

ELLEVIÖ

**Year-end Report
January–December
2022**





ABOUT ELLEVIO

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 more than 650 employees and employ a total of 3,000 people around the country. We are owned by the pension managers OMERS Infrastructure, AP3, Folksam and AMF.

Read more at [ellevio.se](https://www.ellevio.se) →

Business review

Key financials January–December 2022

- Net sales amounted to SEK 7,535 million (7,153)
- Distributed electricity amounted to a total of 25.0 TWh (27.5)
- Operating profit amounted to SEK 2,085 million (1,973)
- Free cash flow totalled SEK 1,549 million (1,194)
- Capital expenditure, including asset acquisitions, amounted to SEK 3,345 million (3,590)

Market update

Responding to macro-economic challenges

2022 was clearly marked by the war in Ukraine and its consequent effects on the economy, inflation, geopolitical security and – not least – the energy market.

The war led to a shortage of gas in Europe during the fall. The European energy supply was further constrained when several nuclear reactors had to be taken out of service while the availability of wind and hydropower was low. This, in combination with the closing of energy generation capacity in southern Sweden as well as in Germany, led to the price of electricity reaching new record levels several times during 2022. Southern Sweden was the worst affected, but northern Sweden also experienced unusually high electricity prices at the end of the year.

High electricity prices also negatively affect Ellevio as they lead to significantly higher costs both through the purchase of electricity to cover own network losses and for transmission charges from TSO Svenska kraftnät (Svk). These transmission charges involve a variable energy component to cover Svk's network losses and are based on the electricity spot price. Svk removed the fixed transmission fee for August–December 2022 to offset the impact from the higher variable spot based energy fee, which had a positive effect on Ellevio's results.

Ellevio's costs for network losses amounted to SEK 555 million in 2022, an increase of 21 percent. To reduce the effect of price fluctuations, Ellevio has hedged 80 percent of its own electricity purchases.

The increase in inflation also affects Ellevio as it becomes more expensive to invest in, finance and operate electricity networks.

As a consequence of increased costs, Ellevio needed to raise the electricity grid tariff for local network customers in October 2022. The price increase corresponds to the increase that would otherwise have been implemented on 1 January 2023. Prices increased on an average by SEK 10–25 a month for an apartment and SEK 50–150 a month for a house.

The Swedish government launched two electricity price subsidies for electricity customers in 2022. The first, in the spring, was directed to households and was paid out by the electricity network companies, including Ellevio, in the second quarter. The second, aimed at both households and companies, was launched in the fall and is to be paid out by Försäkringskassan (the Swedish Social Insurance Agency) in 2023.

Prerequisite for combatting climate change

The fossil-free, electrified society of the future needs a smart electricity system with greater capacity and flexibility than

today. Electricity grids are therefore a prerequisite for more renewable energy, the electrification of transport and industries – and ultimately for combatting climate change.

Electricity grid companies play a decisive role, and significant investment is needed. Forecasts from 2022 highlight total investment requirements in Swedish electricity networks of approximately SEK 670 billion by 2045 to meet the growing demand for electricity, which is expected to more than double to well over 300 TWh per year in the next 20 years. In order for this to be realised, a broad societal understanding is needed, along with faster permit processes and, not least, a long-term and predictable regulatory model.

Risk of manual disconnection

In the fall of 2022, there were warnings that the winter could lead to need for manual partial disconnection of electricity at times when the power demand could exceed the supply. In such a scenario, Ellevio and the other regional electricity network companies receive orders from TSO Svenska kraftnät to temporarily shut down electricity in the areas where there is a shortage, according to a priority from the Energy Agency.

As a result of high electricity prices and intensive information campaigns, electricity use decreased at the end of the year. Ellevio's private customers reduced their electricity use by approximately 15 percent during September to December 2022, adjusted for temperature differences. Among industry customers, the change in consumption patterns has been limited.

To date, 23 February 2023, manual disconnection has not been required.

Business operations

Investments that enable the energy transition

Our high rate of investment continues according to plan with the aim of ensuring a modern and future-proof electricity grid that meets the needs of a modern electrified sustainable society.

