

Successful sale of project in the U.S. and strong project portfolio growth

1 October–31 December 2022

- Net sales amounted to 366 (1,009) MSEK.
- EBIT amounted to 27 (-4) MSEK. Profit before tax amounted to 58 (-9) MSEK.
- Net profit amounted to 41 (-7) MSEK.
- Earnings per share, before and after dilution equaled 1.66 (-0.20) 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 882 (914) MW under asset management.

1 January–31 December 2022

- Net sales amounted to 2,356 (2,614) MSEK.
- EBIT amounted to 80 (-25) MSEK. Profit before tax amounted to 109 (-40) MSEK.
- Net profit amounted to 116 (-24) MSEK, of which -5 MSEK is attributable to Eolus's shareholders after reduction of the minority stakeholders' part.
- Earnings per share, before and after dilution equaled -0.22 (-0.74) SEK.
- During the period, energy facilities with a total installed capacity of 0 (47) MW were taken into operations and handed over to customer.
- At the end of the period Eolus had 882 (914) MW under asset management.
- The Board of Directors proposes a dividend of 1.50 (1.50) SEK/share

Significant events during the period

- In October, Eolus sold a solar and battery storage project located in Arizona, US, which is expected to have an initial aggregate capacity of 750 MWac solar photovoltaic generation and battery storage capacity. Commissioning is planned for 2025. Eolus has received an initial payment of USD 12 million.
- Inga Abolina was appointed Head of Baltics and took office on 24 October 2022.
- Christer Baden Hansen was appointed Chief Commercial Officer and member of the Group Management. Christer took office on 1 February 2023.
- Eolus and Simply Blue Group signed an agreement to co-develop four offshore wind projects in the Baltic Sea through a joint venture called SeaSapphire, powered by Simply Blue Group and Eolus.
- Research permits were granted for the two offshore wind farms Wellamo and Tuulia in Finland.

Significant events after the balance sheet date

- Eolus and PNE signed an agreement to co-develop the offshore wind project Kurzéme in Latvia through a joint venture.

Financial summary	Unit	Q4	Q4	12 months	12 months
		2022	2021	2022	2021
Net sales	MSEK	366	1 009	2 356	2 614
EBIT	MSEK	27	-4	80	-25
Profit before tax	MSEK	58	-9	109	-40
Net profit	MSEK	41	-7	116	-24
Earnings per share before and after dilution	SEK	1,66	-0,20	-0,22	-0,74
Equity per share	SEK	39,47	39,50	39,47	39,50
Cashflow from operating activities	MSEK	-139	-381	-191	-97
Total assets	MSEK	1 919	1 885	1 919	1 885
Net debt - /net cash +	MSEK	258	439	258	439
Order backlog	MSEK	1 329	1 793	1 329	1 793
Project under construction	MW	794	737	794	737
Taken into operation and handed over to customer	MW	-	-	-	47
Project portfolio	MW	21 880	13 823	21 880	13 823
Managed turbines	MW	882	914	882	914
Equity/assets ratio	%	54	67	54	67
Return on equity after tax	%	neg	neg	neg	neg

Message from the CEO

The fourth quarter of the year was an eventful period for Eolus and I am happy to report a net profit of SEK 41 million for the fourth quarter. The net sales were mainly derived from recognition of an increased percentage of completion in the Øyfjellet project in Norway, the construction management agreement for Stor-Skälsjön in Sweden and the divestment of our solar and battery storage project in the US in October. The divestment of Eolus' minority stake in Långmarken, a wind farm that was completed in 2017, also made a positive contribution. Net profit for the full-year totaled SEK 116 million.

The sale of the solar and battery project in Arizona was our third divestment in the US, and an important milestone now that more than a quarter of our project portfolio is located in the US. Eolus received an initial payment of USD 12 million. Additional purchase price instalment payments will be received based on the continued development of the project and the fulfillment of specific milestones, including continued development and preparation of the project for financing and construction. At present, the total consideration is estimated to range between USD 104 million and USD 190 million, and will be paid throughout 2023–2025, provided that the project is realized according to plan. Moving forward, our focus will lie on divestment of the Swedish wind power projects Skallberget/Utterberget, Tjärnäs and Rosenskog with a total capacity of 125 MW. The projects are under construction and most of the civil works have been completed. Turbine deliveries will commence in the second quarter of 2023. Next in line for divestment are Fågelås, Boarp and Dällebo, with a total capacity of 93 MW. In the Øyfjellet project, the final steps are underway to achieve 100% completion and final handover to the owner, Øyfjellet Wind.

