

Eolus sells American battery storage project

1 October 2021 - 31 December 2021

- Net sales 1,009 (1,069) MSEK.
- EBIT -4 (70) MSEK. Profit before tax -9 (24) MSEK.
- Net profit -7 (16) MSEK.
- Earnings per share, before and after dilution equals -0.20 (0.63) SEK.
- During the period energy facilities with a total installed capacity of 0 (0) MW were taken into operations and handed over to customer.
- At the end of the period Eolus had 914 (903) MW under asset management.

Full year 2021

- Net sales 2,614 (2,469) MSEK.
- EBIT -25 (280) MSEK. Profit before tax -40 (183) MSEK.
- Net profit -24 (198) MSEK.
- Earnings per share, before and after dilution equals -0.74 (7.96) SEK.
- During the period energy facilities with a total installed capacity of 47 (324) MW were taken into operations and handed over to customer.
- At the end of the period Eolus had 914 (903) MW under asset management.
- For the financial year 2021 the Board of directors proposes a dividend of 1.50 (2.00) SEK per share, which corresponds to an unchanged level considering that the previous year comprised 16 months.

Significant events during the period

- Due to permitting issues an agreement regarding construction of 68 MW was terminated by the customer in October. The PPA for the involved projects was moved to new projects and increased to 117 MW.
- 50% of a project portfolio of 672 MW in early development phase in Southern Sweden was sold to Hydro REIN. Initial payment was received in January 2022. The companies will jointly develop the projects.
- Turbine supply agreement for 42 wind turbines with an installed capacity of 260 MW was signed for project Stor-Skälsjön.
- The 120 MW battery storage project Cald in Los Angeles was sold to Aypa. Eolus will provide development services for the customer.

Significant events after the balance sheet date

- Eolus COO, Marcus Landelin, will leave Eolus in April. Recruitment for his replacement is ongoing.
- The completion of the Norwegian wind power project Öyfjellet is expected to be further delayed and is expected to be completed during the second quarter of 2022.
- Updated financial goals communicated based on the business plan for 2022-2024.

| Financial summary | Unit | Q4 | Q4 | 12 months | 16 months |
|--|------|--------|-------|-----------|---------------|
| | | 2021 | 2020 | 2021 | sep 19-dec 20 |
| Net sales | MSEK | 1 009 | 1 069 | 2 614 | 2 469 |
| EBIT | MSEK | -4 | 70 | -25 | 280 |
| Profit before tax | MSEK | -9 | 24 | -40 | 183 |
| Net profit | MSEK | -7 | 16 | -24 | 198 |
| Earnings per share before and after dilution | SEK | -0,20 | 0,63 | -0,74 | 7,96 |
| Equity per share | SEK | 39,50 | 41,63 | 39,50 | 41,63 |
| Cashflow from operating activities | MSEK | -381 | -108 | -97 | -484 |
| Total assets | MSEK | 1 885 | 1 808 | 1 885 | 1 808 |
| Net debt - /net cash + | MSEK | 439 | 304 | 439 | 304 |
| Signed customer contracts | MSEK | 1 793 | 5 131 | 1 793 | 5 131 |
| Project under construction | MW | 737 | 524 | 737 | 524 |
| Taken into operation and handed over to customer | MW | - | - | 47 | 324 |
| Project portfolio | MW | 13 823 | 7 830 | 13 823 | 7 830 |
| Managed turbines | MW | 914 | 903 | 914 | 903 |
| Equity/assets ratio | % | 67 | 57 | 67 | 57 |
| Return on equity after tax | % | neg | 2,3 | neg | 20,6** |

**return on equity after tax is calculated for 16 months earnings relative to average equity.

Eolus goals 2022-2024

Eolus Board of Directors has adopted a new business plan for the period 2022-2024. The plan entails expansion in all technologies and in all the markets where Eolus conducts business. Based on the business plan Eolus communicates the following financial goals.

- Sales of 1,000 MW per year on average during the period 2022-2024.
- From 2025, sales shall amount to 1,500 MW per year on average.
- Return on equity at Group level shall exceed 10% per year on average.
- Equity ratio at Group level shall exceed 30%.
- Eolus's 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.

