Together we are electrifying Sweden

ELLEVIO

Ellevio
Annual Statement 2024

Welcome to Ellevio!

Ellevio is one of Sweden's largest energy groups. Together with our customers and partners, we are on a journey – towards an electrified, fossil-free future. In this annual report you can read about the energy market, Ellevio's operations and strategy, and how we are creating the energy system of tomorrow together with climate-smart energy solutions.

Join us!

ABOUT ELLEVIO'S ANNUAL STATEMENT

This annual statement concerns the Ellevio Group and its two operational areas: Electricity Distribution and Energy Solutions. It is not a formal annual and sustainability report.

The formal 2024 annual and sustainability report for Ellevio AB (Electricity Distribution operational area) will be available on ellevio.se as of 23 April 2025.

This report has been translated from Swedish. In the event of discrepancies, the Swedish version shall prevail.

We are creating the electricity system of tomorrow

As one of Sweden's leading energy companies, Ellevio has a central role to play in the journey towards an electrified, fossil-free society. Our electricity network stretches from coast to coast in Mid-Sweden, ensuring a stable electricity supply. Through innovative energy solutions, extensive investments in the grids and in the transition of industry and transport, we are establishing the energy system of tomorrow and a sustainable future. Ellevio has nearly one million customers and some 800 staff. In total, we create jobs for around 4,000 people every year.

Vision

For a bright and sustainable future

Operational areas

Electricity distribution

Electricity flows through our grids to almost one million customers in Sweden. We own, operate and develop regional and local grids from coast to coast in Mid-Sweden and at the Markbygden wind farm in Norrbotten.

Energy solutions

We help companies seeking to transition to fossil-free operations and contribute to redundancy and security of supply through services in areas such as industrial grids, energy storage, flexibility, and charging solutions.

THE ELLEVIO GROUP IN 2024

Net sales

SEK 8,556 million

Operating result

SEK 2,897 million

Investments

SEK 4,638 million

Owners

- OMERS Infrastructure (50%)
- Third National Pension Fund (20%)
- Folksam (17.5%)
- AMF (12.5%)

Customers

≈1,000,000

of which 86 percent households and 14 percent businesses

Employees

813

Total no. of jobs created every year

4,000

Employees, contractors and others working on behalf of Ellevio

Attractive employer

One of Sweden's attractive employers[1)]

Equal workplace

40% Female employees

56% Women in the management team

[1)] Ellevio is among the top ten percent of employers in the Nyckeltalsinstitutet's survey of Swedish working conditions (Attractive Employer Index).

Heading for net zero

7%

reduction in emissions in 2024[2)]

Enabling the climate transition

100%

of Ellevio AB's net sales contribute to the climate transition[1)]

Distributed electricity

24.3 TWh

Average outage minutes per customer (SAIDI)

58 minutes

Electricity network length

81,500 km

[2)] Scope 1 and 2 with base year 2023

Significant events in 2024

We are investing billions in a fossil-free future

In 2024, Ellevio invested more than SEK 4.2 billion in upgrading, securing and expanding the critical electricity system. This is a historically high figure, and one which is expected to increase even further in the coming years.

In addition to investments in the network, large sums were also spent on energy storage technologies, which allow surplus electricity to be stored and which strengthen the stability and flexibility of the electricity system. During the third quarter, a major investment in two new battery parks was announced, in Dalarna and Hälsingland.

Major investment in the regional grid in eastern Hälsingland

During the year, a major reconstruction of the regional grid in eastern Hälsingland was launched. In total, 160 kilometres of power lines will be affected. New stations will also be built, including a new national network station in Njutånger. The project will run until 2032 and forms part of Svenska kraftnät's NordSyd programme.

Power-based tariffs relieve the electricity network

On 1 January 2025, Ellevio introduced new power-based tariffs for customers in detached homes, among others. These are intended to help even out electricity consumption and reduce the load on the grid during peak hours of the day. All network companies must implement this by 1 January 2027.

Circular battery systems and fossil-free graphite won Startup 4 Climate 2024

This year's winners of Ellevio and GodEl's innovation competition, Startup 4 Climate, were announced in November. Start-ups Rebaba and Nordic Bio-Graphite, which develop circular battery systems and fossil-free graphite respectively, won SEK 1 million each along with coaching from the jury.

In Hanhals in Kungsbacka municipality, a 15 MW/15 MWh battery plant was commissioned in the second quarter of 2024.

Sustainable projects gaining ground

Several projects involving extra sustainability efforts were implemented in 2024, including in Gullspång and on Södermalm. In addition to electric machinery, we are introducing climate-optimised asphalt and cables, recycling of masses and adapted waste management.

New contractual requirements for the climate

To achieve the target of electrically powered contracts by 2030, Ellevio is intensifying its demands on contractors. New contractual requirements that also include financial incentives totaling up to SEK 60 million have been drawn up.

Strong interest in Ellevio's green bonds

In 2024, Ellevio issued green bonds to a total value of SEK 7,000 million and EUR 500 million. Interest was strong and Ellevio's sustainability profile, stable operations and strong financial position in particular were highlighted by investors.

Project to ensure fewer outages on Ekerö and the West Coast

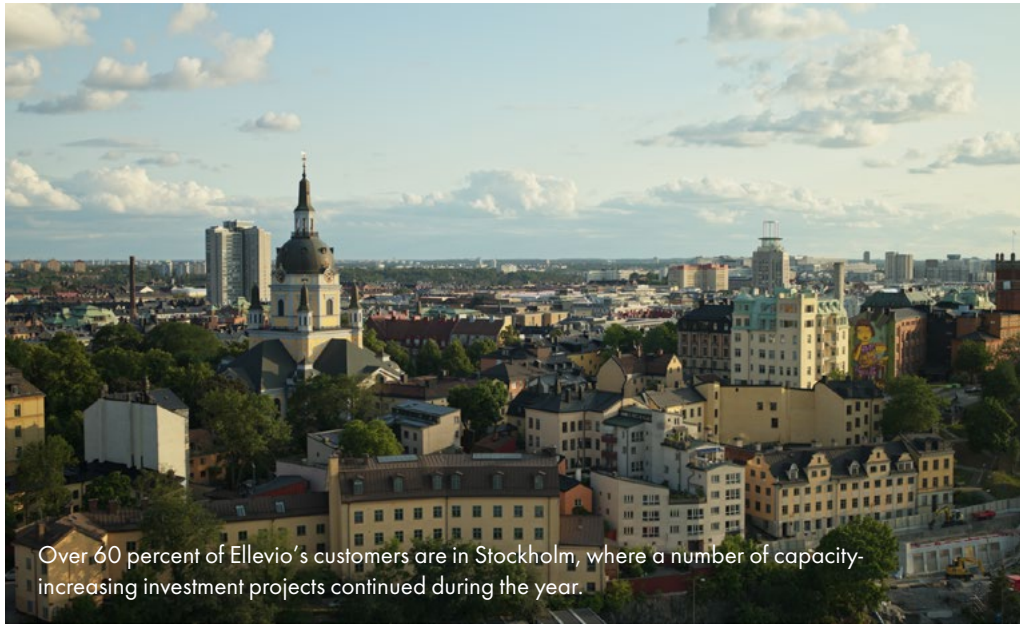
Major local grid projects got underway during the year on Ekerö outside Stockholm and on the West Coast. In order to reduce outages, modernisation is taking place by activities such as burying cables, replacing selected substations, preparing for voltage increases, demolishing overhead lines and clearing power lanes.

Construction began at Volvo in Mariestad

After a record-breakingly fast permit process, construction of the substation next to Volvo's planned battery factory in Mariestad was able to start in May 2024.

Northward expansion continued

In December, it was announced that Ellevio continues to support the green economy in Norrbotten – this time through the acquisition of Markbygden Net Väst, which is part of Markbygden 1101, one of Europe's largest wind farms.



Over 60 percent of Ellevio's customers are in Stockholm, where a number of capacity-increasing investment projects continued during the year.

Attractive to work at "career company" Ellevio

Ellevio received several awards as an attractive employer in 2024 and top results once again in Nyckeltalsinstitutet's survey of working conditions. Susanne Bragée, SVP, People, Culture & Sustainability was also named HR Manager of the Year by the company Karriärföretagen, while Johan Lindehag was named CEO of the Year by Universum.

Major wins for Ellevio: Susanne Bragée was named HR Manager of the Year and Johan Lindehag CEO of the Year for 2024.

87 percent happy with our customer service

Ellevio's customer service received top marks when we asked what customers think – 87 percent of those who had had contact were satisfied. The year also saw the launch of a new app and an energy advice service to meet the demand for advice and support.

New emissions target moves Ellevio towards net zero

Ellevio set a new climate target in 2024: We will reduce greenhouse gas emissions by 42 percent by 2030.
"We want to drive the energy transition as well as reduce our own footprint," notes Head of Sustainability Karolina Viksten.

Electricity network regulation: new important decisions from the Authority

During the year, decisions were made by the Swedish Energy Markets Inspectorate (Ei) on the regulatory periods 2024–2027 and 2020–2023. The same framework is used for both periods and compensation for capital costs was set at 4.53 percent for 2024–2027 and 3.39 percent for 2020–2023.

Ellevio's first network development plans launched

Ellevio published its first network development plans during the year. They apply to the period 2025–2034 and describe how the electricity grids will be developed to meet society's growing needs for capacity and security of supply.
Read more on ellevio.se.

Stability and sustainability in turbulent times

Amidst a turbulent global environment, Ellevio stood for stability, commitment and confidence in 2024. We continued to deliver electricity and energy services of the highest reliability to our one million customers. At the same time, we increased the pace of investment, developed our energy solutions, strengthened relationships with contractors and suppliers, and refined our sustainability efforts.

The energy system is the key to the energy transition, and we at Ellevio have a huge responsibility. We will create the conditions for the electrification of industry and transport, connect new fossil-free electricity generation, replace ageing equipment and adapt to a changing world. Seeing the way all my colleagues, together with our contractors, take on their tasks with commitment and drive every day makes me both proud and inspired.

Major and efficient investments in all network areas

In 2024, we invested more in our network than ever before – over SEK 4.2 billion. This historically high pace of investment is also set to increase further in the coming years, reaching around SEK 7 billion in 2027. Cost-effective investments will remain a priority.

The year's major projects include the reinforced connection to the transmission network in Högdalen, a new substation and seven kilometres of underground cabling in Gullspång, the commissioning of 30 MW/MWh battery storage systems, and extensive local network projects in Ekerö and Kungsbacka. We also deployed 263 local network stations, connected 347 MW of wind power, acquired the

grid company Markbygden Net Väst and continued our efforts to digitalise and automate the electricity grids. And that is to name just a few of the many important achievements in 2024.

High security of supply and valued customer service

2024 was also a good year in terms of security of supply in electricity distribution. The average outage time per customer was 58 minutes, which matches the record from last year. Even measured as a reliability percentage, last year's high result was matched: 99.99 percent.

But we're not content to stop there. Every outage is one too many. We continue to invest in weather-proofing, preventive maintenance and digital monitoring. Today, 86 percent of our local grids are underground, reducing the risk of weather-related disruptions. Our operations centre, which is staffed around the clock and all year round, also ensures rapid and efficient management of any problems.

