



Half-year Report. January - June 2022.

Business review.

Key financials January–June 2022

- Net sales amounted to SEK 3,814 million (3,675)
- Distributed electricity amounted to a total of 13.3 TWh (14.3)
- Operating profit amounted to SEK 1,194 million (1,229)
- Free cash flow totalled SEK 1,228 million (1,110)
- Capital expenditure amounted to SEK 1,391 million (1,477)

Market update

The race to prepare for doubled electricity use

The annual electricity consumption in Sweden is expected to increase from 140 TWh to over 300 TWh by 2045. Main drivers are the national climate targets and electricity replacing fossil energy in transports and industries. But Sweden is also growing, with new industries, business start-ups and infrastructure investments. The common denominator is the need for robust electricity supply.

This gives Ellevio a central role in enabling a sustainable society with net-zero emissions. Our strategy is to transform the electricity network of today to facilitate the sustainable energy system of tomorrow. Together with our customers and partners, we also develop and provide climate-smart energy solutions and services that support the energy transition.

According to a report from Ellevio and Sweco 2022, the cost for renewing and strengthening the existing network in Sweden is estimated to approximately SEK 670 billion by 2045. The cost corresponds to approximately 55 percent of the Swedish state's expenses in 2021. And we have to move quickly. Large parts of the electricity grid are beginning to reach end of technical life, and many investments must be made in the next ten years.

Increasing societal understanding of the consequential cost increases and ensuring sustainable revenue regulation over the long term are two of the key tasks in speeding up electrification.

War in Europe and intensified security focus

The ongoing war in Ukraine is a humanitarian tragedy that has affected the whole of Europe during the first half of 2022.

Ellevio has no own operations in Russia or Ukraine and no direct business contracts with Russia. However, we are still affected by the war as it has led to increasing energy prices. For Ellevio, this means higher costs for purchasing electricity that is lost in transmission (network losses), and rising prices for materials and components, i.e. increased costs of investing in and operating electricity networks. In addition, the increasing prices affects our customers, who have been hit by both rising electricity prices and inflation in the past six months.

With an important societal role, Ellevio has a special responsibility for security issues related to distribution of electricity and our preparedness has been strengthened following the start of the war. Our crisis management team continuously monitors the situation, works according to the action plans we have in place and is in close contact with relevant authorities.

Higher costs due to electricity price development

During August, electricity prices in Sweden rose to new record

levels. Particularly affected are electricity price areas 3 and 4. Forecasts for September–December show continued high prices.

Increasing electricity prices affects Ellevio's results negatively as it leads to significantly higher costs both for the purchase of electricity due to network losses and for transmission charges from TSO Svenska kraftnät, where the variable energy component is based on the monthly average electricity spot price.

Business operations

Investments that enable the energy transition

Our investment programme progresses according to the previously communicated plan for the regulatory period.

This includes the Beckomberga–Bredäng project, which is one of our most important contributions to enable sustainable growth in the capital region. The project involves reconstructing a 12 kilometre long 400 kV power line, including a section along the bed of Lake Mälaren. The line is now connected to the land-based cables at the lake's south and north shores, respectively. The work began in 2019 and the line will be taken into operation in 2023. Another key project in Stockholm is the rebuild of the 100-year-old primary substation in Värtan – Ellevio's largest substation project to date. The new station will increase operational reliability and enable a crucial capacity increase in Stockholm. In addition, more efficient use of land creates prerequisites for new construction of homes or offices in the area. In June 2022, the building structure and roof were in place and interior work in progress. The project started in 2021 and will be completed in 2026.

In rural areas, our focus is mainly on wind power connections, renewals and weather resilience. Dialogues with industries that are transitioning to fossil-free and electricity-based solutions are also increasing.

The mass roll-out of the next generation electricity meters to all our customers is well under way and as of June, some 60 per cent of the installations were completed. The new meters constitute important components when creating a smart electricity network and also satisfies the legal requirement for new functionalities in all electricity meters by 2025. Our smart meter roll-out is being financed by our first green bond, issued in 2020.

