

Ellevio AB Year-end Report 2023

Key financials January–December 2023

- Net sales amounted to SEK 8,231 million (7,535).
- Distributed electricity amounted to a total of 24.2 TWh (25.0).
- Operating profit amounted to SEK 2,694 million (2,085).
- Free cash flow totalled SEK 1,383 million (1,549).
- Capital expenditure, including asset acquisitions, amounted to SEK 3,663 million (3,345).

Business highlights

- Record high investments.
- Crucial Stockholm projects completed: the Beckomberga–Bredäng power cable and the first stage of the Värtan project.
- The renewed and upgraded regional 130 kV overhead line between Munkfors and Kil in Värmland was finalised.
- Installation of second-generation smart meters successfully completed.
- At wind farm cluster Tovåsen, Ellevio built electricity network to be able to connect 660 MW of new wind power capacity.
- Intensified safety focus by collaboration with contractors, safety program, training and more.
- Employee Engagement Index reached a record level of 8.3 in December 2023.

ABOUT ELLEVIO AB

With close to one million customers, Ellevio is one of Sweden's largest electricity network companies. Together with our customers we take an active role in the journey towards an increasingly electrified society. Our electricity grids are the backbone that connects producers and consumers, enable more renewable electricity, electrification of transport and industry and create opportunities for new climate-smart services for customers. We have 730 employees and employ a total of around 3,000 people around the country.

We are owned by the pension funds OMERS Infrastructure, AP3, Folksam and AMF.

Read more at ellevio.se →

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CEO COMMENT

Ellevio has had a strong year with record high investments of SEK 3.7 billion, good progress in its projects and a very high security of supply, with a SAIDI result of 58 (average outage minutes). Major investments in industry, charging infrastructure and wind power are driving demand for expanded networks. We have adopted an expansive plan and will increase the rate of investment over the

coming years. However, several aspects need to fall into place if we are to achieve our targets. In addition to much faster permit processes and a long-term and predictable regulatory model, I particularly want to emphasise the importance of attracting employees with the right skills.

Johan Lindehag, CEO Ellevio

Business review

Market update

More stable electricity market but geopolitical uncertainty continues

After the electricity price crisis in 2022, the price of electricity remained volatile in 2023. The high availability of hydro-power, good European gas stocks and fully operational nuclear power plants helped electricity prices fall back, but with more unstable prices than before.

The geopolitical turbulence caused by the war in Ukraine continued in 2023 and was further increased by the Hamas/Israel conflict that broke out in October.

Efforts for security protection and preparedness continued to increase in importance throughout the energy industry. Ellevio worked to further strengthen its ability to resist antagonistic influence. We cooperate with other actors in the energy industry and with the authorities.

The climate crisis continues to drive demand for electricity

2023 was the warmest year on record, and the climate crisis continues to drive changes in technology, regulation and policy. The transition to a fossil-free society will mean a dramatic increase in electricity demand across the country – and, as a consequence, extensive need for network investments.

According to the Electricity Network Report 2023, published by Ellevio in June, electricity network investments totalling SEK 945 billion are needed in Sweden by 2045. In comparison, the entire Swedish state budget in 2023 amounted to just over SEK 1,000 billion. The largest increase in electricity use is expected in Norrbotten, while the majority of the network investment spend is expected in metropolitan regions, since it is very expensive to expand the networks in densely populated areas.

Business operations

Record high investment rate and more to come

Ellevio's network investments continued according to plan and were at a record high for 2023. The rate of investment is expected to increase further in the coming years.

Extensive investments increase capacity in Stockholm

The first stage of the renewal of the 100-year-old primary substation Värtan in Hjorthagen was completed according to plan when a completely newly built 110 kV substation was taken into operation. The project is being realised in stages to gradually create space for the new buildings, and to ensure that the substation can be in operation during the construction period. The project is Ellevio's largest substation project to date and is crucial for meeting the demand for electricity distribution in Stockholm. Upon completion in 2026, the rebuilt station will increase transmission capacity by almost 100 percent.

In addition, the more efficient use of land creates opportunities for new development in the area.

The Skanstull project, which will serve Stockholm's long-term capacity needs and provide a new feed-in point from the transmission grid, continued according to plan. A new 220 kV substation will be connected to transmission system operator Svenska kraftnät's new transformer station, increasing transmission capacity and redundancy needs significantly. The project is being implemented in a densely built-up location in Stockholm city and will be finalised 2025.