Our customer service also had a strong year, with 87 percent customer satisfaction. This is the result of intensive efforts to improve our services and strengthen communication with customers.

Financial trend

Ellevio's financial results developed positively, with net sales of SEK 8,556 million and an operating profit of SEK 2,897 million.

Building electricity grids is a capital-intensive business, and in 2024 we raised SEK 12.6 billion in new long-term financing. As part of this, we issued green bonds worth SEK 7 billion and EUR 500 million, respectively. There was a great deal of interest, and it was further proof of the importance of our activities in creating the sustainable society of the future. The availability of capital will allow us to continue developing the electricity network at the pace required to meet the needs of electrification.

We work safely or not at all

The safety of those working on our projects in the field is an area we are constantly working on. In early 2024, we had a number of accidents that led to sick leave among our contractors. We reacted strongly to this and quickly established a task force for safety to reverse the trend. This yielded results, the number of accidents decreased, and towards the end of the year the statistics improved significantly. Safety remains a top priority and we work closely with our contractors to ensure a safe working environment. For me, it is important for safety to come first – no work is so urgent that it has to be done at the expense of the health and safety of our staff.

Strengthening relationships with contractors and suppliers

Ellevio is a procurement organisation, and our contractors and suppliers are crucial to our success. This is particularly evident now that we will further increase the pace of investment. During the year, we therefore strengthened our partnerships and actively sought out new ones to ensure access to the right skills and strategic materials and equipment. Through long-term partnerships and clear requirements governing sustainability and quality, we ensure that our operations can grow and develop as we have planned.

> "Sweden must have a robust, flexible, modern and well-developed energy system.

Heading for net zero

Climate initiatives are an integral part of Ellevio's business, and 2024 was no exception. It is a matter both of how our core business is a prerequisite for the climate transition, and how we ourselves adapt and reduce our footprint. In 2024, we set a new emissions target for our own operations and introduced contractual requirements for electric work machinery for our contractors.I want us to be a pioneer in the sector – both in terms of cost efficiency and sustainability.

Commitment that produces success

Ellevio creates jobs for around 4,000 people every year. Of these, over 800 are our own employees. Our attractiveness as an employer is strong. Many people want to work in a sector of importance for society, and Ellevio is known for good working conditions and a strong value-driven and inclusive corporate culture.

The fact that employees are engaged in their work was reflected not least in our engagement index in 2024. This key performance indicator also matched last year's record, reaching 8.3. We will continue to build an inclusive organisation where all employees feel involved and can grow. As we operate in an industry where women have long been underrepresented, gender equality is a key issue. After many years of dedicated efforts, we reached 40 percent female employees in 2024. As a result, Ellevio is now a gender-equal company.

Outlook for 2025

2025 is here and, looking back, I can see that the climate transition took a hit in 2024. In Sweden, we saw how the economic cycle slowed down, major industrial investments were postponed, and emissions increased. At the same time, high costs and global shortages of key components created uncertainty. In parallel with these setbacks, 2024 turned out to be the hottest year on record. That is worrying. For me as CEO of Ellevio, however, the direction is clear. The energy transition must and will take place. It may take longer, but the direction is unchanged.

Sweden must therefore have a robust, flexible, modern and well-developed energy system. I feel that social acceptance of this has increased, but there are still challenges to resolve, such as faster permit processes and predictable regulatory conditions.

Geopolitical concerns remain, and we see no clear positive signals as 2025 gets underway. This makes our work even more important. Ellevio is responsible for critical infrastructure, and we will continue to strengthen our preparedness and security.

Finally, I would like to warmly thank all of you – colleagues, contractors, suppliers and partners – for joining me in building a bright and sustainable future.

Johan Lindehag
CEO, Ellevio

New conditions for Sweden's energy system

Sweden's energy system is changing rapidly, driven by the transition to fossil-free energy, new technologies, modernisation requirements and increased electrification. At the same time, developments are influenced by new regulations, geopolitics and industry's competitiveness requirements. For Ellevio, this entails both challenges and exciting opportunities.

From stable to variable

As more and more electricity comes from non-plannable energy sources, such as wind and solar power, this creates challenges for the electricity network, which has to balance supply and demand at any given time. More and more consumers are also producing and selling their own electricity by connecting solar panels to the network and transferring their surplus electricity. Ensuring the stable functioning of the system requires new technical solutions to cope with variations in production and demand, such as flexibility and storage solutions.

These include flexible contracts – containing incentives to adjust electricity consumption to periods of lower demand – and storage solutions, such as battery storage that can store electricity when production is high and release it when demand increases. In addition, new and more advanced operating systems are needed that can analyse data in real time, predict variations and control flows.

Investing in a fossil-free future

The climate transition is a key driver of the transformation of the energy system. To reduce our dependence on fossil fuels, more areas of society need to be electrified, such as the transport sector and industry. Sweden's electricity consumption has remained largely constant since the 1980s, but within 20 years demand for electricity is expected to double. Neither network capacity

nor electricity production will be sufficient unless the system is expanded. Substantial investments are therefore needed in energy production, electricity grids and complementary energy solutions.

In relation to the grids, the principal need is reinvestment as many parts of the grids are outdated and need to be replaced. Electricity grids need to be modernised and digitised, and components need replacing to ensure a stable electricity supply. This is the case regardless of trends in electricity consumption. In addition, significant investments are needed in everything from capacity increases, large customer connections, digitalisation and the replacement of components.

According to the Elnätsrapporten 2023 (Electricity Network Report)[1], the investment need over the next 20 years will come to almost SEK 1 billion, and Ellevio's investments will increase significantly by 2027 from an already high level. In 2024, Ellevio invested SEK 4.2 billion in the electricity network.

Power subscriptions to get customers to contribute

To enable broader use of electricity grids, free up capacity and extend the lifespan of existing grids, electricity customers need to contribute by adapting how and when electricity is used. This is why the Swedish Energy Markets Inspectorate (Ei) has decided that all electricity network companies must introduce what are known as "power subscriptions" by 2027.

The aim of power subscriptions is to enable more efficient use of networks. A benchmark for customers will be to even out their electricity consumption and strive to ensure that the items consuming the most electricity instantaneously, such as charging electric cars, for example, is done at times of lower demand for electricity. The load on the grids can be compared to rush hour traffic: in the morning and afternoon there are traffic jams, while at night the roads can be virtually empty. Power subscriptions introduce price signals to steer some electricity consumption towards times with lower demand. Ellevio introduced power subscriptions for detached homes, summer houses and corporate premises with their own connections to the network on 1 January 2025, thus becoming the first of the major electricity network companies to do so. Ellevio's apartment-based customers are not included at present, as they generally have much lower power demand and limited ability to influence their power.

[1]The Electricity Network Report was produced by Ellevio and Sweco in 2023 and assesses electricity consumption, electrification and electricity production for the coming 20 years. Download it from https://www.ellevio.se/globalassets/content/nyheter-pressrum/elnatsrapporten-2023.pdf

> "Energy storage and flexibility services are becoming increasingly important when electricity production cannot be planned as before.

Huge need for storage and flexibility

Flexibility will be crucial in a system where electricity production can no longer be planned in the same way as before.

Battery storage, pumped storage hydroelectricity, hydropower reservoirs and other types of energy storage can help even out the differences between electricity production and consumption. By storing energy when demand is low and production is high, such as on sunny and windy days, it can be used at times when demand is higher, such as on cold winter days or during morning and afternoon peaks. This relieves the electricity grids and contributes to a more stable and secure electricity supply.

Flexibility services, which allow electricity consumption to be redirected or reduced during periods of peak demand, are also becoming increasingly important. This may involve large electricity users temporarily reducing their electricity use or postponing energy-intensive processes.

Digitalisation and smart grids create new opportunities

Digitalisation and smart grids also provide opportunities to use new tools to manage the increasingly complex energy system. Through data analytics, electricity consumption can be optimised in real time, making it possible to anticipate and manage peaks in demand. Smart grids also enable decentralised energy production, where households and businesses can serve as prosumers and contribute their own electricity production via solar panels, for example. These smart grids gather information from everyone who is connected – electricity producers, electricity consumers and those who are both. The information is then analysed and forms the basis for decision-making. A smart grid can, for example, manage more weather-dependent electricity production, integrate energy storage, control and regulate charging infrastructure, and create a platform where new energy-related services can emerge.

New policy initiatives and requirements – national and EU

The EU's Clean Energy Package imposes new requirements on electricity network companies across Europe, including in Sweden. The regulatory package contains reforms in areas such as energy security, the EU's internal energy market, energy efficiency, financial dependency on fossil fuels and grants for research and innovation.

For network companies, the Clean Energy Package entails adopting a partially new role – from being a network manager to being a system operator. The task of the network companies is weighted more towards being responsible for the procurement of services that will contribute to a stable electricity network and system. These may include technical services to maintain operational capability, such as being able to perform a "black start" (a safety function for restarting electricity network equipment) and ensuring "island operation" (that a defined area can temporarily become self-sufficient in electricity).

The new requirements also include development plans for all electricity grids, stricter connection requirements and the use of flexible services. The requirements to separate business lines into different legal entities have also been expanded.

Ellevio has adapted its business in several ways, including the publication of the first network development plan in 2024.

Increased focus on preparedness and total defence

The supply of electricity is absolutely key to Sweden's preparedness and total defence. It enables the maintenance of critical societal functions in all levels of conflict – from peacetime to crisis and war with a high level of preparedness. Without a stable electricity supply, vital services such as healthcare, water and food supply, transport and communications would quickly cease to function.

Global geopolitical instability, involving tensions, crises and war in many locations has focused greater attention on the resilience of the energy system. Sweden's electricity network must not only cope with increasing digitalisation and renewable energy sources, but also with cyber attacks and other attempts at sabotage.

In times of crisis and war, there is a need for increased preparedness and cooperation across the energy sector. Energy companies and public authorities are working together to build robust contingency plans. These include ensuring system redundancy, developing back-up solutions and alternative energy sources to maintain operations even during outages.

This means that energy companies like Ellevio need to develop new capabilities, such as rapid recovery from disruptions, more secure information transfer systems and cooperation with authorities to secure critical infrastructure. In 2024, Ellevio developed a contingency plan that was submitted to Svenska kraftnät in accordance with the Power Contingency Act.

