

A bright year against a dark background

Much of the world took on a dark edge in 2023, but for us at Ellevio there were still many bright spots. We can summarise a year with unprecedented results in several of our most important areas – security of supply, pace of investment and committed employees. At the same time, society is becoming increasingly aware of the important role that electricity networks play in the climate.

In terms of the climate transition, our operations are essential. If Sweden is to achieve net zero emissions, sectors and transport must be electrified – and this requires a robust, modern and sufficiently developed energy system. This is what we are working to create.

The greater awareness in society about the climate benefits of electricity networks is one of the bright spots in our operating environment in 2023. The EU is pushing ahead in this area, and here in Sweden there is also a strong political consensus. Societal acceptance that electricity grids must be permitted to entail a cost and take up space is higher today than a year ago, although there is still some way to go.

Major investments in all network areas

Ellevio is investing heavily in updating, securing and expanding its electricity networks. In 2023, we invested almost SEK 3.7 billion. This is more than ever before – and in the coming years we will increase the pace of investment even further. According to the Electricity Network Report 2023, demand for electricity will increase by the equivalent of one and a half Sweden's by 2045, which will require network

investments of SEK 945 billion. For every billion that is not invested in the electricity network, it is estimated that at least SEK 8 billion of GDP is delayed or cancelled, according to a report by AFRY in 2023.

We certainly have an exciting journey ahead of us!

Sustainable, stable and predictable conditions

To meet future needs, our sector needs sustainable, stable and predictable conditions and shorter permit processes. Otherwise, we will not be able to dimension our operations for the significant needs that are already here. The orders have already started coming in – just as the Electricity Network Report predicts. Building electricity networks needs to be faster, otherwise electrification and in turn the climate will be threatened.

Our investments have therefore been driven forward at a brisk pace during the year. We have replaced old with new, secured against weather and wind, expanded capacity, digitalised, streamlined and connected renewable electricity and charging streets at a rapid speed.



CEO's statement

A lot has happened both in Stockholm – where just over 60 percent of our customers are located – and in our other network areas; in Dalarna, Gävleborg, Skaraborg-Närke, Stockholm, Värmland and on the West Coast. To give just a few examples, Stockholm has a new “electricity highway” between Beckomberga and Bredäng. 12 kilometres of cables have been buried or laid on the bottom of Lake Mälaren. A very complex and well executed project! In Värmland, we have renewed a regional power line between Munkfors and Kil, while in Ånge in Västernorrland we have played a key role in the development of the Tovåsen wind farm cluster.

We have also developed our operational, monitoring and troubleshooting capabilities – and we have completed the installation of second-generation smart electricity meters for all customers.

Preparedness and safe workplaces in focus

2023 was a tough year for many, with inflation and a constant stream of worrying news about war and crisis preparedness. The global situation also affects us at Ellevio, of course. Protective security and preparedness are taking more and more space on our agenda. Those of us who manage critical infrastructure have a particularly great responsibility here.

2023 was also a dark year for Swedish construction sites, following many deaths. This is a trend to which I react very strongly. Although no one was killed at our sites, we also had too many accidents in our projects. This is why we are now taking extra steps to ensure safe workplaces together with our contractors.

Strong security of supply

Among the good news items is the security of supply across our electricity network. The number of outage minutes per customer actually hit a record low for the network as a whole: 58 minutes (69). Security of supply was 99.99 percent (99.98). This was the result of many efforts, both large and small. 85 percent of our local networks are now weather-proofed, and we also carry out a lot of work on preventive maintenance, upgrades and digitalisation. We also have an operations

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centre with highly skilled staff who are on call 24 hours a day, 365 days a year. I would like to pay tribute to them!

The importance of satisfied customers

Ellevio's electricity network – like all electricity networks in Sweden – is a local monopoly, which means that our network customers cannot choose another supplier if they are not satisfied. This makes it particularly important for us to have satisfied customers.

With that said, customer satisfaction is one of our top priorities. And for a customer to be satisfied, they need to know us and understand the contribution we make – not just associate us with an invoice that has to be paid. We are therefore working intensively to improve customer communication, digital services and customer service. We want our customers to feel that we live up to our values: at Ellevio we are reliable, committed and development-orientated. In these areas too, 2023 was a good year. Customer satisfaction increased among both private and corporate customers, and 85 percent of those in contact with our customer service were satisfied. That is excellent!

For customers, pricing is becoming increasingly important as costs rise across the board. The debate about electricity prices

flares up at regular intervals and we are happy to step in and explain how things work. In Sweden, network tariffs are lower than the EU average, according to statistics from the European Commission, and Ellevio's prices are around the Swedish average or lower. I very much sympathise with the difficult situation facing many households and businesses. But electricity is fundamental. And it must be permitted to entail a cost. The level of that cost is determined by the electricity network regulation.

730 colleagues and counting

As 2023 gave way 2024, we were a total of 730 colleagues. 138 of them started just in 2023. And as we now increase the investment rate, we need to be even more of us in the future.

To ensure the right people join us, we need a clear and attractive corporate culture, and our current employees need to be committed and satisfied. We measure such aspects, of course, and it is a fact that 2023 offered unprecedented figures in this area as well. Our employee satisfaction index was 8.3 on a scale of 10 (8.1).

Outlook for 2024

A successful 2023 is now behind us, and as we move into 2024 we are in full swing, continuing to work towards our vision of a bright and sustainable future.

The geopolitical turmoil appears set to continue, and unfortunately the start of 2024 has not offered many positive signals. This situation makes our operations even more important. Protective security and preparedness will take on even greater importance and our electricity networks are critical to society.

Finally, I want to point out my colleagues: all of you who are driving the climate transition together. Stand up and be proud – you are doing an incredibly important job!

Our electricity networks have been at the core of Swedish prosperity for almost 150 years, and will continue to be for at least as long.

Johan Lindehag
CEO