	258	43
Holdings in associated companies	19	28	30
Deferred tax assets	11	17	41
Other financial assets	25	1	43
Total non-current assets		**305**	**161**
Current assets			
Work in progress, projects under development and electricity certificates	20	1,202	772
Advance payments to suppliers		183	230
Accounts receivable	21, 25	39	95
Derivative instruments	25	4	-
Current tax assets		17	23
Other current receivables	21, 25	103	61
Prepaid expenses and accrued income	22	381	10
Cash and cash equivalents	25	575	568
Total current assets		**2,503**	**1,758**
TOTAL ASSETS		**2,808**	**1,919**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	23	25	25
Additional paid-in capital		191	191
Reserves		32	40
Retained earnings		1,262	727
Equity attributable to Eolus's shareholders		1,510	983
Non-controlling interests		69	61
Total equity		**1,579**	**1,044**
Non-current liabilities			
Non-current interest-bearing liabilities	14, 24, 25, 27	528	231
Non-current provisions		0	0
Deferred tax liabilities	11	2	2
Other non-current liabilities	27	109	75
Total non-current liabilities		**640**	**309**
Current liabilities			
Current interest-bearing liabilities	14, 24, 25, 27	164	79
Accounts payable	25	112	274
Derivative instruments	25	1	15
Current tax liabilities		41	0
Accrued expenses and deferred income	22, 25	131	177
Advance payments from customers		10	10
Other current liabilities		130	11
Total current liabilities		**589**	**567**
TOTAL EQUITY AND LIABILITIES		**2,808**	**1,919**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Note 23	Share capital	Other paid-in capital	Reserves	Retained earnings	Total Eolus's shareholders	Non-controlling interests	Total equity
At January 1, 2023		**25**	**191**	**40**	**727**	**983**	**61**	**1,044**
Net profit for the year					573	573	0	573
Other comprehensive income				-7		-7	-2	-9
Total comprehensive income				**-7**	**573**	**565**	**-2**	**563**
Transactions with shareholders								
Change in non-controlling interests in subsidiaries						-	1	1
Dividends					-37	-37		-37
Capital contribution from non-controlling interests						-	9	9
At December 31, 2023		**25**	**191**	**32**	**1,262**	**1,510**	**69**	**1,579**

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

* When assessing the financial effect of the transition to IFRS 15 and application of revenue recognition over time, Eolus's equity was negatively impacted due to a variable parameter when determining the transaction price in contracts with customers.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK M	Note	2023	2022
Operating activities			
Operating profit		764	80
Non-cash items	26	-15	-94
		749	**-13**
Interest received		23	3
Interest paid		-55	-15
Income tax paid		-76	-24
Net cash flow from operating activities before changes in working capital		**641**	**-49**
Adjustments of working capital			
Increase of work in progress, projects under development and electricity certificates as well as advance payments to suppliers		-1,367	-703
Increase/decrease in operating receivables		-472	6
Increase in operating liabilities		1,047	554
Cash flow from operating activities		**-152**	**-191**
Cash flow from investing activities			
Acquisition of property, plant and equipment	13	-2	-5
Sale of property, plant and equipment	13	2	2
Acquisition of financial assets	19	0	-30
Sale of financial assets		41	-
Cash flow from investing activities		**41**	**-33**
Cash flow from financing activities			
Borrowings	24	553	300
Repayment of loans	24	-410	-189
Dividends		-37	-37
Payment from minority shareholders		10	80
Cash flow from financing activities		**116**	**153**
Cash flow for the year		**5**	**-71**
Cash and cash equivalents at beginning of year		568	625
Exchange rate differences in cash and cash equivalents		1	14
Cash and cash equivalents at year-end		**575**	**568**

PARENT COMPANY INCOME STATEMENT

SEK M	Note	2023	2022
Net sales	4	392	22
Change in work in progress and projects under development		14	8
Own work capitalized		20	18
Other operating income	8	54	44
Total operating income		**480**	**92**
Cost of goods and project development		-20	-60
Other external expenses	7, 14	-62	-40
Employee benefits expenses	5, 6	-81	-65
Depreciation and impairment of intangible assets and property, plant and equipment		-3	-5
Other operating expenses	8	-1	1
Total operating expenses		**-168**	**-169**
Operating profit/loss		**312**	**-77**
Profit from participations in Group companies	16	144	115
Interest income	9	39	9
Interest expense	9	-50	-15
Other financial items	9	-10	70
Profit from financial items		**123**	**179**
Profit after financial items		**435**	**101**
Appropriations	10	-61	22
Profit before tax		**373**	**123**
Tax on profit for the year	11	-47	-3
Net profit for the year		**326**	**121**

The Parent Company has no items recognized as other comprehensive income, which is why total comprehensive income corresponds to net profit for the year.

PARENT COMPANY BALANCE SHEET

SEK M	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Intangible assets	12	0	4
Property, plant and equipment			
Land and buildings	13	0	0
Equipment	13	1	1
		2	**2**
Financial assets			
Participations in Group companies	16	36	32
Participations in associated companies	19	-	-
Other securities held as non-current assets	15	1	1
Deferred tax assets	12	-	7
Non-current receivables from Group companies		445	275
		482	**314**
Total non-current assets		**483**	**320**
Inventories, etc.			
Work in progress, projects under development and electricity certificates	20	50	40
Advance payments to suppliers		36	32
		86	**72**
Current receivables			
Accounts receivable	21	2	4
Receivables from Group companies		798	840
Current tax assets		-	18
Other current receivables	21	8	6
Prepaid expenses and accrued income	22	312	8
		1,119	**877**
Cash and cash equivalents		**394**	**406**
Total current assets		**1,600**	**1,355**
TOTAL ASSETS		**2,083**	**1,676**

PARENT COMPANY BALANCE SHEET

SEK M	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Restricted equity	23		
Share capital		25	25
Statutory reserve		22	22
		47	**47**
Non-restricted equity			
Share premium reserve		169	169
Retained earnings		861	778
Net profit for the year		326	121
		1,356	**1,067**
Total equity		**1,403**	**1,115**
Untaxed reserves	10	**65**	**1**
Provisions		**0**	**0**
Non-current liabilities			
Non-current liabilities to credit institutions	24	300	225
Other non-current liabilities		54	64
Total non-current liabilities		**354**	**289**
Current liabilities			
Liabilities to credit institutions	24	154	75
Advance payments from customers		5	24
Accounts payable		13	127
Liabilities to Group companies		23	30
Current tax liabilities		27	0
Other liabilities		17	7
Accrued expenses and deferred income	22	21	7
Total current liabilities		**261**	**270**
TOTAL EQUITY AND LIABILITIES		**2,083**	**1,676**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK M	Note 23	Share capital	Paid-in capital	Reserves	Retained earnings	Total equity
At January 1, 2023		**25**	**22**	**169**	**899**	**1,115**
Net profit for the year					326	326
Total comprehensive income					**326**	**326**
Transactions with shareholders						
Dividends					-37	-37
At December 31, 2023		**25**	**22**	**169**	**1,187**	**1,403**

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

PARENT COMPANY CASH FLOW STATEMENT

SEK M	Note	2023	2022
Operating activities			
Operating profit/loss		312	-77
Non-cash items	26	-4	6
		308	-72
Interest received		39	9
Interest paid		-55	-15
Income tax paid		5	0
Net cash flow from operating activities before changes in working capital		**297**	**-77**
Adjustments of working capital			
Increase in work in progress, projects under development and advance payments to suppliers		-13	-3
Increase in operating receivables		-139	-202
Decrease/increase in operating liabilities		-127	53
Cash flow from operating activities		**18**	**-229**
Cash flow from investing activities			
Acquisition of property, plant and equipment	12	-1	-1
Sale of property, plant and equipment	12	1	2
Change in financial assets		-159	87
Cash flow from investing activities		**-159**	**88**
Cash flow from financing activities			
Borrowings	24	553	300
Repayment of loans	24	-409	-188
Group contributions received/paid		21	13
Dividends		-37	-37
Cash flow from financing activities		**128**	**89**
Cash flow for the year		**-12**	**-52**
Cash and cash equivalents at beginning of year		406	458
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		**394**	**406**

Notes

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 21, 2024 and they will be presented to the Annual General Meeting for adoption on May 16, 2024.

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

REGULATIONS APPLIED TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

INTRODUCTION OF NEW ACCOUNTING POLICIES

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

NEW IFRS STANDARDS NOT YET APPLIED

The standards, interpretations and amendments effective on or after the 2024 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 2023 had any significant effects on the Group's financial statements.