Download Ellevio's network development plan for 2025-2034:

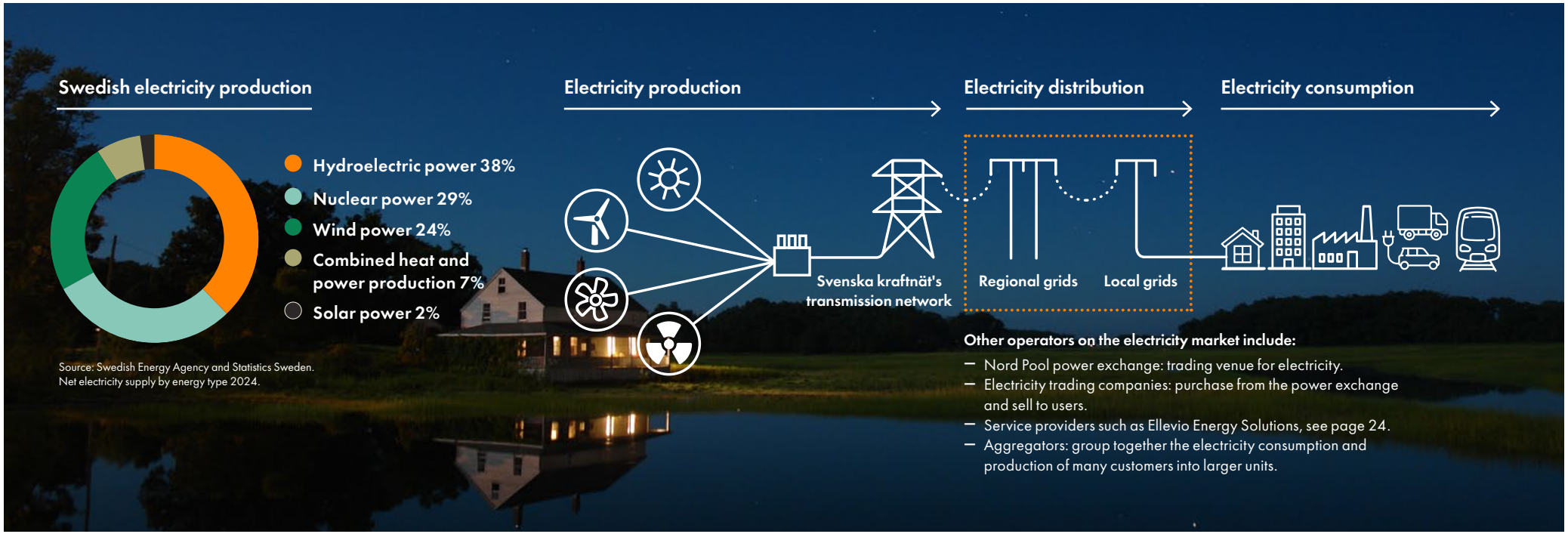
How the electricity market works in Sweden

On the Swedish electricity market, all electricity consumers are customers of at least two operators: an electricity trading company for the electricity itself and an electricity network company that transmits the electricity to the customer. Electricity trading is deregulated and customers are free to choose their supplier, while electricity networks operate as natural monopolies under state regulation.

Electricity in Sweden is mainly produced by hydroelectric power, nuclear power, wind power, solar power and combined heat and power (CHP). The electricity produced in Sweden is around 98 percent fossil-free. It is mostly produced by large companies, but more and more micro-producers, such as detached-home owners with solar panels on their roofs, are joining the ranks.

As the energy system becomes more complex, new players have emerged in the electricity market, particularly in the areas of flexibility solutions and energy storage. Examples include flexibility providers that balance supply and demand by temporarily adjusting production and demand; aggregators that pool flexibility from small operators and sell services to the grid; energy storage operators that store surplus energy using batteries or pumped storage; electric vehicle charging service providers; and Power-as-a-Service companies that deliver end-to-end solutions for electricity-intensive facilities.

The electricity market is also affected by the electricity systems of neighbouring countries. It is commonly said that the current electricity market is Nordic, but is becoming increasingly European as transmission links are built between different countries. The price of electricity is set on the Nordic power exchange Nord Pool, while Ei monitors, reviews and regulates the energy market and its players to ensure fair prices, high quality and security of supply.



Electricity grids – natural monopolies

The Swedish electricity network is divided into three levels: transmission network (national network), regional grids and local grids. The state-owned Svenska kraftnät owns the national network, while over 160 companies, including Ellevio, E.ON and Vattenfall, operate the regional and local grids. As it is not economically viable to build parallel electricity grids, these companies have a monopoly and are regulated by the state to mimic a competitive market by imposing requirements and putting pressure on the electricity network companies.

Ei sets revenue frameworks for the network companies with the aim of covering costs for appropriate and efficient operation, mitigating depreciation and enabling access to capital for investment. The framework is adjusted every four years and consists of four components: compensation for capital costs, non-controllable costs, controllable costs and quality parameters that reward high network quality. Ellevio works to ensure fair, stable and long-term network regulation, for the benefit of both customers and owners.

→ Read more about the regulation on page 20.

The cost of electricity

The cost of electricity consists of electricity transmission, consumption and taxes and fees. Electricity transmission accounted for one quarter in terms of a customer in a detached home in 2024.

ELLEVIO – ELECTRICITY TRANSMISSION

The cost of transmitting the electricity to where it will be used.

As it is not economically viable to have parallel electricity grids, the electricity consumer is a customer of the network company that owns the grid in the relevant geographical area. The invoice consists of payment to the network company (such as Ellevio) and of government fees and energy tax. The fee to the network company covers operation, troubleshooting, maintenance, modernisation, customer service, purchase of electricity for network losses, costs linked to Svenska kraftnät's transmission network, etc. From 1 January 2025, Ellevio has power-based pricing for detached-home customers, which means that the customer pays more when the use of the grid is at its greatest. Power tariffs will be a regulatory requirement from 2027.

ELECTRICITY TRADING – ELECTRICITY CONSUMPTION

The cost of the electricity consumed.

The electricity is purchased from an electricity trading company chosen by the customer. The invoice consists of a variable cost for electricity consumed and often a fixed subscription fee.

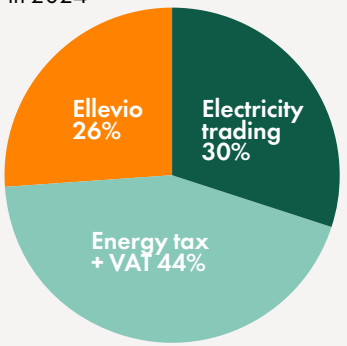
ENERGY TAX AND VAT

Taxes and fees to the government

The main cost of electricity is taxes and charges to public authorities, such as energy tax and VAT. Energy tax and public authority fees are paid via the network companies' invoices, who then pay the government and authorities. VAT is paid on both electricity network and electricity trading invoices. The energy tax was 53.5 öre per KWh including VAT in 2024. The tax is indexed annually by the government and was increased from 1 January 2025 to 54.875 öre per kWh (including VAT).

Electricity costs

Detached home on Ellevio's network in 2024[1)]



[1)] Calculated based on a customer with a 20A fuse and consumption of 20,000 kWh/year. The electricity trading cost is calculated based on electricity trading prices according to invoices from GodEl (SE3) in 2024. In 2024, the electricity tax consisted of energy tax on electricity of 53.5 öre per KWh plus VAT on electricity trading and grid costs.

We are building a cost-effective and sustainable energy system

Ellevio's strategy is to contribute to a sustainable future by building the energy system of tomorrow and developing climate-smart energy solutions. We will run efficient operations and have the best, most committed employees – all while working hard to reduce our own footprint.

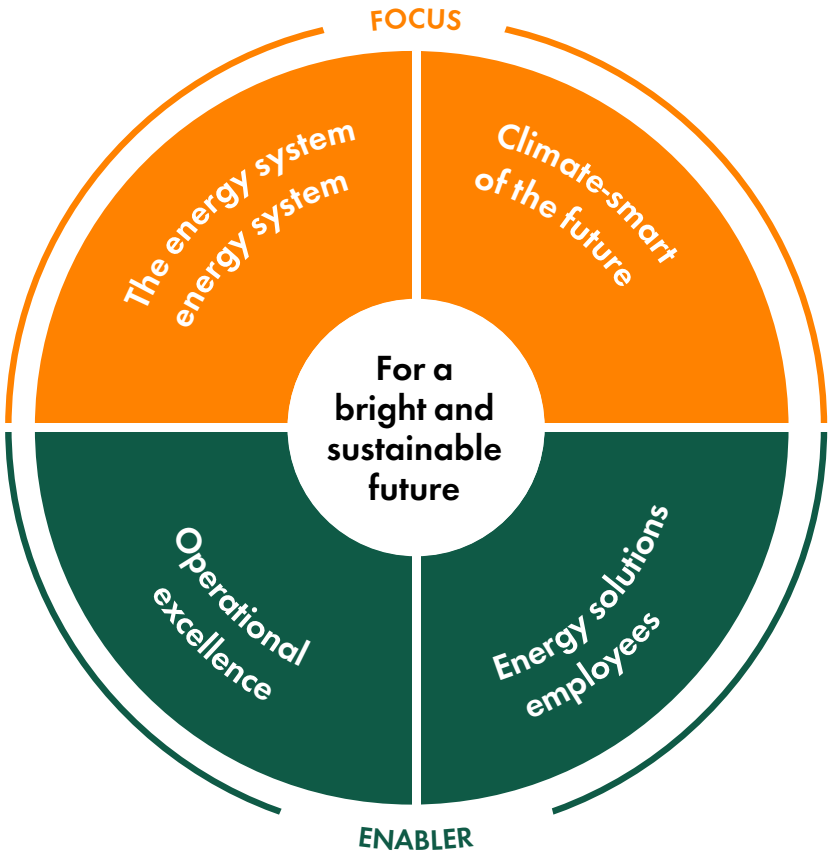
STRATEGIC FOCUS

The energy system of tomorrow

Ellevio is enabling the energy transition and a fossil-free society by 2045. We are laying the foundations for a growing society with its increasing demand for clean energy by building a smart energy infrastructure and developing new solutions and capabilities in existing and new markets. We are a system operator transforming the current electricity grids into tomorrow's sustainable energy systems. This enables our customers to undertake their own energy transition.

Climate-smart energy solutions

Together with customers and strategic partners, we develop and provide climate-smart energy solutions and services that support customers in their energy transition. The customer experience is enhanced through the pursuit of new business. We are strengthening our brand awareness and customers should perceive that we exceed their expectations and that we are a driving force towards an electrified, sustainable society.



STRATEGIC ENABLER

Operational excellence

Our ambitious strategic focus requires us to have an efficient organisation and a digital business platform that enables a rapid pace of development. Continuous learning, digitalisation and the application of best practices are essential for modern and sustainable operations, organisational effectiveness and new capabilities.

The employees of the future

The successful journey towards our vision requires an engaging, safe and sustainable work environment. The transition to becoming an energy system operator, as well as the development of new products and new capabilities, requires us to adapt our corporate culture, competences and organisation. We promote a leadership and organisational culture that attracts talent and ensures the continuous growth and development of our employees.

How we implement this strategy

Ellevio is driving the development of a sustainable energy system and a fossil-free future through two operational areas: electricity distribution and energy solutions.

The security of supply of our electricity network meets society's growing electricity needs, and the energy solutions contribute to the electrification of industries, a balanced electricity system and the opportunity for our customers to live energy-efficiently.

→ Read more about our operational areas on the following pages.

Some of our most important strategic focus areas

- Driving the trend towards an electrified and sustainable society.
- Shouldering the role of energy system operator transforming the current electricity network into the smart and flexible energy system of tomorrow.
- Developing innovative energy solutions that support our customers' energy transition and that contribute to a flexible and balanced electricity system.
- Increasing grid investments to meet society's needs for an electrified and fossil-free future.
- Digitalising the electricity network and associated systems and processes to improve operations, maintenance, troubleshooting and customer experience.
- Together with customers and strategic partners, supporting customers in their energy transition and improving customer satisfaction, including through effective communication.
- Making continuous improvements, digitalising and applying best practices across the organisation to ensure operational and cost efficiency.
- Integrating sustainability throughout the organisation to reduce our environmental footprint and minimise risks.
- Maintaining an engaging, safe, inclusive and sustainable work environment and corporate culture.
- Promoting a leadership and organisational culture that attracts the right competences and ensures continuous growth and development of our employees.
- Working to create a fair, stable and long-term network regulation.
- Continuously improving efficiency and maximising value from operations.