In the Beckomberga–Bredäng project, which is one of our most important contributions to enable sustainable growth in

Stockholm, seven out of ten sections are now installed. The line will be in operation in 2023.

Another key project in Stockholm is the rebuild of the 100-year-old primary substation in Värtan – Ellevio's largest substation project to date – that will increase operational reliability and enable a crucial capacity increase in Stockholm. In addition, more efficient use of land creates prerequisites for new construction in the area. The project is being realised in stages to gradually create space for the new built-in station, and to ensure that the station can be in operation during the construction period. In 2022, the first part of the building of the new primary substation was completed, which is to be commissioned during the first half of 2023. The project will be fully completed in 2026.

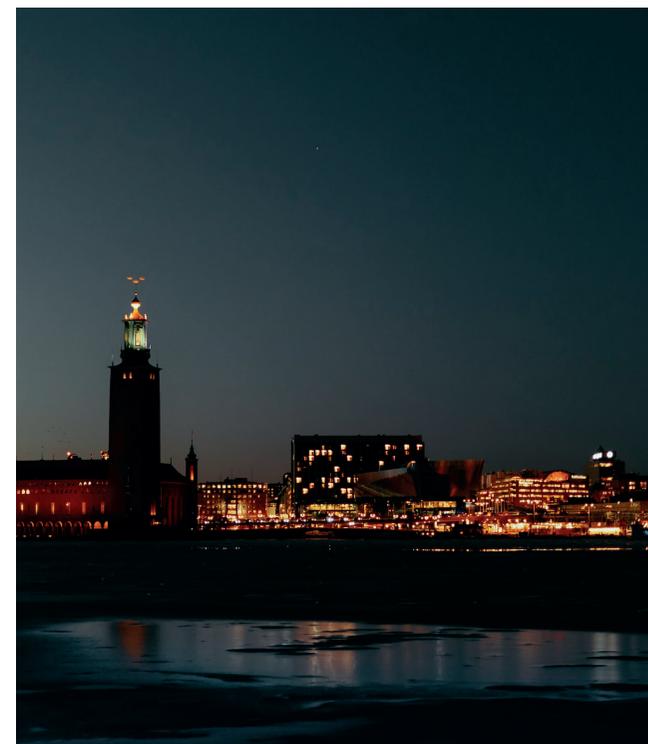
In 2022, the Skanstull project commenced, which involves creating a new feed-in point from the main grid to Stockholm's regional and local grid. Here, the transmission capacity in the electricity grid will increase by 1,000 MW when the plant is connected in 2025.

In rural areas, our focus is mainly on wind power connections, renewals and weather resilience. We are also increasingly in dialogue with industries that are transitioning to fossil-free and electricity-based solutions. Read more in the section Customer driven investments below.

Ongoing capacity issues

Capacity issues in Stockholm and other parts of Sweden persist, and we are actively working on short-term measures to manage the situation. This includes sthlmflex, the marketplace for electricity network capacity launched by Ellevio together with TSO Svenska kraftnät and DSO Vattenfall in 2020. The third season began in December 2022 and interest was record high, with a 120 percent increase compared to 2021.

Ellevio also works with smart electricity tariffs, both for electric vehicle charging within Ellevio Smart Laddinfra and other network tariffs, to free capacity in the networks. In rural areas, the capacity challenge is different since there is a lack of network transmission capacity in Svenska kraftnät's national grid to transport the electricity produced there to areas where there is a greater demand.



The interest in sthlmflex, a marketplace for electricity network capacity, was record high during the 2022/2023 winter season.

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

Creating the smart electricity grid of the future

The mass roll-out of the next generation electricity meters to all our customers is an important piece of the puzzle in the smart electricity grid of the future. The project is well under way and as of December 2022 88 percent of the planned installations were completed. The project is being financed by our first green bond (issued in 2020) and will be finalised 2023.

