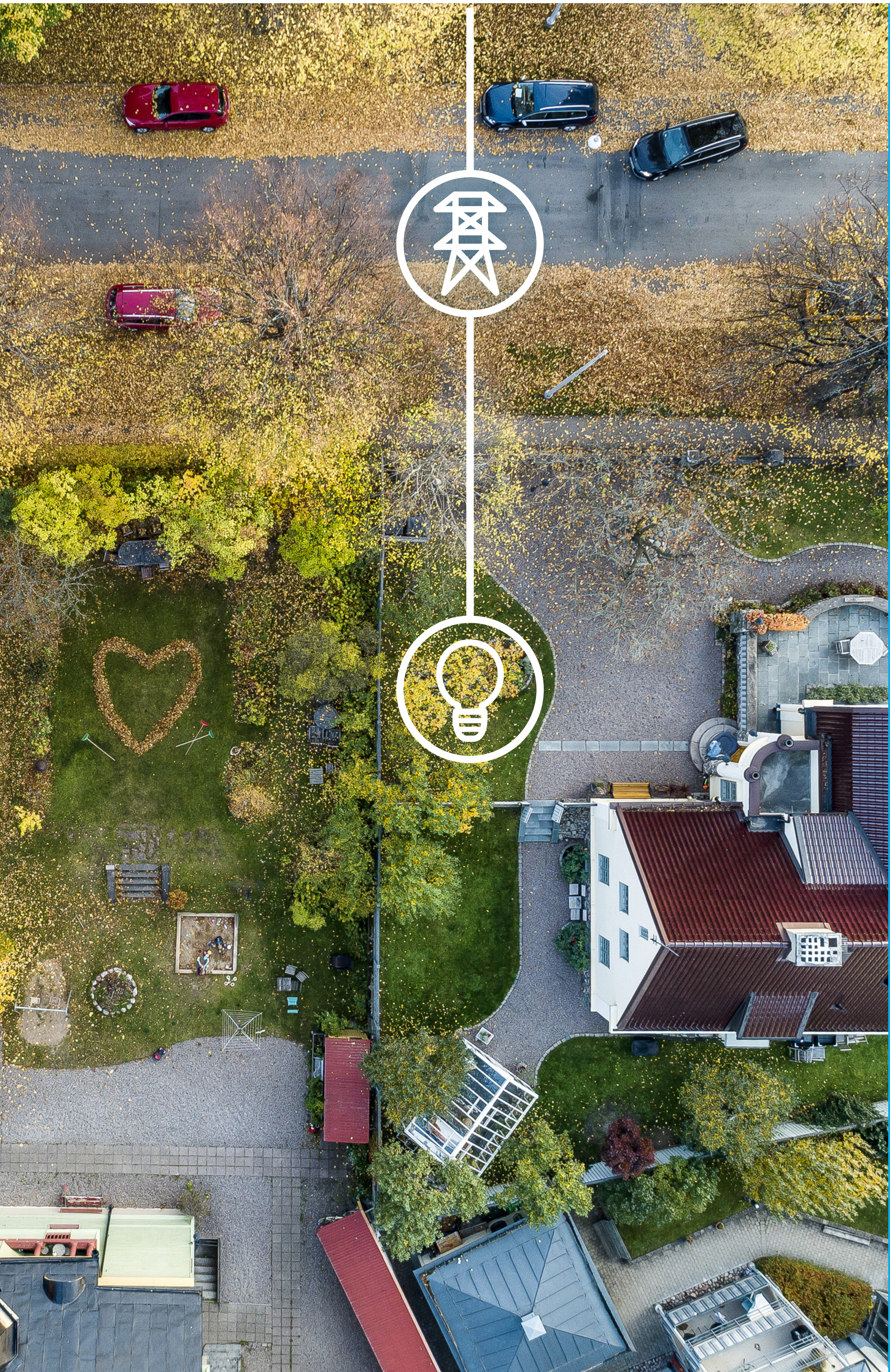
ELLEVIO



Year-End Report. January–December 2019.