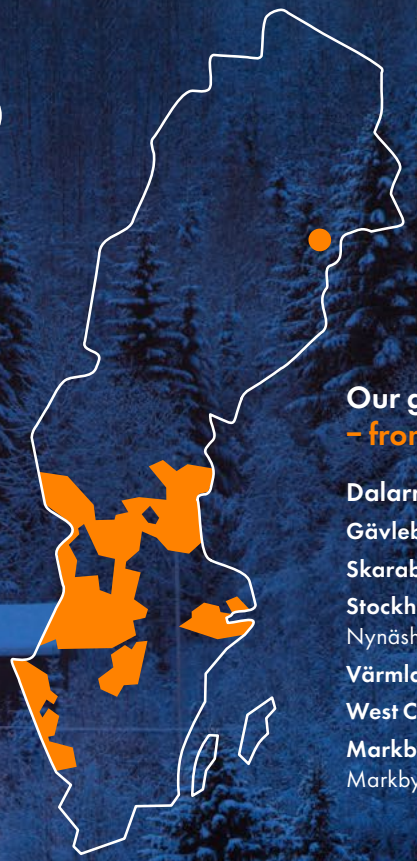
→ Read more about the Electricity Distribution operational area on page 16.

→ Read more about the Energy Solutions operational area on page 24.

OPERATIONAL AREA: ELECTRICITY DISTRIBUTION

Supplying electricity to one million customers

Ellevio is one of Sweden's largest electricity network owners. We operate, maintain and develop our electricity network so that customers always have access to the electricity they need. By ensuring a robust, modern, safe and expanded electricity network, we create the conditions for Sweden's competitiveness and climate transition.



Our geographic areas stretches – from coast to coast in Mid-Sweden.

Dalarna: 36,000 customers

Gävleborg (Hälsingland and Gästrikland): 74,000 customers

Skaraborg-Närke: 27,000 customers

Stockholm (City of Stockholm, Ekerö, Lidingö, Täby, Nynäshamn and Vallentuna): 593,000 customers

Värmland: 104,000 customers

West Coast (Halland and Bohuslän): 132,000 customers

Markbygden outside Piteå with wind-power customers in the Markbygden wind power cluster

81,500 km
Electricity network length

86%
Underground local grid

966,000
Customers, of which 86% households

SEK 4,238 million
Investments in electricity network

99.99%
Security of supply

24.3 TWh
Distributed electricity

58 outage minutes
Average per customer (SAIDI)

87%
are satisfied with our customer service

Electricity grids – the lifeblood of society

Electricity grids are the lifeblood of society and are crucial for households, businesses, transport and other essential functions. As Sweden's second largest electricity network company, Ellevio plays a key role in ensuring the country's prosperity, competitiveness and climate transition.

The electricity network is an extensive patchwork of underground cables, overhead lines, transformers, transmission substations and other equipment – all the way to the customer's electricity meter. Ellevio owns, operates, maintains, builds and develops regional and local grids in six geographical areas in Mid-Sweden, and it also owns grids in the Markbygden 1101 wind farm outside Piteå. Our electricity network measures a total of 81,400 kilometres – the equivalent of two laps around the globe. The local grids account for 92% of the power lines, with 86% buried underground.

In Sweden, most electricity is produced in the north while consumption is highest in the south. This means that electricity often has to be transported over long distances via the network.

Sweden's demand for electricity is increasing at a time when both geopolitical unrest and climate change are putting further focus on the resilience of society, not least in terms of its electricity supply. This means that a robust electricity distribution is more important than ever, and major investments are needed.

In 2024, Ellevio invested SEK 4,238 million in modernising and reinforcing the electricity network. This is the highest figure yet. To meet the needs of the future, including the electrification of transport and industry, we plan to further increase the pace of investment in the coming years.

→ Read more about our investment projects on pages 20–21.

Stable delivery to almost one million customers

Ellevio ensures a reliable electricity supply to 966,444 customers around the clock, all year round. 86 percent of customers are households, while 14 percent are businesses. 61 percent are located in Stockholm. As interest in electricity grows, so does customer demand for information and support. We fulfil this through high staffing levels in customer service, personalised communication, energy advice and ambitious communication about our projects.

Customer satisfaction is measured continuously – monthly for private customers and once per year for business customers. The average for 2024 was 60.3 for private customers and 61.5 for business customers. The result is slightly lower than the previous year, likely due to a strained economic situation. A record 87 percent of those in contact with our customer service were satisfied, and work to further improve the customer experience is ongoing.

In 2024, the reliability of our supply was 99.99 percent. This is a high level, but any disruption is serious, and we are very mindful of the impact a disruption can have on our customers. Over the past 20 years, extensive work has been carried out to weather-proof the electricity network by replacing overhead lines with underground cables. 86 percent of local grids are now underground. Our operations centre also monitors the network around the clock. Read more about operations centre on page 23.

For 2024, the average number of outage minutes per customer was 58. This is a good result, and the same as previous year. The causes of the outages were damage to cables and equipment, including from excavation work (45 percent), weather-related (27 percent), planned outages (25 percent) and failure of another network owner (3 percent).

Fair prices and power charges

Ellevio's customers pay the same price for the same service, regardless of location. In the independent annual Nils Holgersson report comparing prices for apartment-based customers, Ellevio came 21st among the 128 electricity network companies whose prices were ranked in 2024.

As of 2025, Ellevio will introduce power-based tariffs for residential customers and small businesses. Power-based charges are like congestion charges for the electricity network. When many people use electricity at the same time (such as around breakfast and dinner), the power lines that are supposed to transmit all of the power needed at that moment can get overcrowded. To reduce the need for expanding the electricity grids, Ei has decided that the network companies should introduce capacity charges that encourage customers to spread electricity use over the day. All network companies must implement this by 1 January 2027.

Regulated and fragmented market

As they are part of a natural monopoly, network companies operate under state revenue regulation. This ensures that network operations are socio-economically sustainable. To cope with the expansion and upgrade of the electricity network, long-term market conditions are crucial. Electricity network operations are dependent on long-term and predictable regulation, efficient permit processes and access to contractors and employees with relevant skills.

Sweden has more electricity network companies than any other European country, many of which are small and municipally owned. Ellevio has an acquisition strategy to grow by acquiring grids close to our existing areas, as well as other grids that can support electrification and fossil-free energy. Our size provides economies of scale and allows for cost-effective investments that benefit our customers and promote the national electricity supply.

New capabilities and efforts to enhance preparedness

Sweden's electricity system needs new capabilities to meet new demands in capacity, flexibility and security. This includes storing energy and balancing the flow of electricity in real time. There is also a need to increase preparedness and resilience to cyber threats and other security risks. One example is the requirement for "island operation", which means that part of the electricity network can be isolated and operated independently, often using local electricity production such as power plants or battery solutions.

OUR CUSTOMERS

86% households | 14% corporate | 61% in Stockholm

Important prerequisites: Regulation and financing

Electricity network operations are a regulated activity, with network companies supervised by the Swedish Energy Markets Inspectorate (Ei), which also decides how much they can charge customers. The revenue frameworks must provide the network companies with compensation for reasonable costs and a reasonable return on investments.

This network regulation is based on the Electricity Act and seeks to ensure that the electricity grids provide high quality and security of supply. According to the Electricity Act, prices must be reasonable, objective and non-discriminatory.

Permitted revenue for network companies are approved for periods of four years at a time by Ei. The revenue consists of:

- Compensation for the cost of capital.
- Compensation for non-controllable costs, such as overhead networks/Svenska kraftnät, network losses[1)] and public authority fees.
- Compensation for controllable costs, such as troubleshooting and customer service, which are subject to efficiency requirements.
- Quality parameters that can be deducted or added depending on the quality of the activity.

The network companies must also collect taxes from customers and pass them on to the government in full. This refers to both VAT and energy tax.

Ellevio works to ensure fair, stable and long-term network regulation, for the benefit of both customers and owners.

Regulatory periods 2020–2023 and 2024–2027

The revenue frameworks for 2020–2023 were appealed by Ellevio and 120 other network companies because the weighted average cost of capital (WACC) was considered insufficient for necessary investments. The network companies won in court and decisions were made on the 2020–2023 regulatory period in 2024. The WACC was set at 3.39 percent. A new regulatory period began in 2024, for which the WACC was set at 4.53 percent, a level that has not been challenged.

A capital-intensive business

Owning, operating and expanding the electricity network is capital-intensive and financing is therefore a key issue for Ellevio. Network regulation sets the framework through the WACC level for interest and return on investments.

In addition to the capital invested by Ellevio's owners and what can be generated from operations, the business needs financing through loans. Ellevio's financing strategy entails striking a balance between minimising the cost of capital and ensuring access to debt financing at all times. Ellevio AB has a green financing framework aligned with the EU taxonomy. According to the taxonomy, electricity grids are an "enabling activity" for climate change mitigation and 100 percent of Ellevio's sales in 2024 are thus aligned with the taxonomy.

[1)] Network losses, also known as transmission losses, refer to the costs incurred by network companies to purchase electricity to compensate for the energy lost when the electricity is transported.

We invest in the future

We are constantly developing and maintaining the electricity network to ensure that customers always get the electricity they need and that we can connect new customers and electricity producers. A fast pace is maintained, with thousands of electricity grid projects getting underway every year. In 2024, a record SEK 4,238 million was spent on grid investments.

Capacity increase

In some parts of the electricity system there is a lack of transmission capacity. Growing electricity demand, new production facilities and increasing urbanisation are exacerbating the problem.

In Stockholm, the capacity shortage is linked to both Svenska kraftnät's transmission network and increasing demand due to more housing, industries, electric traffic and ambitious climate emission reduction targets. The ability to use the electricity grids more efficiently will be key to the region's expansion, electrification and climate targets. Ellevio has therefore invested heavily in Stockholm in recent years – including new stations in Hjorthagen/Värtan and Skanstull and capacity reinforcement in the Royal National City Park – and the situation has improved somewhat.

Capacity reinforcements are also underway in other parts of the country. In Gullspång in Västra Götaland, for example, two new substations and seven kilometres of underground cable were built in 2024. In eastern Hälsingland, a major reconstruction of the regional grid was launched. A total of 16 miles of lines will be affected and new stations will also be built, including a new national network station in Njutånger. The project in Hälsingland will run until 2032 and forms part of Svenska kraftnät's NordSyd programme.

Digitalisation and modernisation

Through innovative digital solutions, the electricity system can be managed in a smarter way, contributing to faster troubleshooting and better management of fluctuations in supply and demand. We are introducing technical equipment to control the network remotely, smart meters have been installed for all customers and we are increasingly using sensors and advanced data analysis, among other things. Digitalisation can make the electricity network efficient, reliable and flexible, with fewer and shorter outages, while reducing network losses and increasing customers' ability to control their consumption. This development is also needed to meet increased demand for electricity, integrate renewable energy sources and support the electrification of transport and industry. In addition, the electricity network needs to be modernised as large parts of it have reached their technical service life and need replacing.