Significant events during the fourth quarter

1 October 2021 - 31 December 2021

The handover of the Norwegian project Öyfjellet to the customer Aquila is expected to be delayed until the second quarter of 2022. The main reasons for the delay are some technical problems for the turbine manufacturer, Covid-19 related reasons which have limited travel opportunities for staff and led to delivery delays of components as well as the challenging weather conditions which have affected the installation work. The delay has led to a lower degree of completion in the project than expected and increased project costs, which together have a negative impact on Eolus' sales and earnings. Previously reported results from the project, which were based on contemporary forecasts, were adjusted during the quarter, and had a negative effect on the result.

During the fourth quarter, Eolus entered into an agreement for the sale of the Cald battery storage project in Los Angeles, USA. The project that is currently under development covers a total of 120 MW and the investor is Aypa Power. The sale of the Cald project is recognized in the quarter. Eolus continues to develop the project for the customer according to a development agreement where the remaining revenue is distributed until the customer's decision to start construction, which is expected to take place in 2022.

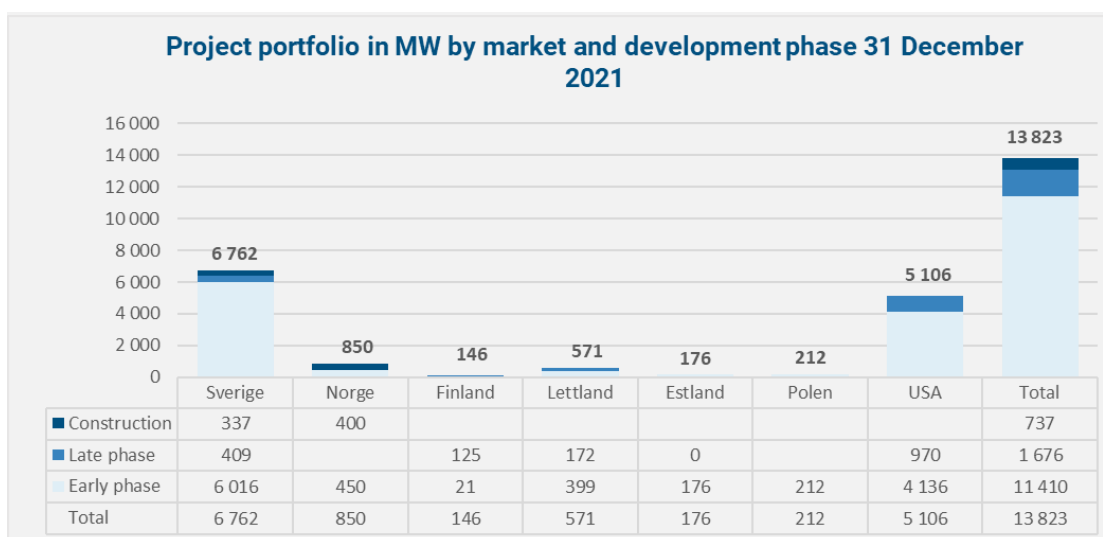
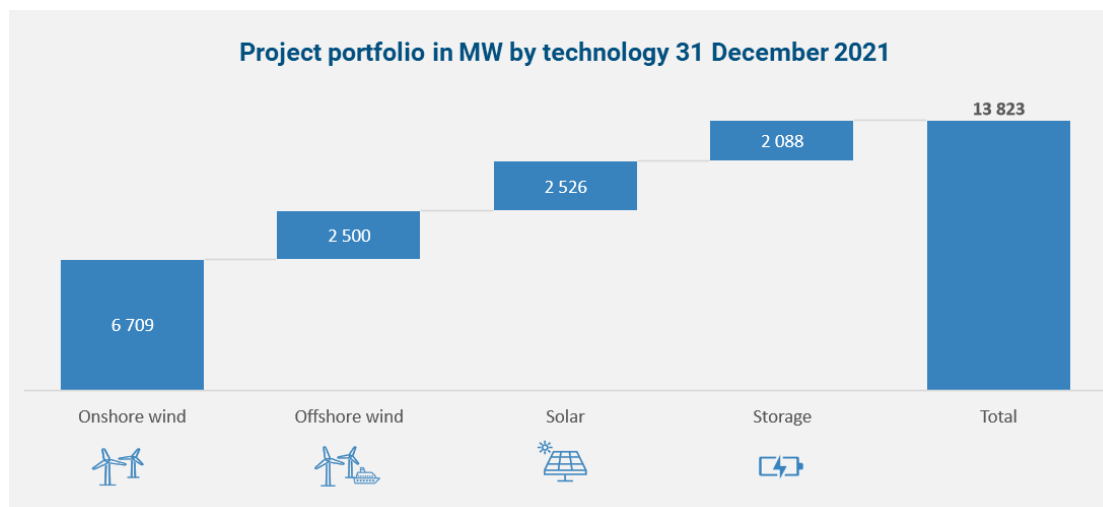
An additional event during the period is the signing of a turbine agreement with Siemens Gamesa covering 42 wind turbines with a combined output of 260 MW for the Stor-Skälsjön project that is jointly owned with Hydro REIN. Eolus has a 51% share of the project. Meaning that project's total value is consolidated in the balance sheet and affects both equity and work in progress and advances to suppliers.