Business review.

Key financials January–December 2019

- **Net sales amounted to SEK 6,709 million (6,974)**
- **Distributed electricity amounted to a total of 26.5 TWh (27.3)**
- **Operating profit amounted to SEK 1,649 million (2,067)**
- **Free cash flow totalled SEK 962 million (2,065)**
- **Capital expenditure, including asset acquisitions, amounted to SEK 4,000 million (2,870)**

Business operations

Ellevio safeguards the quality of life of our customers by ensuring that the electricity networks in our areas are sustainable in the long term and contribute to the transition towards a climate-smart energy system. Safety is a foundation of a stable electricity grid and a pre-requisite for our entire business. Summarising the investment programme for the regulatory period 2016–2019, Ellevio can look back on investments on historical high levels. In total more than SEK 10,700 million has been invested during the period, a tripling compared to the regulatory period of 2012–2015. In 2019 Ellevio invested SEK 3,392 million, the highest invested amount in a single year, to ensure that our customers have the best electrical network possible. These investments will allow us to maintain and continue improving our 99.98 percent reliability of electricity supplied, as we prepare our networks for the future.

In the beginning of 2019, Ellevio announced the investments plans for the next regulation period, 2020–2023. Ellevio has modified the plans in order to adjust to the new regulatory framework with decreased allowed revenue and investment incentives. During the period, Ellevio plan to invest circa SEK 4,300 million into the network, so called base investments, which includes reinvestments and investments in increased transmission capacity in the existing network. This implies more than 40 percent decrease compared to the original plans and to the investments in 2016–2019.

The digital and modern society demands reliable, flexible and smart electricity networks. The need for investments to safeguard Sweden's continued growth and development will remain for the foreseeable future. Ellevio has the will and the knowledge to continue our investment programme for decades to come but the industry, including our business partners, needs to have reasonable and stable conditions in order to be able to continue to invest.

In Stockholm, the large projects initiated under the beginning of the year has continued to run smoothly. Two of the largest projects are the rebuilding of the transmission switchgear station in Stockholm, "Värtan", as well as the rebuilding of the 400 kV power line between Beckomberga and Bredäng. The two projects are important pieces in securing a reliable security of supply for the growing Stockholm.

In the rural areas, renewal and weather proofing has been the main focus. Learning from the big forest fires during 2018, Ellevio has taken several important steps to strengthen the preparedness for similar events. All lines have been plotted based on the risk of being affected by major fires. We have increased stock of spare materials in order to be better prepared and developed our weather monitoring services to be able to identify risks at an early stage. Another important initiative is the continued work to automate the networks by installing remote disconnectors and smart network stations, which decrease the number and length of outages for customers. Additionally, the implementation of the next generation of smart electricity meters has continued. During the year, Ellevio has taken several important steps in this crucial project. All major agreements have been signed to supply the next generation of meters and metering system. The first new meters will be installed during a pilot project in Stockholm starting in spring 2020. All meters will be installed before the end of 2023.

During the year, one of the most important issues for Ellevio has been the increasing threat of transmission capacity shortage in the Stockholm area. In late October, we were relieved to be able to announce that a solution was reached that will solve the issue in the short-term. The solution also includes an agreement with the the Swedish government that addresses the need for investments by utilizing regulatory deficits from earlier regulatory periods for future investments. This means that Ellevio will be able to implement some of the upgrades, modernisation and investments required to secure Stockholm's electricity infrastructure.

Nevertheless, the capacity problems in Stockholm are not solved in the long term. The shortage in transmission capacity in the national grid will remain during the coming ten years. Ellevio will therefore continue its work to find a long term solution. One piece of the puzzle was announced during the autumn where Ellevio sent out a request for information to the market regarding the interest in flexible electricity usage, also called demand response. We received several positive answers from more than 30 customers and suppliers.