Another important digitisation project commenced 2022 – “Vision 2030 – Stockholm.” By digitisation, automation and increased data analysis capacity, the project will create pre-

quisites to significantly decrease outage times. The project will continue until 2026 and in its next phase, it will be rolled-out to other parts of Ellevio's electricity network.

The collaboration with Telia Cygate, announced in October 2022, is yet another digitisation milestone. 550 distribution substations and 8,000 secondary substations are to be digitised to prevent, reduce and shorten power outages. Telia Cygate has the overall responsibility for delivering modern equipment that helps to monitor, control and analyse the Swedish electricity grid.

Third round of Startup 4 Climate

In November, the winners of Startup 4 Climate 2022 were announced. The innovation competition, that Ellevio runs together with electricity sales company GodEl, is one of Europe's largest for start-up companies in energy and climate innovation, with prize money of SEK 2 million. This year's winners were NitroCapt, which has developed a solution to reduce the need for natural gas in the agricultural sector, and Helios

Innovation, which has developed an energy-efficient technology that uses residual heat in manufacturing.

Sustainability

Sustainability at Ellevio is about enabling our vision for a bright and sustainable future through our core business, while being a responsible role model in our own operations. This includes promoting the health and safety of everyone who works for us, reducing environmental and climate impact, protecting biodiversity, being an attractive and inclusive employer, and always complying with high business ethics.

Safety – we work safely or not at all

Work with electricity installations inevitably poses risks to our employees and contractors. Our vision is for zero accidents, including employees, contractors and suppliers.

The work to establish closer collaboration with our largest contractors to further deepen our common goal of increased

safety continued. The number of registered risk observations increased to 585 (265) during 2022, which we see as one of several signs of a positive development since observations is the first step to a safe behaviour. In November we – for the twelfth year in a row – arranged a well-visited full day-conference for contractors with a strong focus on safety issues.

The number of work-related injuries that led to sick leave during 2022 amounted to 11 (15). The injuries reported often have short sick leave and the severity rate has decreased to 12.5 (13.8). Most accidents were of a minor nature, such as slipping or tripping. One accident was related to electricity shock. All injuries that occurred among Ellevio's contractors have been investigated and followed up to reduce the risk of them recurring. Lost Time Injury Frequency (LTIF) for January–December 2022 was 3.4 per million hours worked (4.2).

Attractive employer – a crucial enabler

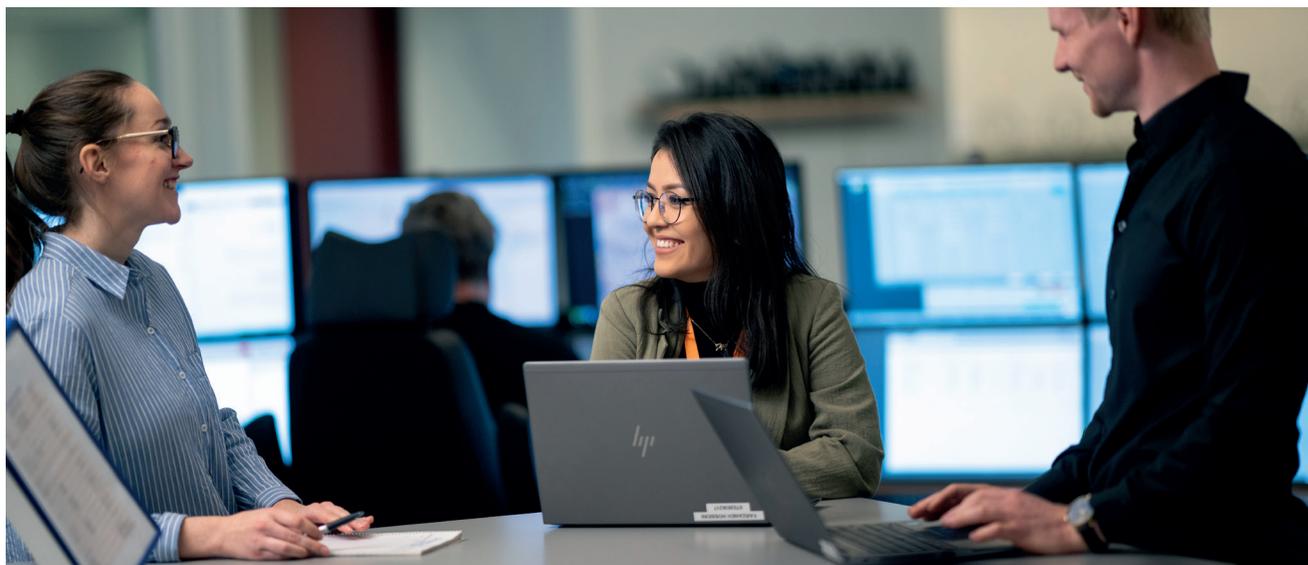
The supply of skilled employees is key for Ellevio and the entire energy industry. We have a significant need for more employees and 150 new people started in 2022. At the end of the year, we had a total of 659 employees.

