



Year-end Report. January - December 2021.

# Business review.

## Key financials January–December 2021

- Net sales amounted to SEK 7,153 million (6,674)
- Distributed electricity amounted to a total of 27.5 TWh (26.1)
- Operating profit amounted to SEK 1,973 million (1,781)
- Free cash flow totalled SEK 1,194 million (651)
- Capital expenditure, including asset acquisitions, amounted to SEK 3,590 million (3,415)

## Business operations

The world is facing a major transition due to climate change, and electrification is an essential part of the solution. In Sweden, electricity demand is estimated to more than double by 2045 when heavy industry and the transport sector will have replaced fossil fuels with electricity.

Electricity networks – such as Ellevio’s – are the foundation of this transition. This gives Ellevio a central role in enabling net zero emissions. Our mission is to transform the electricity network of today to 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 customers in their energy transition.

The safety of our people – whether own employees or contractors working for us – is of paramount importance to us, making us prioritise security in all aspects of our work.

## Common understanding of the energy transition needed

To succeed with the energy transition, substantial investments in a sustainable energy system are required. We need a system in which clean electricity can be available effortlessly and which enables the transition to an electrified, carbon neutral society. A sharp increase in investment volume is required by the industry as a whole and consequently Ellevio if the Swedish climate target of net zero emissions by 2045 is to be achieved.

To achieve this, society must agree on how to implement the energy transition. Today, many understand that this transition is needed to tackle climate change, but the discussion about the practical implementation must broaden. Ways to shorten permit processes and secure access to land areas are being discussed but are not yet solved, and the understanding and acceptance that the transition will come with costs that need to be financed is still low. We need a common vision among key stakeholders of what the transition means for society and the people living in it, both in terms of what opportunities it creates, but also how to manage the implementation challenges. Otherwise, the target to create a modern, fossil-free, sustainable society might not be achieved.

The government’s ongoing work with the electrification strategy includes elements that address this, and we hope for insightful results in 2022. At Ellevio, we work continuously to raise these issues among key stakeholders. For example, in October, we arranged a seminar with participation from policy makers, academia and the industry to highlight the importance of the topic.

## Power outages in Stockholm

The reliability of Ellevio’s networks is high and the resilience increases every year, partly thanks to continuous cabling projects in rural areas. When outages do occur, they are handled with the highest priority.

This was the case when two different parts of Stockholm were affected by power outage in the end of November. The un-related interruptions were serious as so many of our customers and societal functions were affected. This serves as a reminder of the importance of the power network as part of a sustainable infrastructure and the large impact it has when it fails. Both outages were due to technical issues and were remedied within 40 minutes and one hour and 20 minutes respectively. Two separate investigations have been carried out and, as a result of the findings, several corrective actions have been implemented, or will be implemented, in order to reduce the risks for future failures.

## Covid-19

As one of Sweden’s leading distribution network operators, Ellevio has played a key societal role during the pandemic. Throughout the pandemic, we have worked to minimise risks to employees, customers, our contractors and suppliers, as well as society at large. The impact on Ellevio’s operations to date has been moderate, largely due to the fast and thorough mitigation work done. A pandemic such as Covid-19 is one of the crisis scenarios that Ellevio has planned and prepared for, and Ellevio has strictly followed its own guidelines as well as the recommendations and guidelines provided by the Swedish authorities.

## Investments that enable the energy transition continue

Our investment programme progresses according to the previously communicated plan for the regulatory period, and the major projects in the Stockholm area continue.

This includes the Beckomberga–Bredäng project, which is one of our most important contributions to continuing the electrification of Stockholm and the creation of sustainable economic growth in the capital region. The project involves reconstructing the power line between Beckomberga and Bredäng in Stockholm, an approximately 12 kilometre long 400 kV power line, which includes a section of cable along the bed of Lake Mälaren that is now in place. In August 2021, the last part of the project started, as cables began to roll out between Beckomberga and Bredäng.

In Stockholm, Ellevio is rebuilding the 100-year-old primary substation in Värtan, which is Ellevio’s largest substation project to date. The project started during 2021 and will, when completed



in 2025, increase operational reliability and enable a capacity increase in the electricity network in Stockholm. More residential and business properties want to connect to our local network in Stockholm or increase their capacity, which means increased capacity is an important factor when renewing our power grids in the Stockholm region.