REVENUE

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

Revenue from transfer of project rights and signed construction contracts

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

Revenue recognition over time

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

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

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

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

Revenue from transfer of energy facilities where construction has begun

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

Revenue from transfer of project rights without signed construction contracts

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

Sale of asset management services

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

Interest

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

Dividends

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

CONSOLIDATION BASIS

The consolidated financial statements encompass the Parent Company and its subsidiaries. The financial state-

ments 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, which is the date on which the Group obtains control over the subsidiary, and are included in the consolidated financial statements until the date on which that control ceases.

Business combinations are recognized using the acquisition method. The consideration comprises the fair value of acquired assets, liabilities and issued shares. The consideration also includes the fair value of all assets and liabilities that are part of any contracted, contingent consideration. 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 exceed 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 using the equity method and initially measured at cost, and the carrying amount is then increased or decreased to recognize the Group's share of the associated company's profit or loss after the date of acquisition.

Non-controlling interests
A non-controlling interest is the portion of earnings and net assets in a non-wholly owned subsidiary that is attributable to owners other than Parent Company shareholders. Their share of earnings is included in net profit for the year in the consolidated income statement and their 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 currency, 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. Income statements and balance sheets for 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.

	EUR	NOK	PLN	USD
Closing day rate, Dec 31, 2023	11.0960	0.9871	2.5570	10.0416
Average rate for the period 2023	11.4707	1.0049	2.5274	10.6042
Closing day rate, Dec 31, 2022	11.1283	1.0572	2.3741	10.4371
Average rate for the period 2022	10.6274	1.0518	2.2689	10.1094

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.

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 entailing pre-study, project development, divestment and establishment of facilities for renewable electricity generation and energy storage. 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.

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. Recoverable amount is the higher of fair value less costs to sell and value in use.

Financial instruments

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

Recognition and derecognition from the statement of financial position

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

Recognition and measurement of financial assets

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

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets requires impairment. A financial asset or group of financial assets requires impairment and is impaired only if there is objective evidence of an impairment requirement due to one or more events having occurred after the asset was first recognized (a loss event) and that this event (or these events) has an effect, that can be reliably estimated, on the estimated future cash flows for the financial asset or group of financial assets.

Recognition and measurement of financial liabilities

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

FAIR VALUE MEASUREMENT

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

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

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

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

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

WORK IN PROGRESS AND PROJECTS UNDER DEVELOPMENT

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

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

CONTINGENT LIABILITIES

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

EMPLOYEE BENEFITS

Severance pay

Severance pay is paid when employment is terminated before the normal age of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. Eolus recognizes severance pay when the Group has an existing legal or informal commitment when it is more probably that an outflow of resources will

be required to settle the commitment than not, and when the amount can be reliably calculated.

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

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

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 differences 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.

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 using 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 affected the amounts in 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

Through its operations, Eolus is exposed to a variety of financial risks: interest rate risk, currency risk, credit risk, liquidity and refinancing risk as well as capital risk. The Group's overall risk management focuses on the unpredictably of the financial markets and seeks to minimize potentially adverse effects on the Group's earnings. These financial risks include the impact of changes in interest expense for variable interest loans, the impact of sales in EUR and USD on renewable energy facilities, the impact on purchasing components for the facilities in EUR and USD if exchange rates change, the risk of 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.

INTEREST RATE RISK

Eolus's customers usually borrow for their investments in renewable energy facilities. Consequently, interest rates affect demand for these facilities. The Group's loans have mainly been raised for project development. Interest on these credit facilities is currently variable, refer to Note 24. Loans with fixed interest rates expose the Group to fair-value interest rate risk. Changes in market rates can affect future earnings and profitability, especially for renewable energy facilities under construction that are financed with Eolus's bank loans. It is up to management to assess on each occasion the amount of borrowing at fixed or variable interest rates. This can be achieved by a combination of fixed-interest loans, loans at variable interest rates and derivative instruments. The loan portfolio had an average fixed-rate period of 3 months. At December 31, 2023, interest-bearing liabilities to credit institutions amounted to SEK 454 M (300). The average interest rate was 6.3% (4.6). A change in interest rates of +/-1 percentage points would have an earnings impact of +/SEK -5 M (3).

CURRENCY RISK

Eolus's currency risk exposure is mainly due to the fact that most divestments of project rights and renewable energy facilities, and 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, 2023, the Group had outstanding currency hedges comprising nominal amounts of EUR 28 M (23) and NOK 37 M (0). 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 77%. The forecast net flow includes an agreed consideration to be received for renewable energy facilities under construction. EUR/SEK and NOK/SEK rates were hedged during the year. A change in the SEK/EUR exchange rate of SEK 1 at the end of the fiscal year would result in an earnings impact of +/- SEK 24 M (20), given the translation of currency accounts and any outstanding futures contracts at December 31, 2023. A change in the SEK/USD exchange rate of SEK 1 at the end of the fiscal year would result in an earnings impact of +/- SEK 4 M (9), given the translation of currency accounts and loans.

	Group		Parent Company	
Loan maturity structure	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
6 months or less	59	77	54	75
6–12 months	105	2	100	-
1–5 years	354	231	300	225
More than 5 years	174	-	-	-
Total	**692**	**311**	**454**	**300**

CREDIT RISK

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

Investments

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

LIQUIDITY AND REFINANCING RISK

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

Refinancing risk pertains to the risk of experiencing difficulties in securing financing for the operations at a given point in time. Eolus's project activities comprise development of renewable energy projects and the establishment of facilities for customers. Eolus works continuously to prepare 36-month cash flow forecasts for the Group. Group Management closely monitors rolling forecasts for trends in net debt/cash and available credit facilities to ensure that the Group has sufficient liquidity to meet the needs of the business. The company strives to match payment plans for customers, in terms of liquidity buffers, with the company's plans from its largest suppliers. Eolus's current financing includes loans totaling SEK 1,600 M that secure the financing of project acquisitions and ongoing and future establishments, while enabling strong liquidity for the company's day-to-day business.

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 2023 fiscal year, all covenants entered into with credit institutions were met.

Interest-bearing liabilities to credit institutions amounted to SEK 454 M (300), of which SEK 300 M (226) was non-current. At the end of the fiscal year, the fixed-term period for loans was 1.5 years (2.7), with an average interest rate of 6.3% (4.1). Refer to Note 18 for disclosures about remaining liquidity flows pertaining to financial liabilities.

CAPITAL RISK

The Group's targets for its capital structure are to safeguard the Group's ability to continue its operations so that it can generate returns for shareholders and value for other stakeholders, and to maintain an optimal capital structure to keep costs for capital down. To maintain or adjust its capital structure, the Group can change the dividends it pays to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities. Capital refers to shareholders' share of equity. The target for Eolus' returns is at least 10% in relation to average equity. The target is followed up in conjunction with the financial statements and is communicated in interim reports.

NOTE 3 OPERATING SEGMENTS

Project development involving pre-study, project development, divestment and establishment of wind farms. This also includes technical consultancy services for wind power stakeholders.

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

2023	Project development	Asset management	Joint eliminations	Total Group
Segment revenue				
Net sales, external customers	2,273	28	-	2,301
Inter-segment transactions	1	1	-2	0
Other revenue	87	7	0	93
Expenses	-1,602	-31	3	-1,630
(of which depreciation and impairment)	(-10)	(-0)	-	(-10)
Operating profit	**759**	**4**	**-**	**764**
Financial items				-44
Profit before tax				**719**
Tax				-147
Net profit for the year				**573**
Segment's assets at December 31, 2023	2,062	20	726	2,808
Assets include: Purchase of non-current assets	229	0	-	229

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 52 M (6) on operating profit in the Project Development segment.

NOTE 3 OPERATING SEGMENTS

NOTE 3 OPERATING SEGMENTS

2022	Project development	Asset management	Joint eliminations	Total Group
Segment revenue				
Net sales, external customers	2,329	28	-	2,356
Inter-segment transactions	1	2	-3	0
Other revenue	28	9	0	37
Expenses	-2,287	-30	3	-2,313
(of which depreciation and impairment)	(-14)	(-0)	-	(-14)
Operating profit	**71**	**9**	**-**	**80**
Financial items				28
Profit before tax				**109**
Tax				8
Net profit for the year				**116**
Segment's assets at December 31, 2022	1,159	26	734	1,918
Assets include: Purchase of non-current assets	16	-	-	16

71% (40) 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 73% of revenue: 59% and 14% respectively. In the preceding year, two customers accounted for 83% of revenue: 48% and 35%, respectively.

