



2025

Annual and Sustainability Report

Stockholm Exergi Holding AB (publ)

Contents

Business presentation

Business presentation

Annual overview	3
CEO comments	5
Financial comments	7
The year's highlights	7

Market

Customer-focused innovation and development	8
---	---

Sustainability

Business and sustainability go hand in hand	11
Our sustainability policy	12
An inclusive workplace	14

Strategy and goals

Our strategies set our agenda	15
Our value chain	17
Focus on BECCS	18

Production

Our production system	19
-----------------------	----

This report is an English translation of the Swedish original. In the event of any difference between the two versions, the Swedish is to take precedence.

Corporate governance

Corporate governance

Corporate Governance Statement	22
Board of Directors	27
Group management	28
The auditor's report	29



Annual Report and Other Information

Directors' Report

Directors' Report	31
Risk management	34
Sustainability Report	37
General information	38
Environment	71
Social responsibility	103
Corporate governance	124
The auditor's report	129

Financial reporting

Consolidated income statement and balance sheet	132
Parent company income statement and balance sheet	136
Notes	140
Consolidated	141
Parent Company	170

Signatures

173

Audit report

174

About the 2025 Annual and Sustainability Report

Stockholm Exergi's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The Group's Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act, the European Sustainability Reporting Standards (ESRS) and EU Taxonomy Regulation, and meets the requirements of the EU Corporate Sustainability Reporting Directive (CSRD), as incorporated into Swedish legislation.

The Annual and Sustainability Report covers pages 30-128 and 131-173.

The Directors' Report covers pages 31-128.

The Sustainability Report covers pages 37-128 and forms an integral part of the Directors' Report.

The Sustainability Report for the 2025 financial year covers Stockholm Exergi Holding AB (publ) and its subsidiaries, unless stated otherwise.

The Annual and Sustainability Report was published on 27 March 2026 and is available on Stockholm Exergi's website:

stockholmexergi.se/arsredovisning-2025

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About Stockholm Exergi

Stockholm Exergi is Stockholm's energy provider. Using resource-efficient solutions, we ensure that the growing Stockholm region has access to heating, electricity, cooling and waste services. We provide heat to more than 800,000 Stockholmers and our 3,000-kilometre-long district heating network forms the basis for the societal benefits that we create together with our customers and partners.

We are owned by the City of Stockholm and Ankhiale, and have more than 930 employees who work every day to reduce Stockholmers' climate impact.

By developing carbon dioxide capture technologies, we are committed to making negative emissions a reality.

Owners

Stockholms Stadshus AB (50%) and Ankhiale Bidco AB (50%)

Area we heat

74.7 million square metres

Renewable, recovered or fossil-free district heating

Proportion of renewable, recovered or fossil-free energy in district heating product: 98.5%

Profit for the year
(SEK million)

681
(359)

Net sales
(SEK million)

8,489
(8,381)

Operating profit
(SEK million)

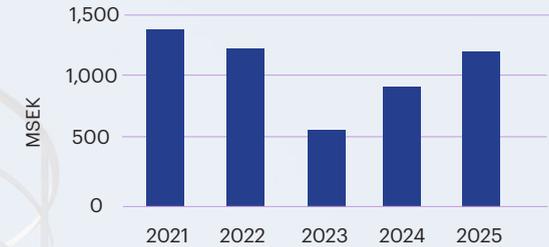
1,326
(910)

Sales
(GWh)*

8,240
(8,714)

* of which 7,241 GWh (7,849) consisted of heat

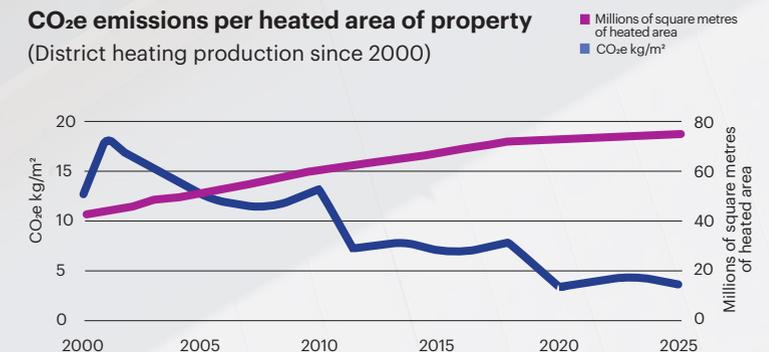
Operating profit



Return on capital employed



CO₂e emissions per heated area of property
(District heating production since 2000)



> **Business presentation**

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Business presentation

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Stockholm Exergi

Business presentation

Chief Executive Officer, Anders Egelrud:

A historic step towards the energy systems of the future

On 12 June 2025, we broke ground on the establishment of Beccs Stockholm, which will be Europe's largest facility for carbon capture. It was a historic day for us here at Stockholm Exergi, but also for Sweden and Europe. We are making our investment in a landscape characterised by greater uncertainty than has been the case for a very long time.

War, trade disputes, tensions and economic uncertainty are leading to a clear focus on security and preparedness issues in Sweden, within the EU and around the world. The war in Ukraine continues and at the time of writing, the US and Israel are attacking Iran and Iran is attacking several neighbouring countries, resulting in extensive human suffering. What the long-term consequences of this will be remains to be seen, but of course trade lines and commodity markets will also be affected. As a company, however, we are well prepared to fulfil our core mission, to provide our customers with heat.

At the same time, the effects of climate change have become increasingly noticeable. Multiple negative climate events were recorded once again in 2025, both in Sweden and in the rest of the world – fires, floods, droughts and storms. Just as scientists have long been warning us, the climate is not only getting warmer, but also more unstable, with more extensive and faster variations.

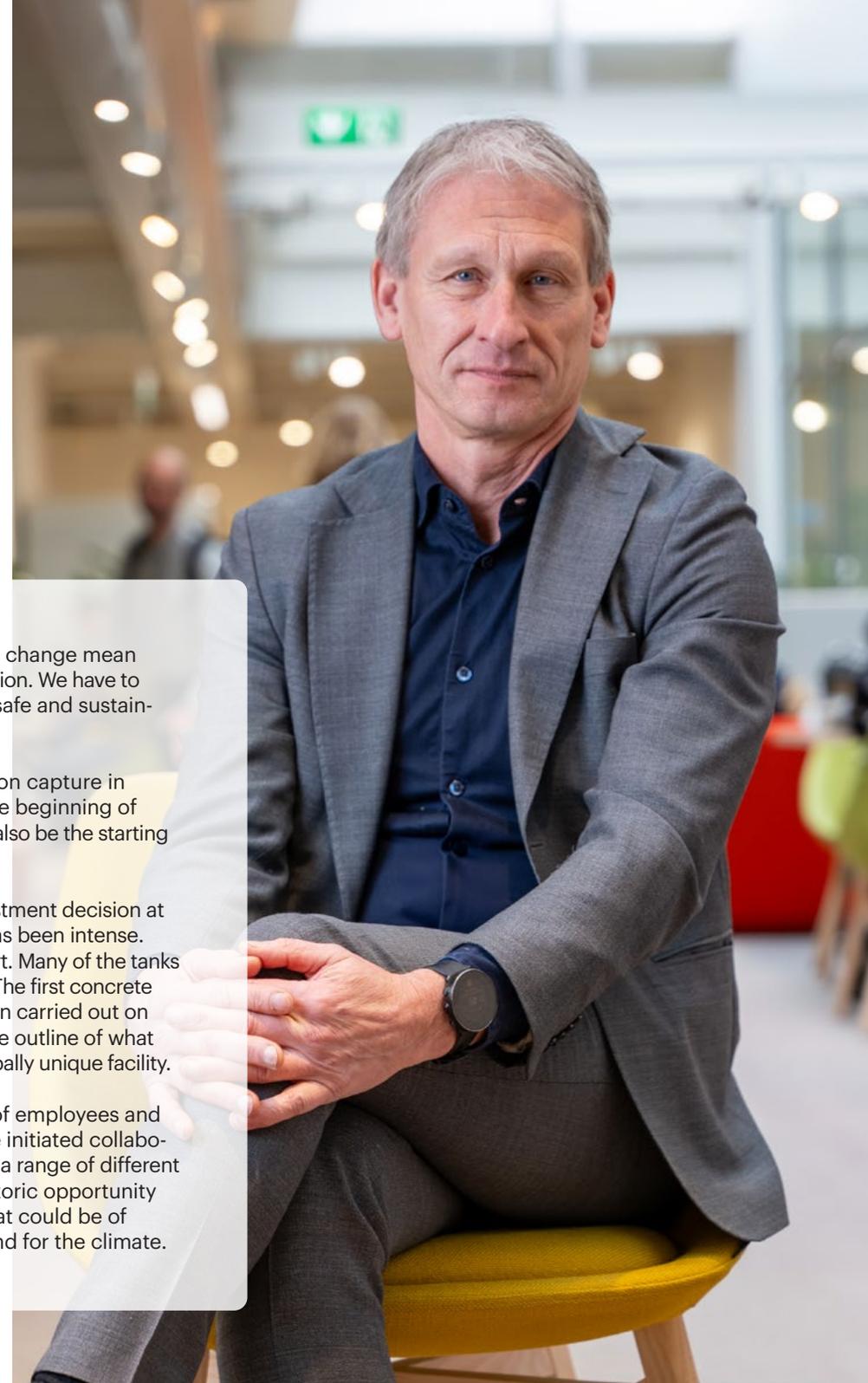
Access to energy is becoming increasingly important for economic stability and national security, while electrification is increasing worldwide. Major AI investments, data centres, industrial transition and the electrification of transport systems require increased access to electricity, a need that is increasing in step with global developments.

The uncertain global situation and climate change mean that "business as usual" is simply not an option. We have to continue developing our ability to deliver safe and sustainable heating, cooling and electricity.

The decision to invest in large-scale carbon capture in Stockholm, BECCS, does not only mark the beginning of a new phase for Stockholm Exergi. It could also be the starting point for a whole new industry.

Since our Board of Directors made its investment decision at the end of March 2025, the level of work has been intense. Changes have been made to the Energy Port. Many of the tanks located on the site have been demolished. The first concrete slab has been cast. Extensive work has been carried out on the foundations. We can already discern the outline of what will, in a few years' time, be the site of a globally unique facility.

BECCS is a mega-project, with hundreds of employees and contractors working side by side. We have initiated collaborations with industry-leading companies in a range of different sectors. Like us, they view BECCS as a historic opportunity to develop technology and capabilities that could be of great significance for economic growth and for the climate.



Business presentation

We are doing something that nobody has done before. Leading the way is a challenge. However, we are convinced that Sweden and the Nordic region have unique conditions to become leaders in the fields of bioeconomy and carbon capture.

By making the right choices, we are laying the foundations for a future industry that may contribute to achieving climate goals, increasing Swedish competitiveness and strengthening Sweden's preparedness. In these turbulent times we are living in, this is more important than ever.

Strong results

After a challenging 2024, we have improved our financial performance during the year. However, many of the challenges also remained during the past year. Relatively high fuel prices continued to represent a significant cost for us. Unusually high air temperatures in Stockholm in the late autumn resulted in lower than expected revenues from district heating sales. These are just a couple of examples.

Despite these challenges, we are able to present strong results. This is strengthening our competitiveness and giving us the conditions to invest in the future: in carbon capture, in digitalisation, in new business models and in new services for our customers. We have also continued to broaden our financial base and created conditions for long-term investments.

We are striving to achieve continuous improvements, and during the year we have adapted our offering to meet our customers' needs by launching a number of new services and products. We have been working purposefully to strengthen both dialogue and customer relations. Customer satisfaction increased by just over 3 percentage points compared to the previous year. This is a testament to the work we have done. Things are moving in the right direction, but the work continues to further strengthen trust.

The strategic importance of district heating

Stockholm Exergi's core mission is to provide Stockholm's residents with heating and cooling all year round. In addition, power and district heating play a key role in climate change

mitigation and in cities' preparedness, not least by supplying electricity capacity locally in the city.

Power and district heating are prerequisites both for energy efficient carbon capture and permanent storage (CCS) and for supplying carbon dioxide as a raw material for the production of e.g. electrofuels, building materials and chemicals. This makes power and district heating key players in the development of Sweden's bioeconomy and the foundation for a competitive new industry.

District heating's robust infrastructure, local presence and ability to switch rapidly between different energy carriers provide a stable basis for underlying societal functions, even in times of crisis or war.

Despite its importance, district heating is often treated as a poor relation in the political debate. It is high time to provide district heating with the same conditions as other types of energy. It is not just a heating solution, but also a platform for circular flows, waste management and new climate solutions such as BECCS. This needs to be reflected in political decisions. This involves, for example: changing current building regulations that favour heat pumps over district heating, reviewing taxes and fees that unfairly disadvantage district heating compared to other energy types, as well as highlighting the crucial importance of district heating in relation to climate and energy security for our cities. It is time for our decision-makers to start viewing district heating as the industry it is and to make the decisions necessary for it to be able to grow.

Climate work continues

Total carbon dioxide emissions from our energy production decreased compared with 2024. At the same time, emissions per produced kWh of district heating increased. The explanation for this contradictory picture is that energy production was slightly lower than in the previous year, while the proportion of fossil materials in the residual waste increased – and is continuing to increase. Above all, the proportion of plastic is increasing in the waste that is submitted to us for energy recovery.

We are working together with waste management companies to reduce the amount of plastic that is incinerated, as well as reporting on the climate impact of the waste and recycling companies that engage our services, enabling them to set climate targets and monitor their progress. The new carbon dioxide fee that we introduced at the turn of the year is an example of how we are trying to steer waste producers towards increased recycling and lower emissions. We are also exploring carbon capture technologies at our waste-to-energy combined heat and power plants in order to eventually eliminate the remaining emissions

But that won't be enough to take us all the way. The climate impact of waste treatment is currently calculated on the basis of the energy that is recovered, i.e. from district heating. That is a fundamental error. Greater responsibility must be placed higher up in the value chain, ultimately with those who put the plastic on the market, and not with us who, in the final step, are enabling effective energy recovery.

We are building the energy systems of the future

The world is facing a more complicated situation than has been the case for many years. Our role in Sweden's preparedness efforts is becoming ever more significant. The importance of power and district heating in the work to mitigate climate change is becoming increasingly clear, and there is a growing need for local, sustainable heating and electricity production. This is presenting us with major challenges, but we are confident that we will succeed in meeting them.

We are working every day to build the energy systems of the future. Safe, sustainable and competitive.

> Business presentation

CEO comments

Financial comments

The year's highlights

Market

Sustainability

Strategy and goals

Production

Corporate governance

Annual Report and Other Information

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information



CFO, Åse Lagerqvist von Uthmann:

A significantly better year

Operations have continued to develop positively during the year and have now returned to a more normal level in terms of earning capacity and results. Market conditions in the fuel market have been more stable than in recent years. Fuel prices have gradually returned to normal, although cost levels remain slightly higher than before the increases in fuel prices.

Operational delivery capacity has been good during the year. Thanks to optimisation, our flexible production system has enabled us to adapt effectively to prevailing market conditions. This, combined with the high level of availability at our production facilities, has contributed to stronger results.

Overall, this year's results are demonstrating a clear step towards a return to more stable and sustainable earnings growth in the long term.

Important events in 2025

January – On 1 January, we introduce a new pricing model for district heating. This model rewards customers who make energy and power savings, especially in colder temperatures when district heating networks are under the most strain.

At the same time, we introduce a new pricing model for waste management services with the aim of increasing plastic sorting and thereby reducing carbon dioxide emissions.

The Swedish Energy Agency decides to support Stockholm Exergi in the reverse auction for bio-CCS. The support granted amounts to just over SEK 20 billion and will be paid out on an ongoing basis for a maximum of 15 years, from the start of geological storage.

March – In March, Stockholm Exergi's Board of Directors makes a final investment decision to build a facility for the capture of biogenic carbon dioxide.

April – In April, our new battery park in Brista is brought into operation.

May – In May, the agreement between Stockholm Exergi and Microsoft regarding the sale of permanent negative emissions is extended. At 500,000 tonnes per year, the agreement is the largest in the world in terms of annual deliveries.

June – On Thursday, 12 June, we break ground on our BECCS facility, which will be one of the world's largest installations for carbon capture. The ceremony is attended by the Mayor of Stockholm, Karin Wångård, EU Commissioner Wopke Hoekstra and Minister for Climate and the Environment, Romina Pourmokthari.

July – We demolish the last large building ahead of the construction of Beccs Stockholm and starting preparatory groundworks.

September – We sign the world's first agreement with a property company regarding the purchase of permanent negative emissions. The agreement covers both permanent negative emissions linked to the company's purchase of district heating, as well as independent negative emissions to mitigate the climate impact of the company's construction of new properties.

October – In October, our new production optimisation system Aurora becomes fully operational. Aurora will contribute to more efficient operations and better cooperation between control rooms.

> **Business presentation**

CEO comments

Financial comments

The year's highlights

Market

Sustainability

Strategy and goals

Production

Corporate governance

Annual Report and Other Information



"By combining innovative climate solutions with digital services that provide control and simplicity, we are making it possible for our customers to take the next step towards the energy supply of the future."

Linda Hernström, Sales Director

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Customer - focused innovation and development

Stronger customer relationships, increased customer satisfaction, a new pricing model and the launch of new solutions that will meet future needs for digital services. These are some of the areas we have worked on over the past year to develop and strengthen our offering. Together with our customers, we are creating a secure, sustainable and smart energy supply.

The energy markets reverted to a new, relatively more stable situation in 2025. However, the energy industry and our customers are still facing significant challenges. Despite this, we exceeded our plan as regards new district heating sales in 2025. We are proud of the trust our customers place in us, and are seeing a trend where more and more parties are interested in a robust and secure energy supply.

Increased customer satisfaction

The customer satisfaction survey (CSI) in 2024 indicated that customer expectations were not fully met among our district heating customers, primarily linked to concerns about high heating costs. The result was the lowest CSI rating in our history, and was an important signal that we took very seriously. As a result, we have worked purposefully to strengthen both customer dialogue and customer relations over the past year.

The 2025 CSI result is 60.8, representing an improvement of 3.4 percentage points compared with 2024 (this can be compared with the CSI result for the energy sector as a whole, which fell during the same period). This shows that

our efforts have had an effect and that trust is being rebuilt. We welcome this development, but at the same time remain humble in our continued work to further increase customer satisfaction.

Development in collaboration with the customer

We are striving to achieve continuous improvements, and during the year we have adapted our offering to meet our customers' needs by launching a number of new services and products.

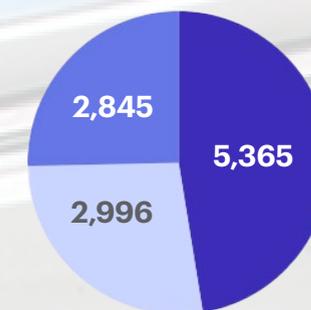
In January 2025, we launched our new pricing model. The outcome has been in line with expectations. The purpose of the new pricing model is to reward customers who reduce their energy use and peak demand, particularly during colder periods when demand on the district heating network is at its highest. We launched and further developed products and services during the year:

1. New climate products

- Heat for environmental reporting. The service has been specifically designed for customers focused on climate targets. It will be offered until the time our district heating's climate performance is so good that the product is no longer necessary
- We entered into the first agreement with one of our district heating customers regarding the purchase of permanent negative emissions, and our plan is to launch more district heating products with permanent negative emissions in the future as regulations and reporting rules evolve

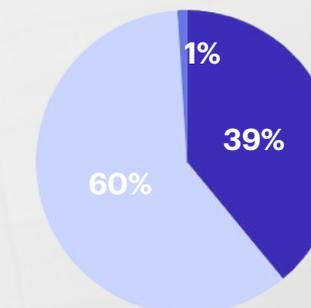
Number of customers per category

- Housing associations
- Companies
- Houses & small properties



Sales volume per customer category

- Housing associations
- Companies
- Houses & small properties



> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Business presentation

2. Digital services

In recent years, we have developed our digital services that provide customers with control, security, simplicity and sustainability in every property.

By bringing our energy services together in our Intelligy digital platform, we are offering our customers the following:

- **Monitoring of operations**, which provides full control and security in the operation of mechanical rooms
- **Heat optimisation**, which delivers control based on the actual indoor temperature and provides insights that reduce energy consumption and improve comfort
- **Charging solutions for electric vehicles, solar panels and battery storage** that make it possible to balance production, storage and consumption in buildings to optimise and control the entire energy flow in a single interface

With these solutions, we are making it easy for customers to see the big picture, prioritise correctly and monitor their energy consumption in a transparent and precise fashion. Together, we are creating smart, green properties and housing that meets the requirements of the future.



“Safeguarding and strengthening customer confidence is a key aspect of our work and crucial for our long-term development.”

Jenny Warbo, Head of Offering Portfolio

Business and sustainability go hand in hand

Our business concept and strategy are based on us offering energy solutions that meet the needs of society and the energy markets, while simultaneously focusing on climate issues and the use of resources. This means that our sustainability strategy forms the basis for the development of the business and is integrated with our business strategy.

We are creating value for customers, owners, employees and society through clear targets, actions and priorities in respect of the environment, social responsibility and governance.

By utilising residual and waste streams and offering energy solutions based on energy that would otherwise be lost, we are contributing to the Paris Agreement's climate goals, reducing emissions and enabling permanent negative emissions. At the same time, we are developing solutions that are strengthening our competitiveness and making it possible to achieve a climate-neutral energy system.

We are building a safe, inclusive and attractive workplace with the right skills for current and future energy systems, and ensuring that our business conduct principles permeate all processes and decisions.

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Climate and environment

Our aim is to achieve net-zero greenhouse gas emissions across the entire value chain by 2035, as well as to offer energy services and waste treatment that make it possible for both energy customers and waste treatment customers to achieve their climate goals.

The focus is on strengthening climate performance, reducing emissions and promoting innovation for the energy systems of the future:

- Launching Beccs Stockholm in 2028 for permanent negative emissions
- Ensuring sustainable biofuels through developed control systems
- Phasing out fossil oil by 2032
- Introducing circular solutions and cost models for waste management services that provide incentives for increased sorting
- Developing the waste-treatment business in alignment with the company's net-zero target
- Optimising the use of energy and resources through energy management systems
- Reducing environmental incidents through proactive and preventive environmental work and investments in high availability

- Ensure good health and safety for our own staff and suppliers
- Respect human rights throughout the value chain
- Offer inclusive leadership and skills development
- Contribute to an inclusive labour market in line with our skills requirements
- Strengthen customer satisfaction through long-term relationships and a high level of service

In this way, we are building commitment, diversity and sustainability throughout the organisation.

Governance

Our business conduct guidelines and our sustainability policy form the basis for the way we work. We will conduct operations with a view to safety, efficiency and transparency.

Priorities include:

- Developing working methods that ensure compliance with business conduct principles
- Ensuring that the code of conduct and sustainability requirements are met internally and by suppliers
- Working with efficient, certified management systems that support everyday processes
- Maintaining zero tolerance for irregularities

In this way, we are creating trust, stability and long-term sustainable business development.

Social responsibility

We will offer a safe, inclusive and attractive workplace where employees can develop and thrive. Our priorities are to:

- Strengthen the safety culture and minimise workplace accidents

More information about the work we are doing to achieve our goals and results for 2025 in each area can be found in our Sustainability Report, page 37-128.

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Our sustainability policy

Our sustainability governance must ensure that we can confidently navigate in the right direction, make data-driven and informed decisions, and uphold our business ethics guidelines. In our sustainability policy, we have established the following 11 focus areas for sustainable development.

1. Respect for human rights

We are committed to supporting and respecting human rights in our operations, value chain and communities in which we operate.

We expect our employees, suppliers and partners to do the same. Our risk-based approach helps us identify and counteract adverse human rights impacts whenever necessary and take action in the event of human rights violations. In our work, we follow the UN Guiding Principles on Business and Human Rights.

2. Attractive workplace for employees

Our employees should feel involved and be empowered to have an impact.

Our teamwork is centred on being curious, as well as taking the initiative and responsibility. This enables continuous learning and development for both individuals and the organisation as a whole. Our leaders are expected to set a good example by being involved and clearly demonstrating the way we achieve our common goals. Stockholm Exergi is committed to being a healthy, attractive workplace where employees feel proud of their work.

3. Appreciation and reward

We show appreciation for each other's success, share experiences and learn from each other. Differential and individual wages are based on fair and equitable terms regardless of background, including ethnicity and gender, that reflect roles, responsibilities and performance.

4. Work safely or not at all

We know that accidents and ill health can be prevented. We do this together by analysing physical, organisational and social risks at work and taking action to minimise them. We all take responsibility and set a good example.

If we see a hazardous work situation, we act. It goes without saying that we have zero tolerance for alcohol and drug use during working hours. We work long term and preventively to create a safe and healthy workplace that promotes a healthy life for our employees.

5. Equality, diversity and inclusion

We support Stockholm as a city where all people are equally valued and have equal opportunities to live and work.

6. Reduce our climate impact in step with science and use the Earth's resources responsibly

We value differences, and our operations are inclusive and improve the society in which we operate.

We encourage and enable our employees to involve themselves in our efforts to improve social sustainability in various ways. We treat each other with respect and have zero tolerance for all forms of discrimination and harassment.

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Business presentation

7. Sustainable bioenergy

The biofuels we use need to be ecologically and socially sustainable; on the whole, taking into account the forest industry's total climate impact, they need to help reduce greenhouse gas emissions.

We do not use biofuels that divert raw materials from the wood processing industry that produces products that sequester the biogenic carbon in biomass for long periods. The biofuel we use comes primarily from residues or by-products from the forest industry (branches, treetops, bark and chips) or those resulting from maintenance activities such as thinning. We can also use stem wood chips that are unsuitable for or fail to meet quality standards of the long-life wood product manufacturing industry due to decay, cracks, pest infestation, fire damage, etc.

The biofuel we use needs to be climate neutral. We focus our purchases of solid biofuels on countries or areas that have stable or growing carbon stocks in their forest systems. We rely on countries' own monitoring in accordance with applicable regulations and conduct our own in-depth analyses when necessary.

Our purchases comply with robust forest and farmland sustainability criteria, and we ensure traceability to source.

We place great importance on biofuel classification and traceability so that we know what we are buying and where it comes from. We comply with the requirements of the Renewable Energy Directive (RED) and EU directives and legislation that ensure the raw materials' legality and traceability.

In the event of war or crisis situations that threaten our delivery capacity or our vital societal function, we may, following a specific decision, need to make an exception and use higher quality biofuel to secure the energy supply and avoid societal disruptions. Such exceptions will, where appropriate, be reported in our Sustainability Report.

8. Good neighbour and societal stakeholder

We help reduce environmental impact in Stockholm and work proactively to avoid disturbances to the local environment.

We use the best available technology to reduce emissions to air and water, locally and regionally. We safeguard the environment by assuming responsibility and imposing requirements across the entire value chain. We never start any work or activity without first precluding possible pollutants and minimising potential environmental risks. We use chemicals that have the lowest possible environmental impact.

9. Customer focus

We strive to improve customer satisfaction and develop sustainable, affordable products and services in dialogue with our customers.

By understanding our customers' needs, we are always able to provide the right energy at the right time. And, of course, we also share our knowledge and keep our promises.

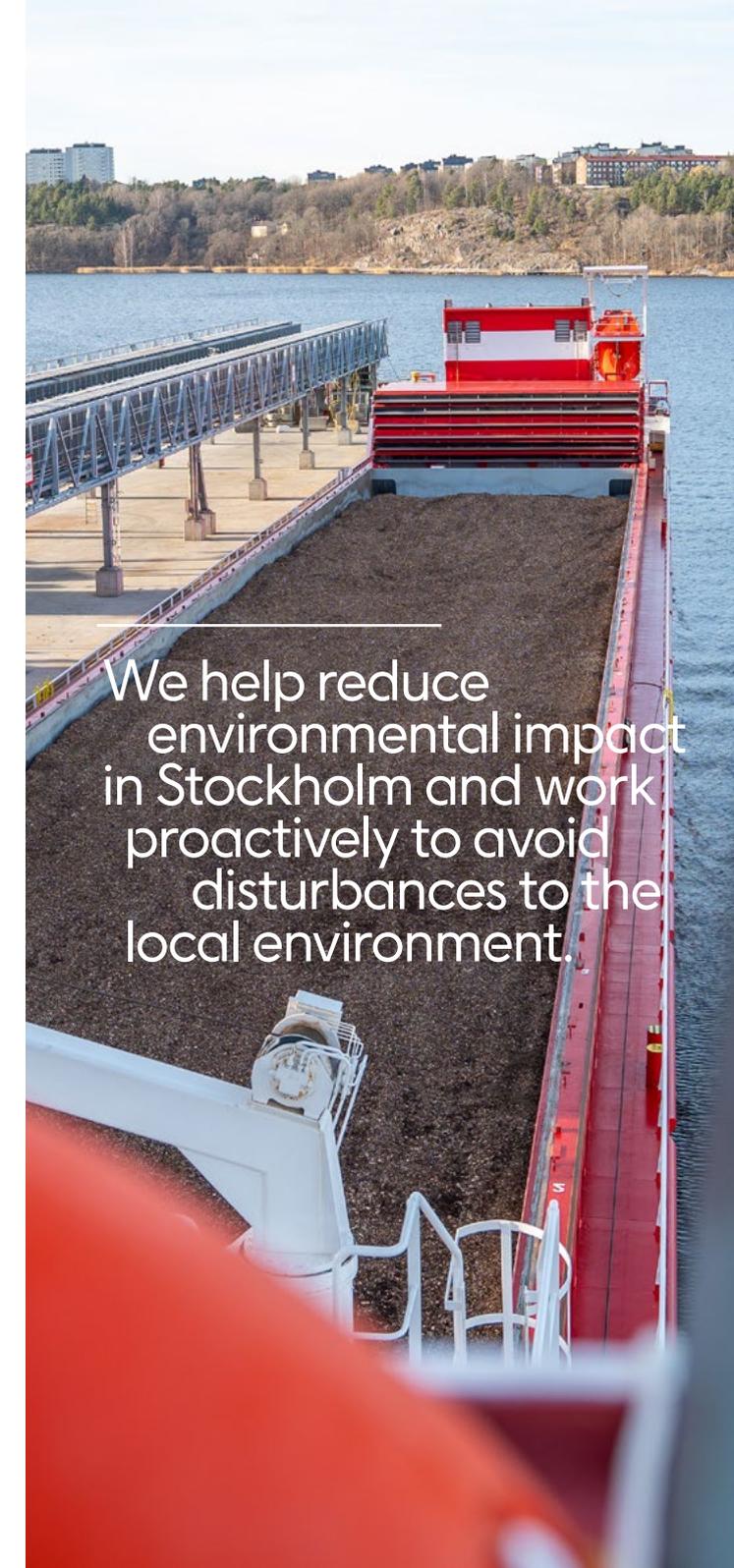
10. Sustainable supply chain

We work with suppliers who accept and comply with our sustainability requirements and our Supplier Code of Conduct.

We focus our monitoring efforts on those areas where the sustainability risks are greatest, and our ambition is to develop alongside our suppliers.

11. ISO certifications

Our management system is certified in accordance with ISO 45001, ISO 14001 and ISO 9001.



We help reduce environmental impact in Stockholm and work proactively to avoid disturbances to the local environment.

An inclusive workplace that enables everyone to develop

As an employer, we are striving to offer a workplace that is characterised by diversity and inclusive leadership, smart working methods and excellent opportunities for skills development. Through these efforts, our aim is to strengthen employee engagement and create a culture where everyone has the opportunity to grow and contribute.

Increasing diversity

We are continuing to strengthen our culture of inclusion and engagement, and over the past year we have taken important steps towards a more balanced and sustainable leadership structure. In 2025, the proportion of women in the company increased to 27 per cent, while the proportion of women in management positions rose to 30 per cent. The proportion of female managers with a foreign background increased to 5 per cent.

Safety always the top priority

We are witnessing a long-term downward trend in the number of accidents. Despite this, we saw an increase in the number of accidents leading to absence in 2025. This is a clear sign, and we have increased our efforts to prevent accidents, including through improved procedures and a deeper shared safety culture. One tangible example is the significant increase in the number of health and safety rounds carried out during the year.

Major investment in the use of AI

In 2025, we provided AI training for more than 300 employees. This is an important step in our ambition to equip the organisation for the working methods of the future.

“A workplace where every employee feels seen, valued and has the opportunity to contribute fully – both now and in the future.”

Maria Reinholdsson,
Director HR and Sustainability

Trainee programme for tomorrow’s specialists and leaders

We are continuing to develop the talents of the future through our trainee programme, the aim of which is to shape the market’s best future specialists and leaders. There is a great deal of interest in the programme, with more than 650 applicants. The current trainee programme was launched in August 2025 and comprises 11 participants (7 women and 4 men). The programme will end in June 2026.

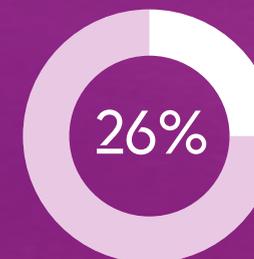
Collaboration with schools continuing

We collaborate continuously with schools and welcome students from colleges, universities, vocational colleges and technical colleges that offer internships. We took in 34 interns in 2025, of whom 29 worked in our production operations.

Proportion of female managers 30%
(proportion of women overall 27%)



Proportion of foreign-born employees



Number of Safety Walks completed:

3,999

Engagement index:

78%

Read more about our key performance indicators in the Sustainability Report, page 37-127.

Our strategies set our agenda

Stockholm Exergi is driving the transition towards a resource-efficient and climate-neutral energy system. Through recovered energy, innovative solutions and robust system responsibility, we are creating sustainable heating, cooling, electricity and waste services – and taking important steps towards net-zero by 2035.

Strategy for our markets

Energy services

With a combination of simplicity, sustainability with no net greenhouse gas emissions, and price, our district heating will be recognised as the most affordable heating option.

- District heating is largely produced by recovering energy from waste treatment, wastewater treatment plants and production of negative emissions, and by energy recovered from data centres and the district cooling system. In addition, negative emissions are generated at the same time. With competitiveness and efficient new distribution concepts for Stockholm's new city districts, district heating is expanding and maintaining its high connection rate.
- District cooling will continue to be distinguished by uniquely low electricity requirements. Excess heat from our district cooling customers is largely recycled as district heating.
- Our services have been developed with a focus on making it easy to be energy smart. We offer everything from new district heating plants to smart digital services.



Stockholm Exergi's long term climate target:

To achieve net-zero greenhouse gas emissions by 2035 by reducing emissions of greenhouse gases as far as possible and neutralising emissions that cannot be reduced (residual emissions) with permanent negative emissions produced using bio-CCS.

> Business presentation

CEO comments

Financial comments

The year's highlights

Market

Sustainability

Strategy and goals

Production

Corporate governance

Annual Report and Other Information

Business presentation

With our Heat Optimisation, customers can easily control indoor temperature with their phones. And our On-Call Monitoring service monitors customers' heating systems digitally and works around the clock and year-round to resolve any issues that may occur.

Electricity and output

With our existing and new energy facilities, we will continue to help stabilise the electricity grid and balance the electricity system. Our facilities are often, but not always, connected to the district heating system. With batteries, gas turbines, CHP plants, heat pumps and electric boilers, we supply electricity output, electric energy and support services to Svenska Kraftnät (the Swedish grid) and regional and local grid owners. This involves:

- Flexible electricity generation and use based on surplus or deficits of power in the electricity system. This opportunity is created by a flexible district heating system with various production alternatives
- Electricity output delivery can be planned around when the need is greatest
- Balancing services to maintain (FCR) or restore (FRR) electricity system frequency
- Reserve capacity in case of disturbance, diversion or overload in the grid
- Non-frequency support services such as rotational energy and voltage stabilisation

We will continue to be a key player in supporting the electricity system in crisis situations.

Waste treatment

We will offer environmentally sound final treatment of residual waste with incineration and energy recovery. The cost of climate-impacting emissions will be specified separately in the waste treatment pricing model and will be flexible, to provide better incentives for our waste customers to sort plastics and other materials containing fossil carbon.

Residual products from our incineration will be recyclable to a greater extent. Our long-term goal is to introduce carbon dioxide capture at our waste incineration plants to enable final treatment of residual waste with net-zero greenhouse gas emissions. This also provides opportunities to offer captured carbon as a secondary raw material.

Negative emissions

Through carbon capture at our bio-cogeneration and waste incineration plants, up to 1.5 million tonnes of permanent negative emissions can be produced every year, certified and sold on a growing voluntary market. Our aim is to develop this into a new business area on a par with today's energy business.

Our carbon capture systems will need electricity, which can then be recovered as district heating. Energy recovery from carbon capture will be significant – e.g. on a level with what we recover today from municipal wastewater treatment plants.

Production cooperation

The Stockholm region has a well-developed district heating network and extensive production cooperation. We energy companies buy or sell district heating to neighbouring grids, depending on heating demand and the cost of the different production systems. This lowers production costs for all parties while increasing district heating's overall competitiveness. Our strategy is to continue to identify synergies for district heating production and distribution together with other energy companies in the region.

Strategy for our facilities

Our production, distribution and energy storage infrastructure will be continuously developed to enable achievement of our market strategy and meet increased environmental requirements. We work proactively to ensure that our production plants have the environmental permits required for us to realise our market strategy. In practice, this means that our development is constantly tested against the high standards set by environmental legislation.

One high priority area is maintaining extremely high availability at our primary production facilities, as these have the best financial and environmental performance. One strategic goal is to minimise our most expensive production in order to lower the overall cost of the district heating system.

Strategy for energy and fuel supply

District heating will be produced to a significant extent, as it has been, from waste heat generated by other social processes, such as municipal wastewater treatment plants, final treatment of residual waste through incineration, data centre cooling, return flows from the district cooling network for air conditioning, etc. By recovering energy and optimising our production and distribution systems, we decrease the need for resources. We will continue to ensure a stable, secure biofuel supply.

The biofuels we use will meet legal requirements specific to sustainability as well as the requirements and expectations of the voluntary market for certified negative emissions. We have maintained our focus on residues and by-products from the forest industry's main processes. These biomass flows – which arise continuously from forestry operations, the pulp industry and sawmills, whether or not we make use of them – have a limited range of alternative uses for various reasons, due to their quality. The long-term, sustainable viability of the district heating business lies in these categories of biomass.

To address and meet new demands for high security of supply in the event of crisis, different types of biofuels of various origins will be included in our portfolio, and some biofuels will be able to be stored for longer periods.

We will also develop efficient and flexible transport logistics that reduce transport's climate impact.

Our business model

Our products and services need to meet customer expectations and generate value for our customers and owners, in addition to promoting sustainable development and mitigating climate change. We create synergies by integrating infrastructure for a range of societal needs while also refining low-value resources.

Sales and delivery

We market, sell and deliver products and services in our markets:

- District heating customers
- District cooling customers
- Waste and recycling companies
- The Nordic electricity market, Nordpool
- Voluntary market for negative emissions based on bio-CCS

Value-adding production and distribution

We continuously trim and streamline our production system to improve its efficiency, reduce costs and create value for customers and owners. We refine and produce our products and services from low-value resources such as:

- Waste energy from e.g. wastewater treatment plants, data centres and other societal operations
- Energy recovery from final treatment of residual waste
- Solid and liquid biofuels and oils



Develop products and services

We continuously research and analyse the needs and wishes of society and our customers.

We develop and package competitive products and services that meet customers' and society's needs in a sustainable, value-creating way.

Develop our production system

By integrating basic societal needs such as heating, electricity and cooling, as well as waste and wastewater treatment, in an interconnected infrastructure, we create unique opportunities and synergies and can meet these needs cost-effectively and sustainably.

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production

Corporate governance

Annual Report and Other Information

Focus on BECCS

Climate change is becoming increasingly apparent. Global carbon dioxide emissions have to be reduced. However, this will not be sufficient to achieve the climate targets. It will also be necessary to remove carbon dioxide from the atmosphere. Our solution is Beccs Stockholm.

In 2025, we began construction of what will become Europe's largest facility for carbon capture.

We are investing in BECCS because we believe in a future where Sweden and the Nordic region can become leaders in the green transition. Here we enjoy good access to biomass, well-developed district heating and the right geological conditions for storing carbon dioxide. BECCS has the potential to become a new export industry, enhancing Swedish competitiveness, our preparedness and the climate.

We are doing something that nobody else has done. But we are not alone. With support from the EU Innovation Fund, government initiatives and long-term agreements with global actors such as Microsoft, we are creating a solution that the world needs.

Facts about Beccs Stockholm

Capture capacity: 800,000 tonnes of carbon dioxide per year – more than the emissions of Stockholm's road traffic.

Process: The carbon dioxide is captured, liquefied and permanently stored under the seabed, where it is mineralised.

Start-up: Planned for 2028, this will make Stockholm one of the first cities in the world to have large-scale carbon capture.

Design: Designed by the architectural firm Urban Design with contemporary architecture that ties in with the site's industrial history.

EU and UN support: Selected by the EU Innovation Fund. The IPCC emphasises that the technology is essential for achieving climate targets.

Financing: BECCS is cost-effective, but it requires significant investment.

The financing is based on three components:

- *Government support:* just over SEK 20 billion and will be paid out on an ongoing basis for a maximum of 15 years, from the start of geological storage
- *EU support:* EUR 180 million from the EU Innovation Fund
- *Voluntary market:* Companies purchase negative emissions to achieve net-zero targets and account for a significant proportion of the financing

> **Business presentation**

CEO comments

Financial comments

The year's highlights

Market

Sustainability

Strategy and goals

Production

Corporate governance

Annual Report and Other Information



“We’re not just building an installation, we’re laying the foundation for a whole new industry for negative emissions.”

Egil Nybakk, Director of BECCS

> Business presentation

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production**

Corporate governance

Annual Report and Other Information

Our production system

Stockholm Exergi operates around thirty production plants which jointly, and in collaboration with our partners, ensure that Greater Stockholm has access to cost-effective and sustainable energy, whatever the weather.

Optimisation increasing the efficiency of the energy system

During the year, we have taken further steps to optimise the energy system. By centralising parts of our operations in a shared control room, as well as introducing advanced digital systems, we have created the conditions for even more effective governance. Our systematic maintenance work has also yielded results, as evidenced by industry-leading availability figures.

District heating

District heating is a resource-efficient way to heat Stockholm. We heat water in our installations and distribute it through our network to our customers' properties. Most of the energy

comes from residual products from the forestry industry as well as sorted municipal waste. By making use of these resources, we are able to reduce energy losses and contribute to a more sustainable society. Our energy recovery from waste integrates key societal needs: waste treatment, heating and electricity generation. At the same time, we are removing unwanted substances from the cycle, such as heavy metals.

Electricity generation and stabilisation of the grid

Our energy system is flexible and enables both electricity generation via combined heat and power as well as electricity consumption, primarily through heat pumps. Together with our battery parks, this is contributing to a stabilisation of the electricity grid and an increase in the share of renewable electricity. During the autumn, we completed extensive upgrade work on our largest CHP plant in Värtan. The plant has the capacity to produce 200 MW of electricity. It is now based entirely on bio-oil and has an extended service life of at least 20 years.

District cooling

We use seawater as well as excess cooling from heat pumps and cooling machines to cool water, which is then distributed to our customers. The cooling is used to create a pleasant indoor climate in buildings. The excess heat that is collected is largely recovered in the form of district heating, thanks to our integrated systems. Stockholm probably has the world's largest district cooling network, with access to district cooling across virtually the entire city centre and several other areas.

Distribution system

Our production plants pump water through an extensive pipeline network that reaches thousands of buildings in Greater Stockholm. Installations and customers are interconnected in large, flexible networks that enable optimised operations. We currently have two main networks: one for central and southern Greater Stockholm and one for the north-western part of the city. In total, Stockholm Exergi's district heating system comprises approximately 3,000 kilometres of pipelines.



Bristaverket power station

936 GWh of heat
183 GWh electricity
Steam boilers. Residual waste and solid biofuel



Värtaverket power station

2,631 GWh of heat
402 GWh of electricity
Steam and hot water boilers, heat pumps. Solid biofuel, bio-oil, fuel oil, energy from seawater



Hammarbyverket power station

1,072 GWh of heat
Heat pumps and hot water boilers. Electricity and bio-oil. No electricity generation. The residual energy in the wastewater from the Henriksdal treatment plant is utilised in the heat pumps



Hässelbyverket power station

176 GWh of heat
28 GWh of electricity
Steam boilers. Wood pellets and fuel oil



Högdalenverket power station

1,832 GWh of heat
240 GWh of electricity
Steam boilers. Waste, recycled wood, bio-oil and fuel oil

> **Business presentation**

- CEO comments
- Financial comments
- The year's highlights
- Market
- Sustainability
- Strategy and goals
- Production**

Corporate governance

Annual Report and Other Information

“Through increased optimisation, we are improving our ability to supply Stockholm with heating, electricity and cooling.”

Per Ljung, Production Manager

Business presentation

> Corporate governance

Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information

Stockholm Exergi

Corporate governance

Corporate Governance Statement

Stockholm Exergi Holding AB (publ) is a Swedish public company, and its registered office is in the City of Stockholm. The Company's operations involve owning shares in the operating company Stockholm Exergi AB, and also responsibility for the Group's financing solutions.

Ownership structure

Stockholm Exergi Holding AB is owned by Ankhiale Bidco AB and Stockholms Stadshus AB, 50% each. All shares are ordinary shares and provide entitlement to an equal number of votes and an equal share of dividends. The owners regulate their co-ownership through a consortium agreement.

Corporate governance

Stockholm Exergi Holding's corporate governance is regulated by external regulations, including both Swedish and EU law. Applicable laws are the Swedish Companies Act, the Annual Accounts Act, the Market Abuse Regulation (MAR) and the Market Abuse Penalties Act. The company also operates in compliance with the rules for companies with interest-bearing instruments listed on Nasdaq Stockholm.

In addition to the external regulations, internal regulations are also applied, consisting of the Articles of Association and the Board's rules of procedure, including the CEO's instructions and instructions on reporting to the Board. The Board also establishes internal delegation and decision making rules, policies and instructions, and adopts a code of conduct, which are central components of corporate governance.

Annual General Meeting

The Annual General Meeting is the company's highest decision-making body, where shareholders exercise their

influence. The matters to be dealt with at the Annual General Meeting are governed by the Swedish Companies Act. According to the Companies Act, an annual general meeting must be held each year. The Annual General Meeting of Stockholm Exergi Holding AB must be held within six months of the end of the financial year. The AGM must, for example, elect the Board of Directors (except for employee representatives) and auditors, decide on their fees, adopt the income statement and balance sheet, decide on the appropriation of the company's profit, decide on the discharge from liability of the Board of Directors and the CEO, and decide on other matters in accordance with the law and the Articles of Association.

The Company held its Annual General Meeting on 28 April 2025. No items were discussed other than those appearing on the standing agenda in accordance with the Articles of Association.

Board of Directors

Responsibilities and duties of the Board

According to the Companies Act, the Board of Directors is responsible for the company's organisation and the administration of the company's operations. Each year, the Board of Directors establishes rules of procedure for the Board's work, instructions regarding the division of labour and responsibilities between the Board and the CEO, as well as instructions for financial reporting and other information to the Board. The rules also state forms and requirements for reporting other engagements that constitute or may constitute a conflict of interest with the board assignment. The rules of procedure state that the Board must approve the objectives of the company and the Group, significant policies, strategic plans and major investments. The Board's rules of procedure also include instructions for the Board's Audit, Remuneration and Finance Committees.

The Board's duties include establishing the company's overall strategies and objectives, and ensuring that there are appropriate systems in place for monitoring and controlling the company's operations and the risks to which the business is exposed. The Board of Directors is responsible for financial reporting and sustainability reporting, through the Audit Committee, holds regular meetings with the company's auditors. In addition, the auditors meet with the entire Board of Directors without the presence of company management at least once a year. The Board of Directors continuously evaluates its own work and that of the CEO, and specifically addresses this issue at least once a year.

According to the Board's rules of procedure, the Board will normally hold four to six meetings per calendar year, in addition to the first Board meeting. Extraordinary board meetings may be held as necessary.

Composition of the Board of Directors

The Board consists partly of shareholder representatives elected by the general meeting, and partly of employee representatives elected by the trade unions. The Board, to the extent it is appointed by the AGM, will consist of eight members without deputy board members. The members of the Board are elected annually at the AGM for the period until the end of the next AGM. The Chair of the Board does not have a casting vote. The trade unions will appoint two full-time employee representatives and then two deputies in a separate procedure. At the time of the AGM, the trade unions inform the company of which representatives have been elected.

The members of the Board of Directors are presented on pages 27.

Business presentation

> Corporate governance

Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information

Business presentation

> Corporate governance

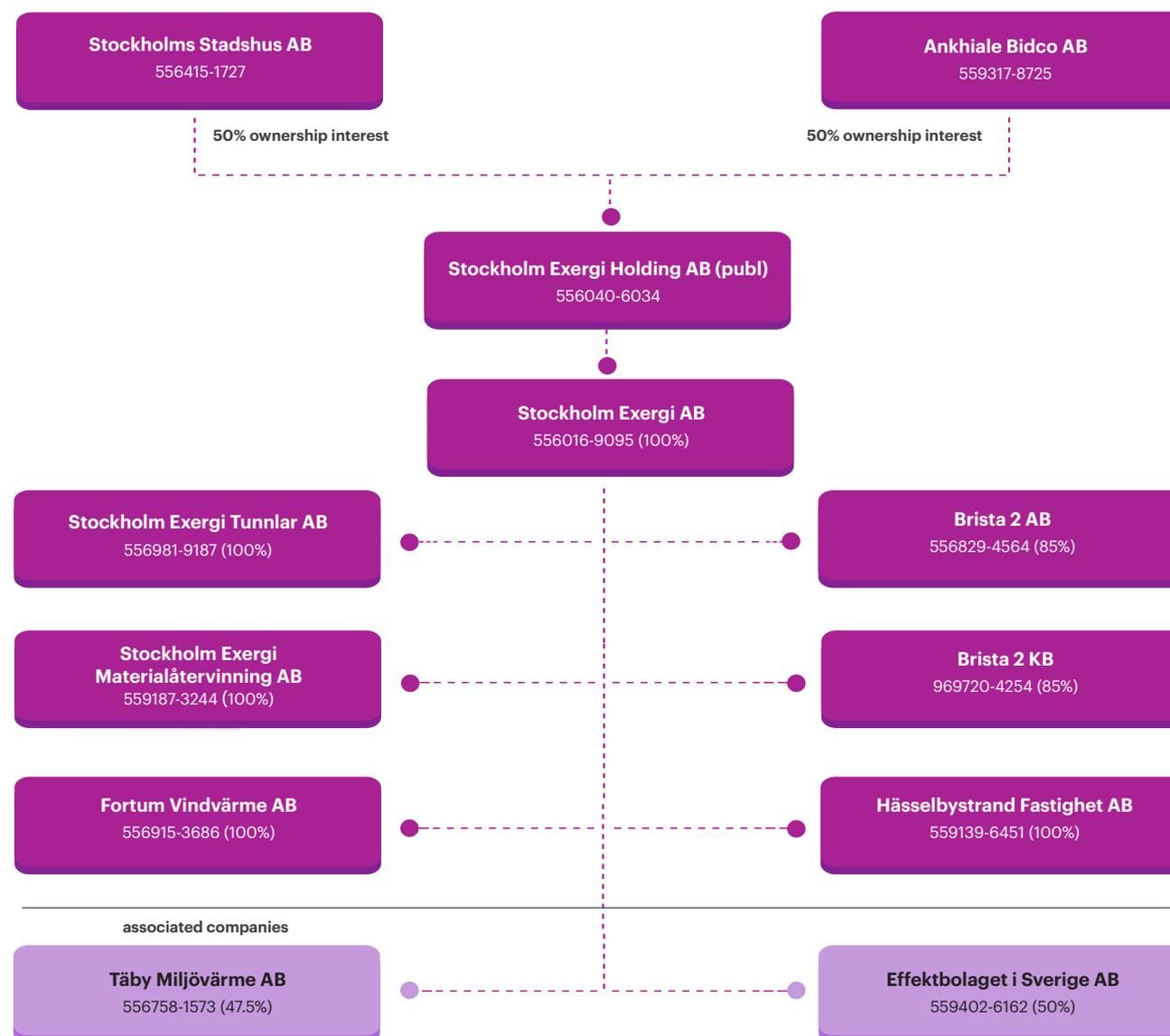
Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information



Board meetings

The Board holds its first meeting after election in direct connection with the AGM. The Board held twelve meetings in 2025, in addition to the first meeting. In 2025, the Board of Directors decided to invest in BECCS, for example, and to make a number of major investments in core operations, as well as deciding on related financing issues. The Board has also addressed areas such as fuel supply, pricing, financial reporting and sustainability issues.

The Board's committees

The Board's overall responsibility cannot be delegated, but the Board has established an Audit Committee, a Remuneration Committee and a Finance Committee. These committees prepare, monitor and evaluate issues in their respective areas prior to consideration by the Board. The committee members are appointed at the first Board meeting after election, and they work in line with Board rules of procedure and instructions.

The Audit Committee

The Audit Committee monitors and prepares matters for consideration by the Board of Directors relating to financial reporting, sustainability reporting, risk assessment, internal control and auditing. The Audit Committee must also evaluate the company's auditors, review and monitor the auditors' impartiality and independence, and assist in preparing proposals for the election of auditors. The Audit Committee meets before each reporting occasion and additionally as necessary.

In 2025, in addition to financial reporting and sustainability reporting, the Audit Committee has worked with Stockholm Exergi's risk management, reviewed and followed up measures related to the internal auditor's reports, reviewed the company's follow-up of compliance, and collaborated with the company's external auditors on issues related to financial and sustainability reporting.

Business presentation

> **Corporate governance**

Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information

The Audit Committee comprised Board members Irina Frolova (Chair of the Committee) and Petra Engman. The CEO and CFO also participate in the meetings. The company's auditors also frequently attend the Audit Committee's meetings.

The Audit Committee reports its work to the Board on an ongoing basis. The Committee met six times in 2025.

The Finance Committee

The Finance Committee prepares matters for the Board's consideration in the areas of business planning, financial policy, strategic direction for short-term and long-term financing, and issues related to the company's rating.

In 2025, the Finance Committee has primarily focused on financing the BECCS investment, although it has also discussed strategic financing issues related to Stockholm Exergi's other operations. The Finance Committee has also worked on reviewing the company's dividend policy, which resulted in a revised dividend policy being adopted at the Annual General Meeting in April 2025.

The Finance Committee comprised Board members Carlo Maddalena (Chair of the Committee) and Board observer Krister Stralström. The CEO, CFO and Head of Treasury also participate in Finance Committee meetings. The Finance Committee reports its work to the Board on an ongoing basis. The Committee met 13 times in 2025.

The Remuneration Committee

The Remuneration Committee prepares matters regarding remuneration and other terms of employment for the Chief Executive Officer for the Board's consideration. The Committee also approves the remuneration and other terms of employment for the Group Management, as proposed by the Chief Executive Officer. The Committee further develops proposals for remuneration principles for the CEO and Group management, which the Board then resolves on.

Application of the guidelines, along with current remuneration structures and remuneration levels in the company, are also monitored by the committee.

Remuneration to Group management is reported in Note 10.

The Remuneration Committee will also monitor the company's succession planning and skills supply processes.

During 2025, for example, the Remuneration Committee has discussed remuneration to and recruitment of senior executives, as well as followed up the company's employee surveys and succession planning.

The Remuneration Committee comprised Board members Carlo Maddalena (Chair of the Committee) and Petra Engman. The CEO and HR Director also participate in the meetings. The Remuneration Committee reports its work to the Board on an ongoing basis. The Committee met five times in 2025.

Evaluation of the work of the Board of Directors

The Board continuously evaluates the performance of the Board and CEO, with the aim of developing and streamlining work and decision-making procedures. This evaluation is mainly carried out in the form of a brief evaluation of each Board meeting.

Group management and organisation

The Board in turn appoints the CEO, who manages the day-to-day administration according to the Swedish Companies Act and the Board's guidelines and instructions. Other members of the Group management are appointed by the CEO. Group management meetings, which are chaired by the CEO, constitute a forum for information, discussion and decision-making on Group-wide issues.

Stockholm Exergi's CEO and Group management are presented in greater detail on pages 27-28.

The Group's largest operating company, Stockholm Exergi AB, is organised into four core functions based on the value chain: fuel supply, production, distribution and market. There are a number of support functions for the core activities which manage, control and support business operations.

Group Structure

Stockholm Exergi Holding AB exercises ownership of the Group's companies and is responsible for financing solutions. Most of the operational activities are performed by Stockholm Exergi AB. Furthermore, there are additional subsidiaries and associated companies whose purpose is to support the operations of Stockholm Exergi AB, either directly or indirectly. One or more members of Stockholm Exergi AB's Group management are represented on the boards of all subsidiaries and associated companies.

The composition of the Group is set out in detail in Note 35.

Auditors

According to the Articles of Association, the company must have one or two auditors with or without deputy auditors. The 2024 AGM elected Öhrlings PricewaterhouseCoopers AB, with Authorised Public Accountant Camilla Samuelsson, as the company's auditor for a period of four years. Camilla Samuelsson has not held any positions in other companies that could affect her independence as an auditor for Stockholm Exergi.

The auditors attended all meetings of the Audit Committee and, among other things, reported on the review of internal control and the year-end audit. The auditor reported to the Board on 19 and 26 March 2026.

Financial reporting, internal control and risk management

The Board is ultimately responsible for ensuring that there is good internal control within the Stockholm Exergi Group in accordance with applicable directives, laws and regulations. The Company is not subject to the requirements of the *Swedish Corporate Governance Code*. Internal control work is carried out within the Group which aims to ensure that operations are carried out in an appropriate, safe, and efficient manner. Internal control of financial reporting aims to ensure that the Group prepares reliable financial accounts and reports, and complies with applicable laws and regulations. Internal control is conducted in accordance with the risk policy resolved on by the Board. The risk policy is based on the principles set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Risk assessment and control environment

The CEO is responsible for preparing internal control, financial reporting and sustainability reporting matters for the Board. Control work is based on the division of responsibilities between the Board and the CEO as established in the CEO's instructions and reporting requirements set by the Board. The Board and CEO work in a structured annual cycle for strategic business planning and operational supervision. The process is based on the Group's vision and operating concept, which in turn is based on the owners' consortium agreement. Work within the Group is performed in accordance with Board-resolved codes of conduct and values. Risk management is an integral and ongoing part of Group business planning, development and performance management. For each risk category, risk management follows five steps: identification, assessment, management, control and monitoring.

The Board resolves on risk policy and the CEO's risk mandate. Risk management and its processes are continuously developed and adapted to evolving market conditions and changes in the business. For further information, see ESRS 2 SBM-3, pages 52–54.

Governing documents and procedures

There are policies and delegation arrangements in place for the Group's various areas of operation. They are established and revised annually and otherwise as required by the Board. Various governing documents are also adopted and revised on an ongoing basis by the CEO and the Group management, as well as manuals and procedural descriptions that are established and revised by the respective operational manager. Overall, these internal regulations effectively cover all relevant areas of operation.