The new Beckomberga–Bredäng power cable was brought into operation in October and the demolition of the old overhead lines has begun. The new cable is unique in that it is the first time a 400 kV line is established through such a densely populated area. Half of the 12 kilometres long power line lies at the bottom of Lake Mälaren, and the other half is buried in the ground.



Demolition of the old overhead line between Beckomberga and Bredäng began at the end of 2023 through explosive demolition.

The major network investments at Ekerö outside Stockholm that began in early 2023, continued according to plan. Until 2027, many projects will be implemented to modernise the municipality's electricity network. The project aims to greatly reduce the number of power outages, among other things by creating redundancy and enabling remote control and monitoring capabilities.

Strengthened networks and increased industry dialogues

In rural areas, our focus is mainly on wind power connections, increased capacity, renewals and weather resilience.

During the year, the strengthening of a regional 130 kV overhead line between Munkfors and Kil in Värmland was finalised.

Examples of ongoing projects are the capacity increase of the electricity network in the centre of Bollnäs in Hälsingland

and the expansion of the 130 kV substation in Dingelsundet in Värmland for the connection of 100 MW lake Vänern-based wind power.

The Swedish transmission system operator Svenska kraftnät kicked off its extensive North–South investment package during 2023. The package includes thousands of kilometres of new powerline and aims to strengthen the network between electricity price areas 2 and 3. Ellevio is responsible for a large part in the work that is scheduled to be completed by 2032.

Dialogue with industries transitioning to fossil-free and electricity-based solutions is increasing. Read more in the section 'Customer driven investments' on page 4.

Capacity issues persist

Capacity issues in Sweden's energy system persist. Ellevio is working on short-term measures to manage the situation. This includes industry collaborations and smart electricity tariffs.

Different types of flex and battery solutions will be needed to balance supply and demand in the future.

In rural areas, the capacity challenge is mainly a lack of network transmission capacity in Svenska kraftnät's transmission grid. However, there are also sections of Ellevio's regional network that need to be reinforced to meet the growing demand of network capacity.

Ellevio works to increase available capacity, explore best practices in flex services and be a pioneer in forecasting and data-driven processes.

Milestones for a digitalised electricity grid

The mass roll-out of the next generation of electricity meters to all our customers was completed in April 2023.

Vision 2030 is another significant digitalisation project that will continue until 2026. The project starts in Stockholm and will eventually be expanded to other network areas.

Through the utilisation of digitalisation, automation and increased data analysis capabilities, the project will create prerequisites to decrease outage times by 50 percent as well as increase operational excellence through more efficient operation of the networks. Installations of remote terminal units, sensors and other equipment in stations is currently ongoing and a new data analytics platform was launched during the first half of 2023.

Fourth round of Startup 4 Climate

For the fourth year in a row, Swedish entrepreneurs were awarded in one of Europe's largest climate benefit innovation competitions, Startup 4 Climate. Ellevio runs the competition together with electricity sales company GodEl, with the aim of accelerating the energy transition. 2023 was a record year for the competition with 75 companies submitting entries to the competition and over 8,200 participants in the so called 'people's choice'. The 2023 winners were the start-up companies Cemvission and Novige, that work with fossil-free, energy-efficient cement and a wave, solar and wind power solution, respectively. The winners receive SEK 1 million each.



Winners in the 2023 edition of Startup 4 Climate, were Cemvission and Novige, which work with fossil-free, energy-efficient cement and a wave, solar and wind power solution, respectively. The picture shows from left: Jan Skoldhammer and Stefan Björklund, Novige, Johan Lindehag, Ellevio, Lina Bertling Tjernberg, KTH, Stefan Krook, Goodcause, Claes Kollberg and Oscar Hällén, Cemvission.

Customer relations

The demand for customer service, communication activities and support services continued to be strong during 2023 and customer satisfaction with our customer service was very high.

Thanks to improved customer data, we have been able to improve both digital services and customer communication and -management during the year. We also initiated a pilot project to improve digital communication based on customer insights during projects.

The use of our app and the logged-in services on ellevio.se was high, and in December 2023 we had 182,000 customers (128,000) with an app account and well over 70,000 active app users (same level as last year).

Customer satisfaction is followed up monthly in surveys and for 2023 the average customer satisfaction index amounted to 59.4 for private customers (58.6) and 61.5 for business customers (58.0).