Property, plant and equipment	Dec 31, 2023	Dec 31, 2022
Sweden	13	16
US	243	27
Total	**256**	**43**

NOTE 4 REVENUE

2023	Project development	Asset management	Total Group
Time of revenue recognition			
Over time	668	28	696
At a point in time	1,605	-	1,605
Net sales, external customers	**2,273**	**28**	**2,301**
Geographic market			
Sweden	1,625	25	1,650
Norway	230	-	230
The Baltics	5	-	5
US	413	3	416
Net sales, external customers	**2,273**	**28**	**2,301**
Type of contract			
Transfer of project rights and signed construction contracts	2,271	-	2,271
Electricity certificates	1	-	1
Asset management	-	28	28
Electricity generation	1	-	1
Net sales, external customers	**2,273**	**28**	**2,301**

NOTE 4 REVENUE

NOTE 4 REVENUE

2022	Project development	Asset management	Total Group
Time of revenue recognition			
Over time	1,277	28	1,305
At a point in time	1,052	-	1,052
Net sales, external customers	**2,329**	**28**	**2,356**
Geographic market			
Sweden	927	24	951
Norway	1,253	1	1,254
US	149	3	152
Net sales, external customers	**2,329**	**28**	**2,356**
Type of contract			
Transfer of project rights and signed construction contracts	2,323	-	2,323
Electricity certificates	5	-	5
Asset management	-	28	28
Electricity generation	1	-	1
Net sales, external customers	**2,329**	**28**	**2,356**

	GROUP	
Contract assets	**Dec 31, 2023**	**Dec 31, 2022**
Wind turbines under construction	8	6
Advance payments to suppliers	36	32
Accounts receivable	-	26
Accrued contract income	372	2
Total	**416**	**66**

Contract liabilities recognized on December 31, 2023 were also recognized as contract liabilities on December 31, 2022. No information is provided about the transaction price allocated to outstanding performance obligations, since no such obligations with an expected term of more than one year existed at December 31, 2023.

Contract liabilities	**Dec 31, 2023**	Dec 31, 2022
Advance payments from customers	10	56
Invoiced but not accrued revenue	-	-
Total	**10**	**56**

NOTE 5 SALARIES, REMUNERATION AND NUMBER OF EMPLOYEES

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

	2023		2022	
	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	54.1	24.6	44.1	19.8
		(6.6)		(5.0)
Sweden – subsidiaries	15.2	6.5	8.2	3.3
		(1.3)		(0.5)
Finland	7.2	1.5	2.5	0.5
		(1.4)		(0.5)
Latvia	4.0	1.0	2.4	0.6
		(0.1)		(0.0)
Norway	1.6	0.1	1.5	0.2
		(0.1)		(0.1)
Poland	5.1	0.8	3.1	0.4
		(0.0)		(0.0)
Group	**87.1**	**34.5**	**61.8**	**24.8**
		(9.4)		(6.0)

NOTE 5 SALARIES, REMUNERATION AND NUMBER OF EMPLOYEES

NOTE 5 SALARIES, REMUNERATION AND NUMBER OF EMPLOYEES

Eolus has established a bonus and Share Ownership Program for all of the company's employees. A bonus is paid if the company achieves the performance targets set by the Board. The bonus corresponds to 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 to the CEO, four monthly salaries to the Deputy CEO and COO, and three monthly salaries to other senior executives. Participation in the Share Ownership Program for senior executives is maximized to the equivalent of not more than one monthly salary. Under the Share Ownership Program, an additional bonus in the form of matching shares may be received by those who acquire savings shares in the company for all or some 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.

	2023		2022	
	Salaries and other remuneration (of which bonus)	Pension costs	Salaries and other remuneration (of which bonus)	Pension costs
Board of Directors and CEO	5.1	0.5	4.6	0.5
	(0.7)		(0.4)	
Other employees	65.3	7.5	57.2	5.5
	(4.4)		(2.5)	
Group	**70.3**	**8.0**	**61.8**	**6.0**
	(5.1)		(2.9)	

	Dec 31, 2023		Dec 31, 2022	
Gender distribution, Board of Directors and other senior executives	**Number at balance sheet date**	**Of whom men**	**Number at balance sheet date**	**Of whom men**
Board of Directors	6	4	6	4
CEO and other senior executives	7	4	7	4
Group and Parent Company	**13**	**8**	**13**	**8**

	2023		2022	
Average number of employees	**Average number of employees**	**Of whom men**	**Average number of employees**	**Of whom men**
Sweden – Parent Company	60	35	51	31
Sweden – subsidiaries	24	15	13	10
Finland	8	5	3	2
Latvia	5	3	2	1
Norway	1	1	2	2
Poland	9	6	5	4
Group	**107**	**65**	**76**	**50**

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

CONDITIONS FOR BOARD OF DIRECTORS

The Annual General Meeting on May 12, 2023 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. The members of the Remuneration Committee receive an annual fee of KSEK 15. The Chairman of the Audit Committee receives an annual fee of KSEK 60 and its members an annual fee of KSEK 30. No remuneration was paid to Board members other than the Board fees described below and the transactions presented in Notes 5 and 29. 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 2023 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 2023	Basic salary/ Board fee	Variable remuneration	Pension costs	Car benefits	Total
Board of Directors:					
Chairman of the Board Hans-Göran Stennert	0.47	-	-	-	0.47
Director Marie Grönborg	0.23	-	-	-	0.23
Director Hans Johansson	0.23	-	-	-	0.23
Director Hans Linnarson	0.29	-	-	-	0.29
Director Bodil Rosvall Jönsson	0.27	-	-	-	0.27
Director Jan Johansson	0.24	-	-	-	0.24
Senior executives:					
Per Witalisson, CEO	2.81	0.74	0.54	0.06	4.16
Magnus Axelsson, Deputy CEO	1.82	0.48	0.28	0.00	2.58
Other senior executives (6 individuals)	8.20	1.50	1.96	0.27	11.93
Total	**14.54**	**2.72**	**2.78**	**0.33**	**20.38**

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

*The Group was expanded in autumn 2022, and the number of other senior executives at year-end was 5.

NOTE 7 REMUNERATION OF AUDITORS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
PricewaterhouseCoopers				
Audit assignment	1.4	1.0	1.1	0.8
Audit activities in addition to the audit assignment	0.6	0.4	0.6	0.4
Tax consultancy	0.2	0.0	0.2	0.0
Other services	0.6	0.3	0.3	0.3
Total	**2.8**	**1.7**	**2.3**	**1.5**
of which to PricewaterhouseCoopers AB				
Audit assignment	1.1	0.8	1.1	0.8
Audit activities in addition to the audit assignment	0.6	0.4	0.6	0.4
Tax consultancy	0.2	0.0	0.2	0.0
Other services	0.3	0.3	0.3	0.3
Total	**2.3**	**1.5**	**2.3**	**1.5**
EY				
Audit assignment	0.1	-	-	-
Total	0.1	-	-	-
Total	**2.9**	**1.7**	**2.3**	**1.5**

NOTE 8 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	GROUP		PARENT COMPANY	
Other operating income	**2023**	**2022**	**2023**	**2022**
Exchange rate gains attributable to project activities	9	10	0	0
Capital gains attributable to other non-current assets	0	0	0	0
Fair value of change in currency derivatives	18	-	-	-
Arbitration	48	-	48	-
Other	18	27	5	43
Total	**93**	**37**	**54**	**44**

Other operating expenses	**2023**	**2022**	**2023**	**2022**
Exchange rate losses attributable to project activities	-25	-16	-1	0
Fair value of change in currency derivatives	-	-15	-	-
Other	0	-1	0	1
Total	**-26**	**-32**	**-1**	**1**

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

NOTE 9 FINANCIAL INCOME AND EXPENSES

	GROUP		PARENT COMPANY	
Interest income	**2023**	**2022**	**2023**	**2022**
Loans and receivables	22	4	19	2
Loans and receivables to Group companies	-	-	20	7
Total financial income	**22**	**4**	**39**	**9**

Interest expense	**2023**	**2022**	**2023**	**2022**
Bank loans	-38	-16	-38	-14
Arbitration	-12	-	-12	-
Liabilities to Group companies	-	-	0	-1
Total financial expenses	**-50**	**-16**	**-50**	**-15**

Other financial items	**2023**	**2022**	**2023**	**2022**
Exchange rate differences intra-Group receivables and liabilities	6	19	14	78
Exchange rate differences in cash and cash equivalents	-8	1	-7	1
Exchange rate differences, other	-10	-5	-11	-8
Other financial expenses	-5	-2	-5	-2
Revaluation other financial assets	-	25	-	-
Fair value of change in interest rate derivatives	0	3	-	-
Total other financial items	**-17**	**41**	**-10**	**70**
of which attributable to balance sheet items measured at fair value	0	3	-	-

NOTE 10 APPROPRIATIONS AND UNTAXED RESERVES

	PARENT COMPANY	
Appropriations	**2023**	**2022**
Change in tax allocation reserve	-64	-
Depreciation in excess of plan	0	1
Group contributions received/paid	2	21
Total	**-61**	**22**