During the quarter, Eolus's project portfolio grew by more than 4,000 MW and most of this increase was due to the exploration permit granted by the Finnish and Swedish Governments for the Tuulia and Wellamo offshore wind power projects at the end of December. Eolus will develop Tuulia, while Wellamo will be developed within the framework of SeaSapphire, powered by Eolus and Simply Blue Group – a joint venture formed in November 2022. In January 2023, a similar relationship was formed with PNE, a German renewable developer, where Eolus and PNE created a joint venture to develop the Kurzéme offshore project in Latvia.

The ongoing energy crisis, with record-high electricity prices, is affecting both private individuals and businesses. At the same time, a major transition and electrification are taking place to meet emissions targets, and electricity needs are expected to increase dramatically in the foreseeable future. Accelerating the expansion of renewable energy is crucial to ensuring secure energy supplies, and electricity at affordable prices for private individuals and businesses. In December, EU energy ministers agreed on a regulation for member states to accelerate the permit-granting process for renewable energy. This is of course

positive, since the protracted permitting processes are a clear limiting factor for the deployment of wind power, in particular – both in Sweden and other countries. Exactly how the various countries will apply the EU regulation, however, remains to be seen.

Conditions for the development of renewable energy projects vary greatly between countries and technologies. Eolus's strength is that we work across a range of markets and have projects in onshore and offshore wind as well as solar and storage. With a high-quality project portfolio that now exceeds 20 GW, continued strong equity/assets ratio and a growing organization with more than 100 dedicated and competent employees, Eolus is well equipped to take advantage of the opportunities offered by the energy transition.

Hässleholm, 15 February 2023

Per Witalisson
CEO



54%

Equity/assets ratio
31-12-2022

4,037

Growth, project portfolio,
fourth quarter 2022, MW

21,880

Total project portfolio 31-12-2022,
MW

Eolus financial targets 2022–2024

Eolus's business plan for the period 2022–2024 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:

Financial targets	Outcome/Comment
Sales of 1,000 MW per year on average during the period 2022–2024.	In 2022, Eolus sold renewable energy projects totalling 1,010 MW, of which Stor-Skälsjön in Sweden accounted for 260 MW and a solar and battery project in the US for 750 MW.
From 2025, sales shall amount to 1,500 MW per year on average.	Through a strong focus on development of existing and new projects, we create the conditions to have enough projects ready to sell from 2025 onwards.
Return on equity at Group level shall exceed 10% per year on average.	The return on equity was negative in 2022 since profit after tax attributable to Eolus' shareholders amounted to SEK -5 million.
Equity ratio at Group level shall exceed 30%.	The equity ratio was 54% at the end of 2022.
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 the AGM to decide on a dividend of SEK 1.50 per share, a total of SEK 37.4 million for 2022. The proposed dividend follows Eolus' dividend policy and is regarded justifiable with regard to the group's financial position and future liquidity needs.

Significant events during the first quarter 1 October–31 December 2022

In October, Eolus signed an agreement to sell a solar and battery storage project located in Arizona, US. The buyer is a United States-based portfolio company backed by a large publicly traded global private equity investment firm. The project is a mid-stage development asset that is expected to have an initial aggregate capacity of 750 MWac solar photovoltaic generation and battery storage capacity. Commissioning is currently planned for 2025. The buyer has acquired all the membership units in the project company from Eolus and has also signed an agreement for Eolus to provide certain development services to the project through commercial operation. Eolus has received an initial payment of USD 12 million and will be paid additional purchase price instalment payments depending upon the progress of the project and the fulfilment of certain milestones. The milestones involve advancing the development of the project and preparing it for financing and construction. A significant portion of the total consideration will be paid to Eolus upon commencement of construction of the project. At this stage, the total purchase price is estimated to be between USD 104 and 190 million and will be paid throughout 2023–2025. The buyer's continued development and dimensioning of the project will influence the amounts of further payments to Eolus within the above-mentioned range.