In rural areas, our focus is mainly on renewal and weather resilience. In total, 83 percent of Ellevio's grid is cablified. One large investment project in Skaraborg, which began in 2017, was completed in the spring of 2021.

The mass roll-out of the next generation of electricity meters to all our customers is well under way and by the end of 2021, more than 400,000 new smart electricity meters had been installed during 2020 and 2021. Our smart meter roll-out is being financed by our first green bond, issued in 2020. Smart meter installation is an important component of a smart electricity network, and satisfies the legal requirement for new functionalities in all electricity meters by 2025.

### Ongoing capacity issues

The capacity issue in Stockholm and in other parts of Sweden persists, and major players are actively working with finding and implementing short-term measures to manage the situation.

Solutions to the situation in Stockholm include for example sthlmflex, the marketplace for capacity in the Stockholm region's electricity network launched by Ellevio together with the transmission system operator Svenska kraftnät and distribution system operator Vattenfall in December 2020. It opens up the market to new players and contributes to solving the lack of network capacity in the Stockholm region. The second season was inaugurated in December 2021.

Another important part of managing the capacity situation in Stockholm is to use local electricity generation from Combined Heat and Power (CHP) plants in Stockholm. The persistent cold weather in January and February 2021 put Stockholm's electricity supply to the test. The demand for electricity was high and was

on several occasions greater than what the national grid could supply, but because of agreements with local electricity production, sufficient electricity supply was secured in Stockholm.

Ellevio also works with different types of smart electricity tariffs, both for electric vehicle charging within Ellevio Smart Laddinfra and other network tariffs, to free capacity in the networks.

### Acquisitions and integration

In September 2021, Ellevio announced a bid for the energy group AB Edsbyns Elverk worth SEK 385 million. The bid was recommended by Edsbyns Elverk's Board of Directors and over 95 percent of the shareholders accepted Ellevio's offer. The acquisition was made by Ellevio Holding 1 AB, and the company will be integrated with Ellevio AB during 2022. The settlement of shares took place in December 2021, as well as preparations of the integration into Ellevio AB and divestment of the Group's hydroelectric power plants and energy retail business.

Edsbyns Elverk's electricity network is a natural extension of Ellevio's existing network and will now be included in Ellevio's extensive investment program. This will give the customers in the area the advantage of a modern and increasingly weather-proofed electricity network.

### A safe and attractive employer

The supply of skilled employees will be an important issue for Ellevio and the entire energy industry in the future. Further strengthening Ellevio's brand as a preferred employer is therefore very important going forward.

During 2021, Ellevio won the Nyckeltalsinstitutet's annual award for Sweden's most attractive employer. We also received Håll Nollan's safe work environment award 2021 and were named a career company by Karriärföretagen ("Career companies") for the second year in a row.



## Customer relations

Ellevio's work to improve customer service and information continues. In December, Ellevio launched a new app in which customers can see their electricity use, how products in the home contribute to their total energy consumption, their own climate impact, compare their electricity consumption with other comparable households, and get tips and advice on how to save electricity.

In addition, the new app offers the possibility to connect electric vehicle charging and solar generation to the app. The app has generally received positive reviews.

To further improve the customer experience, we have begun managing customer invoicing and payments in-house at Ellevio, continued to improve power outage information to our customers through better forecasts, and enabled customers to report outages on the web. The new customer service supplier that we procured in the spring began its work for us in the autumn. In procurement and during implementation, large emphasis was put on quality to secure an excellent experience for our customers.

## Continued customer-driven investments

Customer-driven investments continued during the year. The activity in the wind power sector remained at a high level and during 2021 Ellevio worked with several new larger connections, from Bohuslän in the south to Västernorrland in the north. Ellevio has proven to be an attractive partner to wind power developers and is perceived as responsive, proactive and customer oriented.

In the future wind farm Tovåsenklustret in the municipalities of Ånge and Ljusdal, Ellevio has a key role in ensuring coordination and progress in the project. Here, 800 MW of new wind power electricity and large grid investments are planned for the electricity to reach where it is needed. The project is scheduled to be finalised in 2022.

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 carry through 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. Electricity usage in Sweden is estimated to double in less than 25 years and wind power is important for continued access to CO<sub>2</sub>-free electricity and thereby for Sweden to achieve its climate targets.