Review

The Group's internal audit function reviews ongoing operations. The Audit Committee has a special supervisory remit and reviews the internal audit's work, as well as risk management and internal controls. Read more about risks and risk management on pages 34-36.

Dividend policy

Stockholm Exergi's dividend policy, decided on in April 2025, stipulates that between 0 and 100 percent of available distributable excess liquidity must be distributed to the shareholders. The annual decisions on dividends, which must take into account the current global situation and the development of the financial markets, must allow the company to obtain at least investment grade credit rating while maintaining the ability to carry out investments with the aim of maximising the company's value.

Business presentation**> Corporate governance**

[Corporate Governance Statement](#)

[Board of Directors](#)

[Group management](#)

[The Auditor's Report](#)

Annual Report and Other Information

Business presentation

> Corporate governance

Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information

Bolagsstyrningsrapport

Board of Directors

Stockholm Exergi is owned in equal parts by Ankhiale Bidco AB, (which consists of APG, Alecta, PGGM, Keva and Axa), and Stockholms Stadshus AB.

The Board of Directors comprises eight members elected by the Annual General Meeting and two appointed employee representatives with deputies.

None of the Board members has, or will have during their term of office, (1) assignments within the company other than their Board duties, (2) employment with the company, or (3) business relationships with the company. All nominated Board members are therefore considered independent in relation to the company.



Petra Engman

Born: 1964
Elected: 2020
Title: Chair

Petra Engman (Social Democratic Party) is a trained mathematician and has spent most of her professional life working with IT issues, in both the private and public sectors. She has previously held several positions in Stockholm County Council, including as a member of the committee and the board of AB Storstockholms Lokaltrafik (the region's public transport provider). She is currently working as a consultant on assignments in the defence sector.



Jonas Abrahamsson

Born: 1967
Elected: 2021
Title: Vice-Chair

Jonas Abrahamsson has an MScin Business and Economics from the University of Lund and serves as CEO of SJ since January 2026. Jonas most recently worked at Swedavia and has previously worked in the energy sector for 25 years, including as CEO of E.ON Sverige. He has an extensive leadership background and experience of managing major infrastructure investments both in Sweden and internationally. Jonas also sits on the Board of Almega AB, Almega Tjänsteförbundet and Svenskt Näringsliv.



Tove Feld

Born: 1964
Elected: 2024
Title: Board member

Tove Feld holds a Ph.D. in engineering (E. MBA). She has 30 years of leadership experience in the energy and infrastructure sector, with a focus on renewable energy. Her experience includes senior international positions at Ørsted, SGRE and DNV. Today, she is a Board professional, serving on a number of international boards (both listed and private) in the Nordic region and the UK in the energy, agriculture and water sectors, with a focus on the green energy transition.



Christofer Fjellner

Born: 1976
Elected: 2023
Title: Board member

Christofer Fjellner (Moderate Party) serves as Opposition Vice Mayor of Stockholm City and Group Leader for the Moderate Party in Stockholm, as well as a member of the Moderate Party's executive committee. Christofer was a Member of the European Parliament for 15 years and sat on the Committee on International Trade, among others. He has mostly been involved in issues related to free trade and the climate. Christofer is the founder of the think tank EPHI – Environmental and Public Health Institute.



Irina A. Frolova

Born: 1971
Elected: 2021
Title: Board member

Irina A. Frolova is a CFA charterholder and INSEAD-certified board member, and holds two Master's degrees in business administration and national economics.



Marie Hanson

Born: 1997
Elected: 2025
Title: Board member

Marie Hanson (C) studied Master of Science in Engineering in Industrial Engineering and Management at Linköping University, with a specialization in energy engineering. She previously worked as a political adviser to the Centre Party in the European Parliament, with responsibility for energy and climate policy, and is currently employed as a business development consultant



Rickard Hjorth Warlenius

Born: 1970
Elected: 2019
Title: Board member

Rikard Hjorth Warlenius (Left Party) is an associate professor in Environmental Social Science at Södertörn University. Rickard is a researcher in climate and energy issues and a former member of Stockholm City Council and Vice Chairman of its Transport Committee.



Carlo Maddalena

Born: 1987
Elected: 2021
Title: Board member

Carlo Maddalena is a senior portfolio manager in APG's investment team, specialising in the infrastructure sector. He has held several senior positions in portfolio companies and has also served on the boards of large companies in Europe that are active in within energy, transport and telecommunications.



Tobias Alvaeus

Born: 1969
Elected: 2023
Title: Employee representative

Tobias Alvaeus started in the energy sector in 1987 when he worked at Vattenfall for a year, before working for 16 years as a process engineer at Carlsberg. Tobias has worked at Stockholm Exergi since 2004, initially as an operations engineer and then as a shift manager in operations.



Katarina Rundkvist

Born: 1973
Elected: 2024
Title: Employee representative

Katarina Rundkvist has been with the company since 2007. She has held many different roles, including maintenance engineer, production manager, process analyst and operations communicator. Katarina now works as a planning engineer in Distribution.



Katarina Karlsson

Born: 1966
Elected: 2023
Title: Deputy employee representative

Katarina Karlsson joined Stockholm Exergi in 2018 as a logistics and warehouse manager. Katarina has a degree in industrial economics.



Henrik Nordesjö

Born: 1993
Elected: 2025
Title: Deputy employee representative

Henrik Nordesjö has been employed at Stockholm Exergi since 2017 and has worked in the sector since 2014. Henrik has trained as an operating technician and currently works as an operations engineer.

Group management

Stockholm Exergi is organised into four core functions based on the value chain: fuel supply, production, distribution and market.

There are a number of support functions for the core activities which manage, control and support business operations. We also have a business development unit.

Composition of the Executive Management Team as of 31 December 2025. After the turn of the year, the Director of HR & Sustainability left the Group and will be succeeded during spring 2026 by Louise Liljestrand.

Business presentation

> Corporate governance

Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information



Anders Egelrud

Born: 1965
Employed since: 2002
Title: President and CEO

Anders Egelrud has extensive experience in the energy sector and has held several senior positions with responsibility for building and developing various businesses. Since 2018, he has been CEO of Stockholm Exergi, formerly Fortum Värme. Prior to that, he was a member of Fortum Division's leadership team for heating and of the Group management, and was CEO of Fortum Värme from 2006. Anders has also been – and still is – involved as a member and chair of several industry organisations.



Thomas Gibson

Born: 1965
Employed since: 2017
Title: Communications Director

Thomas Gibson has a proven track record in the advertising industry, where he has worked nationally and internationally in management roles at several of Sweden's leading advertising agencies.



Linda Hernström

Born: 1982
Employed since: 2025
Title: Sales Director

Linda Hernström has extensive experience from leading roles in the telecom and energy sectors, with a focus on infrastructure. She also serves on the boards of a number of companies.



Shamsher Khan

Born: 1966
Employed since: 2009
Title: Vice President, Energy Trading

Shamsher Khan has a background as Head of Environmental Value Trading and Head of Forecasting and Pricing at Fortum.



Åse Lagerqvist von Uthmann

Born: 1969
Employed since: 2023
Title: CFO

Åse Lagerqvist von Uthman has an MBA and has a wealth of experience of being a leader and CFO, for example in the space, media and energy industries, both in Sweden and internationally. In addition to her role as CFO, she serves on the Board of Terranor.



Per Ljung

Born: 1967
Employed since: 2020
Title: Production Director

Per Ljung has 30 years of experience in the production and district heating segments, where he has held several senior positions. He has previously worked in various parts of the value chain, although with a strong focus on production and optimisation. Nevertheless, customer focus and safety are close to Per's heart.



Maria Reinholdsson

Born: 1968
Employed since: 2025
Title: Director HR & Sustainability

Maria Reinholdsson has extensive experience as an HR and staff manager in the energy, telecommunications and mining industries, both nationally and internationally.



Jimmy Renström

Born: 1973
Employed since: 2020
Title: Chief Information Officer/CIO

Since 2018, Jimmy Renström has been head of Stockholm Exergi's IT function, as well as managing the Intelligy Solutions area. A common thread throughout Jimmy's career has been leadership in change processes, with particular focus on data, digitalisation and information technology.



Andreas Söderkvist

Born: 1976
Employed since: 2001
Title: Distribution Director

Andreas Söderkvist has extensive experience within the company and has held several senior positions across Stockholm Exergi's production and distribution operations. Since 2020, Andreas has been responsible for the Distribution unit.



Per Ytterberg

Born: 1971
Employed since: 1996
Title: Director Business Development

Per Ytterberg has extensive experience within the company, where he has held several operational and strategic roles. These include senior positions in project management, fuel supply and system development matters.

Business presentation

> Corporate governance

Corporate Governance Statement

Board of Directors

Group management

The Auditor's Report

Annual Report and Other Information

Bolagsstyrningsrapport

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

The Auditor's Report on the Corporate Governance Statement

To the general meeting of shareholders in Stockholm Exergi Holding AB (publ), corporate identity number 556040-6034.

Engagement and responsibility

It is the Board of Directors that is responsible for the Corporate Governance Statement for 2025 on pages 22-28 and for ensuring it has been prepared in accordance with the Annual Accounts Act.

Scope of the audit

Our examination has been conducted in accordance with FAR's recommendation RevR 16 The auditor's examination of the Corporate Governance Statement. This means that our examination of the Corporate Governance Statement is different to and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A Corporate Governance Statement has been prepared. Disclosures in accordance with Chapter 6 Section 6, second paragraph, points 2-6 of the Annual Accounts Act, and Chapter 7 Section 31, second paragraph of the same Act, are consistent with the annual accounts and consolidated financial statements and comply with the Annual Accounts Act.

Stockholm, 26 March 2026
Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Business presentation

Corporate governance

> Annual Report and Other Information

Directors' Report

Risk management

Sustainability Report

Financial reports

Signatures

Audit report

Stockholm Exergi

Annual Report and Other Information

Business presentation

Corporate governance

> Annual Report and Other Information

Directors' Report

Risk management

Sustainability Report

Financial reports

Signatures

Audit report

Directors' Report

The Board of Directors and the Chief Executive Officer of Stockholm Exergi Holding AB (publ) hereby present their annual report for the 2025 financial year.

Ownership structure

Stockholm Exergi Holding AB (publ) is owned by Ankhiale Bidco AB and Stockholms Stadshus AB, both holding 50 per cent. The owners' cooperation is regulated through consortium agreements.

Operations

Stockholm Exergi Holding AB (publ) is the parent company of a group. The Group produces and supplies resource and climate-efficient district heating, district cooling and electricity to companies and households in the Stockholm region. The Parent Company's operations involve owning shares in the operating company Stockholm Exergi AB as well as providing Group-wide financing solutions.

During the year, the Group has continued to develop its plants with a focus on reliability of supply, fuel flexibility and energy efficiency. In 2025, the Board decided to invest in an installation for capturing biogenic carbon dioxide (bio-CCS/BECCS) in Värtan. The investment involves establishing a new operation within permanent negative emissions and represents a strategic development of the business.

Net sales and profit

The Group's net sales in 2025 amounted to SEK 8,489 million (8,381), up SEK 108 million compared to the

previous year. This increase can mainly be attributed to price adjustments, as well as increased revenue from support services and capacity services in the electricity market.

The sales volume amounted to 8,240 GWh (8,714), of which 7,241 GWh (7,849) relates to heating, 672 GWh (522) relates to electricity and 326 GWh (343) relates to district cooling. The decline in volumes between the years is mainly related to the weather, and is a natural variation in the district heating business.

The flexible group of plants have been optimised during the year and have been successfully adapted to prevailing market and weather conditions.

Operating profit before depreciation, amortisation and impairment amounted to SEK 3,136 million (2,511). The improvement compared with the previous year is mainly due to higher revenues, lower fuel prices and efficiency improvements in system optimisation.

Operating profit before depreciation, amortisation and impairment was also affected by non-recurring items totalling SEK 176 million net, attributable to emission allowances in respect of previous years as well as and negative effects resulting from the Land and Environment Court's decision regarding construction in Lövsta.

Operating profit amounted to SEK 1,326 million (910). Operating profit was negatively impacted by non-recurring items totalling SEK -33 million net, attributable to the above emission allowances, the Land and Environment Court's decision regarding construction in Lövsta, as well as

impairment losses in connection with preparatory work for BECCS in Värtahamnen.

Profit before tax amounted to SEK 884 million (450), or SEK 681 million (359) after tax. SEK 681 million (359) after tax.

Liquidity and financial position

The Group's cash flow from operating activities amounted to SEK 2,516 million (2,116). The improvement compared with the previous year is mainly attributable to the higher operating profit before depreciation, amortisation and impairment.

Investments for the year amounted to SEK 3,731 million (2,134) and mainly relate to BECCS as well as reinvestments in production and distribution facilities.

During the year, three bonds were issued within the framework of the company's green financing framework. At the same time, bond loans totalling SEK 2,211 million were repaid and amortisation of bank loans amounted to SEK 361 million.

As of 31 December 2025, the Group's interest-bearing liabilities amounted to SEK 16,927 million (15,757). Cash and cash equivalents amounted to SEK 829 million (873). Net interest-bearing liabilities thereby amounted to SEK 16,098 million (14,884), of which leases in accordance with IFRS 16 accounted for SEK 559 million (556).

Equity amounted to SEK 11,818 million (11,607) on the balance sheet date, corresponding to an equity/assets ratio of 34 per cent (35).

Business presentation**Corporate governance****> Annual Report and Other Information****Directors' Report**

Risk management

Sustainability Report

Financial reports**Signatures****Audit report****Parent Company**

Parent Company cash and cash equivalents at 31 December 2025 amounted to SEK 809 million (865). Equity amounted to SEK 5,910 million (5,484), corresponding to an equity/assets ratio of 26 per cent (27).

Staff

The average number of employees in 2025 was 881 (792).

Investments

Stockholm Exergi continually invests in production and distribution in order to ensure availability, energy efficiency and environmental performance. Investments in the Group amounted to SEK 3,731 million (2,167), of which SEK 0 million (0) was invested in the Parent Company.

Investment decisions regarding the BECCS plant in Värtan were made during the year, and construction began in June 2025.

Future developments

The transition to renewable and recovered energy is continuing in Europe and globally. Stockholm Exergi is playing a central role in this development by contributing to a robust and sustainable energy system.

In January 2025, the Swedish Energy Agency decided to support Stockholm Exergi within the framework of the reverse auction for bio-CCS. This support amounts to just over SEK 20 billion and will be paid out on an ongoing basis for a maximum of 15 years, from the start of geological storage.

The global situation is characterised by geopolitical uncertainty and increased demands for energy security. The electrification of industry and transport is increasing the need for local, stable energy production.

Information on risks and uncertainties

Stockholm Exergi conducts socially important activities and has established procedures and contingency plans in place to manage critical scenarios and ensure continuous deliveries.

Market risks linked to fuel prices, variations in volume and regulatory changes may affect operations. The investment in BECCS entails project implementation risks related to technical complexity and permit application processes.

For further details, please refer to Notes 3 and 4.

Effect of climate risks on financial reporting

Investigations into physical climate risks have been carried out for the Group's production facilities. Climate risks relating to the BECCS plant in Värtan have been analysed as part of the design and environmental impact assessment.

Environmental information

The Group carries out certain operations that are subject to authorisation and notification under the Environmental Code. The environmental impact consists mainly of emissions to air and water from energy production, as well as from the extraction and transport of fuels.

Stockholm Exergi has prepared a sustainability report in accordance with the Annual Accounts Act.

Corporate Governance Statement

The Company prepares a Corporate Governance Statement separately from the Directors' Report.

Significant events after the end of the financial year

No events of significant importance to the Group's financial position or results have occurred after the balance sheet date.

Appropriation of earnings

Earnings per share for the 2025 financial year amounted to SEK 43,651. The Board of Directors is proposing a dividend of SEK 21,920 per share, totalling SEK 395 million.

The Board of Directors proposes that the available earnings of the Parent Company together with the profit for the year, SEK 4,909,732,044, be appropriated as follows:

Proposed appropriation of earnings, SEK	
Retained earnings	4 123 138 462
Profit for the year	786 593 582
Dividends	394 999 842
Carried forward	4 514 732 202
Closing balance unrestricted equity	4 909 732 044

The proposed dividend is in line with Stockholm Exergi's dividend policy. Following the proposed dividend, the Parent Company's equity/assets ratio stands at 25 per cent and the Group's equity/assets ratio is 33 per cent, calculated as at 31 December 2025. The Board considers this equity/assets ratio to be satisfactory. The Board of Directors considers that the proposed dividend will not affect the company's and the Group's ability to meet their payment obligations, and that the company and the Group will continue to be well prepared to handle changes in liquidity and other unexpected events. Furthermore, the Board of Directors judges that the company and the Group will continue to enjoy a credit rating of at least Investment Grade, and that the ability to conduct strategic investments with the aim of maximising the company's value will remain.

Stockholm Exergi's dividend policy, decided on in April 2025, stipulates that between 0 and 100 percent of available distributable excess liquidity must be distributed to the shareholders. The annual decisions on dividends, which must take into account the current global situation and the development of the financial markets, must allow the company to obtain at least Investment Grade credit rating while maintaining the ability to carry out investments with the aim of maximising the company's value.

Group – five year summary

SEK million	2025	2024	2023	2022	2021
Net sales	8 489	8 381	8 289	7 996	7 294
Operating profit before depreciation	3 136	2 511	2 143	2 818	2 919
Operating profit/loss	1 326	910	587	1 280	1 424
Financial items – net	-449	-460	-422	-226	-170
Results from shares in associated companies	7	0	-5	0	0
Profit/loss before tax	884	450	161	1 054	1 254
Income tax	-203	-91	-38	-210	-284
Profit for the year	681	359	123	843	970
Total assets	34 494	32 837	31 626	32 057	29 784
Total shareholders' equity	11 818	11 607	11 400	12 568	12 037
Interest-bearing liabilities	16 927	15 757	14 939	13 471	12 476
Net debt	16 098	14 884	14 809	13 469	12 475
Capital employed	28 745	27 363	26 339	26 039	24 513
Working capital	1 856	1 924	2 342	2 119	1 300
Investments	3 731	2 167	1 880	1 621	1 411
Cash flow before financing activities	-953	-17	-491	-131	732
Return on equity, %	5,8	3,1	1,0	6,9	8,2
Return on capital employed, %	4,8	3,5	2,3	5,1	5,9
Equity/assets ratio, %	34	35	36	39	40
Debt/equity ratio	1,6	1,5	1,8	1,6	1,5
Net debt/EBITDA	5,1	5,9	6,9	4,8	4,3

1) Comparative figures for 2022 in the report have been adjusted retrospectively in accordance with IAS 8, due to a change in accounting policy regarding the valuation of inventories.

Figures in the Annual Report are generally presented in SEK million, rounded up or down. As a result, rounding differences of +/- SEK 1 million may occur in the totals. When an underlying figure rounds to SEK 0, this is written as 0. The key performance indicators presented are not defined in IFRS, but are

considered to facilitate stakeholders' analysis of profit and financial position. Definitions and reconciliations of key performance indicators can be found on pages 178–179.

Risk management

All business activities involve risks. Stockholm Exergi has a systematic, structured and proactive approach to effectively addressing and managing these risks. The identification and management of risks is an integrated responsibility in all parts of the organisation and is addressed through business planning, governance and monitoring. The overarching aim of risk management is to ensure that the risks which could affect the Company's strategy and goal accomplishment are identified and managed efficiently, systematically and in a way that creates value. Properly managed, risks can be converted into opportunities and can add business value. Unmanaged risks can lead to losses.

Systematic risk management

Within Stockholm Exergi, systematic and proactive work is conducted with Enterprise Risk Management (ERM), which aims to identify, analyse and manage risks in a way that supports decision-makers and strengthens the company's resilience. Risk management, which is integrated into business planning, governance and follow-up, is based on established frameworks such as COSO and ISO 31000. Working with risks in a structured manner creates the conditions to avoid undesirable outcomes, capitalise on business opportunities and ensure that the company can deliver on its strategic and operational goals, even under changing conditions.

The Group has a Risk Committee, led by the CFO, which is responsible for ensuring an overview of the Group's risks through guidance and control. There is also a risk function that coordinates the company's risk management work,

monitors compliance with the risk framework, supports operations and strengthens the company's risk management efforts through training, tool development and the implementation of various risk analyses for specific areas.

Here we present a selection of the material risks that have been identified within the framework of the process. Stockholm Exergi has chosen to group risks into seven categories: operational, market-related, financial, strategic, political, regulatory and sustainability-related risks.

Operational risks

Operational risks refer to the adverse consequences of inadequate processes, system failures, undesirable behaviour or external events that affect the operation's goals. Operational risks are managed through procedures including process documentation and automation, clearly defined decision-making processes, and separation of decision-making and control functions.

Stockholm Exergi's internal controls are also focused on reducing operational risks. Risks are regularly assessed and corrective action is taken on an ongoing basis. The most significant operational risks for Stockholm Exergi pertain to plant availability. Technical equipment can break down, causing production loss and additional production costs. To reduce the risk of this occurring, we work continuously and systematically on preventive maintenance and, where possible, to ensure that we have redundant solutions in place. There are established insurance programmes for operational risks that are insurable, and we use these to mitigate risk exposure. One risk area that has grown in importance in recent years is security, IT and information security, which is why we are continuing to focus on these areas in our risk management. We are closely monitoring the geopolitical situation and its development. These risks can be broken down as follows.

IT and security, and information security

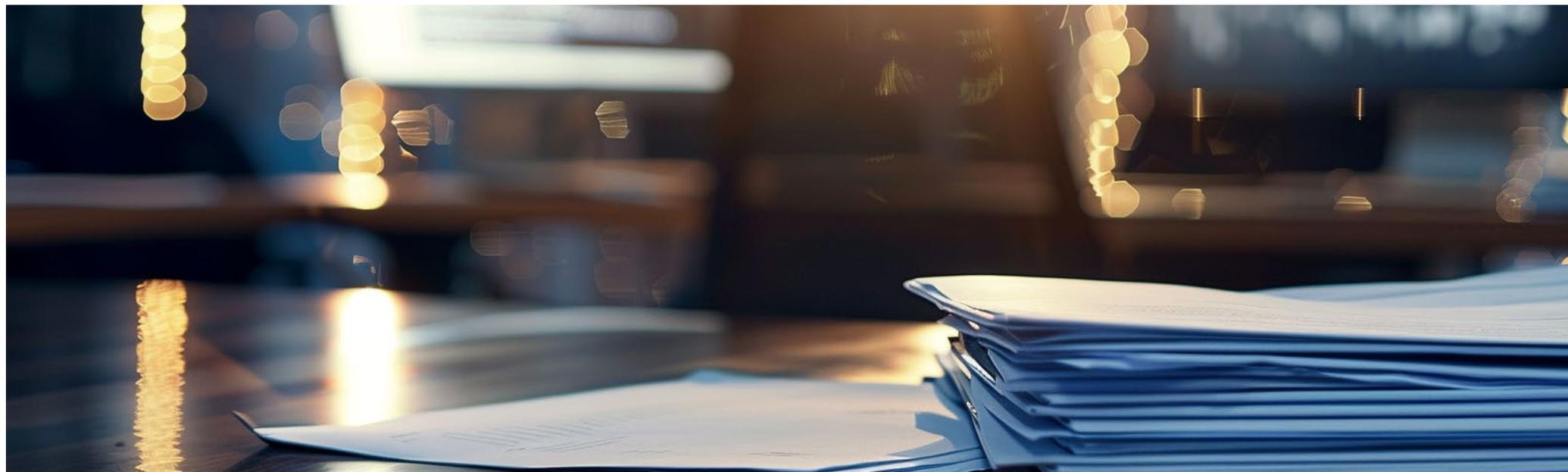
Stockholm Exergi's business operations and customer-related services are heavily dependent on a robust and efficient IT/OT infrastructure. The company is continuously developing its technical environment and enhancing security in selected solutions. Threats to our IT/OT structure are monitored continuously and protective measures are actively implemented, for example in order to increase awareness among employees. During 2025, extensive work has been carried out to prepare Stockholm Exergi for the upcoming requirements under the NIS2 Directive.

Security protection legislation

The Security Protection Act specifies the duties incumbent on operators of security-sensitive activities and clarifies the importance of such operators conducting security protection analyses. Stockholm Exergi continuously conducts group-wide security analyses to ensure compliance with the Act. Work on implementing the measures identified in the security analyses is underway, led by Stockholm Exergi's Head of Security Protection in collaboration with the operations. Stockholm Exergi is also closely monitoring the situation in the world at large, as well as developments regarding threats to Sweden and security-sensitive operations (e.g. risk of sabotage).

Crisis readiness and continuity planning

Stockholm Exergi supplies heating, cooling and electricity to the Stockholm region and is thus vital to society. Ensuring delivery to our customers is part of our business responsibility, and so we have plans and procedures in place to secure operations in various types of critical scenario.



Market risks

Market risks for Stockholm Exergi and its district heating operations include the development of competing heating alternatives and risks associated with fuel supply. Competition from alternative heating solutions, such as heat pumps and solar energy, can impact the need for district heating. Technological changes and innovations that provide more efficient or less expensive heating solutions can also reduce demand for traditional district heating. In addition to these normal market risks, short-term sales volumes depend primarily on customer needs that vary with the outdoor temperature. In the longer term, sales volumes can also be impacted by changes in customers' consumption patterns and by climate change. These risks are managed mainly by offering customers different pricing models and complementary services to improve efficiency and optimise the use of district heating. Stockholm Exergi produces electricity in CHP plants and consumes electricity mainly in heat pump plants, which limits the company's net exposure. Risk management in this context is addressed with financial derivative instruments. Stockholm Exergi uses a range of different fuels procured on the national and international markets. Stockholm Exergi's flexible production options

limit the price risks related to fuel to an extent. Fixed price agreements for physical deliveries, along with financial electricity derivatives, are also used to a large degree to limit price risks. A key part of Stockholm Exergi's operations involves securing and optimising the availability of different types of fuel in good time, so as to ensure continuous delivery to customers.

Financial risks

Stockholm Exergi's financial risks mainly relate to liquidity shortage, refinancing, currency exposure, interest rate fluctuation and credit risk. Liquidity risk refers to the risk of not having available liquidity or available credit lines to handle amortisations, investment needs and other financial commitments. Refinancing risk is the risk of, at any given point in time, not being able to refinance the business, or having to refinance the business at a substantially higher cost. Liquidity and refinancing risk is mitigated by keeping an even maturity profile on debt and by maintaining confirmed credit facility commitments and a cash credit line. Stockholm Exergi's main currency exposure relates to investments and procurement of fuel. The BECCS project represents the largest currency risk, primarily in relation to the EUR. The financial policy states

that all agreed cash flows in foreign currencies exceeding SEK 3 million should be fully hedged. Interest rate risk refers to the risk of changes in market interest rates that negatively impact Stockholm Exergi's financial net. Increased market interest rates may increase financial costs, which will then have a negative impact on the company's cash flow, financial stability and profitability. Stockholm Exergi is addressing this in order to secure stability in the financial cash flow. Interest costs are, apart from being impacted by market interest rates, also impacted by the bank's mark-ups and the strategy for hedging interest rates. The interest rate risk exposure is monitored by limits established in the company's finance policy. Stockholm Exergi is exposed to credit risk every time it enters into a contract. Credit risks are managed by means of risk identification, assessment and monitoring procedures. This also includes dealing with any warranties and restrictions. Special requirements apply when investing excess liquidity. Stockholm Exergi is exposed to criminal activity, both externally and internally, that aims to mislead it into making incorrect payments. This may, for example, include billing and phone fraud or AI-generated fraud. Stockholm Exergi has routines and internal control procedures to maintain resilience to financial fraud.

Business presentation

Corporate governance

> Annual Report and Other Information

Directors' Report

Risk management

Sustainability Report

Financial reports

Signatures

Audit report

Strategic risks

Strategic risks are mainly risks affecting Stockholm Exergi's long-term plans and its ability to operate in the heating, cooling and electricity markets. The development of competing alternatives is one example of a strategic risk. Stockholm Exergi is currently building a Bio Energy Carbon Capture and Storage (BECCS) plant. The project represents a major opportunity for Stockholm Exergi to reduce our environmental footprint, while simultaneously laying the foundations to generate revenue from the sale of negative emissions to companies interested in promoting climate change mitigation. At the same time, the development project is exposed to strategic risks, which are in turn associated with multiple risk categories, including financial risks, operational risks, regulatory risks, market risks, reputational risks, as well as social and political risks.

Political and regulatory risks

Stockholm Exergi's operations are subject to many laws, directives and regulations, so any changes in these areas present a risk. Political decisions – e.g. market regulations and decisions related to emissions, energy and environmental policy – can impact Stockholm Exergi's ability to achieve its set targets. Changes to emission standards or renewable energy incentives can have both positive and negative impacts on the business and its future profitability. The need to invest in new technology and infrastructure to meet future environmental requirements can result in major financial costs. These risks are managed by means of well-developed internal frameworks and decision support, including information on when to seek legal support. Stockholm Exergi applies its own code of conduct to ensure good control and strong business ethics in its day-to-day work. Stockholm Exergi closely monitors developments and actively participates in the energy debate by highlighting the benefits of its cogeneration operations, including relieving the load on the electricity system.

Policy instrument risks

The EU has set up an emissions trading scheme. A Green Electricity certificate scheme has been set up at a national level to support the production of renewable electricity. Stockholm Exergi's production units are covered by these systems. These risks are managed by means of financial derivative instruments, and by taking into account the prices of policy instruments when planning production.

Sustainability Risks

Stockholm Exergi conducted a double materiality assessment in 2025 to identify the company's material impacts, risks and opportunities from a sustainability perspective. The assessment covers Stockholm Exergi's value chain both upstream and downstream, as well as the Company's own operations. The results are presented in the company's Sustainability Report pages 37-130.

Climate change is the company's largest sustainability area, from both an impact and a financial perspective. For Stockholm Exergi, the topic is both negative (the company's operations emit greenhouse gases) and positive (the company's products and services are designed to counteract climate impact, presenting a potential financial opportunity). Stockholm Exergi's operations and business development are sensitive to the way policy instruments are designed; accordingly, transition risks (regulatory and policy instrument risks) have a natural, very strong connection to the climate issue. Resource use and circular economy are also critical areas for Stockholm Exergi. In our waste treatment service, we use incineration and energy recovery, for example from treated wastewater from wastewater treatment plants, to make use of energy that would otherwise be lost. As a result, our operations contribute to a reduction in the required resources for heating Stockholm, which in itself is positive. But incineration emits climate-impacting carbon dioxide, which constitutes a real financial and market risk. The company supports activities and takes its own measures to reduce emissions, including collaborating on automated

post-sorting of waste and applying a waste treatment pricing structure that provides incentives for sorting more plastic. Corporate responsibility is another key risk area from a sustainability perspective. The Company is dependent on being able to attract the right skills, and we want to build a corporate culture that benefits our employees. A safe and inclusive work environment is therefore a target area highlighted by the company, and developments are closely monitored. The company's sustainability policy also includes a policy on diversity. The company has explicit targets for gender distribution and proportion of employees with a foreign background and is working actively to achieve these targets. Efforts in this area are described in the Sustainability Report under the ESRS S1 standard (Own workforce). The company runs industrial operations, so the risk of work-related accidents needs to be minimised through a combination of good safety culture, procedures for safe working methods, and technical protection and barriers. Results from our health and safety work are presented in the Sustainability Report.

Risk of irregularities and corruption

Stockholm Exergi is well aware of the risk of corruption and other irregularities. All activities have been analysed based on these considerations, and the company's Code of Conduct aims to minimise these risks. As part of the onboarding process, all employees must complete e-training regarding anti-corruption and Stockholm Exergi's code of conduct. It is also mandatory to repeat this training every three years. Stockholm Exergi has procedures and processes in place for reporting and dealing with suspected cases of corruption and irregularity. A general whistleblower function has also been implemented, which allows any stakeholders to report wrongdoing anonymously. All applicable policies are published in Stockholm Exergi's operating systems and are available to all employees.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy
Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Stockholm Exergi

Sustainability Report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

List of disclosure requirements in the ESRS

Disclosure requirement	Page	Disclosure requirement	Page	Disclosure requirement	Page
ESRS 2 General disclosures 43		<i>Continued ESRS E1 Climate change</i>		<i>Continued ESRS S1 Own workforce</i>	
BP-1	General basis for preparation of sustainability statements	43	E1-4	Targets related to climate change mitigation and adaptation	80
BP-2	Disclosures in relation to specific circumstances	43	E1-5	Energy consumption and energy mix	82
GOV-1	The role of the administrative, management and supervisory bodies	44	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	83
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	45	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	84
GOV-3	Integration of sustainability-related performance in incentive schemes	45	E1-8	Internal carbon pricing	85
GOV-4	Statement on due diligence	45	ESRS E2 Environmental pollution 88		
GOV-5	Risk management and internal controls over sustainability reporting	46	E2-1	Policies related to environmental pollution	89
SBM-1	Strategy, business model and value chain Introduction and summary pages 40-42	47	E2-2	Actions and resources related to environmental pollution	90
SBM-2	Interests and views of stakeholders	50	E2-3	Targets related to environmental pollution	91
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model Thematic information pages 71, 88, 94, 103, 115, 119, 124	52	E2-4	Environmental pollution of air, water and soil	91
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	55	ESRS E5 Resource use and circular economy 94		
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	38	E5-1	Policies related to resource use and circular economy	96
Appendix B	List of datapoints derived from other EU legislation	127	E5-2	Actions and resources related to resource use and circular economy	98
Accounting according to the Taxonomy Regulation 59		ESRS S1 Own workforce 103		ESRS S2 Workers in the value chain 115	
E1-1	Transition plan for climate change mitigation	74	S1-1	Policies for own workforce	104
E1-2	Policies related to climate change mitigation and adaptation	76	S1-2	Processes for engaging with own workers and workers' representatives about impacts	106
E1-3	Actions and resources in relation to climate change policies	76	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	107
				S2-1	Policies related to value chain workers
				S2-2	Processes for engaging with value chain workers about impacts
				S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns
				S2-4	Actions relating to material impacts and strategies for managing material risks and opportunities, and the effectiveness of these actions
				S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Continued the next page

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Disclosure requirement		Page
ESRS S4 Consumers and end-users		119
S4-1	Policies related to consumers and end-users	120
S4-2	Processes for engaging with consumers and end-users about impacts	121
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	121
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	122
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	122
ESRS G1 Business conduct		124
G1-1	Corporate culture and business conduct policies	125
G1-3	Prevention and detection of corruption and bribery	125
G1-4	Confirmed incidents of corruption and bribery	126

The Sustainability Report describes in summary how work is conducted, as well as how the company is moving forward as regards sustainability.

The Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act and the European Sustainability Reporting Standards (ESRS), which specify the application of the EU Corporate Sustainability Reporting Directive (CSRD). The principles applied are described in the General Disclosures section.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Stockholm Exergi's sustainability work

The company's operations and business development require energy solutions to be offered that meet the needs of both society and the energy markets. This also applies to the final treatment of residual waste. Expectations are high: energy supplies must be maintained in all weathers, all year round, at a competitive price that also helps to mitigate the climate impact. The energy resources that are used must be sustainable, but also reliable, a matter that is becoming increasingly important to consider in times of geopolitical uncertainty.

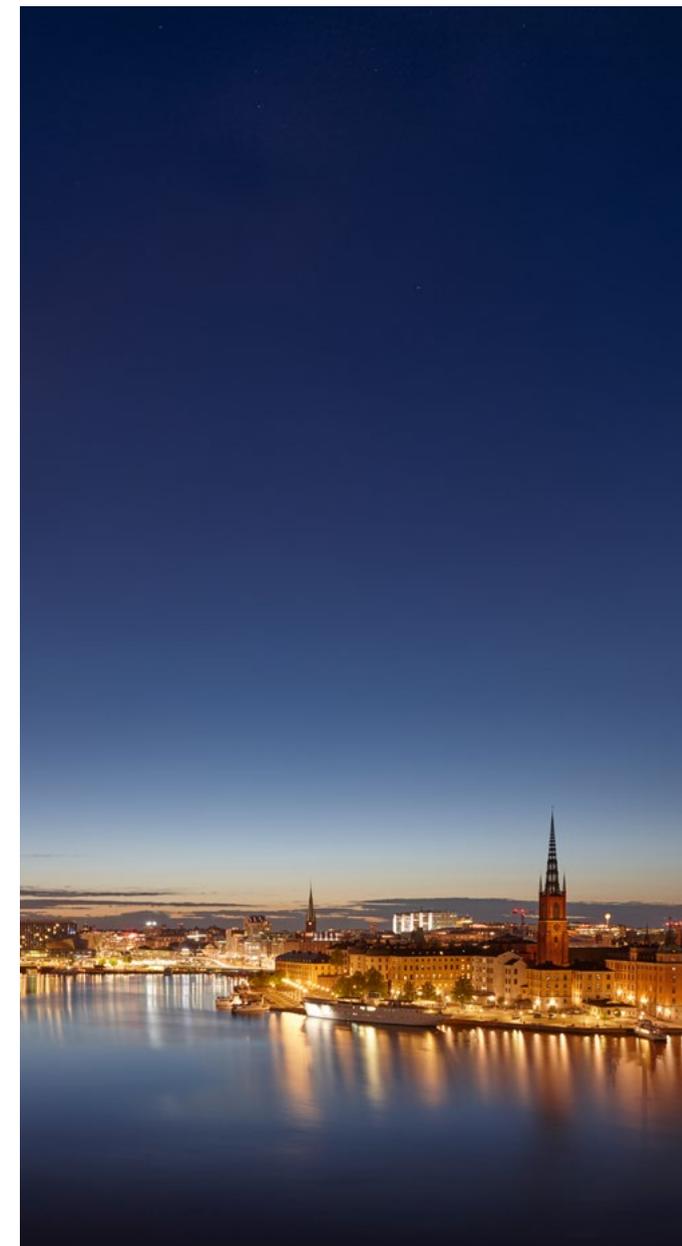
The climate issue is very much alive, and the company's products and services must be clearly focused on the realisation of the conditions in global climate goal – the Paris Agreement. Emissions must be reduced, ideally using solutions and technology that can be distributed globally so that the things Stockholm Exergi does can have a significant impact.

To succeed with this, Stockholm Exergi has to attract and retain experts who can operate and maintain increasingly advanced energy plants, but also individuals who can and want to be involved in developing the completely new technologies needed in order to achieve the climate goal. The company needs to be an attractive workplace and an actor and partner that creates value for society, customers, suppliers and employees.

Stockholm Exergi's value chains often span several nations, including outside the EU, and the company needs to work actively with suppliers to ensure that its offerings bear the mark of sustainability, as well as to reduce its business risks. It is therefore natural for the sustainability strategy to be weighted towards climate and environmental issues as well as in relation to social responsibility along the entire value chain.

The business is based on society's need for energy and environmentally sound waste management. The ability to integrate these needs in a resource and climate-efficient manner, as well as to develop new solutions and offerings, is crucial to the business strategy and future success. The sustainability strategy is an integral part of the business strategy. Stockholm Exergi has to nurture and develop its efficient production apparatus in order to achieve high levels of availability and minimal disruption, as well as to introduce increasingly circular solutions. Emissions of carbon dioxide caused by plastics in residual waste need to be met with cost-effective solutions for increased recycling and lower climate impact.

The company's investment in carbon capture through BECCS (Bio Energy Carbon Capture and Storage technology) in biofuel-based energy production is opening an entirely new business area and economic growth. The same technology, or another technology that delivers the same reduction in emissions during the final treatment of residual waste, is yet another cornerstone in the long-term business strategy that the company is now pursuing.



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Targets and strategic focus

Business and sustainability should go hand in hand

The business concept and strategy are based on Stockholm Exergi offering energy solutions that meet the needs of society and the energy markets, while simultaneously focusing on climate issues and the use of resources. This means that the sustainability strategy forms the basis for the development of the business and is closely integrated with the company's business strategy.

By utilising residual and waste streams and offering energy solutions based on energy that would otherwise be lost, the company is contributing to the Paris Agreement's climate goals, reducing emissions and enabling permanent negative emissions. At the same time, solutions are being developed that are strengthening competitiveness and making it possible to achieve a climate-neutral energy system.

Stockholm Exergi is prioritising the building of a safe, inclusive and attractive workplace with the right skills for current and future energy systems, as well as ensuring that business conduct principles permeate all processes and decisions.

Climate and the Environment

Stockholm Exergi aims at achieving net-zero greenhouse gas emissions across its entire value chain by 2035, as well as offering energy services and waste treatment that make it possible for both energy customers and waste treatment customers to achieve their climate goals.

The focus is on strengthening climate performance, reducing emissions and promoting innovation for the energy systems of the future. This entails, among other things:

- launching BECCS in 2028 for permanent negative emissions,
- ensuring sustainable biofuels through developed control systems,
- phasing out fossil oil by 2032,
- introducing circular solutions and cost models for waste management services that provide incentives for increased sorting,
- developing CCS solutions or similar concepts for waste incineration with no net impact on the climate,
- optimising the use of energy and resources through energy management systems,
- reducing environmental incidents through proactive and preventive environmental work, and
- making investments to ensure a high level of availability.

Social responsibility

Stockholm Exergi will offer a safe, inclusive and attractive workplace where employees can develop and thrive.

The company's priorities are to:

- strengthen the safety culture and minimise workplace accidents,
- ensure good health and safety for its own staff and suppliers,
- respect human rights throughout the value chain,
- offer inclusive leadership and skills development,
- contribute to an inclusive labour market in line with the company's skills requirement, and to
- strengthen customer satisfaction through long-term relationships and a high level of service.

These combine to build commitment, diversity and sustainability throughout the organisation.

Governance

The company's business conduct guidelines and its sustainability policy form the basis for this work. Operations should be conducted with a view to safety, efficiency and transparency.

Priorities include:

- developing working methods that ensure compliance with business conduct principles,
- ensuring that the code of conduct and sustainability requirements are met internally and by suppliers,
- working with efficient, certified management systems that support everyday processes, and
- maintaining zero tolerance for irregularities.

In this way, it is possible to create trust, stability and long-term sustainable business development.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Topic	Strategic focus and priorities	Targets	Results 2025	Comments
<p>Environment Read more: ESRS E1, E2 and E5</p>	<p>Climate goals supporting the Paris Agreement</p> <ul style="list-style-type: none"> Development of products and services that meet our customers' climate goals and drive the transition Reduce emissions from own operations and in the value chain, such as in transport Apply CCS technology: Starting-up BECCS to produce permanent negative emissions in 2028, developing CCS for waste incineration Resource-efficient and environmentally sound production without disruption 	<p>Targets 2025: District heating climate performance (VMK) <45 grams CO₂e per kWh CO₂e emissions per kWh of total energy (heating, electricity, district cooling) < 65 grams CO₂e per kWh A maximum of five (5) significant environmental incidents</p> <p>Targets 2028: Negative emissions through BECCS from 2028</p> <p>Long-term target: Phase out fossil oil by 2032, and Stockholm Exergi's operations will have net-zero greenhouse gas emissions across the entire value chain</p>	<p>District heating climate performance (VMK) < 52 grams CO₂e per kWh</p> <p>CO₂e emissions per kWh of total energy (heating, electricity, district cooling) 67 grams CO₂e per kWh</p> <p>6 significant environmental incidents</p>	<p>The BECCS work has progressed according to plan, including making investment decisions and commencing construction work. Analysis work is underway to prepare actions for reducing carbon dioxide emissions from waste incineration. Emissions from fossil oil decreased by 25.9 kilotons compared with the previous year.</p> <p>Climate performance per unit of energy did not meet this year's target. The reasons for this were a higher emission factor for waste due to an increased share of fossil waste, mainly plastic, as well as a greater proportion of waste-based fuels and fossil oil in the fuel mix.</p> <p>The number of significant environmental incidents fell short of the target for the full year. The focus during the year has been on strengthening accessibility, carrying out checks and addressing recurring problems, as well as preparing for preventive work in 2026.</p>
<p>Social responsibility Read more: ESRS S1, S2 and S4</p>	<p>A safe and inclusive workplace</p> <ul style="list-style-type: none"> Sustainable employees: Ensuring a healthy and safe working environment for our own staff, as well as for suppliers carrying out work within our operation Attractive employer: We will increase our employees' engagement by being an equal workplace with inclusive leadership, smart working methods and opportunities for skills development New frameworks to ensure respect for human rights internally and at our suppliers Satisfied customers 	<p>Employees Lost Work Injury Frequency, LWIF 2025: 1.0 (long-term 0)</p> <p>Gender balance 2025: 25% women (long-term within the range of 40–60%)</p> <p>Employees with foreign background 2025: 27%</p> <p>Engagement index 2025: 78</p> <p>Customers CSI (customer satisfaction index) 2025: 63.5 (long-term 78)</p>	<p>Employees: LWIF: 5.65</p> <p>Gender balance: 27% women Employees with foreign background: 26% Engagement index: 78</p> <p>Customers CSI: 60.8</p>	<p>The health and safety targets were not achieved, as both LWIF and TRIF (Total Recordable Injuries Frequency) exceeded their plans, at the same time as the total number of accidents increased. However, the target for the proactive Safety in Focus indicator, which includes the number of safety walks, was exceeded. The year was characterised by enhanced procedures, training, safety walks and more observations.</p> <p>The work on inclusion and diversity continued, with an increasing share of women and female managers, although the target for employees with a foreign background was not achieved. Engagement levels were high, with eNPS and Pulse values meeting or exceeding the annual targets, and the efforts to strengthen the culture and working environment yielded positive results.</p> <p>Through intensive work with customer dialogues, the customer satisfaction index was able to recover from initially lower levels and reach the target level by the end of the year.</p>
<p>Governance Read more: ESRS S1, S2 and S4</p>	<ul style="list-style-type: none"> Developing processes and practices that ensure compliance with business conduct principles throughout the business Ensuring that suppliers also meet the code of conduct and relevant sustainability requirements 	<ul style="list-style-type: none"> No deviations from business conduct guidelines in the short or long term Effective certified management systems that support employees in their day-to-day work in the short and long term 	<p>No confirmed cases of bribery or corruption.</p>	<p>The governance work has proceeded according to plan, with a focus on compliance, transparency and internal control. No confirmed cases of bribery or corruption were reported during the year, in line with the target of zero deviations from business conduct guidelines.</p> <p>Management systems have continued to be developed and applied systematically, and work is ongoing as a matter of routine to manage suggestions for improvements and deviations from both internal and independent external audits.</p> <p>The work on ethical supplier assessments, RED III adaptations and updated risk management processes has contributed to more robust and predictable governance across the entire value chain.</p>

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

ESRS 2 General disclosures

BP-1 – General basis for preparation of sustainability statements

Standards and data selection

The Sustainability Report is presented on pages 37–128. It constitutes Stockholm Exergi's statutory sustainability report in accordance with the Annual Accounts Act and has been prepared in accordance with the EU's European Sustainability Reporting Standards (ESRS), which specify the application of the EU Corporate Sustainability Reporting Directive (CSRD).

The measures and targets presented in the report mainly concern Stockholm Exergi's own operations.

Consolidation

Stockholm Exergi Holding AB (publ) is the parent company of the Stockholm Exergi Group. In the Annual and Sustainability Report, the Group is referred to as 'Stockholm Exergi'. Data and information in the Sustainability Report cover Stockholm Exergi Holding AB (publ) and its subsidiaries, unless otherwise indicated. The information covers plants where Stockholm Exergi is the legal holder of the environmental permit or is counted as an operator. The data for the plants is reported in full. Only plants that are financially consolidated are included in the report. The scope is the same as for the financial statements.

Scope of the value chain

The Sustainability Report includes a review of the company's value chain, with information that also covers upstream and downstream phases when these are relevant to the sustainability impact of the business.

BP-2 – Disclosures in relation to specific circumstances

Time horizons

In this report, short term means one year, medium term one to five years, and long term five years and beyond, unless otherwise stated.

Rounding, estimates and standard values

Many figures in the Sustainability Report have been rounded. This means that rounding differences may occur, for example when subtotals in a table do not add up to exactly 100%.

Standard values and estimates are used for certain datapoints. Descriptions of templates and estimates are presented along with relevant data. Evaluations are performed regularly regarding estimates and assessments based on experience, the development of sustainability reporting, etc. In the event of a change in estimates that form the basis for datapoints, the change is recognised during the period in which the estimate in question is revised. Assessments are also performed when applying the accounting policies.

Estimates of metrics that include information about the value chain are included in the report. For example, the performance calculations for the district heating product are based on the Heating Market Committee's (Värme-marknadskommittén, VMK) emission factors for fuel, while scope 3 emissions for purchased goods and services are based on emission factors from the National Agency for Public Procurement. All datapoints for greenhouse gases (GHG scope 1-3) are reported in accordance with the Greenhouse Gas Protocol, which involves making estimates about the value chain in accordance with the GHG Protocol's guidelines. In connection with the actual metrics, Stockholm Exergi describes when these estimates, e.g. average data for the sector or other substitute metrics, have been used in the report.

Changes to the way sustainability information is prepared or presented

Stockholm Exergi's 2024 Sustainability Report was inspired by the ESRS. Various material topics were omitted from the report: E3 water, E4 biodiversity and S2 workers in the value chain.

This report has been prepared in accordance with the ESRS. In the updated double materiality assessment for 2025, E3 and E4 were no longer considered material, as Stockholm Exergi had gained a deeper understanding of how the production of material topics should be carried out. S2 is still material, but according to phasing-in rules (the EU's "Quick-fix Delegated Act"), it is reported more concisely in accordance with section 17. S4 consumers and

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

end-users are also reported in accordance with the phasing-in rules. The EU's "Quick-fix Delegated Act" entails simplified reporting requirements in the ESRS, with relaxations and phasing-in to facilitate the first reporting cycle under the CSRD.

Measuring method

This Sustainability Report refers to 2025. The accounting policies that have been applied have been consistent during the financial year and for the comparative figures.

Restatements of information

A minor calculation error from previous years has been discovered in the calculations according to the EU Taxonomy. The figures for 2024 have been corrected and a more detailed description is provided alongside the data. Read more in the Taxonomy section.

Forward-looking disclosures

The forward-looking statements are based on assumptions about future events and circumstances, as well as the company's anticipated actions. The outcome may differ significantly from these assumptions, as future events are subject to uncertainty.

External audit

The company's auditor, Öhrlings PricewaterhouseCoopers AB, has reviewed the Sustainability Report with limited assurance. See the auditor's report on page 129.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Stockholm Exergi is owned in equal parts by Ankhiale and Stockholms Stadshus AB. The Board of Directors comprises eight members elected by the Annual General Meeting, half of whom are independent, as well as two appointed employee representatives with deputies. The Board consists of five women and five men. All Board members are non-executive.

The Board of Directors has overall responsibility for overseeing the company's work on sustainability issues, including impacts, risks and opportunities.

Stockholm Exergi's sustainability policy, which covers the environment, health and safety, quality, social responsibility and HR, is decided by the Board and adopted annually. This also applies to the supplier code of conduct and the Company's internal code of conduct. The sustainability policy also integrates requirements linked to human rights, and these are operationalised in the codes of conduct. The governance documents are reviewed at least once a year and revised as necessary. Policies and the codes of conduct were updated and re-approved by the Board in April 2025.

The Board of Directors is responsible for governance processes, controls and procedures that are used to monitor, manage and oversee impacts, risks and opportunities.

Director HR and Sustainability informs the Board of Directors of the results of the sustainability work as required. Each unit within Stockholm Exergi has what is known as a team assignment in which the unit's purpose

and aims, along with the short-term goals in the business plan, including the sustainability goals, are concretised with movements, responsibilities, goals and key performance indicators for the year.

Every month, the Board receives a report including ESG information, which allows them to monitor key figures for the company's most significant impacts, risks and opportunities, as well as how the company meets related targets.

The Board is therefore well placed to instruct the Chief Executive Officer to implement actions or further analyse and highlight various issues.

Skills and expertise within the Board of Directors regarding sustainability issues

The members of the Board possess extensive experience and expertise relevant to energy sector's sustainability issues, the company's products and the company's geographical operations in Stockholm. The Board of Directors includes members with specific expertise and experience in the sustainability areas that are relevant to the company. This collective expertise ensures that the Board can make well-informed decisions regarding the company's strategy, risk management and sustainability-related impacts, risks and opportunities. In addition, specialist knowledge is available from the owners and the company's management functions, with employees who, if necessary, can be co-opted to Board meetings.

In 2025, training was provided for the Board of Directors regarding the Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). This training was intended to strengthen understanding of the new regulations as well as the impact of sustainability issues on the company's operations and reporting.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

No formal process for assessing and documenting sustainability expertise within the Board is currently being applied. However, the Board intends to monitor the needs and, where necessary, ensure that relevant skills are supplied through training, recruitment or external expertise.

The company possesses excellent sustainability expertise within its organisation, and responsibility for the various ESRS topics is clearly divided among specialists in each area. For example:

- Climate and circular economy: Head of Sustainability
- Environmental pollution: Head of Environment
- Own workforce: HR Business Partner
- Consumers and end-users: Product Manager
- Business ethics: Chief Legal Officer and Head of Sustainability
- Sustainability reporting: Head of Sustainability

Each topic owner is supported by a team of internal experts who provide specialist knowledge and support in matters related to their area. This structure ensures access to the expertise required to manage material sustainability risks and opportunities, as well as to meet sustainability reporting requirements in accordance with the ESRS.

GOV 2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Responsibility for identifying, assessing and managing Stockholm Exergi's material impacts, risks and opportunities (IRO) is divided between the company's administrative, management and supervisory bodies.

To manage each area, specific areas of responsibility have been assigned to members of the Group management. This

distribution ensures clear accountability, effective governance and that relevant topic expertise is utilised in decision-making and following up.

- *Director HR and Sustainability*: climate change, waste and circularity, own workforce and workers in the value chain.
- *Production Director*: environmental pollution
- *Sales Director*: consumers and end-users
- *Chief Financial Officer (CFO)*: business ethics

The Board of Directors considers the company's impact, risks and opportunities when supervising the company's strategy, decisions on major transactions and risk management process. In major investment matters, the Board is presented with decision-making documents including consequences from a sustainability perspective.

The Board of Directors has the overall responsibility for overseeing the sustainability work, including the material IROs that the company has identified. The management reports regularly to the Board regarding progress, risks and actions within each area of responsibility, ensuring that sustainability matters are considered in strategic governance and decision-making. The Board is informed about the company's material impacts, risks and opportunities, based on updates from the Sustainability Department. In addition, the Board receives a monthly report that monitors ESG actions, key performance indicators and targets. Once a year, the company's policies are reviewed together with the Board of Directors. The company's due diligence process has been further developed during the year.

GOV 3 – Integration of sustainability-related performance in incentive schemes

Stockholm Exergi applies a fixed fee for members of the Board of Directors and does not operate any incentive scheme for them.

GOV-4 – Statement on due diligence

Stockholm Exergi conducts systematic work to ensure due diligence. Business conduct is incorporated in the sustainability management and sustainability policy. The responsibility for identifying and managing risks and opportunities in various impact areas influence is distributed within the organisation. The purchasing process governs how risks are managed in the event of purchasing in many impact areas. The table indicates where the due diligence work is described in greater detail.

Main area	Chapter in Sustainability Report	Part of the chapter
1. Incorporate business conduct into policies and management systems	E5 Resources and circular economy S1 Own staff S2 Workers in the value chain G1 Business conduct	Policy and governance
2. Identify and evaluate actual and potential negative impacts associated with the company's operations	ESRS 2 Double materiality assessment E5 Resources and circular economy S1 Own staff S2 Workers in the value chain G1 Business conduct	Materiality assessment
3. Take action to manage the impact	E5 Resources and circular economy S1 Own staff S2 Workers in the value chain G1 Business conduct	Actions and resources
4. Implement and follow-up actions	E5 Resources and circular economy S1 Own staff S2 Workers in the value chain G1 Business conduct	Actions and resources
5. Provide information about how the impact is managed	E5 Resources and circular economy S1 Own staff S2 Workers in the value chain G1 Business conduct	Targets and metrics

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Annual Report and Other Information

GOV-5 – Risk management and internal controls over sustainability reporting

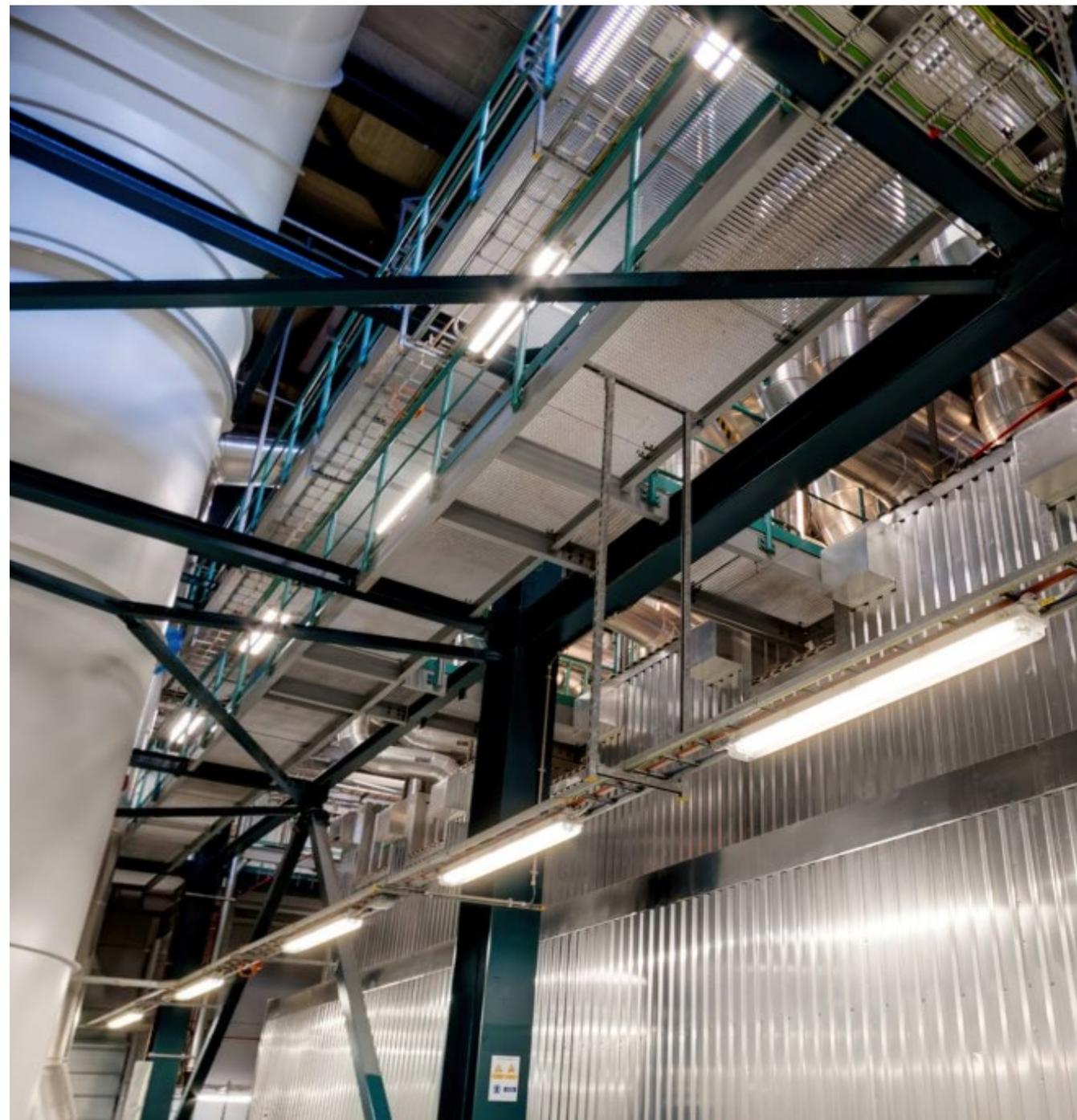
Stockholm Exergi's Sustainability Report contains both qualitative and quantitative data. Internal control has mainly been focused on quantitative data, but also on qualitative data. The company uses both internal and external systems for collecting and managing sustainability data.