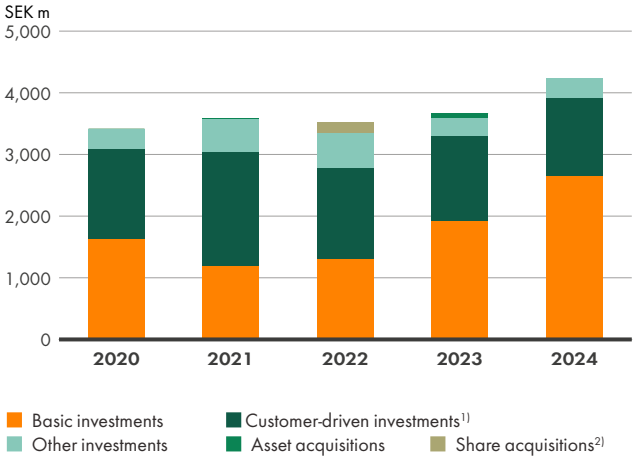
Modernisation projects, which often also include weather-proofing and capacity reinforcement, were underway in 2024 in large parts of Ellevio's electricity network, including around Stockholm.

Weather-proofing

By reducing the number of overhead lines – which are exposed and sensitive to strong winds, falling trees and heavy snow – Ellevio is creating a weather-proof electricity network. Today, 86 percent of Ellevio's local grids are weather-proofed through "undergrounding". Weather-proofing projects were underway in 2024, including on the West Coast and in Dalarna.

On the West Coast, a project was completed during the year to replace around 100 kilometres of onshore and offshore power lines to provide around 3,200 customers with a modern electricity grid. Weather-proofing was also underway in the local grid in the Stockholm region, including in Ekerö. These efforts will also result in a modernised grid with increased capacity.

Network investments, 2020–2024



1) Investments initiated by our customers, such as investments in the connection of new homes, industries and wind farms to the electricity network.

2) Acquisition of the shares in Edsbyns Elnät AB in 2022 and in three companies with assets in Laforsen's substation in 2019.

Connecting industries, homes and charging infrastructure

New industries, electrification of transport, urbanisation, more large data centres and the transition from fossil fuels to electric power in existing industries require major investments in electricity network capacity.

A current example from Ellevio's operations is the work being undertaken for AB Volvo's planned battery factory in Mariestad. Construction started in 2024 on the substation we will build there. Ellevio is responsible for the electricity supply both during the construction period and when production starts.

Demand from data centres is high, and during the fourth quarter a network connection agreement was signed with EcoDataCenter in Kvarnsveden, Borlänge.

Charging infrastructure projects were also implemented in several locations during the year. Ellevio is also building new grids in development areas such as Täby Park and Slakthusområdet in Stockholm.

Connection of new production

This year saw numerous activities relating to wind, solar and related battery solutions. Several battery projects were commissioned, and a number of large-scale solar parks are planned. The connection of several major wind power projects continued, and in 2024 Ellevio connected 347 MW of new wind power facilities. The increase in the number of customers with small solar installations also continued, albeit at a slightly slower pace than in previous years. By the end of 2024 they numbered 37,000, an increase of 17 percent compared to 2023.

Pace of investment continues to accelerate

Ellevio has an extensive investment plan and will increase the pace significantly in the coming years –from SEK 4.2 billion in 2024 to around SEK 7 billion in 2027.

However, several things need to fall into place if we are to realise our plans and meet society's needs. Above all, shorter permit processes for new electricity networks are needed, as well as a long-term, predictable and reliable regulatory model – but also that we can solve the availability of the right skills and materials.

Sustainable projects gaining ground

Ellevio strives to minimise the impact on the climate and environment in investment projects. One of the ways we do this is by working with contractors on an increasing number of projects to:

- Exclusively use electric vehicles and construction equipment.
- Where possible, opt for cables that have a significantly lower carbon footprint than traditional cables.
- Use asphalt with a lower climate impact.
- Develop tailor-made sorting solutions and more circular ways of managing excavated material.
- Implement actions to promote biodiversity.

In 2024, sustainable projects were implemented together with six different contractors, including Gullspång in Västra Götaland and Södermalm in Stockholm.

In Gullspång Ellevio built two new substations and seven kilometres of underground cable in 2024. The cable project was entirely powered by electricity.

Examples of projects in 2024

- Reconstruction of the Värtan substation in Stockholm.
- The Skanstull project, which increases capacity and creates a new link between the transmission network and regional and local grids in Stockholm.
- Burying of cables and clearing of power lanes to increase security of supply in Ekerö.
- Investments in the local grid in Kungsbacka on the West Coast to reduce power outages.
- Construction of new substation and power line in Gullspång, Västra Götaland.
- The first phase of a new reinforced 400kV connection in Högdalen, Stockholm.
- Construction of a substation for AB Volvo's planned battery factory in Mariestad.

Contractors play a key role

Ellevio hires contractors to rectify faults and implement our projects to expand, modernise and maintain the electricity grids. Contractors are one of Ellevio's most important stakeholder groups, and in 2024 they worked millions of hours for us.

47

companies worked in the field for Ellevio in 2024.

The importance of contractors for the Swedish electricity network market cannot be underestimated – especially given the electrification of transport and industry, the increasing share of renewable energy sources and the increasing pace of investment.

Ellevio currently has no in-house employees working in the field. Instead, all physical work on our grids is carried out by our contractors. It is thus of the utmost importance to have a close dialogue and collaboration with those contractors, not least on issues concerning the environment, personal safety at the workplace and cooperation to reduce our climate impact. Ellevio has a continuous and close dialogue with its contractors and sets out sustainability criteria in procurements.

New contractual requirements to benefit climate

In 2024, Ellevio drew up new terms and conditions for contract services relating to framework agreements for maintenance, operation, troubleshooting, customer-related services and small projects. The new requirements mean that all vehicles and machinery must be powered by electricity – or, in exceptional cases, renewable fuel – by 2030. Contractors will also have to develop transition plans outlining how they will reach the target. As electric vehicles and machinery are more expensive, Ellevio also offers an annual additional cost supplement.

The requirements were positively received by the market and have also been requested by other clients. Several contractors expressed the view that Ellevio's new requirements will help them achieve their own sustainability goals.

Focus on a safe working environment

Working on electrical installations and construction projects inevitably involves risks. Our vision is for no accidents to occur, and this applies to everyone who works on behalf of Ellevio. In 2024, safety initiatives have been further intensified.

We introduced safety talks (concerning the work environment during site visits), stricter reporting and follow-up requirements, a new safety newsletter and a safety day for contractors. The "Safe Conditions" safety programme, which increases knowledge and awareness at Ellevio, improves data, processes, procedures and metrics, and clarifies roles and responsibilities, continued according to plan.

Case

The operations centre never sleeps

Ellevio works around the clock to ensure a reliable electricity supply. Through advanced technology, a high level of preparedness and dedicated staff, both planned and unplanned outages are managed, regardless of weather conditions or the time of day.

Ellevio's operations centre works around the clock to ensure that the electricity arrives and the outages are as few and short as possible.

At the heart of Ellevio's operations is the operations centre, which monitors the electricity network around the clock, all year round. Here, operations managers work to quickly identify faults, such as power outages, and direct efforts to restore the electricity supply. In the event of major disruptions, for example after storms, a major disruption organisation is activated where resources are coordinated to quickly and safely restore operation.

"We have both the technology and the expertise to handle everything from small outages to major disruptions. Our focus is always to act quickly and efficiently to minimise the impact on customers," says Operations Manager Christian Skoglund.

Safety is one of Ellevio's top priorities. In severe weather conditions, such as heavy storms or snowfall, repairs may need to be postponed until it is safe for fitters to work. In 2024, weather monitoring was also enhanced – with positive results.

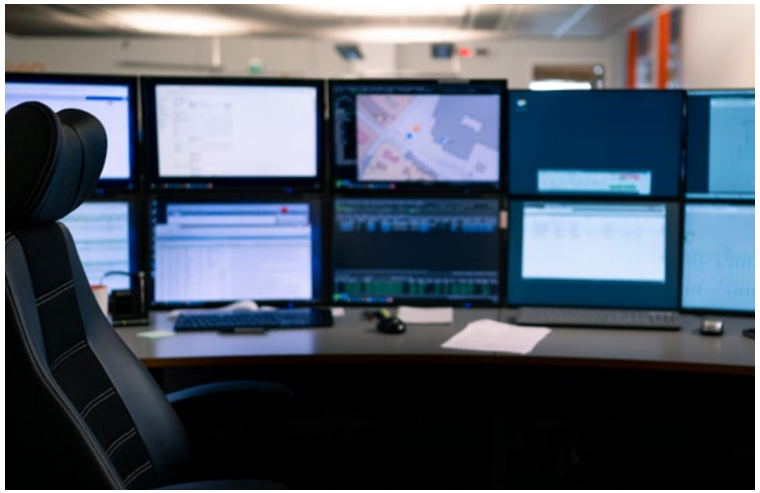
"We stepped up our preparedness several times during the year when storms were approaching. This meant that we were well prepared before the disruptions occurred," continues Skoglund.

Shorter outages and better communication

Ellevio has also made great progress in terms of network automation. By using new technologies, switching can be done faster, and faults can be identified with higher precision. This means that power outages can often be dealt with more quickly than before, reducing the impact on customers.

To strengthen communication with customers, Ellevio has launched an outage information service. Customers are informed immediately via text message or email when an outage occurs, with information on the cause and an estimate of when electricity is expected to be restored.

"We work proactively on both technology and communication. It's a question of fostering confidence among our customers – we are here for them, around the clock," adds Skoglund.



OPERATIONAL AREA: ENERGY SOLUTIONS

Innovative energy solutions for the sustainable business of the future

Ellevio Energy Solutions helps companies seeking to transition to fossil-free operations and contributes to redundancy and security of supply in Sweden's energy system through services in areas such as industrial grids, energy storage, flexibility and charging solutions.

160 MW
Operational and ongoing battery energy storage systems

322
Investments, SEK million

37,000
Household customers with solar panels

Energy solutions for an electrified future

Ellevio delivers innovative energy and charging solutions to businesses throughout Sweden and thus supports the emergence of a sustainable business community. Our battery energy storage systems are among Sweden's largest and the growth rate in this operational area is high.

Through Power-as-a-Service solutions, Ellevio Energy Solutions takes responsibility for a customer's electricity infrastructure – from design and construction to operation, optimisation and ownership. This frees up capital and resources for the customer to focus on their core business while we handle the technical and operational management. This solution is specifically designed for electricity-intensive businesses for whom a stable power supply and cost efficiency are crucial. Examples of sectors include data centres, energy-intensive industries and transport.

Through battery energy storage systems (BESS) for industry, we enable customers to become part of the market for electricity system support services. Batteries also have advantages such as allowing customers to optimise their electricity consumption and gain access to backup power.