In October, the investor Commerz Real terminated the share transfer agreement for a deal comprising the three wind farms Boarp, Dällebo and Rosenskog in Sweden with a total installed capacity of 68 MW due to permitting conditions for the transaction not being met. Eolus has not reported any revenue from the transaction. A new sales process has been initiated.

In December, the electricity sales agreement signed with a large international energy company for 68 MW was extended to 117 MW. The new agreement concerns the Skallberget / Utterberget, Tjärnäs and Rosenskog wind farms. All projects are located in electricity price area 3 in Sweden. The wind farms are expected to be put into operation in 2023.

In December, an agreement was signed with Hydro REIN on a joint development of 672 MW in nine Swedish wind power projects owned by Eolus. The projects are still in an early phase and located in electricity price areas SE3 and SE4. In January, Hydro paid an initial compensation for 50% of the project rights. The collaboration also means a future profit sharing between the parties as the projects are being realized. As Eolus will continue to consolidate the total value of the projects, the transfer of shares to Hydro REIN will have no effect on earnings in the Eolus Group.

Project portfolio



Projects in late development phase or sales phase

Eolus continuously reports the status of the projects that are in a late development phase or sales phase. These projects are thus the ones that Eolus at any given time deems to have the greatest potential to obtain the necessary permits and where the sales process has or will begin in the near future. The compilation covers projects in all markets that Eolus operates in as well as relevant technologies. This information can be found on Eolus website.

Project under construction 31 Dec 2021

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

Consolidated income statement

| MSEK | Q4 2021 | Q4 2020 | 12 months 2021 | 16 months sep 19-dec 20 |
|---|--------------|--------------|-------------------|----------------------------|
| Net sales | 1 009 | 1 069 | 2 614 | 2 469 |
| Other operating income | 16 | 32 | 42 | 122 |
| | 1 025 | 1 101 | 2 656 | 2 591 |
| Operating expenses | | | | |
| Cost for goods and project development | -965 | -992 | -2 485 | -2 109 |
| Other external costs | -31 | -19 | -93 | -83 |
| Employee benefits expenses | -19 | -22 | -59 | -71 |
| Depreciation/amortization and impairment of property, plant and equipment | -1 | -2 | -5 | -8 |
| Result from participations in associated companies | - | - | - | - |
| Other operating expenses | -13 | 4 | -39 | -40 |
| Operating profit | -4 | 70 | -25 | 280 |
| Profit/loss from financial items | -5 | -46 | -14 | -97 |
| Profit before tax | -9 | 24 | -40 | 183 |
| Tax on profit | 2 | -8 | 16 | 16 |
| Net profit for the period | -7 | 16 | -24 | 198 |
| Whereof related to the shareholder of the parent compar | -5 | 16 | -19 | 198 |
| Whereof related to minority stakeholders | -2 | 0 | -5 | 0 |
| Net profit for the period | -7 | 16 | -24 | 198 |
| Total shares | 24 907 | 24 907 | 24 907 | 24 907 |
| Profit per share before/after dilution (SEK) | -0,20 | 0,63 | -0,74 | 7,96 |