Inga Abolina was appointed Head of Baltics and took office on 24 October. Inga Abolina is an experienced finance manager with a proven track record in the energy industry including management of large-scale energy projects. She has, among others, held positions as CFO and Board Member of the Latvian natural gas company Latvijas Gāze and Director of Project Management of state-owned energy provider Latvenergo.

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

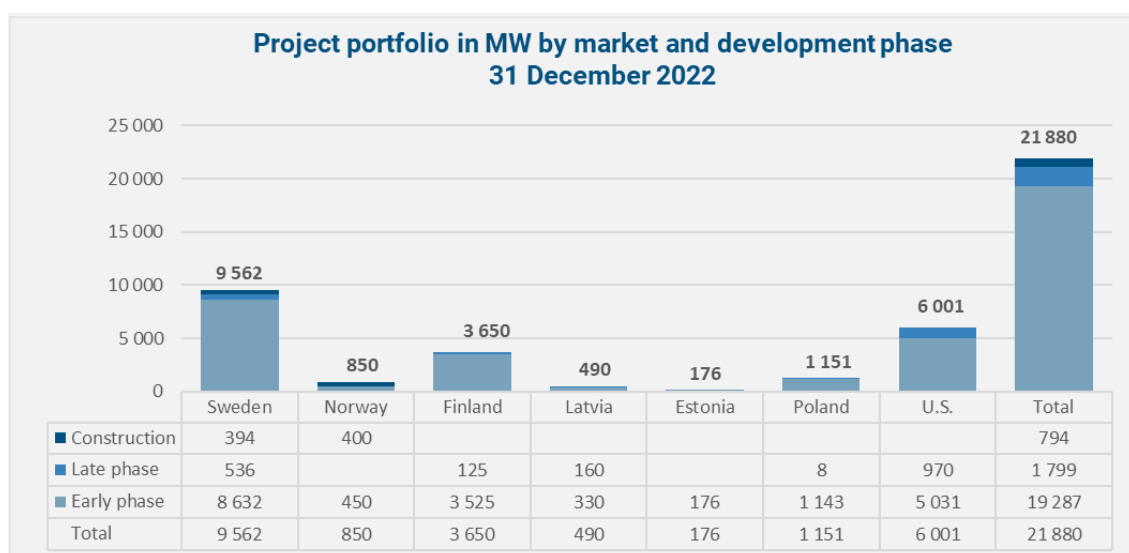
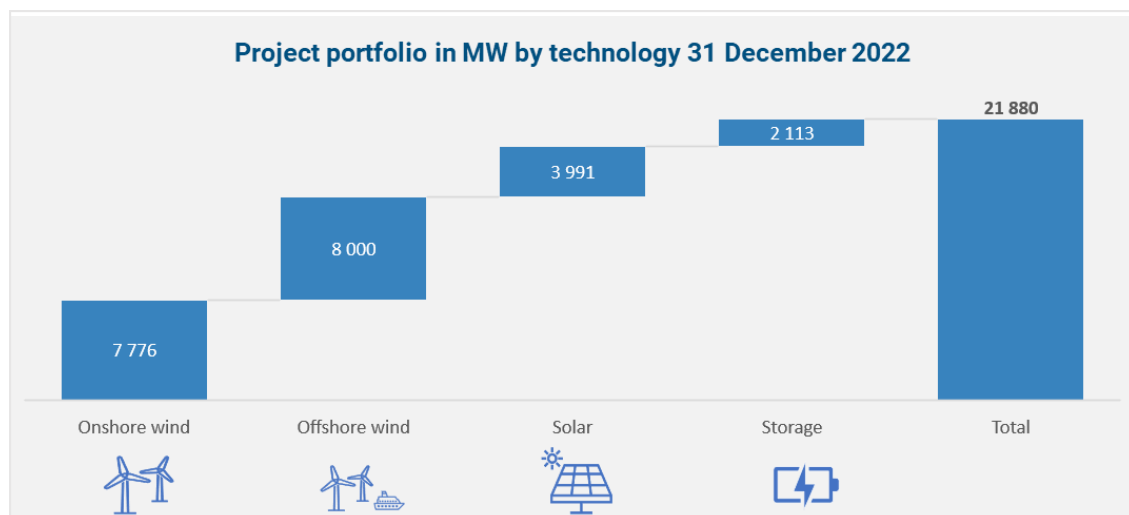
In November, Eolus and Simply Blue Group signed an agreement to co-develop four offshore wind projects in the Baltic Sea through a joint venture called SeaSapphire, powered by Simply Blue Group and Eolus. The partnership comprises two projects in Sweden and two in Finland. If the projects are realized according to current plans, the projects would produce up to 40TWh/year helping to address Sweden's and Finland's ambition and need to increase green electricity generation.