We run monthly employee surveys that allow us to conduct an "Employee Engagement Index". The score for the rolling 12 months in December 2022 was 8.1 (on a scale of 0–10), which was a continuation of a positive trend.

Ellevio was one of the 10 percent best employers in Nyckeltalsinstitutets annual ranking and recognised as an "Excellent Employer" by Karriärförretagen for the third year in a row.

Climate and environment

Ellevio has a central role in the energy transition and Sweden's objective to be a climate-neutral society by 2045. We also work actively to reduce our own carbon and environmental footprint. During 2022, we established a new goal to reduce the emissions related to our own operations – all vehicles and work machines used on our operations shall be electric by 2030. We also started an industry-unique collaborative project for reduced climate and environmental impact with the contractor Omexom and the cable manufacturer NKT.



According to monthly employee surveys, the commitment among Ellevio's employees is very high.

EU Taxonomy

In 2022, Ellevio analysed and calculated the degree to which the business operations are eligible and aligned with the taxonomy. Electricity grid operations are classified as enablers to mitigate climate change according to chapter 4.9 of the EU Taxonomy ("transmission and distribution of electricity"), and Ellevio is both eligible and aligned to a very high extent on all three taxonomy KPI's. The taxonomy thus gives us the opportunity to quantify what we have long claimed: Ellevio's operations and investments are an enabler for mitigating climate change. Detailed figures will be reported in the Ellevio Annual and Sustainability Report 2022.

Customer relations

High demand for customer service

The high electricity prices, electricity price subsidies and the debate about the energy system increased the demand for customer service, communication activities and support services significantly in 2022. The number of incoming cases greatly increased, including queries about the two electricity price subsidies from the Swedish government.

Our customer service centre developed strongly during 2022, and, due to the increased demand, we opened a new site and increased the number of customer service employees.

Progress with app and new website

Our app allows customers to follow and analyse their electricity consumption and climate impact, compare their electricity consumption with others, and get advice on how to save electricity. The app also offers the possibility to connect vehicle charging and solar panels. In December 2022, we had 128,000 customers with an app account and 77,000 active app users.

The new website that was launched in January 2022 has been developed, extended and improved during the year.

Customer driven investments

High activity in wind power

Activity in the wind power sector remained high during 2022, and Ellevio continued to work on several new larger network connections, from Bohuslän in southern Sweden, to Västernorrland in the north.

The current lack of capacity in the national grid jeopardises the expansion of wind power in certain regions until TSO Svenska kraftnät, increases capacity. We will complete all the wind power connections that are currently contracted and work in parallel to find solutions so that our customers can continue to connect to the grid in the future.

At the wind farm cluster Tovåsen in the municipalities of Ånge and Ljusdal, Ellevio has a key role in coordinating and developing the electricity network connection via the new national grid station that Ellevio commissioned here in September 2022. In Tovåsen, 660 MW of new wind power capacity is being connected during 2022-2023.

Continued strong demand for solar panel installation

The installation of solar panels continued to increase and by end of December 2022 we had some 19,000 micro solar-producing customers, which is an increase of approximately 61 percent compared to last year.