Customer-driven investments

Wind and solar continue to grow

Activity in the wind power sector remained high and Ellevio continued to work on several new large network connections. In total, Ellevio connected 193 MW new wind power in 2023.

At the wind farm cluster Tovåsen in the municipalities of Ånge and Ljusdal, Ellevio has a key role and has built electricity network to be able to connect 660 MW of new wind power capacity.

During the year, the wind farms Stöllsättersberget, in Värmland and Dalarna, and Klevberget, in Västernorrland, were connected and put into operation.

The demand for connection of large-scale solar parks increased during 2023 and several projects are in the planning phase. The installation of solar panels also increased and by the end of 2023 Ellevio had 30,000 micro solar producing customers – an increase of 67 percent compared to 2022.

Industrial development

Electrification in industry is developing at a rapid pace. Preparations are underway to switch from fossil fuels to electricity in production processes, and new industries are being established to support the electrification.

AB Volvo is establishing a large battery factory in Mariestad in Västra Götaland and Ellevio is responsible for the electricity

supply during both the construction period and when production starts. The connection will be one of Ellevio's largest connections to one single customer. Construction is planned to start in the spring of 2024 and is expected to be completed in 2028.

In Borlänge in Dalarna, the battery manufacturer Northvolt is constructing a factory that is planned to be inaugurated in 2026–2027. The new plant will contribute to restoring the balance in the grid, and thus enable more renewable electricity production in the region.

Several other customer projects are also in the planning phase, including a paper mill in Otterbäcken, Gullspång municipality and a hydrogen factory in Ånge.

The electrification of transport

The growing number of electric vehicles, including heavy vehicles, puts focus on both home and public charging. Ellevio's concept Smart Laddinfra includes charging solutions for public streets, tenant-owner associations and companies. 2023 was a record year in terms of electrified transport and charging infrastructure in Sweden. New charging points have been created at a high rate and during 2023 the number of public charging points increased by around 80 percent.



During 2023, Ellevio AB's parent company Ellevio Holding 4 AB acquired Markbygden Net AB, which has a modern transmission network with a distribution capacity of 1,700 MW, and connects approximately half of Europe's largest land-based wind farm, Markbygden 1101, outside Piteå. The grid connects five wind power operators, and the assets that Ellevio Holding 4 AB purchased consist of overhead lines and transformers with connection to the main grid. Through the acquisition, the Ellevio group is now established in northern Sweden. The acquisition was financed via a Group internal loan from Ellevio AB.



Sustainability

Ellevio has a central role in the energy transition and Sweden's objective to be a climate-neutral society by 2045. In addition, we aim to be a responsible role model in our own operations. This includes promoting health and safety, being an attractive and inclusive employer, reducing environmental and climate impact, protecting biodiversity, and complying with high standards of business ethics.

Safety – preventing accidents

Work with electricity installations and construction projects inevitably pose risks to our employees and contractors. Our vision is for zero accidents, including our employees, contractors, sub-contractors and suppliers. The work to establish closer collaboration with our largest contractors to promote our common goal of increased safety continued during the year.

To become even better at preventing accidents, we began tracking the KPI Serious Incident Frequency (SIF) which measures the number of serious accidents and near misses per million hours worked. During 2023, 22 serious accidents and near misses occurred and SIF was 6.4.

During the year, we also reviewed our own management processes to better investigate and remediate accidents and incidents. How to create safe working conditions was also one of the main topics at our annual 'contractors day', which took place for the twelfth year in November with a record number of participants.

We also intensified our safety work through a new safety programme 'Safe conditions'. The programme focuses on how we at Ellevio – as a client, developer and facility owner – can become even better at creating safe conditions for everyone who works in the field on our behalf. The programme increases the knowledge and awareness among employees and managers within Ellevio and improves data, processes, routines and metrics as well as clarifies roles, responsibilities and competence needs.

The number of registered risk observations amounted to 985 (584) during 2023, which we see as one of the signs of a positive trend since observations are the first step to safe behaviour – and ultimately to prevent future accidents.

The number of work-related injuries that led to sick leave during the year amounted to 14 (11). Lost Time Injury Frequency (LTIF) was 4.1 per million hours worked (3.4). Most of these accidents were of a minor nature.

All injuries that occurred among Ellevio's contractors have been thoroughly investigated and followed up to reduce the risk of them recurring.