Based on the company's many years of experience regarding production and associated data, the most material risks relate to:

- Complete and reliably reported data
- Accurate estimates and assumptions in calculations
- Access to information from the upstream and downstream value chain
- Timing of data availability, which affects the reporting process

Specifically, risks are identified that are linked to inaccuracies in measurement data for air pollutants, including carbon dioxide, as well as uncertainties in assumptions when calculating these emissions.

To minimise the risk of errors in quantitative and qualitative data, several control mechanisms have been established. A key aspect is applying the "four-eyes principle", whereby data is first validated by one person and then finally approved by another. In addition, a structured checklist questionnaire for quantitative data is used, designed to ensure both completeness and accuracy. For most environment-related data, a special analysis tool is also used to calculate general deviation percentages and identify areas where additional explanations are necessary. In this way, significant changes compared to previous reporting periods can be identified and addressed.



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

SBM-1 – Strategy, business model and value chain

Stockholm Exergi primarily offers services in relation to district heating, district cooling, energy recovery through Open District Heating, waste treatment, electricity production and, in the future, the sale of negative emissions on a voluntary market.

Stockholm Exergi operates and develops Stockholm's shared energy systems with a focus on district heating, district cooling and electricity production. The business model is based on utilising low-value resources – such as waste heat from wastewater treatment plants or data centres, recovering energy from residual waste, and using biofuels mainly generated in value chains whose primary purpose is to produce paper pulp or sawn goods – in order to convert them into energy for households, businesses and public services in the region. At the same time, investments in new technologies, such as bio-CCS, are being integrated so that the business model is supplemented with the production and sale of negative carbon dioxide emissions. Stockholm Exergi serves customer groups in Greater Stockholm, including individual homeowners, housing associations and companies that are supplied with district heating and district cooling. The company also produces and sells electricity to the Nordic electricity market, as well as developing capacity services for the electricity market. The company also offers final treatment of residual waste with energy recovery to waste and recycling companies.

Category	Description
Products and services	Stockholm Exergi's business concept is to offer district heating and district cooling with climate performance that meets customer needs. <i>For targets relating to the climate performance of district heating, see the ESRS E1 section.</i> The company also develops ongoing services that make it easier for customers to control and streamline their energy consumption, offers optional services such as climate-neutral district heating and solar panels with energy storage, and provides advice. <i>Read more in the ESRS S4 section.</i>
Customer categories	<i>District heating and district cooling market:</i> Stockholm Exergi's goal is to be the natural supplier of district heating in the region by offering reliable and secure delivery, climate-positive technology, as well as resource-efficient and socially beneficial solutions. The company is striving to achieve a leading position in terms of customer satisfaction within the energy sector, and for the long-term goal for customer satisfaction (CSI) to rank well above the industry average. <i>See the CSI target in the ESRS S4 section.</i> <i>The waste market:</i> Stockholm Exergi offers final treatment of residual waste with energy recovery, and the company's long-term climate goals require that this service be developed so that final treatment can take place without any net impact on the climate. The climate impact per tonne of incinerated waste must be reduced. <i>The climate target is developed in the ESRS E1 section.</i> <i>The electricity market:</i> The company possesses significant local electricity generation capacity through combined heat and power (CHP) plants and gas turbines and also offers capacity and quality services for regional and national electricity grid operators with the support of battery parks. Stockholm Exergi is also one of the world's leading producers of district heating using industrial heat pumps, and its diversified production mix provides it with considerable potential to contribute to demand flexibility. <i>Global market for carbon credits:</i> The investment in BECCS is an important part of the company's climate strategy and is aimed at a new emerging global market for carbon credits, although many stakeholders can also be found among the company's existing district heating customers.
Geographical areas	Stockholm Exergi's goal is to maintain and increase district heating's share of Stockholm's heating needs, with a focus on the densely populated parts of the city. This objective forms the basis for the company's business goals. Stockholm Exergi's investment in BECCS technology means that the company is taking a major stride onto a global voluntary market for carbon credits (permanent negative emissions). <i>Read more in the ESRS E1 section.</i>
Relationships with stakeholders	A safe and healthy working environment for our own staff and contractors working at the company's installations is a natural starting point for the company's social responsibility. An inclusive culture characterised by care for one another and a high level of commitment regarding the company's objectives is a key success factor. The company has specific targets for occupational safety, gender distribution, diversity and engagement. <i>Read more in the ESRS S1 and S2 sections.</i> Stockholm Exergi's products are evaluated based on the sustainability performance of the entire value chain. The climate target is dependent on suppliers also reducing their emissions – these constitute Stockholm Exergi's indirect emissions, which are included in the company's climate target. When purchasing goods, fuel or services, stringent requirements regarding business ethics are stipulated. The requirements also cover health and safety, social responsibility or environmental responsibility, depending on the procurement category in question. <i>Read more in the ESRS S2 section.</i>

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

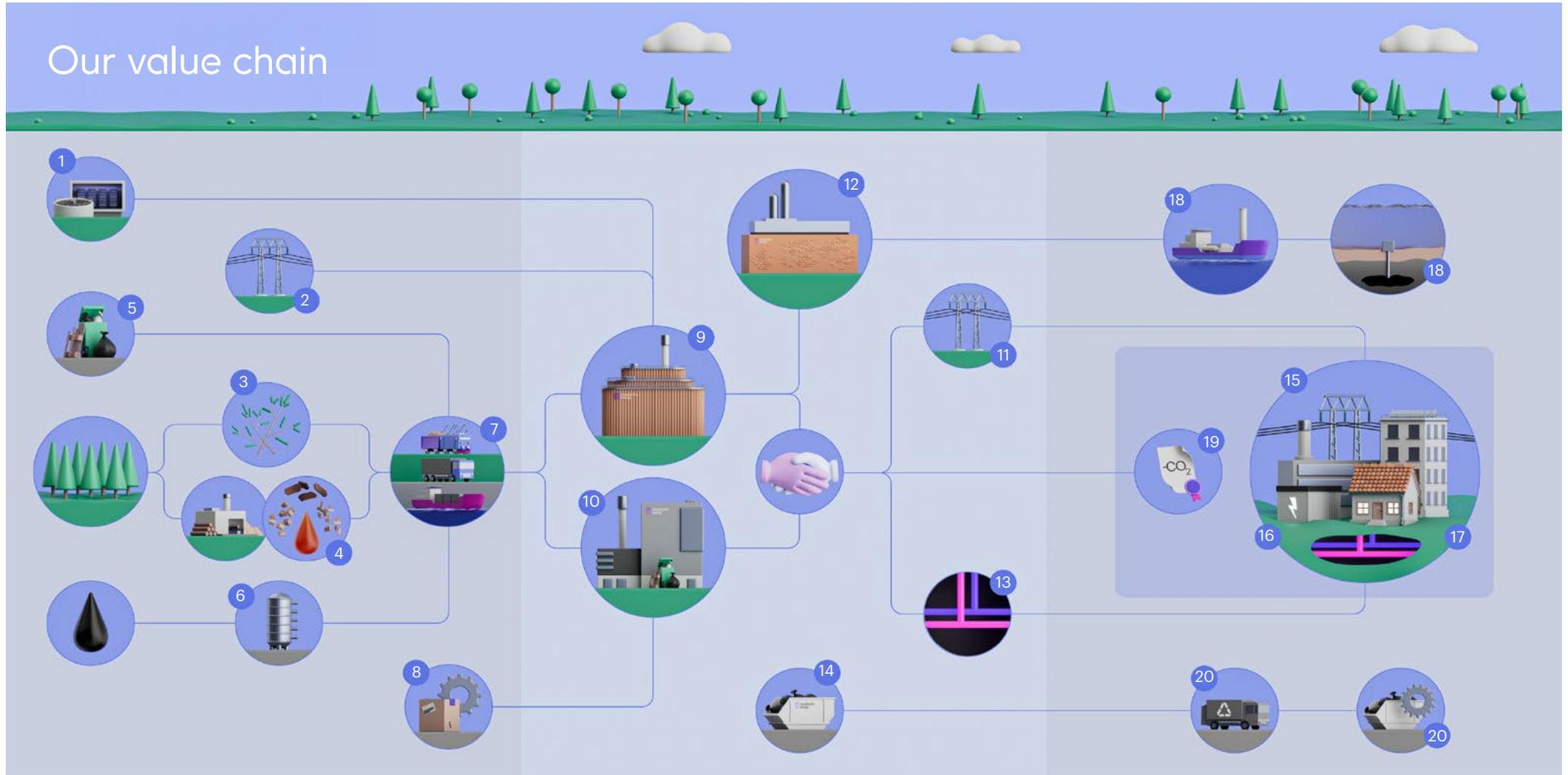
ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report



Upstream

1. Waste heat from wastewater treatment plants, data centres and district cooling customers
2. Electricity for operating heat pumps and equipment
3. Biofuels arising from forestry: Branches, crowns, damaged or downgraded
4. Biofuels produced in pulp mills or sawmills, such as wood chips, bark and pellets
5. Residual waste from households and businesses remaining after sorting
6. Fossil fuel oil for start-up and support firing in solid fuel plants as well as during peak loads
7. Processing and transport of fuels or residual waste to Stockholm Exergi
8. Goods, products and services used to construct, operate and maintain installations

Own operations

9. Production of district heating, electrical energy and district cooling using solid and liquid fuels
10. Incineration of residual waste with energy recovery
11. The electricity business: Production of electrical energy for Nordpool for electricity trading companies, as well as capacity and quality services
12. BECCS and CCS: Carbon dioxide capture
13. Distribution of district heating and district cooling
14. Managing own waste, ash and slag (sorting, transport and final treatment)

Downstream

15. Use of electrical energy
16. System services in the electricity market (capacity, frequency control)
17. Use of district heating and district cooling
18. Transport and permanent storage of carbon dioxide captured in BECCS
19. Sale of certified minus credits from BECCS
20. Transport of the business's own residual products and waste for further recycling or final treatment

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

The company's various offerings are developed continually to remain competitive and meet the demands and needs of the various customer categories, particularly with regard to climate performance. Operations are carried out in densely populated urban environments, and the production plants are designed to minimise environmental impact. Furthermore, the company develops technology and business models to increase the recycling of raw materials both upstream (waste sorting concepts) and downstream in the value chain, such as the utilisation of bio-ash and the extraction of metals from production residues. District heating customers and customers in the voluntary market for negative emissions from BECCS attach great importance to Stockholm Exergi's value chain being both ecologically and socially sustainable. This is a driving force for the sustainability work within the company's own operations but also means that the company sets sustainability requirements when procuring goods, fuels and services.

Negative emissions are also offered, which will be produced through the capture and permanent storage of biogenic carbon dioxide, with start-up planned for 2028 (BECCS).

Upstream, downstream and in-house activities

Link to climate targets

Stockholm Exergi's business strategy is directly linked to several sustainability goals in respect of the climate, such as:

- Lower emissions per kWh of produced energy and district cooling, in order to nurture and develop the company's existing local markets
- BECCS becoming operational in 2028, producing permanent negative emissions that can be certified and offered on the voluntary market
- Introduction of technology for final treatment of residual waste with no net impact on the climate as well as increased recycling (part of the net-zero target for 2035), which can further strengthen the position in the voluntary market for negative emissions as well as nurture and develop relevance in the waste treatment and recycling sector
- Reduced indirect emissions (scope 3) through more efficient and low-emission transport of fuels and own residual products, for example, to minimise the need to neutralise remaining emissions that are difficult to reduce at the time when the net-zero climate impact is being achieved

Strategy and business model in collaboration with stakeholders

Stockholm Exergi's strategy and business model are developed in close collaboration with the company's stakeholders. The company therefore sees no need to change its strategy and business model at present beyond what has already been done, considering the interests of stakeholders and other factors.

Stockholm Exergi identifies key issues and expectations through regular dialogues with its customers, owners, employees, suppliers, research partners and the surrounding community. These insights guide the development of solutions for a sustainable energy supply, including initiatives regarding climate neutrality, circular resources and innovative energy solutions. In this way, the company is strengthening its role as a long-term partner to society, as well as actively contributing to the transition towards the climate targets within the EU and Sweden. The emission reductions required by the company's climate targets, as well as the planned production of negative emissions, also form the basis for the City of Stockholm's local climate policy goals for a climate-positive Stockholm.

Information to the Board and management team regarding the stakeholder perspective

Stockholm Exergi regularly engages in dialogue with its stakeholders to identify and understand material issues and expectations linked to its operations. The results of the latest stakeholder dialogue have been presented to both the Audit Committee and the management team as a basis for strategic priorities and risk assessment.

The Board of Directors and the management team are kept informed on an ongoing basis about the company's interaction with stakeholders through reports from e.g. the Head of Sales, the Communications Director and the Energy Trading Director. This ensures that the Board has access to up-to-date and relevant information about stakeholders' views and needs, which helps to integrate sustainability issues into the company's decision-making and strategic planning.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

SBM-2 – Interests and views of stakeholders

Stakeholder category	Type of dialogue	Purpose of the dialogue	Examples of impacts of the dialogue
Employees (Affected stakeholder and user of sustainability information)	<ul style="list-style-type: none"> – Ongoing Exergi dialogue (employee reviews), about five or six times a year – Reporting of incidents and suggestions for improvement (ongoing) – Information via the intranet (ongoing) – Live briefings for all employees (monthly or as needed) with the opportunity to ask questions – Digital or physical meetings, spontaneous or planned within teams, to assist with keeping in touch as working practices change (ongoing) – Exergi days for all employees to review the company's overall strategies and goals – Annual process for setting team missions and goals for each unit, department and group – Targeted pulse surveys to monitor engagement (twice a year) and ask questions about matters such as health and safety or change management (if necessary) – Health and Safety Week twice a year with various activities on the theme – Health and Safety Pulse survey twice a year, with targeted questions about health and safety – Leadership forum, ongoing information, training and dialogue with company managers (four to six times a year) 	<ul style="list-style-type: none"> – Contribute to a sustainable workplace and working life – Make use of employees' experiences in the development of the business 	<ul style="list-style-type: none"> – Communication with the management team – Improvements in operations – Business understanding – Safer workplace
Customers (Affected stakeholder and user of sustainability information)	<ul style="list-style-type: none"> – Regular price dialogue meetings – Recurring campaign initiatives in relation to customers, aimed at offering advice, support and opportunities to upgrade to modern and digital energy solutions – Digital seminars and events. Participated in various external events and trade fairs. – Physical and digital energy consultations – Other customer meetings – Customer surveys (ongoing) and Customer Satisfaction Index (CSI) surveys continually during the year 	<ul style="list-style-type: none"> – Build trust – Provide sustainable products – Help customers to reach their goals 	<ul style="list-style-type: none"> – Improvements in goods and services – Adaptation of market strategies
Residents living near production plants (Affected stakeholder)	<ul style="list-style-type: none"> – Digital channels – website, Facebook, Instagram, YouTube and LinkedIn, as well as purchased and editorial media (ongoing) – Customer service – continuous handling of around 600 customer cases per month by email, and as many by phone – Posting on association boards (if necessary) – Consultations and informal dialogue meetings – Mailings and gate notifications for construction projects (if necessary) – Sveriges Radio P4 Stockholm (in the event of a serious incident) 	<ul style="list-style-type: none"> – Build trust – Provide sustainable products – Help customers to reach their goals – Build trust – Be good neighbours – Manage concerns, answer questions and provide feedback 	<ul style="list-style-type: none"> – Understanding the business
Owners (User of sustainability information)	<ul style="list-style-type: none"> – Annual General Meeting and Extraordinary General Meeting – Board meetings – Operational contacts between Group functions within Stockholm Exergi and various administrations, committees, etc., in the City of Stockholm (ongoing) 	<ul style="list-style-type: none"> – Regularly report ESG data to the owners in order to meet their requirements 	<ul style="list-style-type: none"> – Information to support decisions – For example, greater focus or specific initiatives

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Stakeholder category	Type of dialogue	Purpose of the dialogue	Examples of impacts of the dialogue
Investors, banks, bilateral lenders and rating agencies <i>(User of sustainability information)</i>	<p><i>Investors:</i></p> <ul style="list-style-type: none"> – Dialogue via banks and direct contact (ongoing) – ESG rating and benchmark <p><i>Banks:</i></p> <ul style="list-style-type: none"> – Analysis of Stockholm Exergi (annual) – Dialogue and negotiations (ongoing) <p><i>Bilateral lenders:</i> Dialogue and negotiations (ongoing)</p> <p><i>Rating agencies:</i> Review (annual) and contact (ongoing)</p>	<ul style="list-style-type: none"> – Understanding sustainability expectations – Attract responsible investors – Improve transparency 	<ul style="list-style-type: none"> – Plans to improve sustainability ratings – Answering investor questions – Adapted internal communication on sustainability procedures
Trade union organisations <i>(Affected stakeholder and user of sustainability information)</i>	<ul style="list-style-type: none"> – Co-determination Act negotiations (weekly) – Health and safety committee (four times a year) – Co-determination council (at least four times a year) – Annual safety representative day 	Co-determination	Developed agreements for employees
Partners in the region's energy supply <i>(Affected stakeholder and user of sustainability information)</i>	Meetings 15–20 times a year in different forums	Promote efficient and sustainable production	Energy and cost savings
Suppliers of goods, services and fuels <i>(Affected stakeholder and user of sustainability information)</i>	<ul style="list-style-type: none"> – Meetings and contract negotiations (ongoing) – Due diligence of suppliers is carried out if called for, based on a comprehensive risk assessment. – Supplier audits are conducted on an ongoing basis. The focus, scope and frequency of the audits are based on a risk assessment 	<ul style="list-style-type: none"> – Compliance with our code of conduct – Promoting responsible procurement, including fuel – Protection of workers' human and labour rights – Ensuring a respectful working environment – Reduced climate impact from our supply chain 	<ul style="list-style-type: none"> – Selection of suppliers based on information – Supplier improvement plans – Recognised expectations of suppliers
Policymakers, officials and public authorities in Sweden and the EU <i>(User of sustainability information)</i>	Discussions and meetings (ongoing)	<ul style="list-style-type: none"> – Promoting sustainable development – Ensuring compliance with rules and regulations – Managing climate-related transition risks and opportunities – Developing and supporting the company's transition plan to achieve the climate target in an ecologically and socially sustainable manner 	<ul style="list-style-type: none"> – Legislation facilitating sustainable development – Adaptation of business model and strategy – Value creation and minimisation of risks through compliance
Voluntary organisations and opinion-makers <i>(Affected stakeholder and user of sustainability information)</i>	<ul style="list-style-type: none"> – Meetings and interviews (as necessary) – Collaborations and working group meetings with academia, the private sector and civil society, for example organisations such as GHGP, SBTi, WWF, SNF and other forums that have been established around climate issues, waste issues or other environmental issues (ongoing) 	<ul style="list-style-type: none"> – Address concerns – Coordinate efforts to achieve improved sustainability work – Develop and support our transition plan in order to achieve the climate goal in an ecologically and socially sustainable way. 	Align projects with best practice

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Results of double materiality assessment

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability-related impacts, risks and opportunities (IRO) for Stockholm Exergi are presented in the table on the following pages. The identification of these IROs has been carried out through a double materiality assessment. The results mean that seven out of a total of ten topical ESRS standards are considered material for Stockholm Exergi and will consequently be covered by the Sustainability Report.

Assessment of materiality per topic in the ESRS	Material impact	Financially material
E1 Climate change	Yes	Yes
E2 Environmental pollution	Yes	/
E3 Water and marine resources	/	/
E4 Biodiversity and ecosystems	/	/
E5 Resource use and circular economy	Yes	Yes
S1 Own workforce	Yes	Yes
S2 Workers in the value chain	Yes	/
S3 Affected communities	/	/
S4 Consumers and end-users	/	Yes
G1 Business conduct	/	Yes

Compared to previous years, Stockholm Exergi's material topics have not changed significantly since the company transitioned to reporting in accordance with the ESRS and CSRD. The results of the double materiality assessment have been taken into account in the business model and strategy, as these were consistent with previously identified impacts, risks and opportunities.

In the materiality assessment conducted in 2024, E3 and E4 were considered material. However, this was changed in the materiality assessment conducted in 2025, as Stockholm Exergi had learned more about how the assessment should be carried out and had gained a better overall picture of the impact, financial risks and opportunities. For a description of the performed assessment, see IRO-1, the section on the screening of environmental topics. Resource inflows in the form of solid biofuels are reported under E5, resource inflows, own metrics.

Climate change is the company's biggest issue, both from an impact and a financial perspective. The Company's business plan and business strategy entail offering energy services with an attractive cost and climate performance, offering final treatment of residual waste with net-zero greenhouse gas emissions, as well as producing negative emissions that can be certified and purchased on a voluntary market. For Stockholm Exergi, the climate issue is consequently both negative, as the business emits climate gases, as well as positive, with a view to a potential financial opportunity through the investment in BECCS. The company's climate targets and business plan are closely linked and together form the plan for the climate transition of the business that is currently underway and has been determined by the Board of Directors.

Resource use and the circular economy also represent a business-critical area. Using heat recovery, the company's waste treatment service utilises resources that would otherwise be wasted. Residual waste is generated, regardless of whether Stockholm Exergi recovers the energy during final treatment. As a result, the operation contributes to a reduction in the required resources for heating Stockholm, which is positive.

Stockholm Exergi is a major employer in the region, and its employees are one of the company's most important

resources. The company also affects workers in the value chain when procuring services and goods.

Regarding consumers and end-users, financial development opportunities have been identified, as Stockholm Exergi sells and develops services and options together with customers. It also employs responsible marketing practices, in that the company also sets the district heating price in accordance with the public pricing policy based on alternative pricing and price stability, which means that district heating in Stockholm is a competitive heating option.

Responsible business conduct is important to Stockholm Exergi. The Company is dependent on being able to attract the right skills and wants to build a corporate culture that benefits its employees. The Company is also committed to influencing decision-makers to make decisions that benefit society and the environment.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Material sustainability-related impacts and financial risks/opportunities

ESRS topic	Impact, risk and opportunity, known as IRO	Impact	Financial risk or opportunity	Time horizon	Presence in the value chain		
				Short, medium, long term	Up-stream	Own operations	Down-stream
Climate change mitigation	Direct emissions from own operations and indirect effects from the value chain. Greenhouse gas emissions arise from incineration (Scope 1), energy use in our own operations (Scope 2) and in the supply chain (Scope 3), linked to purchased fuels, goods and transport.	Negative		Short, medium and long term	●	●	
	Transition opportunities by developing services and products in line with climate policy targets. The climate transition and climate policy targets present significant business opportunities. In scenarios with robust and wide-ranging incentives for achieving the Paris Agreement's climate targets, new markets are created for fossil-free alternatives within district heating, district cooling, carbon capture BECCS, recycling and circular solutions.		Financial opportunity	Medium and long term		●	
	Transition risks linked to regulatory changes. The costs relating to greenhouse gas emissions depend on the development of carbon prices. Higher prices increase costs for transport, emission allowances and fuels.		Financial risk	Medium and long term	●	●	●
Energy	High energy turnover to ensure heating for Stockholm, district cooling and the local electrical energy supply. The production of district heating, district cooling and electricity entails high energy consumption. If the ongoing climate change should accelerate, heating requirements will be affected, and thus the company's energy consumption.	Negative		Short, medium and long term	●	●	
	Climate change and increased demand may limit access to biofuels. The risk of limited access to fossil-free fuels may lead to increased costs. Climate change and increased global demand may lead to limited access to biofuels. Impaired conditions for sustainable and fossil-free fuels may increase fuel costs and affect the business's ability to deliver on its climate targets.		Financial risk	Short, medium and long term	●	●	
Emissions to air	Emissions to air from incineration in own facilities and upstream in the value chain. These emissions contribute to regional environmental impact through emissions of dust as well as eutrophying and acidifying substances. Risks are linked to the exceeding of environmental permits, technical breakdowns and fuel quality affecting incineration efficiency.	Negative	Financial risk	Short, medium and long term	●	●	
Resource inflows, including resource use	Residual products and residual heat are utilised. Stockholm Exergi treats waste and sludge that cannot or should not be recirculated in society and also recovers the heat that is released during incineration. In addition, the company recovers waste heat from operations such as data centres, to be used as heat in the Company's district heating product.	Positive		Short, medium, long term	●	●	
	Relevant waste treatment service. With increased resource efficiency, the amount of residual waste per person is expected decrease. If Stockholm Exergi does not adjust its waste treatment service at the same rate, for example by increasing its catchment area, the company risks a decline in turnover from its treatment service.		Financial risk	Short and medium term	●	●	●
	Material use – Linear resource system. Stockholm Exergi has a potential negative impact if the company's operations contribute to a lock-in in linear resource systems, if part of the waste that the company processes should be able to be recycled, but has not been sorted. Stockholm Exergi uses biofuels, materials in construction projects and district heating distribution, as well as chemicals in production.	Potential negative		Short, medium and long term	●	●	●
Resource outflows	Complementary sorting of received waste. Metals and plastics from fractions of the residual waste received by Stockholm Exergi are sorted mechanically at Brista Eftersortering. Metal is also sorted from the slag gravel (bottom ash). The plastic and metal can be recycled, thereby contributing to a reduced need for virgin raw materials.	Positive		Short, medium and long term		●	●
Waste	Waste from own operations. Few landfills and installations are able to receive hazardous waste, slag gravel and bottom ash. These gradually become full, and it can then become more difficult and more costly to handle the ash safely.		Financial risk	Medium and long term		●	

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

ESRS topic	Impact, risk and opportunity, known as IRO	Impact	Financial risk or opportunity	Time horizon	Presence in the value chain		
				Short, medium, long term	Up-stream	Own operations	Down-stream
Working conditions	Health and safety. Potential negative impact due to accidents leading to sick leave. The group who are at increased risk of occupational accidents is made up of operation and maintenance personnel in production plants or distribution networks.	Potential negative		Short, medium, long term		●	
	Working conditions in general. Working conditions are regulated by collective agreements and laws. Potential negative impact due to risk of work-related accidents, sick leave, job insecurity, working hours that negatively affect employees, dysfunctional social dialogue, inadequate collective bargaining and freedom of association. BECCS entails increased risks during the initial phase.	Potential negative		Short, medium, long term		●	
Equal treatment and opportunities for all	Equal treatment in general. Employees who are not union members may potentially be disadvantaged in Co-determination Act (MBL) negotiations or salary reviews if union representatives favour employees in their own union organisation. This is particularly relevant in an industry and for those groups where there is currently a lack of gender equality, where harassment occurs, and where there is a lack of diversity and participation. Certain segments of the operation and maintenance business, primarily related to gender, currently face challenges linked to the recruitment of new employees.	Potential negative		Short, medium, long term		●	
Working conditions	Health and safety. Potential negative impact due to occupational accidents that may lead to sick leave. The groups at the greatest risk of occupational accidents are operation and maintenance personnel in production plants and distribution networks, as well as construction and civil engineering workers involved in our BECCS construction project.	Potential negative		Short, medium, long term	●	●	
	Working conditions in general. Working conditions include working hours, adequate wages, social dialogue, freedom of association, collective bargaining, health and safety, as well as work-life balance. Of these, it is considered most likely that there will be an impact on health and safety. Other risks are less likely, but could potentially occur.	Potential negative		Short, medium, long term	●	●	
Equal treatment and opportunities for all	Equal treatment in general. Within equal treatment, risks of negative impact relating to disability as well as violence and harassment have been grouped together. Measures to combat violence and harassment have been deemed most essential due to the fact that a large part of our operations and purchasing take place within the construction sector, where shortcomings as regards equal treatment occur.	Negative		Short, medium, long term	●	●	
Social inclusion of consumers and/or end-users	Access to products and services. Stockholm Exergi supplies district heating and district cooling, as well as related services, to existing and future customers in the region. The company intends to offer all customers a connection to district heating and district cooling, as long as this is economically viable for both parties. Thanks to ongoing energy efficiency improvements in society, it is possible to connect more customers with existing production assets.		Opportunity	Short, medium, long term			●
	Responsible marketing practices are making it possible to retain and generate new business. As an infrastructure operator with significant investments and fixed asset value, the company is dependent on existing and future customers utilising its services and infrastructure. The brand is expected to be strengthened through a competitively priced heating alternative and simultaneous marketing of the business's social benefits.		Opportunity	Short, medium, long term			
Corporate culture	Risk of lack of corporate culture. The company attaches great importance to having a good corporate culture, as shortcomings in values, leadership or compliance with ethical guidelines could lead to irregularities, discrimination or corruption.		Risk	Short, medium, long term		●	
Business ethics, corruption and bribery	Risk of corruption and bribery. Stockholm Exergi operates and has a large number of business partners, as well as purchases products, in sectors where there is a risk of corruption and bribery.		Risk	Short, medium, long term	●	●	●

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Double materiality assessment method

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Introduction

Stockholm Exergi conducted a double materiality assessment in 2024 to identify the company's material impacts, risks and opportunities from a sustainability perspective. This assessment was updated in 2025. The assessment covers Stockholm Exergi's value chain both upstream and downstream, as well as the Company's own operations. The double materiality assessment is based on a survey of the value chain (see the SBM-1 section) as well as the stakeholder dialogue conducted in 2023.

Stakeholder dialogue

In what is known as a stakeholder dialogue, Stockholm Exergi asked people with different relationships to the company's activities to describe what they expect from the company and what they feel are the most significant issues in their sector, both today and going forward. They were asked to describe, in qualitative and quantitative terms, which of Stockholm Exergi's sustainability matters were most important to them as stakeholders.

A total of eight in-depth interviews were conducted. Survey responses were received from more than 300 employees and 600 customers. The responses were weighted and aggregated to arrive at an overall picture of how important stakeholders consider each issue to be for Stockholm Exergi.

Results:

Based on interviews and survey questionnaires, the following sustainability issues are deemed to be the most important ones for the company's operations:

- Climate change
- Environmental pollution
- Working environment for own staff
- Diversity, gender equality and inclusiveness for own staff
- Biodiversity in the value chain
- Human rights in the value chain

The results of the stakeholder dialogue have been presented to both the Audit Committee and the management team as a basis for strategic priorities and risk assessment.

Double materiality assessment

The assessment was carried out in the following steps:

Step one: All topics, subtopics and sub-subtopics in Appendix A - AR 16 of the ESRS were compiled in a list. For each subtopic or sub-subtopic, an assessment was made of whether the topic was relevant or not, based on Stockholm Exergi's operations and value chain.

Step two: Each relevant subtopic or sub-subtopic was assessed as regards its impact, financial risks and opportunities. An assessment was made of where in the value chain the impact and the risk or opportunity occurred; upstream, in Stockholm Exergi's own operations or downstream. Impacts, risks and opportunities can occur in several parts of the value chain.

The scoring that was used as the basis for the assessment was on a scale of 1-5 for all parameters, with 1 being the lowest and 5 the highest in each assessment category.

Recognised reports and data sources have been used for the assessment, such as the IPCC Climate Change 2023 Synthesis Report, the Final Report on Minimum Safeguards October 2022 and the FSC forestry standard.

Impact

Based on the subtopics and sub-subtopics in Appendix A - AR 16 of the ESRS, impacts in our own operations as well as upstream and downstream were identified. The impact was assessed as positive or negative, whether it is actual or potential, as well as the time horizon over which it is expected to occur (short, medium, long term). The scale was then assessed, i.e. how detrimental or beneficial the impact is for people or the environment, as well as the extent, i.e. how widespread the impact is. For negative impacts, the recoverability was also assessed, i.e. the difficulty in remedying or recovering the negative impact.

An assessment was also made of which subtopics and sub-subtopics could have a potential negative impact on human rights, and in such cases the severity of the impact was considered before its probability.

In order to identify, assess and prioritise negative impacts in the company's materiality assessment, Stockholm Exergi followed a structured due diligence process in accordance with OECD guidelines and the ESRS. The work began with the company mapping potential risk areas throughout the value chain – both in its own operations and among suppliers and business partners – with a particular focus on geographic areas, operations or relationships where there is a higher risk of negative impacts. Later in this section, more information will be provided about:

- Climate risk analysis
- Screening of environmental issues
- Screening of business conduct issues

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Stockholm Exergi took both actual and potential impacts into consideration, which were deemed able to arise through own activities and via business relationships. The assessment was based on recurring dialogues with employees, customers and suppliers, as well as consultations with external experts, in order to capture different perspectives and risks.

Negative impacts are prioritised on the basis of their severity and likelihood, in accordance with ESRS 1 section 3.4. Where applicable, positive impacts are also assessed on the basis of scale and scope. Finally, the sustainability issues that are material for reporting are determined using qualitative and quantitative thresholds, in accordance with CSRD principles for materiality assessment. External experts have not been used when assessing the impact.

Risks and opportunities

Risks and opportunities were identified based on subtopics and sub-subtopics in Appendix A - AR 16 of the ESRS. In cases where both a risk and an opportunity were identified under a single area, these were assessed separately. Risks and opportunities were identified for all time horizons. The extent of the risk or opportunity was then assessed, i.e. the potential extent of the risk's or opportunity's financial impact. This scale is the same as that used by Stockholm Exergi for its corporate risks. Finally, the probability of the risk or opportunity occurring was assessed. The mean value of scale and probability was calculated to obtain financial materiality. A value of three or higher meant that the risk or opportunity was classified as material.

The financial risks identified in the materiality assessment are consistent with the aspects included in the company's other risk assessments and simulations, including in the climate risk analysis and resilience analysis.

The opportunities identified by Stockholm Exergi in the 2025 double materiality assessment have already been integrated into the company's business plan. If future analyses should identify new opportunities that are not covered by the business plan, these will be raised for a decision by the management team.

The decision-making process

Every year, the Sustainability Department conducts a materiality assessment in collaboration with internal subject matter experts to ensure that it is up to date and reflects changes in the business and the outside world. Any adjustments are decided by the Audit Committee and the Board of Directors based on the annual review.

Supplementary information related to ESRS E5 Resource use and circular economy and to ESRS E2 Environmental pollution

Stockholm Exergi has environmental permits for each installation and meets waste management requirements. In connection with Stockholm Exergi's environmental permit processes, consultation takes place with the general public, the municipality, authorities, nearby businesses and residents. When conducting the double materiality assessment, the entire company's operations have been taken into account by involving employees from different parts of the company.

Climate risk analysis

Stockholm Exergi has conducted a climate risk analysis to assess transition risks and business opportunities for the company's various areas of operation in the short (2030), medium (2050) and long term (2075). This analysis was conducted in autumn 2025.

The results from the climate risk analysis have also been applied in a resilience analysis conducted in autumn 2025, see chapter ESRS E1 Climate. It is difficult to spread risks

and opportunities granularly over time, which is why the resilience analysis contains a more principled argument.

Methodology

During the year, Stockholm Exergi has further developed its approach to climate risk analysis. A methodology has been developed to ensure consistency and proportionality in the analysis of both physical and transition-related climate risks, applied at both an installation level and a business-wide level. This work includes identifying climate hazards, transition risks, exposure analysis where the impact on the company's business areas is systematically analysed, as well as a vulnerability assessment and quantification of impacts – both physical and monetary – for critical functions and businesses. The analysis covers the entire value chain. Prioritised climate risks are transferred to Stockholm Exergi's overall risk list and handled by the responsible unit. The risk analyses are led by the Sustainability Unit and carried out in close collaboration with business operations.

Transition risks and opportunities

In its work on transition risks, the company has applied a method that aims to identify and assess the risks and opportunities that arise in the transition to a low-carbon society. The analysis covers operation and installation levels as well as relevant dependencies in the value chain.

The assessment begins with a mapping of transition risks, where the company pays particular attention to changes in policies and regulations, market dynamics, technological developments and the expectations of stakeholders. To ensure robustness, scenario-based analyses are carried out using climate scenarios, IEA Net Zero and SSP5-8.5, which enable quantification of potential effects on costs, revenues and investment needs. A vulnerability assessment complements the analysis by evaluating the exposure and

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

adaptability of critical functions, including organisational and technical conditions.

The financial assumptions are primarily based on scenarios up to 2050. Longer time horizons are analysed qualitatively, as the level of uncertainty increases. The company's business strategy is based on the assumption that society will maintain and develop frameworks, incentives and financing solutions for BECCS and CCS. These are key prerequisites for both ongoing investments in BECCS as well business models for financing CCS technology for waste incineration. If these assumptions were to change significantly, there would be a risk of impacts on revenue, customer base and company value, although there may also be opportunities. Instruments and frameworks can change rapidly, both favourably and unfavourably, which makes it difficult to assess risks and opportunities over time.

The results are used to identify critical dependencies, strengthen redundancy in systems and ensure that the business model is robust even under changing conditions (see resilience analysis in ESRS E1).

In addition to the risks, opportunities associated with the transition are also identified, such as the development of new markets for climate-friendly products and services, innovations in technology and processes, as well as a strengthened brand position through proactive climate work.

Physical climate-related risks

The assessment of the company's own installations aims to ensure that the assets have sufficient structural integrity and resilience to climate-related threats. Particular focus is placed on those assets that have reached a final investment decision and that constitute critical elements of the

company's portfolio, in order to ensure long-term sustainable and robust operations.

Physical climate-related risks have been analysed based on the potential severity of their consequences for the business's critical functions, both in terms of their impact on the company's installations and their impact on business operations. This also includes an assessment of the value chain, i.e. access to raw materials and the company's markets. The probability has been analysed based on established climate scenarios (RCP 4.5 and RCP 8.5) and time intervals (2030, 2050, 2075), in order to assess the likelihood of them occurring in different future scenarios, as well as whether they are temporary or long-term (acute or chronic). The analysis is based on climate data for different times and geographical conditions.

The time horizon is selected based on the remaining useful life of the assets. For the identification of climate hazards, the company has worked on the basis of Energiforsk's analyses of industry-specific climate risks. Climate hazards have subsequently been classified in accordance with Annex 1, Annex to Regulation (EU) 2020/852 of the European Parliament and of the Council. Stockholm Exergi uses the highest-resolution open datasets from MSB, SMHI, SGI and local cloudburst mapping available for the Stockholm area, thereby meeting the EU Taxonomy's minimum requirements of ≤ 1 km spatial and \geq hourly/daily temporal resolution where such data actually exists.

Screening of environmental issues

Stockholm Exergi has screened installations and activities for environmental impact regarding the ESRS topics E2-E5. All installations and activities have been included in the screening, which has covered upstream, own operations and downstream in the value chain. Stockholm Exergi has assessed the actual and potential IROs of the environmental topics E2-E5. See the results for E2 and E5 in

separate sections. No material IROs were identified for E3 and E4, and they are therefore not included in this Sustainability Report.

Stockholm Exergi maintains an ongoing dialogue with its stakeholders, and its operations are regulated by environmental permits, where stakeholder dialogue is a significant part of the permit process through e.g. consultation.

E3 Water

Stockholm Exergi uses water in its processes (e.g. district cooling and feedwater for boilers), but the business's water consumption is relatively low and Stockholm rarely experiences drinking water shortages. Under normal conditions, there is little risk of the supply of municipal water (drinking water) affecting operations, and the company's emissions meet applicable requirements with no noticeable environmental impact. In Stockholm, there is also no shortage of water used to produce drinking water, known as raw water. In the summer of 2025, however, for the first time, there was a temporary restriction on the supply of municipal water due to the temperature in the raw water source, Lake Mälaren, becoming unusually high – a climate-related risk that had consequently materialised. Stockholm Vatten och Avfall is expected to expand its production capacity in order to avoid similar situations. The company is also evaluating the potential to reduce its use of municipal water, for example by reusing treated condensation water.

E4 Biodiversity

Issues relating to biodiversity primarily concern Stockholm Exergi's fuel supply. The company mainly purchases biofuels that are by-products of existing forestry operations, such as branches and crowns, small trees and rejected material, i.e. biomass that arises regardless of the company's demand. The use of biomass as biofuel thus

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

[ESRS 2 General disclosures](#)

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

does not in itself drive deforestation. Forestry is regulated by special rules and is not affected, or only affected to a very limited extent, by Stockholm Exergi's demand for biofuels. The company's installations are also located in urban industrial areas with limited direct impact on ecosystems. The company's influence on biodiversity is therefore limited.

Screening for business conduct risks

Stockholm Exergi has screened its operations and value chain to identify which G1-related risks and opportunities are material for the company, as well as to assess where in the value chain these primarily arise and what measures are required to manage them.

G1 Business conduct

Sector and industry-specific risks

The energy sector and waste treatment entail exposure to supply chains, major investment projects and complex business relationships, where the risk of irregularities, corruption and bribery is considered to be higher than average.

Geographical context

Operations are conducted in Sweden and within the EU, although parts of the value chain – such as the procurement of fuel, transport and contract work – involve international suppliers. This entails business conduct risks at varying levels, depending on the country of origin and local regulations.

Activities and transaction types

The company's extensive purchases of goods, services and contracts, as well as long-term contracts in the energy and waste sectors, necessitate enhanced due diligence and ongoing monitoring of business conduct requirements.

Structure of business relationships

The assessment also covers how the company's business relationships are organised and what dependencies exist. For example, to what extent is Stockholm Exergi dependent on a single supplier or a small number of players, and how concentrated are certain parts of the supply chain. A high concentration – where a small number of players control a large share of the inputs or services – can entail greater business conduct risks, as alternatives and transparency are reduced.



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Environment

Accounting according to the Taxonomy Regulation

Stockholm Exergi is subject to the requirements of Article 8 of the EU Taxonomy Regulation, EU 2020/852, since 2021. The financial statements for 2025 use the delegated act for presentation and application that was in force at the end of the year. For the 2026 financial statements, the format will be updated in accordance with the new delegated act that was published by the European Commission in July 2025, applicable from January 2026.

Application of the Taxonomy Regulation

Stockholm Exergi's activities are considered to substantially contribute to climate change mitigation (environmental objective 1, CCM). The activities are not deemed to be eligible for the other environmental objectives (2–6). All in all, Stockholm Exergi's activities encompass nine activities that are Taxonomy-eligible. These activities correspond to CCM 4.10 'Electricity storage', CCM 4.15 'District heating/cooling distribution', CCM 4.16 'Installation and operation of electric heat pumps', CCM 4.20 'Cogeneration of heat/cool and power from bioenergy', CCM 4.24 'Production of heat/cool from bioenergy' and CCM 4.25 'Production of heat/cool using waste heat'. Furthermore, CCM 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles', CCM 7.3 'Installation, maintenance and repair of energy efficiency equipment' and CCM 7.5 'Installation, maintenance and repair of instruments and devices for measurement, regulation and controlling energy performance of buildings' are also covered.

Stockholm Exergi has assessed which of the operations that meet the Taxonomy descriptions. The assessment is based on the concept of an installation as defined in the EU's Industrial Emissions Directive (IED) as the Taxonomy does not provide its own definition. If an installation consists of several sub-activities, the assessment has considered whether there is a technical and environmental link in terms of emissions and pollution. As in previous years, the district heating network and the district cooling network are treated as a coherent network regardless of physical interconnection. The distribution networks also include pumping stations.

Stockholm Exergi is investing in a carbon capture system at its bio-CHP plant 8, a production unit at Värtaverket power station (BECCS technology). The investment represents an expansion of existing bio-CHP plant and thus classified under the same category, CCM 4.20 'Cogeneration of heat/cool and power from bioenergy'.

Waste incineration is not currently included in the EU Taxonomy as a stand-alone activity. This means, means that revenues, investments and operating costs related to the waste incineration are not Taxonomy-eligible. In Sweden, waste incineration is the only legal method for treating residual waste (i.e., waste remaining after the separation processes) due to the ban on landfilling waste that can be biologically treated or incinerated. The primary purpose of incineration is the final treatment of residual waste, with energy recovery as an important secondary benefit. The amount of waste requiring final treatment is not influenced by whether the energy can be utilised for district heating. If

waste heat from waste incineration were discharged instead of used for district heating, other energy sources would be required to meet district heating demand, resulting in negative impacts on both climate and nature.

Waste incineration should therefore be distinguished from the subsequent utilisation of the energy recovered from the incineration process. This principle has been confirmed by the EU via FISMA, which has clarified that activities may be eligible under the Taxonomy if they fall within the specific activity description, regardless of their links to other parts of the value chain. Stockholm Exergi therefore interprets the Taxonomy to mean that all revenue from the production of district heating based on waste treatment and Capex and Opex for the activities that produce and distribute waste energy from the treatment of waste can be included in Taxonomy-eligible economic activity under category CCM 4.25 'Production of heat/cool using residual heat'.

Out of Stockholm Exergi's total operations, 70% (59) of turnover, 39% (38) of relevant operating expenditure and 86% (62) of capital expenditure is deemed to be eligible under and aligned with the EU Taxonomy Regulation.

The turnover indicator

In terms of turnover, Stockholm Exergi is assessed to have revenues related to CCM 4.10 'Electricity storage', CCM 4.15 'District heating/cooling distribution', CCM 4.16 'Installation and operation of electric heat pumps', CCM 4.20 'Cogeneration of heat/cool and power from bioenergy', CCM 4.24 'Production of heat/cool from bioenergy', CCM 4.25 'Production of heat/cool using waste heat' and

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

CCM 7.5 'Installation, maintenance and repair of instruments and devices for measurement, regulation and controlling energy performance of buildings'.

Capital expenditure (CapEx) and operating expenditure (OpEx) indicators

In terms of capital and operating expenditure, Stockholm Exergi is assessed to have expenditure related to six activities: CCM 4.10 'Electricity storage', CCM 4.15 'District heating/cooling distribution', CCM 4.16 'Installation and operation of electric heat pumps', CCM 4.20 'Cogeneration of heat/cool and power from bioenergy', CCM 4.24 'Production of heat/cool from bioenergy' and CCM 4.25 'Production of heat/cool using waste heat'.

For the reporting of capital expenditure, a mapping has been carried out of purchases of products from economic activities eligible under the Taxonomy Regulation, as well as individual measures enabling the activities to become low-carbon or reduce greenhouse gas emissions. Within this category, expenditure related to activities CCM 6.5 'Transport by motorcycles, passenger cars and light motor vehicles', CCM 7.3 'Installation, maintenance and repair of energy-efficient equipment' and CCM 7.5 'Installation, maintenance and repair of instruments and devices for measurement, regulation and control' has also been assessed Taxonomy-eligible. The expenditure relates to vehicles used in the business, individual actions for lighting and ventilation systems in Stockholm Exergi's facilities that are not eligible under the Taxonomy, as well as development of systems and interfaces to control customers' energy systems to make them more energy efficient.

No significant capital expenditure or operating expenditure has been identified for the climate change adaptation target (environmental objective 2, CCA) in 2025.

Assessment of Taxonomy alignment

Below is a description of the company's assessment of compliance with the criteria for a substantial contribution and for doing no significant harm (DNSH), and compliance with minimum safeguards.

Substantial contribution to climate change mitigation

Stockholm Exergi has assessed the requirements for a substantial contribution as listed in the Delegated Regulation under activities CCM 4.10, CCM 4.15, CCM 4.16, CCM 4.20, CCM 4.24, CCM 4.25, CCM 7.3 and CCM 7.5.

Activity CCM 6.5 is not reported as being aligned, as no assessment of Taxonomy alignment has been carried out. Neither the emissions from the business nor the size of the capital expenditure are considered material, which is why work on assessing Taxonomy alignment has been deprioritised. The prioritisation is further supported by the fact that activity CCM 6.5 is planned to be based on 2026 Taxonomy reporting when implementing simplifications in accordance with the updated delegated act on the Taxonomy.

As regards installations aligned with CCM 4.10, the requirement is met regarding the definition of the construction or operation of an installation that stores electricity. Other requirements have not been deemed applicable.

Installations aligned with CCM 4.15 meet the definition of an efficient system for district heating and district cooling in the Energy Efficiency Directive (2012/27/EU).

For installations aligned with CCM 4.16, the requirement on the GWP limit for refrigerants is met for the planned investment in new heat pumps at the Vilunda facility. The remaining requirements have been assessed as not applicable.

As regards installations aligned with CCM 4.20 and CCM 4.24, the requirements regarding forest biomass and reductions in GHG emissions in accordance with the Renewable Energy Directive (RED II) have been deemed to be fulfilled. The assessment of the fuel is based on procured volumes in financial year 2025. The other requirements for a substantial contribution for the operations are not applicable as the installations neither apply anaerobic digestion of organic matter nor are small installations using gaseous biomass fuels. The company's conclusion is that the installations and production substantially contribute to environmental objective 1, CCM.

As regards installations aligned with CCM 4.25, the requirement for the definition of the production of heat/cool production using waste heat is assessed to be met.

For activities CCM 7.3 'Installation, maintenance and repair of energy-efficient equipment' and CCM 7.5 'Installation, maintenance and repair of instruments and devices for measurement, regulation and control', alignment has been assessed at product level. Alignment has been achieved through compliance with EU and/or national legislation.

DNSH – climate change adaptation

For activities CCM 4.10, CCM 4.15, CCM 4.16, CCM 4.20, CCM 4.24, CCM 4.25, CCM 7.3 and CCM 7.5, the physical climate risks that are material to the activity must be identified and managed in accordance with the general DNSH criteria for climate adaptation (environmental objective 2, CCA).

The distribution networks and most pumping stations for district heating and district cooling in CCM 4.15 have been assessed for physical climate risks. The assessment concluded that adaptation measures have been conducted based on the risk in the area in question. Thus, the DNSH criteria are considered fulfilled.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

A climate risk analysis has been performed, and an action plan has been developed for two of Stockholm Exergi's plants, the Värtaverket, including the upcoming facility for bio-CCS, and Bristaverket power stations, under activity CCM 4.20, as well as for the Akallaverket, Hammarbyverket, Vilundaverket, Årstaverket och Orminge PC power stations under activity CCM 4.16 and CCM 4.24. Climate risk analysis with action plans has also been carried out for the Skarpnäck, Hammarbyverket and Bristaverket battery parks under CCM 4.10, as well as for Högdalenverket power station, where waste heat from Högdalenverket power station is deemed to be aligned under CCM 4.25. The DNSH criterion for these facilities is therefore considered to have been met.

DNSH – biodiversity and ecosystems, and water and marine resources

Activities CCM 4.10, CCM 4.15, CCM 4.16, CCM 4.20 and CCM 4.24 require management of risks related to water and marine resources (environmental objective 3, WTR) as well as biodiversity and ecosystems (environmental objective 6, BIO) according to the general DNSH criteria for each environmental objective.

As regards CCM 4.15, Stockholm Exergi's distribution network is in an urban environment. When expanding the network, pipes are mainly laid with other infrastructure following the municipality's local instructions on protecting any sensitive areas. Where applicable, the County Administrative Board is consulted.

For activities CCM 4.10, CCM 4.16, CCM 4.20 and CCM 4.24, environmental impact assessments have been carried out in connection with permit application processes at the aligned installations. Stockholm Exergi has no production facilities located within nature conservation areas. For Taxonomy aligned installations located adjacent to a nature conservation area, this has been considered in the impact

assessment of each plant's environmental impact in connection with the review of the installation's environmental permit, and measures are in place to ensure there is no negative impact. As the installations have undergone a permit application process covered by control programmes in accordance with the Environmental Code, the company's conclusion is that they meet the criteria throughout the chain and thereby meet the DNSH criteria for environmental objectives 3, WTR and 6, BIO.

DNSH – transition to a circular economy

For activities CCM 4.16 and CCM 4.25, the technical lifespan of Stockholm Exergi's installations is generally very long with high demands on technical quality and good maintainability during design and construction. For activity CCM 4.10, agreements are in place to ensure the disposal of materials at the end of their life cycle. The company's conclusion is that the activity does not cause significant harm to environmental objective 4, CE.

DNSH – prevention and control of pollution

For activities CCM 4.15 and CCM 4.25, there are requirements regarding energy labelling and the best available techniques when procuring new electronic equipment. As a result, the activity will continuously improve as new installations are built and distribution networks and installations are renewed. Therefore, the company concludes that the installations meet the DNSH criterion for prevention and control of pollution (environmental objective 5, PPC).

Regarding activity CCM 4.16, the requirement on sound power levels has been assessed as not applicable.

Stockholm Exergi ensures high energy efficiency in activities CCM 4.15 and CCM 4.25 through structured, long-term efforts. New investments are subject to clear requirements that equipment must meet applicable eco-design require-

ments and high energy classes, while installations must be designed for long service life and ease of maintenance.

Existing operations are continually being developed through systematic energy management, ongoing performance improvements and a focus on those areas of production that have the greatest potential for energy efficiency improvements.

The company also implements energy efficiency measures with a short payback period (≤ 3 years), ensuring that the most profitable savings are realised quickly.

For installations covered by CCM 4.20 and CCM 4.24 and falling under the Industrial Emissions Directive (IED), emissions must not exceed the emission levels corresponding to the best available techniques of the latest applicable BAT conclusions. The Industrial Emissions Directive has been incorporated into Swedish legislation, and emission levels are reported by Stockholm Exergi in the annual environmental report to the supervisory authority.

The company's conclusion is therefore that the installations in question meet the DNSH criterion for prevention and control of pollution (environmental objective 5, PPC).

Minimum safeguards

Compliance with minimum safeguards under Article 18 of the Taxonomy Regulation has been assessed at a Group-wide level. To assess minimum safeguards compliance, Stockholm Exergi conducted a survey of existing procedures related to human rights, corruption, tax issues and fair competition in 2025 based on the Article 18 requirements. As part of the survey, potential areas for development were also identified based on the OECD Guidelines for Responsible Business Conduct.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

The sustainability policy broadly addresses human rights issues and is operationalised in the code of conduct and the supplier code of conduct. The sustainability policy, code of conduct and supplier code of conduct are the main platforms for integrating human rights requirements, and the supplier code of conduct is binding.

Stockholm Exergi's overall conclusion is that the Company applies minimum safeguards in accordance with the requirements of the Taxonomy.

During 2025, the focus has been on conducting risk assessments and monitoring suppliers based on risk assessments. Read more about Stockholm Exergi's work on its supply chains and the demands on its suppliers in the ESRS S2 section, about its work on anti-corruption issues in the ESRS G1 section, as well as about fair competition in the ESRS S4 section and about taxation in Note 1.18 in Stockholm Exergi's financial statements.

Accounting policies

Turnover

Principles for allocating turnover per installation/production unit are the same as for 2024. Turnover from the production of heating, cooling and electricity has been allocated to installations based on annual production in MWh per product (heating, cooling and electricity). For items of expenditure involving several installations, an estimate of the distribution of costs has been made based on an assessment in consultation with those responsible. For installations with waste treatment, the heat generation is classed as waste heat and is therefore eligible under CCM 4.25 'Production of heat/cool using waste heat' and thus differs from the concept of an installation. The share of turnover allocated to distribution corresponds to the share of Stockholm Exergi's total operating expenses (Opex definition according to the

Taxonomy) that can be attributed to distribution (district heating and district cooling networks). No account was taken of the installations' or customers' network affiliation or of the fact that the product 'electricity' has a price per volume that varies on an hourly basis.

Turnover for the activities CCM 4.10 'Electricity storage' and CCM 7.5 'Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings' is directly linked to the revenue associated with these services.

As in the previous year, negative income related to trading on the financial electricity market has been included in total turnover. The recognition of total turnover corresponds to the item Net sales in the consolidated income statement and Note 5 in Stockholm Exergi's financial accounts.

Summary of turnover

Share of turnover / Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	70	81
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Capital expenditure

Capital expenditure is calculated in accordance with IFRS and comprises capitalised investments in tangible and intangible assets as well as right-of-use assets during the year. Capitalised interest is included, while investments in associated companies are excluded.

Only capital expenditure attributable to production or distribution installations, or to other operations eligible

under the Taxonomy, is included in the numerator. Other expenses have been excluded.

Capital expenditure refers to additions to non-current assets before depreciation, amortisation, revaluation and impairment, and excluding changes in fair value. Additions to right-of-use assets are also included. See Note 15 and Note 16 in the Annual Report's financial accounts for details.

For assets used in multiple activities, allocation has been made proportionally based on objective key performance indicators, such as production capacity or revenue share, and the allocated portion has only been counted once in each activity. Control procedures have ensured that the sum of the allocated amounts does not exceed the total amount of capital expenditure.

Summary of capital expenditure

Share of turnover / Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	86	88
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Capital expenditure plan

Stockholm Exergi has not established a separate plan for capital expenditure in accordance with the EU Taxonomy definition with the aim of increasing the proportion of Taxonomy-aligned investments, in accordance with Article 8 of the EU Taxonomy Regulation and Delegated Regulation (EU) 2021/2178.

However, there is a structured and long-term investment plan that covers the entire business. This plan is based on

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

business strategy priorities, climate targets for reducing emissions and achieving net-zero climate impact, as well as technical requirements, and includes investments in areas such as bioenergy, carbon capture, as well as the modernisation and development of distribution networks.

The phasing-out of fossil oil will increase Taxonomy alignment. The ongoing BECCS project increases the Taxonomy shares for both capital and operating expenditure, while future investments in WtE-CCS/US will reduce the shares if the Taxonomy Regulation is not adjusted before capital expenditure begins to be allocated for the investments.

During the reporting period, 90 per cent of the investments – excluding investments in waste treatment that are not Taxonomy-eligible – are aligned with the EU Taxonomy. The company does not have an explicit target of increasing the proportion eligible under the Taxonomy, but for the eligible parts of the business, the target is to achieve alignment. Against this background, it is not considered appropriate to establish a separate plan to increase Taxonomy alignment.

Operating expenditure

The share of Taxonomy-eligible economic activities refers to maintenance and repair costs related to production and distribution installations with applicable activities. The definition differs from other financial reporting and only covers costs that can be directly linked to the operation and maintenance of these installations.

All costs have been assessed based on their relevance to Taxonomy-aligned installations. Items relating to multiple installations have been allocated conservatively based on assessments made in consultation with managers. Costs that cannot be attributed to a specific installation have been excluded.

Personnel costs have been allocated proportionally to the operating expenses for each installation. Raw material costs, internal transactions and general administrative costs are not included. Examples of included items are rent for premises, leases, easements, property management, consumables, spare parts and maintenance services.

Summary of operating expenditure

Share of turnover / Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	39	42
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Method to avoid double counting

To avoid double counting when allocating turnover, capital expenditure and operating costs between different economic activities, a principle of exclusive allocation is applied. Each revenue, capital expenditure and operating cost for an installation component has been classified under only one economic activity according to the EU Taxonomy definition, based on its primary function and area of use.