Transport electrification

Investments to enable the electrification of transports continued and the growing number of electric vehicles puts focus on both home and public charging. The interest in charging for heavy vehicles is also increasing. Ellevio's concept Smart Laddinfra includes charging solutions for public streets, homes, tenant-owner associations and companies.

The cooperation with the City of Stockholm regarding charging streets continued during 2022, and Sweden's largest charging street was inaugurated in June on Valhallavägen in Stockholm.

Industrial development

In early 2022, battery manufacturer Northvolt announced plans to convert a large industrial site in Kvarnsveden outside Borlänge that was closed-down in 2021 into a modern factory, with the goal of starting production in 2024. The Northvolt factory will contribute to restoring the balance in Ellevio's regional grid in Dalarna, which will also enable more renewable electricity production in the region in the years ahead.

NEW BUSINESS AREA WITHIN THE ELLEVIO GROUP: ELLEVIO ENERGY SOLUTIONS

During 2022, the Ellevio Group launched a new business area – Ellevio Energy Solutions – that operates under the Ellevio brand but is legally and operationally separated from the regulated electricity network operations. Ellevio Energy Solutions AB is a subsidiary to Ellevio Holding 1 AB.

Ellevio Energy Solutions focuses on providing businesses with cost efficient and reliable Power as a Service-solutions that supports the switch to electrified, fossil-free operations. The offering comprises complete solutions for industry networks, energy storage, flexibility and charging, thus enabling the customers to focus on its core business.

In April, Ellevio Energy Solutions made its' first investment decision, regarding Sweden's largest energy storage system that will enable more renewable energy and a better network balance.

A first acquisition was made in May, consisting of a 10 percent position in Flower Infrastructure Technologies AB (formerly Kraftthem, and one of the winners of Startup 4 Climate 2021). Flower enables the energy transition by providing power flexibility. The company represents a perfect complement to Ellevio's growing business in Battery Energy Storage Systems (BESS).

In August, AB Volvo announced that they plan to establish a new factory for battery cells in Mariestad municipality in western Sweden. Ellevio is responsible for the electricity supply during both the construction period and when production starts, which is one of our largest investments ever in the region. Construction is planned to start in the latter part of 2023 and is expected to be completed in 2028.

Business development and acquisitions

Growth through the acquisition of electricity networks is an important part of Ellevio's strategy. In recent years we have successfully completed several acquisitions. The most recent was AB Edsbyns Elverk, whose power generation and electricity trading operations were sold on to external owners during the year, while the electricity network company Edsbyns Elnät AB was acquired by, and merged with, Ellevio AB.

Regulatory update

Court case regarding permitted revenue 2020–2023

For the current regulatory period 2020–2023, the Energy Markets Inspectorate (Ei) decided on allowed revenue corresponding to a weighted average cost of capital (WACC) of 2.16 percent*. Some 120 electricity grid companies have appealed this level, which is far from sufficient to enable the investments required to meet society's demand for a reliable energy system. In June, the Administrative Court of Appeal ruled that the regulation contravenes the EU's Third Electricity Market Directive, but that Ei does not have to take into account the precedence of previous judgments when deciding on permitted revenues. Ellevio and the other electricity grid companies appealed this part of the ruling to the Supreme Administrative Court, but leave of appeal was not granted. Ei will take new decisions during 2023 based on the guidelines from the court.

* Expressed as real WACC before taxes

Data reporting for regulatory period 2024–2027

On 20 December 2022 the Swedish Energy Market Inspectorate supplied its decision on what data to report to estimate the allowed revenue for 2024–2027. The decision indicates a changed methodology for capital compensation. Over 120 electricity grid companies appealed in January 2023. The final decision on the revenue framework for 2024–2027 will be submitted by Ei by 31 October 2023.

Questioned independence

The independence of the Swedish Energy Markets Inspectorate has been questioned by the EU Commission and the Swedish government will have to make adjustments to the revenue framework ordinance. The government has launched an inquiry (SOU) into what legislative changes are needed. The end date coincides with the deadline for decisions regarding the revenue framework for the period 2024–2027. This means that the inquiry's conclusions cannot be taken into consideration before the next regulatory period.