Attractive employer – a crucial enabler

To implement the energy transition, Ellevio and the entire energy industry need a constant supply of skilled employees. It is therefore important for us to be an attractive employer with employees that are satisfied, committed and driven by the desire to continuously learn and develop.

During 2023, Ellevio was repeatedly recognised as an attractive employer. Among other things, we were included for the first time on Academic Work's list of Sweden's 100 most attractive employers for young talent and were also recognised as a 'career company' by Karriärföretagen. In addition, the Nyckeltalsinstitut's annual ranking showed that the energy industry is one of the most attractive and equal industries with Ellevio in third place of all employers in Sweden, regardless of industry.

We run monthly employee surveys to compile an 'Employee Engagement Index'. The score for the rolling 12 months in December 2023 was 8.3 (8.1) on a scale of 0–10, which was a record-high result.

At the end of December 2023, Ellevio AB had a total of 730 employees (659).

Climate and environment

We work continuously to reduce our own carbon and environmental footprint, primarily by reducing emissions in the areas where our climate impact is the greatest: vehicles and machinery, materials for projects and the leakage of SF₆ gas.

In November 2023, our industry-unique collaborative project 'Hållbarhet Orsa' was finalised. Together with the contractor Omexom and the cable manufacturer NKT, we ran the project with minimal climate and environmental impact.

In the project, electric vehicles and an electric excavator were used, together with a cable produced with low-carbon aluminium and polyethylene. The evaluation of the project showed that the overall carbon dioxide emissions from this project amounted to a third of the emissions of a conventional project. The experiences will now benefit future projects.

New EU regulations for sustainability reporting

Ellevio AB will be reporting according to the EU taxonomy in 2023 for the second time. According to the EU Taxonomy chapter 4.9, electricity grid operations are classified as enablers to mitigate climate change, and in 2022 years reporting 100 percent of Ellevio AB's sales were both eligible and aligned. The results for 2023 will be presented in Ellevio AB Annual and Sustainability Report in April 2024.

The new EU directive Corporate Sustainability Reporting Directive (CSRD) came into force at the beginning of 2023 and applies to reporting from 2024 onwards. Ellevio AB will be required to report according to the European Sustainability Reporting Standards and the adaptation to the new standard has begun. A double materiality analysis has been carried out and will form the basis for Ellevio's sustainability reporting going forward.

Regulatory update

Decisions for allowed revenue for the regulatory period 2024–2027

The Swedish Energy Markets Inspectorate has taken the first decision on allowed revenue for the regulatory period 2024–2027 in December 2023. The remaining decisions for this period will be taken during the first quarter of 2024. The same regulatory framework is used as for the regulatory period 2020–2023. The Swedish Energy Markets Inspectorate decided on an allowed revenue corresponding to a real weighted average cost of capital (WACC) of 4.53 percent. The risk free interest rate is calculated with the average of a forward-looking period of nine years.

Decisions for allowed revenue for the regulatory period 2020–2023

The original decisions on allowed revenue for the regulatory period 2020–2023 were appealed by the electricity network companies since they were far from sufficient to enable the investments required to meet society’s demand for a reliable energy system. After the ruling by the Administrative Court of Appeal in 2022, the Swedish Energy Markets Inspectorate shall take new decisions based on guidelines from the Administrative Court of Appeal. These decisions will be taken during the first half of 2024.

Changes in the regulatory framework

A governmental inquiry (SOU) was presented in October 2023 that proposes drastic changes in the legislation of electricity network companies. Due to the EU regulatory framework the Swedish Energy Markets Inspectorate shall have a greater independence than earlier. The investigation has been sent for referral and the changes are proposed to come into effect in 2025 and thus be taken into consideration for the regulatory period 2028–2031.



Activity in the wind power sector remained high during 2023.

Adaptations to the EU’s Clean Energy Package

The EU directive Clean Energy Package (CEP) aims to make the EU a leader in clean energy and to adapt the electricity market to more renewable electricity production, more active customers and new forms of actors.

For network companies, CEP entails adopting a partially new role – from being a network operator to being a system operator. The new requirements include development plans for all electricity networks, significantly stricter connection requirements and the use of flex services, as well as new demands for legal separation of the regulated distribution business.

The legislation in Sweden has been adapted to comply with the EU directive. The changes came into force on 1 July 2022 with a transition period for the legal separation until 31 December 2023. Thus, Ellevio has adapted its operations 2023 with some work remaining to be completed in early 2024.