Untaxed reserves	**Dec 31, 2023**	**Dec 31, 2022**
Tax allocation reserves	64	-
Accumulated depreciation in excess of plan	1	1
Total	**65**	**1**

NOTE 11 TAX

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Current tax:				
Current tax on net profit for the year	-112	6	-41	-
Current tax attributable to prior periods	1	-12	1	-
Total current tax	**-111**	**-6**	**-40**	**-**
Deferred tax:				
Origination and reversal of temporary differences	-13	20	-	-
Tax loss carryforwards utilized during the year	-7	-6	-7	-3
Loss carryforwards remeasured during the year	-15	-	-	-
Total deferred tax	**-36**	**14**	**-7**	**-3**
Tax	**-147**	**8**	**-47**	**-3**

	GROUP		PARENT COMPANY	
Reconciliation of effective tax rate	2023	2022	2023	2022
Profit/loss before tax	719	109	373	124
Tax calculated at applicable tax rate in Sweden, 20.6%	-148	-22	-77	-26
Difference between Swedish and foreign tax rates	-1	0	-	-
Non-taxable income	37	46	39	27
Non-deductible expenses	-7	0	-10	-3
Adjustment of current tax during prior periods	1	-12	1	-1
Remeasured loss carryforwards	-15	-	-	-
Non-capitalized loss carryforwards	-13	-5	-	-
Total tax expense/tax income	**-147**	**8**	**-47**	**-3**

Tax of 0 (-10) attributable to translation differences is recognized in other comprehensive income.

NOTE 11 TAX

NOTE 11 TAX

GROUP

Specification of deferred tax assets and tax liabilities:	2023 Deferred tax assets	2023 Deferred tax liability	2022 Deferred tax asset	2022 Deferred tax liability
Property, plant and equipment	0	0	0	0
Right-of-use assets	50	50	6	6
Assets measured at fair value	-	1	3	-
Untaxed reserves	-	13	-	0
Work in progress and projects under development	32	3	31	3
Capitalized loss carryforwards:	1	-	8	-
Total	**82**	**66**	**48**	**9**
of which cannot be realized until after more than 12 months	48	48	5	5
of which can be realized within 12 months	34	52	43	4

PARENT COMPANY

	2023	2022
Specification of deferred tax assets:		
Loss carryforwards	-	7
Total	**-**	**7**

Recognized in the Statement of Financial Position/Balance Sheet:	GROUP 2023	GROUP 2022	PARENT COMPANY 2023	PARENT COMPANY 2022
Deferred tax assets	17	41	-	7
Deferred tax liabilities	-2	-2	-	-
Deferred tax liabilities (assets), net	**15**	**39**	**-**	**7**

At December 31, 2023, 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 ecognized on tax deficits amounting to SEK 1 M (8). Deficits have no determined maturity date.

NOTE 12 INTANGIBLE ASSETS

	GROUP		PARENT COMPANY	
Certificates	**2023**	**2022**	**2023**	**2022**
Opening accumulated cost	**4**	**11**	**4**	**11**
New acquisitions	-	-	-	-
Impairment	-3	-4	-3	-4
Reclassifications	-1	-3	-1	-3
Closing accumulated cost	**0**	**4**	**0**	**4**

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

	GROUP					PARENT COMPANY		
2023	Land and buildings	Wind turbines	Equipment	Right-of-use assets	Total	Land and buildings	Equipment	Total
Opening accumulated cost	**20**	**20**	**26**	**29**	**96**	**3**	**18**	**21**
New acquisitions	-	-	1	227	229	-	1	1
Divestments and disposals	-1	-	-4	-2	-7	-1	-1	-2
Reclassifications	-	-	-	1	1	-	-	-
Exchange rate differences	-1	-	0	-6	-6	-	0	0
Closing accumulated cost	**18**	**20**	**24**	**250**	**313**	**2**	**18**	**20**
Opening accumulated depreciation	**0**	**-20**	**-22**	**-9**	**-51**	**-**	**-17**	**-17**
Depreciation for the year	-	-	-1	-5	-6	0	0	0
Divestments and disposals	1	-	2	1	4	1	0	1
Reclassifications	-1	-	-	1	0	-1	-	-1
Exchange rate differences	-	-	0	0	0	-	-	-
Closing accumulated depreciation	**0**	**-20**	**-20**	**-13**	**-53**	**0**	**-17**	**-17**
Opening accumulated impairment	**-2**	**-**	**-**	**-**	**-2**	**-2**	**-**	**-2**
Impairment for the year	-	-	-	-	-	-	-	-
Reclassifications	1	-	-	-	1	1	-	1
Exchange rate differences	-	-	-	-	-	-	-	-
Closing accumulated impairment	-1	-	-	-	-1	-1	-	-1
Net carrying amount at year-end	**17**	**-**	**3**	**238**	**258**	**0**	**1**	**2**

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

	GROUP					PARENT COMPANY		
2022	Land and buildings	Wind turbines	Equipment	Right-of-use assets	Total	Land and buildings	Equipment	Total
Opening accumulated cost	**18**	**20**	**27**	**8**	**73**	**3**	**20**	**22**
New acquisitions	-	-	5	11	16	-	1	1
Divestments and disposals	-	-	-3	-4	-7	-	-2	-2
Reclassifications	-	-	-2	14	12	-	-	-
Exchange rate differences	2	-	0	0	3	-	0	0
Closing accumulated cost	**20**	**20**	**26**	**29**	**96**	**3**	**18**	**21**
Opening accumulated depreciation	**-**	**-20**	**-22**	**-2**	**-45**	**-**	**-17**	**-17**
Depreciation for the year	-	-	-1	-8	-9	-	-1	-1
Divestments and disposals	-	-	2	1	3	-	1	1
Exchange rate differences	0	-	0	-	0	-	-	-
Closing accumulated depreciation	**0**	**-20**	**-22**	**-9**	**-51**	**-**	**-17**	**-17**
Opening accumulated impairment	**-2**	**-**	**-**	**-**	**-2**	**-2**	**-**	**-2**
Impairment for the year	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-	-	-
Closing accumulated impairment	**-2**	**-**	**-**	**-**	**-2**	**-2**	**-**	**-2**
Net carrying amount at year-end	**18**	**-**	**5**	**20**	**43**	**0**	**1**	**2**

NOTE 14 RIGHT-OF-USE ASSETS

INVESTMENT COMMITMENTS

No agreements regarding acquisitions of property, plant and equipment or intangible assets had been signed on the closing date.

LEASES

The Group has entered into leases for office premises, cars and office equipment.

The Group recognizes all leases as right-of-use assets and does not utilize the option to exclude short-term or low-value leases.

The leasing periods for office premises and equipment 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.

Leasehold properties refer to leasehold agreements signed for projects on market terms. The agreements are disposed of when the project is ready for construction.

The following amounts related to leases were recognized in the balance sheet:

Right-of-use assets	Dec 31, 2023	Dec 31, 2022
Properties	232	15
Equipment	0	0
Vehicles	5	5
Total	**238**	**20**

Liabilities	Dec 31, 2023	Dec 31, 2022
Current	10	5
Non-current	228	17
Total	**238**	**22**

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

	Leasehold properties attributable to projects		Office premises		Equipment	
	Group	Parent Company	Group	Parent Company	Group	Parent Company
2023	8	-	6	4	2	1
2024	13	-	6	4	1	1
2025	13	-	4	2	1	0
2026	13	-	2	0	1	0
2027	14	-	2	-	0	-
Total	**61**	**-**	**19**	**10**	**5**	**2**

NOTE 15 OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Holdings in other companies	No. of shares	Capital/votes (%)	Dec 31, 2023	Dec 31, 2022
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
Slättens Vind AB	559022-2583	Vara	0	2

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

	2023	2022
Opening values	**31.8**	**17.8**
Acquisitions	10.7	-
Divestments	-14.8	-
Shareholders' contributions, net	8.6	14.0
Closing values	**36.2**	**31.8**

Profit from participations in Group companies	2023	2022
Impairment	-44.3	-14.0
Dividends	188.0	128.9
Profit attributable to divestments	0.2	-
	143.9	**115.0**

Subsidiaries and sub-subsidiaries are listed in the table below.