Research permits were granted for the two offshore wind projects Wellamo and Tuulia in Finland. This is an important step in the process of establishing offshore wind power in Finland. The total planned capacity of the two offshore wind farms is 3.5 gigawatts, which would add 14–16 TWh of renewable electricity for the Finnish electricity grid annually. The number of turbines for the wind farms is approximately 100 each, but the final number will be determined at a later stage.

Significant events after the fourth quarter

In January, Eolus and PNE signed an agreement to co-develop the offshore wind project Kurzēme in Latvia. The wind farm is planned to have approximately 1,000 MW installed capacity and has potential to generate 4.5 TWh renewable electricity per year. Eolus has developed the project since 2020.

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 we currently deem to have the greatest potential to obtain the necessary permits and where the sales process has begun, or will begin soon. The compilation covers projects in all markets that Eolus operates in as well as relevant technologies. This information can be found on our website eolusvind.com.

Projects under construction 31 December 2022

	Location	Technology	Capacity, MW	Estimated yearly pro- duction, GWh	Planned Commissioning	Degree of Completion
Øyfjellet	Vefsn, Norway, NO4	Onshore wind	400	1 300	2023	95%
Stor-Skälsjön	Sundsvall and Timrå, Sweden SE2	Onshore wind	260	800	2023	27%
Rosenskog	Falköping, Sweden, SE3	Onshore wind	19	56	2023	0% *
Skallberget/ Utterberget	Falköping, Sweden, SE3	Onshore wind	79	210	2023	0% *
Tjärnäs	Falköping, Sweden, SE3	Onshore wind	26	66	2023	0% *
Timmele	Ulricehamn, Sweden, SE3	Onshore wind	8	23	2024	0%
Total			794	2 455		

* Requirements for degree of completion are not fulfilled.

Sustainability

Our core business, enabling investments in renewable energy, contributes to sustainable development. Our starting point is to act responsibly in all parts of our operations. Higher expectations from various stakeholder groups are continuing to drive developments in all areas of sustainability. In addition to the climate crisis and a focus on reducing GHG emissions, the acute threat to biodiversity is highlighted in many contexts, and human rights in supply chains, for example, are being heavily scrutinized.

In the fourth quarter, we concluded the stakeholder dialogue that took place during the autumn and is part of the process to systematize and develop our sustainability practices. We also completed a new materiality assessment, which identified five material sustainability topics for Eolus – stable financial results, reduced GHG emissions, local engagement in project areas, biodiversity and systematic requirements specification and monitoring of suppliers' sustainability practices.

During the quarter, we also held training for the Board of Directors and the Group Management on the EU's new corporate sustainability reporting directive (CSRD) and the EU taxonomy. Furthermore, we are continuing to map the sustainability data and activities that Eolus will need to report when the CSRD comes into effect, which will be from the 2025 reporting year for Eolus.

At the end of December, Sustainalytics, a company that provides ESG data, published an updated assessment of Eolus in which the classification of Eolus had been changed, and included information about our new human rights policy and the fact that we are now a signatory to the UN Global Compact. Sustainalytics has now categorized Eolus as a low ESG risk company.