Ongoing capacity issues

The capacity issue in Stockholm and in other cities persists, and we are actively working on short-term measures to manage the situation. This includes for example Sthlmflex, the marketplace for electricity network capacity launched by Ellevio together with transmission system operator Svenska Kraftnät and distribution

system operator Vattenfall in December 2020. The second season ran between December 2021 and March 2022. Another important part of managing the capacity situation in Stockholm is to use local electricity generation from Combined Heat and Power (CHP) plants. Ellevio also works with different smart electricity tariffs, both for electric vehicle charging within Ellevio Smart Laddinfra and other network tariffs, to free capacity in the networks.

In rural areas, the capacity challenge is different since there is a lack of network transmission capacity to transport the electricity produced there to areas where there is a larger demand for electricity. We are therefore reviewing our planning and increasing capacity going forward. However, different types of flex and battery solutions will be needed to balance supply and demand for a long time to come.

Project “Vision 2030” digitises for the future

In the spring of 2022, the digitisation project “Vision 2030 – Stockholm” started, which will run until 2026. Network automation and digitisation will enable more efficient operations, improved security of supply and new opportunities for data-driven processes.

Third round of Startup 4 Climate

In May, the application period opened for the third round of Startup 4 Climate, the innovation competition that Ellevio runs together with GodEl. The competition is one of Europe’s largest for start-up companies in energy and climate innovation, with a prize amount of SEK 2 million. The winner will be announced in November.

Sustainability

Sustainability at Ellevio is both about enabling our vision of a bright and sustainable future through the core business, and about being a responsible role model in our own operations. Safety for everyone who works for us comes first. We also work to reduce our environmental and climate impact, befriend biodiversity, be an attractive, inclusive and equal employer and always comply with high business ethics. We follow the UN Global Compact’s principles and contribute to several of the UN’s sustainable development goals.

Safety – zero vision against accidents

Safety for everyone who works for Ellevio, employees as well as contractors and suppliers, is central, and we have a zero vision against accidents.

The work to establish closer collaboration with our largest contractors to further deepen our common goal of increased safety continues and the number of registered risk observations increased to 219 (146). The number of work-related injuries that led to sick leave during January–June 2022 amounted to 6 (5). The injuries reported often have short sick leave and the severity rate has decreased. Most accidents were of a minor nature, such as slipping or tripping. One accident was related to electricity shock. All injuries occurred among Ellevio’s contractors and have been followed up to reduce the risk of them recurring. Lost Time Injury Frequency (LTIF) for January–June 2022 is 4.8 per million hours worked (2.6).

Attractive employer

The supply of skilled employees is key for Ellevio and the entire energy industry. Strengthening our brand as a preferred employer is therefore crucial. Ellevio has been ranked one of the leading employers in Sweden for several years in a row in Nyckeltalsinstitutets



yearly survey. This year, Ellevio came out as one of the 10 percent best employers and was named Excellent Employer 2022.

Environment

We are highly aware of, and work actively to reduce, our own carbon and environmental footprint. To gradually reduce our negative impact, we work to decrease direct and indirect emissions of greenhouse gases, use climate- and environment-adapted materials, promote biodiversity and increase demands on suppliers and contractors.

Customer relations

Improvements in customer service and information

We continue to improve service and information with the aim of increasing customer satisfaction. Power outage information is strengthened through better forecasting of outage times, and our app and web services are continuously improved. Our new customer service center has developed strongly during 2022, with shorter response times and increasing customer satisfaction. Their service capability is continuously improving as customer service staff experience increases.

Electricity price compensation

Early 2022, the Swedish government presented a compensation to Swedish households for high electricity prices during the winter. The electricity network companies were asked to handle the compensation to the entitled customers. Ellevio managed this via deductions on invoices, starting with the invoices sent in early April. The fast handling of the electricity price compensations to the customers has received positive feedback.