Despite our high reliability of 99.98 percent, Ellevios's customer have had some longer power outages during the year. In the beginning of the year Sweden was hit by the storm Alfrida. Most of Ellevio's network areas were, in comparison with other parts of Sweden, less impacted with no or a limited number of affected customers. The main exceptions were the eastern network areas of Vallentuna, Nynäshamn, Ekerö and Täby, where some customers had a period of power blackout of up to four days. In addition, there have been two large but relatively short power outages in the Stockholm area, affecting not only a high numbers of customers but also the metro as well as other traffic systems. 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.

Customer relations

During 2019, Ellevio welcomed approximately 5,000 new customers to the company, amounting to a total of 962,000 customers at the end of the year. As part of the business plan for the coming four years, Ellevio has embarked on a journey to set a new standard for customer focus within the company. A detailed programme for establishing the next generation customer handling has been rolled out in the organisation.

Continuing the price harmonisation among our local network areas, Ellevio implemented a price decrease of circa 5 percent for customers on the West coast of Sweden in the beginning of the year. In addition, a one-time deduction of the fixed cost for all customers was conducted in December 2019. Ellevio plans to proceed with the harmonisation process during 2020 with price decreases in all areas.

In comparison with base investments, the customer driven investments show a stable increasing trend, both in the small scale such as customers installing solar panels and in the large scale with wind power parks. To mention a few projects, in Kronoberget in Närke, a wind power park of 16 power turbines and 60 MW, with an estimated yearly production of 200 GWh, has been connected to the power grid. Ellevio has also worked with its largest wind power connection so far; Valhalla, with 85 power turbines and a total installed capacity of 366 MW. In addition, four large connection agreements has been signed; Åndberg, in Härjedalen, with a planned installed effect of 300 MW, Frykdalshöjden, in Värmland, with a planned installed effect of 40 MW and Skaftåsen and Tandsjö, in Hälsingland, with a total planned installed effect of 285 MW. During the year, the requests for installation of solar panels increased with circa 80 percent compared to last year, from circa 2,900 customers with installed solar panels during 2018 to circa 5,550 during 2019. We also see an increased interest from housing cooperatives and public housing companies. With the next generation smart meters, which we will start to install next year, customers will be able to install solar panels without changing meters.