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 under the supervision of a government authority, the Energy Market Inspectorate (Ei), whose remit is to ensure fair prices for electricity users, ensure reliable electricity supply and enable 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

In 2023 net sales amounted to SEK 8,231 million (7,535). The net sales increased, as an effect of price increases made in October 2022, for the local networks, and in January 2023, for the regional networks, that out-weighted lower distribution volumes. The volume of local and regional network transmission 2023 totalled 13.6 TWh (13.9) and 10.6 TWh (11.1), respectively. The lower volume in the local network was mainly due to a reduction in consumption patterns among households following the high electricity prices in 2022, partly offset by higher volumes due to cold weather in the end of 2023. The reduction in the regional network was to a large extent related to a structural change in substation Borgvik, where the interface between Ellevio, Vattenfall and Svenska kraftnät was changed.

EBITDA amounted to SEK 4,625 million (3,918). The increase in EBITDA is mainly related to the distribution margin due to higher sales and lower cost from feeding networks due to temporary price reductions from Svenska kraftnät following the energy crisis partly offset by higher cost for grid losses. Depreciations that totalled SEK 1,931 million (1,833) were higher than previous year due to the investments made in the network. Operating profit totalled SEK 2,694 million (2,085).

Interest income and similar items amounted to SEK 498 million (78), of which 440 (77) were related to Group internal interest income where the increase is mainly explained by internal interest from Ellevio Holding 1 AB related to a Group internal receivable. External interest income amounted to 58 (2). The interest expense and similar items were SEK -2,714 million (-2,603), of which SEK -1,462 million (-1,394) were related to Group internal interest expenses and explained by higher amount of subordinated shareholder loans. External interest expense and similar items increased to SEK -1,252 million (-1,209) due to higher net debt and interest rates. The

external interest expenses 2023 include changes in the fair value of financial instruments of SEK 53 million (-34). Profit/loss after net financial income/expense amounted to SEK 478 million (-440).

Profit/loss for the year amounted to SEK 225 million (-363).

Financial position and cash flow

Cash flow from operating activities 2023 increased by SEK 429 million to SEK 5,228 million (4,798), mainly from higher EBITDA of SEK 708 million, offset by lower connection fees received of SEK -162 million and contributions from change in working capital of SEK -51 million. Change in working capital contributed with SEK -84 million (-34).

Paid capital expenditure increased by SEK 596 million to SEK -3,845 million (-3,249) including acquisitions of assets from Svenska kraftnät totalling SEK 19 million, from Rödbergsfjället Nät AB SEK 23 million and property in Stockholm SEK 27 million. Free cash flow amounted to SEK 1,383 million (1,549) and cash flow before financing activities to SEK 1,137 million (1,373).

Net interest paid amounted to SEK -2,127 million (-1,137), of which external interest accounted for SEK -1,127 million (-1,137), and intra-Group interest for SEK -1,000 million (-), i.e. interest on subordinated shareholder loans.

The external net debt (Class A and Class B) increased by SEK 1,498 million during the year and amounted to SEK 40,597 million (39,100) by the end of the year.

Financing

During 2023, Ellevio raised SEK 4,000 million by issuing new long-term debt. Additionally, Ellevio extended SEK 1,262 million of existing bank loan facilities. The primary objective of these transactions was to finance investments into Ellevio's

electricity network and ensuring the company's access to necessary financing for the next five years.

In January, Ellevio extended a majority of its existing senior secured (Class A) and subordinated (Class B) liquidity facilities (LFA and LFB) by one year. Specifically, SEK 1,166 million of the SEK 1,400 million LFA and SEK 96 million of the SEK 115 million LFB were extended to January 2028. These liquidity facilities are designated solely for addressing liquidity shortfalls under Ellevio's Class A and Class B debt.

In January, Ellevio also secured a 10 year SEK 1,000 million loan (Class A) from the European Investment Bank to partially finance the rebuilding of substations Värtan/Hjort-hagen and Skanstull in Stockholm

In May, Ellevio published its new Green Finance Framework, and in June Ellevio issued SEK 3,000 million of Green bonds (Class A) under its EMTN programme and in accordance with the Green Finance Framework. The bond matures in June 2029 and will be earmarked for the financing of eligible green investments in Ellevio's electricity distribution network.