Environmental sustainability

We are continuing our efforts to reduce GHG emissions in our operations, and in our value chain. Since the supply chain accounts for most of our GHG emissions (Scope 3), our efforts to create procedures and a structure for measuring these emissions will continue, and our aim is to commence two pilot projects in 2023.

Biodiversity is one of Eolus' material sustainability topics and we are already involved in the Changing Land Use Impact on Biodiversity (CLImB) project, which is focused on the development of a valuation model for measuring Swedish and Nordic nature. During the quarter, we also became a partner to the Baltic Sea Action Group (BSAG), where we have committed to the establishment of offshore wind power that respects the sensitive environment in the Baltic Sea.

Social responsibility

We have a direct social responsibility for our employees and suppliers, and for the people who live and work in the vicinity of our projects. To improve governance and clarify our positions, a human rights policy and associated guidelines for respecting the rights of indigenous peoples were adopted in November. We are now working on the implementation of internal training to ensure that all employees understand what this involves. In addition, we are continuing to develop our occupational health and safety (OHS) management and have added extra resources in this area.

Responsible client

Eolus does not conduct its own manufacturing or construction activities, but signs agreements with suppliers. This means that other companies account for most of our impact on the environment and the work environment. We are therefore working to systematize procurement and the specification of requirements for suppliers. This includes the creation of a specific Code of Conduct for suppliers and a requirements specification for the environment, labor, human rights and anti-corruption.

Eolus' Sustainability Report 2022 will be published as part of Eolus' Annual Report on 24 March 2023.



Sustainability was one of several topics at Eolus' employee conference in November. Karin Wittsell Heydl, Head of Communications and Sustainability, and Sigrid Carstairs, Sustainability Coordinator, spoke about the company's ongoing sustainability initiatives and answered questions.

Consolidated income statement

MSEK	Q4 2022	Q4 2021	12 months 2022	12 months 2021
Net sales	366	1 009	2 356	2 614
Other operating income	12	16	37	42
	377	1 025	2 394	2 656
Operating expenses				
Cost for goods and project development	-258	-965	-2 047	-2 485
Other external costs	-49	-31	-137	-93
Employee benefits expenses	-27	-19	-86	-59
Depreciation and impairment of property, plant and equipment and intangible assets	-10	-1	-14	-5
Result from participations in associated companies	0	-	2	-
Other operating expenses	-8	-13	-32	-39
Operating profit	27	-4	80	-25
Profit/loss from financial items	31	-5	28	-14
Profit before tax	58	-9	109	-40
Tax on profit	-17	2	8	16
Net profit for the period	41	-7	116	-24
Whereof related to the shareholder of the parent company	41	-5	-5	-19
Whereof related to minority stakeholders	0	-2	122	-5
Net profit for the period	41	-7	116	-24
Total shares	24 907	24 907	24 907	24 907
Profit per share before/after dilution (SEK)	1,66	-0,20	-0,22	-0,74

Consolidated statement of comprehensive income

MSEK				
Net profit for the period	41	-7	116	-24
Other comprehensive income				
<u>Items that may be reclassified to profit or loss</u>				
Translation differences	-13	7	57	18
Tax related to items that may be reclassified to profit or loss	3	-2	-10	-5
Other comprehensive income for the period net after tax	-10	5	47	13
Total comprehensive income for the period	31	-1	163	-10
Whereof related to the shareholder of the parent company	30	2	36	-3
Whereof related to minority stakeholders	1	-3	127	-7
Total comprehensive income for the period	31	-1	163	-10