From electricity network company to system operator

The European reform Clean Energy Package involves major changes for the energy landscape, not least for the electricity network companies. The traditional unidirectional model (DNO)

of energy distribution, from high-voltage transmission networks to consumption points, is being transformed by the integration of renewable energy sources and energy decentralization. The operation and management of these new resources requires a digital grid that is smart and flexible. The growing electricity demand from low carbon emission technologies such as electric vehicle charging, together with the increase in distributed energy resources, has led to the need to create a distribution network capable of proactively handling customer's needs. In practice this means that we must ensure that we at all times manage good quality to our customers despite volatility in production and consumption. This has previously been the responsibility of Svenska Kraftnät but is now delegated to all networks.

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

Significant events after the end of the period

There are no significant events to report.

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 2022 net sales amounted to SEK 7,535 million (7,153). The net sales increased, as an effect of price increases that outweighed lower distribution volumes. In addition to the yearly price change in January, Ellevio also increased prices for the local network customers in October 2022 to compensate for higher electricity price related cost, i.e. variable energy fees from feeding networks and grid losses. The volume of local and regional network transmission 2022 totalled 13.9 TWh (14.8) and 11.1 TWh (12.7), respectively. The lower volume was due to milder weather and reduction in consumption patterns among households as an effect of high electricity prices. The reduction in the regional network was to a large extent related to the closedown of business at one large industrial site in Kvarnsveden in the end of 2021.

EBITDA amounted to SEK 3,918 million (3,700). 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. Depreciations that totalled SEK 1,833 million (1,727) were higher than previous year due to both the investments made in the network and from the acquisition and merger of Edsbyns Elnät AB in 2022. Operating profit totalled SEK 2,085 million (1,973).

Interest income and similar items amounted to SEK 78 million (60). The increase is mainly explained by internal interest from Ellevio Holding 1 AB related to a Group internal receivable. The interest expense and similar items were SEK -2,603 million (-2,485), of which SEK -1,394 million (-1,314) 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 -1,209 million (-1,171). The increase in cost is mainly related to changes

in fair value of derivatives of SEK -34 million (-). Loss after net financial income/expense amounted to SEK -440 million (-452).

Loss for the year amounted to SEK -363 million (-297).

Financial position and cash flow

Cash flow from operating activities 2022 increased by SEK 14 million to SEK 4,798 million (4,784), mainly from higher EBITDA of SEK 218 million, offset by negative contributions from change in working capital of SEK -202 million. The lower contribution from change in working capital is primarily explained by a decrease in trade payables and accrued expenses during the year. Change in working capital contributed with SEK -34 million (168).

Paid capital expenditure decreased by SEK 341 million to SEK -3,249 million (-3,590). The cash flow includes an intra-Group acquisition of the shares in Edsbyns Elnät AB from AB Edsbyns Elverk which amounted to SEK -178 million. Free cash flow amounted to SEK 1,549 million (1,194) and cash flow before financing activities to SEK 1,373 million (1,194).

Paid external interest amounted to SEK -1,141 million (-1,139). During both 2022 and 2021, there has been no intra-Group interest paid, i.e. interest on subordinated shareholder loans.

The external net debt (Class A and Class B) decreased by SEK 555 million during the year and amounted to SEK 39,100 million (39,654) by the end of the year.

Financing

During 2022 Ellevio raised SEK 1,000 million of new long-term debt as well as extended SEK 1,515 million of existing bank loan facilities. The purpose of these transactions was to

finance investments into Ellevio's electricity grid and to secure access to financing over the coming five years.

In January, Ellevio extended its existing senior secured (Class A) and subordinated (Class B) liquidity facilities (LF) of SEK 1,400 million and SEK 115 million respectively. The extended facilities mature in January 2027. The LF facilities may only be used to finance liquidity shortfall amounts under Class A and Class B debt issued by Ellevio. In October Ellevio raised a 10 year SEK 1,000 million loan from Nordic Investment Bank to partially finance the rebuilding of substations Värtan/Hjort-hagen and Skanstull in Stockholm.