Consolidated statement of comprehensive income

| MSEK | | | | |
|--|-----------|-----------|------------|------------|
| Net profit for the period | -7 | 16 | -24 | 198 |
| Other comprehensive income | | | | |
| <u>Items that may be reclassified to profit or loss</u> | | | | |
| Translation differences | 4 | -7 | 15 | -21 |
| | -2 | 2 | -5 | 6 |
| Other comprehensive income for the period net after tax | 2 | -5 | 10 | -15 |
| Total comprehensive income for the period | -4 | 11 | -13 | 183 |
| Whereof related to the shareholder of the parent compar | -1 | 11 | -6 | 184 |
| Whereof related to minority stakeholders | -3 | 0 | -7 | 0 |
| Total comprehensive income for the period | -4 | 11 | -13 | 183 |

Consolidated balance sheet

| MSEK | 31 Dec 2021 | 31 Dec 2020 |
|--|--------------|--------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 11 | 25 |
| Property, plant and equipment | 25 | 30 |
| Deferred tax asset | 6 | 13 |
| Other financial assets | 16 | 15 |
| Total fixed assets | 59 | 83 |
| Current assets | | |
| Inventories, work in progress and certificates | 843 | 429 |
| Advance payment to suppliers | 170 | 47 |
| Account receivable - trade | 71 | 16 |
| Derivative instruments | 2 | 37 |
| Current tax assets | 24 | 35 |
| Other receivables | 55 | 7 |
| Prepaid expenses and accrued income | 35 | 463 |
| Cash and bank balances | 625 | 691 |
| Total current assets | 1 826 | 1 725 |
| TOTAL ASSETS | 1 885 | 1 808 |

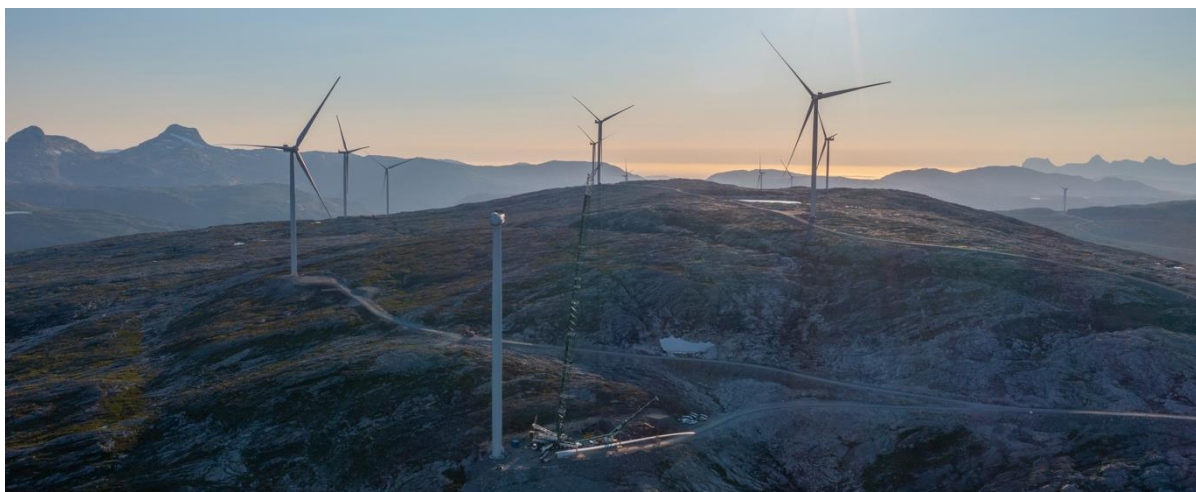
| MSEK | 31 Dec 2021 | 31 Dec 2020 |
|---|--------------|--------------|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity related to the share holders of parent company | 984 | 1 037 |
| Equity related to minority stake holders | 280 | -1 |
| Total equity | 1 264 | 1 036 |
| Non-current liabilities | | |
| Non-current interest bearing liabilities | 21 | 135 |
| Provision, non current | 0 | 1 |
| Deferred taxes | 18 | 21 |
| Other liabilities | 65 | 71 |
| Total non-current liabilities | 105 | 228 |
| Current liabilities | | |
| Current interest bearing liabilities | 165 | 252 |
| Bills payable | 186 | 169 |
| Derivative instruments | 5 | 5 |
| Current tax liabilities | 4 | 7 |
| Accrued expenses and deferred income | 116 | 103 |
| Advance payment from customers | 10 | - |
| Other liabilities | 31 | 9 |
| Total current liabilities | 516 | 545 |
| Total equity and liabilities | 1 885 | 1 808 |