Progress for our app and new website

Our app allows customers to see their electricity consumption and how products in their home contribute to their consumption. They can also follow their climate impact, compare their electricity consumption with other households, and get advice on how to save electricity. The app, which has generally received positive reviews, also offers the possibility to connect electric vehicle charging and solar generation. In June 2022, we had over 55,000 customers



with an app account and 25,000 active app users per month.

In January 2022, Ellevio launched a brand-new website. The most important improvements are higher availability, faster features and more modern and user-friendly design.

Continued customer-driven investments

Activity in the wind power sector remained at a high level during the first half of 2022, and Ellevio continued the work with several new larger network connections, from Bohuslän in the south to Väster-norrland in the north.

The current lack of capacity in the national grid jeopardises the expansion of wind power in certain regions until the transmission system operator, Svenska kraftnät, increases capacity. We will complete all the wind power connections that are currently contracted and work in parallel to find solutions so that our customers can continue the expansion in the future. Wind power is important for continued access to CO₂-free electricity and thereby for Sweden to achieve its climate targets.

At the wind farm Tovåsenklustret in the municipalities of Ånge and Ljusdal, Ellevio has a key role in coordinating and developing the connection. Here, 800 MW of new wind power capacity and large grid investments will enable the electricity to reach where it is needed. In June, Ellevio's largest transformer to date was transported to Tovåsen. The transport through Sweden received a lot of media attention due to its size – 106 meters with 256 wheels. The Tovåsen project is scheduled to be finalised during 2022.

Continued strong demand for solar panel installation

The installation of solar panels continued to increase during the first half of the year, and by end of June we had some 14,000 solar-producing customers, which is an increase of approximately 35 percent compared to last year's 10,400. Our solar panel offering via our partner CellSolar has been well-received by customers.

Transport electrification

Investments to enable the electrification of the transport sector have continued and are important to enable Sweden to achieve its climate goals. The growing number of electric vehicles continues to put focus on home charging as well as public charging, and the interest in charging solutions for heavy transports is also increasing.

Ellevio's concept Smart Laddinfra includes charging solutions for

public streets, homes, tenant-owner associations and companies.

Ellevio's cooperation with the City of Stockholm regarding charging streets continues, and on Valhallavägen in Stockholm, Sweden's largest charging street (with 59 charging points) was inaugurated in June.

Industrial development in Borlänge

At the end of February 2022, it was announced that the battery manufacturer Northvolt intends to take over Kvarnsveden's industrial plant outside Borlänge to transform the former paper mill into a state-of-the-art industrial plant for electrification. The development is very positive for the entire region and can contribute to the balance of the regional electricity grid as well as enabling more wind power in the region.

Northvolt aims to begin battery production at Kvarnsveden in 2024. Ellevio's existing electricity network capacity was an important prerequisite for the decision to establish the factory in Kvarnsveden.

Business development and acquisitions

New business area within the Group:

Ellevio Energy Solutions

During the first half of 2022, the Ellevio Group launched a new business area – Ellevio Energy Solutions. The business is conducted within Ellevio Energy Solutions AB, a subsidiary to Ellevio Holding 1 AB (i.e. not part of Ellevio AB), and focuses on providing comprehensive support for businesses to switch to electrified and fossil-free operations. With the help of a toolbox that now extends beyond electricity network services, Ellevio will offer solutions within industry networks, energy storage, flexibility and charging solutions.

In April, the first investment was made with an investment decision regarding Sweden's largest energy storage system (in Grums in Värmland) to enable more renewable energy in the electricity system and a better network balance.

In May, a 10 percent acquisition was made by Ellevio Energy Solutions AB in the new technology company Flower Infrastructure Technologies AB (formerly Kraftthem). The fast-growing startup helps to create stability and balance in the energy system through flexibility and support services, which is increasingly important as the electricity system is supplied with more wind and solar energy.

Integration of Edsbyns Elverk

At the end of 2021, Edsbyns Elverk with approximately 4,000 customers was acquired by the Ellevio Group's parent company Ellevio Holding 1 AB. Edsbyn's Elverk's electricity network will be a natural extension of Ellevio's existing network in the surrounding areas. The electricity network company Edsbyns Elnät AB has in June 2022 been acquired by Ellevio AB and will be merged into Ellevio AB during the year. The power generation and electricity trading operations within Edsbyns Elverk have been sold on to external owners during the first half of 2022.