In June, Ellevio repurchased and cancelled SEK 2,292 million of the SEK 6,500 million (Class A) bond maturing in February 2024. Following this transaction, the amount of outstanding bonds maturing in February 2024 is SEK 4,208 million.

In September, Ellevio Holding 4 AB acquired 100 percent of the shares in Markbydgen Net AB. The acquisition was financed via a Group internal loan from Ellevio AB.

As per end of December 2023, Ellevio's senior secured (Class A) net debt amounted to SEK 36,592 million and subordinated debt (Class B) amounted to SEK 4,005 million. The average repayment period for the total external debt was 4,6 years. On 11 July 2023 Standard and Poor's confirmed the "BBB" rating for Ellevio's Class A debt and the "BB+" rating for Ellevio's Class B debt.

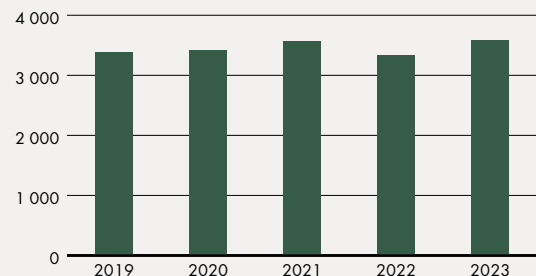


Key figures

MSEK	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jul–31 Dec 2023	1 Jul–31 Dec 2022
Net sales	8,231	7,535	4,085	3,721
EBITDA	4,625	3,918	2,268	1,830
Comparable EBITDA	4,677	3,958	2,319	1,870
Operating profit	2,694	2,085	1,284	891
Profit/Loss after net financial income/expense	478	-440	151	-363
Profit/Loss for the period	225	-363	73	-140
Cash flow from operating activities	5,228	4,798	2,401	1,944
Free cash flow	1,383	1,549	413	321
Capital expenditure	3,663	3,345	2,165	1,954
Total assets	98,977	95,659	98,977	95,659
Total equity	10,304	10,080	10,304	10,080
Equity/assets ratio	10.8%	11.0%	10.8%	11.0%
External net debt	40,597	39,100	40,597	39,100
Leverage ratio	8.7x	9.9x	-	-
Interest cover ratio	4.0x	3.5x	-	-
External net debt, Class A	36,592	35,090	36,592	35,090
Leverage ratio, Class A	7.8x	8.9x	-	-
Interest cover ratio, Class A	4.4x	3.8x	-	-

Capital expenditure (excl. asset acquisitions)

MSEK



Capital expenditure, excluding asset acquisitions, 2019–2023 totaled SEK 17,319 million. During 2023 Ellevio invested SEK 3,593 million, of which customer driven investments (e.g connections of new homes, industries and wind farms) SEK 1,378 million and basic network investments SEK 1,914 million.

■ Capital expenditure

Condensed income statement

MSEK	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	1 Jul–31 Dec 2023	1 Jul–31 Dec 2022
Net sales	8,231	7,535	4,085	3,721
Capitalised own work	160	124	79	62
Other operating income	113	121	64	48
	8,504	7,779	4,227	3,832
OPERATING EXPENSES				
Costs for purchase and transit of power	-1,711	-1,887	-788	-927
Other operating expenses	-1,436	-1,349	-800	-753
Employee benefits expense	-732	-625	-371	-321
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-1,931	-1,833	-984	-938
Operating profit	2,694	2,085	1,284	891
FINANCIAL INCOME AND EXPENSES				
Interest income and similar items	498	78	238	38
Interest expense and similar items	-2,714	-2,603	-1,371	-1,293
Profit/loss after net financial income/expense	478	-440	151	-363
Appropriations	141	382	141	382
Profit/loss before tax	618	-58	292	19
Income tax expense	-394	-305	-219	-158
PROFIT/LOSS FOR THE PERIOD	225	-363	73	-140



Condensed balance sheet

MSEK	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	43,420	43,702
Property, plant and equipment	41,013	39,067
Non-current financial assets	11,591	10,163
Total non-current assets	96,023	92,932
Current assets		
Current receivables		
Trade receivables	993	1,031
Receivables from Group companies	21	1
Other receivables	10	5
Prepaid expenses and accrued income	1,899	1,675
	2,922	2,713
Cash and cash equivalents	32	14
Total current assets	2,954	2,727
TOTAL ASSETS	98,977	95,659