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Eolus Vind Amnehärad AB	556738-6312	Hässleholm	1,000	100/100		0.1
Ekovind AB	556343-8208	Hässleholm	130,000	100/100	10.0	10.0
Eolus Elnät AB	556639-2477	Hässleholm	1,000	100/100	0.1	0.1
Eolus Finland Oy	2622599-6	Vaasa, Finland	2,500	100/100	18.6	14.1
Eolus Vind Norge Holding AS	920964826	Oslo, Norway	23,000	100/100	5.7	5.7
Eolus Norway Offshore AS	926131699	Enebakk, Norway				
Eolus North America Inc.	47-5083428	Nevada, US		100/100	-	-
Comstock LLC	35-2541188	Nevada, US				
Crescent Peak Renewables LLC	27-2068025	Delaware, US				
ENA BESS1, LLC	61-1906369	Nevada, US				
Eolus Assets Management LLC	85-1836304	Delaware, US				
Eolus Project Holdings LLC	32-0598206	Delaware, US				
Pome BESS LLC	85-2510057	Delaware, US				
Cald Bess 2, LLC	87-2634457	California, US				
Roccasecca BESS	88-0774617	Delaware, US				

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Forth Element Wind LLC	88-0651496	Delaware, US				
Cinder Mountain Energy LLC	88-1263025	Delaware, US				
Jean Lake Energy LLC	88-1274618	Delaware, US				
Roca Caliente LLC	88-1174346	Delaware, US				
Silverside Energy LLC	88-2746909	Delaware, US				
Hoodini LLC	88-3892558	Delaware, US				
Solsken Energy LLC	88-4420761	Delaware, US				
SRF Ravendale LLC	88-4424621	Delaware, US				
Wind Wall Development LLC	32-0514251	Nevada, US				
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
Wind Farm Boarp AB	559244-3153	Hässleholm				
Eolus Vindpark 27 AB	556956-6002	Hässleholm	500	100/100	0.1	0.1
Dållebo Vindpark AB	559121-3193	Hässleholm				
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
Eolus Vindpark 33 AB	559163-5106	Hässleholm	500	100/100	0.1	0.1
Stockåsbodarna Vindpark AB	559164-6798	Hässleholm				
Eolus Vindpark 35 AB	559163-5114	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 37 AB	559163-5122	Hässleholm	500	100/100	0.1	0.1
Eolus Construction Management AB	559164-6996	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 39 AB	559277-5901	Hässleholm	500	100/100	0.1	0.1
Ölme Vindkraft AB	556755-5965	Hässleholm				
Eolus Vindpark 41 AB	559277-5893	Hässleholm	500	100/100	0.1	0.1
Siggebohyttan Vindpark AB	559244-3112	Hässleholm				
Eolus Vindpark 43 AB	559277-5968	Hässleholm	500	100/100	0.1	0.1
Fågelås Vindpark AB	559244-4151	Hässleholm				

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Eolus Vindpark 45 AB	559277-5950	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 47 AB	559281-7448	Hässleholm	500	100/100	0.1	0.1
Fornybar by Eolus Hydro REIN AB	559251-4003	Hässleholm				
Eolus Finland Holding AB	559281-7356	Hässleholm	500	100/100	0.2	0.1
Pörtom Wind Farm AB	3178978-8	Vaasa, Finland				
Pörtom Vindkraft AB/Oy	2604371-1	Närpes, Finland				
Eolus Pörtom Vind Oy	2456946-1	Vaasa, Finland				
Kiuassuon Energia Oy	3359601-5	Äänekoski, Finland				
Kuurilansalon Energia Oy	3359462-6	Virdois, Finland				
Lötkön Energia Oy	3359472-2	Keuruu, Finland				
Suoniemensuon Energia Oy	3359469-3	Karstula, Finland				
Karhukorpi Energia Oy	3359477-3	Viitasaari, Finland				
Patanan Energia Oy	3409631-1	Veteli, Finland				
Eolus Energy Oy	3370397-6	Vaasa, Finland				
Taraskallion tuulivoimapuisto Oy	2641992-6	Huittinen, Finland				
Eolus Baltic Holding AB	559313-0007	Hässleholm	500	100/100	0.1	0.1
Eolus Vindpark 51 AB	559312-9975	Hässleholm	500	100/100	0.1	0.1
Eolus Offshore AB	559332-9682	Hässleholm	250	100/100	0.0	0.0
Aurum Offshore AB	559349-7380	Hässleholm				
Blekinge Offshore AB	556761-1727	Karlshamn				
Sjollen Offshore AB	559318-2024	Hässleholm				
Arkonahavet Offshore AB	559318-4111	Hässleholm				
West Wind Offshore AB	559318-3907	Hässleholm				
Najaderna Offshore AB	559376-1934	Hässleholm				
Navakka Offshore AB	3275091-4	Vaasa, Finland				
Eolus Offshore Finland Ab	3406445-9	Vaasa, Finland				
Eolus Offshore Estonia OÜ	16624234	Tallinn, Estonia				
Eolus Spain Holding AB	559332-9666	Hässleholm	250	100/100	0.0	0.0
Eolus Vind Teresa de Cofrentes L.L.	B44875961	Madrid, Spain				

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Eolus Vindpark 57 AB	559332-9674	Hässleholm	250	100/100	0.0	0.0
Eolus Vindpark 61 AB	559346-1204	Hässleholm				0.0
Eolus Vindpark 59 AB	559346-1154	Hässleholm	250	100/100	0.0	0.0
Vaberget Vindpark AB	559349-7356	Hässleholm				
Eolus Vindpark 63 AB	559346-1212	Hässleholm	250	100/100	0.0	0.0
Södra Valla Solar Power AB	559349-7661	Hässleholm				
Eolus Vindpark 65 AB	559346-1188	Hässleholm	250	100/100	0.0	0.0
Eolus Vindpark 66 AB	559349-7935	Hässleholm				
Eolus Vindpark 67 AB	559346-1196	Hässleholm	250	100/100	0.0	0.0
Eolus Vindpark 68 AB	559349-7968	Hässleholm				
Eolus Wind Power Management AB	556912-1352	Hässleholm	500	100/100	0.1	0.1
Eolus Wind Power Management Norge AS	925247979	Oslo, Norway				
Eolus Poland Sp. z o. o.	0000868099	Warsaw, Poland		100/100	0.0	0.0
Eolus Energia Odnawialna Sp. z o. o.	0000903550	Warsaw, Poland				
Eolus Poland Holding AB	559313-0023	Hässleholm		100/100	0.1	0.1
Eolus Energia Odnawialna 4 Sp. z o. o.	0000888531	Warsaw, Poland				
Eolus Energia Odnawialna 3 Sp. z o.o.	0000883397	Warsaw, Poland				
Eolus Energia Odnawialna 2 Sp. z o.o.	0000847745	Warsaw, Poland				
Eolus Energia Odnawialna 1 Sp. z o.o.	0000857877	Warsaw, Poland				
Eolus Energia Odnawialna 5 Sp. z o.o.	0000982678	Warsaw, Poland				
Eolus Energia Odnawialna 6 Sp. z o.o.	0000982677	Warsaw, Poland				
GA2-GW Sp. z o. o.	0000871927	*Warsaw, Poland*				
GA3-K Sp. z o. o.	0000872156	*Warsaw, Poland*				
GA4-K Sp. z o. o.	0000909398	*Warsaw, Poland*				
GA6 Sp. z o. o.	0000914378	*Warsaw, Poland*				
CEPV 5 Sp. z o. o.	0000854062	*Warsaw, Poland*				
EPV Debrzno Sp. z o.o.	0000984452	*Warsaw, Poland*				
EPV Goszczyno Sp. z o.o.	0000984273	*Warsaw, Poland*				
EPV Kotun Sp. z o.o.	0000984267	*Warsaw, Poland*				

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

NOTE 16 PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

Group company	Corp. Reg. No.	Registered office	No. of shares	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
EPV Starnice Sp. z o.o.	0000984448	Warsaw, Poland				
EPV Zbyszewo Sp. z o.o.	0000984224	Warsaw, Poland				
Eolus Energia Odnawialna 7 Sp. z o.o.	0000903324	Warsaw, Poland				
GA7 Sp.z o.o.	0000973410	Warsaw, Poland				
Eolus Energia Odnawialna 8 Sp. z o.o.	0000934580	Warsaw, Poland				
Eolus Energia Odnawialna 9 Sp. z o.o.	0000966384	Warsaw, Poland				
Enrevo Dystrybucja Sp z o.o.	0000890165	Warsaw, Poland				
EPV Starnice 2 Sp z o.o.	0001019764	Warsaw, Poland				
Eolus Energia Odnawialna 10 Sp. z o.o.	0000925267	Warsaw, Poland				
Eolus Energia Odnawialna 11 Sp. z o.o.	0001049279	Warsaw, Poland				
Linusvind AB	556832-0054	Hässleholm	50,000	100/100	0.1	0.1
Lunnekullen Vindkraft AB	556705-3045	Hässleholm				
Lärkeskogen Vindkraft AB	556731-4710	Hässleholm	1,000	100/100	0.1	0.1
Näset Vindkraft AB	556721-1023	Hässleholm	1,000	100/100	-	-
SIA Eolus	40103392542	Riga, Latvia	2,000	100/100	0.0	0.0
Alokste wind SIA	40203267822	Riga, Latvia				
Andruves wind SIA	40103703482	Riga, Latvia				
Dobele wind SIA	40103786319	Riga, Latvia				
Mekji wind SIA	40103800684	Riga, Latvia				
Melderi wind SIA	40103730387	Riga, Latvia				
Mindes wind SIA	40203267771	Riga, Latvia				
Pienava wind SIA	40103730508	Riga, Latvia				
Pievikas wind SIA	40203269522	Riga, Latvia				
Valpene wind SIA	50103851451	Riga, Latvia				
Virzas wind SIA	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	-	-
Eolus Vindpark Tjugoett AB	556924-5110	Hässleholm				
Uddevalla Vind AB	556707-1278	Hässleholm	1,000	100/100	0.1	0.1
Carrying amount					**36.2**	**31.8**