The Ellevio Group also builds and owns its own battery plants that support the electricity system, and it participates in support service markets. Among other things, battery energy storage systems help to balance the electricity network and enables the storage and efficient use of renewable energy. The various functions of battery energy storage systems mean that they have an obvious place in the energy system of tomorrow, not least given that the unplannable power from renewable energy sources is increasing in the Swedish electricity mix. Our facilities are among the largest in Sweden, and at the end of the year we had a total of 40 MW in operational energy storage facilities and 120 MW in ongoing projects that will be operational within the next year.

The Energy Solutions operational area also includes solar cell and charging solutions for both businesses and household customers who want to take advantage of the possibilities of producing their own electricity via solar energy or switching to electric vehicles.

How a battery energy storage system can be used

- Reduce power peaks and thus lower costs.
- Optimise the use of self-generated electricity.
- Increase opportunities to buy energy when it is cheap and sell when it is expensive.
- Serve as backup power.
- Enable participation in Svenska kraftnät's support service markets.

Our battery plants

Operational

- Rantorp, Lindome municipality, 15 MW/15 MWh, operational in second quarter of 2024
- Hanhals, Kungsbacka municipality, 15 MW/15 MWh, operational in second quarter of 2024
- Grums, 10 MW/10 MW, operational in second quarter of 2023

40 MW

Total operational capacity by the end of 2024

Ongoing projects

- Ormesta, Örebro municipality, 40MW/40 MWh, planned to be operational in first quarter of 2025
- Mora municipality, 40 MW/40 MWh, planned to be operational, third quarter of 2025
- Söderdala municipality, 40 MW/40 MWh, planned to be operational, third quarter of 2025

120 MW

Total capacity to be operational in 2025

Case

Tailored solution for Martin & Servera's charging infrastructure

In 2024, Ellevio assisted in Martin & Servera's electrification journey by delivering a customised charging infrastructure solution.

"The collaboration is an example of how we make it easier for companies to switch to fossil-free transport and achieve climate goals through innovative partnerships," notes Maria Ramstedt, Head of Energy Solutions at Ellevio.

With the ambition of electrifying its growing fleet of vehicles, Martin & Servera entered into a partnership with Ellevio. Through the Power-as-a-Service business model, Ellevio took responsibility for building, owning and operating a network station that enabled the connection of charging stations for electric vehicles. The solution involved no capital investment on Martin & Servera's part, and Ellevio took full responsibility for operation and electrical safety.

Maria Ramstedt
Head of Energy Solutions, Ellevio

"Together with Ellevio, we were able to take an important step towards fossil-free transportation. Through their Power-as-a-Service model, we avoid large investments while also obtaining a safe solution to electrify our vehicle fleet and prepare for the future," says Jan Lindblom, Service and Maintenance Manager at Martin & Servera.

Case

An ecosystem for the green transition

In 2024, Ellevio, together with Scandinavian Energy Centers, built a battery facility that both supports the electricity network and is connected to the support service market.

The battery is part of a larger ecosystem that also recovers heat and contributes to the green transition. Ellevio's Power-as-a-Service solution enabled the project to become a reality without Scandinavian Energy Centers having to make major investments themselves.

Scandinavian Energy Centers collaborates with the data centre company Scandinavian Data Centers, creating an ecosystem that combines energy storage, data centere and heat recovery.

The battery plant in the Ellevio project is located next to the site where Scandinavian Data Center's first data centre will be established. In addition to storing energy, the battery facility may also serve as backup power for the data centre to minimise dependence on fossil-fuel alternatives such as diesel generators.

Ellevio designed, built and will operate and own a 10 MW/10 MWh BESS system and associated electricity infrastructure.

Power-as-a-service entails Ellevio designing a customised solution according to the customer's needs and bearing overall responsibility – both financially and functionally – for the facility, so that the customer can focus on their core business.

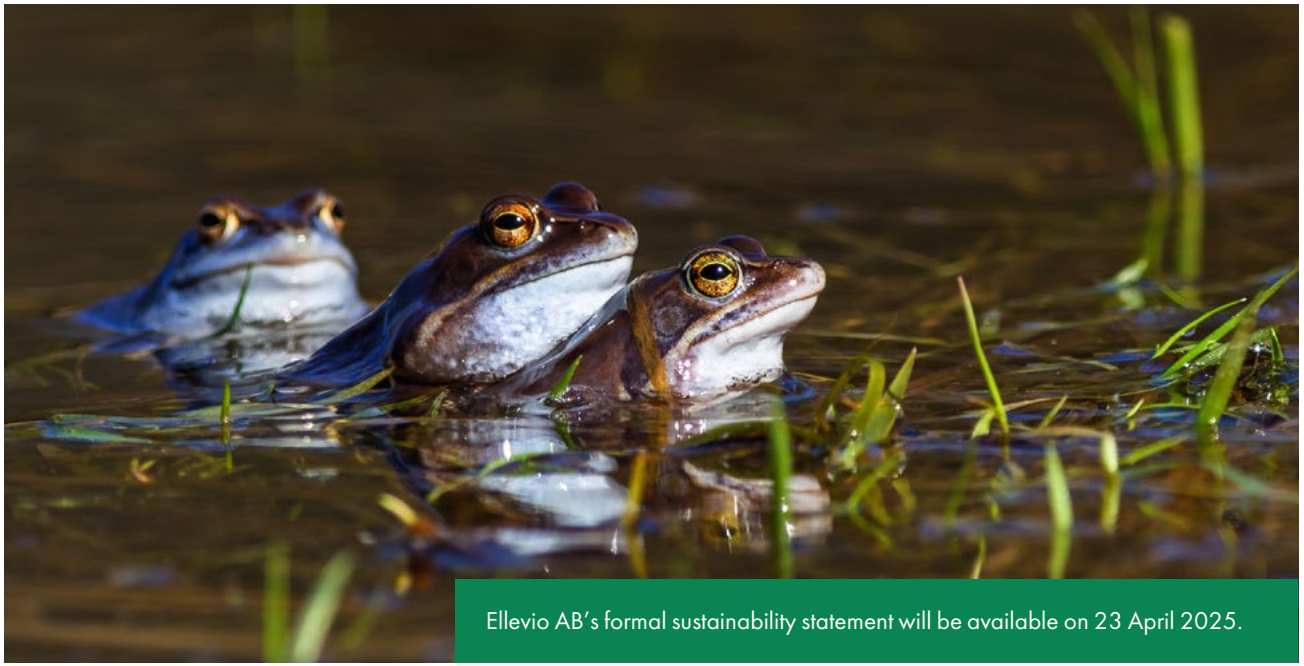
BESS stands for Battery Energy Storage System and is a type of battery storage facility used to help support the electricity network during temporary power peaks and to create more stability across the network.

We work for a sustainable future every day

Our mission is to support customers and communities in their electrification journey, while limiting our own footprint and showing great consideration for people and their communities. Ellevio's business and sustainability strategies are closely interwoven, and sustainability work is carried out every day across operations.

In addition to ensuring the sustainable energy system of tomorrow, our sustainability priorities include mitigating climate change, promoting biodiversity, increasing circularity and resource efficiency and upholding high business ethics and responsibility towards people and communities. We want to contribute to a transition that works for people, society and the environment.

During the winter of 2023/2024, Ellevio conducted a new materiality analysis as preparation for reporting under the new EU CSRD directive, which will apply to Ellevio from the 2025 financial



Ellevio AB's formal sustainability statement will be available on 23 April 2025.

Material sustainability issues

Climate change

We are reducing our emissions and adapting

Biodiversity and ecosystems

We protect biodiversity

Resource use and circular economy

Working towards sustainable use of resources

Own workforce

We are an attractive employer

Workers in the value chain

We have a zero-vision against accidents

Affected communities

We create opportunities and show consideration

Consumers and end users

We enable a sustainable future

Business conduct

Good business ethics our guiding principle

year. This analysis identified eight significant sustainability issues, which are presented on the previous page. The wording is new, but the content is largely consistent with the areas identified as most significant in our previous materiality analysis. The exception is resource use and the circular economy, which have been added.

We are reducing our emissions and adapting

The climate transition and electrification of society present great opportunities for Ellevio, as our operations are a prerequisite for the transition. We are creating the conditions for the electrification of industry and transport, an increased share of renewable electricity in the energy system, more small electricity producers and more efficient management of electricity consumption.

At the same time, just like everyone else, we need to adapt to manage the risks that a changing climate may pose. One way we do this is by weather-proofing the electricity network through buried cables and widened power lanes. The resilience of our electricity network is part of our core mission and has therefore long been a natural and highly prioritised part of our operations.

In addition, our own operations, especially investment projects, lead to greenhouse gas emissions in the value chain that we are working to reduce. We are driving progress towards net-zero emissions by 2045 through initiatives such as targets for reduced emissions and electrically powered contracts, as well as setting requirements for our contractors.

We protect biodiversity

Our electricity infrastructure inevitably affects ecosystems and biodiversity, both through existing facilities and when we build new ones. To reduce our negative footprint, we apply what is known as the "damage limitation hierarchy". This means that in the first instance we try to avoid or minimise any impact, and secondly limit the impact through damage/prevention measures. New construction requires materials which generate climate emissions during mining and refining, and can have a negative

Our key sustainability metrics

Target: Only electric vehicles and machinery in our projects by 2030. Measured in 2024 as the number of contractors with whom we conducted pilot projects.

Results in 2024:

6 contractors

Target: CO_2e emissions in scope 1 and 2 max. 714 tonnes by 2030, (42 percent reduction compared to 2023)[1].

Results in 2024:

1,141 tonnes

Metric: Leakage of the greenhouse gas SF_6, used as an insulating gas in certain equipment, will be limited to 25 kg/year by 2027.

Results in 2024:

24.2kg

Target: The Sustainability Index – how well contractors meet sustainability requirements, should be at least 90 percent.

Results in 2024:

94%

Target: Electricity distribution reliability measured as the average number of outage minutes per customer per year[2] should be a maximum of 59 minutes in 2024.

Results in 2024:

58 minutes

Target: The number of accidents resulting in sick leave[3] should be no more than 2 per million hours worked.

Results in 2024:

3.1

Target: The number of serious[4] accidents and incidents should not exceed 5.5 per million hours worked.

(New metric in 2024, target from 2025)

Results in 2024:

2.6

Target: The Employee Engagement Index (EEI) should be at least 8.3 on a 10-point scale.

Results in 2024:

8.3

Target: The percentage of women at the company should be at least 38 percent.

Results in 2024:

40%

Target: No cases of corruption or bribery.

Results in 2024:

0

How we attain our sustainability targets

- We integrate sustainability, health and safety into our processes and culture.
- We have a strong partnership with our contractors, suppliers and business partners.
- We have committed employees with the right knowledge and skills.
- We make systematic and proactive improvements driven by data, statistics and analysis.
- We apply and develop best practices in collaboration with the sector.
- We have clear, transparent and relevant sustainability communication and reporting that strengthens confidence in Ellevio and our contribution to the energy transition.

[1] Includes direct emissions from operations, such as emissions of SF_6 gas and CO_2 from back-up facilities, emissions from our own vehicles, and indirect emissions from our purchased energy. Ellevio reports greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG), meaning they are divided into: scope 1 (direct emissions), scope 2 (indirect emissions from purchased energy) and scope 3 (indirect emissions in the value chain).