Analysis

Comparison to the previous year	Eligible under the Taxonomy, %	Of which aligned with the Taxonomy, %
Turnover	81 (80)	81 (59)
Capital expenditure	88 (72)	86 (61)
Operating costs	42 (42)	39 (38)

Turnover

Total sales for the year amounted to SEK 8,489 million (8,381), corresponding to a growth of 1%, of which all growth was organic growth.

Turnover from environmentally sustainable operations, as well as operations that are eligible under the EU Taxonomy but that are not environmentally sustainable, amounted to 11% (21) of total turnover.

The increase compared with the previous year is mainly explained by the fact that more installations are classified as taxonomy-aligned due to climate risk analyses having been carried out.

Capital expenditure

Total investments increased by SEK 1,533 million, and the proportion of investments that are eligible under the EU Taxonomy and deemed to be environmentally sustainable increased by 42 per cent. These increases are mainly being driven by the investment in BECCS.

Operating expenditure

Total operating expenditure increased by SEK 30 million. Operating expenditure that is aligned with the Taxonomy Regulation is in line with the previous year.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Annual Report and Other Information

Conclusion and outlook

Stockholm Exergi has a stable proportion of Taxonomy-aligned operations, illustrating that the company's strategic agenda and business development support the EU's environmental, energy and climate goals.

Final treatment of residual waste through incineration is an important and necessary activity for society over the fore-

seeable future. The company is investigating methods for reducing the climate impact of waste incineration, for example through CCS technology, which can reduce greenhouse gas emissions by approximately 90%. The company believes that this supports Sweden's and the EU's climate goals. Paradoxically, however, this activity is currently not eligible under the Taxonomy, and as long as this is the case, the proportion that can be aligned with the Taxonomy will be limited.

The company's investment in BECCS will increase total turnover. All other things being equal, the proportion of turnover that is eligible under and aligned with the Taxonomy will therefore continue to increase.



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

2025	Year			Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of turnover, 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity storage	CCM 4.10	4	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
District heating/cooling distribution	CCM 4.15	613	7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	1,640	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	19%		
Production of heat/cool from bioenergy	CCM 4.24	247	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%		
Production of heat/cool using waste heat	CCM 4.25	3,446	41%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	28%	E	
Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of	CCM 7.5	18	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5,968	70%	70%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	59%		
Of which enabling		22	0.3%	0,3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-	E	
Of which transitional		-	-	-						Y	Y	Y	Y	Y	Y	Y	-		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (non Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation and operation of electric heat pumps	CCM 4.16	889	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
Production of heat/cool using waste heat	CCM 4.25	24	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		912	11%	11%	0%	0%	0%	0%	0%								21%		
A. Turnover for Taxonomy-eligible activities (A.1 + A.2)		6,881	81%	81%	0%	0%	0%	0%	0%								80%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover for Taxonomy non-eligible activities		1,609	19%																
TOTAL		8,489	100%																

Capital expenditure

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

2025	Year			Substantial contribution criteria						Do no significant harm (DNSH) criteria (h)								Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Capital expenditure (3)	Proportion of capital expenditure, 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) capital expenditure, 2024 (18)		
	MSEK	%		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹⁾	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity storage	CCM 4.10	41	1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
District heating/cooling distribution	CCM 4.15	389	10%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	18%		
Installation and operation of electric heat pumps	CCM 4.16	3	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	2,658	71%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	36%		
Production of heat/cool from bioenergy	CCM 4.24	62	2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%		
Production of heat/cool using waste heat	CCM 4.25	12	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	19	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	CCM 7.5	49	1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,232	86%	86%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	61%		
Of which enabling		109	3%	3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Of which transitional		-	-							Y	Y	Y	Y	Y	Y	Y	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity storage	CCM 4.10	-	-	EL	EL	N/EL	N/EL	N/EL	N/EL								6%		
District heating/cooling distribution	CCM 4.15	3	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								-		
Installation and operation of electric heat pumps	CCM 4.16	49	1%	EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Production of heat/cool from bioenergy	CCM 4.24	-	-	EL	EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Production of heat/cool using waste heat	CCM 4.25	5	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								-		
Transport by motorcycles, passenger cars and light motor vehicles	CCM 6.5	5	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	CCM 7.5	-	-	EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Capital expenditure of Taxonomy-eligible but not environmentally sustainable activities (non Taxonomy-aligned activities) (A.2)		62	2%	10%	0%	0%	0%	0%	0%								10%		
A. Capital expenditure of Taxonomy-eligible activities (A.1 + A.2)		3,294	88%	88%	0%	0%	0%	0%	0%								71%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Capital expenditure of Taxonomy non-eligible activities		443	12%																
TOTAL		3,738	100%																

¹⁾ A complete review of calculations and methods has been carried out during the year, as a result of which a previous calculation error has been identified and corrected retrospectively in column 18, Proportion of Taxonomy-aligned (A.1) or eligible (A.2) capital expenditure, 2024

Operating expenditure

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

2025	Year			Substantial contribution criteria						Do no significant harm (DNSH) criteria									
	Code (2)	Operating expenditure (3)	Proportion of operating expenditure, 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) operating expenditure, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	MSEK	%		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹⁾	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity storage	CCM 4.10	0.04	0.004%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
District heating/cooling distribution	CCM 4.15	63	7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	11%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	215	24%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	26%		
Production of heat/cool from bioenergy	CCM 4.24	43	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
Production of heat/cool using waste heat	CCM 4.25	27	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%		
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		349	39%	39%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	43%		
Of which enabling	0.04	0.004%	0.004%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-	E	
Of which transitional	-	-	-							Y	Y	Y	Y	Y	Y	Y	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
District heating/cooling distribution	CCM 4.15	2	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation and operation of electric heat pumps	CCM 4.16	26	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
Production of heat/cool from bioenergy	CCM 4.24	-	-	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Production of heat/cool using waste heat	CCM 4.25	4	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (non Taxonomy-aligned activities) (A.2)		32	4%	3%	0%	0%	0%	0%	0%								6%		
A. Operating expenditure of Taxonomy eligible activities (A.1 + A.2)		381	42%	42%	0%	0%	0%	0%	0%								49%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Operating expenditure of Taxonomy non-eligible activities		524	58%																
TOTAL		905	100%																

¹⁾ A review of calculations and methods has been carried out during the year, as a result of which a previous calculation error has been identified and corrected retrospectively in column 18, Proportion of Taxonomy-aligned (A.1) or eligible (A.2) operating expenditure, 2024.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

- List of monitored disclosure requirements
- ESRS 2 General disclosures
- List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

- ESRS E1 Climate change
- ESRS E2 Environmental pollution
- ESRS E5 Resource use, circular economy

Social responsibility

- ESRS S1 Own workforce
- ESRS S2 Workers in the value chain
- ESRS S4 Consumers and end-users

Corporate governance

- ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

EU Taxonomy supplementary information

The Taxonomy tables below clarify turnover and capital expenditure for economic activities that could contribute to multiple environmental targets.

Activities within nuclear energy and fossil gas-related operations do not apply to Stockholm Exergi during the 2025 financial year.

Table for aligned capital expenditure, compare economic activities and type of investment between years. Reporting of data regarding acquisitions or Taxonomy-related plans for capital expenditure has not been applied for the reporting period in respect of the tables "Summary of capital expenditure" or "Taxonomy-aligned capital expenditure between periods".



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Key performance indicators for the EU Taxonomy

Code	EU Taxonomy KPIs, %	2025	2024	Change
	Taxonomy-aligned profit (turnover)	70	59	19
4.10	Electricity storage	0.1	-	-
4.15	District heating/cooling distribution	7	9	-23
4.20	Cogeneration of heat/cool and power from bioenergy	19	19	4
4.24	Production of heat/cool from bioenergy	3	3	-9
4.25	Production of heat/cool using waste heat	41	28	45
7.5	Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	0.2	-	-
	Profit eligible under the Taxonomy but not Taxonomy-aligned (turnover)	11	21	50
4.16	Installation and operation of electric heat pumps	10	11	-2
4.24	Production of heat/cool from bioenergy	-	0.3	-
4.25	Production of heat/cool using waste heat	-	10	-
7.5	Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	-	0.1	-
	Taxonomy-aligned capital expenditure	86	61	42
4.10	Electricity storage	1	2	-47
4.15	District heating/cooling distribution	10	18	-43
4.16	Installation and operation of electric heat pumps	0.1	-	-
4.20	Cogeneration of heat/cool and power from bioenergy	71	36	97
4.24	Production of heat/cool from bioenergy	2	4	-61
4.25	Production of heat/cool using waste heat	0.3	0.1	149
7.3	Installation, maintenance and repair of energy efficiency equipment	0.5	0.1	610
7.5	Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	1	-	-

Code	EU Taxonomy KPIs, %	2025	2024	Change
	Capital expenditure that is eligible under the Taxonomy but not Taxonomy-aligned	2	10	-84
4.10	Electricity storage	-	6	-
4.15	District heating/cooling distribution	0.1	-	-
4.16	Installation and operation of electric heat pumps	1	2	-13
4.24	Production of heat/cool from bioenergy	-	0.3	-
4.25	Production of heat/cool using waste heat	0.1	-	-
6.5	Transport by motorcycles, passenger cars and light motor vehicles	0.1	0.2	-48
7.5	Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	-	2	-
	Capital expenditure not eligible under the Taxonomy	13	28	-53
	Installations using only fossil oil	0.5	2	-78
	Taxonomy-aligned operating expenditure	39	43	-10
4.10	Electricity storage	0.004	-	-
4.15	District heating/cooling distribution	7	11	-37
4.20	Cogeneration of heat/cool and power from bioenergy	24	26	-8
4.24	Production of heat/cool from bioenergy	5	2	102
4.25	Production of heat/cool using waste heat	3	3	-5
	Operating expenditure that is eligible under the Taxonomy but not Taxonomy-aligned	4	6	-45
4.15	District heating/cooling distribution	0.2	0.1	214
4.16	Installation and operation of electric heat pumps	2.9	6	-49
4.25	Production of heat/cool using waste heat	0.5	-	-

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Information on nuclear energy and fossil gas-related activities

Row	Nuclear energy and fossil gas-related activities	Yes/No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available techniques.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities		
4	The undertaking carries out, funds or has exposures to the construction or operation of electricity generation facilities.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Taxonomy-aligned capital expenditure between periods

Code	Description of operations	Tangible fixed assets		Intangible fixed assets		Right-of-use assets	
		2025	2024	2025	2024	2025	2024
4.10	Electricity storage	41	43	-	-	-	-
4.15	District heating/cooling distribution	389	385	-	-	-	-
4.16	Installation and operation of electric heat pumps	3	-	-	-	-	-
4.20	Cogeneration of heat/cool and power from bioenergy	2,658	761	-	-	-	-
4.24	Production of heat/cool from bioenergy	62	90	-	-	-	-
4.25	Production of heat/cool using waste heat	12	3	-	-	-	-
6.5	Transport by motorcycles, passenger cars and light motor vehicles	-	-	-	-	-	-
7.3	Installation, maintenance and repair of energy efficiency equipment	19	2	-	-	-	-
7.5	Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy performance of buildings	-	-	49	-	-	-
Taxonomy-aligned capital expenditure (SEKm)		3,184	1,284	49	-	-	-

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Environment

ESRS E1 Climate change

Materiality assessment

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Stockholm Exergi has identified several climate-related issues as being significant for the business and its long-term business strategy. The assessment covers both current impacts and future opportunities and risks.

The material physical climate-related risks are related to the business's value chain, as climate change is expected to alter society's need for district heating and district cooling, while also potentially affecting the availability of biofuel.

However, physical risks to the company's own production system have not been judged to be material. Disruptions in production or distribution due to climate-related incidents are assessed as having a low impact on operations, as well as being geographically limited and relatively easy to remedy. Although some preventive investments and temporary interruptions may occur, the likelihood of significant financial risks is deemed to be low as actions are being implemented to reduce vulnerability. Climate risks are not considered to have affected the valuation of the company's assets.

The risks are complex and develop gradually over time, with potentially aggravating effects. This highlights the importance of continually developing methods for climate risk assessment.



The climate-related issues that are considered material are presented below.

Greenhouse gas emissions in Scope 1, 2 and 3 linked to own production

The largest greenhouse gas emissions arise in own production (Scope 1 and 2) and upstream in the supply chain (Scope 3), primarily through the purchase of fuels, goods and transport. The business therefore has a negative impact on climate change, both through direct emissions and indirect effects from the value chain.

Greenhouse gas emissions – Transition opportunities by developing services and products in line with climate policy targets

The climate transition opens significant business opportunities for Stockholm Exergi. In scenarios with robust and wide-ranging incentives to achieve the Paris Agreement's climate targets, new markets are created for fossil-free alternatives within district heating, district cooling, carbon capture such as BECCS, recycling and circular solutions.

Increased customer demand for sustainable and energy-efficient solutions drives business development, which means that the company's offerings can gain market share in a climate-conscious society. Forecasts indicate a continued need for district heating, and rising interest in energy efficiency measures and recycling of critical raw materials.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

The EU's Fit for 55 programme and national programmes are providing access to subsidies and green financing instruments, which improve profitability in the event of early action. By integrating these opportunities into its business plan, the company is strengthening its resilience and future business development.

Greenhouse gas emissions – Transition risks linked to regulatory changes

Stockholm Exergi faces several material transition risks. The costs associated with greenhouse gas emissions depend entirely on how carbon dioxide prices develop in the various scenarios that have been analysed:

If the price of carbon dioxide emissions rises sharply, the costs for transport, emission allowances and fuels will rise, but on the other hand high prices make the technology of carbon dioxide capture profitable and justifies investment in both BECCS and new CCS installations.

If instead the price of emissions falls, the demand for carbon capture technologies such as BECCS may decline, the returns on ongoing and future CCS projects may become uncertain, and planned investments may be delayed or cancelled.

In addition to the cost risks, regulations and bans on existing products and services pose significant challenges and necessitate a transition: Old technologies and fossil fuel elements must be phased out, new revenue streams created, and investments in adjustable technology and infrastructure are required. Rapid technological shifts may result in assets being stranded if the company fails to have flexible depreciation and investment strategies. A volatile carbon market and changing customer and market behaviour require adaptability to avoid negative demand and increased stigmatisation of the sector.

Energy consumption: high energy conversion

The production of district heating, district cooling and electricity is resource intensive. A great deal of energy is used to ensure the heating of Stockholm, the supply of district cooling and the local supply of electrical energy, constituting a significant source of the company's greenhouse gas emissions. If the ongoing climate change should accelerate, heating requirements will be affected, and thus the company's energy consumption.

Energy use: limited biofuel availability

Climate change and increased global demand may lead to limited access to biofuels, which in turn may lead to increased fuel costs. At the same time, impaired conditions for sustainable and fossil-free fuels may affect the business's ability to deliver on its climate targets.

Strategy and business model

The company's climate target of reaching net-zero greenhouse gas emissions by 2035 is in line with the Paris Agreement's climate target. The target is based on two pillars:

1. **Reducing greenhouse gas emissions** own operations and in indirect emissions along the value chain, and
2. **Creating permanent negative emissions** by separating biogenic carbon dioxide in own operations and storing it permanently.

Once a series of emission reduction measures have been implemented, the remaining greenhouse gas emissions, known as residual emissions, will be compensated by permanent negative emissions, meaning that the Company has no net impact on the climate.

Estimations show that Stockholm Exergi's own emissions can be reduced by over 85% compared to 2023, and that negative emissions will be produced each year. The strategy includes measures in all three scopes under the Greenhouse Gas Protocol (GHGP).

Climate risk analysis and resilience analysis

Stockholm Exergi has conducted a climate risk analysis and resilience assessment, studying two climate outcomes:

- **a net-zero scenario (IEA Net Zero 2050)**, i.e. with approximately 1.5°C warming, and
- **a high-emission scenario (IPCC SSP5-8.5)** with up to approximately 4°C warming.

The aim is to assess how the company's operations and assets are exposed to climate risks and the company's resilience to climate-related risks in various areas of operation in the short, medium and long term up until 2075. This analysis was conducted in autumn 2025. (For a description of the climate risk analysis method, see ESRS 2, materiality assessment.)

The factors primarily assumed to affect the business's assets and resilience are:

- The need for district heating and district cooling, including the perceived value of these products
- The cost of greenhouse gas emissions
- The availability and cost of sustainable biofuels
- The electricity price and the need for demand flexibility and balancing services in the electricity system
- The demand for carbon credits, i.e. engineered carbon removals with permanent geological storage
- The need for and acceptance of incineration of residual waste with energy recovery, and
- Regulatory interventions or restrictions (prohibitions, technical requirements, etc.).

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

A number of these factors may develop in a similar way in the two climate scenarios, although for different reasons, and in combinations that are difficult to predict, both in terms of scope and when they may occur.

At the same time, other transition risks need to be addressed, linked to targets for mitigating environmental impact (e.g. regulation of refrigerants) or biodiversity targets (e.g. stricter soil criteria for sustainable biomass). In addition, the energy sector is affected by the serious geopolitical situation, where new requirements – or the demand – for increased reliability of supply in various threat scenarios and crisis situations are emerging. All in all, this leads to a high degree of complexity.

Transition risks and opportunities

District heating business (including fuel supply)

Net-zero scenario

In the net-zero scenario, investments are required in fossil-free technology to replace the small amount of fossil oil that is still in use. Continued emissions from waste incineration are not considered being compatible with the company strategy of contributing to a climate-neutral economy. These emissions need to be significantly reduced.

In this scenario, the actions are driven by a stricter climate policy and high prices for carbon dioxide emissions. Regulatory risks exist in the form of possible early bans on certain technologies, or requirements for technologies that reduce greenhouse gas emissions, but the transition is also supported by policy instruments. One challenge is the fuel supply, where competition for sustainable biomass can drive prices and limit availability, requiring diversifying the fuel mix. The value of combined heat and power depends on developments in the electricity market. If the biofuels costs increase significantly and electricity prices simultaneously fall due to increased supply, improved storage technology, more efficient electricity consumption and few

distribution restrictions, combined heat and power will be challenged as a production method and, in the long term, district heating as a system solution may be challenged.

High-emission scenario

In the high-emission scenario, on the other hand, district heating business continues with the existing technology and fuel mix without increased emission costs, which in the short term will result in low investment and business risks.

However, energy products risk a decline in sales in the long term as heating needs decrease in a warmer climate, and technological stagnation may eventually lead to lost market share. Physical risks such as drought and fires can disrupt the availability of biofuels, although in certain extreme circumstances they can also be beneficial, for example if an increased frequency of storms, pest infestations and similar events creates large volumes of damaged biomass that cannot be used in the forestry industry.

Stockholm Exergi's business model is based on a long-term local need for energy services. This remains the case regardless of changes in climate policy in Sweden and the EU. The company has a strong position in the local heating market thanks to a well-developed district heating system and contributes to the electricity system through local power production in combined heat and power plants.

The focus is on fossil-free energy, efficient use of renewable and low-value energy raw materials, and recovery of waste heat through integrated systems for wastewater and waste treatment. This business model is considered robust even under changing physical climate conditions.

Strategic planning regarding opportunities

In its strategic planning, Stockholm Exergi uses a climate scenario based on a gradual global temperature increase in line with the targets of 1.5–2°C of warming (RCP 4.5). This

scenario is integrated in the company's assessments of future weather patterns and seasonal variations, which will affect demand for district heating and district cooling. The waste treatment business model and the potential to realise future revenue from carbon capture and storage (CCS) are based on scenarios largely consistent with RCP 4.5 and IEA NZE.

Net-zero scenario

Stockholm Exergi sees great potential for growth by adding new climate-motivated products to its existing offerings. The ongoing investment in BECCS will result in the production of permanent negative emissions by the end of 2028, which is expected to increase the company's revenue and turnover. The risks in this scenario are primarily related to the company's ability to meet the desired pace of stakeholders in a commercially viable manner.

High-emission scenario

The chosen strategy is somewhat more sensitive to a scenario in which society completely fails in its climate transition. The fundamental need for energy and district cooling will be affected by the physical climate change (global warming will intensify), but this is expected to happen so slowly that the company will be able to adapt its production system on an ongoing basis.

However, the planned development of entirely new business areas motivated by high climate ambitions will be challenged if the conditions for financing the necessary investments are not created. If a high-emission scenario is justified by the EU being forced to prioritise security against external threats and increased competitiveness, however, there are still factors that argue in favour of district heating and waste incineration with energy recovery, as these are stable and secure systems that should be well placed to remain economically competitive even in this scenario. The picture is therefore not clear-cut.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

E1-1 – Transition plan for climate change mitigation

Integration with business strategy

The company's climate targets require a transformation of the business. The climate target is based on the business plan and business strategy, which is to offer energy services with an attractive cost and climate performance, offer final treatment of residual waste with net zero greenhouse gas emissions, and produce negative emissions that can be certified and purchased on a voluntary market.

The business plan and associated climate targets consequently also constitute the company's transition plan and is approved by the company's Board of Directors. The table describes schematically how the transition plan affects climate-impacting emissions.

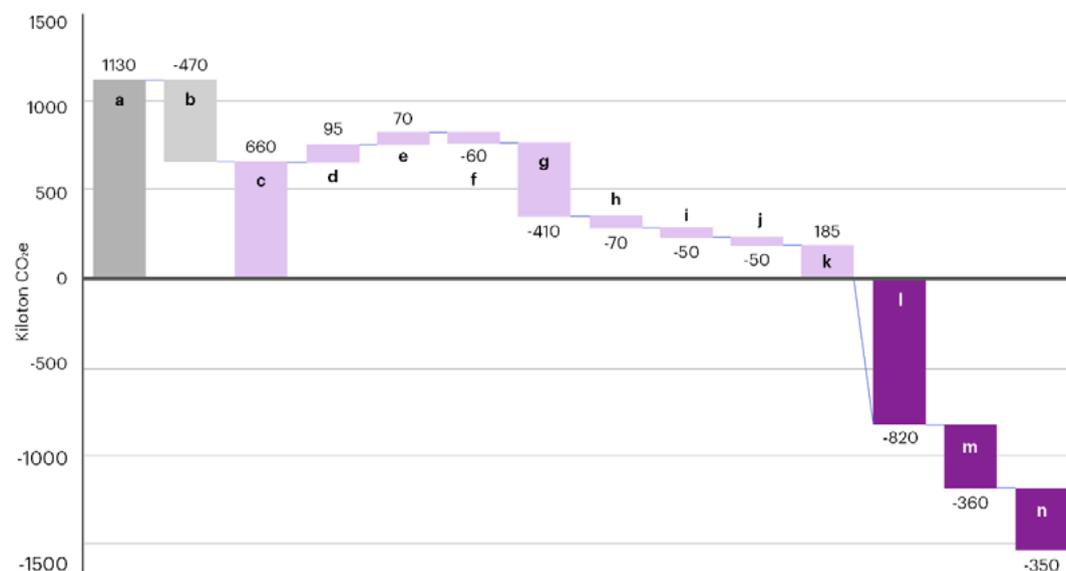
The measures will be implemented in a specific order. The measures required in the longer-term form part of the business plan's long-term strategy. The business plan includes a plan for investments, costs and revenues that is initially very precise and later more general.

The transition involves profitable development of existing businesses and the development of new business areas. The most significant are the provision of certified negative emissions and the final treatment of residual waste with Net Zero greenhouse gas emissions. A market for negative emissions develops globally, and specific frameworks for this are being developed within the EU.

Investments in the existing facilities, such as those required for the phase out of fossil oil, represent an alignment to the market's expectations for better climate performance, and are funded within the framework of the ongoing business.

Actions in the climate transition

Schematic description of how annual emissions are changed by actions to reduce emissions and by actions designed to create negative emissions through a technically permanent carbon sink. So far, the transition plan for achieving the climate goal is largely conceptual and outlines potential measures that would ultimately lead to the goal being achieved. The plan is adjusted on an ongoing basis as the conditions for these or similar measures are assessed.



Climate emissions: starting point, possible actions and probable outcomes

- a. Annual climate emissions, reference year 2018
- b. Reduction following investment in new bio-CHP plant and phasing out of coal-fired CHP plant
- c. Annual climate emissions in 2023, the base year for climate targets and long-term emissions monitoring. The year 2023 was chosen because it is representative of the period 2020–2024.
- d. Sorting at source of processed residual waste has improved over time, and the waste therefore contains a higher relative proportion of fossil materials (plastic). This results in a higher emission factor than before when calculating climate emissions.
- e. Transport of captured carbon dioxide and operation of carbon capture facilities BECCS and CCS
- f. Phasing out fossil oils
- g. Carbon capture CCS from waste incineration in Högdalen and from waste and biofuels in Brista. Investment choices, investment decisions and timetables have not yet been finalised.
- h. Only electricity with guaranteed origin (renewable or fossil-free)
- i. Emissions reductions in the supply chain
- j. Lower emission factor in "imported" heating from neighbouring district heating networks
- k. Level of annual residual climate emissions from 2035. Must be neutralised with permanent negative emissions to achieve the goal of net-zero climate impact.

Permanent negative emissions through capture and geological storage of biogenic carbon dioxide

- l. BECCS Värtaverket power station, biofuels (from 2029)
- m. CCS Högdalen, waste incineration (from 2033)
- n. CCS Bristaverket power station, waste and biofuels (from 2035)

Carbon dioxide capture and transport of captured carbon dioxide is expected to annually increase in emissions of approx. 70 kilotons. At the same time, permanent negative emissions of approx. 1,500 kilotons are created annually.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Investments in carbon capture devices will mainly be funded through a combination of initial state support, the sale of certified negative emissions and new offerings and business concepts in relation to waste treatment.

Overall, the climate strategy through 2035 will involve significant investments. Work is underway to determine the total investment needs in both the short and long term.

Measures included in the transition plan and that require significant investments will be submitted separately to the Company's Board of Directors for a decision, in line with the Company's decision-making procedure. In 2025, a final investment decision was made to build a facility for the capture of biogenic carbon dioxide, enabling permanent storage. The investment level is SEK 13 billion. The facility is scheduled to begin operations by the end of 2028.

The transition plan's investments are eligible under the EU Taxonomy to varying degrees. However, the final treatment of residual waste by means of incineration is not currently covered by the economic activities that are defined in the EU Taxonomy.

The transition plan's impact on the company's direct and indirect emissions

The residual waste that the Stockholm Exergi treats by incineration with energy recovery contains significant amounts of fossil material, despite society's efforts to sort plastic separately for recycling. This fossil material presently cause the Company's most significant remaining climate-impacting emissions. These emissions are difficult to avoid, as residual waste is generated in society and needs to be dealt with, regardless of whether the energy extracted can be recycled as district heating and electrical energy. Stockholm Exergi's assessment is that, in the future as well, fossil materials will remain in residual waste, which will give rise to fossil carbon emissions if no countermeasures are taken.

These emissions need to be reduced to align Stockholm Exergi's climate target with the Paris Agreement's temperature rise target of 1.5°C. To achieve the emission targets, several complementary actions are needed, some of which are controlled within the company, while others depend on external factors. The main drivers and actions are shown schematically in the figure above.

The company's own direct emissions in the base year 2023 are lower than the corresponding emissions in 2025, mainly because increasingly well-sorted residual waste contains a larger relative proportion of fossil material. The increase in annual indirect emissions is because a large amount of carbon dioxide will be captured at the company's own installations and transported away for permanent storage. The company's goal of net-zero climate impact requires that a small portion of the negative emissions produced be used exclusively by the company to neutralise remaining emissions throughout the value chain.

Over the next few years, the company will investigate the conditions for introducing carbon capture and storage (CCS) in waste incineration. For this to be realised, regulatory conditions need to be put in place and waste treatment services have to be developed. The company is also investigating other technologies for final treatment of residual waste, such as pyrolysis or membrane technology. If these were to be developed or made commercially available, they could be alternatives to CCS technology, although they would deliver the same emission reductions.

Stockholm Exergi currently uses fossil fuel oil both for start-up and support combustion in our CHP plants, as well as in special hot water boilers in certain situations where there is an extra high demand for heat output in the district heating network due to cold weather. The use of oil in CHP plants is limited to start-up and operational disruptions and normally represents less than 1 per cent of the energy input specifi-

cally in these units. Stockholm Exergi's overall use of fossil oils, including in heating boiler plants, normally corresponds to around 2-3 per cent of the energy input and thus constitutes a small part of the total energy mix. The transition plan includes activities to reduce the need for oils, as well as replace them with renewable alternatives by 2032. Emissions from fossil oil vary from year to year. This is because the use of oil in the hot water boilers can vary greatly between the years, depending on the heating requirement. One challenge, therefore, is to ensure that extensive investments in oil-fired hot water boilers do not necessarily have a major impact on emissions from these production units. On the other hand, the use of start-up and support oil in CHP plants is relatively stable, which is why the measures here will have a more predictable climate benefit. The phasing out of fossil oil is planned to be implemented according to a sequence that has the greatest impact on emissions.

The investments are key to Stockholm Exergi achieving its climate neutrality goals by 2035 and are fully integrated into the company's transition plan. For a more exhaustive description, please refer to the report in accordance with the Taxonomy Regulation.

For 2025, these investments include:

- SEK 301 million for the modernisation of biofuel-fired CHP plants (Taxonomy code CCM 4.20).
- SEK 20 million to complete projects for electricity storage (Taxonomy code CCM 4.10).
- SEK 2,068 million for the development of carbon capture and storage (CCS) technology (Taxonomy code CCM 4.20).
- SEK 49 million for energy efficiency improvements and digitalisation of the district heating network (Taxonomy code CCM 7.5).

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Policies and governance

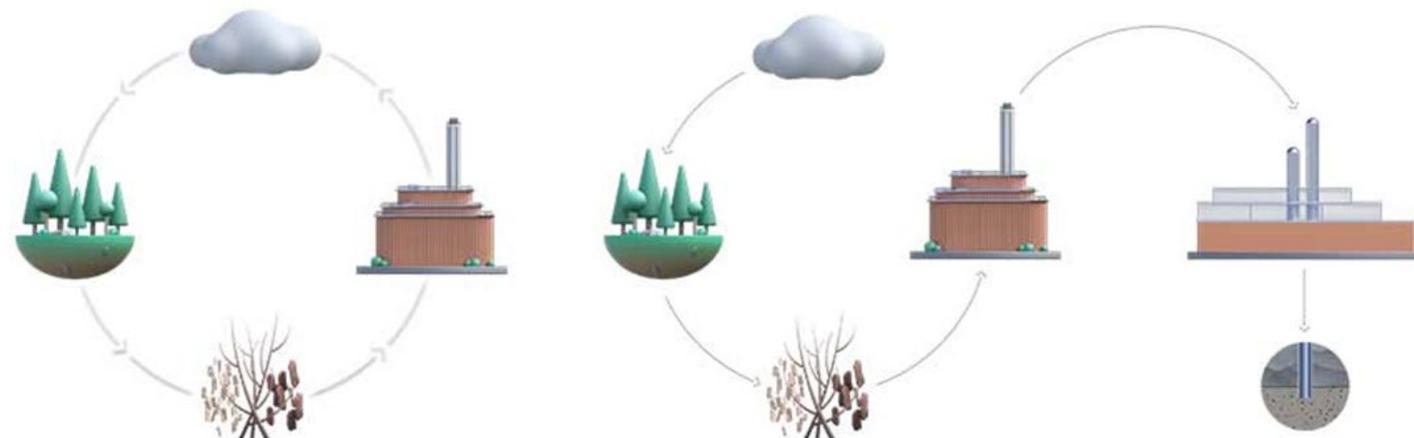
E1-2 – Policies related to climate change mitigation and adaptation

Climate policy

Stockholm Exergi's sustainability policy states that the company will reduce its climate impact in line with scientific advances. According to the sustainability policy, the company will reduce climate-impacting emissions throughout the value chain, as well as create significant permanent negative emissions. The biofuels that are used need to be ecologically and socially sustainable; overall, considering the forest industry's total climate impact, they need to help reduce greenhouse gas emissions. The policy also includes endeavouring to offer resource-efficient services through energy efficiency improvements, and primarily to recover energy that would otherwise have been lost.

The sustainability policy has been adopted by the Board of Directors of Stockholm Exergi, and the CEO is ultimately responsible for its implementation. When drawing up the policy, the interests of key stakeholders were considered, based on the company's combined knowledge of their requirements and expectations. The sustainability policy is published on the company's website.

The company's risk policy specifies climate change as a significant risk, and that it integrates managing climate risks into the risk management framework.



Actions

E1-3 – Actions and resources in relation to climate change policies

Stockholm Exergi is building one of the world's largest installations for the capture and permanent storage of biogenic carbon dioxide, with the aim of capturing and storing 800,000 tonnes of carbon dioxide from the atmosphere every year. The installation will be located in the Energy Port at Värtaverket power station. The construction work began in 2025.

In addition, several measures are planned to achieve the company's goal of reducing climate-impacting emissions internally and in the value chain to net-zero.

A description of the measures and their estimated contributions is provided in the body text and tables in this section. A graphical presentation of the transition plan towards net-zero can be found in E1-1. For absolute targets, see E1-6.

Capture and permanent storage of carbon dioxide

The large-scale installation for capturing biogenic carbon dioxide from the bio-CHP plant at Värtaverket power station is planned to be commissioned at the end of 2028. The decision to invest was made in 2025, and construction of the facility began the same year.

The technology that will be used is bio-CCS (Bio Energy Carbon Capture and Storage, or BECCS) and works as follows.

- Waste from sustainable forestry, such as wood chips, branches and crowns, is delivered to Värtahamnen by boat or train. This material consists, in part, of carbon that the trees have absorbed through photosynthesis from the atmosphere, where it exists in the form of carbon dioxide.
- The bio-CHP plant in Hjorthagen produces electricity and district heating by incinerating forest waste. The heat is then distributed to Stockholm's residents via a district heating network that extends more than 3,000 kilometres.
- During incineration, the carbon is oxidised to form carbon dioxide. Instead of releasing the carbon dioxide during incineration, it is captured in the chimney before it reaches the atmosphere.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

- This is done by diverting the flue gases (which contain approximately 19% carbon dioxide) into a new installation, where they are compressed using a large compressor.
- The compressed flue gas then undergoes a chemical process in which the carbon dioxide in the flue gases is separated from the other flue gases.
- The captured carbon dioxide is then converted into liquid form.
- After this, the carbon dioxide is transported to a permanent storage location in the Earth's crust (known as geological storage), where it slowly mineralises and becomes part of the surrounding bedrock. The net effect of the entire process is that the concentration of carbon dioxide in the atmosphere decreases, resulting in negative emissions or a technical carbon sink.

According to the IPCC, the UN's Intergovernmental Panel on Climate Change, technical carbon sinks created through the BECCS technology are necessary, in addition to the natural carbon sinks deemed to arise from afforestation, in order to achieve the 1.5°C target. Both carbon sink types are necessary.

Scope 1

Emissions of fossil carbon dioxide will be gradually reduced by reducing the use of fossil oil. This is expected to be achieved by 2032, including by adapting equipment for start-up and support combustion with oil in such a way that bio-oils can be used. Oil-fired CHP plants and heating plants (hot water boilers) used at peak load times and in the event of disruptions will also be converted to bio-oil.

In order to achieve the climate goal of net-zero climate impact by 2035, Stockholm Exergi's own direct emissions of fossil carbon dioxide from its residual waste incineration plants also need to be reduced. This can be achieved using similar technology to that used for carbon dioxide capture, although

other solutions and technologies are also being studied, such as membrane technology and pyrolysis. The emissions from this combustion consist of a mixture of biogenic carbon dioxide and fossil carbon dioxide. If the CCS technology is applied, fossil emissions from the incineration of residual waste will be reduced by 90%, and a permanent carbon sink will be created by the biogenic carbon dioxide that is stored permanently. As an alternative to permanent storage, the captured carbon dioxide can also be reprocessed to become a secondary raw material (Carbon Capture and Utilisation, CCU).

Stockholm Exergi's installations currently use synthetic refrigerants with a GWP (Global Warming Potential) value below 2,500. According to EU Regulation 2024/573, there are currently no restrictions on the use or refilling of the refrigerants used in the business.

As heat pumps and cooling machines reach the end of their technical service life, they will be replaced with new systems that use natural refrigerants. This is in line with the company's environmental strategy and long-term sustainability goals. For the installations in Ropsten and Hammarby, this replacement is planned to take place gradually during the period 2040–2052. The heat pumps at the Vilundaverket power station are the first facilities expected to reach the end of their technical life, which means that this installation will be the first to switch to natural refrigerants. This is expected to lead to a reduction in climate-impacting emissions from refrigerants.

Scope 2

Emissions from purchased energy will be gradually reduced to zero by using only fossil-free or renewable electricity. Stockholm Exergi is also reducing demand through energy efficiency measures. The company's process for energy mapping and energy efficiency improvements includes comprehensive and detailed surveys of operations, and the process follows the Energy Efficiency Directive's four-year cycle. The installations and areas of operation that have the highest energy consumption are undergoing detailed energy audits by certified energy consultants, in order to identify and follow up on energy efficiency measures that have been implemented.

Scope 3

Emissions arising upstream and downstream in the value chain will be reduced by gradually improving the climate performance of the goods, products and services that are purchased or used. The emission factor for imported district heating from other energy companies in the region also needs to be reduced. It is estimated that the specific emissions from transport can be reduced by using more energy-efficient vessels, fuels with no or with lower fossil emissions per tonne transported, as well as through lower emissions from road transport, machinery and other activities that are required to collect and transport biofuels or residual waste.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Emission reductions – Key measures to achieve Stockholm Exergi's net-zero target (References to Scope and GHG numbers refer to the GHG Protocol's classification into scopes and categories)		Reduction in 2035 compared to the base year 2023	Expected annual reduction	Footnote number
SCOPE 1 – Own direct emissions		-88%	Approximately 470 kilotons of CO₂e (fossil)	
Phasing out of remaining fossil oil	Start-up and support combustion with oil will be adjusted , and oil-fired CHP plants and heating plants (hot water boilers) will be converted so that bio-oils can be used.		Reduction by 60 kttons of CO ₂	
Carbon dioxide capture, Högdalen	Carbon dioxide capture CCS, CCU or other action at waste incineration in Högdalen		Reduction by 320 kttons of CO ₂	1
Carbon dioxide capture, Brista	Carbon dioxide capture CC, CCO or other action at waste incineration in Brista		Reduction by 90 kttons of CO ₂	1
Conversion to refrigerants with lower climate impact	Gradual conversion to natural refrigerants, to replace refrigerants with high greenhouse gas impact.		Reduction by 4 kttons CO ₂ e (not included in the 2023–2032 reduction due to later start)	
SCOPE 2 Indirect emissions from purchased energy		-100%	Approximately 70 kttons of CO₂e (fossil)	
Energy efficiency improvements	Ongoing: Energy mapping and energy efficiency measures to avoid waste and unnecessary energy purchases		Continuous improvements	
Electricity with guarantees of origin	2030 Purchase only fossil-free or renewable electrical energy with guarantees of origin.		Reduction by 70 kttonnes of CO ₂	
SCOPE 3 Indirect upstream and downstream emissions		-16%	Approximately 100 kilotons of CO₂e (fossil)	
Reduce climate impact from "imported" district heating (GHG 3.3)	Fuel and energy-related activities – Imported district heating 2031–2035 The emission factor for imported district heating from other energy companies is reduced.		Reduction by 50 kttons of CO ₂	2
Climate requirements for transport (GHG 3.4 and 3.5)	Upstream transportation and distribution 2025 requirements for fuel transport vessels to be more energy efficient and have a lower emissions profile. New tonnage specifically optimised for transporting wood chips is planned for 2026. 2025 fuel requirements for lorries transporting ash		Reduction by 40 kttons of CO ₂	3
Climate requirements during procurement and in projects (GHG 3.1)	Purchased goods and services 2025 climate requirements in procurement and prioritise material choices with a lower climate impact in projects.		Reduction by 9 kttons of CO ₂	4
Helping customers to reduce their emissions (GHG 3.11)	Use of sold products Ongoing: Energy efficiency improvements at customers through heat optimisation and control, reducing electricity consumption and customers' Scope 2 emissions.		Reduction by 2.5 kttons/year	

1) Captured carbon dioxide is of both biogenic and fossil origin. The capture and permanent storage therefore achieves emission reductions (specified in this table) as well as negative emissions (specified in the carbon sink table).

2) Assumed emission reduction through the introduction of CCS or transition to a higher share of renewable fuels.

3) Emission reductions depend on technological developments in the transport sector and the forestry industry. Electrification of heavy transport and increased access to renewable fuels.

4) Emission reductions depend on technological developments in the industries that supply materials and components to the company's installations. According to the IEA, industrial emissions can be reduced by up to 50% by 2040 through electrification, energy efficiency improvements and increased use of CCS (carbon capture and storage). The company's analysis assumes a 40% reduction between 2023 and 2040.

Negative emissions (carbon sink) – Key measures to achieve Stockholm Exergi's net-zero target References refer to the GHG Protocol's classification into scopes and categories		Expected annual outcome
Production of negative emissions (BECCS, CCS) Capture and permanent storage of carbon dioxide		Approx. 1,530 kttons of CO₂e (biogenic)
Permanent geological storage of biogenic carbon dioxide from biomass incineration	2028 – Capture of biogenic carbon dioxide in own value chain from biomass incineration, BECCS KVV8. Project in progress 2025–2028, carbon capture expected to commence in 2028.	Storage of 820 kttons of biogenic CO ₂
Permanent geological storage of biogenic carbon dioxide from waste incineration	Capture of biogenic carbon dioxide in own value chain from residual waste incineration, CCS Högdalen and Brista. Feasibility study in progress, carbon dioxide capture expected to commence in 2033 and 2035, respectively.	Storage of 710 kttons of biogenic CO ₂
Allocation of emissions corresponding to the remaining annual emissions in scope 1, 2 and 3 that must be neutralised for the company's net-zero claim		Net-zero CO₂e
Neutralisation of remaining emissions	Total emissions – Remaining annual emissions in scope 1, 2 and 3 that must be neutralised for SE's net-zero claim. Stockholm Exergi allocates 185 kttons permanent negative emissions.	Allocation of an estimated 185 kttons annually

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

The past year, 2025

Stockholm Exergi has made an investment decision regarding the BECCS Stockholm carbon capture project. The investment decision was based in part on the investment support provided through the reverse auction conducted by the Swedish Energy Agency, and in part on the agreements entered into with a number of different companies regarding the purchase of certified negative emissions. The purpose of these purchases is to compensate for historic emissions or to neutralise emissions that cannot be reduced for technical or economic reasons.

During the year, the company continued its strategic transition from fossil fuel oil to renewable alternatives, in line with the sustainability goals. The modernisation work on the largest oil-fired CHP plant, KVV1 in Värtaverket power station, has continued, and commissioning with test operation began during the autumn. KVV1 has been equipped with new incineration technology that enables the production of electricity and heating based on bio-oil, resulting in lower and more favourable emission levels compared to the previous technology.

In parallel with this, planning has been underway for the gradual phasing-out of fossil oil throughout the entire business, with the aim of completely replacing it by 2032. The company has also continued to develop and maintain biofuel-based production facilities and district heating networks to ensure a robust and sustainable energy supply. The work on the bioconversion of the oil depot has continued during the year, which is a key part of our transition to renewable energy sources. In all, SEK 3,233 million has been invested in activities that, according to the definitions in the EU Taxonomy, materially contribute to limiting climate impact.

The company is working in the long term to gradually reduce the climate impact in the transport chain, with a particular focus on fuel transport. In 2025, cooperation has been focused to a greater extent on transport companies that offer vessels with a lower emission profile. These vessels have a carbon footprint that is approximately 45 per cent lower than that of a typical vessel in the industry. In addition, several of the vessels used are prepared for operation with renewable fuels, which is creating conditions for further reductions in emissions as the technology develops and new fuels become commercially available.

In January 2025, a survey was conducted regarding staff commuting, which enabled the calculation of commuting-related emissions in Scope 3. In addition to quantitative data, suggestions for improvements were also collected. The most frequent suggestions received are investigated. A new survey for emission calculations is planned within three years.



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Targets and metrics

E1-4 – Targets related to climate change mitigation and adaptation

The company's 2025 climate targets were determined by the Board of Directors in December 2024. The targets are based on the company's business plan for 2025–2027 and, for subsequent years, on the company's targeted development in terms of financial results, production and energy mix.

Net-zero climate impact 2035

The company will reduce its own and indirect emissions, capture and store biogenic carbon dioxide to create a permanent carbon sink and neutralise remaining residual emissions by 2035 to achieve net-zero climate impact.

Scopes 1 and 2

The company will reduce Scope 1 and 2 greenhouse gas emissions by 89% per kWh of energy and district cooling, calculated from the base year 2023.

This will be achieved by replacing fossil oil with renewable alternatives, capturing fossil carbon dioxide during waste incineration and reducing emissions of other greenhouse gases.

Indirect emissions in Scope 3

Activities related to the capture, transport and storage of carbon dioxide will be introduced without increasing the total annual indirect emissions in Scope 3 compared to the reference year 2023.

This requires an average improvement of 60% in the carbon intensity in transport, purchased goods and products, as well as other indirect emissions. The historical carbon footprint from the construction of BECCS and CCS systems will be neutralised by permanent removals, as these emissions will be spread over several years and be neutralised annually, according to the methodology that is being developed for certifying permanent negative emissions.

Intensity targets 2025

Emissions in Scope 1 and 2, as well as emissions from imports from production collaborations, will not exceed 65 grams per kWh by 2025 and will not exceed 10 grams of carbon dioxide per kWh of energy (district heating, electrical energy and district cooling) by 2035 (see Targets and metrics below).

Emissions per kWh of district heating product will not exceed 45 grams per kWh of district heating in 2025.

Justification, scope and base year

The climate targets address one of the company's most significant sustainability issues and cover greenhouse gas emissions in Scope 1, 2 and 3.

The climate target is inspired by the Science Based Target Initiative's (SBTi) criteria for net-zero climate impact, as well as its roadmap for the energy sector. Emissions will be reduced as far as technically possible and economically viable. Remaining residual emissions will be neutralised with permanent negative emissions. By 2035, emissions in scope 1 and 2 per kWh will be at or below the levels specified as necessary in the SBTi's guidance for 2025 for players in the energy sector who want to achieve net-zero climate impact. SBTi is currently revising its guidance. The company has not validated its climate target in relation to SBTi's criteria. See below for measures and resources.

The base year 2023 has been set as the base year for Stockholm Exergi's climate targets and emissions monitoring. The base year has been chosen because carbon dioxide emissions in 2023 are close to the average for the period 2020–2024, and the year does not otherwise deviate significantly from normal operating or climatic conditions.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Annual Report and Other Information

Targets and indicators in relation to emissions intensity

Emissions intensity	Unit	Base year 2023	Target year 2025	Target year 2035	Outcome 2024	Outcome 2025	Change
District heating							
VMK total ¹⁾	gCO ₂ -e/kWh	44	45	10	48	52	8%
VMK residual ²⁾	gCO ₂ -e/kWh				51	57	12%
Emissions from treated residual waste							
Carbon dioxide emissions from waste incineration per tonne of treated residual waste	kgCO ₂ /ton				493	462	-6%
Total production – Scope 1, 2 & part of scope 3							
Greenhouse gas emissions per total energy supplied ³⁾	gCO ₂ -e/kWh	61	65	10	66	67	1%
Total production - Scope 1, 2 & 3							
Total greenhouse gas emissions per total energy supplied⁴⁾	gCO ₂ -e/kWh				81	82	1%
Total greenhouse gas emissions per net revenue, market-based⁵⁾	ton CO ₂ e/SEKm				86	81	-6%
Total greenhouse gas emissions per net revenue, location-based⁶⁾	tons CO ₂ e/SEKm				85	79	-6%

1) CO₂e/kWh of district heating supplied, calculated according to VMK, the Swedish Heating Market Committee (with no consideration for special agreements).

2) CO₂e/kWh of district heating supplied, residual mix calculated according to VMK, the Swedish Heat Market Committee (with consideration for special agreements).

3) Total emissions from Scope 1, 2, market-based, plus emissions from imports from production partnerships, divided by total supply of district heating, electricity and district cooling (before carbon offsetting).

4) Total emissions from Scope 1, 2 and 3, market-based, divided by total supply of district heating, electricity and district cooling (before carbon offsetting).

5) GHG intensity, Total emissions from scope 1, 2 and 3, market-based, divided by net revenue.

6) GHG intensity, Total emissions from scope 1, 2 and 3, location-based, divided by net revenue.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

E1-5 Energy consumption and mix

Energy consumption and energy mix	Unit	2024	2025	Change (%)
Fossil sources				
Fuel consumption from coal and coal products	GWh	0	0	0%
Fuel consumption from crude oil and petroleum products	GWh	256	155	-39%
Fuel consumption from natural gas	GWh	0	0	0%
Energy from residual waste of fossil origin	GWh	1,022	1,140	12%
Consumption of purchased electricity	GWh	97	96	-1%
Consumption of heat acquired from production cooperation	GWh	92	193	109%
Total non-renewable energy consumption	GWh	1,467	1,585	8%
<i>Share of fossil sources in total energy consumption (%)</i>	%	16.0%	18.1%	13%
<i>Share of fossil sources in total electricity consumption (%)</i>	%	8.3%	9.6%	15%
Nuclear energy sources				
Consumption of purchased electricity from nuclear energy sources	GWh	763	556	-27%
<i>Share of nuclear energy sources in total energy consumption (%)</i>	%	8.3%	6.3%	-23%
<i>Share of nuclear energy sources in total electricity consumption (%)</i>	%	65.2%	55.3%	-15%
Renewable sources				
Energy from residual waste of renewable origin	GWh	1,499	1,559	4%
Fuel consumption of solid biofuels	GWh	2,455	2,339	-5%
Fuel consumption of bio-oils	GWh	443	388	-12%
Consumption of purchased electricity	GWh	310	354	14%
Use of heat acquired from treated wastewater	GWh	733	685	-7%
Use of heat acquired from seawater and lake water	GWh	535	578	8%
Use of heat acquired from district cooling return	GWh	133	121	-9%
Use of heat acquired heat from Open District Heating	GWh	22	21	-4%
Use of free cooling from seawater and lake water	GWh	119	82	-30%
Consumption of heat acquired from production cooperation	GWh	726	507	-30%
Total renewable energy consumption	GWh	6,975	6,635	-5%
<i>Share of renewable sources in total energy consumption (%)</i>	%	75.8%	75.6%	0%
<i>Share of renewable sources in total electricity consumption (%)</i>	%	26.5%	35.2%	32.5%
Total energy consumption	GWh	9,205	8,776	-5%

Energy intensity	Unit	2024	2025	Change (%)
Energy consumption per net revenue	MWh/MSEK	1,098	1,034	-6%

Energy production and energy mix	Unit	2024	2025	Change (%)
Energy production from non-renewable sources				
Heat production	GWh	1,814	1,683	-7%
Electricity generation	GWh	125	152	22%
Total energy production from non-renewable sources	GWh	1,939	1,835	-5%
Energy production from renewable sources				
Heat production	GWh	5,480	5,200	-5%
Electricity generation	GWh	579	680	18%
Cooling production	GWh	373	341	-8%
Total energy production from renewable sources	GWh	6,432	6,222	-3%
Total own energy production	GWh	8,371	8,057	-4%
<i>Share of production from renewable sources</i>	%	77%	77%	1%

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Stockholm Exergi evaluates its climate impact annually in accordance with the GHG Protocol, covering Scope 1, 2 and 3. Within Scope 3, the emission categories identified as particularly relevant, are analysed to assess both the direct and indirect climate impact of the business.

Stockholm Exergi's own direct emissions correspond to Scope 1. Scope 1 emissions are mainly caused by Stockholm Exergi's waste treatment. Residual waste contains plastics and other fossil materials. Residual waste accounts for about 30 (27) per cent of the energy supplied, and about 88 (83) per cent of Stockholm Exergi's local greenhouse gas emissions.

Approximately 7 (9) per cent of Stockholm Exergi's total greenhouse gas emissions occur upstream when fuels are collected, undergo processing (where applicable) and are transported to the production plants.

The production of heat, electricity and cooling, including purchased electricity, accounts for 82 (87) per cent of total greenhouse gas emissions, of which 75 (81) per cent are Stockholm Exergi's own emissions and the rest come from partners. The remaining greenhouse gas emissions come from purchased goods and services, as well as from business travel.

Carbon dioxide emissions in the Company's own facilities are calculated in accordance with each plant's permit for greenhouse gas emissions. Carbon dioxide data from own production had not undergone final verification according to the EU-ETS at the time of reporting. No significant events have occurred after the reporting date that will affect the climate report. No changes to methodology or scope have been made since 2024.

	Retrospective			Change (%)	Milestones and target years		
	Base year 2023	2024	2025		Target 2035	Target 2050	Annual % target / Base year
Scope 1 GHG emissions ¹⁾							
Gross scope 1 greenhouse gas emissions (ktons CO ₂ e)	433	481	450	-6%	55		-7%
Percentage of scope 1 greenhouse gas emissions from regulated emissions trading systems (%)	96%	97%	97%	0%			
Scope 2 GHG emissions							
Gross location-based scope 2 GHG emissions (ktons CO ₂ e)	61	54	51	-6%			
Gross market-based scope 2 GHG emissions (ktons CO ₂ e) ²⁾	68	65	66	2%	0		-8%
Significant scope 3 GHG emissions							
Total gross indirect scope 3 emissions (ktons CO ₂ e)	205	174	171	-2%	135		-2%
1. Purchased goods and services ³⁾	30	28	33	16%			
2. Capital goods ⁴⁾	39	38	39	1%			
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	108	81	79	-2%			
4. Upstream transportation and distribution	25	24	18	-26%			
5. Waste generated in own operations	0.9	1.1	1.2	9%			
6. Business travel	0.10	0.11	0.12	9%			
7. Employee commuting	0.49	0.51	0.59	15%			
8. Upstream leased assets	0	0	0	N/A			
9. Downstream transportation	0	0	0	N/A			
10. Processing of sold products	0	0	0	N/A			
11. Use of sold products	0	0	0	N/A			
12. End-of-life treatment of sold products	0	0	0	N/A			
13. Downstream leased assets	0	0	0	N/A			
14. Franchises	0	0	0	N/A			
15. Investments	1.8	1.1	1.0	-13%			
Total GHG emissions							
Total GHG emissions (location-based) (ktons CO₂e)	698	709	672	-5%			
Total GHG emissions (market-based) (ktons CO₂e)	705	720	688	-4%	190		-6%

1) In 2025, biogenic carbon dioxide emissions in Scope 1 amounted to 810 ktons. Biogenic emissions have not been calculated for Scope 2 and 3.

2) In 2025, 87 (89) per cent of the electricity supplied was origin-labelled (AR 45d). The mix consisted of 10 (8) per cent hydroelectric power, 80 (64) per cent nuclear power and 10 (18) per cent corresponding to self-generated electricity from bioenergy.

3) The method used for the spend analysis has been updated in 2025 and has been applied retrospectively for 2023-2024.

4) New, previously included in the purchase of goods and services.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Direct and indirect scope 1, 2 and 3 greenhouse gas emissions, taking into account permanent geological storage of biogenic carbon dioxide

	Retrospective				Milestones and target years			Annual reduction in % / Base year
	Base year 2023	2024	2025	Change (%)	2032	2035	2050	
Total GHG emissions (market-based) (ktons CO ₂ e)	705	720	696	-3%	690	190		-6%
Negative emissions ¹⁾					-828	-1,530		
Net total GHG emissions (market-based) (ktons CO ₂ e) ²⁾					-138	-1,351		

(1) The negative emissions produced when biogenic carbon dioxide is permanently stored will be certified and offered on the voluntary market. Only negative emissions that the company does not claim for itself within the framework of its net-zero target will be sold.

(2) The company's overall climate impact in scope 1, 2 and 3 net, taking into account the fact that technology for capturing and permanently storing carbon dioxide is integrated into the production system.

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

Stockholm Exergi will not invoke the climate target of net-zero climate impact until 2035, or at the earliest when emissions have been reduced in accordance with the transition plan and remaining residual emissions that are difficult to reduce are fully neutralised through permanent carbon removals.

Stockholm Exergi's purchase of carbon credits

The company will be carbon offsetting direct emissions from its own use of fossil oil to produce district heating until such time these fuels have been phased out. For the district heating product Carbon-neutral district heating, the company reduces its carbon footprint even further by carbon offsetting emissions throughout the value chain in its district heating production process.

Offsetting is performed through the purchase and cancellation of credits from emission reduction projects. All projects are outside our own value chain (E1-7, 58) and are issued outside the EU (E1-7, AR 62d).

The projects are third-party verified and certified according to the Gold Standard (GS) – a recognised quality standard for climate projects that ensures that the initiatives lead to real, measurable and long-term

climate benefits and contribute to sustainable development (E1-7, 61c). The purchased carbon credits are known as Verified Emission Reductions (VERs), which means that each credit corresponds to a verified reduction of one tonne of CO₂e (carbon dioxide equivalents) from voluntary climate projects outside the official UN system. The purchased credits have not been resold to external parties (E1-7, AR 58e). The company's investments in carbon credits do not replace established climate targets or adopted climate strategies but rather serve as a complement to the company's own actions to reduce actual emissions (E1-7, AR61).

Stockholm Exergi prioritises projects for renewable energy and reduced emissions. In addition, many projects protect biologically valuable countryside, address social and economic sustainable development, or enable the more rapid spread of green technologies.

The carbon offsetting volume and choice of projects for 2025 will be determined, verified and cancelled in April 2026.

For 2024, credits were purchased to cover 96,741 tonnes of CO₂e (E1-7-56-(b)). Purchase and cancellation took place in April 2025. Investments were made in the following four projects/activities (AR 60, E1-7, 58 a):

- Safe drinking water (Central Mozambique Safe Water Programme)
- Biogas for cleaner cooking systems (National Biodigester Programme Cambodia)
- Capture/incineration of methane gas (CTL Landfill Gas Project)
- Sierra Leone Safe Water

Stockholm Exergi's production of carbon credits (E1-7-60–61)

At present, Stockholm Exergi does not produce carbon credits. However, the climate target, i.e. net-zero greenhouse gas emissions by 2035, is because, by this time, the company intends to be producing certified negative emissions (carbon credits) through CCS technology. The company also intends to use only a small proportion of these to achieve the target, while the majority will be sold on the voluntary market. Carbon offsetting through the cancellation of carbon credits based on emission reductions will not be used to achieve the target of net-zero greenhouse gas emissions.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Carbon credits cancelled in the reporting year	Cancelled in 2024 for the year 2023	Cancelled in 2025 for the year 2024
Total (tonnes CO ₂ e)	84,393	96,741
Share from removal projects (%)	0%	0%
Share from reduction projects (%)	100%	100%
Share from removal projects (%)	0%	0%
Quality standard Gold Standard (%)	76.3%	100%
Quality standard Verra Verified Carbon Standard (VCS), (%)	23.7%	0%
Share from projects within the EU	0%	0%
Share of carbon credits that qualify as corresponding adjustments (%)	100%	100%

E1-8 – Internal carbon pricing

Stockholm Exergi does not apply a general internal carbon pricing system.