Indicative bid on Upplands Energi

In April, Ellevio Holding 1 AB announced an indicative bid for the electricity grid operations within Upplands Energi. However, the members of Upplands Energi chose to vote against giving Ellevio the opportunity to make a concrete offer. Ellevio has communicated that we would be happy to take up the dialogue again if interest should arise in the future.

Regulatory update

For the current regulatory period 2020–2023, the permitted revenue, decided by the Swedish Energy Markets Inspectorate (Ei), stipulates a weighted average cost of capital (WACC) of 2.16 percent*. In an ongoing court process, Ei has conceded to a WACC of 2.35 percent.

Ellevio believes that the current level of permitted revenue is far from sufficient to enable the required investment to fulfil society's demand for reliability and continued growth, or to achieve Sweden's climate goals. The time horizon for investments in our industry is long, often more than 40–50 years and the importance of long-term predictable and stable regulation should not be underestimated.

Ellevio and around 100 other companies have appealed the permitted revenue decisions for 2020–2023. In February 2021, the Administrative Court ruled in favour of the network companies. The ruling pointed out that the provisions of the revenue framework ordinance are in violation of the Electricity Act and the EU's third electricity market directive.

Ei appealed to the Administrative Court of Appeal, and in June 2022 the court announced that it shares the Court of Appeal's view that the ordinance violates the EU's third electricity market directive. The Court of Appeal did not take a position on the level of revenue, but Ei must now make new decisions – within the framework set by EU law.

However, the ruling stated that Ei will not have to consider the practice from earlier rulings from the Administrative Court of Appeal. Ellevio and the other distribution companies have appealed this part of the ruling to the Supreme Administrative Court. A leave to appeal is required.

The independence of the Swedish Energy Markets Inspectorate has also been questioned by the EU Commission and there is an ongoing Commission vs Sweden case. Four verdicts have been carried out by the European court of Justice verifying the importance of an independent authority. Hence, the Swedish government will have to make adjustments to the revenue framework ordinance.

The government has launched an inquiry into what legislative changes are needed. The end date coincides with the last day for decisions on the revenue framework for the period 2024–2027. The risk is therefore that the inquiry's conclusions cannot be taken into account for the next regulatory period.

* Expressed as real WACC before taxes.

From electricity network company to system operator

The European reform Clean Energy Package involves major changes for the energy landscape, not least for the electricity network companies.

From being the player that has monitored, put into operation and expanded the physical electricity network (a so-called Distribution Network Operator, DNO), electricity network companies will in the future become system operators (Distribution System Operator, DSO). The task will then be more weighted to be responsible for the procurement of services that will contribute to a stable electricity network and electricity system. These include technical services that are required to maintain operational capacity, for example being able to perform a so-called 'black start' (ability to start an electricity generation plant and from there energise the connecting network) of the distribution system.

The legislation also means higher requirements on development plans for the electricity networks in different areas. In the future, electricity network companies must be prepared for how the development of the electricity network can be met with investments and other types of flexibility services.

The Swedish Parliament has during the first half of 2022 decided on how the framework legislation is to be implemented in a Swedish context. The Electricity Act and other legislation have been adapted to comply with the EU directive and changes came into force on 1 July, 2022.

About the regulation

Electricity distribution is a natural monopoly and as such a fully regulated business. This means that Ellevio operates under a regulatory framework, and is supervised by a government agency, the Swedish Energy Markets Inspectorate (Ei). Ei's remit is to ensure fair prices for electricity users, secure reliable electricity supply and facilitate reasonable returns for investors in the network. Ei decides how much distribution network operators are allowed to charge. These limits are known as the allowed revenue and the levels are determined in advance for four years at a time. According to the Swedish Electricity Act, the electricity network charges paid by customers must be fair, objective and non-discriminatory.