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

As per end of December 2022, Ellevio's senior secured (Class A) net debt amounted to SEK 35,090 million and subordinated debt (Class B) amounted to SEK 4,010 million. The average repayment period for the total external debt was approximately 5 years.

On 13 July 2022 Standard and Poor's confirmed the "BBB" rating for Ellevio's senior Class A debt and the "BB+" rating for Ellevio's Class B debt.

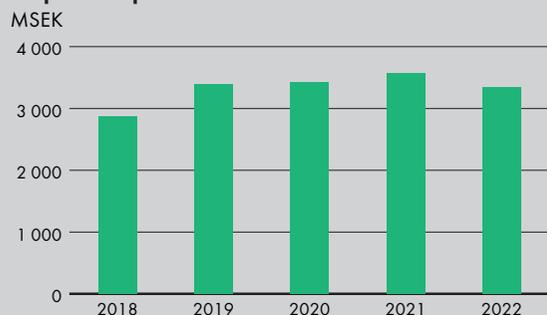
Key Figures

MSEK	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021	1 Jul–31 Dec 2022	1 Jul–31 Dec 2021
Net sales	7,535	7,153	3,721	3,479
EBITDA	3,918	3,700	1,830	1,627
Comparable EBITDA	3,958	3,728	1,870	1,655
Operating profit	2,085	1,973	891	744
Profit/Loss after net-financial income/expense	-440	-452	-363	-471
Profit/Loss for the period	-363	-297	-140	-156
Cash flow from operating activities	4,798	4,784	1,944	1,925
Free cash flow	1,549	1,194	321	83
Capital expenditure	3,345	3,590	1,954	2,113
Total assets	95,659	92,972	95,659	92,972
Total equity	10,080	9,086	10,080	9,086
Equity/assets ratio	11.0%	10.6%	11.0%	10.6%
External net debt	39,100	39,654	39,100	39,654
Leverage ratio	9.9x	10.6x	-	-
Interest cover ratio	3.5x	3.3x	-	-
External net debt, Class A	35,090	35,640	35,090	35,640
Leverage ratio, Class A	8.9x	9.6x	-	-
Interest cover ratio, Class A	3.8x	3.6x	-	-

Condensed income statement

MSEK	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021	1 Jul–31 Dec 2022	1 Jul–31 Dec 2021
Net sales	7,535	7,153	3,721	3,479
Capitalised own work	124	104	62	50
Other operating income	121	87	48	50
	7,779	7,344	3,832	3,578
OPERATING EXPENSES				
Costs for purchase and transit of power	-1,887	-1,805	-927	-958
Other operating expenses	-1,349	-1,268	-753	-706
Employee benefits expense	-625	-571	-321	-287
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-1,833	-1,727	-938	-883
Operating profit	2,085	1,973	891	744
FINANCIAL INCOME AND EXPENSES				
Interest income and similar items	78	60	38	30
Interest expense and similar items	-2,603	-2,485	-1,293	-1,245
Profit/loss after net financial income/expense	-440	-452	-363	-471
Appropriations	382	363	382	363
Profit/loss before tax	-58	-90	19	-108
Income tax expense	-305	-207	-158	-48
PROFIT/LOSS FOR THE PERIOD	-363	-297	-140	-156

Capital expenditure 2018–2022



Capital expenditure, excluding asset acquisitions, 2018–2022 totaled SEK 16,596 million. During 2022 Ellevio invested SEK 3,345 million, of which customer driven investments (e.g connections of new homes, industries and wind farms) was SEK 1,490 million and basic network investments was SEK 1,297 million.