Almost all of the company's direct emissions of greenhouse gases are currently covered by the EU Emissions Trading System (EU-ETS), which means that the costs for emissions increase as the permitted scope for emissions within the EU is reduced. It constitutes an important incentive in the transition plan described in E1-1.

For the BECCS initiative, i.e. the plan to capture and store biogenic carbon dioxide, there is in practice a clear cost for fossil emissions along the BECCS value chain. This is because the certified negative emissions that are to be sold correspond to minus one tonne of carbon dioxide net from an LCA perspective. For every tonne of negative emissions that is certified as a carbon credit, the value chain's emissions of greenhouse gases, both own direct emissions and indirect upstream and downstream emissions, including emissions that arise when the installation is built, will first need to be neutralised in accordance with the framework currently being drawn up within the EU. As capturing and storing biogenic carbon dioxide on a permanent basis entails a high cost, there are very strong

incentives to seek technological solutions that reduce greenhouse gas emissions along the entire value chain for the production and certification of negative emissions.

The cost of producing a carbon credit with BECCS currently far exceeds the costs resulting from the EU's emissions trading. In practice, the company thereby applies an internal and additional cost for carbon dioxide emissions within the BECCS value chain, and the project works actively to try to avoid climate impact that can be reduced at a lower cost than the cost of producing negative emissions.

Calculation principles ESRS E1

Energy consumption and mix E1-5

Energy consumption and production in own operations are obtained from Stockholm Exergi's database for production data. Imports of heat from other district heating producers and useful heat from the Company's Open District Heating concept are measured and processed in a separate system. The proportion of renewable or fossil energy recovered from the incineration of residual waste is calculated from the proportion of measured fossil carbon dioxide in the flue gases. The breakdown (proportion of fossil carbon dioxide)

is based on the latest verified EU-ETS report. Thermal energy from flue gas condensation is classified as renewable or fossil energy based on the mix of fuel inputs in the CHP plants, including used start-up/support oil. The proportion of energy from renewable sources in total electricity consumption is calculated from data regarding the electricity mix (see below on Scope 2).

Net revenue

Net revenue (net sales) is reported at an amount that reflects the anticipated remuneration and the remuneration to which the company is entitled for the transfer of goods and/or services to customers. Stockholm Exergi recognises the revenue when the Group transfers control of a product or service to a customer. The Group's revenue consists mainly of energy supplied to end customers. Revenue is reported net of discounts and price deductions, and excluding value added tax. Intensity key performance indicators are calculated based on Stockholm Exergi's total net sales, as all parts of the business contribute to the climate impact (covered by the high impact sector) and are part of the same integrated energy system. Reference to the Group's income statement and NOTE 5.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Percentage of scope 1 greenhouse gas emissions from regulated emissions trading systems

The emissions covered by regulatory emissions trading systems are carbon dioxide emissions from production. The Scope 1 emissions that are not included and are calculated separately are methane, nitrous oxide and refrigerants, as well as business travel (company cars).

Total greenhouse gas emissions

Scope 1

Only activities over which the company has operational control are included in Scope 1. Carbon dioxide emissions from own production with oil and waste are based on data that is used for reporting under the European Emissions Trading System. For EU-ETS Other greenhouse gases, verified measurement data for methane or nitrous oxide is used in the first instance when available. Otherwise, templates from the Swedish Environmental Protection Agency are used for stationary incineration/electricity and district heating production. Emissions of refrigerant (losses) are calculated by weighing the amount of refrigerant in the heat pump plants. The same data regarding refrigerant losses (emissions) is reported annually to environmental authorities in line with legal requirements. Conversion to carbon dioxide equivalents for methane, nitrous oxide and refrigerants takes place in accordance with IPCC AR6. For lease cars, data on fuel consumption is collected from the service provider. For privately owned vehicles that are used for business purposes, information regarding mileage allowances is employed, which is multiplied by emission factors for the consumed fuels. The emission factors are obtained from the Swedish Energy Agency. For the target calculation, net emissions = gross emissions (all scope 1 emissions) + negative emissions.

Scope 2

Market based: Electricity that is consumed to produce district heating and district cooling is calculated and guarantees of origin for renewable and/or fossil-free electricity corresponding to this consumption are purchased and cancelled. Guarantees of origin are purchased through bilateral trading as a contractual instrument, and they are unbundled because they can be acquired separately from the physical electricity. The distribution for the year regarding purchased Guarantees of origin is described further in Note 4 in the table Direct and indirect greenhouse gas emissions, scope 1, 2 and 3.

Emission factors for nuclear power, hydropower and wind power are obtained from the respective EPDs. The emission factor for electrical energy produced in-house is based on the allocated emissions to produce electrical energy in the plant in question. The calculation of the amount of electrical energy used to produce district heating, and for the emissions that will subsequently be charged to the district heating product, is performed with allocation according to principles in the GHG Protocol. For electrical energy that is consumed to produce electricity in CHP plants (i.e. that is not allocated to heat production), the volume is multiplied by an emission factor for the Nordic residual mix obtained from the Swedish Energy Market Inspectorate. The allocation of carbon dioxide emissions thereby takes place with no residues.

Location based: Total electricity consumption is multiplied by the current emission factor for the Nordic electricity mix, where no consideration is given to allocation-based products such as guarantees of origin.

Scope 3

For all categories in Scope 3, primary data is used where possible, such as volumes of imported heat, actual fuel transactions, purchase volumes in SEK, consumed chemicals and travel distances obtained from travel agencies. This activity data is combined with established emission factors (Swedish Environmental Protection Agency, NTM, Swedish National Agency for Public Procurement, IPCC, etc.) to calculate emissions. This ensures that the calculations are based on the business's own data and supplemented with quality-assured templates.

Transport and distribution in later stages, processing of sold products, use of sold products and end-of-life treatment of sold products are not relevant for electricity, heating and cooling. The company has no franchises or assets leased upstream or downstream. Biogenic carbon dioxide emissions in the value chain are not reported in Scope 3.

Category 1: Purchase of goods and services. The calculation is based on monetary data in the form of OpEx (SEK) that has been registered in the company's business system and emission standards from the National Agency for Public Procurement. Production of chemicals: Emissions are calculated based on the amount of consumed chemicals and emission standards from e.g. the IPCC.

Category 2: Capital goods, comprising investments in installations, including construction projects. The calculation is based on monetary data in the form of CapEx (SEK) that has been registered in the Company's business system and emission standards from the National Agency for Public Procurement.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Category 3: Fuel and energy-related activities. Imports of heat from other district heating producers: Emissions are based on the import's fuel mix and emission factors according to the Swedish Heating Market Committee (VMK). Also refers to emissions from the extraction and distribution of fuels to these plants (scope 1, 2 and 3).

Category 4: Upstream transportation and distribution. Transporting fuel and chemicals: The calculations are based on the fuel transactions and on the best available data (known consumption, known vehicle fuel, or transport work such as number of thousand km multiplied by emissions standards from the NTM).

Production of fuel: Emissions are calculated based on fuel consumed in the Company's energy production and various emission standards (Swedish Energy Agency, supplier data, EPDs). Also includes fossil emissions from aerial thermography carried out to detect any leaks in the district heating network.

Category 5: Refers to the transport of waste generated in the business. Treatment by means of incineration is not reported here to avoid double reporting with scope 1.

Category 6: Refers to air travel on official business. The emissions are based on registered information from the Company's travel agency regarding distances travelled. Emissions are calculated in a dedicated flight calculation tool based on emission factors from the NTM, RFI 1.9.

Category 7: Employee commuting, based on data from a staff survey conducted in 2024, where the results have been weighted based on the number of employees during the year.

Category 15: Investments that are not already included in the company's own Scope 1 or 2. This includes, for example, ownership interests in subsidiaries, associated companies and joint ventures that are not consolidated in Scope 1 or 2. Emissions are calculated in proportion to Stockholm Exergi's ownership interest. Any district heating production is calculated according to principles decided by the Swedish Heating Market Committee (VMK).

VMK key performance indicator – gCO₂e/supplied kWh district heating residual

Calculated with consideration for separate customer agreements, which means that the key performance indicator shows the residual mix's emission factor. The key performance indicator is also reported in a separate customer report at the end of January each year and to Energi-företagen (Swedenergy). Based on VMK standards as well as the latest EU-ETS verified emission factor for residual waste. The calculations are verified by Energiföretagen during the spring.

VMK key performance indicator – gCO₂e/supplied kWh district heating residual

Same calculation as above, but without taking specific customer agreements into account. The key performance indicator can be said to correspond with the location-based method according to the GHG Protocol.

Emissions from waste incineration – kgCO₂ emissions per tonne of treated (incinerated) waste

This key performance indicator is also communicated to waste treatment customers in a separate report. Encompasses all residual waste incinerated by Stockholm Exergi. Calculated based on measured CO₂ emissions from all waste incineration, which are also reported under the EU-ETS. Any fossil CO₂ emissions from the use of support/start-up fuel (EO1) are subtracted and not included in the key performance indicator, which consequently only

reflects the amount of fossil material in residual waste (e.g. plastic). The total emissions of carbon dioxide (kg) are divided by the total amount of incinerated residual waste (tonnes).

Volume of reductions/uptake of greenhouse gas emissions through the purchase of carbon credits

Forecast for the year and results from previous years for the amount of carbon dioxide that is offset for direct emissions from own use of fossil oil to produce district heating and for the product carbon-neutral district heating. The calculations are carried out in accordance with ISO 14021.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

ESRS E2 Environmental pollution

Materiality assessment

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Air pollution

In 2025, Stockholm Exergi has conducted a double materiality assessment and identified actual negative impacts linked to emissions to air, primarily from its own energy production but also upstream in the value chain.

These emissions contribute to the regional environmental impact in Central Sweden through emissions of dust, as well as eutrophying and acidifying substances such as nitrogen oxides and sulphur dioxide. Risks are linked to the exceeding of environmental permits, technical breakdowns and fuel quality affecting combustion efficiency.

Stockholm Exergi's operations may have a significant environmental impact, which could entail major risks if the Company falls short in its environmental work. The environmental impact of the operations consists mainly of emissions to air, partly from energy conversion at the production plants, and partly from the extraction and transport of fuels to the plants.



An environmental impact assessment (EIA) is carried out in connection with each permit application, identifying relevant environmental aspects and providing a thorough account of the environmental impact that Stockholm Exergi's planned operations may entail. To ensure that air pollution is correctly identified as a material environmental impact, the EIA is used as a methodological basis for mapping and assessing emissions. In connection with the development or change of operations, clear information and consultation is carried out with authorities and individuals who may be particularly affected, such as residents.

Fuel and goods are transported to the plants by sea, rail or road. The impact of these relates to emissions of pollutants to air that can potentially harm the environment.

The plants' relevant emissions to air

Plant	Relevant ¹⁾	Justification: parameters above 5%
Högdalenverket	Yes	NOx, SO ₂ , Dust, Hg, Cd, Dioxins
Värtaverket	Yes	NOx, SO ₂ , Dust, Hg, Dioxins
Bristaverket	Yes	NOx, Dust, Hg
Hässelbyverket	Yes	NOx, Dust
Hammarbyverket	Yes	SO ₂
Akallaverket	Yes	SO ₂ , Dust
Lidingöverket	Yes	SO ₂
Other plants	No	All parameters below 5%

¹⁾ A plant is classified as relevant if it accounts for more than 5% of the company's total emissions for at least one of the following parameters: nitrogen oxides (NOx), sulphur dioxide (SO₂), dust, mercury (Hg), cadmium (Cd) and dioxins.

A materiality assessment of the production plants emissions to air has been carried out, to identify which plants have a significant impact on air emissions. The assessment refers to each plant's contribution to the company's total emissions of air pollutants and is based on reported emission data per plant in 2024.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

A plant is classified as relevant if it accounts for more than 5% of the company's total emissions for at least one of the following parameters: nitrogen oxides (NO_x), sulphur dioxide (SO₂), dust, mercury (Hg), cadmium (Cd) and dioxins. Smaller plants where all parameters are below 5% are classified as non-relevant.

Policy and governance

E2-1 – Policies related to environmental pollution

The operations require a permit under the Swedish Environmental Code (Miljöbalken), and the company's environmental management system is certified according to ISO 14001. Stockholm Exergi works with regulatory compliance in a structured manner as environmental permits and regulations are fundamental to the business. The precautionary principle is considered in risk analyses and environmental impact assessments.

Stockholm Exergi's approach to managing its environmental impact is guided by the company's sustainability policy. The impact on humans, the environment and society forms the basis for the development of the business and operations. The best possible technology in the plants is considered to reduce emissions to air, both locally and regionally.

The sustainability policy also governs management of the environmental impact risks in the operation's value chain. This is assessed when decisions are being made, and the environment is protected by imposing sustainability requirements along the entire value chain. The policy is implemented through governing documents, procedures and staff training.

A large proportion of Stockholm Exergi's energy production takes the form of treating residual waste through energy recovery. The business's waste treatment service, combustion with energy recovery, treats waste that cannot or should not be recycled in society. This waste may contain harmful substances that are largely able to be captured or destroyed through combustion and advanced treatment technology before the flue gases are released into the air. In this way, the operations entail an opportunity for society to remove harmful substances from the circular cycle.

Most of the organisation's energy production occurs within permit-required activities and is governed by applicable legislation and environmental permits. These set limits as regards the levels of substances that may be released to the air, with the aim of ensuring that the operations do not harm humans or the environment. The environmental permits have been issued by the Swedish Land and Environment Court, the Swedish County Administrative Boards, or other competent permitting authorities, based on their assessment that the environmental impacts arising from the operations should not cause harm to human health or the environment. The environmental permits for the facilities define the allowable emission levels to air. A breach of a permit condition may therefore constitute an exceedance of an air-pollutant limit and is classified as a significant environmental incident.

Incidents and emergencies are prevented through procedures, monitoring, training and environmental rounds. In the event of incidents, there are clear processes for reporting, action and follow-up. Action plans include environmental rounds, preventive maintenance, investments in emission control technology and training. The

actions are monitored and evaluated on an ongoing basis to reduce environmental risks and improve environmental performance.

The operation and maintenance organisation is responsible for investigating and addressing environmental incidents. The environmental unit monitors emission levels and environmental incidents regularly and distributes information on management and prevention measures within the organisation. In the event of a significant environmental incident, a root cause analysis is always conducted and actions are implemented to reduce the risk of a reoccurrence. This enables measures to be implemented, as needed, either across the entire organisation or within the specific unit where a disruption or non-conformity has occurred. Risk assessments and evaluation of environmental performance also provide a basis for decisions on preventive measures.

The purpose of the sustainability policy is to promote a reduction in the environmental impact in Stockholm and to ensure that the business does not disturb neighbours in the local area with its production plants, transport or construction work. Work or operations is never initiated without first taking action to prevent possible pollution and minimise potential environmental risks.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Actions and resources

E2-2 – Actions and resources related to environmental pollution

The organisation for district heating and district cooling production is responsible for ensuring that the plants are designed according to requirements and comply with applicable environmental permits, laws and procedures relating to the environment. Proper operation and maintenance of the operation's plants, in combination with prevention, are crucial to the operation's environmental performance. To ensure this, environmental rounds are carried out aimed at identifying possible risks and preventing the occurrence of environmental non-conformities. Stockholm Exergi monitors the number of environmental rounds that are performed each year. Actions to tackle air pollution follow a clear hierarchy:

1. **Prevention:** Selection of best available techniques (BAT) for new investments.
2. **Reduction:** Optimisation of operations and fuel mix to minimise emissions.
3. **Restoration:** Actions to be taken in the event of incidents to quickly restore normal emission levels.

Stockholm Exergi works systematically to reduce emissions of air pollutants, such as nitrogen oxides (NOx) and dioxins, through technical improvements, operational optimisation and skills development. The measures can be divided into two categories:

- Disruption-related measures leading to action plans, and
- Planned projects and maintenance measures aimed at reducing emissions through improved technology.

Examples of measures implemented in 2025 include:

- Technical review of the SNCR system to improve the reduction in nitrogen oxides (Hässelbyverket)
- Replacement of SCR catalytic converter, which is expected to further reduce emissions of nitrogen oxides (Värtaverket)
- Investigation regarding the reduction of dioxins, which has resulted in an action plan with targeted measures to reduce emissions (Högdalenverket)
- Replacement of combustion oil with better quality (EO5 to EO3 Lidingöverket)

Examples of combustion technology measures in 2026:

- Upgrading of flue gas treatment
- Upgrading of measuring equipment
- Replacement of combustion equipment to enable, for example, the use of bio-oils or more efficient combustion for lower emissions
- Further measures to reduce nitrogen oxides
- Extending the service life of boilers
- Improvement in dosing of bicarbonate

To ensure that the measures have the desired effect and that environmental requirements are complied with, the environmental unit conducts regular training for operating staff. The aim is to maintain a high level of expertise, increase understanding of environmental requirements and clarify the company's goals linked to air pollution.

In the case of investments in the business, an assessment is always made of the opportunities and risks of environmental impact that the investment entails, and how it will contribute to meeting Stockholm Exergi's targets. The significant risks are governed by instructions to reduce the impact.

Before initiating a new activity or project, a risk analysis with accompanying action plan is produced, to describe how identified risks are to be prevented and controlled.

Furthermore, plant risk analyses have been prepared for each production plant, which include risks regarding the spread of pollution from the installation into the air. The plant risk analysis also contains information on how identified risks are to be prevented and controlled. The document is reviewed and followed up annually.

The operation works systematically on the non-conformities that occur, to reduce the risk of significant environmental incidents associated with air pollution. By also following up and thoroughly investigating low-severity environmental incidents that have occurred repeatedly, targeted improvement measures can be implemented in the operations that ultimately also prevent the occurrence of significant environmental incidents.

To ensure a high level of environmental performance and minimise emissions of air pollutants, priority is given to availability in core production, i.e. the larger CHP plants. They are equipped with advanced flue gas treatment and continuous monitoring of emissions, making them a key resource in the ongoing environmental work. By achieving and maintaining a high level of availability in these installations, operations can be optimised so that the most efficient and environmentally friendly systems are used to their full potential. This strategy serves as an important measure for continuously improving the environmental performance of the business and helping to ensure that environmental targets are met.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Metrics and targets

E2-3 – Targets related to environmental pollution

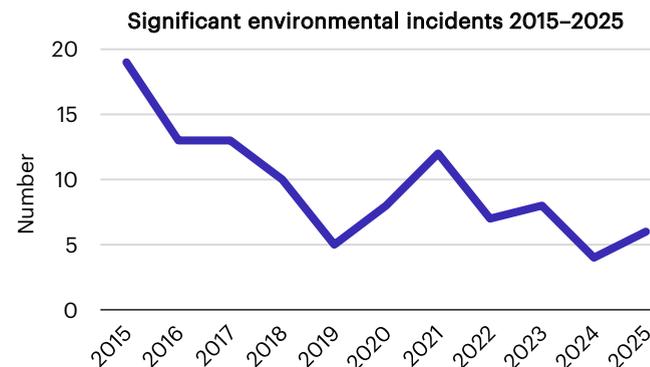
Targets are both mandatory (environmental permits and national limit values) and voluntary (maximum of five significant environmental incidents). Deviations from the targets lead to analysis and action plans.

To measure the effectiveness of its preventive work, Stockholm Exergi's overall goal is to not exceed five significant environmental incidents in one year. This target has been set based on the business's recommendations and has been developed in consultation with both the Board of Directors and the management team.

The level of ambition has been gradually raised over time: in 2015, the target was a maximum of 8 significant environmental incidents, which was lowered to 7 in 2017, to 6 for 2020, and then to 5 from 2021 onwards. This gradual tightening reflects the business's efforts to continuously reduce the risk of significant environmental incidents and improve the environmental performance of its operations.

Indicator	Targets 2025	Targets 2027	Unit	Outcome 2025
Significant environmental incidents	Max. 5	Max. 3	Number	6

There were six significant environmental incidents in 2025. The significant environmental incidents that occurred in 2025 comprised six cases of the limits for emissions to air being exceeded. More detailed information is presented in section E2-4.



The business's environmental targets are clearly defined and time-bound, with the ambition of a maximum of five significant environmental incidents in 2025 and a maximum of three such incidents in 2027. These targets are directly linked to material impacts on the environment, humans and the company's reputation, as significant incidents may entail negative impacts for nature and society. By focusing on reducing the number of incidents, conditions are being created for a better living environment, greater trust among stakeholders and a reduced risk of regulatory penalties.

The target relates to identified negative impacts by addressing the most critical environmental risks in the business, while opening opportunities for innovation and improved work processes. Expected results include reduced emissions, fewer incidents in the local environment and increased safety for both employees and the surrounding community. The progress that has been made so far, such as the absence of serious incidents for an extended period, indicates that the business is well on its

way to achieving its environmental targets and that its systematic efforts are having the desired effect.

E2-4 – Environmental pollution of air, water and soil

Stockholm Exergi reports annually on the pollution generated by its operations in its Environmental Report and Sustainability Report. This is done in accordance with environmental permits and applicable environmental regulations. There is also ongoing reporting to the supervisory authority in the event of unintentional releases or non-compliance incidents.

The weather affects emissions

The total amount of pollution emitted over a year depends on several factors. The most crucial factor is the temperature during the year. A cold year entails increased production in the company's peak load plants that offer less efficient treatment. Fuel quality and availability in core plants can also affect emission levels.

In the event of periodic monitoring of emissions, a single measurement can also have a major impact on the calculation of the total emissions for the year. Read more in the section on calculation principles.

Best available techniques

Stockholm Exergi applies the best available treatment techniques, known as BAT conclusions, in its operations. The requirements for the best available treatment techniques are so stringent today that even very minor operational disruptions in treatment systems can cause guideline values or limit values to be reached or briefly exceeded. The company takes these disruptions very seriously and is constantly working to prevent them.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Metrics

Environmental pollution of air, soil and water E2-4

Emissions to air from operations	2025	2024	2023	2022	2021	2020
Emissions of nitrogen oxides (tonnes)	856	1,025	1,073	1,215	1,178	759
<i>Of which nitrogen oxides from electricity and heat production</i>	608	687	696	831	884	589
<i>Of which nitrogen oxides from transport to and from the operations</i>	248	338	376	384	294	170
Emissions of sulphur dioxide (tonnes)	247	295	349	374	339	139
<i>Of which sulphur dioxides from electricity and heat production</i>	71	50	74	91	142	23
<i>Of which sulphur dioxides from transport to and from the operations</i>	176	245	275	283	197	116
Emissions of dust (tonnes)	29	42	49	50	35	21
<i>Of which dust from electricity and heat production</i>	11	17	21	21	15	9
<i>Of which dust from transport to and from the operations</i>	18	25	28	29	20	12
Hg emissions from electricity and heat production (kg)	4	12	6	5	13	11
Cd emissions from electricity and heat production (kg)	1	1	1	10	2	2
Dioxin emissions from electricity and heat production (mg)	75	129	87	86	117	205

Comments on emissions for the year

Emissions for all reported emissions have decreased in 2025, except for sulphur dioxide. The reduction in emissions of nitrogen oxide has been achieved thanks to the installation of a new SCR catalytic converter for KVV8. Other reductions in emissions – for particulate matter, heavy metals and dioxins – can be attributed to results from periodic measurements and fewer operating hours. Sulphur dioxide emissions have increased because of a higher proportion of pine bark in Akalla's fuel mix, increased use of bio-oil and a higher sulphur content in the fuel.

At Stockholm Exergi's plants, emissions of sulphur dioxide amounted to approximately 71 tonnes, nitrogen oxides to approximately 608 tonnes, particulate matter to just under 11 tonnes, mercury to approximately 4 kg, cadmium to just under 1 kg and dioxins to approximately 75 mg. By comparison, in 2024, Sweden's total emissions of nitrogen oxides amounted to 99,000 tonnes, SO2 to approximately 14,000 tonnes, particulate matter (PM2.5) to just under 13,000 tonnes, cadmium to approximately 0.5 tonnes, mercury to approximately 370 kg and dioxins to 8 grams.

Own disclosure – Significant environmental incidents

Type of incident	Substance	Recipient	Number	Comments
Exceeding the limit value	CO	Air	2	Regulation (2013:253) on the incineration of waste
Exceeding the limit value	Dust	Air	1	BAT conclusions Large combustion plants BAT LCP
Exceeding the limit value	Dust	Air	1	Regulation (2013:252) on large combustion plants
Exceeding the limit value	NO _x , NH ₃	Air	1	BAT conclusions Waste incineration BAT WI
Exceeding the limit value	NH ₃	Air	1	BAT conclusions Waste incineration BAT WI
Total			6	

Comments on significant environmental incidents

Stockholm Exergi applies the best available treatment techniques, known as BAT conclusions, in its operations. The requirements for the best available treatment techniques are so stringent today that even very minor operational disruptions in treatment systems can cause guideline values or limit values to be reached or briefly exceeded. The company takes these disruptions very seriously and is constantly working to prevent them.

The limit values for carbon monoxide (CO) are intended to ensure that incineration plants are technically designed for efficient and complete combustion. Elevated CO levels may be caused by variations in the quality of fuels or residual waste, for example in terms of moisture content, which occur so rapidly that the control systems are unable to fully compensate for the variation. By applying advanced flue gas treatment, such disruptions have no or extremely limited significance as regards emissions.

Emissions of nitrogen oxides (NOx) are counteracted by various treatment technologies, and emissions from district heating production now have no significant impact on nitrogen oxide levels in areas where people live.

The limit values for ammonia (NH₃) are applied to ensure that NOx treatment, for example using SNCR or SCR technology, does not result in unwanted emissions of ammonia into the air. The same applies to dust emissions.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Calculation principles

Each plant's calculation of emissions to air can be found in the plant's environmental self-monitoring programme.

For emissions to air, the large plants apply the most accurate measurement method, i.e. continuous measurement, where measurement values are accumulated and presented in the environmental reporting system. For smaller plants where continuous measurement is not required or economically viable, periodic measurement is applied and weighted against the supplied energy or flow to calculate emissions. Periodic measurement is also used, in dialogue with the supervisory authority, for larger plants when the parameter in question remains consistently at very low levels. The company complies with the legal requirements regarding measuring equipment at all its installations. Long-term sampling is used for certain parameters.

Measurement uncertainty mainly occurs in the instruments that are used, but these are type-approved and calibrated in accordance with current standards and legal requirements to ensure the reliability and accuracy of the measurement results.

Reported emissions of nitrogen oxides (NOx) must reflect actual emissions from the plant. If methods are used in the system for the nitrogen oxide fee, that result in reported

emissions not reflecting actual emissions, the value must be replaced or supplemented with emissions that have been measured or calculated as accurately as possible. The values are obtained according to the following order of priority: measurement of continuous emissions from stacks, measurement of continuous emissions before flue gas treatment supplemented with a calculation of capture in flue gas treatment, individual measurements that are extrapolated (for plants that use this method, "periodic measurement" is performed once a year), calculation of emissions based on fuel input. In the case of continuous measurement, an environmental reporting system is used to compile and calculate NOx emissions.

Reported emissions of sulphur dioxide must reflect actual emissions. This means that the values are obtained according to the following order of priority: measurement of continuous emissions from stacks, measurement of continuous emissions before flue gas treatment supplemented with a calculation of capture in flue gas treatment, individual measurements that are extrapolated (for plants that use this method, "periodic measurement" is performed once a year), calculation of emissions based on fuel input. Emissions of sulphur in forms other than sulphur dioxide (SO₂), such as sulphur (S) or sulphur trioxide (SO₃), are converted to SO₂. In the case of continuous measurement, an environmental reporting system is used to compile and calculate SO₂ emissions.

Reported emissions of dust must reflect actual emissions. This means that the values are obtained according to the following order of priority: measurement of continuous emissions from stacks, measurement of continuous emissions before flue gas treatment supplemented with a calculation of capture in flue gas treatment, individual measurements that are extrapolated (for plants that use this method, "periodic measurement" is performed once a year), calculation of emissions based on fuel input. In the case of continuous measurement, an environmental reporting system is used to compile and calculate dust emissions.

Reported emissions of mercury, cadmium and dioxins must reflect actual emissions. Reporting is done only for plants where measurements are made. Values are obtained in the following order of priority: measurement of continuous emissions from stacks, individual measurements that are extrapolated (for the facilities using this method, "periodic measurement" is performed two or four times a year).

Emissions from transport include the transport of fuel, residual waste, own waste and chemicals. The calculations are based on the transport work for the transactions, where the number of tonne-kilometres (tonne-km) is multiplied by emission standards from NTM.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

ESRS E5 Resource use and circular economy

Materiality assessment

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

To produce and deliver the heating, cooling and electricity that constitute the company's main deliveries, Stockholm Exergi uses biofuel, fossil fuel and recycled heat from the waste incineration service for residual waste from households and businesses, as well as from other industries such as data centres. In addition to this, the company also has resource inflows in the form of electricity for production plants, materials used in construction projects, as well as additives required for the treatment processes in the company's CHP plants to function.

The company also accepts residual waste for post-sorting so that plastic and metal can be recycled. Heat is recovered from Stockholm Exergi's production and can be utilised in the district heating network. Production also generates waste, mainly in the form of ash from the waste incineration service.

Several issues related to resources and circularity are material to the business and its long-term business strategy. The assessment covers both current impacts and future opportunities and risks, based on where in the value chain they are used or generated.



Use of materials

The company's business include operation and maintenance of a large number of production units involve the use of goods and resources throughout the entire value chain. Stockholm Exergi uses biofuels, a small amount of fossil energy, as well as chemical products, and various types of equipment and materials are required to develop production and district heating distribution.

Residual products and waste heat are utilised

Stockholm Exergi treats such waste and sludge that cannot or should not be recirculated in society and also recovers the heat that is released during incineration. In addition, waste heat from operations such as data centres is recovered and used as heat in the company's district heating product. This is considered to be a genuinely positive impact.

Complementary sorting of waste

One positive impact is that metals and plastics from parts of the residual waste received by Stockholm Exergi are sorted mechanically at Brista Eftersortering. Metal is also sorted from the slag gravel (bottom ash).

The plastic and metal can be recycled, thereby contributing to a reduced need for virgin raw materials.

Relevant waste treatment service

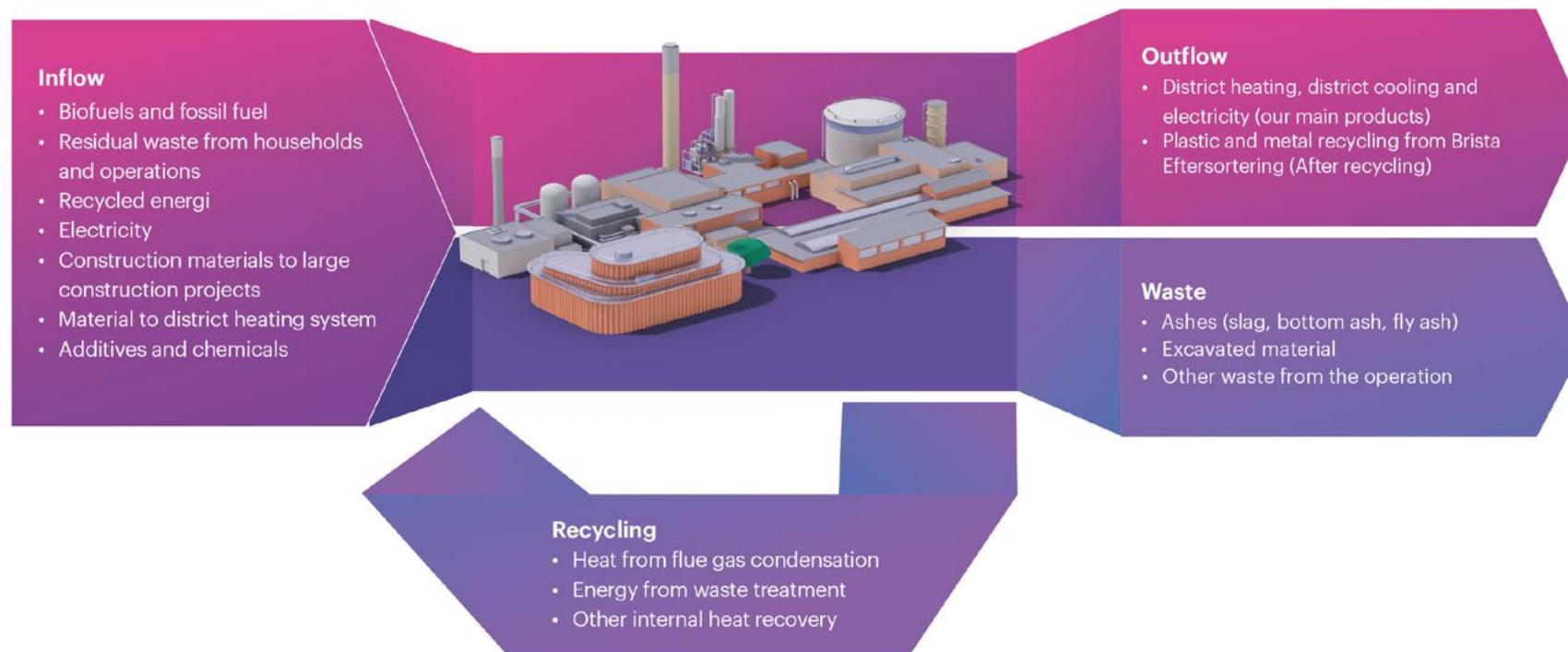
Stockholm Exergi's waste treatment service has a potential negative impact, as there is a risk that the company's operations will contribute to a lock-in in linear resource systems. This is because part of the waste that the company treats should be able to be recycled but has not been sorted.

Annual Report and Other Information

With increased resource efficiency, the amount of residual waste is expected to decrease, calculated per person. This is a positive development in itself. In order to fully utilise the existing treatment capacity and maintain the proportion of recovered energy in the district heating system, a gradual expansion of the catchment area is required so that the existing treatment capacity can meet the need for final treatment of residual waste across an increasingly large geographical area. Otherwise, the company is at risk of having to reduce its turnover in the waste treatment service, which could have a significant financial impact.

Waste from own operations

Few landfills and installations are able to receive hazardous waste, slag gravel and bottom ash. These gradually become full, which entails a risk of it becoming more difficult and more costly to handle residual products from incineration safely.



The figure shows the resources that are material to Stockholm Exergi based on where in the value chain they are used or generated.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Strategy and Business Model

The production of district heating, electricity and district cooling is based mainly on

- **energy that would otherwise be wasted** (waste heat, recovery from wastewater treatment plants or waste treatment) or
- **bio-energy in the form of residual products** from the forest industry.

Extensive recycling of energy from the treatment of wastewater and residual waste contributes to a reduced need for virgin resources for heating Stockholm, all other things being equal. Consequently, the need for primary resources (virgin raw materials) is low.

Production uses other natural resources such as lime, activated carbon and sand in different combustion and treatment processes. These resources are required to achieve optimal treatment and reduce emissions of eutrophying, acidifying or toxic substances.

As a district heating operator, Stockholm Exergi has unique opportunities to contribute to a resource-efficient energy system, as the district heating system enables low-grade energy to be utilised in the form of heat. In addition, it can contribute to electrical energy being directed to areas of use other than heating, such as transport and industrial applications, where fossil energy is being phased out.

Stockholm Exergi is constantly working to develop its operations towards efficient resource use, in line with the target of a more circular economy. Stockholm Exergi's actual impact on resource use, as well as risks and opportunities, are directly related to the company's business strategy.

Policy and governance

E5 -1 Policies related to resource use and circular economy

Stockholm Exergi's sustainability policy addresses resources and the circular economy, as well as covering the entire company's value chain. See ESRS E1 for more information about the policy.

According to the sustainability policy, Stockholm Exergi aims to be a resource efficient operation and, in the first instance, to recover energy that would otherwise be lost and utilise energy from society's residual waste. The sustainability policy also involves the company working to reduce the amount of waste in its own operations, as well as contributing to increased recycling of society's residual waste through mechanical sorting.

The sustainability policy describes Stockholm Exergi's commitment to using sustainable bioenergy, mainly residual products. The section on human rights and sustainable value chains in the sustainability policy describes that Stockholm Exergi collaborates with suppliers who comply with the company's Supplier Code of Conduct.

The HR & Sustainability department is responsible for ensuring that sustainability requirements appendix for purchasing stipulates clear and appropriate requirements. The appendix sets out required actions to minimise the use of hazardous chemicals as well as how to handle waste. The appendix containing sustainability requirements is reviewed as necessary and in the event of changes in operations.

The company's requirements may be tightened up in significant projects, where local requirements and stakeholder expectations drive higher sustainability ambitions. One such example is BECCS, i.e. the construction of a facility for

carbon capture in Stockholm. The BECCS construction project applies the Royal Seaport development's action plan regarding requirements on material use and waste management. It aims to drive progress towards sustainable material choices and reduced environmental impact. The action programme has been adopted by the City of Stockholm and is being implemented in applicable parts of the project. The action plan is published on the Stockholm City Development Department's website.

Stockholm Exergi's strategy is to purchase low-value fuels that are by-products from forestry, and industrial residual products in the form of solid and liquid fuels. By prioritising industrial waste products and forestry by-products that are produced according to sustainability criteria, dependence on resources such as fossil oil is reduced and a circular economy is promoted, which is in line with the company's IROs on resource efficiency and reduced environmental impact.

The company's guideline states that all solid biofuels must meet the requirements in the Swedish Act (2010:598) on Sustainability Criteria for certain fuels. Suppliers can demonstrate compliance through certification that has been approved by the European Commission, such as SBP-EURED, SURE or PEFC-RED. Swedish fuel supplier scan apply for a voluntary sustainability statement from the Swedish Energy Agency, demonstrating that there is a control system for compliance with the requirements for sustainable biomass. Since 25 November 2025, Stockholm Exergi has been certified according to the SBP-EURED (Sustainable Biomass Program) traceability standard and data management, which means that the company has undertaken to comply with the standards' requirements. For the few suppliers that do not have RED certification or a sustainability statement, Stockholm Exergi conducts supplier reviews, which is carried out by an external auditor with expertise in forestry and legal compliance.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

The guideline also states the company's policy to purchase fuel from Swedish suppliers of forest biomass that are certified according to FSC® Chain of Custody/Controlled Wood or PEFC Chain of Custody. When the company purchases biomass with FSC® or PEFC claims, this means that it comes from responsible forestry or controlled sources, which contributes to sustainable resource use and to the company's identified IROs for material use. The FSC® and PEFC forest certifications are common within forestry. They mean that the forestry complies with voluntary requirements for responsible forestry that go above and beyond the legal requirements. In order to retain certification, an annual audit is conducted by an external auditor, who also examines legal compliance. For Swedish suppliers of solid biomass with sustainability statements, FSC® or PEFC certification is an additional quality assurance that they are complying with applicable laws and conducting responsible forestry. The FSC® and PEFC standards also cover requirements for good working conditions as well as health and safety in forestry, which links to IROs for workers in the value chain.

Stockholm Exergi is certified according to the Forest Stewardship Council® standard for traceability (certificate no.: DNV-COC-001495, licence no.: FSC-C126045). This means that the company can sell FSC® certified material, and every year FSC® conducts an audit in which Stockholm Exergi has to demonstrate compliance with the FSC® traceability standard, including good health and safety and working conditions.

Stockholm Exergi's key performance indicators for the proportion of sustainable biofuels and material recycling are designed to measure progress towards these IROs and also provide a clear link between operational goals and identified risks and opportunities.

RED – EU Directive on Renewable Energy

RED stands for Renewable Energy Directive, the EU directive to promote the use of renewable energy. The aim is to reduce greenhouse gas emissions and increase the share of renewable energy sources in the EU's energy mix. In Swedish, the term Renewable Energy Directive is often translated as "Förnybartdirektivet".

In Swedish legislation, the directive has been implemented through the Act (2010:598) on sustainability criteria for certain fuels. The biofuels that do not meet the sustainability criteria are subject to EU ETS for those installations that are covered by emissions trading, in the same way as fossil fuels.

Implementation in Sweden

RED I (2009/28/EC): Introduced in 2010 with sustainability criteria for biofuels and liquid biofuels.

RED II (2018/2001/EU): Extended requirements implemented from 2022, including sustainability criteria for solid biomass and sustainable harvesting criteria for agrobiomass.

RED III (2023/2413/EU): Implemented in Swedish legislation in 2025, with full application from 2026. Extended requirements regarding sustainability criteria, including sustainable harvesting criteria for forest biomass and increased requirements for emission reductions.

Actions and resources

E5-2 – Actions and resources related to resource use and circular economy

The table presents the most significant actions implemented or planned during the year.

Action	Scope of the action	Planned completion date
Amended gate fee Waste depositors pay a two-part gate fee, where one part is dependent on the fossil content	Regional scope. Affects the upstream value chain. Waste depositors and those who generate waste.	Expected phase-in period approximately five years in the future
New generation of district heating Low-temperature network enabling the recovery of more residual heat	Local scope. Influences the need for virgin energy resources. District heating will increasingly be recovered energy	From three years onwards, it will be expanded. Thereafter in line with new development
Use of slag gravel as a construction material. Non-hazardous ash from waste incineration finds new use	Regional scope. Upstream, this affects the need for virgin raw materials, while downstream the amount of waste that needs to be disposed of in landfills is reduced	Expectation to start using slag gravel for construction within 2 years
Adaptation to updated requirements for sustainable biofuels which will come into force on 1 January 2026 in accordance with the Act on Sustainability Criteria	Impact on upstream biomass suppliers in the regions where purchases are made. Regional impact. Updating of control systems for solid biofuels, as well as obtaining certificates for forest biomass confirming that it does not come from no-go areas	In place from 1 January 2026 and further development with automated data collection and calculations for reporting
Returning ash to the forest	Regional scope. Upstream, this affects the requirement for other fertilisers and affects own operations, and downstream it affects the amount of ash that needs to be sent to landfill	Expectation to start returning ash to the forest within 2 years

The measures are being implemented and financed within the framework of ongoing operations.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Targets and metrics

E5-3 – Targets related to resource use and circular economy

Resource use and circularity are key issues for Stockholm Exergi's core operations. The company has set targets in this area for

- resource inflow (share of sustainable biofuel) and
- waste (recycling of non-hazardous waste).

In addition to these, the proportion of supplied energy, i.e. heating, cooling and electricity, that comes from recycled sources is monitored. See ESRS E1 for a more detailed account. By utilising residual products and waste heat in the company's production, the use of virgin resources is being reduced. By utilising residual products and waste heat in the company's production, the use of virgin resources is being reduced.

When setting the targets, consideration has been given to stakeholders through the stakeholder dialogue that is conducted, see ESRS 2. The targets are not based on scientific evidence.

Target: Sustainable biofuels: The company's target is for all solid biofuels to come from responsible forestry and to correspond to the definitions of sustainable biofuel according to the Act on Sustainability Criteria, i.e. the

Swedish application of the Renewable Energy Directive (RED). Stockholm Exergi considers that this meets stakeholders' expectations that the company's biofuel should be ecologically sustainable. The Act does not in itself stipulate what proportion of the company's biofuel must be sustainable; this is an internal company target.

Calculation principles

Regarding E5-4 Resource inflows Total weight of products and materials used: The total weight of key resource flows (residual waste, solid biofuels, bio-oils, fossil oils, additives and chemicals) is obtained from the operations. The amount of residual waste input and solid fuel is calculated in tonnes, while liquid and gaseous fuels are calculated in Nm³. This is entered into the IT system BSU by production analysts. For any installations that report in MWh rather than tonnes or normal cubic metres (Nm³), the MWh figure is converted to tonnes or Nm³ using the calorific value MWh/tonne or MWh/Nm³. For bio-oil, the amount of which is registered in Nm³, the amount is converted into tonnes by multiplying the volume by the density tonnes/Nm³. This data refers to Stockholm Exergi's entire electricity and heat production. The amounts of supplied additives and chemicals are compiled by environmental specialists, with the purchased amount of each additive being presented. The limit for a new type of chemical to be declared is one tonne. The total weight of the essential materials (concrete, unalloyed steel, alloyed

steel and copper) is gathered from each project >SEK 50 million and totalled in tonnes.

Regarding E5-4 31c Recycled resource inflow: Based on the key performance indicator E5-4 31a. Of the essential resource inflows, residual waste from households and businesses is a recycled/secondary inflow; recycled materials for projects >SEK 50 million are also included if they have been used during the year.

The absolute amount (tonnes) of recycled/secondary material inflow is defined as the sum of residual waste and recycled materials for projects >SEK 50 million.

The proportion of recycled/secondary material inflow is defined as the sum of residual waste and recycled materials for projects >SEK 50 million divided by the total amount of essential resource inflow reported in E5-4 31a.

Regarding E5-5 Total amount of waste generated: E5-5 gathers several key performance indicators regarding volumes of waste generated by the company's operations during the year. All waste is weighed and reported in accordance with the coding system for the form of treatment and the type of waste. For all ash except for that from Högdalen and Brista, environmental specialists gather data from the waste contractor regarding shipped ash volumes broken down by waste code. Environmental specialists

Area	Targets 2025	Unit	The waste hierarchy	Policy link	Starting point	Outcome 2025	Comments on outcome
Waste: Recycling of non-hazardous waste	At least 80% of the non-hazardous waste generated in the operations will be recycled.	%	Material recycling	Sustainability policy, section 6.	The objective is based on the waste hierarchy. Production of data according to the method for E5-5.	70%	In 2025, a larger proportion of non-hazardous ash has been sent to landfill, resulting in a lower recycling rate than expected. The background to this is that one supplier has chosen to classify non-hazardous ash as landfill waste.
Resource inflow: Sustainable biofuels	100% sustainable biofuels according to the Sustainability Criteria Act. The target is to use renewable resources that have been produced sustainably.	%	Not waste	Sustainability policy, section 7.	Since the Sustainability Criteria Act for biofuels began to apply to solid fuels in 2022, 100% sustainable biofuels are used.	100%	The outcome for 2025 is 100% sustainable biofuels.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

check that the categorisation of the ash is correct. At the Högdalenverket and Bristaverket power stations, each outgoing ash shipment is weighed on scales, and the amount of each category is documented by staff from the fuel group. For all other waste from the plants, the environmental specialists gather data from the waste contractor regarding shipped waste volumes broken down by waste code. Environmental specialists check that the categorisation of the waste is correct. Environmental specialists also check whether waste has been generated from other operations, such as large construction projects, and gather data from suppliers regarding waste volumes by category.

Calculation principles for own key performance indicators

Number of supplier audits: Supplier audits are conducted on the basis of various criteria depending on the type of supplier, such as occupational health and safety requirements, the supplier code of conduct, the Timber Regulation (EUTR) and the Renewable Energy Directive (RED II).

Shipping providers are audited through the RSI collaboration. An annual risk assessment and evaluation of suppliers form the basis for selecting suppliers for audit. The number of audits conducted during the year is based on saved audit reports. This ensures that the company's suppliers support the IROs regarding responsible supply chains and reduced risk of negative environmental and social impact. The results are used to monitor and develop the company's work on sustainable supplier relationships.

Level of compliance with the Renewable Energy Directive (RED II 2018/2001) for biofuel:

All of the company's suppliers of fuel provide declarations that the fuel is sustainable after delivery or at the end of the year, and this forms the basis for the statutory annual reporting to the Swedish Energy Agency. Suppliers of solid biofuels are calculated as the total number. SBP, SURE and RED are voluntary certification schemes that are approved by the European Commission. As a reporting entity, the company holds a sustainability statement that is issued by the Swedish Energy Agency. A separate audit is carried out by an independent party, ensuring that the supplier meets the requirements set out in the Act on Sustainability Criteria for certain fuels.

Proportion of solid biofuels claimed, certified or controlled, as well as total supplied energy volume: Information about certified and controlled fuel is obtained from invoices and entered into the business system. The total indicates supplied solid biomass in MWh. The reported claims are FSC 100%, FSC Mix and FSC Controlled Wood, as well as PEFC100 and PEFC Controlled Sources. The amount of energy supplied encompasses all biofuels. The breakdown is based on Table 3 in the guidance on sustainability criteria for biofuels and bioliquids, v1.0.

E5-4 – Resource inflows (30)

Stockholm Exergi's essential resource inflows are residual waste, biofuel (solid and liquid), fossil fuel, additives and chemicals (>1 tonne), as well as the material types alloyed steel, unalloyed steel, concrete and copper for projects >SEK 50 million.

Resource inflows E5-4 31 a

Inputs for own activities	2025	2024
Renewable or recycled fuels		
Residual waste (tonnes)	856,937	808,549
Bio-oils (Nm3)	40,779	46,083
Solid biofuels (tonnes)	784,226	852,834
Fossil fuels		
Fossil oil (Nm3)	15,369	25,726
Additives and chemicals (tonnes)	26,862	24,366
Material projects >SEK 50 million		
Alloyed steel (tonnes)	0	N/A
Unalloyed steel (tonnes)	3,226	N/A
Concrete (tonnes)	9,086	N/A
Copper (tonnes)	0	N/A

Recycled resource inflow E5-4 31 c

Inputs for own activities	2025	2024
Absolute amount of recycled resource inflow (tonnes)	856,937	808,549
Proportion of recycled resource inflow (%)	49	N/A

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

E5-5 – Resource outflows (35)

Stockholm Exergi's essential resource outflows are energy, supplied in the form of heat and electricity, as well as plastic and metal, which are mechanically sorted from residual waste in Brista and forwarded for material recycling.

Key figures for energy production are reported in E1.

Waste

(E5-5 37d, 39)	2025		2024	
	(tonnes)	(%)	(tonnes)	(%)
Total amount and proportion of non-recycled waste	69,867	28	40,858	16
Total amount of hazardous waste	20,558	N/A	23,179	N/A
Total amount of radioactive waste	0		0	N/A

(E5-5 37a, 37b, 37c, 38) (tonnes)		
	2025	2024
Total amount of waste	249,327	250,539
Diverted from disposal	179,460	209,681
Hazardous waste	19,943	20,005
Preparation for reuse	0	0
- Ash	0	0

(E5-5 37a, 37b, 37c, 38) (tonnes)		
	2025	2024
- Excavated material	0	0
- Other waste	0	0
<i>Material recycling</i>	19,632	19,416
- Ash	19,539	18,901
- Excavated material	0	0
- Other waste	93	515
<i>Other recycling procedures</i>	311	589
- Ash	0	0
- Excavated material	0	0
- Other waste	311	589
Non-hazardous waste	159,517	189,676
<i>Preparation for reuse</i>	0	0
- Ash	0	0
- Excavated material	0	0
- Other waste	0	0
<i>Material recycling</i>	158,175	185,400
- Ash	128,245	142,636
- Excavated material	81	21,448
- Other waste	29,850	21,316
<i>Other recycling procedures</i>	1,342	4,276
- Ash	0	2,963
- Excavated material	0	14
- Other waste	1,342	1,299
Intended for disposal	69,867	40,858
<i>Hazardous waste</i>	614	3,174
<i>Incineration</i>	5	14

(E5-5 37a, 37b, 37c, 38) (tonnes)		
	2025	2024
- Ash	0	0
- Excavated material	0	0
- Other waste	5	14
<i>Landfill</i>	609	3,161
- Ash	425	350
- Excavated material	0	1,267
- Other waste	185	1,544
<i>Other disposal procedure</i>	0	0
- Ash	0	0
- Excavated material	0	0
- Other waste	0	0
Non-hazardous waste	69,252	37,684
<i>Incineration</i>	0	4
- Ash	0	0
- Excavated material	0	0
- Other waste	0	4
<i>Landfill</i>	69,252	37,680
- Ash	60,822	35,845
- Excavated material	7,576	1,066
- Other waste	854	768
<i>Other disposal procedure</i>	0	0
- Ash	0	0
- Excavated material	0	0
- Other waste	0	0

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Own metrics

Own disclosure – biofuel

Description	Country of origin 2025	GWh 2025 (supplied)	GWh 2024 (supplied)
Forestry			
Solid biomass, forest land Branches, tops, parts of trees, energy wood, or wood from management measures	Sweden, Estonia, Latvia, Spain	1443	2,111
Solid biomass, industrial residue Sawdust, bark, pellets made from sawdust from sawmills	Sweden, Norway, Estonia, Latvia	617	741
Liquid fuels, industrial residue Tall oil pitch	Sweden	34	149
Other land			
Solid biofuels, other land Branches, tops, parts of trees, energy wood from roads, development, parks, etc.	Sweden, Estonia, Latvia	203	Reported in solid biofuels, forest land
Agriculture			
Solid biomass, agricultural land Branches, tops, parts of trees, energy wood from agricultural land		0	Not reported
Liquid, industrial residue MFA, HVO from industrial residual products	Argentina, Belgium, France, Italy, Netherlands, Spain, Germany, Vietnam	267	383
Liquid, agricultural land RME, HVO from e.g. rapeseed	Germany, Ukraine	1	0

Own disclosure – supplier audits

Audit requirements	Number of audits in 2025	Number of audits in 2024
Health and safety ¹⁾	0	4
Supplier Code of Conduct ²⁾	13	3
Renewable Energy Directive (RED II) ³⁾	12	3
Responsible Shipping Initiative	3	3

- 1) No health and safety audits have been carried out in 2025. The focus has instead been on the daily dialogue with suppliers via Safety Walks, to communicate regarding risks, working methods and safe/unsafe actions.
- 2) Supplier Code of Conduct audits for biofuel suppliers is carried out in conjunction with Renewable Energy Directive audits
- 3) In 2025, there was an increased need to review suppliers ahead of the update to the Renewable Energy Directive (RED III) from 1 January 2026.

Own disclosure – compliance with the Act on sustainability criteria for certain fuels (2010: 598)

All biofuels meet the requirements for sustainable fuels. All solid biomass are covered by RED certification, sustainability statements or own audits. Sustainable harvesting criteria do not apply to industrial residual products, and for this reason no sustainability statements or RED certification are required.

Own disclosure – proportion of solid biofuels claimed: certified or verified

In 2025, the distribution of claims for solid fuel was as follows: FSC 100% 0% (0%), FSC Mix 1% (4%), FSC CW 42% (42%), PEFC 100 4% (7%), PEFC CS 3% (2%) and SBP claim 27% (34%).

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Social responsibility

ESRS S1 Own workforce

Materiality assessment

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The company's own workforce includes people employed by Stockholm Exergi as well as consultants supervised by Stockholm Exergi. A consultant is a professional who is either self-employed or employed by a consulting firm or staffing company, and who works within a specific area of responsibility for Stockholm Exergi on a contract basis. These individuals are usually hired for roles such as project support, which require specialist expertise, or as a temporary resource to cover for Employees that are absent.

However, service resources, i.e. the individuals who participate in the delivery of a service and who are managed by their own company, are not included.

The figure shows the most important issues from the double materiality assessment for the company's own workforce.

Health and safety

The risk of work-related accidents, primarily for operations and maintenance personnel, can lead to sick leave, increased recruitment costs and difficulties retaining staff and consultants.

The BECCS project may increase these risks and affect the health and safety of personnel working on the project. This



is due to a large proportion of the workforce being made up of external personnel from multiple suppliers, which can complicate communication regarding safety. All suppliers must comply with Stockholm Exergi's policy and guidelines, and ensuring compliance with these will entail more extensive work going forward.

Working conditions

Working conditions are regulated by collective agreements and laws. Risks include accidents, sick leave, job insecurity, working hours, lack of social dialogue and negotiations. The BECCS project may increase these risks and affect costs and timetables, given that there are many suppliers and a large proportion of external labour, with different laws applying in each country. In this respect, the company needs to strengthen the ability to comply with company policies and procedures to ensure safe working conditions.

Equal treatment

Risk of unequal opportunities in Co-determination Act (Medbestämmandelagen, MBL) negotiations, especially for non-union members. A lack of gender equality, diversity and inclusion can lead to higher staff turnover and difficulties in attracting talent. On the other hand, can improved conditions and inclusion, strengthen competitiveness and value creation. Stockholm Exergi works actively to promote equal treatment and monitors these issues in order to minimise risks and maximise opportunities.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Strategy and business model

Stockholm Exergi's strategy is based on self-leadership, cooperation and inclusion. By promoting commitment, responsibility and continuous learning, the company creates an attractive workplace and an organisation that is equipped to meet the challenges of the future. The company's employees work together across organisational boundaries, show consideration for each other and value different perspectives, which strengthens both innovation and cohesion.

Stockholm Exergi distinguishes between measures that reduce negative impacts and initiatives that create positive effects.

Mitigating measures, such as training courses and lectures related to health and safety, are intended to reduce work-related risks. All members of the company's own workforce are given the opportunity to participate in these training courses and lectures. If necessary, targeted knowledge-raising initiatives are also carried out for specific target groups, such as operations and maintenance personnel who work with particularly high-risk tasks. Based on the results, focus groups are created for the segments where deviations or negative trends are identified. Examples of segments include age, length of employment or workplace.

Positive initiatives, such as wellness programmes and diversity work, as well as the company's annual Health and Safety Week with a range of activities relating to systematic work environment efforts, are all intended to increase awareness and commitment to safety and health, thereby strengthening well-being and inclusion in all workplaces. These initiatives primarily benefit employees, although the

company can also see that they have an impact on consultants and service resources when they have Stockholm Exergi as their workplace.

The impact of these actions is measured using the work environment index from the Health and Safety Pulse survey, the engagement index from the employee survey, sick leave, gender balance and diversity. Follow-up based on these measurements ensures that the initiatives have the desired effect on the company's own workforce, which in turn creates good conditions for jointly creating a positive culture for everyone who works at Stockholm Exergi or where Stockholm Exergi operates.

Stockholm Exergi has a clear focus on safety, common working methods and continuous improvement. This contributes to increased efficiency, business development and growth, at the same time as ensuring a safe and sustainable working environment. By integrating sustainability into Stockholm Exergi's strategy and corporate culture, the conditions are created to meet both internal and external expectations.

Policy and governance

S1-1 – Policies related to own workforce

At Stockholm Exergi, the HR and Sustainability Unit has an overall responsibility for coordinating and driving work in the fields of HR, social and environmental sustainability, health and safety, security and business development. The unit is also responsible for Stockholm Exergi's work on employee health and working conditions. These areas are closely integrated and based on a common focus and foundation: Stockholm Exergi's employees.

Stockholm Exergi's sustainability policy emphasises social responsibility, respect for human rights, equal treatment,

gender equality, diversity, inclusion and safe working conditions. The policy governs the company's work both internally and externally, and the focus varies depending on the topic.

Stockholm Exergis' internal code of conduct, which is based on the ten principles of the UN Global Compact and includes business principles and human rights, provides the framework for its own workforce in terms of responsibility and compliance. Follow-up is done through ongoing documentation and can be verified through audits conducted by Stockholm Exergi or by an external auditing firm.

Both the sustainability policy and the internal code of conduct are based on the ILO core conventions, with an emphasis on business ethics, anti-corruption and environmental responsibility.

Stockholm Exergi has undertaken to comply with:

- The UN Global Compact (human rights, labour law, environment, anti-corruption)
- The UN Guiding Principles on Business and Human Rights
- The ILO core conventions
- The OECD Guidelines for Multinational Enterprises
- Swedish legislation such as the Work Environment Act, the Environmental Code and the Discrimination Act

There is an indirect link to the EU Taxonomy's minimum safeguards through the requirements on human rights and due diligence. There are no global framework agreements on labour law.