Earnings and financial position.

Financial result

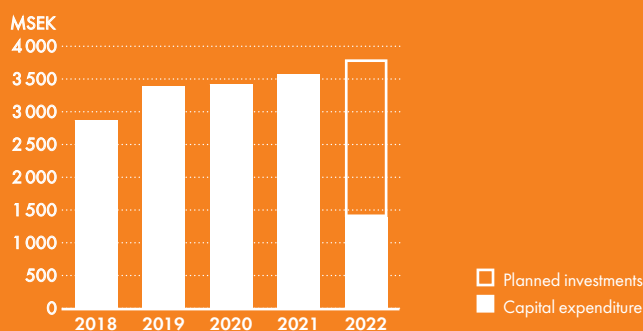
Net sales for the first half of 2022 amounted to SEK 3,814 million (3,675). The net sales increased, as a net impact from price increases made in January 2022 and lower distribution volumes due to milder weather compared to previous year. The volume of local and regional network transmissions from January to June totalled 7.5 TWh (7.8) and 5.8 TWh (6.5) respectively. Higher cost from feeding networks and grid losses due to increasing market price for electricity impacts the profit in the period negatively. EBITDA amounted to SEK 2,088 million (2,073) and operating profit totalled SEK 1,194 million (1,229).

Interest income and similar items amounted to SEK 40 million (30). Interest expenses and similar items were SEK -1,310 million (-1,240), of which SEK -697 million (-657) were related to Group internal interest expenses and SEK -613 million (-582) to external interest expenses. The external interest expenses 2022 include changes in the fair value of financial instruments of SEK -31 million.

Profit/loss after financial items amounted to SEK -76 million (19) and loss for the period to SEK -223 million (-141).

MSEK	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net sales	3,814	3,675	7,153
EBITDA	2,088	2,073	3,700
Comparable EBITDA	2,088	2,073	3,728
Operating profit	1,194	1,229	1,973
Profit/loss after net financial income/expense	-76	19	-452
Profit/loss for the period	-223	-141	-297
Cash flow from operating activities	2,854	2,859	4,784
Free cash flow	1,228	1,110	1,194
Capital expenditure	1,391	1,477	3,590
Total assets	92,618	89,263	92,972
Total equity	8,863	7,928	9,086
Equity/assets ratio	10.4%	10.0%	10.6%
External net debt	38,965	38,891	39,654
Leverage ratio	10.4x	10.3x	10.6x
Interest cover ratio	3.3x	3.3x	3.3x
Class A net debt	34,953	34,874	35,640
Class A leverage ratio	9.3x	9.2x	9.6x
Class A interest cover ratio	3.6x	3.7x	3.6x

Capital expenditure 2018-2022



Financial position and cash flow

Cash flow from operating activities for the first half of the year decreased by SEK 5 million to SEK 2,854 million (2,859). Change in working capital contributed with SEK 360 million (325) primarily due to the electricity price compensation received from The Legal, Financial and Administrative Services Agency (Kammarkollegiet) but still not settled with the customers.

Paid capital expenditure amounted to SEK -1,626 million (-1,749). The cash flow includes an intra-Group acquisition of the shares in Edsbyns Elnät AB from AB Edsbyns Elverk in the amount of SEK -178 million. Free cash flow amounted to SEK 1,228 million (1,110) and cash flow before financing activities to SEK 1,050 million (1,110).

Paid external interest amounted to SEK -687 million (-684). During both 2022 and 2021, there has been no intra-Group interest paid, i.e. interest on subordinated shareholder loans.

The external net debt (Class A and Class B) amounted to SEK 38,965 (38,891) million. Since year-end 2021, external net debt has decreased by SEK 690 million.

Financing

In January, Ellevio extended its senior secured (Class A) and subordinated (Class B) liquidity facilities (LF) of SEK 1,400 million and SEK 115 million respectively. The new extended facilities mature in January 2027. The LF facilities may only be used to finance liquidity shortfall amounts under Class A and Class B debt issued by Ellevio.