Condensed balance sheet

MSEK	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Intangible assets	43,702	43,830
Property, plant and equipment	39,067	37,277
Non-current financial assets	10,163	9,012
Total non-current assets	92,932	90,119
Current assets		
Current receivables		
Trade receivables	1,031	1,036
Receivables from Group companies	1	0
Other receivables	5	5
Prepaid expenses and accrued income	1,675	1,800
Total current receivables	2,713	2,842
Cash and cash equivalents	14	12
Total current assets	2,727	2,853
TOTAL ASSETS	95,659	92,972

MSEK	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES		
Equity		
Share capital	1	1
Other reserves	30	35
Retained earnings	10,411	9,348
Profit/loss for the period	-363	-297
Total equity	10,080	9,086
Untaxed reserves	621	960
Deferred tax liability	14,071	13,732
Other provisions	4	3
Non-current liabilities		
Bond loans	31,348	32,329
Liabilities to credit institutions	6,046	6,489
Liabilities to Group companies	24,616	23,223
Derivative instruments	34	-
Other non-current liabilities	3,329	2,466
Total non-current liabilities	65,374	64,506
Current liabilities		
Bond loans	1,000	-
Liabilities to credit institutions	567	661
Trade payables	975	923
Liabilities to Group companies	3	0
Current tax liabilities	1	16
Other current liabilities	1,570	1,604
Accrued expenses and deferred income	1,394	1,481
Total current liabilities	5,510	4,685
TOTAL EQUITY AND LIABILITIES	95,659	92,972

Condensed cash flow statement

MSEK	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021	1 Jul-31 Dec 2022	1 Jul-31 Dec 2021
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit	2,085	1,973	891	744
<i>Adjustments for non-cash items:</i>				
Depreciation and amortisation	1,833	1,727	938	883
Disposals/retirements of non-current assets	40	28	40	28
Periodised connection fees	-88	-50	-49	-28
Change in provision for doubtful receivables	0	-1	0	-1
Received connection fees	976	983	517	477
Income tax paid	-15	-44	-1	-21
Cash flow from operating activities before changes in working capital	4,832	4,616	2,337	2,081
CHANGES IN WORKING CAPITAL				
Decrease(+)/increase(-) in trade receivables	5	-280	-207	-263
Decrease(+)/increase(-) in other operating receivables	151	104	-369	-548
Decrease(-)/increase(+) in trade payables	-54	181	127	248
Decrease(-)/increase(+) in other operating liabilities	-135	163	56	407
Changes in working capital	-34	168	-393	-156
Cash flow from operating activities	4,798	4,784	1,944	1,925
INVESTING ACTIVITIES				
Capital expenditure in intangible assets	-226	-414	-134	-358
Capital expenditure in property, plant and equipment	-3,023	-3,176	-1 489	-1 483
Acquisition of shares	-178	-	-	-
Proceeds from sales of property, plant and equipment	1	-	1	-
Cash flow from investing activities	-3 426	-3,590	-1,622	-1,842

MSEK	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021	1 Jul-31 Dec 2022	1 Jul-31 Dec 2021
Cash flow before financing activities	1,373	1,194	322	83
FINANCING ACTIVITIES				
Borrowings	998	593	998	798
Repayment of borrowings	-1,548	-283	-864	-61
Loans given	-50	-367	-5	-367
Repayment of loan receivables	367	-	-	-
Received interest	4	2	1	1
Paid interest	-1,141	-1,139	-453	-456
Received/paid Group contributions	0	0	-	-
Cash flow from financing activities	-1,371	-1,196	-324	-85
CASH FLOW FOR THE PERIOD	2	-2	-1	-1
Cash and cash equivalents at the beginning of the period	12	14	15	13
Cash and cash equivalents at the end of the period	14	12	14	12

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.

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.

Financial calendar

Full-year Report 2022	23 February 2023
Annual & Sustainability Report 2022	27 April 2023
Green Bond Investor Report 2022	27 April 2023
Half-year Report 2023	31 August 2023

For further information contact

Sarah Östberg

Communications
sarah.ostberg@ellevio.se

Anna-Karin Käck

Finance
anna-karin.kack@ellevio.se

Ellevio AB (publ)
Box 242 07
SE-104 51 Stockholm
Corp. ID no. 556037-7326
ellevio.se