Stockholm Exergi's policies explicitly prohibit forced labour, child labour and human trafficking in accordance with the ILO core conventions in its sustainability policy. The risks are considered low in the company's own operations. Anyone affected by the OECD Guidelines in an indivi-

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

dual case, and who seeks support from the National Contact Point (NCP) in dealing with a problem that has arisen in connection with the application of the Guidelines, may submit a report to the NCP.

Five focus areas

The company's sustainability work is based on five focus areas:

- human rights,
- attractive workplaces,
- appreciation and reward,
- safety
- gender equality, diversity and inclusion.

People within the company's own workforce should be able to enjoy a working environment that promotes commitment, learning and responsibility. To achieve a sustainable workplace the company works preventively to reduce risks and applies zero tolerance towards discrimination, harassment, bullying and unsafe work practices, as well as alcohol and drugs. The guideline *"We look after each other"* makes it clear that everyone in the company should treat each other with respect and consideration, and that the workplace should be safe and inclusive.

The HR and Sustainability Unit supports the organisation through processes relating to employee life cycle, wellness and health initiatives. Training courses relating to safety and the working environment are mandatory for everyone before starting work at a workplace belonging to Stockholm Exergi or where Stockholm Exergi has operations. These policies and principles are intended to maintain a safe, fair and inclusive workplace with a focus on health, safety, culture and working conditions in accordance with ESRS S1.

"We work safely or not at all"

Stockholm Exergi has a well-developed preventive approach to occupational health and safety, which is monitored monthly with the aid of various governing and indicative key performance indicators. The company has employees who work continually on following up systematic health and safety efforts. All employees must participate in Safety Walks, which are conducted to identify unsafe behaviour and create safe workplaces. Read more about Safety Walks in ESRS S2, S2-4.

A policy has been developed regarding zero tolerance towards alcohol and drugs in the workplace. The company's key performance indicators, along with the work carried out within the framework of systematic occupational health and safety efforts, provide an indication of the types of preventive measures that need to be implemented.

The company's own workforce is covered by the policies, guidelines, legal requirements and collective agreements that are relevant in the area and thereby undertakes to comply with the stipulated requirements for health and safety and to work together to achieve a safe workplace with zero accidents and serious incidents.

In all consultancy agreements entered by Stockholm Exergi, consultants undertake to comply with the Supplier Code of Conduct. For consultants who perform work on site, these requirements are supplemented in Stockholm Exergi's sustainability appendix.

Stockholm Exergi's internal code of conduct, as well as section 4 *"Work safely or not at all"* and section 11 *"ISO certifications"* of the sustainability policy, together with the guideline *"We work safely or not at all"*, form part of the introduction that is offered and are also included in the health and safety training courses that are conducted every three years. Health and safety training courses are desig-

ned in accordance with the ISO 45001 standard as well as legal requirements in respect of health and safety and are based on policies and guidelines. The company lays down requirements and checks that its own workforce has completed safety training within a 12-month period, as well as training regarding the code of conduct, before employees are granted access to the company's various workplaces. This ensures that everyone in the workforce is covered by the company's occupational health and safety system.

"We look after each other"

Based on the knowledge that there are minorities in the company, the company employs strategies and implementation activities, as there is an increased risk that these individuals or groups will be subjected to discrimination or other forms of victimisation.

The social sustainability strategy comprises three pillars:

- enhanced business benefits,
- inclusive labour market and
- inclusive workplace.

Stockholm Exergi is working to raise awareness within the company regarding diversity and inclusion. The company is part of Diversity Charter Sweden and participates in the European Commission's annual call to create activities during the month of May aimed at raising awareness and employee knowledge about grounds for discrimination, victimisation, the profitability of diversity and understanding of differences. In addition, there is an ambassador network comprising managers and employees who act as cultural ambassadors, training courses designed to improve mental well-being, as well as work on initiatives such as the Respect Ladder, which addresses the seven different grounds for discrimination, to raise awareness and gain a broader perspective.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Through the company's code of conduct and sustainability policy, as well as the guideline "We look after each other", all individuals in the company's own workforce should feel confident that the company has zero tolerance towards victimisation or harassment. The Health and Safety Pulse surveys measure whether employees feel confident about who to turn to if something should happen. According to the surveys, the majority of all employees feel confident about this. The policy covers discrimination on the grounds of ethnic origin, skin colour, gender, gender identity, sexual orientation, age, disability, religion, political opinion, national or social origin, and other grounds under Swedish and European legislation.

Actions and resources

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

These procedures form an integral part of Stockholm Exergi's due diligence process regarding its own workforce, and are intended to identify, prevent and manage actual and potential impacts on working conditions, health, safety and human rights.

Employees can report violations or discrimination to their line manager, HR or anonymously via the whistleblowing channel. Engagement, pride and well-being are measured twice a year via the Engagement Pulse and Health and Safety Pulse surveys, and the results are followed up by managers with support from HR and sustainability.

If necessary, supplementary measurements are carried out based on these results. If the engagement index score is below 60, if there is a negative trend within a segment or if more than 4% feel discriminated against based on the grounds for discrimination, an action plan is drawn up

together with the relevant part of the organisation or at an overall level. The effectiveness of planned measures will be evaluated in connection with the next survey.

Work environment and safety efforts are governed by the sustainability policy, laws and regulations. The goal is to have a safe, healthy and secure workplace that is free from accidents, with equal treatment and gender equality as core principles.

The work that has been carried out in recent years focusing on safe behaviour has continued in 2025 and will continue during the coming year. This work is led by the health and safety team and is carried out in close collaboration and in dialogue with the entire organisation. During the annual Health and Safety Week, all employees were offered the chance to attend a lecture by an external speaker with specialist knowledge about behaviour-based safety, with the aim of increasing knowledge in this area. The impact of these actions are followed up and measured by the number and frequency of documented work-related accidents involving the company's own workforce and service resources. In 2026, this will be supplemented with a key performance indicator for measuring Stockholm Exergi's ability to work with behaviour-based safety.

In 2025, with the support of the occupational health care service, a lecture was given regarding mental health and sustainable work life. This measure was based on the results, insights and indications from the Health and Safety Pulse survey, which revealed an increased risk of stress in the workplace. The results of the Health and Safety Pulse survey conducted in autumn 2025 show a slightly positive trend for employees in terms of perceived stress. Preventive work will continue over the upcoming year and will be followed up in connection with the results of the Health and Safety Pulse survey planned for spring 2026.

Through materiality assessments, health and safety pulse surveys and incident statistics, Stockholm Exergi has identified that women and subcontracted workers are at higher risk of negative impacts, particularly in relation to the workplace environment, safety and discrimination. To capture these perspectives, targeted dialogues are conducted on an ongoing basis with safety representatives and trade union representatives to identify risks and needs. Specific questions about gender equality, inclusion and the working environment are included in employee surveys with the aim of highlighting vulnerable groups. Action plans for groups that deviate are being developed in collaboration between the Head of Health and Safety and the Head of Social Sustainability, in close dialogue with the organisation. Targeted initiatives in the form of focus groups are also carried out as needed. Supplier monitoring and audits focusing on working conditions and safety among service resources are carried out on an ongoing basis. These measures intend to strengthen safety and gender equality.

All individuals within the company's own workforce who may be significantly affected by operations based on working conditions are included. Through the IFS system support, where deviations and incidents are reported, the company can track the number of accidents and incidents as well as suggestions for improvement.

The company interacts with stakeholders through a number of structured processes and dialogues. The company conducts an ongoing dialogue with the consultancy broker that is engaged to ensure that consultants are also covered by the company's requirements regarding working conditions and human rights. However, the company's potential to monitor working conditions, discrimination and ill health among consultants is more limited than for employees, a situation that Stockholm Exergi is actively working to improve.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

To prevent negative effects and promote human rights within the workforce, the following measures are applied, among others:

- Regular co-determination councils and MBL negotiations for dialogue and the exchange of information with employees and union representatives.
- Monthly monitoring of health and safety statistics (e.g. LWIF, TRI), regulated working hours and overtime.
- Handling of sick leave and rehabilitation cases via an external provider.
- Whistleblowing channel to enable anonymous reporting of misconduct.
- Regular employee surveys and health and safety pulse surveys to gather feedback and identify risks.
- Salary structure and salary survey, as well as salary review in accordance with collective agreements. Corrective measures based on the survey have been implemented and corrected.

These processes constitute the company's approach to interacting with stakeholders within its own workforce and ensuring that human rights are respected and promoted.

Where human rights violations are observed, actions are implemented to remedy the situation. This may involve drawing up action plans, offering support and rehabilitation, or taking disciplinary action against those responsible.

The occurrence of any violations may result in fines, penalties or compensation being paid in accordance with current practice.

Stockholm Exergi have relevant labour market insurance policies.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

Contact channels for follow-up

Everyone at Stockholm Exergi is responsible for following and complying with the code of conduct. Suspected violations must be reported to a manager, the legal department or anonymously via the whistleblowing channel on the website. Other channels for reporting violations may include safety representatives or trade union representatives. Surveys conducted using the pulse tool & frankly may indicate suspected violations. All reports are handled confidentially, promptly and thoroughly, and violations of the code of conduct may result in disciplinary action. Anyone who reports matters in good faith is protected by law against reprisals.

Stockholm Exergi is committed to an open and transparent corporate climate with high ethical standards. The whistleblowing service, which is managed by the external provider Whistle B, enables employees and external parties to report suspected irregularities anonymously and securely.

The service contributes to the early detection, investigation and remedying of any irregularities that could harm individuals, the business, society or the environment. Remediation may be provided to the individual in the form of support and rehabilitation, corrective measures, financial compensation, the restoration of working conditions, as well as an apology/acknowledgement.

Investigations are led by the company's Chief Legal Officer, Legal Counsel and HR Director, and follow a clear process that ensures legal certainty, confidentiality and data protection.

The company's whistleblowing channel is an important part of its work on compliance, transparency and sustainable corporate governance.

More information and the potential to submit reports can be found at: report.whistleb.com/exergi.

In connection with employee surveys, employees are asked whether they know where to turn in the event of victimisation or harassment.

All members of the company's workforce, both employees and consultants supervised by Stockholm Exergi, have access to business systems where incidents and deviations are reported and followed up. Contractors and service resources report via a supervisor or someone who is part of Stockholm Exergi's own workforce.

Complaints and whistleblowing are handled through other channels, as described above. The company ensures that all members of its own workforce have access to these channels through introduction, training, internal systems and ongoing communication.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Stockholm Exergi works systematically to identify and manage material risks and opportunities related to its own workforce. The measures are intended to prevent negative consequences, strengthen health and safety and promote an inclusive culture. See table describing key initiatives, their links to risks and anticipated effects.

The purpose of these measures is to ensure a safe, inclusive and sustainable working environment for the entire workforce. The measures are directly linked to strategies and are based on the materiality assessment that identifies health and safety, gender equality, diversity and skills supply as priority areas.

The measures strengthen the company's long-term sustainability and risk management, and thereby the company's material opportunities. Stockholm Exergi aims to create a working environment that promotes health, safety, engagement and inclusion, while also attracting and retaining talent.

The overall impact of these actions is measured through accident frequency, results from employee surveys, health and safety pulse surveys sent to employees at Stockholm Exergi, the number of completed training courses, results from salary surveys via gender equality indices and corrected differences, as well as the number of diversity initiatives via Diversity KPI and representation in all positions and groups.

In situations where negative impacts have been identified, Stockholm Exergi provides mechanisms for remediation and corrective measures, including:

- Internal processes for complaints and deviation management, where employees can report work environment problems, discrimination or other incidents.
- Action plans and dialogue with affected parties to restore the working environment and ensure fairness.
- Support measures such as rehabilitation, redeployment or compensation for work-related injuries or ill health.
- For service resources, equivalent processes are required to manage and compensate for negative impacts.

The aim is to ensure that anyone who is negatively affected is given the opportunity for redress and support, in line with the company's policies on the working environment, gender equality and human rights

Action	Risk/Impact that is addressed	How the action addresses the risk	Anticipated impact and planned follow-up
Improve management and control of service resources	Poor working environment and safety at subcontractors, which mainly affects operations and maintenance within Production and Distribution.	Limiting the number of subcontractor tiers and tightening up procurement requirements reduce complexity and increase control over health and safety work.	Fewer tiers in 2026. <i>Measurement:</i> Number of subcontractor tiers, incident statistics
Increase expertise regarding behaviour-based safety	Accidents and unsafe behaviour, which mainly affect operations and maintenance within Production and Distribution, but also other units.	Lectures and training during the Health and Safety Week to enhance the safety culture.	Increased safety awareness, fewer incidents in 2026 and 2027. <i>Measurement:</i> health and safety pulse survey, accident frequency
Actions to reduce stress	Ill health and reduced productivity	Lecture on mental health and sustainable working life, as well as continuous follow-ups via health and safety pulse surveys	Healthier organisation, reduced sick leave at an overall level in 2026 <i>Measurement:</i> health and safety pulse survey, sick leave statistics.
Salary structure and salary survey	Unequal pay and discrimination	Annual pay equity audit, MBL information and negotiations, as well as co-determination councils four times a year.	Equal pay process and increased transparency in 2026. <i>Measurement:</i> salary survey, gender equality index.
Competitive benefits and employer branding	Difficulty attracting and retaining talent	Offer attractive benefits, employer branding initiatives and development opportunities.	Increased retention and engagement in 2026. <i>Measurement:</i> employee index, staff turnover.
Diversity and equality work	Lack of inclusion and low employee satisfaction	Diversity KPI, training and regular measurements via employee index and health and safety pulse survey.	Increased inclusion and engagement in 2026. <i>Measurement:</i> Diversity KPI, employee index

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

In addition to measures to reduce risks, Stockholm Exergi is working actively on initiatives whose primary purpose is to create a positive impact on its own workforce, including:

- **Skills development and career opportunities:** Stockholm Exergi offers structured training programmes and internal career paths. The impact is measured by the number of completed training courses per employee per year.
- **Health and well-being:** Investments in wellness grants, where Exergikällan is a wellness group that aims to enable employees to participate in physical activities to increase their well-being. This has a positive impact, creating a financial opportunity in the short term due to lower sick leave costs. Results and impacts are monitored twice a year via health and safety pulse surveys and monthly via sick leave statistics.
- **Diversity and inclusion:** Initiatives to increase representation and create an inclusive culture. Stockholm Exergi follows up annually through Diversity KPI, and employee surveys conducted twice a year.
- **Employer branding and attractive benefits:** Benefits and flexibility to strengthen the work-life balance. The impact is measured annually via retention figures and twice a year via engagement indices.

How Stockholm Exergi ensures that actions are effective

The results of all initiatives are analysed and used to adjust efforts, as well as ensure that they lead to improved health and safety, increased engagement and long-term skills provision. The work is well established and integrated into the company's systematic work environment efforts and sustainability management. Policies and clear responsibilities for managers, HR and safety representatives, as well as ongoing dialogue in forums such as local health and safety forums, unit-specific health and safety groups, the health and safety committee, standing MBL meetings every Thursday with all trade union parties and co-determination

councils, enable early dialogue and management of any risks to ensure effectiveness.

Stockholm Exergi ensures the capacity to handle the IROs through its existing organisation, allocated budget funds and, where necessary, engages external experts.

- **Work environment risks** (physical & psychosocial): Head of Health and Safety, work environment specialists, BAS work environment specialist, safety representatives, health and safety groups, the Health and Safety Committee, the Health and Safety Pulse survey and budget for work environment initiatives.
- **Harassment & victimisation:** HR support, investigative skills, union involvement and issues in the Health and Safety Pulse and Engagement Pulse surveys.
- **Diversity & equal treatment:** Head of Social Sustainability, Head of Health and Safety, work environment specialists and HR specialist (compensation), the legal department, trade unions, statistics monitoring and the Board's diversity targets.
- **Skills supply & retention:** HR business partner, Talent, Engagement Pulse survey, management support and training initiatives.

The company has not identified any material impact on the workforce in connection with the transition to climate neutrality, and therefore no specific actions have been taken.

Process for identifying actions

Stockholm Exergi has an established process for managing actual or potential negative impacts on its own workforce. Priority areas are identified through materiality assessments and risk analyses. Insights from employee surveys and health and safety pulse surveys are supplemented by dialogue in co-determination councils and trade union forums. Deviations and complaints are handled through internal channels and lead to corrective measures. HR, the Head of Health and Safety and the Head of Social Sustainability are

responsible for analysing this data, deciding on measures and following up through action plans and key performance indicators. The aim is to ensure that measures are relevant, effective and in line with the employee strategy and social sustainability strategy, as well as with systematic work environment management.

The company has identified dependencies on critical skills and service resources. To address this, skills supply plans and strategic recruitment are implemented, and a succession plan is drawn up annually for all critical roles to secure critical skills. Effectiveness is measured by staffing key roles and requiring training among suppliers to ensure the right skills are in place.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets are set based on Stockholm Exergi's materiality assessment, and S1 covers the areas of health and safety, gender equality and diversity, skills supply and well-being/-engagement. Each target is measurable, time-bound and linked to existing KPIs, with a clear division of responsibilities and follow-up frequency. The company currently has several forums and formats where employees are involved in identifying lessons learned or areas for improvement. The trade unions have a good insight, thanks to all four trade unions being represented on the Board of Directors. Employee representatives and safety representatives also participate in co-determination councils, the Health and Safety Committee and unit-specific health and safety groups, where health and safety issues, risks and suggested improvement are discussed. Stockholm Exergi regularly conducts health and safety pulse and engagement pulse surveys, which provide continuous input on well-being, the

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

working environment, harassment, engagement and areas for improvement.

The strategy

Work environment and safety: LWIF < 1 is directly linked to risk management, a safe working environment, an attractive employer and well-being. The engagement index measures employees' experiences and is central to the employee strategy.

Gender equality and diversity: Representation and diversity goals strengthen inclusion and reduce the negative impacts of discrimination. The company has a business management system called Proves, which provides all employees with the opportunity to monitor key performance indicators on a monthly basis. At the same time, HR and Health and Safety present the key figures at the Leadership Forum, which is open to all managers and leaders. It is also possible to go to each unit and present key performance indicators. HR and Sustainability report in collaboration with the trade unions, for example salary surveys, where they present results, evaluate and gather input, and provide their own input and perspectives. The ESG report contains statistics on diversity and gender equality. The report is submitted to the Board, which also includes employee representatives.

The impacts are as follows:

- Engaged employees, self-leadership and a learning organisation
- An attractive workplace with smart working methods that facilitate business decisions
- An employer that promotes the development of talent in the region

Critical success factors for achieving the targets:

- Safe and inclusive working environment
- Strategic skills provision and skills-based recruitment

- New recruits comprising at least 50% women
- Knowledge and engagement within social sustainability and human rights
- Trust-based and inclusive leadership that promotes self-leadership and learning

Recognised as an attractive employer

Own key performance indicators

- Sick leave: All employees' reported sick leave hours divided by the total number of hours worked. Reported for women, men and in total.
- LWIF (Lost Workday Injury Frequency): The frequency of accidents resulting in more than one day's absence per million hours worked.
- Social data is collected via the reporting systems IFS. The share of employees with a foreign background is obtained as statistics from Statistics Sweden (SCB).

1) Work environment and safety

- **Target LWIF:** <1.0 per 1,000,000 hours worked by 2028. The target applies to all members of the own workforce (i.e. both employees and consultants) and to service resources (i.e. individuals who participate in the delivery of a service and who are managed by their own company).
- **Baseline and scope:** Outcome in 2025: zero work-related deaths each year.
- **Follow-up:** The target is monitored using indicators for the various categories of labour. Follow-ups are performed monthly with the participation of the Head of Health and Safety and a health and safety specialist. Governing key performance indicators are updated in the company's management system, Proves, and in the ESG report to the Board of Directors. An overall trends analysis is carried out annually. The information is shared with everyone in the organisation via the

intranet. Key performance indicators include the company's own workforce and service resources.

- **Responsibility:** Head of Health and Safety along with line managers. Outcomes are reported on an ongoing basis to the organisation and to Stockholm Exergi's management team.

2) Gender equality and diversity

- **Targets:** Stockholm Exergi's representation target is to achieve a 60/40 distribution, based on the industry's gender equality figures. At present, the goal is 25% women in total, 28% women in senior positions and 27% employees with a foreign background. A person with a foreign background is defined as someone who was born abroad, or who was born in the country but has two parents who were born abroad.
- Data is collected via Statistics Sweden's database, which provides statistics on the number of employees with a foreign background, based on the personal identity numbers of the employees as of 31 December.
- **Baseline & scope:** Outcome 2025. Representation covers all employees.
- **Follow-up:** This is performed monthly through HR statistics. To ensure gender equality in the workplace, the company monitors staff turnover broken down by gender. Ensure equal pay based on pay surveys.
- **Responsibility:** Head of Social Sustainability and HR

3) Attractive employer and well-being

- **Targets:** Engagement index \geq 80% in health and safety pulse survey by 2027. Staff turnover (S1-6) \leq 10% per year.
- **Baseline & scope:** Outcome 2025: entire company.
- **Follow-up:** Pulse twice/year, analysis of sick leave, retention and reasons for leaving; action plan per unit.
- **Responsibility:** HR business partner, Head of Social Sustainability and Head of Health and Safety, together with line managers.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

S1-6 – Characteristics of the undertaking's employees

The average number of employees during the year is reported in the financial section of the Annual Report, note 10.

Number of employees as at 31 December

Gender	Number ¹⁾ 2025	2024
Men	681	622
Women	251	197
Other	0	0
Not reported	0	0
Total employees	932	819

1) Total number of people broken down by gender. Employees are those whose period of employment includes the last day of the reporting year, i.e. 31 December.

Number of employees by contract type, broken down by gender

Number as at 31 December	Female	Male	Other ⁷⁾	Total
Employees ¹⁾	251	681	0	932
Permanent employees ²⁾	242	665	0	907
Temporary employees ³⁾	9	15	0	24
Non-guaranteed hours employees ⁴⁾	0	1	0	1
Full-time employees ⁵⁾	246	664	0	910
Part-time employees ⁶⁾	5	17	0	22

1) Total number of employees

2) Permanent employment refers to employment without an end date.

3) Temporary employment refers to employment with an end date and a monthly salary.

4) On-demand employment refers to employment with an end date and hourly pay.

5) Employment with a 100% employment level.

6) Employment with an employment level lower than 100%

7) Gender as specified by the employees themselves

Staff turnover during the year

Gender	Number ¹⁾ 2025	2024
Number of employees who have left ¹⁾	93	102
Staff turnover ²⁾ (%)	10.6	12.8

1) The number covers all employees with an end date within the reporting year, regardless of their form of employment or the reason for termination.

2) Staff turnover has been calculated as the number of people who have left divided by the average number of employees during the year. The average number of employees has been calculated as the average of the number of employees at the end of the year and the corresponding figure for the previous year.

The company has worked actively to be an attractive employer and to retain expertise. The fact that fewer people are leaving Stockholm Exergi, at the same time as the number of employees has increased, is a sign that things are moving in the right direction.

S1-7 – Information on non-employees in the company's own workforce

The number of individuals who are not employed. Consultants who have performed work at some point during the period 1 January–31 December are counted as non-employees belonging to the company's own workforce.

Data is provided via the company's consultancy broker and is based on actual staffing levels. In addition to this, there may be a small number of consultants who have been procured outside the regular procurement process and who are therefore not listed in systems at the company's consultancy broker.

Number of workers in the company's own workforce who are not employed, S1-7 55a	2025	2024
Number of people	494	589

S1-8 – Collective bargaining coverage and social dialogue

The proportion of all employees covered by collective agreements is 100%. The agreement "Branschavtal Energi" covers all employees except the parent company's CEO.

Social dialogue and employee representation

Stockholm Exergi conducts structured and regular cooperation with trade unions and employee representatives. A high proportion of the employees in Sweden are represented by trade union representatives through local trade unions and safety representatives.

For example, social dialogue is conducted through:

- Regular MBL negotiations and information meetings
- Co-determination councils
- Health and Safety Committee and local health and safety forums
- Ongoing dialogue between management, HR, safety representatives and trade unions

S1-9 – Diversity metrics

- **S1-9** Gender distribution in numbers and proportion at management level.
- **S1-9** Distribution of employees by age group. The breakdown by age category is based on age as at the final day of the reporting year (31 December)

Diversity metrics S1-9

Company management ¹⁾ gender distribution as at 31 December	2025	2024
Number of women/men (number)	3 / 7	2 / 8
Proportion of women (%)	30	20

1. Refers to the management team at Stockholm Exergi, consisting of the CEO and directors

Number of employees by age group ¹⁾ as of 31 December	2025	2024
< 30 years	100	86
30–50 years	494	425
> 50 years	338	308
Total	932	819

1. The breakdown by age category is based on age as at the final day of the reporting year (31 December).

S1-10 – Adequate wages

All employees receive salaries that at least meet the requirements in the applicable collective agreement. This is standard practice in Sweden, where there is no statutory minimum wage. Stockholm Exergi applies the wage agreements linked to the energy sector's collective agreement, "Branschavtal Energi".

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

S1-11 – Social protection

According to Swedish legislation, all employees are covered by social protection against loss of income.

S1-12 – Persons with disabilities

The company does not gather or process information about employees' disabilities. According to Swedish legislation such as the General Data Protection Regulation (GDPR), information about health and disability constitutes sensitive personal data that may only be processed under specific legal conditions. As these conditions are not met in Stockholm Exergi's operations, and to ensure the privacy of its employees, the company has no legal basis for requesting or storing such information.

Against this background, the company is unable to report the percentage of employees with disabilities.

S1-14 – Health and safety metrics

During 2025, there were no fatalities that occurred or may have been affected by work at a workplace belonging to Stockholm Exergi or where Stockholm Exergi operates.

The company's data linked to fatalities due to ill health contains uncertainties. Incidents and deviations are reported in the IFS business system and form the basis for the further development of work environment efforts.

Preventive work remains at a high level, with an increase in the number of reported observations and more safety walks carried out compared to previous years.

The total number of workplace accidents during the year involving the company's own workforce (i.e. both its own employees and consultants) and service resources (i.e. individuals involved in the delivery of a service and who are managed by their own company), which resulted in more than one day of absence (LWI), which required medical

treatment by healthcare personnel (MTC) or where work other than the normal work could be performed and where the accident thereby did not result in sick leave (RWC) for the company's own workforce, both in number and frequency per million hours worked, is higher compared to previous years, with an unchanged distribution between own workforce and service resources. The main reason for this is an increase in the number of workplace accidents resulting in sick leave, with the number and frequency per million hours worked for service resources being higher than in previous years. In addition to this, the company monitors workplace accidents involving its own workforce (i.e. both its own employees and consultants) and service resources (i.e. individuals involved in the delivery of a service and who are managed by their own company) during the year that do not require medical treatment by healthcare personnel (NON-MTC), as well as accidents that occur on the way to or from the workplace (commuting accidents) for its own employees. There were fewer of these types of accidents compared to previous years.

To ensure compliance with the alcohol and drugs policy, several unannounced tests are carried out annually upon arrival at the workplace, as well as random tests at the company's production facilities and when working in the distribution network. The results of tests carried out in 2025 show no significant change in the proportion of positive test results, which is why tests are planned to be carried out to the same extent in 2026 as in 2025.

S1-14 88a Proportion of individuals within the company's own workforce and service resources covered by the company's health and safety system. The key performance indicator is reported collectively for Stockholm Exergi Holding AB (publ) and is measured as a percentage for the share of employees who have completed safety training, "Safe work", and the share of consultants and service resources who will be working at the installations and who

have completed the safety training courses "SSG Entré Stockholm Exergi" and "SSG Entré basic course".

S1-14 88b Number of deaths that have been caused by occupational injuries and occupational ill-health. This key performance indicator specifies the number of deaths that occur or may have been affected by work at a workplace belonging to Stockholm Exergi or where Stockholm Exergi operates and includes its own workforce as well as service resources. The key performance indicator is reported collectively for Stockholm Exergi Holding AB (publ) and is measured in terms of the number of registered causes of absence that are specified as deaths.

S1-14 88c Number and frequency of documented work-related accidents (TRIF) affecting the company's own workforce and service resources. The key performance indicator specifies the number of work-related accidents that have occurred in connection with work within Stockholm Exergi's operations, including the following degrees of severity, and the frequency with which accidents of this type occurred based on 1,000,000 hours worked.

- Have resulted in > 1 day's absence (LWI)
- requiring medical treatment by healthcare workers (MTC)
- where work other than normal work can be performed and where the accident thereby does not result in sick leave (RWC)

S1-14 88e Number of days lost due to occupational injuries, occupational ill health and deaths resulting from occupational accidents: The number of reported days of sick leave because of an accident that has resulted in more than one day's absence and/or deaths occurring in connection with work. The number of reported days of sick leave is compiled from information provided by the person

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

off sick or their employer. In 2025, the number caused by work-related ill health is not included.

Share of people in the own workforce covered by the company's occupational health and safety system

Everyone in the company's workforce is covered by the company's occupational health and safety system.

Share covered by the company's occupational health and safety system	2025	2024
Share of employees who have completed the "Safe Work" safety training course	100%	100%
Share of consultants and service resources who have completed the safety training courses "SSG Entré Stockholm Exergi" and "SSG Entré basic course"	100%	100%

Fatalities due to occupational injuries¹⁾ or ill health²⁾

Type of incident (number)	2025	2024
Number of deaths caused by occupational injuries ¹⁾ and occupational ill health ²⁾ Fatal accidents	0	0

¹⁾ The definition of a work-related injury is that the injury occurs during working hours at a workplace that belongs to Stockholm Exergi or where Stockholm Exergi operates.

²⁾ The definition of work-related ill health is that the illness arises due to acute, recurring or chronic health problems caused or exacerbated by conditions at a workplace belonging to Stockholm Exergi or where Stockholm Exergi operates.

Recorded occupational accidents

Accidents	Employees		Non-employees ¹⁾		Total	
	2025	2024	2025	2024	2025	2024
TRIF ²⁾	12	10	15	12	14	11
TRI ³⁾	16	13	25	19	41	32

¹⁾ Includes both non-employees who are part of the company's own workforce (ESRS S1) and those who are service resources (ESRS S2).

²⁾ TRI frequency is based on a calculation with 1,000,000 hours worked.

³⁾ TRI (Total Recordable work-related Injuries) refers to accidents resulting in more than one day's absence (LWI), medical treatment by healthcare workers (MTC) or work-related injury leading to limited work capacity.

Own key performance indicator LWIF

Type of incident	Employees		Non-employees ¹⁾		Total	
	2025	2024	2025	2024	2025	2024
LWIF ²⁾	3.6	1.6	7.4	5.0	5.7	3.5

¹⁾ The figure includes both non-employees who are part of the company's own workforce (ESRS S1) and those who are service resources (ESRS S2).

²⁾ The frequency is based on a calculation with 1,000,000 hours worked. LWI (Lost workday work-related injuries) refers to accidents that have resulted in more than one day's absence.

Number of days lost, S1-14

Stockholm Exergi's employees have lost 36 days due to occupational injuries and deaths resulting from occupational accidents.

S1-16 – Compensation metrics (pay gaps and total compensation)

S1-16 97a The gender pay gap. Mean and median salaries for women and men have been used in the calculation (population all employees). The calculation is based on a full-time monthly salary.

Stockholm Exergi works actively to achieve an equal gender distribution throughout the company. The fact that the proportion of women among managers is greater than the proportion of women overall has contributed to women having a higher median salary than men.

Gender pay gaps	2025	2024
Mean wage for men in relation to women	-1,83	
Median wage for men in relation to women	-5.54	-6.45

Refers to Stockholm Exergi AB as a whole.

S1-16 97b Annual total rate of remuneration. The median salary for all employees (except the highest paid person) is compared to the salary for the highest paid person. The calculation is based on a full-time monthly salary. Other

remuneration and benefits are excluded, as they are so minor that they do not affect the final remuneration ratio.

Annual total remuneration rate	2025	2024
Ratio of highest paid to median pay	11	11

The median value excludes the highest paid individual, in accordance with the calculation method in ESRS S1 AR 101.

Median pay / highest pay = ratio of highest paid compared to median pay.

S1-17 – Incidents, complaints and severe human rights impacts

Stockholm Exergi monitors work-related incidents, complaints and any impacts on human rights within its own workforce through established internal reporting and monitoring processes. These include reporting via the legal department and the HR department, as well as the company's whistleblowing channel. Following up is carried out in accordance with applicable labour legislation as well as data protection and privacy requirements.

Discrimination and harassment

The total number of discrimination cases, including harassment, refers to cases reported during the reporting year and which, following investigation, have been assessed as constituting discrimination according to the seven grounds for discrimination in the Discrimination Act. The assessment is based on interviews with affected parties and, if necessary, on labour law assessments in collaboration with the Swedish Energy Employers' Association (EFA) and considering relevant case law.

Complaints via internal channels

The number of complaints refers to all cases reported via the whistleblowing channel, the HR department and/or the legal department that could potentially signal serious human rights impacts. These complaints also include cases that, following investigation, have not been classified as discrimination.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

- List of monitored disclosure requirements
- ESRS 2 General disclosures
- List of data points (EU legislation)

Environment

- Accounting according to the Taxonomy Regulation
- ESRS E1 Climate change
- ESRS E2 Environmental pollution
- ESRS E5 Resource use, circular economy

Social responsibility

- ESRS S1 Own workforce
- ESRS S2 Workers in the value chain
- ESRS S4 Consumers and end-users

Corporate governance

- ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Annual Report and Other Information

Fines, penalties and compensation

Stockholm Exergi has not incurred any fines, penalties or compensation payments linked to work-related incidents, discrimination cases or human rights complaints within its own workforce during the period.

Serious human rights incidents

Stockholm Exergi has not identified any serious human rights incidents related to its own workforce, such as forced labour, human trafficking or child labour, during the reporting period. Consequently, no fines, penalties or compensation payments have been incurred in connection with such incidents.

The data is based on a compilation of reported and investigated cases during the reporting period.

Discrimination cases, including harassment

Type of incident (number)	2025	2024
Total number of discrimination cases	0	0

Number of complaints via internal channels

Type of incident (number)	2025	2024
Complaints	0	0

Refers to reports that are submitted through various channels available to individuals within the company's own workforce and that relate to human rights impacts.

Fines, penalties and compensation

Type of incident (number and amount)	2025	2024
Fines, penalties and compensation	0	0

Serious human rights incidents involving the undertaking's own workforce

Type of incident via different channels (number)	2025	2024
Serious human rights incidents	0	0
Notifications to the NCP	0	



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Social responsibility

ESRS S2 Workers in the value chain

The section on workers in the value chain is more concise than several other sections. This is mainly because much of the information is handled within the framework of other sections, primarily ESRS E5 (e.g. regarding requirements during procurement and when monitoring suppliers) and ESRS S1 (e.g. regarding occupational health and safety).

The European Commission's "Quick Fixes" regulation also allows reporting in accordance with ESRS S2 to be limited during a transition period.

Consultants who are supervised by Stockholm Exergi are treated as non-employees and are described in section ESRS S1 Own workforce.

Materiality assessment

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Workers in the value chain refer to both individuals who participate in the delivery of services on behalf of Stockholm Exergi, but who are supervised within their own organisation, such as construction contractors, as well as workers who produce goods and services outside company premises.

Working conditions and equal treatment have been identified as material topics for workers in the value chain.



Working conditions

Working conditions cover working hours, adequate wages, social dialogue, freedom of association, collective bargaining, health and safety, as well as work-life balance. Of these, an impact on health and safety is considered most likely to occur. To reduce this risk, requirements are imposed on work planning and protective equipment, and risk-based follow-ups are carried out. Other risks are less likely but could potentially occur.

Equal treatment

Within equal treatment, risks of negative impact relating to disability as well as violence and harassment have been grouped together. Measures against violence and harassment are considered most material, because a substantial part of the company's operations and purchasing take place in the construction sector, where shortcomings occur in respect of equal treatment.

Strategy and business model

Goods and services are contracted to operate and maintain facilities and develop the district heating network. Supply of materials, services and fuel for district heating plants account for a significant portion of the business's costs. Work performed by workers in the value chain includes the operation and maintenance of existing installations, including the district heating network, new construction of the district heating network, as well as new installations. Most direct suppliers operate in Sweden, with clear requirements regarding working conditions and equal treatment, but they in turn purchase goods and services from other geographical areas. The BECCS installation, currently under construction, entails goods and services being purchased from other types of suppliers on a global market.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Policy and governance

S2-1 – Policies related to workers in the value chain

Stockholm Exergi's sustainability policy section on human rights and sustainable value chains makes it clear that collaborations take place with suppliers who comply with the company's **Supplier Code of Conduct**. Stockholm Exergi supports and respects human rights in its own operations and in its value chain, in accordance with the UN Guiding Principles and the ten principles of the UN Global Compact on human rights, labour rights, the environment and anti-corruption.

In all Stockholm Exergi supplier agreements, the supplier undertakes to comply with the Supplier Code of Conduct. The Supplier Code of Conduct describes the expectations placed on suppliers and is available on the website and as an appendix to the agreement.

Processes are in place to identify risks, stipulate supplier requirements, follow up spot checks of suppliers, communicate the results and receive complaints via the whistleblowing service. This process reflects the UN Guiding Principles on Business and Human Rights as well as the OECD Due Diligence Guidance for Responsible Business Conduct.

Guidelines for ethical counterparty control stipulate that checks regarding sanctions lists and negative media coverage must be carried out before entering agreements. All active suppliers are monitored daily via system support. Negative media coverage helps indicate any specific risks for workers in the value chain.

Due diligence process



Due diligence reduces the risk of negative impacts on people and the environment. Stockholm Exergi has clear policies and guidelines regarding purchasing, risk assessment at category level and ethical counterparty control of suppliers. The Supplier Code of Conduct is included as an appendix to all agreements. Compliance with requirements is monitored through checks, rounds, safety walks, dialogue and supplier audits.

The **guideline for sustainable biofuels** specifies additional requirements regarding working conditions and safety in forestry through requirements for forestry certification or controlled material from FS C® and PEFC. This is described in detail in ESRS E5.

All workers who perform work at the company's facilities undertake to comply with Stockholm Exergi's health and safety requirements and to work together with employees to promote a safe workplace with zero accidents and serious incidents. For suppliers performing work on site, contractual requirements apply in accordance with the sustainability requirements appendix. Each individual must successfully complete an e-learning course on safety before being granted access to the workplace. This ensures that workers in the value chain who perform work at Stockholm Exergi's installations are covered by the company's occupational health and safety system.

S2-2 – Processes for engaging with value chain workers about impacts

Stockholm Exergi does not have separate processes for gathering feedback from workers in the value chain; instead, feedback is gathered through supplier audits regarding the code of conduct or health and safety. The whistleblowing channel described in section G1 is a channel for workers in the value chain to submit complaints.

S2-3 – Processes to remediate negative impacts and channels for workers to raise concerns

The whistleblowing guideline describes the procedure for both employees and external parties to report deviations from the code of conduct and sustainability requirements, and is described in greater detail in ESRS G1. The whistleblowing guideline constitutes the company's procedure regarding remediation, which clarifies that cases must be handled by the Chief Legal Officer and representatives from the management team, who handle issues on a case-by-case basis.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Actions and resources

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Stockholm Exergi lays down requirements and conducts supplier monitoring as part of its systematic due diligence. With regard to health and safety, requirements are imposed and checks are carried out to ensure that everyone who works at the company's workplaces completes safety training before being granted access to the workplace.

Health and safety and working conditions are systematically monitored through Safety Walks and safety inspection rounds, which include both the company's own workforce and first-line suppliers who perform work at the facilities. During the year, Stockholm Exergi has focused on the daily dialogue with suppliers via Safety Walks, to communicate risks, working methods and safe/unsafe actions and behaviours.

Based on a risk assessment, several suppliers are selected for supplier audits regarding work environment requirements through dialogue and document reviews.

The number and frequency of workplace accidents resulting in sick leave per million hours worked has increased, and the proportion of workers in the value chain is, as in previous years, overrepresented. This has resulted in a decision to limit the number of subcontractor tiers for suppliers working on the maintenance of the facilities. At the same time, the tender documents used in procurements are being adapted with a view to increase controls based on the stipulated requirements.

The company has a zero-tolerance policy towards alcohol and drugs at the workplace. To ensure compliance, unannounced tests are carried out annually upon arrival at the workplace, as well as random tests at the production facilities and in the distribution network.

Transparency in the supply chain and limited influence over suppliers beyond the first tier remain challenging. Suppliers of biofuel are monitored for compliance with human rights requirements through supplier audits on site on the

supplier's premises or remotely. A selection of ships are inspected with regard to health, safety and working conditions, including working hours. Suppliers and subcontractors to the BECCS installation are reviewed as part of the company's risk identification and due diligence process. The work on systematic due diligence was evaluated during the year, leading to updated risk assessments and working methods in accordance with the OECD Guidelines for Responsible Business Conduct.

Safety Walks

All employees and managers at Stockholm Exergi may conduct and document Safety Walks and record them in the company's task management system. For some roles Safety Walks are mandatory.

A Safety Walk is an observation round focused on communicating about risks, working methods and safe/unsafe actions. The aim is to engage in a dialogue with employees and contractors, provide positive reinforcement of safe behaviours, as well as create an understanding about and remedy unsafe behaviour.

After each Safety Walk, it is necessary to record the type of work being performed, the risks observed and discussed, any agreed corrective measures that need to be implemented to ensure safe working practices, as well as agreed reinforcement measures, i.e. positive measures that encourage workers to continue working safely.

In total 3,999 Safety Walks were conducted in 2025.

In addition, 429 Safety Index Walks (an extended Safety Walk carried out by managers and including spot checks) and 619 safety inspection rounds were conducted.

Action	Scope of the action	Planned completion
Improved governance and control of subcontractors Limiting the number of subcontractor tiers that a contractor may use during work in connection with maintenance of the installations, as well as developing tender documents that are used in connection with procurement.	The entire business, including suppliers	Anticipated effect in 2026
Review of fair working conditions Implement working methods that monitor compliance with laws and human rights, with the aim of preventing companies from exploiting differences in working and employment conditions to gain competitive advantages.	The entire business, including suppliers.	Anticipated effect in 2026
Development of the company's systematic due diligence process in accordance with OECD guidelines.	Development of risk identification process and procedures for supplier management	Anticipated effect in 2026
Development of the work with increased resources and a plan for supplier management in respect of sustainable procurement within BECCS , which includes service resources and workers in the value chain.	Supplier relations and follow-up throughout the value chain, including risk assessment, requirement definition and dialogue with suppliers, as well as internal resources to ensure sustainable purchasing and working conditions.	Anticipated impact during 2026–2028

Metrics and targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Data for completed supplier audits is reported as a separate disclosure in ESRS E5.

Stockholm Exergi's goal is to have a safe, healthy and secure workplace that is free from accidents, with equal treatment and gender equality as core principles. The company has a zero-tolerance policy towards alcohol and drugs in the workplace. Preventive work, as well as targets, metrics and follow-up regarding workplace accidents in the business, are fully integrated with the health and safety work carried out for the company's own workforce. Information on health and safety work for workers in the value chain who perform work at the company's installations is therefore reported in ESRS S1, which in this regard also includes workers in the value chain.



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Social responsibility

ESRS S4 Consumers and end-users

The section on Consumers and end-users is more concise than several other sections. This is in line with the European Commission's "Quick Fixes" regulation from the summer of 2025, which allows the content that is reported in ESRS S4 to be limited for the first few years.

Materiality assessment

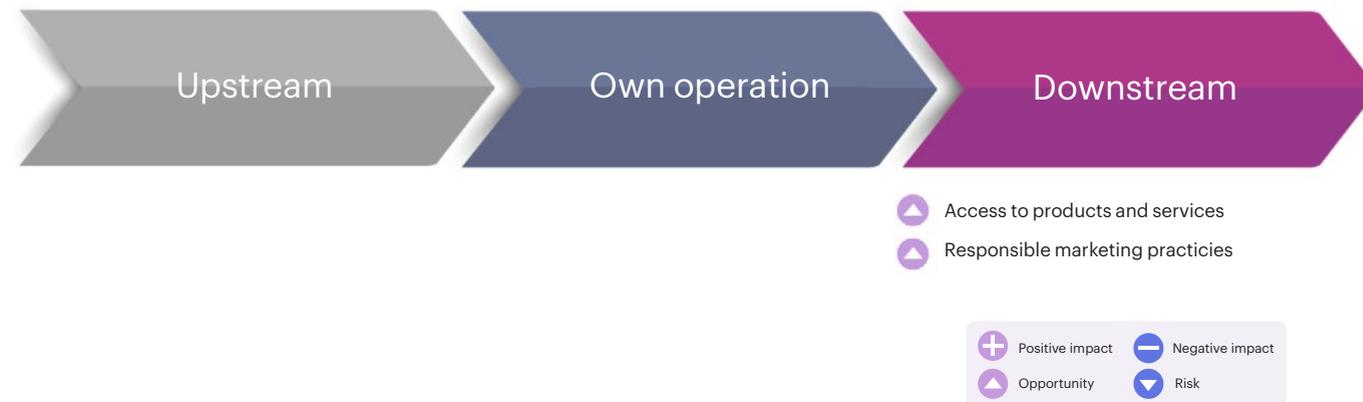
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Consumers and end-users of district heating and district cooling dominate the company's customer base and are part of its core business. The figure shows the material issues identified in the double materiality assessment.

Access to products and services

Access to products and services has a direct impact on Stockholm Exergi's cash flow and earnings and is therefore viewed as a financial opportunity. The company's ability to meet its customers' needs and demand for energy services that contribute to their climate goals is of great importance. New add-on products that have been targeted at customers with specific climate requirements have quickly generated revenue. Stockholm Exergi's investment in BECCS is intended to offer completely new climate products based on negative emissions.

Stockholm Exergi supplies district heating and cooling, as well as related services, to existing customers in the region. The company intends to offer district heating and district



cooling to additional customers, if this is economically viable for both parties. Thanks to ongoing societal energy efficiency improvements, it is possible to connect more customers using existing production assets. The ability to adapt and develop the products has a significant impact on the company's potential growth in a growing region.

The company believes that there are good opportunities to reach new customers, both where the technical conditions for using the company's services already exist, and by offering access to the services in new areas as Stockholm continues to densify and grow. This includes the development of entirely new services that also create potential for completely new product groups.

Responsible marketing practices

Stockholm Exergi has identified responsible marketing practices as a financial opportunity, as they enable the

company to retain existing customers and generate new business. As an infrastructure operator with significant investments and fixed asset value, the company depends on both existing and future customers utilising its services and infrastructure.

The company's brand is expected to be strengthened by offering a price-competitive heating alternative in the region, while simultaneously promoting and highlighting the social benefits provided by its operations.

Here too, the financial opportunity should primarily be viewed in the context of the long-term densification and growth of the Stockholm region. With a strong brand as a foundation, the company's ability to maintain its already high share of the heating market is further strengthened.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Strategy and business model

Access to products and services is developing

Access to products and services is a key part of Stockholm Exergi's business model, which, through its extensive district heating and district cooling network, contributes to Stockholm's residents having a secure, efficient and sustainable energy supply around the clock, all year round.

As part of its strategy, the company is also working actively to broaden and develop services that enhance availability and choices for existing heating and cooling customers. Current efforts focus on the development and sale of digital services and energy solutions such as heat optimisation, solar panel installations and heat pump control, as well as new financing options such as the product Fjärrvärme Dritfnetto. This product and service development is often carried out in collaboration with the company's customers, including through pilot tests, which are a part of the product development process. Furthermore, the company is exploring how the sale of negative emissions could be integrated in the future alongside the existing district heating delivery.

To ensure access to products and services and the provision of district heating in the region, Stockholm Exergi maintains regular contact with the largest construction companies in Stockholm and monitors their project development. Furthermore, a close dialogue is maintained with the City Development Department and detailed planning processes are followed in areas that are close to the company's network, with the aim of facilitating and enabling future connections.

For a new connection, a connection fee may apply, reflecting Stockholm Exergi's investments, revenues and costs associated with the connection. Stockholm Exergi calculates the connection costs and the corresponding fee on a case-by-case basis.

Trust through responsible marketing

Responsible marketing is an important part of the company's strategy. A strong brand, a transparent pricing model, a reliable delivery and the company's contribution to efficient use of resources and a cleaner Stockholm are all important factors for retaining customers and gaining new ones. Stockholm Exergi communicates regularly and frequently regarding the benefits of district heating to existing and new customers.

Marketing and communication are done through several channels, including social media, local newspapers and advertising signs. In addition, Stockholm Exergi hosts site visits from for example organisations, schools and companies to showcase and inform about its operations and their impact. The company also organises various customer meetings and events to communicate about its operations and obtain feedback from customers. Stockholm Exergi's customers have clearly designated channels through which they can contact the company and submit complaints or comments.

Customer trust and confidence in Stockholm Exergi are vital for the two material areas: access to products and services, and responsible marketing practices. It is therefore crucial how the company relates to its strong position in the district heating market and how the district heating product is priced. A key part of Stockholm Exergi's strategy is consequently to ensure that this is done correctly. How well the company succeeds with managing and communicating this is measured through customer surveys focusing on customer satisfaction.

Policy and governance

S4-1 – Policies related to consumers and end-users

Stockholm Exergi has a strong position in the district heating market in the areas with a well-developed district heating network. The company complies with relevant antitrust and competition laws, as well as the rules of Fjärrvärmelagen, for example in respect of disclosure of information and pricing. The company's code of conduct also sets out rules for responsible behaviour towards customers and other stakeholders in society.

Based on Stockholm Exergi's dominant position on the district heating market, a principle of equality is applied in the pricing of the district heating product.

Stockholm Exergi has a public pricing policy that aims to establish the principles for its district heating pricing. These principles ultimately aim to maintain and enhance customers' trust in the district heating product and in Stockholm Exergi. In doing so, the policy helps create transparency and clarity for the company's customers regarding how district heating pricing is determined. This directly relates to the availability of goods and services, as the policy enables customers to plan and utilize services on equal terms. The policy is also part of responsible marketing, as open and clear communication reduces the risk of misleading information and strengthens customer trust.

The pricing policy is approved by Stockholm Exergi's Board of Directors and managed by the Marketing Director. The policy covers the company's pricing of the district heating product in Stockholm Exergi AB and its wholly owned subsidiaries.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Furthermore, Stockholm Exergi applies value-based pricing. This means that the price should reflect the total value of the product for the customer, and that both the price level and the price structure are linked to the value that the product creates for the customers. To achieve this, the company bases its pricing on two main interacting principles – the alternative pricing principle and the price stability principle. Stockholm Exergi has two standard price lists. *Fjärrvärme normalpris Villa och mindre fastighet* is used for individual houses and smaller customers, while *Normalprislista fjärrvärme* is used for other customers, i.e. housing associations, companies and other organisations.

Stockholm Exergi's Sustainability Policy describes how to achieve a high level of customer satisfaction, and the company has a quality management system, ISO 9001, which governs how customer needs are met. Both of these therefore have a direct link to the areas of access to products and services and responsible marketing. NKI-surveys (Nöjd-kund-index) are used to measure customer satisfaction and identify areas for improvement. Based on the results and free text responses from the survey, the company develops action plans to improve selected areas. Customer satisfaction can be viewed as a metric of how effectively the company manages opportunities linked to access to products and services and responsible marketing. A high NKI score indicates that the company is able to meet customer requirements, which is a prerequisite for continuing to provide services and for retaining and creating new business. The sales department is responsible for customer satisfaction (NKI) and measures it regularly. Stockholm Exergi uses the Swedish company SKI (Svenskt Kvalitetsindex) to conduct the surveys.

Actions and resources

S4-2 – Processes for engaging with consumers and end-users about impacts

Price developments for the company's core products impact many people in Stockholm and the region. To achieve a reasonable and predictable price trajectory and thereby strengthen district heating customers' position in the heating market, Stockholm Exergi is a member of the Prisdialogen. Prisdialogen is a model developed by Riksborgen, SABO, and Energiföretagen Sverige, encompassing both local dialogue and central review of the company's district heating price adjustment model.

To ensure compliance with the alternative pricing principle, Stockholm Exergi carries out an analysis of the cost of district heating and of the customers' most common heating option on the Stockholm market every year. Calculation assumptions and sources are presented on Stockholm Exergi's website. The price stability principle aims to satisfy the customer's interest in stable and predictable long-term price development relative to the cost development of the alternative. This is maintained, for example, by annually specifying a price forecast for the standard price list in connection with the Price Dialogue. The purpose of the price forecast is to indicate the projected price development for the two calendar years following the year for which *Normalprislistan* list applies.

S4-3 – Procedures for addressing negative impacts and channels for consumers and end-users to raise concerns

To handle customer questions, complaints, and feedback, Stockholm Exergi has had an insourced customer service department since 2023, whose task is to assist customers with questions regarding district heating, district cooling, complaint handling, and when something is not working as it should. The company's internal guideline is that all customer inquiries and cases should receive a response within 48 hours on weekdays. Customer service is staffed during normal working hours on weekdays, while fault reports and urgent issues can be submitted around the clock.

Stockholm Exergi wants its customers to be satisfied with the company and the products it supplies. In the customer portal *Mina Sidor*, customers can see and download information about their district heating usage, invoices and analysis material.

Market testing plays a key role in the company's product development process, with pilot studies conducted together with interested customers and customer groups.

Furthermore, Stockholm Exergi has conducted a reorganisation within the Sales Department during the year, whereby the measurement unit has been transferred from Distribution. The aim is to bring the measurement and connection process closer to the customers in order to increase internal understanding and shorten lead times.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

S4-4 – Measures regarding material impacts on consumers and end-users, and strategies to manage the material risks and leverage the material opportunities related to consumers and end-users, as well as the effectiveness of these measures

A number of actions have been implemented or planned during the year.

The actions are focused on increasing customer satisfaction, as well as on clarifying how district heating's alternative pricing and price stability are ensured and developed over time, in many cases based on input from customers.

The key measures are mainly based on the action plan adopted by the Board of Directors to improve customer satisfaction. The measures relating to pricing and Prisdialogen have been allocated additional resources in the form of man-hours. During the spring, Stockholm Exergi has engaged external expertise to support the Prisdialogen work for 2025.

Key measures Consumers and end-users	Scope of the measure	Planned completion date
Prisdialogen Increased number of consultation meetings in Prisdialogen (from 2 to 3) in 2025	Regional scope. Affects the downstream value chain. Stockholm Exergi's key customers and their industry organisations were invited to another consultation meeting.	The third and final consultation meeting was held on 3 September 2025
Pricing of district heating Change of input data in the alternative cost model to meet customer requirements.	Regional scope. Affects the downstream value chain and all district heating customers.	Implemented in the alternative cost model in 2025 and used in the pricing work for 2026
In-depth customer dialogue In-depth meeting with key customers to create greater understanding of the alternative cost model	Regional scope. Affects the downstream value chain. Key customers and their industry association participated in the meeting.	Implemented in August 2025.
Personalisation of communication During the spring, there has been an increased focus on personalising communication. 'Exergi Wrapped' was launched in April 2025.	Regional scope. Affects the downstream value chain.	Implemented in April 2025
Learning and training A number of videos are produced to create added value for the company's customers. The videos are aimed at customers who want more basic knowledge about how district heating works and how to reduce their consumption.	Regional scope. Affects the downstream value chain. Primarily aimed at customers who lack technical expertise regarding energy.	Autumn 2025
Internal customer focus week Stockholm Exergi is planning an internal customer focus week, during which visits will be made to the company's departments and facilities to provide information about customer satisfaction work and how everyone can contribute to this.	Regional scope. Influences the company's own operations and, in the long run, the downstream value chain through a better understanding of how our work affects the end-customer.	Planned for spring 2026

Metrics and targets

S4-5 – Targets for managing material negative impacts, enhancing positive impacts, and addressing material risks and opportunities.

Stockholm Exergi has several targets and key performance indicators relating to consumers and end-users.

Nöjd-kund-index (NKI) is the single most important factor in this area and, overall, one of the company's most important key performance indicators.

In 2025, the NKI was 60.8, which is an improvement compared to 2024 and a positive result of proactive efforts to increase customer satisfaction.

Calculation principles for own key performance indicators

Nöjd-kund-index (NKI)

NKI is a standardised metric that is used to evaluate customer satisfaction with a product, service or company. Customers are asked to answer three questions, rated on a scale of one to ten, regarding various aspects of their experience. Each question is given an average rating based on the answers received. These averages are then summarised and divided by the number of questions to arrive at an overall average. The results are converted to a scale of zero to 100, where a higher value indicates greater customer satisfaction. Stockholm Exergi uses an external party, the company Svenskt Kvalitetsindex, which conducts the NKI survey. Measurements are conducted continually during the year, and the results presented in this report are the cumulative outcome for the year 2025.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

SAIDI District heating

The System Average Interruption Duration Index (SAIDI) is a reliability index that records the duration of interruptions in minutes per customer per year. The indicator is calculated by Stockholm Exergi, at the end of each year, compiling all planned and unplanned interruptions that have occurred during the year in minutes, and then dividing this figure by the number of affected delivery points. The delivery point is where the billing meter is located, as customers with large properties may have multiple delivery points.

SAIDI District cooling

See section SAIDI District heating.

Connected area

This key performance indicator is measured in square metres and refers to how much heated area (Atemp) is heated by Stockholm Exergi's district heating. The key

performance indicator is calculated annually in January by summarising the property area of all existing district heating customers. The property area comes from energy declarations, property registers or other sources, and is updated manually in connection with new connections or in dialogue with a customer, i.e. not regularly for existing customers. The results are presented as a five-year average, which approximates the total connected area at the end of the year.

Newly connected district heating

This key performance indicator covers newly signed district heating agreements that have been registered during the year. Each agreement includes an estimated annual consumption of district heating, and the key performance indicator is a summary of this energy volume. The estimated annual district heating consumption is determined through the customer's project planning

documentation, or through standard calculations based on key performance indicators prepared in-house for heat consumption per property category and the year of construction.

Newly connected district cooling

See section Newly connected district heating.

Win back district heating

This key performance indicator corresponds to newly connected district heating volumes that have been registered during the year based on returning former district heating customers. The key performance indicator also includes the district heat volume of existing customers who have previously installed an alternative heat source, and who have decided during the year to increase their district heat purchase again through cooperation regarding heat pump control with Stockholm Exergi.