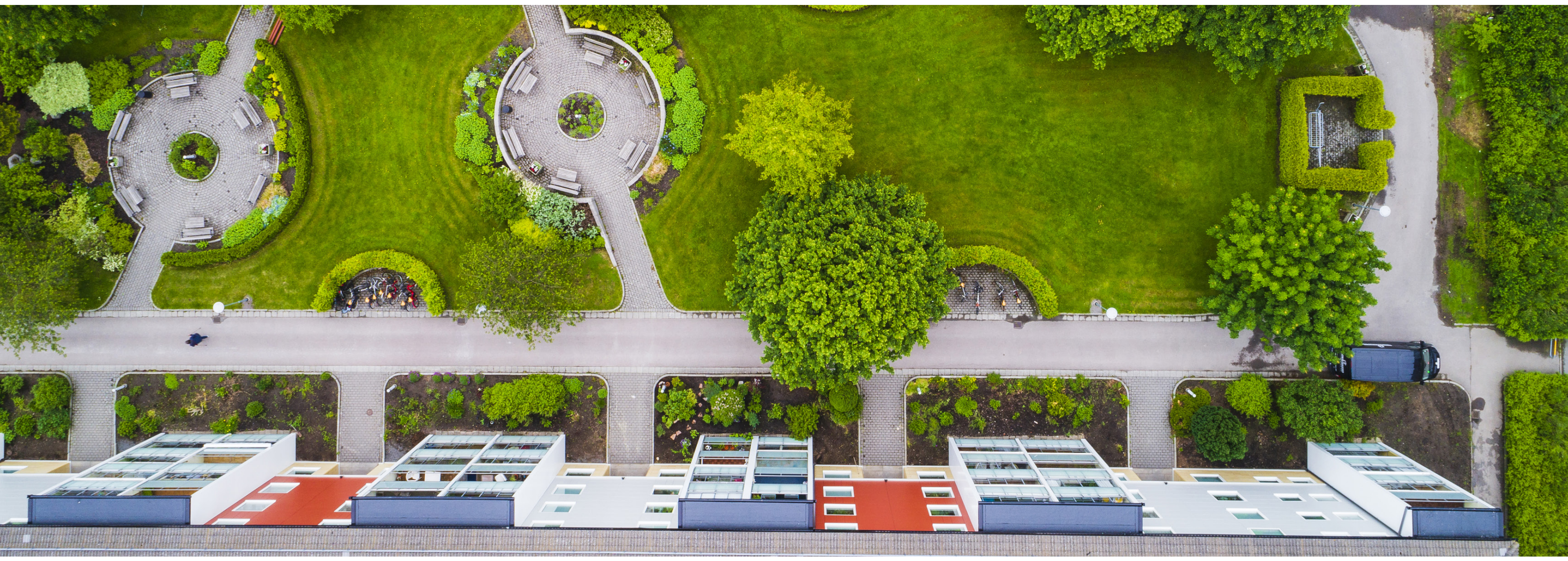
A prerequisite for Sweden to achieve its climate targets is that more and more people change to electric cars instead of fossil-fueled vehicles. This requires a well-developed charging infrastructure, which so far has been held up by expensive and time-consuming excavation work in cities and towns. The City of Stockholm has set the goal of 15,000 to 25,000 charging points by 2030. In order to take a leading role in this transition, Ellevio introduced in the end of the year a new service for smart charging (Ellevio Smart Laddinfra). With this service Ellevio takes total responsibility for the installation process, which includes planning, permit application, excavation and connection. Previously, it was up to each charging operator to connect new charging posts to the cable cabinets. When Ellevio now includes the connection in its offer, new charging infrastructure connections will become faster, cheaper and have a lower environmental impact. In this way, Ellevio helps to optimize the resources needed to build Sweden's charging infrastructure and realizing the climate target of a fossil-free vehicle fleet by 2030.

Acquisitions and integration

The first step in the acquisition of regional network assets from Svenska kraftnät for a total consideration of SEK 593 million, took effect in December 2019. The acquisition was first communicated in august 2017. The purpose of the acquisition is to streamline the electricity grid structure in Stockholm.

In January the company acquired shares in three asset owning companies related to Laforsen sub-station. The operations have been fully integrated with Ellevio during the year and the three companies have all been merged with Ellevio AB in October 2019. In addition, at the end of the year, Ellevio acquired the power networks and concession rights of Hamra Besparingsskog, a small DSO with about 500 customers and 1,400 km of networks.

In the business plan for the coming regulation period the strategy for growth through acquisitions is firmly established and we continuously assess potential acquisitions as we are convinced that a consolidation of the sector is the best thing for customers, society and



the energy transition process as a whole. We believe that the major need for investment to maintain security of supply and develop electricity networks ahead of future demands and stricter efficiency enhancement requirements will contribute to change.

Safety

Ellevio's Safe workplace, our "zero accidents" programme, is highly prioritized. The programme continues with a high number of activities. During the year several milestones have been achieved; 301 unannounced site audits have been conducted to control the safety status out in the field exceeding our target of 250 audits per year, a mandatory e-learning for all contractors has been executed, the Safety handbook has been rolled out to all contractors. The cooperation projects with contractors focusing on safe behaviours during high-risk work has also progressed. During the period Ellevio has concluded a project with three of the largest contractors in order to decrease the number of accidents and incidents on low voltage electricity work, a high risk area within electricity work. The result of the project was very positive with a number of increased safety measures and safe behaviours.

Eight work related accidents resulting in sick leave were reported in the period from January to December, most accidents have been related to hand- or feet injuries. This is a result we are far from satisfied with. However, the number of accidents should be seen in the light of the investments made during the year and consequently the high activity and number of people out in the field.