Consolidated cash flow statement

| MSEK | Q4 2021 | Q4 2020 | 12 months 2021 | 16 months sep 19-dec 20 |
|--|-------------|-------------|-------------------|----------------------------|
| Operating activities | | | | |
| Operating profit | -4 | 70 | -25 | 280 |
| Non cash items | 12 | -12 | 46 | -58 |
| | 8 | 58 | 21 | 223 |
| Interest received | 2 | 2 | 2 | 4 |
| Interest paid | -4 | -2 | -19 | -21 |
| Income tax paid | -12 | -5 | -26 | - |
| Net cash flow from operating activities before changes in working capital | -6 | 52 | -22 | 206 |
| Adjustments of working capital | -375 | -161 | -75 | -689 |
| Cash flow from operating activities | -381 | -108 | -97 | -484 |
| Acquisition of property, plant and equipment | -2 | - | -4 | -16 |
| Sales of property, plant and equipment | 0 | - | 1 | 21 |
| Cash flow from investing activities | -1 | - | -3 | 4 |
| Borrowings | 3 | - | 50 | 263 |
| Repayment of loans | -12 | - | -258 | -153 |
| Paid dividends | - | - | -50 | -37 |
| Payments from non-controlling interests | 290 | - | 290 | - |
| Cash flow from financing activities | 281 | - | 32 | 73 |
| Cash flow for the year | -102 | -108 | -68 | -407 |
| Cash and cash equivalents at beginning of year | 726 | 799 | 691 | 1 103 |
| Exchange-rate differences in cash and cash equivalents | 0 | 0 | 2 | -6 |
| Cash and cash equivalents at year-end | 625 | 691 | 625 | 691 |

Consolidated statement of changes in equity

| MSEK | Share capital | Additional paid-in capital | Reserves | Retained earnings | Total, Eolus's shareholders | Non-controlling interests | Total equity |
|---|------------------|----------------------------------|------------|----------------------|--------------------------------|------------------------------|--------------|
| At 1 September 2019 | 25 | 191 | -1 | 862 | 1 077 | -1 | 1 076 |
| Net profit for the year | - | - | - | 13 | 13 | 0 | 13 |
| Other comprehensive income | - | - | -15 | - | -15 | - | -15 |
| Total comprehensive income | - | - | -15 | 13 | -2 | 0 | -2 |
| Transactions with shareholders | | | | | | | |
| Dividend | - | - | - | -37 | -37 | - | -37 |
| At 31 December 2020 | 25 | 191 | -17 | 838 | 1 037 | -1 | 1 036 |
| At 1 January 2021 | 25 | 191 | -17 | 838 | 1 037 | -1 | 1 036 |
| Net profit for the year | - | - | - | -19 | -19 | -5 | -24 |
| Other comprehensive income | - | - | 15 | - | 15 | -2 | 13 |
| Total comprehensive income | - | - | 15 | -19 | -3 | -7 | -10 |
| Transactions with shareholders | | | | | | | |
| Dividend | - | - | - | -50 | -50 | - | -50 |
| Capital contribution from non-controlling interests | - | - | - | - | - | 288 | 288 |
| At 31 December 2021 | 25 | 191 | -1 | 770 | 984 | 280 | 1 264 |



Sustainability for Eolus

The transition to a sustainable society is one of the most important issues of our time, and Eolus are proud to be a part of this journey. With our core business we contribute to the reduction of greenhouse gas emissions, however, we also have a larger social responsibility where we want to ensure that our employees have meaningful jobs that ensure personal development. Our business concept touches upon all three pillars of sustainability: ecological, economical, and social sustainability, and we actively work towards the global sustainability goals identified by the UN.