[2] SAIDI (System Average Interruption Duration Index)
[3] LTIF (Lost Time Injury Frequency)
[4] Serious Incident Frequency Rate (SIF)

impact on species, landscapes and habitats. There are also sometimes conflicting objectives between the impact on nature and the environment on the one hand and the need for new electricity infrastructure on the other. Our basic principle is that electrification should be conducted with as little impact as possible.

We also want to make a positive contribution to biodiversity, as far as we can. For example, the land under power lanes can come to serve as important links in the ecological network – and this can have positive effects on biodiversity. We have also introduced tailored management of power lanes with high natural values to promote rare species.

Working towards sustainable use of resources

Building electricity grids and facilities requires resource-intensive materials such as copper and aluminium, with the possibility to use recycled materials being limited. Ellevio strives to make the use of resources more efficient and to use materials that are as sustainable as possible.

In 2023, we participated in cabling company NKT's development of a cable with a lower carbon footprint, and this cable has now been used in a number of projects.

We are an attractive employer

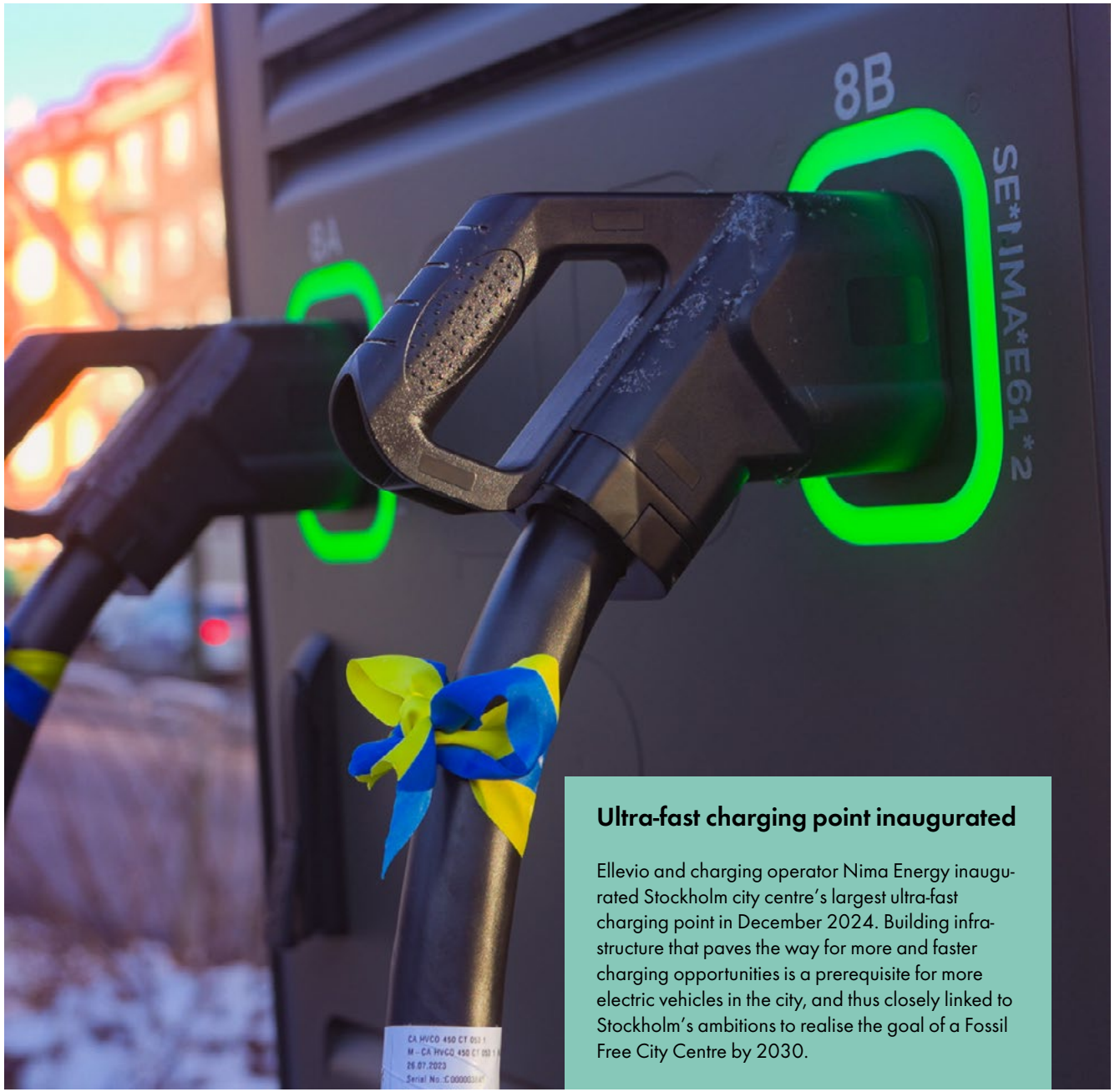
Demand for expertise in the energy sector is high, and Ellevio faces challenges in attracting, recruiting and retaining the necessary skills. Therefore, it is important for us to be an attractive employer with committed employees and to have a strong corporate culture that promotes equality and inclusion.

→ Read more about Ellevio as an employer on pages 32–34.

We have a zero-vision against accidents

Working with electricity and building infrastructure involves occupational health and safety risks for contractors carrying out work in the field. Ellevio therefore has robust safety initiatives and a zero-vision against accidents.

We are a procurement organisation that procures a large share of our services, goods and projects instead of carrying out the



Ultra-fast charging point inaugurated

Ellevio and charging operator Nima Energy inaugurated Stockholm city centre's largest ultra-fast charging point in December 2024. Building infrastructure that paves the way for more and faster charging opportunities is a prerequisite for more electric vehicles in the city, and thus closely linked to Stockholm's ambitions to realise the goal of a Fossil Free City Centre by 2030.

work via our own employees. We therefore have a clear strategy and effective processes to ensure that procurements meet our objectives and requirements. Access to contractors with the right skills is crucial to our business goals, and we are undertaking extensive efforts to create conditions for safe workplaces in the field.

We closely monitor accidents and incidents among our contractors, and we conduct site visits, safety talks, safety meetings and safety culture surveys to keep the issue of workplace safety constantly high on the agenda. We also have an internal programme that focuses on processes, policies and internal skills. Both Ellevio employees and contractors must complete mandatory safety training every three years and all electricity-related work also requires the industry-wide electrical safety training EBR-ESA.

We create opportunities and show consideration

Ellevio's ability to secure the supply of electricity plays a crucial role in terms of the competitiveness, prosperity, employment opportunities and industrial investments in the areas where we own electricity grids.

However, our infrastructure may require us to encroach on land and affect the rights of local stakeholders. When this happens, we do our utmost to act responsibly, correctly and considerately, engaging in an ongoing dialogue. Holding an active dialogue with local communities is important for increasing acceptance of, and confidence in, Ellevio's operations and the investments in the electricity network infrastructure needed to enable the energy transition.

We enable a sustainable future

The climate transition has placed the energy industry at the heart of societal development – society needs to be electrified and the inflow of renewable fuels needs to increase. To make this a reality, we need to create the sustainable energy system of the future. By providing a robust, modern and sufficiently developed electricity network and innovative energy solutions, Ellevio ensures access to electricity and that private individuals, companies and other businesses can live, work, develop and be integrated into modern society.

Security of supply in electricity distribution is not only a sustainability objective but our most important operational goal. We achieve this by having an efficient operational organisation that is available around the clock and by implementing major investment projects to increase capacity and modernise the electricity system. Preventing outages is a constant work in progress.

The reliability of Ellevio's electricity network amounted to 99.99 percent (99.99) in 2024. This is high, but any outage can have major consequences for the person affected and Ellevio takes every incident seriously. We also use an international quality index known as SAIDI to measure security of supply. It measures the number of outage minutes on average per customer per year. SAIDI can vary between years, depending on whether there have been severe storms. For 2024, the average number of outage minutes per customer was 58. This is a good result, and at the same level as previous year.

Good business ethics are our guiding principle

Ellevio sets high ethical standards for its own employees, suppliers and partners. Internally, procedures and systems are in place to prevent irregularities, corruption and bribery, and all employees sign and complete an annual online course on the company's Code of Conduct. There is a specific Code of Conduct for suppliers and partners.

100%

sustainable, says the EU!

According to the EU taxonomy, electricity networks are an enabler of climate change mitigation and 100 percent of Ellevio AB's net sales in 2024 are thus aligned with the taxonomy.

EU taxonomy for sustainable investment

The EU taxonomy for sustainable investment is a framework for classifying environmentally sustainable economic operations. The taxonomy is an important tool in achieving the EU's climate targets and the objectives of the EU's green growth strategy. Electricity grids are classified as an "enabling activity" in terms of limiting climate change (goal 1), and Ellevio AB's operations are categorised under Section 4.9 of the taxonomy:

Ellevio's contribution to the UN Sustainable Development Goals

2030 Agenda

Ellevio's operations contribute to several of the UN's Sustainable Development Goals within the 2030 Agenda, and we have identified four goals on which we have a direct impact in particular:

Goal 7

Affordable and clean energy

By developing and maintaining the electricity network, we guarantee its reliability and ability to meet future demand. At the same time, we make more renewable electricity available and help our customers enhance energy efficiency.

Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

An electricity network that ensures security of supply is a prerequisite for thriving industry and companies and for people to live and work across Sweden, be it in a city or a rural area. The electricity network is also an enabler of the transition towards a fossil-free society in which industrial processes and transportation run on electricity. As we expand capacity and digitalise our grids, we create jobs and promote growth.

Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable

A reliable and smart electricity network enables society to continue the electrification process and enable more people to make greener choices. Ellevio's electricity network plays a vital role both in terms of sustainable urbanisation and the development of vibrant rural areas. Capacity-enhancing projects guarantee a long-term energy supply and the opportunity for sustainable growth. Buried power lines create space for more green areas and housing, while safeguarding the network from the impact of weather and climate-related risks. We also provide smart solutions for, among other things, charging electric vehicles.

Goal 13

Climate action

Electrification is vital for the transition to a fossil-free society. We are increasing flexibility and capacity on the electricity network and enabling connection of renewable energy sources. We are also focusing on reducing the climate and environmental impact of our own operations.

Ellevio also makes a contribution to:

Goal 5, Equality | **Goal 8 Decent work and economic growth** | **Goal 15 Life on land**
Goal 16 Peace, justice and strong institutions | **Goal 17 Partnerships for the goals**

An attractive employer

As one of Sweden's leading energy companies, Ellevio is an ideal workplace for employees who want to contribute to Sweden's climate targets and a fossil-free future. Being an attractive employer is a key factor for business.

To meet the challenges and opportunities of the future, Ellevio needs to both grow and develop its existing employees. In late 2024, the group had 811 employees – 81 more than a year earlier.