Regulatory update

The Swedish Energy Markets Inspectorate (Ei) has decided on the allowed revenue for the next regulatory period 2020–2023 for all distribution companies. The allowed revenue stipulates a WACC (weighted average cost of capital) of 2.16 percent (expressed as real WACC before taxes).

It is Ellevio's view that the indicated new level of WACC is far from sufficient to enable the investment levels needed to fulfil society's demand for reliability and continued growth, nor to reach the climate targets. The energy transition towards renewable production and the electrification of the transport sector as well as the industry demands smart modern power grids, in terms of flexibility, capacity and efficiency. The time horizon for investments in this industry is long, often more than 40–50 years and the essence of long term predictable and stable regulation could not be underestimated.

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 nondiscriminatory.

Ellevio and more than 120 other companies have appealed the decisions. In the beginning of 2020, the grounds for the appeal will be delivered to the Administrative Court in Linköping. The main pleading is that the revenue frame ordinance is contrary to both the EU directive and the Swedish legislation and hence Ei's decisions should be declared invalid and be referred back to Ei for new decisions. The new decisions should be based on valid economic theory and practice from the Swedish Courts.

The European Commission has a case against Germany in the EU Court of Justice, regarding the independence of the regulatory authority. This case is similar to the Swedish case and the ruling is expected in the first half of 2020. Both the European Commission and the Swedish Government are awaiting this decision before taking any more actions regarding the Swedish revenue frame ordinance.

The Swedish Government has proposed to implement a change in the legislation so that the regulatory deficit from 2012–2015 cannot be carried over to 2020–2023, contrary to the ruling from the Administrative Court of Appeal in Jönköping. In response to objections to this, the Swedish Government plans to propose a new law allowing the distribution companies to utilise the regulatory deficit from 2012–2015 for investments under certain conditions during the two regulatory periods 2020–2023 and 2024–2027. In brief, investments above one percent of the replacement value can be financed to 75 percent with this deficit from 2012–2015.

Earnings and financial position.

Financial result

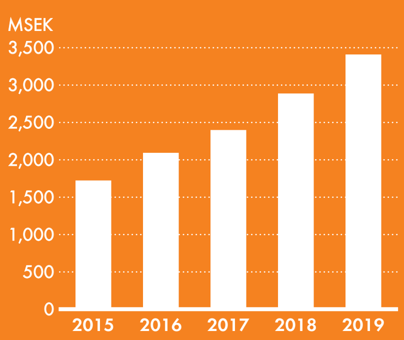
In 2019 net sales amounted to SEK 6,709 million (6,974). The distribution revenue decreased as a result of the reduction of the fixed fee in December for all local network customers, the price decrease in the West Coast area in the beginning of the year and lower distribution volume partly offset by the price increase in Stockholm during fall 2018. The volume of local and regional network transmission 2019 totalled 14.4 TWh (14.7) and 12.1 TWh (12.6), respectively. EBITDA totalled SEK 3,848 million (4,188) and operating profit totalled SEK 1,649 million (2,067). The operating profit was negatively impacted with SEK 33 million from the storm Alfrida that hit Sweden during January this year.

Interest expense and similar items were SEK −2,633 million (−3,019), of which SEK −1,492 million (−1,609) were related to Group internal interest expenses and SEK −1,141 million (−1,410) to external interest expenses. The reduction in Group internal interest is explained by the repayment of the structurally subordinated SEK 3,000 million junior debt facility in Ellevio Holding 2 AB in June 2018 as well as reduction of the interest on the sub-ordinated shareholder loans from 8.5 percent to 6.0 percent from 30 August 2019. The external interest expenses include changes in the fair value of financial instruments of SEK 13 million (375) as well as SEK −35 million (−87) in transaction costs related to financing activities. During 2018, Ellevio closed and cash settled interest rate swaps, resulting in realized results of SEK −377 million. Excluding the items above the external interest expenses have decreased with SEK 202 million compared to 2018, mainly due to lower average interest rate on loans and hedging arrangements. Loss after financial items amounted to SEK −982 million (−893).