## Continued strong demand for solar panel offering

The installation of solar panels continued to increase during 2021 and as of 31 December 2021, we had in total 11,604 solar-producing customers connected to our grid with a total effect of 168 MW, of which 3,455 installations with a total effect of 52 MW was added during 2021.

Our solar panel offering through partnership with CellSolar has been well-received by customers.

## Transport electrification

Investments to enable the electrification of the transport sector continue and are an important piece of the puzzle if Sweden is to achieve its climate goals.

Ellevio's concept Smart Laddinfra includes charging solutions for public streets, home use, and tenant-owner associations and companies. The proportion of new cars that were rechargeable rose above 50 percent in Sweden during the second half of 2021,

according to Bil Sweden. The growing number of electric vehicles continues to put focus on home charging as well as public charging. The interest in charging solutions for heavy transports is also increasing. Ellevio continued its cooperation with the City of Stockholm regarding charging streets, and engaged in dialogue with many different actors.

## Startup 4 Climate innovation challenge

The innovation competition Startup 4 Climate, which Ellevio runs together with the electricity sales company GodEl and which aims to partially finance start-ups that contribute to the energy transition, entered its second year in 2021. The winners were announced at a hybrid event in November, in connection with COP26 and in cooperation with the social climate network We Don't Have Time.

The virtual power plant Krafthem and the green energy storage company Ligna Energy were appointed winners this year, from among many strong entries.

## Fair prices

Ellevio continues to take steps towards harmonised prices throughout our network areas. The price harmonisation should be finalised by 2023 and means that prices in Stockholm increase slightly, while prices in rural areas decrease or remain more or less unchanged over a five-year period. When finalised, all Ellevio's customers will have the same price for the same product, and prices will be in line with average Swedish network prices.

In December 2021, customers were informed about price changes which come into force in January 2022.

## Safety

The work of establishing closer collaboration with our largest contractors to further deepen our common goal of increased safety in the field continued during 2021. An important part of our work has been to continue to encourage the reporting of incidents from our contractors by reviewing the process and the reporting tool we use.

Incident and risk observation reporting is important as it helps us understand the type of incidents that occur and provides a basis for us to continuously improve our safety performance.

The number of work-related injuries that led to sick leave during the year amounted to 15 (8), of which 6 were related to the ongoing meter replacement project. The background to the increase is mainly that the extensive work of replacing old electricity meters means significantly more hours worked in environments that may involve a risk of injuries. The number of injuries was higher at the beginning of the year when many of the staff were inexperienced, and most accidents were of a minor nature, such as slipping or tripping accidents. 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 2021 is 4.2 per million hours worked (2.4). Excluding the meter replacement project, LTIF amounted to 2.8.

## Regulatory update

The current regulatory period of four years is 2020–2023. The allowed revenue for the period, decided by the Swedish Energy Markets Inspectorate (Ei), stipulates a WACC (weighted average cost of capital) of 2.16 percent (expressed as real WACC before taxes). In the ongoing court process, Ei has conceded to a WACC of 2.35 percent.



Ellevio believes that the current level of allowed 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 renewable energy transition, and the electrification of the transport sector and industry all require modern and smart grids in terms of flexibility, capacity, and efficiency. 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 more than 120 other companies have appealed the allowed revenue decisions for 2020–2023. In February 2021, the Administrative Court ruled in favour of the network companies. The ruling was very clear, pointing out that the provisions of the revenue framework ordinance are in violation of the Electricity Act and the EU's third electricity market directive. In March, Ei appealed the court decision to the Administrative Court of Appeal. In November 2021, a decision came from the Administrative Court of Appeal giving Ei leave to appeal.

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. Three verdicts were carried out by the European court of Justice during 2020 (Commission vs Belgium, Hungary and Slovakia), in which the court verified the importance of an independent authority. These verdicts strengthened the Swedish network companies' argument in the Swedish Administrative court. The verdict in another case, the Commission vs Germany, came in September 2021. Both the European Commission and the Swedish government have been awaiting this decision before taking further action regarding the Swedish revenue framework ordinance. This verdict complied with the previous verdicts that the regulatory authority shall be independent from all other stakeholders. Hence, the Swedish government will have to make adjustments to the revenue framework ordinance. It is expected that a governmental investigation will be issued.