Consolidated balance sheet

MSEK	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Intangible assets	4	11
Property, plant and equipment	43	25
Participations in associated companies	30	-
Deferred tax asset	41	6
Other financial assets	43	16
Total fixed assets	161	59
Current assets		
Work in progress and projects under development	772	843
Advance payment to suppliers	230	170
Account receivable - trade	95	71
Derivative instruments	-	2
Current tax assets	23	24
Other receivables	61	55
Prepaid expenses and accrued income	10	35
Cash and bank balances	568	625
Total current assets	1 758	1 826
TOTAL ASSETS	1 919	1 885
EQUITY AND LIABILITIES		
Equity		
Equity related to the share holders of parent company	983	984
Equity related to minority stake holders	61	280
Total equity	1 044	1 264
Non-current liabilities		
Non-current interest bearing liabilities	231	21
Provision, non current	0	0
Deferred taxes	2	18
Other liabilities	75	65
Total non-current liabilities	309	105
Current liabilities		
Current interest bearing liabilities	79	165
Bills payable	274	186
Derivative instruments	15	5
Current tax liabilities	0	4
Accrued expenses and deferred income	177	116
Advance payment from customers	10	10
Other liabilities	11	31
Total current liabilities	567	516
Total equity and liabilities	1 919	1 885

Consolidated cash flow statement

MSEK	Q4 2022	Q4 2021	12 months 2022	12 months 2021
Operating activities				
Operating profit	27	-4	80	-25
Non cash items	14	12	-94	46
	40	8	-13	21
Interest received	2	2	3	2
Interest paid	-5	-4	-15	-19
Income tax paid	-5	-12	-24	-26
Net cash flow from operating activities before changes in working capital	32	-6	-49	-22
Adjustments of working capital	-171	-375	-142	-75
Cash flow from operating activities	-139	-381	-191	-97
Acquisition of property, plant and equipment	-1	-2	-5	-4
Sales of property, plant and equipment	1	0	2	1
Acquisition of financial assets	0	-	-30	-
Cash flow from investing activities	0	-1	-33	-3
Borrowings	-	3	300	50
Repayment of loans	-9	-12	-187	-258
Paid dividends	-	-	-37	-50
Payments from non-controlling interests	1	290	78	290
Cash flow from financing activities	-8	281	153	32
Cash flow for the year	-147	-102	-71	-68
Cash and cash equivalents at beginning of year	723	726	625	691
Exchange-rate differences in cash and cash equivalents	-8	0	14	2
Cash and cash equivalents at year-end	568	625	568	625

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 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
Dividend	-	-	-	-50	-50	-	-50
Capital contribution from	-	-	-	-	-	288	288
At 31 December 2021	25	191	-2	770	984	280	1 264
At 1 January 2022	25	191	-2	770	984	280	1 264
Net profit 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							
Dividend	-	-	-	-37	-37	-	-37
Change in non-controlling interest at divestment of subsidiaries	-	-	-	-	-	-427	-427
Capital contribution from non-controlling interests	-	-	-	-	-	80	80
At 31 December 2022	25	191	40	728	983	61	1 044

Intensive work with the Stor-Skälsjön wind farm



The casting of all foundations for the Stor-Skälsjön project was completed in the fourth quarter of 2022. Delivery and assembly of the wind turbines will commence in summer 2023.

The Stor-Skälsjön wind farm is under construction in the Sundsvall and Timrå municipalities. All foundations had been cast by November, and delivery and erection of the wind turbines will commence in summer 2023. The wind farm is scheduled for deployment in the fourth quarter of 2023.

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. Eolus and Hydro REIN are constructing the wind farm jointly, and Hydro will purchase the electricity generated. A turbine supply agreement has been signed with Siemens Gamesa, and Svevia is responsible for the cabling, building the farm's road network and crane sites, and for casting the foundations.

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

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

About the Stor-Skälsjön wind farm:

Status: Project under construction
Wind turbines: 42 Siemens Gamesa SG 6.6-170
Hub height: 20 123-meter turbines and 22 115-meter turbines
Installed capacity: 260 MW
Electricity Price Area: SE2
Investors: MEAG and Hydro Rein

Wind power cluster in Sundsvall

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

About Eolus

Since the company's inception thirty years ago, Eolus has grown to become one of the leading developers of renewable energy in the Nordic region. Today, we develop, establish, and manage renewable energy projects in onshore and offshore wind power, solar power and energy storage. Eolus offers attractive and competitive investment opportunities in the Nordic region, the US, Poland and the Baltics. With our competent and dedicated staff, we are taking the company forward at a rapid pace and driving the transition to renewable electricity generation.