We want to take responsibility and be transparent in communicating the steps we are taking to achieve our sustainability goals. Therefore, we set a goal during 2019 to map the business CO₂-emissions during 2020. Due to the covid-19 pandemic, the conditions were changed, and the project was delayed. This work has now been resumed and we have invested in a strategic tool to manage our sustainability data.

The system is currently under build-up and implementation where the purpose is to measure our organisations emissions in scope 1, 2 and 3 according to the GHG-protocol. Scope 1 includes our direct greenhouse gas emissions (e.g., from vehicles), and scope 2 covers our indirect emissions (e.g., procurement of energy). The greenhouse gas emissions that are external to our own business boundaries are covered in scope 3 (e.g., our supply chain). We have initiated the measuring process for scope 1 and 2 for our Swedish operations, and during 2022 we will form a structure to measure our emissions in scope 3 where we have identified the bulk of our emissions and our main climate impacts. The goal is to start measuring all three levels during 2022, and during the next financial year develop an action plan to reduce our greenhouse gas emissions. Long-term, the aim is to do this on all our active markets.

Over the course of 2021 we have also performed employee surveying in a new digital tool. The purpose is to gain a better understanding of how our employees perceive their working environment, and systematically implement improvements based on the results. The employee survey will be conducted on an annual basis.

Currently at Eolus

Battery storage project Cald in Los Angeles

During the period Eolus has signed an agreement to sell its first project within energy storage through the sale of the stand-alone battery storage project Cald in the United States. The project that is under development totals up to 120 MW and the investor is Aypa (a Blackstone company). Eolus has divested all membership units in the project company to Aypa Power and have received payment for them and recognized the sale. The payment for the membership units will be kept by Eolus even if the project for some reason in the future will be cancelled. Eolus develops the project for Aypa through a Development Services Agreement under which Eolus remaining revenue is received as the project develops with final payment when Aypa Power decides to start construction, which is expected to occur late 2022. Expected commissioning is during 2024.

In project Cald a land area in central Los Angeles is used that previously have been a junk yard. This gives a new and wise use of an area of land in which the ground is polluted. The project is in permitting process and grid connection is secured.

Different types of energy storage have a great potential in California given the challenge to ensure a stable renewable electricity supply. Large-scale storage in the right places contributes to more installed capacity of intermittent production capacity, provides balancing opportunities cuts peaks in consumption and gives greater stability in the grid by complementing and replacing conventional production facilities.

Given the great potential for large scale energy storage in California Eolus identifies big opportunities for stand-alone solutions for energy storage as well as storage capacity connected to production facilities in sun and wind. Eolus has projects in all of these three technologies in California and surrounding states which have good possibilities of being permitted and constructed. During 2021 Eolus completed project Wind Wall 1, a 47 MW wind repowering project in California.

Cald is a lithium-ion battery solution for up to 4-hour storage, and this is the main technology Eolus work with at this time. However, Eolus is not tied to certain solutions within storage. The choice of technology is determined by each market and its conditions, as well as which problems in the grid the storage shall solve.



About Eolus

Eolus is one of the leading wind power developers in the Nordics and is also active in other markets and besides wind we develop solar and energy storage solutions. Eolus main business is to develop renewable energy projects, establish turnkey facilities for our customers and provide long term asset management services.