NOTE 17 NON-CONTROLLING INTERESTS

Company name	Participating interest held by Group 2023	Participating interest held by Group 2022	Participating interest held by non-controlling interests 2023	Participating interest held by non-controlling interests 2022	Primary operations
Fornybar by Eolus Hydro REIN AB (formerly Eolus Vindpark 48 AB)	50%	50%	50%	50%	Project development activities
Blekinge Offshore AB	74%	60%	26%	40%	Project development activities
West Wind Offshore AB	95%	100%	5%	-	Project development activities
Eolus Wind Teresa de Cofrentes SL	80%	-	20%	-	Project development activities

Summary of financial information for subsidiaries with non-controlling interests that are material for the Group. Amounts given for each subsidiary are before intra-Group eliminations.

	Fornybar by Eolus Hydro REIN AB		Blekinge Offshore AB		West Wind Offshore AB		Eolus Wind Teresa de Cofrentes SL	
Summary balance sheet	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Work in progress and projects under development	133	121	8	-	32	-	4	-
Other current assets	10	2	2	3	6	-	1	-
Total assets	**143**	**123**	**10**	**3**	**39**	**-**	**5**	**-**
Non-current liabilities	-	-	-	-	-	-	-	-
Current liabilities	8	1	1	-	-	-	5	-
Total assets	**8**	**1**	**1**	**-**	**28**	**-**	**5**	**-**
Net assets	**135**	**122**	**9**	**3**	**11**	**-**	**0**	**-**
Accumulated non-controlling interests	**68**	**61**	**2**	**0**	**1**	**-**	**0**	**-**

NOTE 17 NON-CONTROLLING INTERESTS →

NOTE 17 NON-CONTROLLING INTERESTS

Summary statement of comprehensive income	Fornybar by Eolus Hydro REIN AB		Blekinge Offshore AB		West Wind Offshore AB		Eolus Wind Teresa de Cofrentes SL	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	-	1	-	-	-	-	-	-
Net profit/loss for the year	**0**	**-1**	**0**	**-3**	**0**	**-**	**0**	**-**
Other comprehensive income	-1	7	-	-	-1	-	-	-
Total comprehensive income	**-1**	**6**	**0**	**-3**	**-1**	**-**	**0**	**-**
Comprehensive income attributable to non-controlling interests	**0**	**3**	**0**	**-1**	**-1**	**-**	**0**	**-**

Transactions with non-controlling interests

Eolus Wind Teresa de Cofrentes was formed during the year together with non-controlling owners.

Göteborgs Hamn AB acquired 5% of the shares in West Wind Offshore AB, which owns the Västvind offshore project.

Eolus acquired an additional 14% of the shares in Blekinge Offshore AB from former non-controlling owners.

NOTE 18 FINANCIAL RISK MANAGEMENT

The table below presents the remaining contractual maturities of the financial liabilities. The amounts stated in the table are the contractual and undiscounted cash flows. On the closing date, currency derivatives had both positive and negative market value. At the closing date, the net market value of currency derivatives totaled SEK 4 M (-15).

Dec 31, 2023	<3 months	3 months–1 year	1–2 years	2–5 years	>5 years	Total
Borrowing	64	119	19	332	-	**534**
Accounts payable	112	-	-	-	-	**112**
Derivatives	1	-	-	-	-	**1**
Lease liabilities	4	13	30	41	245*	**335**
Other financial liabilities	11	121	75	15	20	**241**
Total	**192**	**253**	**124**	**388**	**265**	**1,222**

Dec 31, 2022	<3 months	3 months–1 year	1–2 years	2–5 years	>5 years	Total
Borrowing	69	17	10	240	-	**335**
Accounts payable	274	-	-	-	-	**274**
Derivatives	11	4	-	-	-	**15**
Lease liabilities	1	4	5	12	-	**22**
Other financial liabilities	9	4	12	30	33	**88**
Total	**365**	**28**	**27**	**282**	**33**	**735**

* Refers to leasehold agreements for the Pome project

NOTE 19 PARTICIPATIONS IN ASSOCIATED COMPANIES

GROUP

Participations in associated companies	Corp. Reg. No.	Registered office	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Triventus AB	556627-3016	Falkenberg	40/40	-	-
Dalavind Fagervind AB	559352-3870	Falun	49/49	30	30
Simply Blue Holdings (Skidbladner) AB	559377-8920	Trollhättan	50/50	0	-
Simply Blue Holdings (Herkules) AB	559372-6853	Trollhättan	50/50	0	-
Simply Blue Holdings (Draken) AB	559377-8870	Trollhättan	50/50	0	-
Simply Blue Holdings (Wellamo) AB	559377-8888	Trollhättan	50/50	-1	-
Carrying amount				**28**	**30**

Profit from participations in associated companies	2023	2022
Triventus AB	-	2
Dalavind Fagervind AB	0	-
Simply Blue Holdings (Skidbladner) AB	0	-
Simply Blue Holdings (Herkules) AB	0	-
Simply Blue Holdings (Draken) AB	0	-
Simply Blue Holdings (Wellamo) AB	-1	-
Total profit from participations in associated companies	**-2**	**2**

Change in participations in associated companies	2023	2022
At January 1	**30**	**-**
Acquisitions	-	30
Share in profits	-2	-
At December 31	**28**	**30**

PARENT COMPANY

Participations in associated companies	Corp. Reg. No.	Registered office	Capital/ votes (%)	Carrying amount Dec 31, 2023	Carrying amount Dec 31, 2022
Triventus AB	556627-3016	Falkenberg	40/40	-	-
Carrying amount				**-**	**-**

NOTE 20 WORK IN PROGRESS AND PROJECTS UNDER DEVELOPMENT

	GROUP		PARENT COMPANY	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Inventories of certificates	0	1	0	1
Work in progress under construction	147	347	8	6
Projects under development	1,055	424	41	33
Total	**1,202**	**772**	**50**	**40**

Following a review of the project portfolio, projects under development that are deemed to have lower potential for future realization were impaired by SEK 52 M (6).

NOTE 21 ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

	GROUP		PARENT COMPANY	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Accounts receivable	39	95	2	4
Other current receivables	103	61	8	6
Total	**142**	**156**	**10**	**10**

Other current receivables relate to:	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
VAT receivables	25	51	-	-
Receivables from associated companies	64	3	-	-
Other receivables	14	7	8	6
Total	**103**	**61**	**8**	**6**

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 consumers, 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 are not 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.

NOTE 21 ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

NOTE 21 ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

	GROUP		PARENT COMPANY	
Credit exposure	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Accounts receivable, not yet fallen due or impaired	39	71	2	1
Accounts receivable, past due but not impaired	0	24	0	4
Accounts receivable, past due and impaired	-	-	-	-
Total accounts receivables	**39**	**95**	**2**	**4**

At December 31, 2023, past due accounts receivable for which no reserve was considered necessary amounted to SEK 0 M (24). SEK 0 M (0) of past due accounts receivable was settled after the balance sheet date.

Overdue but not impaired receivables at Dec 31, 2022 were paid in 2023.

	GROUP		PARENT COMPANY	
Recognized amount for accounts receivable per currency including the reserve for doubtful receivables	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
SEK	6	2	2	1
EUR	1	1	0	-
NOK	2	26	0	3
USD	31	66	-	-
Total KSEK	**39**	**95**	**2**	**4**

The ten largest customers represent 97% (99) of the Group's total accounts receivable. One single customer accounts for 78% (69).