MSEK	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	1	1
Other reserves	27	30
Retained earnings	10,052	10,411
Profit/loss for the period	225	-363
Total equity	10,304	10,080
Untaxed reserves	476	621
Deferred tax liability	14,378	14,071
Other provisions	6	4
Non-current liabilities		
Bond loans	27,860	31,348
Liabilities to credit institutions	7,955	6,046
Liabilities to Group companies	25,078	24,616
Derivative instruments	16	34
Other non-current liabilities	3,987	3,329
Total non-current liabilities	64,896	65,374
Current liabilities		
Bond loans	4,208	1,000
Liabilities to credit institutions	722	567
Trade payables	886	975
Liabilities to Group companies	33	3
Current tax liabilities	25	1
Other current liabilities	1,824	1,570
Accrued expenses and deferred income	1,218	1,394
Total current liabilities	8,917	5,510
TOTAL EQUITY AND LIABILITIES	98,977	95,659



Condensed cash flow statement

MSEK	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022	1 Jul-31 Dec 2023	1 Jul-31 Dec 2022
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit	2,694	2,085	1,284	891
<i>Adjustments for non-cash items:</i>				
Depreciation and amortisation	1,931	1,833	984	938
Disposals/retirements of non-current assets	52	40	51	40
Periodised connection fees	-119	-88	-63	-49
Change in provision for doubtful receivables	0	0	-1	0
Received connection fees	815	976	471	517
Income tax paid	-62	-15	-62	-1
Cash flow from operating activities before changes in working capital	5,312	4,832	2,665	2,337
CHANGES IN WORKING CAPITAL				
Decrease(+)/increase(-) in trade receivables	26	5	-337	-207
Decrease(+)/increase(-) in other operating receivables	-221	151	-702	-369
Decrease(-)/increase(+) in trade payables	17	-54	186	127
Decrease(-)/increase(+) in other operating liabilities	94	-135	590	56
Changes in working capital	-84	-34	-264	-393
Cash flow from operating activities	5,228	4,798	2,401	1,944
INVESTING ACTIVITIES				
Capital expenditure in intangible assets	-151	-226	-96	-134
Capital expenditure in property, plant and equipment	-3,694	-3,023	-1,892	-1 489
Long-term interest-bearing investment	-253	-	-	-
Acquisition of shares	0	-178	-	-
Proceeds from sales of property, plant and equipment	6	1	6	1
Cash flow from investing activities	-4,091	-3 426	-1,982	-1,622
Cash flow before financing activities	1,137	1,373	420	322

MSEK	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022	1 Jul-31 Dec 2023	1 Jul-31 Dec 2022
FINANCING ACTIVITIES				
Borrowings	4,894	998	655	998
Repayment of borrowings	-3,146	-1,548	36	-864
Loans given	-737	-50	-545	-5
Repayment of loan receivables	-	367	-	-
Received interest	56	4	21	1
Paid interest	-2,182	-1,141	-1,472	-453
Received/paid Group contributions	-3	0	-	-
Cash flow from financing activities	-1,119	-1,371	-1,306	-324
CASH FLOW FOR THE PERIOD	18	2	-886	-1
Cash and cash equivalents at the beginning of the period	14	12	918	15
Cash and cash equivalents at the end of the period	32	14	32	14

Definitions

The company presents alternative performance measures in the Year-end 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. To the right are definitions on how the alternative performance measures are calculated.

Serious Incident Frequency (SIF)

Number of serious work-related accidents and near misses, per million hours worked.

Lost Time Injury Frequency (LTIF)

Number of work-related injuries that led to sick leave of at least one day, per million hours worked, including any fatal accidents.

Adjusted cash

Cash and cash equivalents less customer deposits.

Adjusted equity

Total equity plus 79 percent of the untaxed reserves.

Comparable EBITDA

EBITDA less items affecting comparability.

EBITDA

Operating profit plus depreciation, amortisation and impairments.

Equity/assets ratio

Adjusted equity divided by total assets multiplied by 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 liquidity reserve and 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 Year-end Report gives a fair presentation of the operations and financial results. The financial statements were 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 Year-end Report is prepared on a voluntary basis. The Report has not been reviewed by the company's auditors.

Financial calendar

Annual and Sustainability Report 2023	25 April 2024
Half-year Report 2024	29 August 2024
Year-end Report 2024	20 February 2025

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