Business idea

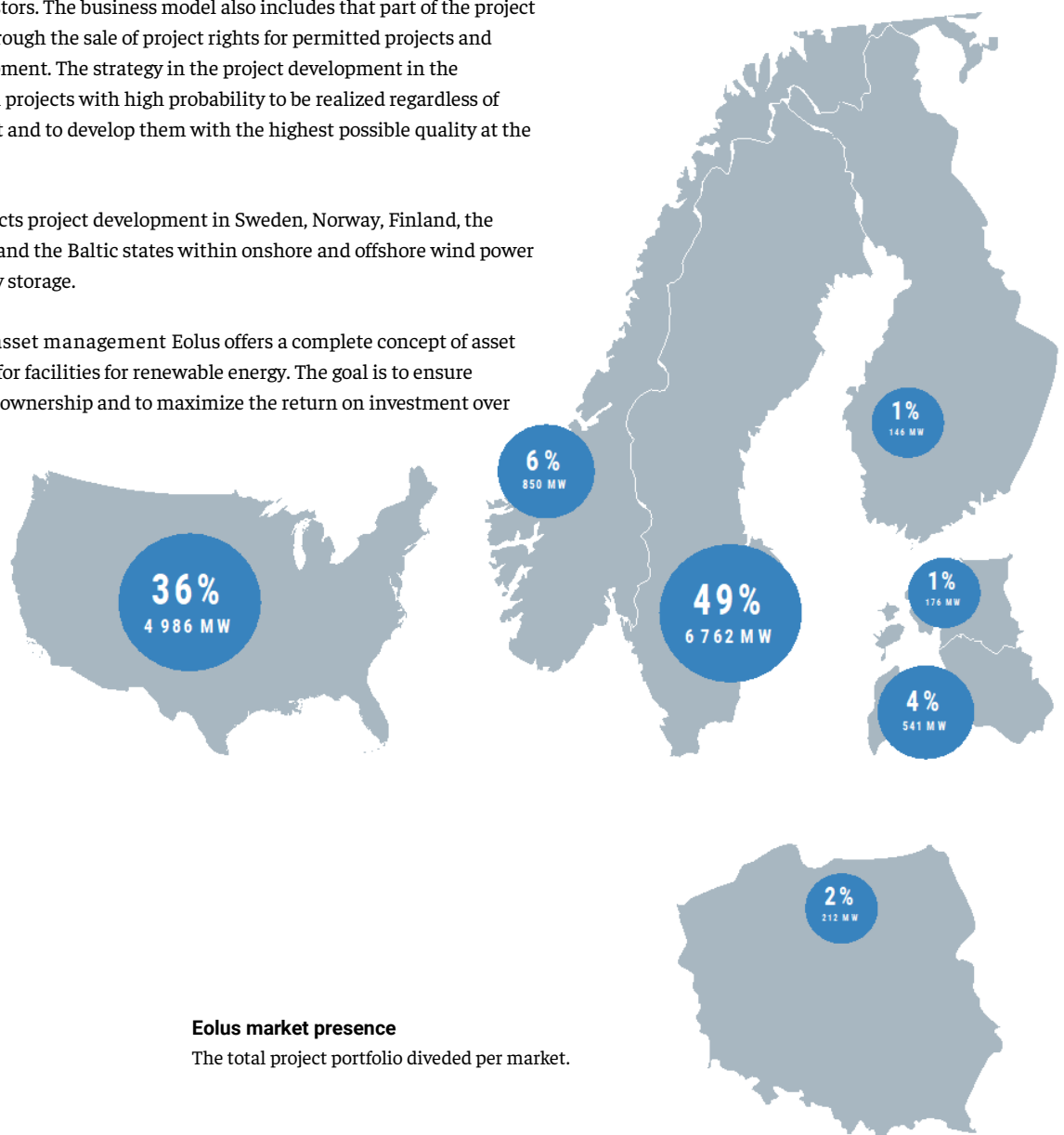
The business idea of the Eolus group is to create value in all steps of development, establishment, and operations of facilities for renewable energy and energy storage and offer local and international investors attractive and competitive investment opportunities.

Segments

Within the segment development, which is Eolus main business, projects are realized mainly by the divestment of turnkey operational facilities to a broad customer base of Investors. The business model also includes that part of the project portfolio is realized through the sale of project rights for permitted projects and projects under development. The strategy in the project development in the company is to focus on projects with high probability to be realized regardless of technology and market and to develop them with the highest possible quality at the lowest possible cost.

Currently Eolus conducts project development in Sweden, Norway, Finland, the United States, Poland and the Baltic states within onshore and offshore wind power solar power and energy storage.

Within the segment asset management Eolus offers a complete concept of asset management services for facilities for renewable energy. The goal is to ensure owners of a worry-free ownership and to maximize the return on investment over time.



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