Profit for the year amounted to SEK −1,248 million (1,280). Appropriations for the year SEK −115 million (1,463) was lower than previous year, mainly related to group contributions received from Ellevio Holding 1 AB in 2018 of SEK 1,512 million. During 2018 the deferred tax liabilities was re-evaluated due to a decision in the Parliament to decrease the Swedish Corporate tax rate to 21.4 percent in 2019 and 20.6 percent in 2021, impacting the income tax positively with SEK 895 million in the full-year results of 2018.

MSEK	Jan–Dec 2019	Jan–Dec 2018	Jul–Dec 2019	Jul–Dec 2018
Net sales	6,709	6,974	3,047	3,432
EBITDA	3,848	4,188	1,599	1,937
Comparable EBITDA	3,908	4,227	1,656	1,976
Operating profit	1,649	2,067	488	851
Profit/loss after net financial income/expense	−982	−893	−761	−537
Profit/loss for the period	−1,248	1,280	−934	842
Free cash flow	962	2,065	−384	153
Capital expenditure	4,000	2,870	2,734	1,848
Total assets	86,459	83,543	86,459	83,543
Total equity	7,605	7,361	7,605	7,361
Equity/assets ratio	10.0%	9.9%	10.0%	9.9%
External net debt	38,892	38,649	38,892	38,649
Leverage ratio	10.0x	9.1x	–	–
Interest cover ratio	3.4x	2.4x	–	–
Class A net debt	35,907	35,666	35,907	35,666
Class A leverage ratio	9.2x	8.4x	–	–
Class A interest cover ratio	3.7x	2.5x	–	–

Capital expenditure 2015–2019



In 2015, Ellevio launched a major investment programme including renewal, capacity and weather proofing. During 2019 invested SEK 3,392 million in the programme.

Financial position and cash flow

In 2019, cash flow from operating activities increased by SEK 183 million to SEK 4,859 million (4,676), mainly due to an increase in received connection fees of SEK 185 million. Change in working capital contributed with SEK 508 million (226), offsetting together with lower tax paid the negative impact from lower EBITDA, through lower accrued revenue at year-end (due to the reduction of the December fixed fee invoiced in January 2020).

Paid capital expenditure increased by SEK 1,286 million to SEK −3,897 million (−2,611). The increase in capital expenditure is explained by asset acquisitions from Svenska kraftnät SEK 593 million, Hamra Besparingsskog SEK 15 million and an increase in the network investment programme with SEK 678 million. Cash flow for 2019 includes acquisition of shares in three asset owning companies related to Laforsen sub-station in the amount of SEK −44 million and cash flow for 2018 includes an intra-Group acquisition of the shares in Elverket Vallentuna AB from Ellevio Holding 1 AB in the amount of SEK −627 million. In addition, cash flow for 2018 included a divestment of the shares in Elverket Vallentuna El AB (electricity sales company) in the amount of SEK 46 million. Free cash flow amounted to SEK 962 million (2,065) and cash flow before financing activities to SEK 918 million (1,491).

The external net debt increased in 2019 with SEK 243 million, and amounted to SEK 38,892 million (38,649) by the end of the year.

Financing

During 2019 Ellevio refinanced and extended SEK 9,000 million of bank loan facilities and restructured and extended SEK 8,421 million of hedging arrangements. The purpose of these transactions was to secure financing of ongoing investment program, and to extend and smoothen the interest rate maturity profile of Ellevio's external debt.