### 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 like Ellevio 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 in an ex-ante regulation process. According to the Swedish Electricity Act, the electricity network charges paid by customers must be fair, objective and non-discriminatory.

In April 2021, a bill was passed in the Swedish Parliament once again allowing the regulatory deficit from 2012–2015 to be carried over. The new law allows electricity network companies to utilise this regulatory deficit for investments under certain conditions during the two regulatory periods 2020–2023 and 2024–2027.

### Significant events after the end of the period.

In January, the Swedish government presented a proposal for support to electricity consumers who were hit hard by the sharp increase in electricity prices during the winter 2021/2022. Ellevio and the other electricity network companies are asked to handle the compensation to the affected customers, since these companies are considered to have the best administrative prerequisites for this. The exact process and timing will be defined by the government in dialogue with authorities, electricity network companies and the Swedish parliament. Ellevio will be compensated for the extra costs handling the customer compensation.



# Earnings and financial position.

## Financial result

In 2021, net sales amounted to SEK 7,153 million (6,674). The net sales increased, mainly from higher distribution volume due to cold weather and partly due to price increases in January 2021. The Covid-19 impact on distribution volume and sales was limited. The volume of local and regional network transmission 2021 totalled 14.8 TWh (13.8) and 12.7 TWh (12.3), respectively.

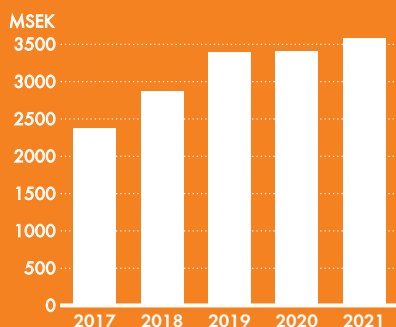
EBITDA amounted to SEK 3,700 million (3,614). The increase in EBITDA is mainly related to the distribution margin where higher sales is partly offset by higher cost from feeding networks and grid losses due to considerable increases in electricity prices during 2021. Depreciations that totalled SEK 1,727 million (1,833) were lower than the previous year following a change in the assessment of useful life for certain network asset categories in 2020. Operating profit totalled SEK 1,973 million (1,781).

Interest income and similar items amounted to SEK 60 million (48). The increase is explained by internal interest from Ellevio Holding 1 AB related to a Group internal receivable. The interest expense and similar items were SEK -2,485 million (-2,396), of which SEK -1,314 million (-1,240) were related to Group internal interest expenses and SEK -1,171 million (-1,156) to external interest expenses.

Loss after net financial income/expense amounted to SEK -452 million (-568). Losses for the year amounted to SEK -297 million (-776).

MSEK	Jan-Dec 2021	Jan-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
Net sales	7,153	6,674	3,479	3,220
EBITDA	3,700	3,614	1,627	1,656
Comparable EBITDA	3,728	3,659	1,655	1,702
Operating profit	1,973	1,781	744	922
Profit/Loss after net financial income/ expense	-452	-568	-471	-240
Profit/Loss for the period	-297	-776	-156	-396
Cash flow from operating activities	4,784	4,100	1,925	1,797
Free cash flow	1,194	651	83	120
Capital expenditure	3,590	3,415	2,113	2,023
Total assets	92,972	89,253	92,972	89,253
Total equity	9,086	8,069	9,086	8,069
Equity/assets ratio	10.6%	10.2%	10.6%	10.2%
External net debt	39,654	39,342	39,654	39,342
Leverage ratio	10.6x	10.8x	-	-
Interest cover ratio	3.3x	3.3x	-	-
External net debt, Class A	35,640	35,324	35,640	35,324
Leverage ratio, Class A	9.6x	9.7x	-	-
Interest cover ratio, Class A	3.6x	3.6x	-	-

## Capital expenditure 2017-2021



Capital expenditure, excluding asset acquisitions, 2017-2021 totalled close to SEK 16 billion. During 2021 Ellevio invested SEK 3.6 billion, of which customer driven investments (e.g connections of new homes, industries and wind farms) was SEK 1.8 billion and basic network investments was SEK 1.2 billion.