Targets and key performance indicators	Targets 2025	Relevance	Results 2025	Results 2024	Comments
NKI, Nöjd-kund-index (scale 0–100)	63.5	The most important key performance indicator regarding customers. Covers all material areas	60.8	57.4	The CSI stood at 60.8 in 2025, which is an improvement compared to 2024 and a positive result of proactive efforts to increase customer satisfaction.
SAIDI District heating (minutes)	-	Access to products and services	49.9	163	SAIDI district heating was lower in 2025 than in 2024, as there were fewer planned and unplanned interruptions.
SAIDI District cooling (minutes)	-	Access to products and services	368	133	SAIDI district cooling increased in 2025 because of the construction of the BECCS plant in Värtan, where part of our cooling production is located. A planned interruption in October, carried out within the plan of the construction project, therefore resulted in a temporary reduction in production and thereby contributed to a higher SAIDI.
Connected area: (million m ²)	-		74.7	74.3	Thanks to new connections, the connected area has increased in 2025.
Newly connected district heating: (GWh)	51	Access to products and services	70.1	49.2	Newly connected district heating increased compared to 2024, exceeding the target for the year.
Newly connected district cooling: (GWh)	2.6	Access to products and services	7.6	4.5	Newly connected district cooling increased compared to 2024, exceeding the target for the year.
Win back district heating: (GWh)	9		0.5	7.6	Win back district heating was lower than expected in 2025. The volume naturally varies from year to year, and decisions regarding the conversion of existing heating systems take time.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Governance

ESRS G1 Business conduct

Materiality assessment

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The figure shows the material aspects according to the double materiality assessment, and these are described in greater detail below.

Chapter ESRS 2 describes the implementation and provides in-depth information about the material IROs.

Risk of lack of corporate culture

A strong and well-established corporate culture is a key prerequisite for a sustainable and successful company. A culture that is characterised by clear values, responsible leadership and high ethical standards creates favourable conditions for a safe working environment, efficient working methods and long-term relationships with customers, suppliers, investors and other stakeholders. It also helps to strengthen the brand and maintain confidence in the business. A lack of clear values, weak leadership or inadequate compliance with ethical guidelines can lead to irregularities, discrimination and corruption. This would not only have a negative impact on health and safety and productivity, but would also harm the company's brand, weaken business relationships and reduce the trust of customers, suppliers, investors and other stakeholders.



Stockholm Exergi therefore place great importance on nurturing, developing and strengthening its corporate culture. This work involves the ongoing development of core values and leadership, as well as open dialogue within the organisation. The emphasis on corporate culture is not due to identified problems but rather results from the fact that the company views a strong culture as a significant strategic asset that must be continuously maintained to avoid challenges and ensure long-term success in the future.

Risk of corruption and bribery

The risk of corruption and bribery is present in the entire value chain – upstream, within own operations and downstream. Risks may arise in the supply chain because of unethical business practices or inadequate control of suppliers. Internally, decision-making can be influenced by improper incentives, particularly in situations where

internal controls or ethical guidelines are not fully complied with. Downstream, in contact with customers, retailers and partners, there are also risks that could jeopardise the company's credibility and reputation.

To counteract these risks, the organisation's codes of conduct are binding for all employees and suppliers. Recurrent anti-corruption training is mandatory for relevant functions within the company, and thorough supplier audits are conducted prior to signing contracts and thereafter on an ongoing basis to ensure regulatory compliance. Internal controls and effective reporting channels are in place to identify and address suspected violations. Compliance with these principles is a prerequisite for maintaining the highest degree of integrity and transparency, as well as for preserving the trust of employees, customers, suppliers and other stakeholders.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Strategy and Business Model

Stockholm Exergi's strategy and business model are based on integrating sustainability and regulatory compliance into its operations. The company works to ensure the highest level as regards compliance, an ethical business culture and full transparency throughout the value chain. These principles are key to reducing business risks, preventing irregularities and strengthening the company's resilience to regulatory and operational risks. Through systematic work on risk management and internal control mechanisms, Stockholm Exergi strives to build long-term trust among customers, employees, suppliers and other stakeholders, which is crucial for a robust and competitive business model.

Policy and governance

G1-1 – Corporate culture and business conduct policies

Employee Code of Conduct

Stockholm Exergi's Employee Code of Conduct forms the basis for how the company conducts its business and reflects the company's commitment to acting ethically, transparently and responsibly in all parts of the organisation. It is in line with applicable legislation, internal regulations and good business practice, and provides guidance for decision-making and in the company's ongoing business relations.

As a supplement to the Code of Conduct, an internal guideline is intended to provide all employees with more

detailed guidance on how to apply the business conduct principles described in the Code of Conduct in practice.

Stockholm Exergi also applies the rules and principles set out in the Code to Prevent Corruption in Business (known as "Näringslivskoden"), published by the Swedish Anti-Corruption Institute.

The Code of Conduct applies to all workers, both employees and consultants, as well as Board members.

Supplier Code of Conduct

Stockholm Exergi's Supplier Code of Conduct is a key tool for ensuring that the company's supply chain meets its requirements for sustainability, ethics and social responsibility. The Supplier Code of Conduct sets clear requirements in areas such as working conditions, human rights, environmental considerations, business ethics and anti-corruption. Stockholm Exergi expects all suppliers to respect international conventions and applicable national legislation, and to actively work to identify and manage risks within their own operations and in their supply chain. Compliance is monitored through dialogue, self-assessments and, where necessary, audits.

The Supplier Code of Conduct applies to all suppliers who perform assignments for the company.

Actions and resources

G1-3 – Prevention and detection of corruption and bribery

In order to maintain good business ethics and business practice, an internal compliance document states that the company's legal department is responsible for training in

areas such as corruption, disqualification and business ethics.

Stockholm Exergi applies established and documented processes to initiate and conduct internal investigations in cases of suspected violations of internal regulations or applicable legislation, particularly with regard to bribery, corruption or other irregularities that may affect the company's operations, reputation or regulatory compliance. This process is integrated with and based on the company's whistleblowing channel, which is a central mechanism for ensuring that reported suspicions are addressed in a legally secure, structured and transparent manner.

If the internal investigation reveals that rules have been broken, this may lead to disciplinary action. If there is concrete suspicion of a crime, a police report is filed.

All whistleblow cases, including any incidents of corruption, are reported annually to the Board of Directors through the Audit Committee.

Whistleblowing service

To further ensure a secure reporting environment, an external whistleblowing channel is also offered through WhistleB, where anonymous reporting is possible.

The reporting channel is available digitally and can be used by both internal employees and external stakeholders, including suppliers and other contractual parties. The function is designed in accordance with the EU Whistleblower Protection Directive (EU 2019/1937) and its national implementation in Sweden through the Act (2021:890) on the protection of persons reporting irregularities.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Stockholm Exergi has developed internal guidelines for whistleblowing. The aim is to encourage all employees (and if necessary external parties) to report suspected irregularities without the risk of reprisals, and to ensure an adequate investigation process.

The General Counsel, the Legal Counsel and the HR Director are responsible for receiving, investigating and dealing with any received reports. If the case cannot be investigated due to disqualification or if the case concerns one of the above recipients, that person will not participate in the investigation.

All cases are treated confidentially to protect the person submitting the report and ensure legal certainty in the process. WhistleB does not store IP addresses or other metadata (i.e. data that can be traced back to the whistleblower). Stockholm Exergi has a zero-tolerance policy towards reprisals and guarantees that all whistleblowers enjoy the statutory protection required by applicable legislation.

All governing documents are available in Swedish and English on the company's intranet, and the public governing documents can be found on Stockholm Exergi's external website.

Anti-corruption training

Stockholm Exergi works systematically and preventively to combat corruption and bribery through a structured training programme, governing documents and clear internal procedures.

All employees undergo mandatory e-training regarding anti-corruption and the company's code of conduct as an integral part of the onboarding process. To ensure continued awareness and compliance, all employees at Stockholm Exergi are required to repeat the training course within a three-year period. As part of the training, control questions covering corruption and other business conduct issues are also distributed to all employees. Compliance with the training plan by all employees is monitored on an ongoing basis.

Training regarding code of conduct and anti-corruption	2024	2025	Targets 2026
% of employees who have completed training within the timeframe	99%	96%	100%

To address identified risk areas, the company has implemented targeted training initiatives for functions within purchasing, energy trading, sales and for senior management as part of its compliance programme. The purpose of these initiatives is to ensure regulatory compliance, strengthen expertise in business ethics and prevent irregularities that could affect the company's operations, reputation or compliance.

Training for at-risk functions	Number/Share
Number of departments that have completed the training	4
Proportion of individuals in at-risk functions who have completed the training	95%

The Board of Directors has ultimate responsibility for ensuring that the company's regulatory compliance functions as intended, while Stockholm Exergi's

management team is responsible for ensuring that the operational processes support this work. The management team receives training in anti-corruption. Both levels work together to ensure that the company conducts work in a manner that is sustainable in the long term, in line with both internal guidelines and external requirements. The company's Board of Directors and management team collectively possess the relevant expertise to monitor and ensure responsible business conduct. This expertise includes experience of business ethics, regulatory compliance, anti-corruption, data protection and sustainability management.

Targets and metrics

G1-4 – Incidents of corruption or bribery

There have been no incidents of corruption or bribery during the year. Consequently, no related actions or consequences have needed to be addressed.

Incidents of corruption or bribery	2024	2025	Targets 2026
Number of incidents of corruption or bribery	0	0	0
Number of convictions for violations of anti-corruption and anti-bribery laws	0	0	0

Accounting policy

Cases reported via the whistleblowing channel must undergo a structured review and assessment to determine whether they relate to bribery, corruption or other irregularities.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Appendix

List of datapoints derived from other EU legislation

Standards & disclosure requirements	Datapoint	Title	SFRD ¹⁾	Third pillar ²⁾	Reference values ³⁾	EU climate law ⁴⁾	Material
ESRS 2 GOV-1	21 d	More even gender diversity on Boards	x		x		x
ESRS 2 GOV-1	21 e	Percentage of Board members who are independent			x		x
ESRS 2 GOV-4	30	Statement on due diligence	x				x
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		N/A
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		N/A
ESRS 2 SBM-1	41 (d) iii	Involvement in activities related to controversial weapons	x		x		N/A
ESRS 2 SBM-1	41 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		N/A
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	x
ESRS E1-1	16 g	Undertakings excluded from Paris-aligned Benchmarks paragraph		x	x		N/A
ESRS E1-4	34	GHG emission reduction targets	x	x	x		x
ESRS E1-5	37	Energy consumption and mix	x				x
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				x
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				x
ESRS E1-6	44	Gross scope 1, 2, 3 and total GHG emissions	x	x	x		x
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		x
ESRS E1-7	56	GHG removals and carbon credits				x	N/A
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		No
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			No
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			N/A
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		N/A
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				x
ESRS E3-1	9	Water and marine resources	x				x
ESRS E3-1	13	Dedicated policy	x				x
ESRS E3-1	14	Sustainable oceans and seas	x				x
ESRS E3-4	28 (c)	Total water recycled and reused	x				x
ESRS E3-4	29	Total water consumption in m3 per net revenue from own operations	x				x
ESRS 2- SBM 3 E4	16 (a) i		x				x
ESRS 2- SBM 3 E4	16 (b)		x				x
ESRS 2- SBM 3 E4	16 (c)		x				x
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	x				x
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	x				x
ESRS E4-2	24 (d)	Policies to address deforestation	x				x

Business presentation
Corporate governance
Annual Report and Other Information
Directors' Report
> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report
Financial reports
Signatures
Audit report

Standards & disclosure requirements	Datapoint	Title	SFRD ¹⁾	Third pillar ²⁾	Reference values ³⁾	EU climate law ⁴⁾	Material
ESRS E5-5	37 (d)	Non-recycled waste	x				x
ESRS E5-5	39	Hazardous waste and radioactive waste	x				x
ESRS 2-SBM3-S1	14 (f)	Risk of incidents of forced labour	x				No
ESRS 2-SBM3-S1	14 (g)	Risk of incidents of child labour	x				No
ESRS S1-1	20	Human rights policy commitments	x				x
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation (ILO) Conventions 1 to 8			x		x
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				x
ESRS S1-1	23	Workplace accident prevention policy or management system	x				x
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				x
ESRS S1-14	88 (b); 88 (c)	Number of fatalities and number and rate of work-related accidents	x		x		x
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				N/A
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		x
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				x
ESRS S1-17	103 (a)	Incidents of discrimination	x				x
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		x
ESRS 2-SBM3-S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				No
ESRS S2-1	17	Commitment to human rights policy	x				x
ESRS S2-1	18	Policies related to value chain workers	x				x
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		x
ESRS S2-1	19	Due diligence policies on issues addressed by ILO fundamental conventions 1–8			x		x
ESRS S2-4	36	Human rights issues and incidents connected to the company's upstream and downstream value chain	x				x
ESRS S3-1	16	Human rights policy commitments	x				No
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		No
ESRS S3-4	36	Human rights issues and incidents	x				No
ESRS S4-1	16	Policies related to consumers and end-users	x				No
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		x
ESRS S4-4	35	Human rights issues and incidents	x				No
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x				N/A
ESRS G1-1	10 (d)	Whistleblower protection	x				N/A
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		x
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				x

1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the Sustainability Disclosure Regulation) (OJ L 317, 9.12.2019, p. 1).

2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, CRR) (Text with EEA relevance) (OJ L 176, 27.6.2013, p. 1).

3) Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (OJ L 243, 9.7.2021, p. 1).

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Auditor's limited assurance report of Stockholm Exergi Holding AB (publ)'s statutory sustainability statement

To the general meeting of the shareholders in Stockholm Exergi Holding AB (publ), corporate identity number 556040-6034

Conclusion

We have conducted a limited assurance review of the Sustainability Report of Stockholm Exergi AB (publ) for the 2025 financial year. The Sustainability Report is included on pages 37–128 in this document.

Based on our limited assurance engagement, as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability report does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act, which includes:

- whether the sustainability report meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement, and
- compliance with the reporting requirements of the EU Taxonomy Regulation, Article 8.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibilities according to this recommendation are further described in the Auditor's Responsibility section.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement, and no review of comparative figures in the sustainability statement for the year 2025 has therefore been performed.

Information other than the Sustainability Report

This document also contains other information than the sustainability statement and is found on pages, 1-28, 30-128 131-173 and 178-180. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement.

In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement

and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

ESRS 2 General disclosures

List of data points (EU legislation)

Environment

Accounting according to the Taxonomy Regulation

ESRS E1 Climate change

ESRS E2 Environmental pollution

ESRS E5 Resource use, circular economy

Social responsibility

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

> Sustainability Report

List of monitored disclosure requirements

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ESRS S2 Workers in the value chain

ESRS S4 Consumers and end-users

Corporate governance

ESRS G1 Business conduct

Auditor's report

Financial reports

Signatures

Audit report

obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Stockholm Exergi Holding AB (publ), in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review

consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS.
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement.
- Perform substantive assurance procedures on selected information in the sustainability statement.

- Through inquiries and analytical procedures, evaluate supporting evidence to the methods, assumptions and data for developing significant estimates and forward-looking information.
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- The review of taxonomy disclosures included but was not limited to:
 - Analytical review procedures and enquiries to relevant personnel
 - On a selective basis, performing review procedures on material disclosures in the Sustainability Report relating to the EU Green Taxonomy.

Limitations

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Stockholm Exergi Holding AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Stockholm Exergi Holding AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm, March, 26, 2026

Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> **Financial reports**

Consolidated income statement
and balance sheet

Parent company income statement
and balance sheet

List of notes

Notes Consolidated

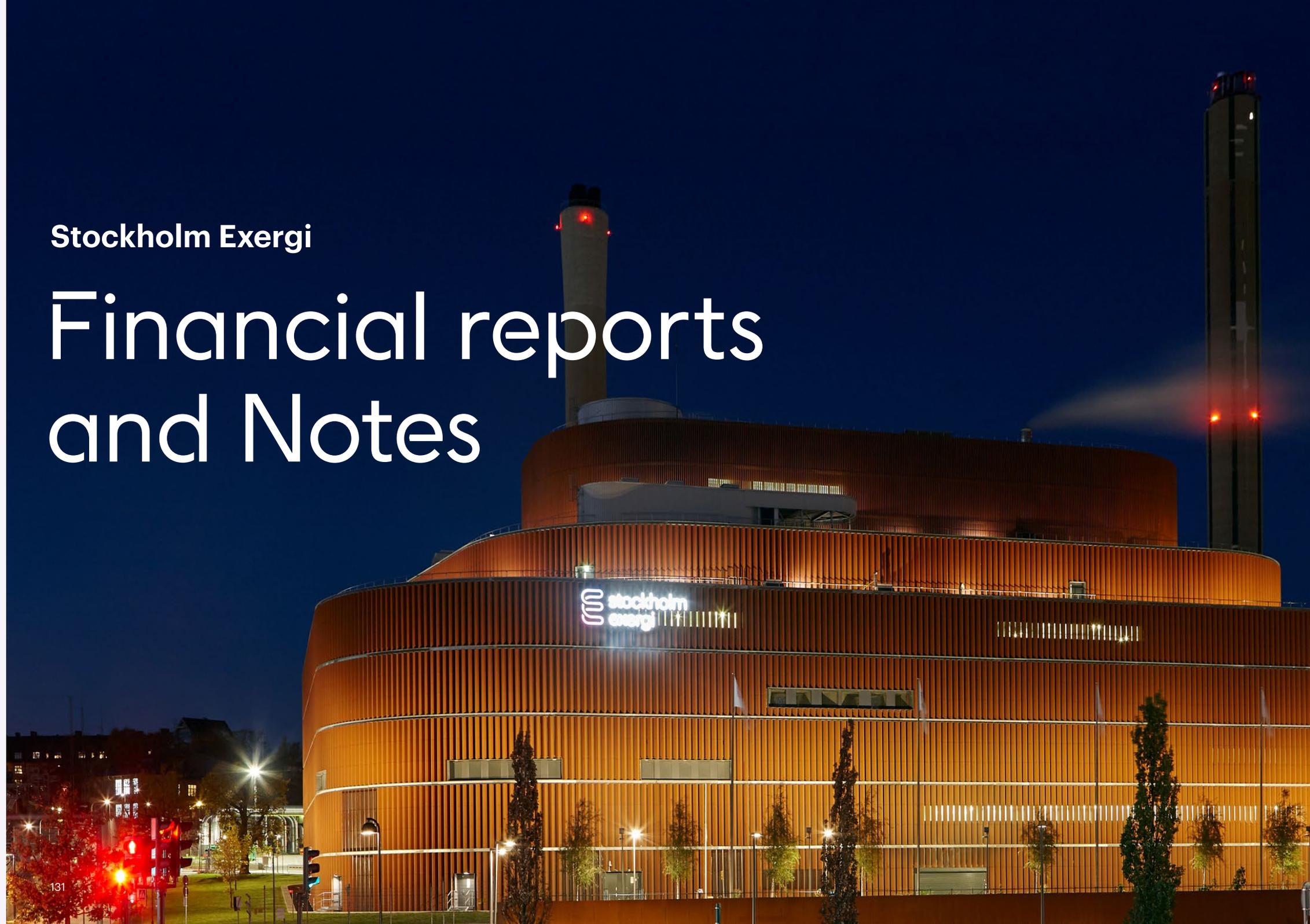
Notes Parent Company

Signatures

Audit report

Stockholm Exergi

Financial reports and Notes



Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Consolidated income statement

SEK million	Note	2025	2024
Net sales	5	8 489	8 381
Work performed by the company for its own use and capitalised		61	46
Other income	7	80	115
Raw materials and consumables		-3 016	-3 735
Other external costs	8, 9	-1 446	-1 421
Personnel costs	10	-1 032	-875
Operating profit before depreciation		3 136	2 511
Depreciation, amortisation and impairment of tangible fixed assets a	11	-1 810	-1 602
Operating profit/loss		1 326	910
Financial income	12	42	69
Financial expenses	6, 12	-491	-528
Results from shares in associated companies		7	-
Profit/loss before tax		884	450
Income tax	13	-203	-91
Profit for the year		681	359
Profit attributable to:			
Parent Company shareholders		675	351
Non-controlling interests		6	8
Profit for the year		681	359

Consolidated statement of comprehensive income

SEK million	2025	2024
Profit for the year	681	359
Other comprehensive income:		
Items not to be reversed in the income statement		
Revaluation of net pension liability	16	-77
Tax effect	0	16
Items that can subsequently be reversed in the income statement		
Cash flow hedges		
Fair value gains/losses for the year	-189	42
Reversal to the income statement	20	-162
Return to inventories	7	1
Tax effect	38	27
Other comprehensive income for the year, net of tax	-108	-153
Total comprehensive income for the year	573	206
Total comprehensive income attributable to:		
Parent Company shareholders	567	208
Non-controlling interests	6	-2
Total comprehensive income for the year	573	206

Consolidated balance sheet

SEK million	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets	15	322	429
Tangible fixed assets	16	28 640	26 921
Shares in associated companies	17	303	265
Other non-current receivables		4	4
Derivative instruments	3, 14	41	127
Total non-current assets		29 310	27 746
Current assets			
Stocks	18	1 463	1 661
Derivative instruments	3, 14	44	53
Accounts receivable	19	1 154	1 126
Prepaid expenses and accrued income	19	1 547	1 357
Other receivables	19	112	16
Current tax receivable		34	6
Cash and cash equivalents	20	829	873
Total current assets		5 184	5 091
TOTAL ASSETS		34 494	32 837

SEK million	Note	31 Dec 2025	31 Dec 2024
EQUITY			
Equity attributable to Parent Company shareholders			
Share capital	21	2	2
Reserves		-30	43
Retained earnings		11 815	11 537
Total		11 787	11 582
Non-controlling interests	22	31	25
Total shareholders' equity		11 818	11 607
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	23	14 258	13 056
Derivative instruments	3, 14	296	117
Deferred tax liabilities	24	2 913	2 979
Other liabilities	25	46	-
Other provisions	26	24	34
Total non-current liabilities		17 538	16 186
Current liabilities			
Interest-bearing liabilities	23	2 668	2 700
Derivative instruments	3, 14	61	29
Accounts payable	27	1 333	1 107
Accrued expenses and prepaid income	27	744	661
Other liabilities	27	330	546
Other provisions	26	1	1
Total current liabilities		5 137	5 044
Total liabilities		22 676	21 231
TOTAL EQUITY AND LIABILITIES		34 494	32 837

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

 Consolidated income statement
and balance sheet

 Parent company income statement
and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Consolidated statement of changes in equity

SEK million	Total equity attributable					Total equity
	Share capital	Reserves	Retained earnings	to Parent Company shareholders	Non-controlling interests	
Opening balance at 1 January 2024	2	135	11 238	11 374	26	11 400
Profit for the year		0	361	361	-2	359
Other comprehensive income for the year		-92	-61	-153		-153
Total comprehensive income		-92	300	209	-2	206
Transactions with shareholders						
Dividends		-	-	-	-	-
Closing balance at 31 December 2024	2	43	11 537	11 582	25	11 607
Opening balance at 1 January 2025	2	43	11 537	11 582	25	11 607
Profit for the year		0	675	675	6	681
Other comprehensive income for the year		-73	-35	-108	0	-108
Total comprehensive income		-73	640	567	6	573
Transactions with shareholders						
Dividends		-	-359	-359	-	-359
Closing balance at 31 December 2025	2	-30	11 815	11 787	31	11 818

Consolidated cash flow statement

SEK million	Note	2025	2024
Operating profit before depreciation		3 136	2 511
Adjustments for items not included in cash flow ¹⁾		-19	-88
Interest received		23	38
Interest paid		-488	-542
Tax paid		-275	-202
Cash flow from operating activities before changes in working capital		2 378	1 716
Change in inventories		198	132
Change in accounts receivable		-38	92
Change in accounts payable		187	177
Changes in other working capital		-209	0
Cash flow from operating activities		2 516	2 116
Investment activities			
Investments in intangible fixed assets		-115	-86
Investments in tangible fixed assets		-3 266	-2 048
Cash flow from investing activities		-3 381	-2 134
Cash flow before financing activities		-865	-17
Cash flow from financing activities			
Loans raised	23	4 176	3 792
Repayment of loans	23	-2 906	-3 036
Change in lease liabilities, principal amount		0	4
Pledged assets relating to financial derivatives		52	0
Repaid assets relating to financial derivatives	23	-140	0
Dividends paid		-359	0
Cash flow from financing activities		823	760
Total increase (+)/decrease (-) in cash and cash equivalents		-42	743
Cash and cash equivalents at the beginning of the year		873	130
Translation differences on cash and cash equivalents		-2	0
Cash and cash equivalents at year-end	20	829	873

1) Non-cash items mainly relate to adjustments for unrealised gains and losses related to changes in value when revaluing financial assets/liabilities hedging future cash flows, as well as changes in provisions.

Supplementary information to the consolidated cash flow statement

Acquisitions of tangible fixed assets and intangible assets

SEK million	Note	2025	2024
Investments	15, 16	-3 452	-2 169
Interest capitalised on major investment projects		71	37
Total		-3 381	-2 134

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Parent Company income statement

SEK million	Note	2025	2024
Operating expenses			
Other operating expenses		-4	-8
Operating profit/loss		-4	-8
Profit/loss from financial items			
Other interest income and similar income	38	154	190
Interest expenses and similar expenses	38	-423	-519
Profit/loss after financial items		-273	-338
Appropriations			
Group contributions		1 262	1 360
Profit/loss before tax		989	1 023
Income tax	39	-203	-211
Profit for the year		787	812

There is no other comprehensive income in the Parent Company, which is why the total comprehensive income for the Parent Company is consistent with the profit for the year.

Parent Company balance sheet

SEK million	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Participations in Group companies	40	11 888	11 888
Other non-current receivables from Group companies	41	8 415	3 734
Total non-current assets		20 303	15 622
Current assets			
Receivables from Group companies*	44	1 290	4 457
Deposits and collateral		84	-
Other receivables	45	183	13
Cash and cash equivalents	43	809	865
Total current assets		2 366	5 335
TOTAL ASSETS		22 669	20 957

* Cash pool has been reclassified for 2024, see Note 46

SEK million	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital (18,020 shares)		2	2
Statutory reserve		1 000	1 000
Total restricted equity		1 002	1 002
Unrestricted equity			
Retained earnings		4 123	3 670
Profit for the year		787	812
Total unrestricted equity		4 909	4 482
Total shareholders' equity		5 910	5 484
Non-current liabilities			
Interest-bearing liabilities	42	13 707	12 461
Total non-current liabilities		13 707	12 461
Current liabilities			
Interest-bearing liabilities	42	2 593	2 633
Accounts payable		1	2
Liabilities to Group companies*		379	298
Current tax liabilities		3	0
Accrued expenses and prepaid income		75	78
Total current liabilities		3 051	3 011
Total liabilities		16 759	15 473
TOTAL EQUITY AND LIABILITIES		22 669	20 957

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Parent Company statement of changes in equity

SEK million	Note	Share capital	Retained earnings including profit for the year	Statutory reserve	Total equity
Opening balance at 1 January 2024		2	3 670	1,000	4 672
Profit for the year			812	0	812
Transactions with shareholders					
Dividends			0	0	0
Closing balance at 31 December 2024		2	4 482	1 000	5 484
Opening balance at 1 January 2025		2	4 482	1 000	5 484
Profit for the year			787	0	787
Transactions with shareholders					
Dividends			-359	0	-359
Closing balance at 31 December 2025		2	4 909	1 000	5 910

Parent Company cash flow statement

SEK million	Note	2025	2024
Operating activities			
Profit/loss after financial items		-273	-338
Adjustments for items not included in cash flow		8	16
Total		-265	-322
Changes in working capital			
Tax paid		-195	-7
Cash flow from operating activities before changes in working capital		-460	-329
Changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-265	1
Increase (+)/Decrease (-) in operating liabilities		72	-194
Cash flow from operating activities		-653	-521
Investment activities			
Increase in non-current receivables		-4 681	-
Cash flow from investing activities		-4 681	-
Cash flow from financing activities			
Loans raised		4 144	3 762
Repayment of loans		-2 939	-2 990
Group contributions received		1 366	757
External change in Group account		-	4
Change in subsidiaries' balance sheets, Group account		3 066	-275
Dividends paid		-359	-
Cash flow from financing activities		5 278	1 258
Cash flow for the year		-56	737
Cash and cash equivalents at the beginning of the year		865	128
Cash and cash equivalents at year-end		809	865

Supplementary information to the Parent Company cash flow statement

SEK million	2025	2024
Adjustments for items not included in cash flow		
Change in accrued interest income/interest expenses and deferred tax	8	16
	8	16
Interest received and paid		
Interest received	146	35
Interest paid	-420	-517
Net	-274	-482

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

List of Notes

Group

NOTE 1	Accounting policies	141
NOTE 2	Significant accounting estimates and judgements for accounting purposes	148
NOTE 3	Financial risk management	149
NOTE 4	Capital risk management	153
NOTE 5	Segment information	153
NOTE 6	Changes in fair value of derivative instruments	154
NOTE 7	Other income	154
NOTE 8	Other external expenses	154
NOTE 9	Remuneration to the auditors	155
NOTE 10	Employee benefits	155
NOTE 11	Depreciation of tangible and intangible fixed assets	157
NOTE 12	Financial income and expenses	157
NOTE 13	Income tax	157
NOTE 14	Financial instruments by category	158
NOTE 15	Intangible fixed assets	159
NOTE 16	Tangible fixed assets	160
NOTE 17	Participations in associated companies and joint ventures	161
NOTE 18	Inventories	162
NOTE 19	Accounts receivable and other receivables	162
NOTE 20	Cash and cash equivalents	163
NOTE 21	Share capital	163
NOTE 22	Non-controlling interests	163
NOTE 23	Interest-bearing liabilities	163
NOTE 24	Deferred tax	165

NOTE 25	Other liabilities	166
NOTE 26	Other provisions	167
NOTE 27	Accounts payable and other liabilities	167
NOTE 28	Pledged assets	167
NOTE 29	Leasing	168
NOTE 30	Investment commitments	168
NOTE 31	Contingent liabilities	168
NOTE 32	Legal and governmental proceedings	168
NOTE 33	Transactions with related parties	169
NOTE 34	Significant events after the balance sheet date	169
NOTE 35	Composition of the Group	169

Parent Company

NOTE 36	Remuneration to the auditors	170
NOTE 37	Employee benefits	170
NOTE 38	Financial income and expenses	170
NOTE 39	Income tax	170
NOTE 40	Participations in Group companies	170
NOTE 41	Receivables from Group companies	171
NOTE 42	Interest-bearing liabilities	171
NOTE 43	Cash and cash equivalents	171
NOTE 44	Receivables from group companies	171
NOTE 45	Other receivables	172
NOTE 46	Reclassification of comparative figures relating to cash pool	172
NOTE 47	Appropriation of earnings	172

Group

NOTE 1 – Accounting policies

Summary of significant accounting policies

1.1 Summary of operations

Stockholm Exergi Holding AB (publ) (the Parent Company) is a Swedish public company, and its registered office is in Stockholm. The Stockholm Exergi Holding AB (publ), hereinafter referred to as the Group, produces and supplies resource and climate-efficient district heating, district cooling and electricity to companies and private individuals in the Greater Stockholm region. For further information about the business, see the Directors' Report. The Parent Company's operations consist partly of owning shares in the operating company Stockholm Exergi AB and partly of being responsible for Group-wide financing solutions. These financial statements were approved by the Board of Directors on 19 March 2026.

1.2 Basis for preparing the reports

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards), issued by the International Accounting Standards Board (IASB), and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, as well as the Annual Accounts Act have been applied.

The consolidated financial statements have been prepared in accordance with the cost method, except for derivative instruments, which are measured at fair value through profit or loss or in other comprehensive income in the

context of hedge accounting. The Parent Company's financial statements have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Annual Accounts Act. In cases where the Parent Company applies different accounting principles to the Group, this is disclosed separately at the end of this note.

1.2.1 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain key accounting policies. It also requires management to have procedures in place to make the necessary judgements in the application of the Group's accounting policies. Those areas involving a higher degree of judgement or complexity, or areas where assumptions, estimates and judgements are material to the consolidated financial statements, are disclosed in Note 2 Significant accounting estimates and judgements for accounting purposes.

1.2.2 New standards, changes and interpretations in respect of existing standards

IFRS 18 Presentation and Disclosures in Financial Statements are new and amended IFRS standards and new interpretations that have not yet come into effect.

In April 2024, the IASB published IFRS 18 in response to investor concerns about comparability and transparency in corporate performance reporting. The new presentation requirements in IFRS 18 will increase the comparability of financial performance between similar companies, particularly with regard to the definition of "operating profit/loss". The standard introduces disclosures regarding profit-based performance measures defined by the management, additional guidelines on the aggregation and

disaggregation of financial information, as well as limited changes to the cash flow statement. IFRS 18 will affect the Group, primarily through changes in the income statement, cash flow statement and notes, as well as the impact on related key performance indicators and requirements for additional disclosures in the notes, but has not yet been adopted by the EU.

The Group is currently working to determine the impact on the Group of applying IFRS 18, and will present its first annual report prepared in accordance with IFRS 18 for the period ending 31 December 2027, with requirements for retrospective application. The Group is also analysing which metrics are currently reported outside the financial statements in order to determine whether they meet the definition of management-defined performance metrics.

1.2.3 Classification of current assets, non-current assets, as well as current and non-current liabilities

An asset is classified as a current asset and a liability is classified as current if it is expected to be realised within the normal operating cycle or within twelve months of the balance sheet date.

Alternatively, they are classified as financial assets or liabilities held at fair value through profit or loss. Cash and cash equivalents are classified as current assets. All other assets and liabilities are classified as non-current assets and non-current liabilities respectively.

1.3 Preparation of consolidated financial statements

1.3.1 Subsidiaries

The consolidated financial statements include the Parent Company, Stockholm Exergi Holding AB (publ), and all

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

companies for which the Parent Company has the right to formulate financial and operational strategies and usually holds more than 50 per cent of the votes, either directly or indirectly.

Information about the Group's subsidiaries is provided in Note 35. The acquisition method has been used to account for the acquisition of subsidiaries. The purchase consideration for the acquisition of a subsidiary is measured at the net fair value of the assets transferred and the liabilities incurred or assumed at the date of transfer.

Acquisition-related costs are expensed as incurred. The identifiable assets acquired and liabilities assumed in a corporate acquisition are initially measured at their fair values at the acquisition date, irrespective of the extent of any minority interests.

The acquisition cost in excess of the Group's share of the fair value of net identifiable acquired assets is recognised as goodwill. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the income statement. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements from the date on which control ceases. Internal transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction clearly indicates a decrease in the value of the transferred asset. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

1.3.2 Associated companies

Associated companies are companies in which Stockholm Exergi has a significant but not controlling influence. If the

Group directly or indirectly owns at least 20 per cent of the votes, the Group is considered to have significant influence. Holdings in associated companies are reported according to the equity method and are initially recognised at acquisition value. The Group's share of the net profit in associated companies is reported within net financial items. The share of net profit is based on the latest available financial statements for each company. Dividends received reduce the value of a holding. Negative profit shares in associated companies are only reported to the extent that contractual obligations exist to contribute additional capital.

1.3.3 Non-controlling interests

Non-controlling interests in subsidiaries are presented separately from equity attributable to the Parent Company's shareholders. Non-controlling interests are initially recognised at the minority shareholder's proportionate share of the fair value of the acquired company's net identifiable assets. Following the acquisition, non-controlling interests are changed by their share of changes in equity.

1.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the CEO.

Stockholm Exergi Holding AB (publ) reports its operations as a segment in its internal reporting.

For further information on segment reporting, see Note 5 Segment information.

1.5 Translation of foreign currency

1.5.1 Functional currency and reporting currency

Items included in the financial statements of the various entities within the Group are measured in the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements use the Swedish krona (SEK) as the Group's reporting currency. The functional currency for all companies in the Group is also the Swedish krona (SEK).

1.5.2 Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction or the date on which the items are revalued. Receivables and payables denominated in foreign currencies that are outstanding on the balance sheet date are translated at the exchange rate prevailing on that date.

Exchange rate differences have been recognised in the income statement.

1.6 Revenue recognition

Revenue is recognised at an amount that reflects the anticipated remuneration and the remuneration to which the company is entitled for the transfer of goods and/or services to customers. Stockholm Exergi recognises revenue when the Group transfers control of a product or service to a customer. The Group's revenue consists mainly of energy supplied to end customers. Revenue is stated net of discounts and price deductions, and excluding value added tax. The payment terms applied to customers are almost exclusively 30 days' credit.

Revenue is recognised as follows:

1.6.1 Sale of district heating, district cooling and electricity

Sales of district heating, district cooling and electricity are recognised at the time of delivery. Sales of heating and

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

cooling to industrial and business customers, as well as to end-consumers, are reported based on the value of the volume delivered, including the estimated value of the volume delivered to customers between the last meter reading and the end of the year.

1.6.2 Electricity revenues

Electricity revenues arise from the sale of electricity generated in combined heat and power plants, as well as the sale of balancing and support services on the Swedish electricity market. In addition to revenue from trading generated electricity on NordPool, electricity revenue also arises from grid fees paid by electricity grid owners, revenue from the sale of electricity certificates and revenue from the sale of guarantees of origin.

1.6.3 Utility connection charges

Fees paid by the customer for connection to district heating or district cooling are accrued and recognised as revenue over the useful life of the installation.

1.6.4 Other income

Income from activities outside the normal course of business is included in other income. This includes recurring income, such as rental income and profits from the sale of emission allowances.

1.7 Government grants for operation and investment

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and the Group will comply with the conditions attached to the grant. Stockholm Exergi has received a grant for the construction of a carbon capture and storage facility as well as a grant the actual capture. The grant for the construction of the installation is recognised in such a way that it reduces the investment, and the grant for capture is recognised as income.

1.8 Emission allowances

Purchased emission allowances are recognised as intangible assets at cost. These are purchased through futures trading with delivery in December. Freely allocated emission allowances are recognised at cost, i.e. SEK 0.

During the year, the cost incurred when the number of allocated emission allowances does not cover the need is recognised as a liability. The price per emission allowance is then based on market value and the exchange rate applicable at the end of the financial year. This cost is adjusted retrospectively based on agreed prices in forward contracts. The cost is recognised in the income statement under the item "Raw materials and consumables".

1.9 Tangible fixed assets

Tangible fixed assets consist mainly of district heating plants and machinery, transmission pipelines, tunnels and district heating networks. Tangible fixed assets are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost includes expenditure directly attributable to the acquisition of the asset and borrowing costs capitalised in accordance with the Group's accounting policies. Cost may also include gains or losses transferred from equity relating to qualifying cash flow hedges taken for the purchase of tangible fixed assets in foreign currency. Acquired assets arising from the acquisition of subsidiaries are recognised at fair value on the acquisition date. Additional expenditure is added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other forms of repairs and maintenance are recognised as expenses in the income statement in the period in which they are incurred. Land is not depreciated as it has an indefinite useful life.

Depreciation of other assets, in order to allocate their cost down to their estimated residual value over their estimated useful lives, is calculated on a straight-line basis as follows:

Buildings	25–50 years
Land improvements	20 years
Tunnels	40 years
Machinery in heat and power plants (25 as a general rule)	5–30 years
Heat pumps	25 years
Heating boiler plants	25 years
Electric boilers	25 years
Control equipment	10–15 years
District cooling pipes	30 years
District heating pipes	40 years
Pumping stations	25 years
Customer centres	20 years
Customer meters	10 years
Equipment, tools and installations	3–10 years

The residual values and useful lives of the assets are reviewed, and adjusted if necessary, at the end of each reporting period. Before an investment is made, an investment calculation is prepared to show that the finished asset has an economic value. The parameters in the investment calculation are updated annually to ensure the value of the finished asset. The carrying amount of an asset is written down directly to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.10 Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and impairment losses, if any, and are

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

amortised on a straight-line basis over their estimated useful lives.

1.10.1 Computer software

Acquired software licences are capitalised on the basis of the expenses incurred when the software in question is acquired and put into service. These capitalised expenses are amortised over the estimated useful life of three to five years. Expenses relating to the development or maintenance of computer software are expensed as incurred.

Development costs that are directly attributable to the development and testing of identifiable and unique software products controlled by the Group, and that will generate future economic benefits in excess of the costs in any one year, are recognised as intangible assets.

Direct costs recognised as part of the software include the cost of employed software developers and a reasonable proportion of indirect costs. Software development costs recognised as assets are amortised over their estimated useful lives. The estimated useful life is between 3 and 10 years.

1.11 Impairment of non-financial assets

The carrying amounts of individual assets are assessed for impairment at each balance sheet date to determine whether any impairment loss should be recognised. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount exceeds its recoverable amount. When considering the need for impairment, the Group assesses whether events or changes in circumstances indicate that the carrying amount may not be recoverable. This assessment is documented once a year in connection with the business planning process. Indications for impairment are analysed and include risks such as changes in the price of fuel, regulatory/political

changes related to energy taxes, etc. An impairment test is performed if there is an indication of impairment. An impairment loss is recognised in the income statement at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the fair value of the asset less selling costs or its value in use, whichever is higher. For the purpose of assessing the need for impairment, assets are grouped according to the lowest levels for which there are identifiable cash flows (cash-generating units). The value in use is determined by discounting the future cash flows expected to be generated by the asset or cash-generating unit. Cash flow projections are based on the latest business plan approved by the Board of Directors.

Cash flows arising from future major development investments, such as new production plants, are excluded unless a project has commenced. The cash outflow required to complete the asset is included. The period covered by cash flows relates to the useful life of the assets being reviewed for impairment.

Forecasts should normally cover a maximum period of five years, but the forecast period is longer as long as the useful life of power plants and other major assets is over 20 years and we have business plans that extend over 20 years with available and assumed market prices.

Furthermore, Stockholm Exergi works with long investment cycles in a stable and predictable business, where the useful life of the assets exceeds five years.

1.12 Financial assets

Financial assets are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual terms of the instrument.

The Group classifies its financial assets in the following categories: amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The classification is based on the business model and the agreed cash flows from the asset. Management determines the classification of its financial assets at initial recognition, and the classification is changed if the business model changes.

1.12.1 Financial assets at fair value through profit or loss
A financial asset is classified in this category if the business model is not to hold it to maturity. Derivatives are also categorised as held for trading if they are not designated as hedges. Assets in this category are classified as current assets if they are held for trading or if they are expected to be settled within twelve months of the end of the reporting period.

1.12.2 Definition of defaults
The Group considers the following to constitute defaults for internal credit risk management purposes, as historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable:

- when there is a breach of financial terms by the debtor
- when information produced internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account collateral held by the Group).

Notwithstanding of the above analysis, the Group considers that a default has occurred when a financial asset is more than 90 days past due.

1.13 Accounts receivable

Accounts receivable are initially recognized at fair value and subsequently at amortized cost using the effective

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

interest method, less any impairment. For impairment of accounts receivable, the Group applies the simplified expected credit loss model in accordance with IFRS 9. Impairment is based on an individual assessment of the credit risk of the accounts receivable. The assessment takes into account, among other things, the customer's payment history, current creditworthiness, maturity structure and other known circumstances that may affect the customer's ability to pay. Accounts receivable also include revenue based on estimates of electricity, heating, cooling and distribution of electricity that has already been delivered, but not read, and that has not yet been invoiced.

1.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits. Cash and cash equivalents are subject to the general impairment model. For cash and cash equivalents, the low credit risk exemption applies as they are only deposited in large banks. For other short-term investments, provisions are made on the basis of expected credit loss per counterparty.

1.15 Borrowing

The loan liability is initially recognised at fair value, net of transaction costs. This is recognised at amortised cost in subsequent periods, and any difference between the amount received (net of transaction costs) and the amount repaid is recognised as interest expense in the income statement, spread over the term of the loan using the effective interest method. Borrowing is carried out through the issuance of bonds, commercial paper and bank loans. Borrowing takes place in the Parent Company.

1.16 Leasing

For leases, the rules according to IFRS 16 apply, whereby a lease liability is recognised for leases in a right-of-use asset model. This approach is based on the fact that a lessee has the right to use an asset for a specific period of time, but

also an obligation to pay for that right. Assets and liabilities related to leases in accordance with IFRS 16 are recognised in the balance sheet.

Right-of-use agreements with a replacement value of less than SEK 50,000 are classified as low-value agreements and are not included in the recognised liabilities or right-of-use assets. The discount rate used for the calculations is the company's marginal lending rate.

When determining the lease term of a contract and the length of the non-cancellable portion, the right to terminate the lease agreement and the timing of significant changes in terms and conditions must be taken into account.

Lease liabilities are revalued when there is a change in the assessment of the length of the lease term or when the amount of the lease payments changes, e.g. due to indexation adjustments.

A corresponding revaluation of the right-of-use assets is also carried out in connection with this. The right-of-use assets are also subject to the annual impairment review of all of the company's fixed assets.

To a lesser extent, the Group is also a lessor, mainly through the leasing of certain office premises at its head office at Värtaverket and the letting of space in pipeline tunnels.

1.17 Inventories

Stockholm Exergi's inventory consists mainly of fuel used in the production process. Inventories are valued their acquisition cost or net realisable value, whichever is lower.

The acquisition cost is determined using weighted average prices.

1.18 Income tax

Current tax is based on the taxable profit for the year. The taxable profit differs from the profit reported in the consolidated income statement due to income and expense items that are taxable or deductible in other years and items that are never taxable or deductible. The liability arising for the Group in respect of the current tax is calculated using tax rates that have been enacted or announced at the end of the reporting period. Deferred tax is recognised in full, using the balance sheet method, on all temporary differences arising between the taxable value of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> **Financial reports**

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Deferred tax assets are offset against deferred tax liabilities when there is a legal right of offset for current tax assets and tax liabilities, and when the deferred tax assets and deferred tax liabilities relate to taxes levied by the same tax authority. Deferred tax is calculated on temporary differences arising from investments in subsidiaries and associates, except for deferred tax liabilities where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

1.19 Employee benefits

The Group has various post-employment benefit plans, including defined benefit and defined contribution pension plans.

1.19.1 Pensions

The Group's previous foundation-backed pension plan under ITP 2 is now insured through Alecta and is therefore reported as a defined contribution plan and not in accordance with IAS 19. However, two smaller defined benefit plans, the Birka Plan and PAKL, are still reported in accordance with IAS 19 (for further information, see Note 26).

A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity.

The Group has no legal or constructive obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service in the current or previous periods. For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel expenses when they fall due for payment. Prepaid expenses are recognised as an asset to the extent that cash refunds or reductions in future payments may benefit the Group.

For defined benefit plans, the pension obligation is calculated annually by independent actuaries using the projected unit credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rate for the corresponding duration from a mortgage bond curve estimated on the basis of Swedish mortgage bonds. The cost of providing pensions is charged to the income statement in order to spread the service cost over the estimated period of service of the employees. Assets under management are valued at market value. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

1.19.2 Bonus schemes

The Group recognises a liability and an expense for bonuses based on the calculation principles applicable to the bonus programmes. In cases where there is a legal or constructive obligation, a provision is recognised. For further information regarding bonuses, see Note 10 Employee benefits.

1.20 Provisions

Provisions for environmental restoration, obligations to take care of end-of-life assets, restructuring costs and legal claims are recognised when the Group has a legal or constructive obligation to a third party as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation. A pre-tax discount rate is used that reflects current market assessments of the time value and risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense.

1.20.1 Environmental provisions

Environmental provisions are recognised on the basis of the current interpretation of environmental laws and regulations when it is probable that a present obligation has been incurred and the amount of such an obligation can be reliably estimated. Environmental expenditure arising from the remediation of an existing problem caused by previous operations and contributing to current or future income is recognised as an expense as it arises.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

1.20.2 Obligation to dispose of end-of-life assets

An obligation to dispose of end-of-life assets is recognised either when there is a contractual obligation to a third party or a legal obligation and the amount of the obligation can be reliably estimated. An obligating event is, for example, when an installation is built on leased land with an obligation to decommission and remove the asset in the future, or when a legal obligation towards the Group changes. The obligation to dispose of end-of-life assets is recognised as part of the cost of a property or installation when the asset is brought into use or when a binding obligation arises. The costs are amortised over the remaining useful life of the asset. However, no costs for disposing of end-of-life assets have been identified and recorded as above as of 31 December 2025.

1.21 Dividends

Dividends proposed by the Board of Directors are disclosed in the Annual Report and approved by the company's shareholders at the Annual General Meeting.

1.22 Reporting of derivative instruments and hedging activities

As part of its regular business activities, the company enters into substantial sale and purchase transactions relating to raw materials. The majority of these transactions are in the form of contracts entered into with the intention of being valid until physical receipt or delivery of the raw material in accordance with the Group's expected sales, purchase or use requirements. Contracts relating to physical delivery are not covered by IFRS 9. All other net commodity contracts are measured at fair value, with gains and losses recognised in the income statement. Derivative instruments are recognised in the balance sheet on the contract date and are measured at fair value both initially and in the event of subsequent revaluations.

The method of recognising gains or losses arising during revaluations depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives that hedge highly probable forecast transactions (cash flow hedges). When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and risk management strategy for the hedge. The Group also documents its assessment, both when the hedge is entered into and on an ongoing basis, of whether the derivative instruments used in hedging transactions are effective in offsetting changes in cash flows attributable to the hedged items.

Derivative instruments are classified as non-current or current based on their maturity. In the case of derivatives attributable to electricity, which have cash flows that fall due in different years, the fair values of these derivatives are allocated between non-current and current assets or liabilities.

1.22.1 Cash flow hedging

The effective portion of changes in the fair value of a derivative instrument that is designated as a cash flow hedge and that qualifies for hedge accounting is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement under the item Other operating income. Amounts accumulated in equity are reversed to the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset (e.g. inventories) or liability, the gains and losses previously recognised in equity are transferred from equity and included in the initial cost of the asset or liability. When a hedge no longer meets the

criteria for hedge accounting and cumulative gains or losses exist in equity, these remain in equity and are recognised in profit or loss when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gains or losses recognised in equity are immediately transferred to the income statement.

1.22.2 Derivative instruments that do not qualify for hedge accounting

Certain derivative instruments that hedge future cash flows do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised in the income statement.

1.23 Parent Company accounting policies

The Parent Company applies RFR 2 Accounting for Legal Entities and the Annual Accounts Act. The Parent Company applies different accounting policies than the Group in the cases indicated below.

1.23.1 Formats

The income statement and balance sheet follow the format specified in the Annual Accounts Act (ÅRL). The statement of changes in equity follows the Group's format, but includes the columns specified in the Annual Accounts Act. The formats for the Parent Company result in differences in designations compared with the consolidated financial statements, mainly with regard to equity items.

1.23.2 Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairments. The acquisition cost includes acquisition-related costs and any additional purchase consideration. When there is an indication that the value of participations in subsidiaries has decreased, a calculation of the recoverable amount is performed. If this is lower than the carrying amount, an impairment loss is recognised.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Impairment losses are recognised in the item "Profit/loss from participations in Group companies".

1.23.3 Group contributions

Contributions both paid and received by the Group are recognised as a provision in the income statement.

1.23.4 Deferred income tax

Amounts allocated to untaxed reserves constitute taxable temporary differences. In a legal entity, however, the deferred tax liability on untaxed reserves is recognised as part of the untaxed reserves due to the link between accounting and taxation. The end-of-year adjustments in

the income statement are also recognised including deferred tax.

1.23.5 IFRS 9

The Parent Company applies the exemptions under RFR 2 and does not measure financial instruments in accordance with IFRS 9. Instead, a cost-based method is applied in accordance with the Annual Accounts Act. This means that financial fixed assets are valued at cost less any impairment, and financial current assets are valued according to the lowest value principle. When calculating the net realisable value of receivables recognised as current assets, the principles for impairment testing and

loss allowance as set out in IFRS 9 are applied (see Group policies). When assessing and calculating impairment requirements for financial assets recognised as non-current assets, the impairment testing and loss allowance principles in IFRS 9 are applied where possible.

Financial liabilities are measured at amortised cost using the effective interest method. The policies for the recognition and derecognition of financial instruments correspond to those applied to the Group and described above.

NOTE 2 – Significant accounting estimates and judgements for accounting purposes

The preparation of consolidated financial statements in accordance with IFRS requires the management to make estimates and judgements that affect the recognised amounts of assets and liabilities, the recognition of contingent assets and liabilities, and the recognition of income and expenses for the period covered by the consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expected future events that are considered to be reasonable under current conditions. Actual results and timing may differ from these estimates.

2.1 Deferred tax and current tax

Stockholm Exergi has deferred tax assets and liabilities that are expected to be realised in the income statement over longer periods of time in the future. In calculating deferred tax, the Group is required to make certain assessments and estimates regarding the future tax consequences of

temporary differences between the tax and accounting values of assets and liabilities. See Notes 13, 24 and 39.

2.2 Impairment of tangible fixed assets and intangible assets

The Group has significant booked values in tangible fixed assets that are tested for impairment according to the accounting policies set out in Note 1 Accounting policies.

The recoverable amount for cash-generating units is determined based on value in use calculations. These calculations are based on projected future cash flows. The preparation of these calculations requires management to make assessments about future expectations. These assessments differ depending on the business in which the tested assets are located. For the heating business, they mainly relate to estimated future cash flows for operations and the discount rates used to present their value.

The Group performs impairment testing. The main assumptions for impairment testing are terminal growth and the WACC interest rate.

The sensitivity analysis shows that the WACC rate needs to rise by 5 percentage points before there is any need for impairment. The management considers such a scenario to be unlikely.

Assumptions

Discount rate	2025	2024
Terminal growth, %	2	2
WACC, before tax, %	8,5	5,9
WACC, after tax, %	7,2	5,2

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Assumptions

Material judgments	Basis for determining material assumptions
Development of the district heating market	Historical analysis, forecast and expected market development
Price and cost trends	Historical analysis, forecast and expected market development
Availability in production facilities	Historical analysis, technical evaluation and expected market development
Investments	Technical service life and future maintenance work
Terminal growth	Historical analysis and expected market development
Discount rate	Based primarily on market information

2.3 Pension obligations

For defined benefit plans, the pension obligation is calculated annually by independent actuaries using the

projected unit credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rate for

NOTE 3 – Financial risk management

The purpose of risk management, as well as its principles and framework, is established by the Board of Directors in the annually revised risk policy. See also the Information on risks and uncertainties section in the Directors' Report.

at cost, and some are treated as derivatives in the accounts in certain cases.

3.1 Market risks related to movements

Market risks related to movements refer to the negative effects of price or volume changes for the core products of heating and cooling, as well as electricity, fuels and environmental values. Only a few of these risk drivers can be managed using financial instruments. Risk management is therefore largely achieved by exploiting the production flexibility of the generation plants, physical supply contracts and fuel storage. The remaining exposure to fuel price risks is mitigated by fixed-price purchases covering forecast consumption levels. Fixed-price purchases are made either through physical deliveries or in the form of financial hedges. The Group's operations fall within the EU Emissions Trading System. The Group manages its exposure to changes in CO₂ futures prices and by ensuring that the costs of emission allowances are taken into account in production planning. All CO₂ futures are valued

Risk analyses are performed on an ongoing basis to quantify market risks, taking into account the interdependence of these risks.

Stress tests are used to assess the impact of extreme price changes on the Group's results. Risk-taking is limited by risk mandates approved by the Board of Directors and delegated to the CEO.

In its operations, the Group is also exposed to a number of financial risks. These include liquidity and funding risk, interest rate risk, currency risk and credit risk. The Group's use of financial instruments for risk management is limited by the risk policy to hedging exposures. Permitted instruments are futures, swaps and options.

the corresponding duration from a mortgage bond curve estimated on the basis of Swedish mortgage bonds.

2.4 Inventories

Stockholm Exergi's inventory consists mainly of fuel used in the production process. Inventories are valued their acquisition cost or net realisable value, whichever is lower. The acquisition cost is determined using weighted average prices.

3.1.1 Sensitivity arising from financial instruments to market risks related to movements

Sensitivity analyses show the sensitivity arising from financial derivatives as defined in IFRS 9. The sensitivity is calculated based on the position on 31 December 2025 (31 December 2024). All outstanding contracts in 2025 qualify for hedge accounting, which is why price increases have no impact on Profit before tax in the table to the right. Hedging positions are actively managed in day-to-day operations. The sensitivity analysis only covers market risks arising from derivatives, which means that the underlying physical purchases and sales of electricity are not included. The sensitivity analysis is calculated based on the assumption that future electricity prices on NASDAQ Commodities and ICE would change as follows.

Sensitivity according to IFRS 9

Sensitivity analysis, SEK million	Effect	2025	2024
+/- EUR 1 change in electricity forward prices – Impact on Profit before tax	-/+	0.0	0.0
+/- EUR 1 change in electricity forward prices – Impact on Equity	-/+	3.9	3.1

Business presentation
Corporate governance
Annual Report and Other Information
Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures
Audit report
3.1.2 Electricity derivatives

The tables to the right show the Group's electricity derivatives used to hedge cash flows from electricity purchases and electricity generation. These derivatives are classified as a hedging instrument in a cash flow hedge in accordance with IFRS 9. The hedged flows of electricity are expected, with a high degree of probability, to occur on an ongoing basis during the hedged period, and the values recognised in the hedging reserve will be recognised in the income statement as the corresponding flows occur.

The table to the right shows the respective derivatives, in total and by time period. The value is calculated using the system price.

See also Note 1 Accounting policies, fair value measurement and Note 6 Change in fair value of derivative instruments and the underlying items in the income statement for the effects in the income statement when electricity derivatives are not designated as hedges in the financial statements.

3.2 Financial risks
3.2.1 Liquidity and financing risk

The Group's operations are capital intensive and require long-term, flexible financing. The financing consists of a mix of bond loans in SEK under an MTN programme, bonds loans in NOK on the Norwegian capital market and other loans, mainly from the EIB, NIB, Nordic and European banks. Seasonal variations in working capital during the year have been financed through money market loans on the Swedish commercial paper market and through the Group's overdraft facility. The financing strategy is based on minimising liquidity and financing risk by maintaining a consistent loan maturity structure over time and always having access to cash liquidity and confirmed loan

Electricity derivatives per instrument, classification and maturity

	Volume			Fair value, SEK million		
	Less than 1 year	1-5 years	Total	Positive	Negativ	Net
Derivatives 2025						
Electricity – Sales swaps (GWh)	107	-	107	7	4	3
Electricity – Purchase swaps (GWh)	379	88	467	33	29	3
Electricity – EPAD Sales CFD (GWh)	-	-	-	-	-	-
Electricity – EPAD Purchase CFD (GWh)	-	-	-	-	-	-
Total	486	88	574	40	33	6
Derivatives 2024						
Electricity – Sales swaps (GWh)	77	-	77	12	7	5
Electricity – Purchase swaps (GWh)	231	166	397	28	36	-8
Electricity – EPAD Sales CFD (GWh)	-	-	-	-	-	-
Electricity – EPAD Purchase CFD (GWh)	59	-	59	1	-	1
Total	367	166	533	42	43	-2
Derivative classification 2025						
Electricity derivatives that meet hedge accounting requirements (GWh)	486	88	574	40	33	6
Total	486	88	574	40	33	6
Derivative classification 2025						
Electricity derivatives – long-term	-	-	-	8	6	2
Electricity derivatives – short-term	-	-	-	32	28	4
Total	-	-	-	40	33	6
Derivative classification 2024						
Electricity derivatives that meet hedge accounting requirements (GWh)	367	166	533	42	43	-2
Total	367	166	533	42	43	-2
Derivative classification 2024						
Electricity derivatives – long-term	-	-	-	10	26	-16
Electricity derivatives – short-term	-	-	-	32	17	14
Total	-	-	-	42	43	-2

commitments in order to meet all financial commitments. The financial policy specifies a number of limits with the aim of limiting the risks. The agreed credit facility in the form of a Group overdraft facility amounted to SEK 500

million, which was undrawn on the balance sheet date. In addition to the Group overdraft facility, there is a revolving credit facility of SEK 3,000 million, a facility of SEK 4,500 million and an international facility of EUR 725 million,

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

which were unused on the balance sheet date. The total liquidity reserve at year-end amounted to SEK 16,674 million, of which SEK 828 million was liquid funds.