An inclusive and equal workplace

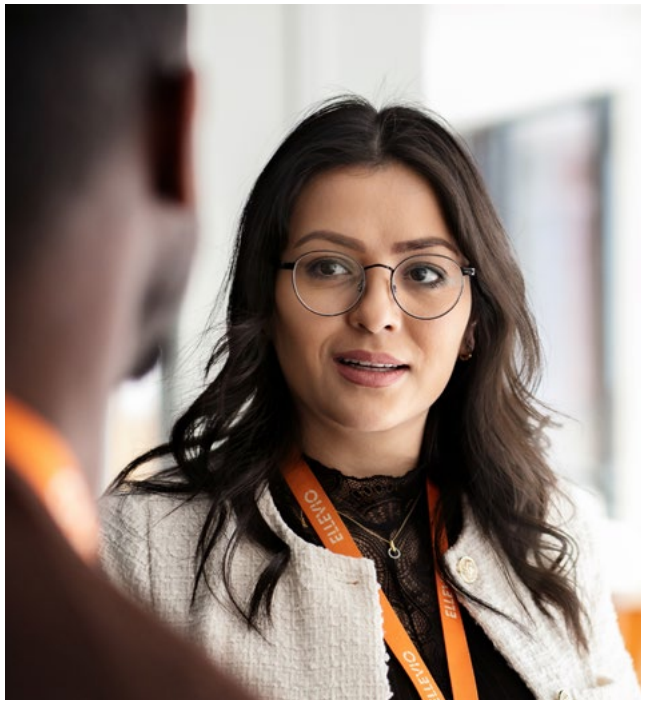
Ellevio is an employer that promotes diversity and inclusion, and all employees have the same opportunities, rights and obligations. We take systematic steps to promote equal treatment, inclusion and an even gender balance, and work methodically and preventively to counteract discrimination and harassment. Since 2018, there has been an Equality and Inclusion Group at the company that works to raise awareness and promote inclusive behaviours.

During the year, we continued our efforts to increase the proportion of women at the company and in management. In total, women accounted for 40 percent of employees and 38 percent of managers at the end of 2024. The target of 38 percent women was thus achieved during the year, but does not mean that gender equality work is complete. We have also carried out a salary survey, which showed that there were no unjust pay differences based on gender, which is an important step towards gender equality.

Skills development and leadership

Employee skills development is crucial for meeting the demands of the energy transition. Ellevio is therefore investing in training and internal mobility to give employees the opportunity to develop. Employees' performance, development and ability to be a culture-promoter are regularly discussed in employee dialogues.

A mandatory management programme offers support and guidelines to managers by highlighting four different aspects: the manager role, work environment, attractive employer and development. All managers at the company gather each year for the "Ellevio Management Days", which combine theory and practice with the aim of strengthening leadership so that Ellevio can implement its strategy and achieve its business goals. All managers also gather in quarterly Manager Forums to discuss and inspire each other on current leadership issues and to discuss objectives, strategy and key activities.



Recruitment and talent supply

Active efforts to be one of Sweden's most attractive employers and to offer a workplace where employees can grow and develop proved successful during the year. This helped Ellevio to continue to attract and recruit talent to ensure a robust supply of skills.

During the year, a total of 202 recruitments were completed, of which 44 percent were internal appointments. Total female appointments came to 39 percent. Through partnerships with universities and colleges, a strong presence across social and traditional media, and participation in industry initiatives, we have increased our visibility as an attractive employer. These efforts also led to several awards during the year. See the box to the side.

Employee engagement and satisfaction

Ellevio carries out monthly "employee pulses" containing a total of 40 questions distributed to all employees during the year. This helps managers get a clear and up-to-date picture of their mood, commitment, health and workload. Thanks to ongoing feedback from across the organisation, we are able to react quickly to the feedback that is submitted. Each manager receives the results from their group on a monthly basis and holds an ongoing dialogue with the employees about them.

The results at the end of 2024 showed that Ellevio's employee engagement reached 8.3 on a 10-point scale. This reflects a high level of commitment to, and confidence in, the organisation.

Health and safety

It must be safe and secure to work at Ellevio, and we have a zero-vision for work-related accidents. This applies to employees, consultants and others working on our behalf. We work continuously to create a safe and healthy work environment. This is achieved through a special programme for safe conditions, which includes training, ensuring procedures and processes are followed, and frequent communication efforts. In 2024, there were no accidents leading to sick leave among employees. Sick leave amounted to 1.88 percent, reflecting a stable, low level.

One of Sweden's most attractive employers

2024 was a successful year for Ellevio as an employer. For the fifth consecutive year, we were named a "Career Company" by the company Karriärföretagen and ranked in Universum's top 100 list of Sweden's most attractive employers by both Young Professionals and senior graduate engineers.

Our work promoting gender equality and sustainable working conditions was also rewarded with the highest result in the Institute of Human Resource Indicators' gender equality index, JÄMIX, for the "Electricity/Energy" sector, and we received the "Excellent Employer" awarwd for the fourth year in a row.

Individually, Johan Lindehag was named CEO of the Year for Employer Branding, and Susanne Bragée was named HR Manager of the Year. This is fantastic proof of the importance of these issues at all levels of the company.

8.3 **Employee engagement**

Corporate culture and collaboration

Ellevio's strong corporate culture is a fundamental part of our success. The company's values are well established and all new recruits participate in a company-wide induction day. A special culture week is also held every year. in 2024, the focus was on collaboration, innovation and leadership. Employees are also trained in collective intelligence, which contributes to aspects such as teamwork and community spirit.

Internal communication plays a central role at the company and takes place through a variety of channels, such as various types of digital broadcasts from Ellevio's studio, posts and articles on the intranet, weekly newsletters from the CEO, internal information screens and special campaigns on topics such as safety.

As part of our investment in a robust corporate culture, we have trained a dozen employees to become change managers. They spend part of their working hours training their colleagues in collective intelligence and serve as an internal resource to promote team-level development across the organisation.

High visibility across both social and traditional media also helps to build internal pride. All employees also complete a digital training on Ellevio's Code of Conduct every year.

Our values

Reliability

Our customers should be able to rely on our electricity network and on those of us who work at Ellevio. We are available around the clock to provide the technology and expertise required to supply electricity all the way to customers.

Commitment

It should be evident that we care about our customers and our community – and that we listen. We are driven and take sustainable action in terms of the safety and health of all who work for us, our impact on the climate and environment and our responsibility as an employer, business and supplier.

Development

We have an innovative approach to matters both large and small. We continuously develop and improve our services and look for new expertise while sharing our own, with the aim of ensuring that Sweden's electricity system is developed in a long-term and sustainable manner. Our network should be constructed in a way that meets society's existing and future energy needs. We are building the electricity network of tomorrow, today.

Owners looking to contribute to sustainable development

Ellevio is owned by the four pension funds Omers Infrastructure, the Third National Pension Fund, Folksam and AMF. This means that the value we create goes back to pension savers. The owners all share a long-term approach and want to invest in businesses that contribute to sustainable development.

Ellevio's owners have created a model whereby pension savings can be channeled into investments in the transition to a sustainable energy system. This is structured so that the pensions funds which manage the pension capital place long-term capital at Ellevio's disposal, which we in turn invest in the electricity networks of the future.

Our operations are stable and predictable and have a long-term investment horizon. At the same time, a shareholding in network companies requires extensive access to capital and long-term responsibility for critical infrastructure.

We are facing a major need for investment and our owners therefore want to enable the investments necessary for us to continue offering our customers a reliable electricity network – under the right conditions.

Return through interest and dividends

The owners receive compensation for invested capital through interest on shareholder loans and dividends on share capital. One prerequisite for the functioning of this model is that network regulation remains stable over time and permits a reasonable return on invested capital.

Find more information about interest and repayments on shareholder loans in Ellevio AB:s Year-end Report and Annual and Sustainability Report.

Ellevio's owners

OMERS INFRASTRUCTURE
(50 percent)

Omers Infrastructure is part of the branch of the Canadian pension fund Omers Infrastructure, which manages pensions for the province of Ontario's public sector employees. Total managed capital amounts to around CAD 36 billion, which is the equivalent of around SEK 272 billion.

THIRD NATIONAL PENSION FUND
(20 percent)

The Third National Pension Fund is tasked with helping safeguard the value of the Swedish state pension for both current and future pensioners. The task of this fund is to responsibly invest in and manage the pension system's buffer capital. Total managed capital amounts to approximately SEK 549 billion.

FOLKSAM
(17.5 percent)

The Folksam Group is one of Sweden's largest pension and insurance companies, with a major investment business and total managed capital of around SEK 823 billion.

AMF
(12.5 percent)

AMF is an occupational pension company whose principle task in society is to deliver a good pension to its 4 million customers. AMF is jointly owned by LO and Confederation of Swedish Enterprise and manages capital of around SEK 849 billion.

Board of Directors

Fredrik Persson
Chair
Born 1968, on the Board since 2020

Anna Belfrage
Born 1962, on the Board since 2019

Lars Clausen
Born 1959, on the Board since 2018

Göran Hägglund
Born 1959, on the Board since 2019

Michael McNicholas
Born 1961, on the Board since 2019

Karin Jarl Månsson
Born 1964, on the Board since 2018

Anna-Karin Stenberg
Born 1956, on the Board since 2025

Tomas Bergquist
Employee representative
Born 1967, on the Board since 2021

David Tegehall
Employee representative
Born 1987, on the Board since 2024

Management team

Johan Lindehag
Chief Executive Officer
Born 1972
In the business since 2000

David Bjurhall
SVP, Regulation
Born 1975
In the business since 2010

Susanne Bragée
SVP, People, Culture & Sustainability
Born 1963
In the business since 2019

Kristofer Fröjd
SVP, Strategy & Business Development
Born 1980
In the business since 2016

Jörgen Hasselström
SVP, Asset Management & Operations
Born 1972
In the business since 2019

Anna-Karin Käck
SVP, Finance
Born 1976
In the business since 1999

Anna Lidberg
SVP, Brand & Communications
Born 1968
In the business since 2008

Elisabeth Stjernstoft
SVP, Business Solutions
Born 1969
In the business since 2021

Emma Thorsén
SVP, Customer & Market
Born 1973
In the business since 2019

Contact and more information

About the report

This is the Ellevio Group's annual statement for 2024. This report has been translated from Swedish. In the event of discrepancies, the Swedish version shall prevail.

On 23 April 2025, the formal annual report of Ellevio AB (publ), which constitutes the Group's electricity network business (Electricity Distribution business area) and which has bonds listed on the Irish Stock Exchange, will be published. The formal annual report for Ellevio AB contains the financial annual report in accordance with the Annual Accounts Act and the sustainability statement inspired by the Corporate Sustainability Reporting Directive.

After publication, all reports can be downloaded from ellevio.se.

More information and contact

Sarah Östberg
Head of Financial and Sustainability Communications

Fornamn.efternamn@ellevio.se
Address: Ellevio, Box 242 07, 104 51 Stockholm, Sweden
ellevio.se

Production:
Ellevio in collaboration with Addira
Photo: Thomas Adolfsén, Karl Forsberg, Johanna Hanno, Anna Johnsson, Malin Kihlström, Anders Lipkin, Emil Nordin, Hannes Söderlund and photo agencies Alex & Martin Photographers, Johnér, Getty, Helifilm, Maskot, Plainpicture, Plattform and Unsplash

ELLEVIO

ellevio.se