## Financial position and cash flow

Cash flow from operating activities in 2021 increased by SEK 684 million to SEK 4,784 million (4,100), mainly from an increase in received connection fees of SEK 410 million and contributions from a change in working capital of SEK 252 million. The improvement from the change in working capital is primarily explained by the fact that 2020 cash flow was negatively impacted by the reduction of the December 2019 fixed fee for all local network customers. Change in working capital contributed with SEK 168 million (-84).

Paid capital expenditure increased by SEK 141 million to SEK -3,590 million (-3,449), including acquisitions of assets from Svenska kraftnät totalling SEK 16 million. Free cash flow amounted to SEK 1,194 million (651) and cash flow before financing activities to SEK 1,194 million (657).

Paid external interest amounted to SEK -1,139 million (-1,089). During both 2021 and 2020, there has been no interest paid on subordinated shareholder loans.

The external net debt (Class A and Class B) increased with SEK 312 million during the year and amounted to SEK 39,654 million (39,342) by the end of the year.

## Financing

Financing need in 2021 was limited with no new external long-term debt raised during the year. Short term financing need was covered under existing facilities.

In January, Ellevio extended its existing senior secured (Class A) revolving credit facility (RCF) of SEK 7,500 million and 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 2026. The RCF may be used for financing of capital expenditure and for general corporate purposes. The LF facilities may only be used to finance liquidity shortfall amounts under Class A and Class B debt issued by Ellevio.

In December, Ellevio Holding 1 AB acquired 95 percent of the shares in Edsbyns Elverk AB at a total consideration of SEK 367 million. The acquisition was financed via a Group internal loan from Ellevio AB.

As per the end of December 2021, Ellevio's senior secured (Class A) net debt amounted to SEK 35,640 million and subordinated debt (Class B) amounted to SEK 4,014 million. The average repayment period for the total external debt was approximately six years.

On 12 July 2021, S&P confirmed the "BBB" rating for Ellevio's senior secured net debt (Class A) and the "BB+" rating for Ellevio's subordinated debt (Class B). At the same time S&P revised the outlook for the rating from "negative" to "stable". The change in rating outlook reflects S&P's view that the Swedish regulatory framework for network companies has improved.

# Condensed income statement.

MSEK	1 Jan 2021 31 Dec 2021	1 Jan 2020 31 Dec 202	1 Jul 2021 31 Dec 2021	1 Jul 2020 31 Dec 2020
Net sales	7,153	6,674	3,479	3,220
Capitalised own work	104	116	50	56
Other operating income	87	76	50	40
	<b>7,344</b>	<b>6,867</b>	<b>3,578</b>	<b>3,316</b>
<b>OPERATING EXPENSES</b>				
Costs for purchase and transit of power	-1,805	-1,462	-958	-726
Other operating expenses	-1,268	-1,284	-706	-689
Employee benefits expense	-571	-508	-287	-245
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-1,727	-1,833	-883	-734
<b>Operating profit</b>	<b>1,973</b>	<b>1,781</b>	<b>744</b>	<b>922</b>
<b>FINANCIAL INCOME AND EXPENSES</b>				
Interest income and similar items	60	48	30	47
Interest expense and similar items	-2,485	-2,396	-1,245	-1,209
<b>Profit/loss after net financial income/expense</b>	<b>-452</b>	<b>-568</b>	<b>-471</b>	<b>-240</b>
Appropriations	363	-11	363	-11
<b>Profit/loss before tax</b>	<b>-90</b>	<b>-578</b>	<b>-108</b>	<b>-250</b>
Income tax expense	-207	-198	-48	-146
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-297</b>	<b>-776</b>	<b>-156</b>	<b>-396</b>