NOTE 22 ACCRUALS

	GROUP		PARENT COMPANY	
Prepaid expenses and accrued income	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Prepaid rental charges	0	0	1	1
Other prepaid expenses	7	8	6	7
Accrued contract income	372	2	304	-
Other accrued income	1	0	1	0
Total	**381**	**10**	**312**	**8**

Accrued expenses and deferred income	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Accrued payroll expenses and personnel costs	24	15	14	11
Accrued expenses and deferred income pertaining to projects	96	156	3	-8
Other accrued expenses	11	6	4	3
Total	**131**	**177**	**21**	**7**

NOTE 23 SHARE CAPITAL AND EARNINGS PER SHARE

Disclosure on number of shares	**Dec 31, 2023**	**Dec 31, 2022**
Number of issued and fully paid shares		
Class A shares (number of votes per share 1) quotient value SEK 1	1,284,625	1,285,625
Class B shares (number of votes per share 1/10) quotient value SEK 1	23,622,375	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	**2023**	**2022**
Earnings/loss attributable to Parent Company shareholders	573	-5
Weighted average number of outstanding common shares	24,907,000	24,907,000
Earnings per share, before and after dilution	**23.00**	**-0.22**

NOTE 24 BORROWING

	GROUP		PARENT COMPANY	
Non-current borrowing from credit institutions	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Bank loans (variable interest rate)	300	226	300	225
LEASES	228	5	-	-
Total non-current borrowing	**528**	**231**	**300**	**225**
Current borrowing				
Bank loans (variable interest rate)	154	75	154	75
LEASES	10	4	-	-
Total current liabilities	**164**	**79**	**154**	**75**
Total borrowing	**692**	**310**	**454**	**300**

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

Borrowing per currency	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
SEK	410	254	400	251
USD	282	56	54	49
Total	**692**	**310**	**454**	**300**

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	
Fixed-interest period	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
6 months or less	454	300	454	300
Total	**454**	**300**	**454**	**300**

NOTE 24 BORROWING →

NOTE 24 BORROWING

BANK OVERDRAFT FACILITIES

	GROUP		PARENT COMPANY	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
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, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
1–5 years	335	231	300	225
More than 5 years	193	-	-	-
Total	**528**	**231**	**300**	**225**

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 2023 fiscal year, all covenants were met.

NOTE 25 FINANCIAL INSTRUMENTS – DISCLOSURE ON FAIR VALUE PER CATEGORY

GROUP

Dec 31, 2023	Carrying amount	Fair value	Level
Assets in the balance sheet			
Assets measured at fair value through profit or loss			
Other non-current securities	1	1	2
Currency derivatives	2	2	2
Currency futures	2	2	2
Loan receivables and accounts receivable			
Cash and cash equivalents	575	575	2
Accounts receivable	39	39	2
Liabilities in the balance sheet			
Liabilities measured at fair value through profit or loss			
Derivative liabilities			
Currency futures	0	0	2
Currency swaps	0	0	2
Liabilities measured at amortized cost			
Interest-bearing liabilities	692	692	2
Accounts payable	112	112	2
Accrued interest expense	2	2	2

NOTE 25 FINANCIAL INSTRUMENTS – DISCLOSURE ON FAIR VALUE PER CATEGORY

NOTE 25 FINANCIAL INSTRUMENTS – DISCLOSURE ON FAIR VALUE PER CATEGORY

GROUP

Dec 31, 2022	Carrying amount	Fair value	Level
Assets in the balance sheet			
Assets measured at fair value through profit or loss			
Other non-current securities	43	43	2
Loan receivables and accounts receivable			
Cash and cash equivalents	568	568	2
Accounts receivable	95	95	2
Liabilities in the balance sheet			
Liabilities measured at fair value through profit or loss			
Derivative liabilities			
Currency futures	2	2	2
Currency swaps	13	13	2
Interest-rate swaps	0	0	2
Liabilities measured at amortized cost			
Interest-bearing liabilities	310	310	2
Accounts payable	274	274	2
Accrued interest expense	2	2	2

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 expected future cash flows according to the contracts' terms and conditions and due dates, using the market interest rate as the baseline.

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 their fair value.

NOTE 26 RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH FLOW

	GROUP		PARENT COMPANY	
Non-cash items	**2023**	**2022**	**2023**	**2022**
Depreciation and impairment of intangible assets and property, plant and equipment	10	14	3	5
Unrealized exchange rate differences	-9	1	-7	1
Capital gains from divestment of non-current assets	0	0	0	0
Changes in provisions	0	0	0	0
Measurement of derivatives at fair value	-18	15	-	-
Profit in associated companies	2	0	-	-
Other*	-	-123	-	-
Total	**-15**	**-94**	**-4**	**6**

* Share of profit from Stor-Skälsjön paid directly to minority shareholders.

NOTE 27 CHANGES IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

2023	**Loan liabilities falling due within 1 year**	**Loan liabilities falling due after 1 year**	**Total**
At January 1, 2023	**-79**	**-231**	**-310**
Cash flow	-81	-75	-156
Exchange rate differences	2	-	2
Other non-cash items	-5	-222	-227
At December 31, 2023	**-164**	**-528**	**-692**

2022	**Loan liabilities falling due within 1 year**	**Loan liabilities falling due after 1 year**	**Total net liability**
At January 1, 2022	**-165**	**-21**	**-186**
Cash flow	113	-225	-112
Exchange rate differences	-8	-	-8
Reclassification between non-current and current loan liabilities	-19	19	-
Other non-cash items	-2	-4	-6
At December 31, 2022	**-79**	**-231**	**-310**

NOTE 28 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
Pledged assets for liabilities to credit institutions	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Chattel mortgages	825	648	825	625
Total	**825**	**648**	**825**	**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.

	PARENT COMPANY	
Contingent liabilities	**Dec 31, 2023**	**Dec 31, 2022**
Contingent liabilities for the benefit of subsidiaries	-	5
Total	**-**	**5**

NOTE 29 RELATED-PARTY TRANSACTIONS

OWNER STRUCTURE AT DECEMBER 31, 2023

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	606,354	4.0	12.1
Johansson, Åke	202,120	400,000	2.4	6.6
Borgunda Total	189,520	40,418	0.9	5.3
Avanza Pension	0	1,247,006	5.0	3.4
Clearstream Banking S A, W8IMY	0	436,600	1.8	1.2
Nordnet Pensionsförsäkring AB	500	406,813	1.6	1.1
Svantesson, Ingvar	40,000	6,500	0.2	1.1
Second AP Fund	0	396,932	1.6	1.1
Lannebo Sverige Hållbar	0	388,375	1.6	1.1
Other shareholders	102,235	17,700,452	71.5	51.3
Total	**1,284,625**	**23,622,375**	**100.0**	**100.0**

No Board members or other senior executives had any direct or indirect share transactions with the Group in 2023 or 2022, other than the remuneration stated in Note 7.

PARENT COMPANY'S TRANSACTIONS WITH OTHER GROUP COMPANIES

5% (30) of the Parent Company's sales pertain to intra-Group invoicing. The Parent Company's operating expenses include intra-Group purchases of insignificant amounts only. The same pricing principles apply to purchases and sales between Group companies as to transactions with external parties.

NOTE 30 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In February, Eolus and Simply Blue Group agreed to transfer the full ownership of the joint venture SeaSapphire, which is developing floating offshore wind projects, to Eolus. The joint venture SeaSapphire, owned 50/50 by Eolus and Simply Blue Group, was established in 2022 to jointly develop offshore wind projects in the Nordics, based on floating technology. Following a strategic review of its global project portfolio, Simply Blue has decided to withdraw from the Nordics and, under mutually agreed terms, will transfer its 50% share to Eolus in exchange for a future profit-sharing mechanism. The completion of the transaction is subject to the approval of the Swedish Inspectorate of Strategic Products.

In February, Eolus submitted a permit application for the Blekinge Offshore wind farm. The project is located within the municipalities of Karlshamn and Sölvesborg, and has an installed effect of 1,000 MW with a production of approximately 4.3 TWh of renewable electricity per year. In 2016, the Swedish government rejected an earlier application in the area, citing the interests of the Swedish Armed Forces. Since 2021, a new project has been developed with 40% less area, 90% fewer turbines, and a quadrupled distance between them. The application for an environmental permit has now been submitted to the Land and Environment Court in Växjö. An application to conduct investigations on the seabed and lay underwater cables has also been sent to the Ministry of Climate and Enterprise.

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 21, 2024

Hans-Göran Stennert
Chairman

Hans Linnarson
Board member

Jan Johansson
Board member

Hans Johansson
Board member

Marie Grönborg
Board member

Bodil Rosvall Jönsson
Board member

Per Witalisson
Chief Executive Officer

Our auditor's report was submitted on March 21, 2024.

PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant

Auditor's Report

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Eolus Vind AB (publ) for the year 2023 except for the corporate governance statement on pages 71–80. The annual accounts and consolidated accounts of the company are included on pages 63–80 and 85–141 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 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 2023 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 71–80. 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 consolidated income statement and consolidated statement of financial position for 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 judgements; 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 judgment, 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
Revenue recognition – sale of energy facilities Eolus Vind has a business plan and a strategy which implies the construction and sale of energy facilities, either directly or via companies. During the financial year, Eolus has transferred wind power projects Øyfjellet, Hedesta, and Rosenskog, and continued the construction of the Stor-Skälsjön wind power project. In addition, Eolus has also gradually accounted for profits from the Centennial Flat and Cald projects. 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. 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.	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: • 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. We have also assessed whether the information provided is appropriate.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of projects in progress 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. The reported value of projects in progress amounted on 31 December 2023 to MSEK 1 202. 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. 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. 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.	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: • 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. We have also assessed whether the information provided is appropriate.

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 1–61, 81–84 and 146–150. 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 Directors 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 Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Eolus Vind AB (publ) for the year 2023 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' 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 ABC AB (publ) for the financial year 2023.

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

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

Basis for Opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Eolus Vind AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHMTL format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

The auditor's examination of the corporate governance statement
The Board of Directors is responsible for ensuring that the corporate governance statement on pages 71–80 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, PO Box 4009, 203 11 Malmö, was appointed auditor of Eolus Vind AB (publ) by the general meeting of the shareholders on the 12 May 2023 and has been the company's auditor since the 24 January 2015.

Malmö 21 March 2024
PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant

FINANCIAL SUMMARY

Amounts in SEK M	2023 12 months	2022 12 months	2021 12 months	2019/2020 12 months	2018/2019 12 months
Income statement					
Net sales	2,301	2,356	2,614	2,469	2,032
Operating profit/loss	764	80	-25	280	118
Profit/loss after financial items	719	109	-40	183	116
Net profit/loss for the year	573	116	-24	198	133
Balance sheet					
Non-current assets	305	161	59	83	111
Current assets	2,503	1,758	1,826	1,725	1,947
Assets	2,808	1,919	1,885	1,808	2,058
Equity, Eolus's shareholders	1,510	983	984	1,037	888
Equity, non-controlling interests	69	61	280	-1	2
Non-current liabilities	640	309	105	228	160
Current liabilities	589	567	516	545	1,008
Equity, provisions and liabilities	2,808	1,919	1,885	1,808	2,058
Cash flow statement					
Cash flow from operating activities	-152	-191	-97	-483	567
Cash flow from investing activities	41	-33	-3	4	-101
Cash flow from financing activities	116	153	32	73	-103
Cash flow for the year	5	-71	-68	-407	363
Cash and cash equivalents at beginning of year	568	625	691	1,103	740
Exchange rate differences in cash and cash equivalents	1	14	2	-6	0
Cash and cash equivalents at year-end	575	568	625	691	1,103

KEY FIGURES FOR THE GROUP***

	2023 12 months	2022 12 months	2021 12 months	2019/2020 12 months	2018/2019 12 months
Turbines taken into operation, MW	525	0	47	324	115
Managed turbines, MW	941	882	914	903	524
Average number of employees, full-time positions	107	76	54	45	39
Operating margin, %	33.2	3.4	neg	11.3	5.8
Profit margin, %	31.3	4.6	neg	7.4	5.7
Return on capital employed, %	42.5	9.0	neg	15.5	10.9
Return on equity after tax, %	45.9	neg	neg	20.6**	15.6
Equity/assets ratio, %	56	54	67	57	43
Earnings/loss per share, SEK	23.00	-0.22	-0.74	7.96	5.33
Equity per share, SEK	60.63	39.47	39.50	41.63	35.65
Dividend per share, SEK	2.25*	1.50	1.50	2.00	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 calculated for 16-month earnings relative to average equity.
*** For a definition of key figures, refer to page 149.

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 and solar power, capacity is measured in MW and states the performance of the facility according to design data.
Intermittent energy source A method of generating power where the level of power generated varies over time depending on external factors. For wind power, this means how much, and when, the wind blows, and for solar panels, how much sunlight the panels receive depending on the time of day and weather.
Hub height The height of the tower plus the nacelle of a wind turbine.
Nord Pool The Nordic Power Exchange.
Normal year The definition of an average year of a generated amount of electricity. Determined based on long-term calculations from the Swedish Meteorological and Hydrological Institute (SMHI).
Offshore Wind power constructed in bodies of water.
Power Purchase Agreement (PPA) A contract between an electricity generator and an electricity purchaser to buy electricity directly from specific facilities.
Swept area The area of the circle swept by the rotor blades of a wind turbine. A turbine with a rotor diameter of 150 meters will have a swept area of about 17,700 square meters, almost the same as three soccer fields.
Availability A measurement for the amount of total time that a production 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 been taken over from the turbine supplier. The turbine is either transferred to the customer as a turnkey facility or is transferred to Eolus's inventories.
Volatility A measurement of the price variation of a product (electricity, for example) over a period of time.
Transmission capacity The amount of electricity that can be transmitted between different areas via the electricity grid.

Units

The unit of measurement for energy is kilowatt hours.
1 MWh = 1,000 kWh 1 GWh = 1,000,000 kWh
1 TWh = 1,000,000,000 kWh

The unit of measurement for capacity is watts.
1 MW = 1,000,000 W
1 GW = 1,000,000,000 W

For solar panels, the MWac unit is sometimes used to specify the facility's capacity converted into alternating current (AC).

3,000

A wind turbine that produces 15 GWh (15,000,000 kWh) supplies 3,000 houses with electricity per year.

A normal Swedish house uses about 5,000 kWh of electricity per year.
This means that:
1 MWh is sufficient for 0.2 houses
1 GWh is sufficient for 200 houses
1 TWh is sufficient for 200,000 houses

Definition of alternative performance measures

This section contains definitions of certain financial non-IFRS measures compared with the closest comparable financial IFRS measure. Financial non-IFRS measures have limitations as analytical tools and should not be considered in isolation or as a replacement for financial measures produced in conformity with IFRS. Financial non-IFRS measures are reported to enhance investors' assessment of the company's operational result, to provide assistance when forecasting future periods and to simplify comparisons of earnings between periods. Group Management uses these non-IFRS measures to, for example, evaluate operating activities compared with earlier results, for internal planning and for forecasts. The financial non-IFRS measures presented in this report may differ from similar measures used by other companies.

Return on equity after tax The shareholders share of rolling 12 months earnings in relationship to average equity attributable to Eolus's shareholders.
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 attributable to Eolus's shareholders 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 Shareholders' share of 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.

Annual General Meeting

The next Annual General Meeting will be held on May 16, 2024. Information about how to register for the Annual General Meeting will be provided in the notice of the Meeting.

Financial calendar

• Interim report Q1	May 15, 2024
• Annual General Meeting	May 16, 2024
• Record date for dividends	May 20, 2024
• Estimated date for dividend payment	May 23, 2024
• Interim report Q2	August 29, 2024
• Interim report Q3	November 20, 2024
• Year-end report 2023	February 13, 2025

Eolus Vind AB ("Eolus") is a public company with Corporate Registration Number 556389-3956. The company is based in Hässleholm, 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 64–70), the Corporate Governance Report (pages 72–80), the financial statements (pages 82–141) and the Sustainability Report (pages 40–61).

All monetary values are expressed in Swedish kronor (SEK), unless otherwise stated. The value in Swedish kronor is abbreviated SEK, thousand kronor (KSEK) and million kronor (SEK M). Figures in parentheses pertain to the preceding fiscal year, 2022.

Production of Annual Report and Sustainability Report 2023:
Text: Eolus and Gullers Grupp.
Photos: Rebecca Wallin, Fri kommunikation, Ulf Palm, Fotograf Ulf Palm AB, Henrik Bodin, Bodin Consulting AB, Daniel Larsson, Fotograf Daniel, Mustasch Reklambyrå, Clinton Marine Survey, Johnér Bildbyrå, Shutterstock, iStock, Pexels, Unsplash, Eolus.
Graphic design: Gullers Grupp and Mustasch Reklambyrå.

Eolus is a leading developer of innovative and customized renewable energy solutions. We offer attractive and sustainable investments in the Nordics, the Baltics, Poland and the US. From development of green field projects to construction and operation of renewable energy assets, we are part of the entire value chain. For over three decades we have worked for a future where everyone can lead a fulfilling, yet sustainable life. Today, our project portfolio includes more than 26 GW of wind, solar and energy storage projects. Eolus's Class B share is listed on Nasdaq Stockholm.

Eolus – shaping the future of renewable energy.

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