In January 2019 Ellevio refinanced the remaining facility amount (SEK 8,200 million) under the Acquisition Debt Facility, originally raised in March 2015. The Acquisition Debt Facility due 2020 was cancelled and replaced with a new senior secured (Class A) Revolving Credit Facility ("RCF") of SEK 7,500 million maturing in 2024. The new facility may be used for financing of maturing debt, capital expenditure and for general corporate purposes. As a part of the restructuring of the RCF, Ellevio also refinanced and extended the existing senior secured (Class A) and contractually subordinated (Class B) Liquidity Facilities ("LF") of SEK 1,400 million and SEK 100 million respectively. The new extended LF facilities matures in 2024. The LF facilities may only be used to finance liquidity shortfall amounts under Class A and Class B debt issued by Ellevio. The new facilities was syndicated in equal amounts to Ellevio's 12 relationship banks, with each bank committing to SEK 750 million.

During the period February to April, Ellevio restructured SEK 8,421 million of existing interest hedging agreements. The hedging agreements where Ellevio pays fixed interest rate and receives 3 months Stibor rate until 2025 were extended and divided into four new maturity dates, 2027, 2029, 2030 and 2032. The purpose of the hedging restructuring was to extend and diversify the interest maturity profile as well as to lower interest payments in the periods up to 2025.

As per end of December 2019, Ellevio's senior secured (Class A) net debt amounted to SEK 35,907 million and contractually subordinated (Class B) debt amounted to SEK 2,985 million. The average repayment period for the total external debt was 7.5 years.

On July 5th 2019, S&P confirmed the "BBB" rating for Ellevio's senior secured (Class A) debt and the "BB+" rating for Ellevio's subordinated (Class B) debt. However, following the announcement from Ei on reduced capital compensation (WACC 2.16 percent) for the next regulatory period 2020–2023, the outlook for the ratings were changed from "stable" to "negative".

From 30 August 2019, Ellevio's interest rate on subordinated shareholder loans has been decreased from 8.5 percent to 6.0 percent, following a decision from Ellevio's shareholders.

Condensed income statement.

MSEK	1 Jan 2019 31 dec 2019	1 Jan 2018 31 Dec 2018	1 Jul 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Net sales	6 ,709	6,974	3,047	3,432
Capitalised own work	101	84	51	40
Other operating income	70	93	36	59
	6,880	**7,151**	**3,134**	**3,532**
OPERATING EXPENSES				
Costs for purchase and transit of power	−1,232	−1,151	− 608	−575
Other operating expenses	−1,301	−1,337	− 682	−776
Employee benefits expense	− 499	−474	− 245	−244
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	−2,200	−2,121	−1,111	−1,086
Operating profit	**1,649**	**2,067**	**488**	**851**
FINANCIAL INCOME AND EXPENSES				
Interest income and similar items	2	58	1	58
Interest expense and similar items	−2,633	−3, 019	−1,250	−1,445
Profit/loss after net financial income/expense	**−982**	**−893**	**−761**	**−537**
Appropriations	−115	1,463	−115	1,463
Profit/loss before tax	**−1,097**	**569**	**−875**	**926**
Income tax expense	−151	711	−58	−84
PROFIT/LOSS FOR THE PERIOD	**−1,248**	**1,280**	**−934**	**842**

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 2019	31 Dec 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	43,886	44,436
Property, plant and equipment	33,892	31,546
Non-current financial assets	5,985	2,981
Total non-current assets	**83,763**	**78,963**
CURRENT ASSETS		
Current receivables		
Trade receivables	1,025	1,098
Receivables from Group companies	0	1,515
Current tax assets	–	3
Other receivables	382	291
Prepaid expenses and accrued income	1,270	1,616
Total current receivables	**2,677**	**4,524**
Cash and cash equivalents	20	56
Total current assets	**2,697**	**4,580**
TOTAL ASSETS	**86,459**	**83,543**
EQUITY AND LIABILITIES		
Equity		
Share capital	1	1
Other reserves	36	33
Retained earnings	8,816	6,048
Profit/loss for the period	−1 248	1,280
Total equity	**7,605**	**7,361**
Untaxed reserves	**1,312**	**1,198**
Deferred tax liability	**13,387**	**13,311**
Other provisions	**2**	**1**
NON-CURRENT LIABILITIES		
Bond loans	29,257	32,732
Liabilities to credit institutions	5,327	5,356
Liabilities to Group companies	20,668	19,176
Derivative instruments	–	13
Other non-current liabilities	1,033	540
Total non-current liabilities	**56,286**	**57,817**
CURRENT LIABILITIES		
Bond loans	3,500	–
Liabilities to credit institutions	594	392
Trade payables	846	818
Liabilities to Group companies	0	1
Current tax liabilities	13	–
Other current liabilities	1,540	1,448
Accrued expenses and deferred income	1,374	1,195
Total current liabilities	**7,868**	**3,854**
TOTAL EQUITY AND LIABILITIES	**86,459**	**83,543**