In June Ellevio acquired 100% of the shares in Edsbyns Elnät AB for a total consideration of SEK 178 million. In connection with this transaction Ellevio Holding 1 AB repaid a group internal loan to Ellevio AB of 367 million originally given in connection with the acquisition of AB Edsbyns Elverk Group in December 2021.

As per end of June 2022, senior secured net debt (Class A) amounted to SEK 34,953 million (34,874) and total secured net debt (Class A and Class B) to SEK 38,965 million (38,891). The average repayment period for the total external debt was approximately 5,5 years.

Ellevio's senior Class A debt is rated "BBB" and its subordinated Class B debt is rated "BB+" by Standard and Poor's.

Significant events after the end of the period.

There are no significant events to report.



Condensed income statement.

MSEK	1 Jan 2022 30 Jun 2022	1 Jan 2021 30 Jun 2021	1 Jan 2021 31 Dec 2021
Net sales	3,814	3,675	7,153
Capitalised own work	61	54	104
Other operating income	72	38	87
	3,948	3,766	7,344
OPERATING EXPENSES			
Costs for purchase and transit of power	-960	-847	-1,805
Other external expenses	-596	-562	-1,268
Employee benefits expense	-305	-284	-571
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-894	-844	-1,727
Operating profit	1,194	1,229	1,973
FINANCIAL INCOME AND EXPENSES			
Interest income and similar items	40	30	60
Interest expense and similar items	-1,310	-1,240	-2,485
Profit/loss after net financial income/expense	-76	19	-452
Appropriations	-	-	363
Profit/loss before tax	-76	19	-90
Income tax expense	-147	-160	-207
PROFIT/LOSS FOR THE PERIOD	-223	-141	-297

The company has no transactions in other comprehensive income. This means that comprehensive income for the period corresponds to profit for the period above. As a result no separate statement of comprehensive income is presented.

Condensed balance sheet.

MSEK	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	43,718	43,652	43,830
Property, plant and equipment	37,870	36,266	37,277
Non-current financial assets	8,868	7,272	9,012
Total non-current assets	90,456	87,191	90,119
CURRENT ASSETS			
Current receivables			
Trade receivables	825	773	1,036
Receivables from Group companies	37	29	0
Other receivables	8	5	5
Prepaid expenses and accrued income	1,277	1,252	1,800
Total current receivables	2,147	2,059	2,842
Cash and cash equivalents	15	13	12
Total current assets	2,162	2,072	2,853
TOTAL ASSETS	92,618	89,263	92,972
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Other reserves	35	39	35
Retained earnings	9,051	8,029	9,348
Profit/loss for the period	-223	-141	-297
Total equity	8,863	7,928	9,086
Untaxed reserves	960	1,323	960
Deferred tax liability	13,879	13,714	13,732
Other provisions	3	2	3
NON-CURRENT LIABILITIES			
Bond loans	32,339	32,319	32,329
Liabilities to credit institutions	6,118	6,061	6,489
Liabilities to Group companies	23,223	21,937	23,223
Derivative instruments	31	-	-
Other non-current liabilities	2,861	2,037	2,466
Total non-current liabilities	64,572	62,354	64,506
CURRENT LIABILITIES			
Liabilities to credit institutions	354	318	661
Trade payables	666	624	923
Liabilities to Group companies	697	657	0
Current tax liabilities	1	7	16
Other current liabilities	1,663	1,254	1,604
Accrued expenses and deferred income	961	1,082	1,481
Total current liabilities	4,341	3,942	4,685
TOTAL EQUITY AND LIABILITIES	92,618	89,263	92,972

Condensed cash flow statement.