Business idea

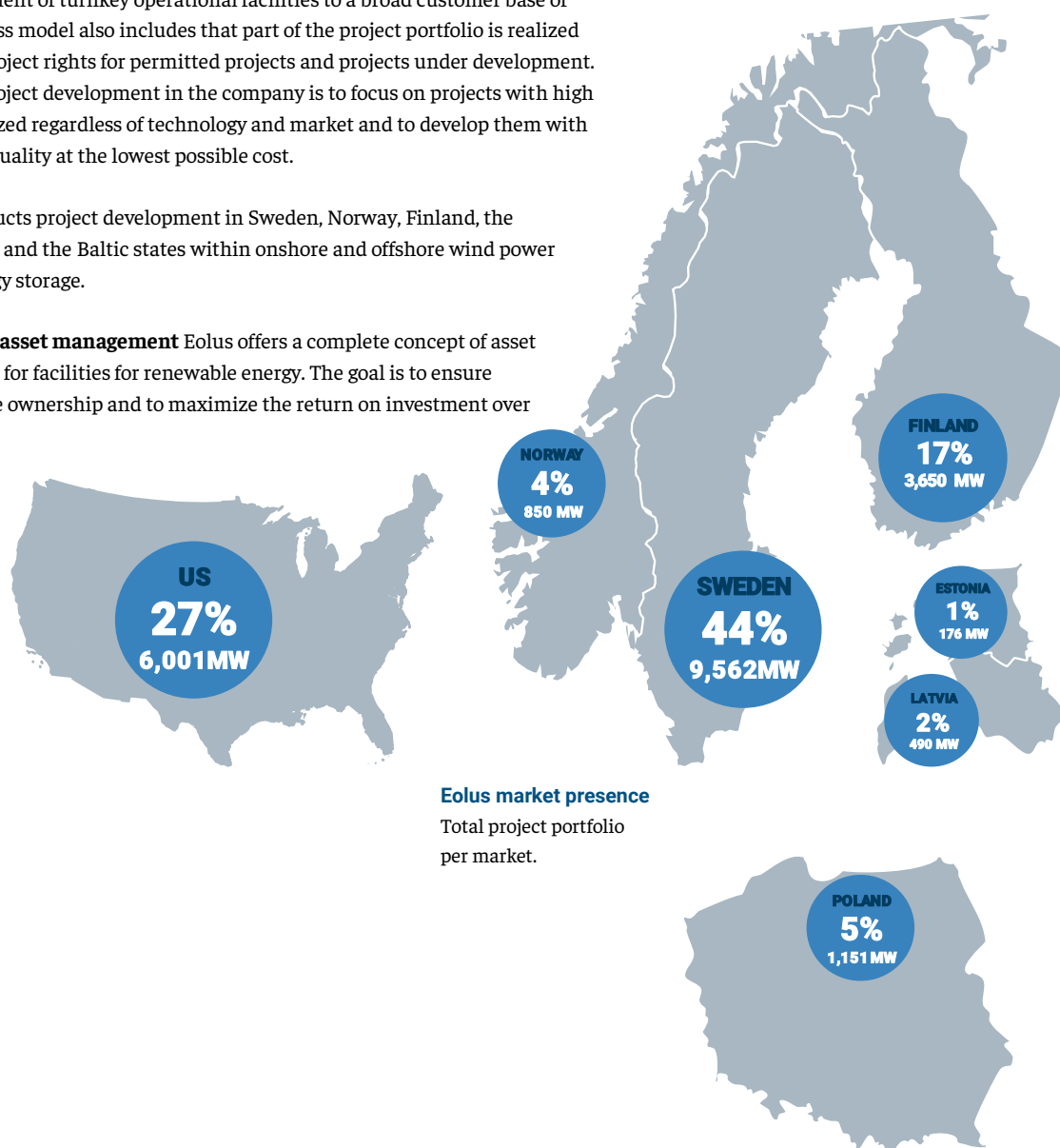
The business idea of the Eolus group is to create value in all steps of development, establishment, and operations of facilities for renewable energy and energy storage and offer local and international investors attractive and competitive investment opportunities.

Segment

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.



Eolus market presence

Total project portfolio per market.

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