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	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	43,830	43,772
Property, plant and equipment	37,277	35,530
Non-current financial assets	9,012	7,272
<b>Total non-current assets</b>	<b>90,119</b>	<b>86,574</b>
<b>CURRENT ASSETS</b>		
<b>Current receivables</b>		
Trade receivables	1,036	756
Receivables from Group companies	0	0
Other receivables	5	397
Prepaid expenses and accrued income	1,800	1,513
<b>Total current receivables</b>	<b>2,842</b>	<b>2,666</b>
Cash and cash equivalents	12	14
<b>Total current assets</b>	<b>2,853</b>	<b>2,679</b>
<b>TOTAL ASSETS</b>	<b>92,972</b>	<b>89,253</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1	1
Other reserves	35	39
Retained earnings	9,348	8,805
Profit/loss for the period	-297	-776
<b>Total equity</b>	<b>9,086</b>	<b>8,069</b>
<b>Untaxed reserves</b>	<b>960</b>	<b>1,323</b>
<b>Deferred tax liability</b>	<b>13,732</b>	<b>13,577</b>
<b>Other provisions</b>	<b>3</b>	<b>2</b>
<b>NON-CURRENT LIABILITIES</b>		
Bond loans	32,329	32,309
Liabilities to credit institutions	6,489	6,239
Liabilities to Group companies	23,223	21,908
Other non-current liabilities	2,466	1,567
<b>Total non-current liabilities</b>	<b>64,506</b>	<b>62,023</b>
<b>CURRENT LIABILITIES</b>		
Liabilities to credit institutions	661	590
Trade payables	923	764
Liabilities to Group companies	0	0
Current tax liabilities	16	8
Other current liabilities	1,604	1,444
Accrued expenses and deferred income	1,481	1,454
<b>Total current liabilities</b>	<b>4,685</b>	<b>4,260</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>92,972</b>	<b>89,253</b>

# Condensed cash flow statement.

MSEK	1 Jan 2021 31 Dec 2021	1 Jan 2020 31 Dec 2020	1 Jul 2021 31 Dec 2021	1 Jul 2020 31 Dec 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Operating profit	1,973	1,781	744	922
Adjustments for non-cash items:				
Depreciation and amortisation	1,727	1,833	883	734
Disposals/retirements of non-current assets	28	45	28	46
Periodised connection fees	-50	-38	-28	-21
Change in provision for doubtful receivables	-1	1	-1	0
Received connection fees	983	573	477	297
Income tax paid	-44	-13	-21	-1
<b>Cash flow from operating activities before changes in working capital</b>	<b>4,616</b>	<b>4,183</b>	<b>2,081</b>	<b>1,978</b>
<b>CHANGES IN WORKING CAPITAL</b>				
Decrease(+)/increase(-) in trade receivables	-280	267	-263	-172
Decrease(+)/increase(-) in other operating receivables	104	-258	-548	-461
Decrease(-)/increase(+) in trade payables	181	29	248	103
Decrease(-)/increase(+) in other operating liabilities	163	-123	407	348
<b>Changes in working capital</b>	<b>168</b>	<b>-84</b>	<b>-156</b>	<b>-181</b>
<b>Cash flow from operating activities</b>	<b>4,784</b>	<b>4,100</b>	<b>1,925</b>	<b>1,797</b>
<b>INVESTING ACTIVITIES</b>				
Capital expenditure in intangible assets	-414	-223	-358	-137
Capital expenditure in property, plant and equipment	-3,176	-3,226	-1,483	-1,540
Proceeds from sales of property, plant and equipment	-	6	-	5
<b>Cash flow from investing activities</b>	<b>-3,590</b>	<b>-3,443</b>	<b>-1,842</b>	<b>-1,672</b>
<b>Cash flow before financing activities</b>	<b>1,194</b>	<b>657</b>	<b>83</b>	<b>125</b>
<b>FINANCING ACTIVITIES</b>				
Borrowings	593	4,021	798	537
Repayment of borrowings	-283	-3,596	-61	-219
Loans given	-367	-	-367	-
Received interest	2	1	1	1
Paid interest	-1,139	-1,089	-456	-444
Received/paid Group contributions	0	0	-	-
<b>Cash flow from financing activities</b>	<b>-1,196</b>	<b>-663</b>	<b>-85</b>	<b>-126</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-2</b>	<b>-6</b>	<b>-1</b>	<b>-1</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>20</b>	<b>13</b>	<b>14</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12</b>	<b>14</b>	<b>12</b>	<b>14</b>

# 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. 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 impairments

## 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 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.

---

### For further information contact

Sarah Östberg, Communications, [sarah.ostberg@ellevio.se](mailto:sarah.ostberg@ellevio.se)  
Anna-Karin Käck, Finance, [anna-karin.kack@ellevio.se](mailto:anna-karin.kack@ellevio.se)

Ellevio AB (publ)  
Box 242 07, SE-104 51 STOCKHOLM  
Corp. ID no. 556037-7326  
[Ellevio.se](http://Ellevio.se)