MSEK	1 Jan 2022 30 Jun 2022	1 Jan 2021 30 Jun 2021	1 Jan 2021 31 Dec 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit	1,194	1,229	1,973
Adjustments for non-cash items:			
Depreciation and amortisation	894	844	1,727
Disposals/retirements of non-current assets	–	–	28
Periodised connection fees	–39	–22	–50
Change in provision for doubtful receivables	0	0	–1
Received connection fees	460	507	983
Income tax paid	–14	–23	–44
Cash flow from operating activities before changes in working capital	2,494	2,534	4,616
CHANGES IN WORKING CAPITAL			
Decrease(+)/increase(–) in trade receivables	212	–17	–280
Decrease(+)/increase(–) in other operating receivables	520	652	104
Decrease(–)/increase(+) in trade payables	–181	–67	181
Decrease(–)/increase(+) in other operating liabilities	–191	–243	163
Cash flow from changes in working capital	360	325	168
Cash flow from operating activities	2,854	2,859	4,784
INVESTING ACTIVITIES			
Capital expenditure in intangible assets	–92	–56	–414
Capital expenditure in property, plant and equipment	–1,534	–1,693	–3,176
Acquisition of shares	–178	–	–
Cash flow from investing activities	–1,804	–1,749	–3,590
Cash flow before financing activities	1,050	1,110	1,194
FINANCING ACTIVITIES			
Borrowings	–	22	593
Repayment of borrowings	–684	–449	–283
Loans given	–45	–	–367
Repayment of loan receivables	367	–	–
Received interest	3	1	2
Paid interest	–687	–684	–1,139
Received/paid group contributions	0	0	0
Cash flow from financing activities	–1,047	–1,111	–1,196
CASH FLOW FOR THE PERIOD	3	0	–2
Cash and cash equivalents at the beginning of the period	12	14	14
Cash and cash equivalents at the end of the period	15	13	12

Definitions.

The company presents alternative performance measures in the Half-year Report that are not defined according to IFRS nor the Swedish annual accounts act. These financial measures should not be regarded as substitutes for measures defined according to IFRS. The company considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of the company's performance, the ability to carry through strategic investments and fulfil financial obligations. Below are definitions on how the alternative performance measures are calculated.

Adjusted cash

Cash and cash equivalents less customer deposits

Adjusted equity

Total equity plus 78 percent of the untaxed reserves

Comparable EBITDA

EBITDA less items affecting comparability

EBITDA

Operating profit plus depreciation, amortisation and impairment

Equity/assets ratio

Adjusted equity divided by total assets multiplied with 100

External financial items

Net of external financial interest income and interest expense plus other financial expenses excluding transaction costs related to financing activities

External financial items, Class A

External financial items less Class B interest expense

External net debt

External interest-bearing liabilities excluding transaction cost related to financing activities less adjusted cash

External net debt, Class A

External net debt less Class B debt

Free cash flow

Cash flow from operating activities less paid capital expenditure

Interest cover ratio

Comparable EBITDA less income tax paid divided by external financial items

Interest cover ratio, Class A

Comparable EBITDA less income tax paid divided by external financial items, Class A

Items affecting comparability

Gains/losses from sales of fixed assets, scrapping of fixed assets and restructuring costs

Leverage ratio

External net debt divided by comparable EBITDA

Leverage ratio, Class A

External net debt, Class A divided by comparable EBITDA

The Board of Directors and CEO of Ellevio AB (publ) confirm that the Half-year Report gives a fair presentation of the operations and financial results. The financial statements was prepared in accordance with the Recommendation RFR 2 Financial Reporting for Legal Entities issued by the Swedish Financial Reporting Board. The application of RFR 2 requires the company to apply, insofar as possible, all EU-adopted International Financial Reporting Standards (IFRS) and interpretations of IFRS issued by the IFRS Interpretation Committee (IFRIC) subject to the provisions of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and take account of the relationship between accounting and taxation. Unless otherwise stated, amounts in tables refer to millions of Swedish Krona (SEK million). Due to rounding of amounts to the nearest million Swedish Krona, some totals may not be exactly equal to the sum of all line items. There are no requirements to prepare interim financial statements for an issuer with securities admitted to trading on the Irish Stock Exchange. Since chapter 9 of the annual accounts act (interim reporting) is not applicable to the company this Half-year report is prepared on a voluntary basis. The Report has not been reviewed by the company's auditors.

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