Condensed cash flow statement.

MSEK	1 Jan 2019 31 Dec 2019	1 Jan 2018 31 Dec 2018	1 Jul 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit	1,649	2 067	488	851
Adjustments for non-cash items:				
Depreciation and amortisation	2,200	2,121	1,111	1,086
Disposals/retirements of non-current assets	57	29	57	29
Periodised connection fees	–19	–7	– 12	–5
Change in provision for doubtful receivables	–1	–3	0	–5
Received connection fees	535	350	290	233
Income tax paid	–69	–107	– 25	–12
Cash flow from operating activities before changes in working capital	**4,351**	**4,450**	**1,910**	**2,176**
CHANGES IN WORKING CAPITAL				
Decrease(+)/increase(–) in trade receivables	74	–418	–177	–332
Decrease(+)/increase(–) in other operating receivables	256	–631	–332	–604
Decrease(–)/increase(+) in trade payables	–37	16	71	0
Decrease(–)/increase(+) in other operating liabilities	214	1,259	448	358
Changes in working capital	**508**	**226**	**11**	**–578**
Cash flow from operating activities	**4,859**	**4,676**	**1,921**	**1,598**
INVESTING ACTIVITIES				
Capital expenditure in intangible assets	–191	–102	–119	–55
Capital expenditure in property, plant and equipment	–3,706	–2,508	–2,185	–1,390
Acquisition of shares	–44	–627	–	–
Proceeds from sales of property, plant and equipment	–	7	–	7
Proceeds from sales of shares in Group companies	–	46	–	46
Cash flow from investing activities	**–3,941**	**–3,185**	**–2,304**	**–1,392**
Cash flow before financing activities	**918**	**1,491**	**–384**	**206**
FINANCING ACTIVITIES				
Borrowings	162	6,200	554	895
Repayment of borrowings	–	–6,080	–	–271
Repayment of loan receivables	–	650	–	26
Received dividend	–	21	–	21
Received interest	2	2	1	2
Paid interest	–1,123	–2,238	–420	–968
Received/paid group contributions	2	0	2	0
Cash flow from financing activities	**– 957**	**–1,445**	**137**	**–296**
CASH FLOW FOR THE PERIOD	**– 39**	**46**	**–247**	**–90**
Cash and cash equivalents at the beginning of the period	**56**	**10**	**264**	**146**
Cash in merged company	**2**	**0**	**2**	**0**
Cash and cash equivalents at the end of the period	**20**	**56**	**20**	**56**

Definitions.

Adjusted cash
Cash and cash equivalents less customer deposits

Adjusted equity
Total equity plus 78 percent of the untaxed reserves

Class A financial items
External financial items less Class B interest expense

Class A interest cover ratio
Comparable EBITDA less income tax paid divided by Class A financial items

Class A leverage ratio
Class A net debt divided by comparable EBITDA

Class A net debt
External net debt less Class B debt

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 financial income/expense less intra-Group interest, unrealised results from derivatives, transaction costs related to financing activities, dividend and gains/losses from sales of shares

External net debt
External interest-bearing liabilities less adjusted cash

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

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

The company presents certain financial measures in the Year-End Report that are not defined according to IFRS. The company considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment and benchmarking of the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS. The above key ratios are not defined according to IFRS, unless otherwise stated.

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.

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