Analysis of maturity dates for financial liabilities and derivative instruments

The amounts to the right are undiscounted expected cash flows (future interest payments and amortisation) of interest-bearing liabilities as well as interest rate and currency derivatives. For the calculation of variable interest, the Stibor rate on the balance sheet date has been used for the entire term of the loan or derivative.

SEK million	2025				2024			
	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years	Total
Interest-bearing liabilities	3,102	10,767	5,288	19,157	3,282	7,721	6,865	17,868
Accounts payable	1,333	-	-	1,333	1,107	-	-	1,107
Currency derivatives (liabilities)	2,076	5,474	-	7,550	-	-	-	-
Currency derivatives (receivables)	-2,053	-5,334	-	-7,387	-	-	-	-
Interest rate derivatives (liabilities)	66	331	285	682	-	1	-	1
Interest rate derivatives (receivables)	-17	-55	-2	-74	-16	-61	-72	-149
Total	4,507	11,183	5,571	21,260	4,373	7,661	6,793	18,827

For information on interest-bearing liabilities, see Note 23 Interest-bearing liabilities.

3.2.2 Interest rate risk

The financial policy prescribes limitations on permitted interest rate risk. Interest rate risk is measured, for example, as flow risk, which may not exceed 2.5% of the Group's EBITDA for the coming 12-month period. Flow risk is calculated as the change in interest expenses over the coming 12-month period, assuming unchanged indebtedness and a parallel shift of the yield curve by 1 percentage point. In addition, a share of 40–75% fixed or hedged interest rates must be sought, viewed across the entire loan portfolio. As of 31 December 2025, 57 per cent (55) of the loan portfolio had a fixed interest rate. The effect of a one per cent change to the interest rate on the debt portfolio amounted to SEK 37 million (44). The average interest rate on loans and derivatives amounted to 2.94 per cent (3.16).

As of 31 December 2025, the average interest rate on loans (excluding derivatives) amounted to 2.97 per cent (3.04).

3.2.3 Currency risk

Stockholm Exergi's currency risk arises through transaction exposure, i.e. when purchases are made in different currencies. Transaction exposure is defined as contracted transactions with items that are dependent on forecast foreign currency and cash flow. For Stockholm Exergi, this is mainly related to investments and the purchase of fuel. The Group's policy is to hedge transaction exposures with a counter-value exceeding SEK 3 million.

SEK million	2025			2024		
	Exposure	Hedges	Open	Exposure	Hedges	Open
EUR (purchases)	9,734	6,689	-3,045	1,080	-1,076	4
GBP (sales)	-386	238	-148	33	-42	-9
USD (purchases)	1	-	1	2	-2	-
Total	-10,119	6,927	-3,191	1,115	-1,120	-5

Currency derivatives and interest rate swaps by instrument

SEK million	Nominal amount, remaining maturity				Fair value		
	Less than 1 year	1-5 years	Over 5 years	Total	Positive	Negative	Net
Derivatives by instrument, 2025							
Foreign exchange forward contract	1,589	5,466	-	7,055	16	-163	-147
Interest rate swaps	-	2,225	3,465	5,690	40	-171	-131
Total	1,589	7,691	3,465	12,745	56	-334	-278
<i>Of which:</i>							
- long-term	-	-	-	-	56	-301	-245
- short-term	-	-	-	-	-	-33	-33
Derivatives by instrument, 2024							
Foreign exchange forward contract	1,063	56	-	1,119	21	-11	10
Interest rate swaps	-	1,650	2,865	4,515	34	-69	-35
Total	1,063	1,706	2,865	5,634	55	-80	-25
<i>Of which:</i>							
- long-term	-	-	-	-	14	-42	-27
- short-term	-	-	-	-	36	-5	31

All currency derivatives and interest rate derivatives meet the requirements for hedge accounting.

The Group is exposed to credit risks in each contractual obligation with an external counterparty. The Group has measures in place to ensure that credit risks are kept at an acceptable level. Credit risk management includes analysis of counterparties, setting limits, reporting credit exposure and proposing risk mitigation measures, such as demands for collateral, etc.

The Group's sales, and hence also its credit risks, are well diversified across a large number of customers. No single customer accounts for more than 10 per cent of revenue, and the ten largest customers account for around 19 per cent of revenue. Credit losses have historically been very low, and credit validity is considered very good.

Credit quality of financial assets

As of 31 December 2025, the Group has no interest-bearing receivables other than cash and cash equivalents and derivative instruments. Cash and cash equivalents amounted to SEK 828 million (873) on the balance sheet date, and derivative instruments recognised as assets amounted to SEK 85 million (180), of which SEK 44 million (53) was short-term. The counterparties in these receivables were in all cases counterparties with good credit quality, and the counterparty exposure was relatively limited. For accounts receivable, see Note 19 Trade and other receivables.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 4 – Capital risk management

The Group is striving to achieve a secure and efficient capital structure that supports the company's strategy. Maintaining a strong balance sheet and a flexible capital composition is a priority. Net debt is calculated as interest-bearing liabilities less cash and cash equivalents. EBITDA is calculated by reapplying depreciation, amortisation and impairment losses to operating profit (EBIT).

In connection with the final investment decision regarding BECCS in 2025, Standard & Poor's lowered its credit rating for Stockholm Exergi from BBB+ to BBB. Under the new credit rating, Stockholm Exergi continues to be rated Investment Grade.

Standard & Poor's justified its decision to downgrade the credit rating with the increased investment level and commercial complexity that BECCS is expected to entail in the coming years. At the same time, they noted the company's strategic importance for Stockholm and its role in the city's strategy for reducing emissions, that the business's stable earnings and cash flow from district heating operations will support the investments in BECCS, as well as an expected positive impact on profitability once BECCS is in operation.

In connection with the downgrade, Standard & Poor's revised its outlook for the credit rating from negative to stable.

Net debt/EBITDA ratio

SEK million	Note	2025	2024
Interest-bearing liabilities	23	16 927	15 697
Minus: Cash and cash equivalents	20	829	873
Net debt		16 098	14 884
Operating profit/loss		1 326	910
Depreciation and impairment costs		1 811	1 602
EBITDA		3 136	2 511
Net debt/EBITDA		5,1	5,9

NOTE 5 – Segment information

5.1 Stockholm Exergi

The main activity consists of producing and supplying district heating, district cooling and electricity to businesses and private individuals. Internal reporting follows this classification.

5.2 Segment information

IFRS 8, Operating Segments, requires operating segments to be reported in a manner consistent with the internal reporting provided to the chief operating

decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the CEO, and the entire business is reported as a single segment in the internal reporting. There is consequently no segmentation in the financial statements.

Group net sales by major product

SEK million	2025	2024
Heat	7 136	7 158
Electricity	942	753
Cooling	223	233
Other net sales	188	238
Total	8 489	8 381

5.3 Group-wide information

No single customer accounts for more than 10 per cent of the Group's net sales. The Group's registered office is in Sweden, and all revenues are derived from customers in Sweden. All assets and employees are located in Sweden. Revenue is recognised when goods are delivered or services are rendered, i.e. when delivery commitments have been

fulfilled and control of the goods or services included in the delivery commitment has passed to the customer. Only a marginal portion of the revenue is recognised over time. Revenue is recognised at the price the company expects to receive according to the agreement, and is reported net of discounts, price reductions and VAT.

cont. Note 5 – Segment information

Heating and cooling revenues arise from charges levied directly on customers, generally consisting of a fixed monthly charge as well as a variable charge based on the volume of heating and cooling supplied during the relevant period. All electricity-related revenues have been grouped together under the heading Electricity, i.e. including allocated electricity certificates for the generation

of renewable electricity and revenues for electricity output and electricity preparedness. Electricity revenues arise from the sale of electricity produced in CHP plants and sold via Nordpool, as well as the sale of balancing and support services on the Swedish electricity market. Other net sales include the provision of services and the sale of fuels.

NOTE 6 – Change in fair value of derivative instruments

The changes in fair value in operating profit presented in this Note arise from derivative instruments that hedge future cash flows but do not qualify for hedge accounting under IFRS 9, as well as the ineffective portion of cash flow hedges.

No derivatives fell outside the requirement for hedge accounting 2024. Consequently, no effect is recognised in the income statement in that years.

SEK million	2025	2024
In the operating profit/loss		
Changes in fair value of derivative instruments that do not qualify for hedge accounting	0	0
Derivatives and forward foreign exchange contracts	0	0
The ineffective part of cash flow hedges	1	0
Total effect on operating profit/loss	1	0
In net financial items		
Changes in fair value of derivative instruments that do not qualify for hedge accounting	28	0
Interest rate hedging contracts	0	0
Total effect on profit before tax	28	0

NOTE 7 – Other income

SEK million	2025	2024
Rental income	40	44
Other items	40	71
Total	80	115

Revenue from activities outside the normal course of business is recognised as other income. This includes recurring items such as rental income and non-recurring items such as insurance claims.

NOTE 8 – Other external expenses

SEK million	2025	2024
Management costs for own properties	-160	-175
Repairs and maintenance	-624	-631
Marketing, public relations and other selling expenses	-17	-23
IT and telecommunications costs	-135	-138
Other external services	-69	-57
Consultancy services	-308	-296
Other operating expenses	-133	-101
Total	-1 446	-1 421

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement
and balance sheet

Parent company income statement
and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 9 – Remuneration to auditors

SEK thousand	2025	2024
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	-3 915	-2 510
Auditing activities other than the audit assignment	-2 645	-
Other services	-7 394	-11 300
Deloitte AB		
Audit assignment	-	-973
Auditing activities other than the audit assignment	-	-568
Other services	-	-1 009
Ernst & Young AB		
Other	-224	-
Total	-14 178	-16 360

Audit assignments refer to the review of the annual report and accounting records, as well as the administration of the Board of Directors and the Chief Executive Officer, other tasks that it is incumbent on the company's auditor to perform, and advice or other assistance prompted by observations made during such review or the performance of such other tasks. Audit activities beyond the audit assignment refer to fees for statements

and other assignments that, by law, must be performed by the external auditor or that are relatively closely associated with the audit and that are normally performed by the external auditor, including consultations regarding advisory and reporting requirements and internal control. Other services refer to other assignments.

NOTE 10 – Employee benefits

SEK million	2025	2024
Salaries	-671	-557
Pensions		
Defined contribution plans	-111	-92
Defined benefit plans	-1	-3
Social security contributions	-227	-201
Total employee benefits	-1 010	-853
Other personnel-related costs	-22	-23
Total personnel-related costs	-1 032	-875

Salaries, other benefits and social security costs

SEK million	2025		2024	
	Salaries and other benefits	Pension costs	Salaries and other benefits	Pension costs
Board members, CEO				
and other senior executives	-26	-9	-25	-9
Other employees	-645	-102	-532	-86
Group total	-671	-111	-557	-95

Average number of employees	2025		2024	
	Total	Of whom men	Total	Of whom men
Sweden	881	74%	792	76%
Group total	881	74%	792	76%

Gender distribution in the Group	2025		2024	
	Number at the balance sheet date	Of whom men	Number at the balance sheet date	Of whom men
Board members	10	5	10	7
CEO and other senior executives	10	7	10	8
Group total	20	13	20	15

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

cont. Note 10 – Employee benefits

Remuneration to the CEO and other senior executives

On the balance sheet date, the Group's management team consisted of ten members, including the Chief Executive Officer. The tables below and to the right show the total remuneration paid to the CEO and senior executives, taking into account changes during the year. The CEO is employed by

Stockholm Exergi AB and has received remuneration as set out in the tables below and to the right. Other senior executives and Board members have received the following remuneration:

Remuneration to senior executives, 2025

SEK thousand	Benefits	Variable benefits	Other benefits	Pension costs ¹⁾	Total remuneration and benefits
Petra Engman (Chair of the Board)	189	-	-	-	189
Jonas Abrahamsson (Vice-Chair)	145	-	-	-	145
Tove Feld (Board member)	-	-	-	-	-
Christofer Fjellner (Board member)	58	-	-	-	58
Irina Frolova (Board Member)	-	-	-	-	-
Marie Hanson (Board member)	-	-	-	-	-
Rickard Hjort Warlenius (Board member)	58	-	-	-	58
Carlo Maddalena (Board member)	-	-	-	-	-
Fredrik Adolfsson (Board member)	58	-	-	-	58
Anders Egelrud (Chief Executive Officer)	5 615	-	29	2 201	7 845
Other senior executives (nine positions) ²⁾	19 755	-	181	6 628	26 564
Total	25 878	-	210	8 829	34 917

¹⁾ Pension costs refer to the costs that have affected earnings for the year.

²⁾ Senior executives are defined as the Group management.

The Chair and Vice-Chair receive a higher fee. Additional fees are also paid for participation in committees.

Members whose country of tax residence is other than Sweden have not received fees.

Remuneration to senior executives, 2024

SEK thousand	Benefits	Variable benefits	Other benefits	Pension costs ¹⁾	Total remuneration and benefits
Petra Engman (Chair of the Board)	178	-	-	-	178
Jonas Abrahamsson (Vice-Chair)	137	-	-	-	137
Tove Feld (Board member)	29	-	-	-	29
Christofer Fjellner (Board member)	55	-	-	-	55
Irina Frolova (Board Member)	39	-	-	-	39
Rickard Hjort Warlenius (Board member)	55	-	-	-	55
Carlo Maddalena (Board member)	-	-	-	-	-
Fredrik Adolfsson (Board member)	55	-	-	-	55
Anders Egelrud (Chief Executive Officer)	5 555	-	10	2 048	7 613
Other senior executives (nine positions) ²⁾	18 898	-	172	6 513	25 582
Total	25 001	-	182	8 561	33 744

¹⁾ Pension costs refer to the costs that have affected earnings for the year.

²⁾ Senior executives are defined as the Group management.

Bonus

The Group's bonus system covers all employees except the senior executives and is calculated on the basis of the attainment of common performance targets for the Stockholm Exergi Group (financial performance, safety in focus, CSI and CO₂). The system is divided into two bonus classes, where the maximum bonus can be 10–20% of an employee's annual salary. The maximum bonus for nominated key employees is 20% of the annual salary, and for other employees 10% of the annual salary. If the target is met exactly, 10% and 5% of the annual salary will be paid as a bonus, corresponding to exactly half the maximum bonus mentioned above.

Severance pay

The CEO's notice period is 6 months from the CEO's side, while from the company's side the notice period is 12 months and 12 months' severance pay. There is no severance pay for other senior executives beyond the agreed notice

period. For other senior executives, a notice period of at least six months applies.

Pension plans

Everyone in the Group, with the exception of the CEO, is covered by collective agreements. This refers to the ITP 1 (defined contribution) and ITP 2 (defined benefit) pension plans.

The Group has two pension plans for alternative ITP: the Birka plan (defined benefit), and "Över 10 IBB" (defined contribution ladder). The defined benefit Birka plan is insured by Skandia and is closed to new members. For "Över 10 IBB", Skandia, SEB, SPP, Länsförsäkringar, Movestic, Swedbank, Nordnet pension, Futur and Folksam can be selected.

The retirement age for the CEO is 65. Under an agreement with the company, the CEO is covered by individual occupational pensions in a pension company of his choice.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 11 – Depreciation of tangible and intangible fixed assets

SEK million	2025	2024
Depreciation of tangible fixed assets		
Buildings and ground installations	-296	-225
Machinery, other technical installations, fixtures and tools	-1 442	-1 292
Right-of-use assets	-25	-26
Amortisation of intangible assets	-47	-60
Total depreciation and amortisation of tangible and intangible fixed assets	-1 810	-1 602

NOTE 12 – Financial income and expenses

SEK million	2025	2024
Financial expenses		
Interest expenses on loans	-421	-506
Interest expenses on lease debt	-30	-16
Other	-40	-6
Total	-491	-528
Financial income		
Other interest income	42	69
Total	42	69
Financial income and expenses – net	-449	-460

NOTE 13 – Income tax

SEK million	2025	2024
Current tax on profit for the year	-215	-208
Adjustments to current tax relating to previous years	-11	-
Total current tax	-226	-208
Deferred tax		
Accrual and reversal of deferred tax	24	117
Total deferred tax	24	117
Total income tax	-203	-91

Income tax rates

The table below explains the difference between the theoretical assumed tax rate in Sweden and the tax rate in the income statement.

SEK million	2025	%	2024	%
Profit/loss before tax	884		450	
Tax calculated at the applicable tax rate for the Parent Company, 20.6%	-182	-20,6	-93	-20,6
Non-deductible expenses	-9	-1,0	-8	-1,8
Non-taxable income	17	1,9	10	2,3
Adjustment relating to previous years	-11	-1,2	-	-
Deferred tax	-18	-2,0	-	-
Tax expense	-203	-23,0	-91	-20,2

All companies within the Group operate in Sweden, and therefore the tax rate applicable to the Parent Company also applies to all Group companies and was 20.6 per cent (20.6). The effective tax rate was 23.0 per cent (20.2).

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 14 – Financial instruments by category

The financial assets and liabilities shown in the tables below are broken down according to the categories prescribed by IFRS 9. The categories are further subdivided into classes that form the basis for the valuation of the asset or liability in question.

Financial assets by category, 2025

SEK million	Amortised cost	Fair value through		Total financial assets
		Fair value through profit or loss	Fair value through other comprehensive income	
Financial assets, non-current				
Derivative instruments	-	-	41	41
Financial assets, current				
Derivative instruments	-	-	44	44
Accounts receivable	1 232	-	-	1 232
Other current receivables	112	-	-	112
Cash and cash equivalents	829	-	-	829
Total	2 173	-	85	2 258

Financial assets by category, 2024

SEK million	Amortised cost	Fair value through		Total financial assets
		Fair value through profit or loss	Fair value through other comprehensive income	
Financial assets, non-current				
Derivative instruments	-	-	127	127
Financial assets, current				
Derivative instruments	-	-	53	53
Accounts receivable	1 126	-	-	1 126
Other current receivables	500	-	-	500
Cash and cash equivalents	873	-	-	873
Total	2 498	-	180	2 678

Financial liabilities by category, 2025

SEK million	Financial liabilities at fair value through profit or loss		Other financial liabilities	
	Holdings for trading	Derivatives in hedge accounting	Amortised cost	Total financial liabilities
Non-current liabilities				
Interest-bearing liabilities	-	-	14 303	14 303
Derivative instruments	-	296	-	296
Current liabilities				
Interest-bearing liabilities	-	-	2 668	2 668
Derivative instruments	-	61	-	61
Accounts payable	-	-	1 333	1 333
Total	-	357	18 304	18 661

Financial liabilities by category, 2024

SEK million	Financial liabilities at fair value through profit or loss		Other financial liabilities	
	Holdings for trading	Derivatives in hedge accounting	Amortised cost	Total financial liabilities
Non-current liabilities				
Interest-bearing liabilities	-	-	13 056	13 056
Derivative instruments	-	117	-	117
Current liabilities				
Interest-bearing liabilities	-	-	2 700	2 700
Derivative instruments	-	29	-	29
Accounts payable	-	-	1 107	1 107
Total	-	146	16 863	17 009

cont. Note 14 – Financial instruments by category

Financial assets and liabilities according to the fair value hierarchy

The table to the right shows financial instruments measured at fair value and items for which fair value disclosures are required, based on their classification in the fair value hierarchy. The different levels are defined as follows:

Level 1: Refers to quoted prices (unadjusted) in active markets for identical assets or liabilities. No assets or liabilities relating to Level 1 are held by Stockholm Exergi Holding AB (publ).

Level 2: Means that the fair value of financial instruments is calculated using a valuation model whose input data consists of observable market data. The fair value of all instruments is calculated by discounting contractual cash flows and prices at the

balance sheet date in the respective market. Forward rates for corresponding maturities have been used for currency futures, forward rates on NASDAQ-OMX for electricity futures, and yield curves for interest rate derivatives. Items denominated in foreign currency have been translated at the exchange rates prevailing at the balance sheet date, and for items with variable interest rates, it has been assumed that the interest rates prevailing at the balance sheet date will remain unchanged.

Level 3: Refers to data for the asset or liability that is not based on observable market data (i.e. unobservable data). No assets or liabilities relating to Level 3 are held by Stockholm Exergi Holding AB.

Financial assets recognised at fair value

SEK million	Level 2	
	2025	2024
In non-current assets		
Derivative instruments		
Hedge accounting	41	127
Non hedge accounting	-	-
In current assets		
Derivative instruments		
Hedge accounting	44	53
Non hedge accounting	-	-
Total	85	180

Financial liabilities recognised at fair value

SEK million	Level 2	
	2025	2024
In non-current liabilities		
Interest-bearing liabilities	14 258	13 056
Derivative instruments		
Hedge accounting	296	117
Non-hedge accounting	-	-
In current liabilities		
Interest-bearing liabilities	2 668	2 700
Derivative instruments		
Hedge accounting	61	29
Non hedge accounting	-	-
Total	17 283	15 902

NOTE 15 – Intangible fixed assets

SEK million	Capitalised expenditure on software		Emission allowances		Goodwill		Work in progress of intangible assets		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Cost										
at 1 January	655	576	211	135	5	5	0	0	870	716
Investments	-	-	-	-	-	-	117	-	117	-
Disposals and retirements	-	-	-	-	-	-	-	-	-	-
Change in emission allowances	-	-	-196	75	-	-	-	-	-196	75
Reclassifications	20	79	-	-	-	-	-	-	20	79
Cost at 31 December	675	655	15	211	5	5	117	0	811	870
Accumulated depreciation										
at 1 January	-441	-382					0	0	-441	-382
Disposals and retirements	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-47	-59	-	-	-	-	-	-	-47	-59
Reclassifications	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 31 December	-488	-441					0	0	-488	-441
Carrying amount at 31 December	186	213	15	211	5	5	117	0	322	429

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 16 – Tangible fixed assets

Tangible fixed assets, 2025

SEK million	Land	Buildings, plants and ground installations	Machinery and equipment	Construction in progress and advances	Right-of-use assets	Total
Cost						
at 1 January 2025	2 997	8 239	41 540	3 970	591	57 337
Investments	-	-	-	3 574	-	3 574
Acquisition of right-of-use assets	-	-	-	-	84	84
Disposals and retirements	-	-113	-916	-	-18	-1 047
Transferred from construction in progress	-	108	1 025	-1 154	-	-21
Environmental debt	21	-	-	-	-	21
Reclassifications	-	2	1	-109	39	-67
Cost at 31 December 2025	3 018	8 236	41 650	6 281	696	59 881
Accumulated depreciation at 1 January 2025	0	-4 228	-26 132	-	-133	-30 493
Disposals and retirements	-	60	742	-	17	818
Depreciation and amortisation for the	-	-242	-1 270	-	-41	-1 553
		-1			-12	-13
Accumulated depreciation at 31 December 2025	0	-4 411	-26 660	0	-170	-31 241
Carrying amount at 31 December 2025	3 018	3 825	14 990	6 281	526	28 640

Tangible fixed assets, 2024

SEK million	Land	Buildings, plants and ground installations	Machinery and equipment	Construction in progress and advances	Right-of-use assets	Total
Cost						
at 1 January 2024	2 844	8 164	40 928	2 756	573	55 264
Investments	-	-	-	2 150	-	2 150
Acquisition of right-of-use assets	-	-	-	-	18	18
Disposals and retirements	-	-	-16	-	-	-16
Transferred from construction in progress	153	76	628	-936	-	-79
Cost at 31 December 2024	2 997	8 239	41 540	3 970	591	57 337
Accumulated depreciation at 1 January 2024	-	-4 005	-24 841	-	-108	-28 954
Transfers	-	-	-	-	-	-
Disposals and retirements	-	-	2	-	-	2
Depreciation and amortisation for the	-	-223	-1 293	-	-26	-1 541
Accumulated depreciation at 31 December 2024	-	-4 228	-26 132	-	-133	-30 493
Carrying amount at 31 December 2024	2 997	4 011	15 408	3 970	458	26 843

cont. Note 16 – Tangible fixed assets

16.1 Capitalised loan costs

SEK million	Capitalised assets and construction in progress	
	2025	2024
1 January	279	254
Increases	71	37
Depreciation	-12	-12
31 December	338	279

Borrowing costs of an additional SEK 71 million (37) were capitalised in 2025 for ongoing major construction projects in Stockholm. The weighted interest rate for capitalisation amounted to 2.96 per cent

(3.51). Our investments are financed through general loans, and the capitalised interest rate is based on an average interest rate.

16.2 Investments

Maintenance investments in 2025 amounted to SEK 579 million (615). Investments due to regulatory requirements amounted to SEK 169 million (203). Investments that increased productivity amounted to SEK 211 million (109). Growth investments amounted to SEK 2,615 million (1,223). Major ongoing projects in 2025 included BECCS and the electrical output deal. Total investments in renewable generation and energy

recovery, including distribution networks, amounted to SEK 3,418 million (1,947), which gives a share of total investments of 92 per cent (89).

Construction in progress that has not yet been taken into use is tested for impairment when there are indications of a decline in value. As of the balance sheet date, no impairment has been deemed necessary.

Investment categories

SEK million	2025	2024
Growth	2 615	1 223
Maintenance	579	615
Laws and requirements	169	203
Productivity	211	109
31 December	3 574	2 150

NOTE 17 – Participations in associated companies and joint ventures

SEK million	2025	2024
Participations in associated companies and joint ventures	303	265
Total	303	265

SEK million	2025	2024
Profit/loss from associated companies and joint ventures	7	-12
Total	7	-12

Information regarding associated companies

Companies with a shared controlling interest consist of Täby Miljövärme AB, in which Stockholm Exergi AB is the majority owner together with E.ON. Stockholm Exergi AB owns 47.5% and E.ON owns 47.5%, with the remaining 5% owned by Täby Municipality. The recorded holding amounted to SEK 269 million.

Effektbolaget i Sverige AB is also a joint venture that is 50% owned by Stockholm Exergi AB and 50% owned by the power operator Polar Capacity. The book value amounts to SEK 34 million.

SEK million Associated companies	Cash flow impact	Other	Book value
Participations in associated companies and companies with a shared controlling interest:			
Acquisition price	91	0	91
Shareholder contribution	128	33	161
Transferred operating assets at fair value	0	59	59
Shares of the associated company's profits	0	-9	-9
Total	219	83	303

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 18 – Inventories

SEK million	2025	2024
Oil	237	247
Liquid biofuels	573	718
Wood chips and pellets	281	361
Coal	11	11
Other fuel	0	2
Materials and spare parts	361	321
Total	1 463	1 661

Obsolescence impairment losses totalled SEK 12 million, mainly relating to fuel stocks. No obsolescence impairment losses were recognised in 2024.

NOTE 19 – Accounts receivable and other receivables

SEK million	2025	2024
Accounts receivable	1 154	1 126
Accrued income, electricity	138	131
Accrued accounts receivable	886	875
Accrued network revenues	101	100
Accrued Income, heating	121	108
Other prepaid expenses and accrued income	301	143
	1 547	1 357
Other receivables	112	16
Total	2 813	2 499

Ageing analysis of accounts receivable

SEK million	2025		2024	
	Net accounts receivable	Expected credit loss (ECL)	Net accounts receivable	Expected credit loss (ECL)
Not due	1 017	6	1 018	7
Past due 1–90 days	132	0	107	0
Past due 91–180 days	1	0	0	0
Past due more than 181 days	4	0	1	0
Total	1 154	6	1 126	7

The fair value of accounts receivable and other receivables, excluding interim receivables, is deemed to correspond with the above carrying amount.

19.1 Accounts receivable

Impairment of invoiced accounts receivable is performed using an expected credit loss (ECL) model according to IFRS 9. The impairment loss amount recognised in the income statement was SEK -6 million (-7).

Expected credit losses are calculated based on an assessment of historical credit losses, current conditions and forward-looking information. The

impairment is determined through an individual assessment of accounts receivable and therefore fixed provision rates per age category are not applied.

The Group had not received any bank guarantees as collateral for accounts receivable in 2025.

For further information on credit risk management, see Note 3.2.4.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 20 – Cash and cash equivalents

SEK million	2025	2024
Cash and bank balances	829	873
Total	829	873

The Group has a Group account system with a credit facility amounting to SEK 500 million that can be utilised in several currencies. The total liquidity reserve amounted to SEK 16,674 million, see Note 3.2. The balance on the balance sheet date is recognised under Cash and cash equivalents in the balance sheet, while

drawdowns on the credit facility are recognised under Other current interest-bearing liabilities. Cash and cash equivalents on the balance sheet date amounted to SEK 829 million (873). The credit facility was unutilised on the balance sheet date, SEK 0 million (0).

NOTE 21 – Share capital

SEK million	2025		2024	
	Number of	Share capital	Number of	Share capital
Registered shares at 1 January	18 020	2	18 020	2
Registered shares at 31 December	18 020	2	18 020	2

The shares consist of:

Issued ordinary shares, voting value 1	18 020	18 020
--	--------	--------

Stockholms Stadshus AB and Ankhiale Bidco AB each hold half of the share capital and voting rights in the company

NOTE 22 – Non-controlling interests

The Brista 2 companies are co-owned with Sollentuna Energi och Miljö AB, which has a 15 per cent stake in both. The table shows the minority's share of equity at the balance sheet date.

SEK million		2025	2024
Brista 2 KB	Sweden	31	25
Brista 2 AB	Sweden	0	0
Total non-controlling interests		31	25

NOTE 23 – Interest-bearing liabilities

SEK million	2025	2024
Bond loans	10 554	10 958
Loans from credit institutions	3 100	1 485
Lease liabilities	512	524
Other non-current interest-bearing liabilities	92	90
Total non-current interest-bearing liabilities	14 258	13 056
Bond loans	1 762	1 974
Current portion of loans from credit institutions	191	361
Current portion of other non-current interest-bearing liabilities	28	36
Lease liabilities	47	31
Certificate loans and other current interest-bearing liabilities	640	298
Total current interest-bearing liabilities	2 668	2 700
Total interest-bearing liabilities	16 927	15 757

In 2025, the company issued three bonds within the green financing framework: one bond in July with a nominal value of NOK 500 million and two bonds in December with nominal values of SEK 750 million and SEK 500 million respectively. During the period, bond loans totalling SEK 2,211 million were repaid and amortisation of bank loans amounted to SEK 361 million.

At the balance sheet date, outstanding bond loans amounted to SEK 12,315 million, all classified as green according to the company's framework.

In connection with the investment decision regarding the BECCS project, new revolving credit facilities totalling SEK 12,581 million were entered into. In addition, long-term loan agreements were entered into with the European Investment Bank (EIB) and the Nordic Investment Bank (NIB) for EUR 260 million

and SEK 2,000 million respectively. During November, SEK 1,800 million of the EIB facility was utilised. The existing covenants are with the EIB. There is a "Change of Control Clause" which states that the EIB is entitled to demand repayment if the City of Stockholm reduces its ownership to below 50%.

The average remaining capital commitment in the debt portfolio as of 31 December 2025 was 53.4 months (51.3). This is in line with the company's financial policy, which specifies a minimum capital commitment period of 36 months. Interest-bearing debt, excluding lease liabilities, increased during the year and amounted to SEK 16,368 million (15,202). The current portion of interest-bearing liabilities totalled SEK 2,621 million (2,669) on the balance sheet date.

cont. Note 23 – Interest-bearing liabilities

23.1 Interest-bearing liabilities

SEK million	Interest rate renegotiation				Fair value, 2025	Carrying amount, 2024	Fair value, 2024
	Carrying value, 2025	Less than 1 year	1–5 years	Over 5 years			
Bond loans	10 554	3 682	5 073	1 798	10 695	10 957	9 360
Loans from credit institutions	3 100	1 300	1 800	-	3 442	1 486	2 384
Non-current interest-bearing liabilities	92	-	92	-	99	90	99
Non-current lease liabilities	512	-	17	495	512	524	-
Total non-current interest-bearing liabilities	14 258	4 982	6 982	2 294	14 748	13 056	11 843
Current interest-bearing liabilities	2 621	2 621	-	-	2 627	2 669	2 637
Current lease liabilities	47	47	-	-	47	31	-
Total current interest-bearing liabilities	2 668	2 668	-	-	2 674	2 700	2 637
Total interest-bearing liabilities	16 927	7 650	6 982	2 294	17 422	15 757	14 480

Interest-bearing liabilities falling due:

SEK million	2025	2024
2025	-	2 669
2026	2 621	2 218
2027	1 630	1 634
2028	1 479	1 478
2029	1 130	1 098
2030 (or 2030 or later)	3 148	6 105
2031 or later	6 359	-
Total	16 368	15 202

For further information, see Note 3 Financial risk management.

23.2 Supplementary information for Cash flow from financing activities

Liabilities included in financing activities

SEK million	Opening balance, 1 January 2025	Changes affecting cash flow	Changes not affecting cash flow		Closing balance, 31 December 2025
			Accrual of borrowing costs	Reclassifications	
Bond loans	10 957	1 466	-108	-1 762	10 554
Loans from credit institutions	1 485	1 800	6	-191	3 100
Lease liabilities	524	-	-	-12	512
Other non-current interest-bearing liabilities	90	30	-	-28	92
Total non-current interest-bearing liabilities	13 057	3 296	-102	-1 993	14 258
Bond loans	1 974	-1 974	-	1 762	1 762
Current portion of loans from credit institutions	361	-361	-	191	191
Current portion of other non-current interest-bearing liabilities	36	-36	-	28	28
Lease liabilities	31	-31	-	47	47
Certificate loans and other current interest-bearing liabilities	298	342	-	-	640
Total current interest-bearing liabilities	2 700	-2 060	-	2 028	2 668
Total interest-bearing liabilities	15 757	1 236	-102	35	16 927

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

cont. 23.2 Supplementary information for Cash flow from financing activities

Liabilities included in financing activities

SEK million	Opening balance, 1 January 2024	Changes affecting cash flow	Changes not affecting cash flow		Closing balance, 31 December 2024
			Accrual of borrowing costs	Reclassifications	
Bond loans	9 489	3 464	-22	-1 974	10 957
Loans from credit institutions	1 844	-	3	-361	1 486
Lease liabilities	475	-	-	49	524
Other non-current interest-bearing liabilities	96	30	-	-36	90
Total non-current interest-bearing liabilities	11 904	3 494	-19	-2 322	13 057
Bond loans	600	-600	-	1 974	1 974
Current portion of loans from credit institutions	1 614	-1 614	-	361	361
Current portion of other non-current interest-bearing liabilities	46	-46	-	36	36
Lease liabilities	16	-16	-	31	31
Certificate loans and other current interest-bearing liabilities	759	-461	-2	-	298
Total current interest-bearing liabilities	3 035	-2 737	-2	2 402	2 700
Total interest-bearing liabilities	14 939	757	-21	80	15 757

NOTE 24 – Deferred tax

Changes in deferred tax assets and liabilities in 2025

SEK million	1 Jan 2025	Recognised in the income statement	Recognised in other comprehensive income	Reclassification	31 Dec 2025
Deferred tax assets					
Lease liabilities	106	-	1	-	107
Other	1	-	-	-1	-
Total deferred tax assets	108	-	1	-1	108
Offset against deferred tax liabilities	-	-	-	-	-
Net deferred tax assets	108	-	1	-1	108
Deferred tax liabilities					
Buildings and land	68	21	-	-2	87
Machinery and equipment	2 887	-55	-	10	2 842
Usufruct rights	99	-	-1	-	98
Derivative instruments	8	-6	-38	19	-17
Pension obligations	11	16	-3	-12	12
Other	14	-	-	-15	-1
Total deferred tax liabilities	3 087	-24	-42	0	3 021
Offset against deferred tax assets	-108	-	-	-	-108
Net deferred tax liabilities	2 979	-24	-42	0	2 913

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Annual Report and Other Information

cont. Note 24 – Deferred tax

Changes in deferred tax assets and liabilities in 2024

SEK million	1 Jan 2024	Recognised in the income statement	Recognised in other comprehensive income	Reclassification	31 Dec 2024
Deferred tax assets					
Derivative instruments	-	-	-	-	-
Pension obligations	-	-	-	-	-
Change in accounting policies, stock	-	-	-	-	-
Remaining negative net interest	16	-16	-	-	-
Lease liabilities	106	1	-	-	106
Other	1	-	-	-	1
Total deferred tax assets	123	-15	-	-	108
Offset against deferred tax liabilities	0				0
Net deferred tax assets	123	-15	-	-	108
Deferred tax liabilities					
Buildings and land	69	-1	-	-	68
Machinery and equipment	3 033	-135	-10	-	2 887
Usufruct rights	99	-	-	-	99
Derivative instruments	36	-	-28	-	8
Pension obligations	10	6	-5	7	11
Other	15	-2	-	-	14
Total deferred tax liabilities	3 262	-132	-28	7	3 087
Offset against deferred tax assets	-123	15	-	7	-108
Net deferred tax liabilities	3,139	-117	-43	7	2 979

NOTE 25 – Other liabilities

Tangible fixed assets, 2025

SEK million	2025	2024
Connection charges for district heating and cooling systems	46	-
Total	46	-

Connection charges for district heating and cooling facilities are recognised as liabilities in the balance sheet and are recognized as income over the useful life of the underlying fixed asset.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 26 – Other provisions

SEK million	2025	2024
Non-current provisions		
Environmental debt	21	31
Pension provisions	3	3
	24	34
Current provisions		
Environmental debt	1	1
	1	1

Environmental debt includes restoration of the environment, such as demolishing buildings and structures on contaminated land.

All employees are covered by collective bargaining agreements, and the company's pension obligations include both defined contribution and defined benefit pension plans. Employees born in 1978 or earlier are covered by ITP 2, which is a defined benefit plan, and employees born in 1979 or later are covered by ITP 1, which is a defined contribution plan. In addition to ITP 2, the Group has two

plan, which is a defined benefit plan, and the Över 10 IBB plan, which is a defined contribution plan. The Birka defined benefit plan is insured by Skandia.

In the Över 10 IBB plan, there are two insurance providers, Skandia and AMF. Both the Birka plan and the Över 10 IBB plan are closed for new subscriptions. The recognised liability for pension obligations amounted to SEK 3 million (3).

In the comparative figures for 2024, Other provisions and Pension provisions have been recognised together.

NOTE 27 – Accounts payable and other liabilities

SEK million	2025	2024
Accounts payable	1 333	1 107
Accrued expenses and prepaid income		
Accrued personnel expenses	156	106
Accrued interest expenses	60	81
Accrued external costs	196	206
Other accrued expenses and prepaid income	332	268
Total	744	661
Other liabilities		
VAT liabilities	65	119
Energy taxes and excise duties	115	131
Advances received and other liabilities	135	98
Emission allowances	15	198
Total	330	546
Total	2 407	2 314

NOTE 28 – Pledged assets

SEK million	2025	2024
Pledged assets	None	None

For more information on contingent liabilities, see Note 31.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 29 – Leasing

The Group applies IFRS 16 for lease accounting.

Most of the major agreements covered by IFRS 16 relate to land leases and ground leases whose duration and the likelihood of extension have been assessed taking into account in particular the useful life of the assets constructed and the long-term nature of the activities conducted therein, as well as the specific costs that termination of the agreement would entail for the parties to the agreement.

In addition to land leases and ground leases, the Group also has leases for premises and warehouses, track facilities, certain transport equipment, as well as cars and forklifts. Costs for short-term and low-value agreements that are exempt

from IFRS 16 are marginal. The right-of-use asset is included under the heading Tangible fixed assets in the balance sheet (see Note 16 for disclosure of the carrying amount). The lease liability is included under the heading Interest-bearing liabilities (see Note 23 for disclosure of the carrying amount).

Lease payments expensed in 2025 amount to SEK 52 million (30) and interest on leases amounts to SEK 30 million (16). The total cash outflow for leases included in IFRS 16 has been SEK 55 million (36).

The Group has no material exposure to future cash flows from leases that are not reflected in the measurement of the lease liability.

NOTE 30 – Investment commitments

SEK million	2025	2024
Property, plant and equipment	7 544	367
Total	7 544	367

Investment commitments are investments in major projects contracted at the balance sheet date, but not yet recognised in the financial statements.

The commitments mainly relate to investments in combined heat and power plants.

SEK million	2025	2024
2026	2 424	367
2027	3 342	0
2028	1 671	0
2029 and later	107	0
Total	7 544	367

The significant change compared with the previous year can mainly be attributed to the BECCS plant, where the investment commitment largely relates to the period 2026–2028.

NOTE 31 – Contingent liabilities

SEK million	2025	2024
Liability as a shareholder in Brista 2 KB	417	471
Total	417	471

NOTE 32 – Legal and governmental proceedings

Stockholm Exergi had made plans a new combined heat and power plant in Lövsta, in western Stockholm. However, the Land and Environment Court did not grant a permit in 2022, and in 2025 the Land and Environment Court of Appeal upheld this decision. As of 31 December 2025, the Supreme Court was reviewing the application for leave to appeal. In February 2026, the Supreme Court rejected the application for leave to appeal, which means that the project

cannot be carried out as planned. The company is now investigating alternative solutions to secure the heat supply in the north-western system.

In addition, Stockholm Exergi is a party to certain civil law proceedings, although these are not considered to entail any significant financial obligations and therefore do not affect the company's financial position in such a way that further disclosure is required.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 33 – Transactions with related parties

Owners

As of the balance sheet date, Stockholms Stadshus AB and the consortium Ankhiale Bidco AB each own half of the share capital and voting rights in Stockholm Exergi Holding AB (publ). Stockholm Exergi also has transactions with companies owned or administered by the City of Stockholm and companies within Ankhiale Bidco AB. These are on the same terms as for other external customers. Of this year's turnover of SEK 8,489 million, 13 per cent (13) relates to companies and administrations within the City of Stockholm. Deliveries mainly relate to district heating and district cooling.

The aggregate balance of outstanding receivables from companies and administrations within the City of

Stockholm and Ankhiale Bidco AB amounts to SEK 0.2 million (0.2).

Board of Directors and Group management

The key persons in the Group are the Board of Directors and members of the Group's management team. The Group has not been involved in any material transactions with members of the Board of Directors or the management team. There are no loans for any member of the Board or management team as of 31 December 2025.

See Note 10 Employee benefits for further information on the remuneration and shareholdings of the Board of Directors and Stockholm Exergi's management team.

NOTE 34 – Significant events after the balance sheet date

No significant events have occurred after the balance sheet date that have any material impact on the company's financial position or results.

NOTE 35 – Composition of the Group

Composition of the Group on 31 December 2025

Company name	Corp. ID no.	Registered office	Number of shares/participation, %	Equity/Profit for the year	Book value in the respective Parent Company
Stockholm Exergi AB	556016-9095	Stockholm	32,199,970 / 100	6,651,595 / 147,782	11 887 997 000
Stockholm Exergi Vindvärme AB	556915-3686	Stockholm	100,000 / 100	8,439 / 1,849	100
Stockholm Exergi Tunnlar AB	556981-9187	Stockholm	100,000 / 100	66,034 / 11,593	1 645 866
Brista 2 Kommanditbolag	969720-4254		- / 85	416,630 / 41,035	-509 618
Brista 2 Aktiebolag	556829-4564	Stockholm	85,000 / 85	102 / 0	85
Hässelbystrand Fastighet AB	559139-6451	Stockholm	50,000 / 100	50 / 0	50

Stockholm Exergi Materialåtervinning AB merged with Stockholm Exergi AB during the year.

Composition of the Group on 31 December 2024

Company name	Corp. ID no.	Registered office	Number of shares/participation, %	Equity/Profit for the year	Book value in the respective Parent Company
Stockholm Exergi AB	556016-9095	Stockholm	32,199,970 / 100	6,649,827 / 1,699	11 888 000
Stockholm Exergi Vindvärme AB	556915-3686	Stockholm	100,000 / 100	6,555 / 1,884	100
Stockholm Exergi Tunnlar AB	556981-9187	Stockholm	100,000 / 100	52,223 / 13,810	1 645 866
Brista 2 Kommanditbolag	969720-4254		- / 85	471,036 / 54,406	-543 553
Brista 2 Aktiebolag	556829-4564	Stockholm	85,000 / 85	102 / 0	85
Hässelbystrand Fastighet AB	559139-6451	Stockholm	50,000 / 100	50 / 0	50
Stockholm Exergi					
Materialåtervinning AB	559187-3244	Stockholm	50,000 / 100	117 / 3	50

The consolidated value for Brista 2 KB is reported under the heading Book value.

Parent Company

NOTE 36 – Remuneration to the auditors

Audit fees for the Parent Company amounted to SEK 235,000 (235,000).

NOTE 37 – Employee benefits

The Parent Company has no employees, and therefore no salaries or benefits have been charged to the Parent Company.

Gender distribution in the Parent Company

	2025		2024	
	Number at the balance sheet date	Of whom men	Number at the balance sheet date	Of whom men
Board members	10	5	10	7
CEO and other senior executives	1	1	1	1
Parent company total	11	6	11	8

The CEO is employed by the subsidiary Stockholm Exergi AB.

NOTE 38 – Financial income and expenses

SEK million	2025	2024
Interest income		
External interest income	103	-
Interest income, Group companies	51	190
Total	154	190
Interest expenses		
Interest expenses on external debt	-386	-512
Other financial expenses	-37	-7
Total	-423	-519
Financial income and expenses - net	-269	-329

NOTE 39 – Income tax

SEK million	2025	2024
Current tax on profit for the year	-203	-195
Total current tax	-203	-195
Deferred tax		
Accrual and reversal of deferred tax	0	-16
Total deferred tax	0	-16
Total income tax	-203	-211

Income tax rates

The table below explains the difference between the theoretical assumed tax rate in Sweden and the tax rate in the income statement.

SEK million	2025	%	2024	%
Profit/loss before tax	989		1 023	
Tax calculated at the applicable tax rate for the Parent Company, 20.6%	-203	20,6	-211	20,6
Tax expense	-203	20,6	-211	20,6

NOTE 40 – Participations in Group companies

SEK million	2025	2024
Opening costs	11 888	11,888
Closing carrying amount	11 888	11,888

Parent Company's holdings of participations in Group companies

Company name	Corporate ID number	Registered office	Number of shares	Capital holders' equity/ share of profit for the year	Book value
Stockholm Exergi AB	556016-9095	Stockholm	32 199 970	100 6,652 / 148	11 888
Total					11 888

This refers to the ownership share of capital, which also corresponds to the proportion of votes for the total number of shares.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 41 – Receivables from Group companies

SEK million	2025	2024
Non-current receivables from Group companies		
At the beginning of the year	3 734	3 734
Change for the year	4 681	-
Carrying amount at year-end	8 415	3 734

All non-current receivables fall due more than five years after the balance sheet date. No provisions for expected credit losses have been made as there are no financial receivables other than loans to Group companies.

NOTE 42 – Interest-bearing liabilities

SEK million	2025	2024
Total non-current interest-bearing liabilities	13 707	12 461
Bond loans	10 607	10 976
Loans from credit institutions	3 100	1 485
Total current interest-bearing liabilities	2 593	2 633
Total interest-bearing liabilities	16 300	15 095
Bond loans	1 761	1 974
Current portion of non-current loans from credit institutions	191	361
Other current interest-bearing liabilities	641	298

The non-current portion of loans from credit institutions matures in the amount of SEK 1,991 million between 1 and 5 years from the balance sheet date and SEK 1,300 million after 5 years from the balance sheet date.

The Parent Company has a group account system in Danske Bank with a credit facility of SEK 500 million. The external group account balance with the bank is reported as cash and cash equivalents if the balance is positive, or as current interest-bearing liabilities in the event of a negative balance.

On 31 December 2025, the balance was SEK 809 million (SEK 865 million).

Internal group account balances in relation to subsidiaries are recognised as receivables from or liabilities to Group companies.

For information on changes in liabilities attributable to financing activities in the Parent Company's cash flow statement, please refer to the corresponding figures for the Group in Note 23.

cont. Note 42 – Interest-bearing liabilities

Overdraft facility

SEK million	2025	2024
Credit limit granted	500	500
Unutilised portion	-500	-500
Amount of credit utilised	-	-

Interest-bearing liabilities falling due:

SEK million	2025	2024
2025	-	2 633
2026	2 593	2 444
2027	1 599	1 598
2028	1 449	1 194
2029 (or 2029 or later)	1 099	7 226
2030 or later	9 560	-
Total	16 300	15 095

NOTE 43 – Cash and cash equivalents

SEK million	2025	2024
Cash and bank balances	809	865
Total cash and cash equivalents	809	865

NOTE 44 – Receivables from group companies

SEK million	2025	2024
Stockholm Exergi AB	1 290	4 457
Total	1 290	4 457

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

NOTE 45 – Other receivables

SEK million	2025	2024
Tax claim	0	6
Capital raising costs	90	-
Other current receivables	93	7
Total	183	13

Other current receivables consist mainly of facility fees. In 2025, capital raising costs related to BECCS have been added.

NOTE 46 – Reclassification of comparative figures relating to cash pool

Effect on the balance sheet as at 31 December 2024

SEK million	Previously	Reclassified	Recalculate
Receivables from Group companies	2 771	293	3 064
Liabilities to Group companies	0	293	293
	2 771	0	2 771

In 2025, the Group has changed the presentation of receivables and liabilities relating to the Group's cash pool. As from 2025, receivables and liabilities to Group companies are recognised gross by counterparty. These items were previously recognised net.

The purpose of this reclassification is to provide a more transparent presentation

of the Group's internal financing and to improve comparability between periods.

The comparative figures for 2024 have been recalculated to reflect the new presentation. The reclassification does not affect the Group's profit, cash flow or equity.

NOTE 47 – Appropriation of earnings

Earnings per share for the 2025 financial year amounted to SEK 43,651 (19,478). The Board of Directors is proposing a dividend of SEK 21,920 per share, totalling SEK 395 million.

The Board of Directors proposes that the available earnings of the Parent Company, together with the profit for the year, SEK 4,908,695,649, be appropriated as follows:

Proposed appropriation of earnings, SEK	
Retained earnings	4 123 138 462
Profit for the year	786 593 582
Dividends	394 999 842
Carried forward	4 514 732 202
Closing balance unrestricted equity	4 909 732 044

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Certification by the Board of Directors

The Board of Directors and the Chief Executive Officer hereby certify that the consolidated financial statements and the annual accounts have been prepared in accordance with IFRS Accounting Standards, as adopted by the EU, and good accounting practice, and that they provide a true and fair view of the Group's and the Parent

Company's financial position and results. They also confirm that the administration report gives a true and fair overview of the Group's and the Parent Company's operations, financial position and results, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group. The sustainability

statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Swedish Annual Accounts Act and Article 8 of the EU Taxonomy Regulation. The Board of Directors approved the contents of the annual report on 26 March 2026.

The Annual Report was signed by all parties on 26 March 2026, Stockholm.

Petra Engman
Chair

Jonas Abrahamsson
Vice-Chair

Tove Feld
Board member

Christofer Fjellner
Board member

Irina A. Frolova
Board member

Marie Hanson
Board member

Rickard Hjorth Warlenius
Board member

Carlo Maddalena
Board member

Tobias Alvaeus
Board member (employee representative)

Katarina Rundkvist
Board member (employee representative)

Anders Egelrud
Chief Executive Officer

Our audit report and our review report for the statutory sustainability report were submitted on 26 March 2026.
Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Auditor's report

To the general meeting of the shareholders of Stockholm Exergi Holding AB (publ), corporate identity number 556040-6034

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Stockholm Exergi Holding AB (publ) for the year 2025 except for the sustainability report on page 37-128. The annual accounts and consolidated accounts of the company are included on pages 30-128 och 131-173 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on page 37-128. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making

assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Key Audit Matter

Valuation of tangible fixed assets

In the consolidated balance sheet, the item Tangible fixed assets amounts to SEK 28 640 million as of December 31, 2025, which corresponds to 83% of the group's total assets and 243% of its reported equity. The assets primarily consist of production and distribution facilities for district heating. As stated in Note 1, these are reported at acquisition cost less accumulated historical depreciation and impairment losses.

When there is an indication of impairment, the recoverable amount is calculated in accordance with IAS 36. An impairment test in accordance with IAS 36 requires management to make subjective assessments of the recoverable amount based on available information on future cash flows and other significant assumptions. Based on the inherent complexity and subjectivity in the calculation of the recoverable amount for tangible fixed assets, we have assessed that the valuation of these assets constitutes a particularly significant area in our audit.

our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-21, 178-180 and the sustainability report on pages 37-128. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

How our audit addressed the Key Audit Matter

Our audit included, but was not limited to, the following:

- Evaluation of management's assessment of the smallest cash-generating units.
- Evaluation of the applicability and accuracy of management's method for calculating the recoverable amount of tangible fixed assets.
- Recalculating a selection of management's estimated recoverable amounts and assessing these assumptions and forecasts for future cash flows from the assets
- Evaluation of historical outcomes in relation to forecasts.
- Evaluation of management's model for determining discount rates.
- Performing sensitivity analyses.
- Evaluating whether the group's applied accounting policies for recognizing and valuing tangible fixed assets are consistent with IFRS as adopted by the EU.
- Evaluating whether the information presented in the annual report and the consolidated financial statements is consistent with the requirements of the Annual Accounts Act and IFRS.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going con-

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

cern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Stockholm Exergi Holding AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility visorsnansvar

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Annual Report and Other Information

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Stockholm Exergi Holding AB (publ) by the general meeting of the shareholders April, 28, 2025 and has been the company's auditor since May, 2, 2024.

Stockholm, March, 26, 2026

Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson

Authorized Public Accountant

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Definitions and reconciliation of alternative performance measures

Stockholm Exergi uses alternative performance measures (APM). The key performance indicators presented to the right are not in accordance with IFRS but are considered to facilitate the analysis of profit and financial position by stakeholders.

Key performance indicator	Definition	Motivation
EBITDA	Operating profit before depreciation	Reflects the main cash-generating results from operations and can be related to factors such as the company's indebtedness
Operating profit	Profit before capital gains/losses on fixed assets, impact on profit from IFRS adjustments, financial items and tax	The performance measure is used to analyse the company's earnings attributable to purely operational activities
Net debt	Interest-bearing liabilities less cash and cash equivalents	This metric describes total net debt and is used together with EBITDA to reflect certain aspects of financial risk
Capital employed	Total equity and interest-bearing liabilities	This key performance indicator is important as it shows the percentage of the company's assets are financed by owners or lenders
Equity/assets ratio	Equity through balance sheet total interest-bearing liabilities	This metric shows the long-term solvency of the company
Working capital	Inventories and operating assets less operating liabilities	This metric shows the company's short-term capital requirements
Return on equity	Profit for the period divided by average equity	This key performance indicator shows the return on the owners' invested capital
Return on capital employed	Operating profit increased by interest income divided by average capital employed	Shows the return on capital financed by owners or lenders
Debt/equity ratio	Non-current and current liabilities through equity	This metric shows one aspect of the company's financial risk (interest rate sensitivity)

Business presentation

Corporate governance

Annual Report and Other Information

Directors' Report

Sustainability Report

> Financial reports

Consolidated income statement and balance sheet

Parent company income statement and balance sheet

List of notes

Notes Consolidated

Notes Parent Company

Signatures

Audit report

Alternative performance measures

	2025	2024	2023	2022	2021
EBITDA					
Operating profit/loss	1 326	910	587	1 280	1 424
Depreciation	1 810	1 602	1 556	1 539	1 495
EBITDA	3 136	2 511	2 143	2 818	2 919
Capital employed					
Shareholders' equity	11 818	11 607	11 400	12 568	12 037
Interest-bearing liabilities	16 927	15 757	14 939	13 470	12 476
Capital employed	28 745	27 363	26 339	26 039	24 513
Equity/assets ratio					
Shareholders' equity	11 818	11 607	11 400	12 568	12 037
Balance sheet total	34 494	32 837	31 626	32 057	29 784
Equity/assets ratio, %	34	35	36	39	40
Working capital					
Operating assets					
Inventories	1 463	1 661	1 656	1 619	724
Derivative instruments (portion not designated for hedge accounting)	0	0	0	1	0
Accounts receivable	1 156	1 126	2 033	1 738	1 640
Other receivables	1 579	709	622	1 292	816
Total operating assets	4 198	3 496	4 296	4 649	3 180
Debt/equity ratio					
Non-current liabilities	17 538	16 186	15 127	14 469	12 987
Current liabilities	1 136	1 231	5 099	5 020	4 760
Total liabilities	18 674	17 417	20 226	19 489	17 747
Shareholders' equity	11 818	11 607	11 400	12 568	12 037
Debt/equity ratio, multiple	1,6	1,5	1,8	1,6	1,5

	2025	2024	2023	2022	2021
Operating liabilities					
Other non-current liabilities	0	0	0	0	0
Derivative instruments (portion not designated for hedge accounting)	0	0	0	0	0
Accounts payable	-1 333	-1 107	-739	-988	-814
Other liabilities (less accrued interest expense)	-1 009	-465	-1 215	-1 541	-1 066
Total operating liabilities	-2 342	-1 572	-1 954	-2 530	-1 880
Working capital	1 856	1 924	2 342	2 119	1 300
Return on equity					
Equity, opening balance	11 607	11 400	12 568	12 037	11 646
Equity, closing balance	11 818	11 607	11 400	12 568	12 037
Average equity	11 713	11 503	11 984	12 303	12 841
Profit for the period	681	359	123	843	970
Return on equity, %	5,8	3,1	1	6,9	8,2
Return on capital employed					
Capital employed, opening balance	27 363	26 339	26 038	24 513	24 009
Capital employed, closing balance	28 745	27 363	26 339	26 039	24 513
Average capital employed	28 054	26 851	26 189	25 276	24 261
Operating profit/loss	1 326	910	587	1 280	1 424
Interest income	42	40	8	2	1
Return on capital employed, %	4,8	3,5	2,3	5,1	5,9

Stockholm Exergi in brief

Stockholm Exergi is Stockholm's energy provider. Using resource-efficient solutions, we ensure that the growing Stockholm region has access to heating, electricity, cooling and waste services. We provide heat to more than 800,000 Stockholmers and our 3,000-kilometre-long district heating network forms the basis for the societal benefits that we create together with our customers and partners. We are owned by the City of Stockholm and Ankhiale, and have more than 860 employees who work every day to reduce Stockholmers' climate impact. By developing carbon dioxide capture technologies, we are committed to making negative emissions a reality.

Financial statements

- Year-end Report 2025, 20 February 2026
- 2025 Annual and Sustainability Report, 27 March 2026
- January–June Interim Report 2026, 27 August 2026

All reports are available after publication on the company's website: stockholmexergi.se

The information in this annual report is such that Stockholm Exergi Holding AB (publ) is required to disclose under Swedish securities market law.

Stockholm Exergi Holding AB (publ)

Corp. ID no. 556040-6034
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