

# Year-end report

January – december 2022

Stockholm Exergi Holding AB (publ)

## July-december 2022

- Net sales amounted to 3 904 MSEK (3 459)
- Sales volumes amounted to 4 014 GWh (4 145) of which 3 295 GWh (3 498) was heat.
- EBIT for the period amounted to 459 MSEK (586). Previous year EBIT was positively affected by 145 MSEK due to a pension redemption.
- Profit after tax amounted to 262 MSEK (375)

## January-december 2022

- Net sales amounted to 7 996 MSEK (7 294)
- Sales volumes amounted to 9 276 GWh (9 609) of which 7 782 GWh (8 309) was heat
- EBIT for the year amounted to 1 412 MSEK (1 424).
- Profit after tax amounted to 948 MSEK (970)

## Consolidated overview

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
Net sales	3 904	3 459	7 996	7 294
<b>EBITDA</b>	<b>1 236</b>	<b>1 342</b>	<b>2 950</b>	<b>2 919</b>
<b>Operating profit</b>	<b>461</b>	<b>572</b>	<b>1 412</b>	<b>1 409</b>
EBIT effect of IFRS9 adjustments	-2			
Disposal of assets		14		14
<b>EBIT</b>	<b>459</b>	<b>586</b>	<b>1 412</b>	<b>1 424</b>
Net financial items	-137	-82	-226	-170
<b>Profit before tax</b>	<b>322</b>	<b>505</b>	<b>1 186</b>	<b>1 254</b>
Tax	-60	-130	-237	-284
<b>Profit after tax</b>	<b>262</b>	<b>375</b>	<b>948</b>	<b>970</b>
Investments	1 105	937	1 621	1 411
Cash flow before financing activities	-1 404	-832	-131	732
Equity			12 637	12 037
Equity ratio			39%	40%
Net debt			13 469	12 475

Figures in the year-end report are usually reported in MSEK rounded up or down. This means that when summing up, rounding differences can occur with SEK +/- 1 million. In cases where an underlying number is rounded off to 0 MSEK, this is written as 0. If there is no number to report, the cell is left blank.

Figures in parentheses refer to the comparison period, ie. the same period last year unless otherwise stated. Stockholm Exergi Holding AB (publ) is a group and will henceforth be called Stockholm Exergi in this report.

# An eventful and challenging year

Unfortunately, 2022 will be remembered as the year Russia invaded Ukraine and started a horrific war. A war of aggression that has created enormous humanitarian suffering and has made millions of people homeless. A war that has created severe geopolitical and energy challenges for Europe, and that has demonstrated how there is no future in fossil fuel dependence.

Russia's war on Ukraine has a direct impact on Sweden's energy supply. A large proportion of energy imports from Russia to Europe has been cut off, which has had far-reaching impacts on Europe.

These acute geopolitical and economic conditions, and the inflationary pressures that they have created, have impacted Stockholm Exergi. We have seen spiralling prices in the wider economy and sharply rising prices for the majority of our inputs such as fuel, operational and maintenance materials, and wildly fluctuating electricity prices. At times, we have also faced the threat of electricity shortages in Sweden, something which, among other things, has led to greater focus on the role of locally produced cogeneration and district heating in the immediate future.

Cogeneration and the necessary conditions for its wider use are a primary focus of the Swedish government's new strategy, known as the Tidö Agreement, which includes explicit support for bio-CCS and trade in negative emissions. Irrespective of the government in office, it is important to have clearly stated support for our actions when we have to make major investment decisions, especially in a troubled world.

For several years, Stockholm Exergi has studied ways it can contribute to improving Stockholm's energy mix by building a cogeneration plant in Lövsta. Stockholm's energy mix is currently under pressure, and increased occupancy and increased electrification could make power shortages more likely. Despite planned investment in capacity and flexibility of the electricity grid, Sweden's national grid is under strain. Extensive environmental investment by industry is driving substantial increases in electricity demand. It is therefore important to maintain and develop our capacity to produce electricity with cogeneration in areas with district heating networks.

On November 28 2022, the Land and Environment Court rejected Stockholm Exergi's application to build a new cogeneration plant in Lövsta, west of Stockholm.





We have appealed the decision because we want to help remediate the land and lake bottom around Lövsta and ensure that Stockholm will have a safe supply of electricity and heat now and in the future.

In November, I visited the COP 27 climate summit in Sharm el Sheik in Egypt. This was an important visit for Stockholm Exergi during which we had the opportunity to share details of our change journey. However, the outcome of the meeting left a bitter aftertaste: the meeting's final talks failed to even produce a written statement on ending fossil fuel subsidies.

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**"The war in Ukraine and my visit to COP 27 have made me even more convinced that what Stockholm Exergi is doing is right and that we must move faster"**

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Stockholm Exergi has a major responsibility to contribute to sustainable development. We manage waste and recycle precious resources and we have set the ambitious goal of creating significant carbon dioxide sinks from 2025 onwards. Given that the introduction of support systems and necessary frameworks is taking longer than expected, we now believe that 2026 is a more realistic start date. Confirmation that we are on the right track came when the entire Swedish government visited Stockholm Exergi in conjunction with the European Parliament's Conference of Presidents in November. The entire Swedish government rarely gathers away from Parliament; it has never gathered away from Parliament at a business premises – proof that the change journey we started is more urgent than ever. Stockholm Exergi and bio-CCS is important for Sweden and vital for the world.

2022 was an eventful year for Stockholm Exergi in challenging geopolitical and economic conditions. Once again, the business was able to demonstrate its stability and its ability to withstand major fluctuations. We now look ahead and continue our journey to become Europe's leading expert in carbon capture as early as 2026.



Anders Egelrud,  
CEO

## Key events in 2022

- **In February**, Stockholm Exergi presented a new study that showed Bio-CCS has the potential to become a new industry segment with positive economic outcomes for Sweden.
- The EU Innovation Fund decided to provide support for Stockholm Exergi's bio-CCS project and in April it was announced that this support amounted to EUR 180 million.
- **In April**, Stockholm Exergi welcomed the President of the European Commission, Ursula von der Leyen, and the then Swedish Prime Minister, Magdalena Andersson, to Värtaverket in Stockholm.
- **In May**, Stockholm Exergi issued new green bonds with a total value of SEK 1.5 billion.
- **In August**, Stockholm Exergi began a consultation process with local residents and affected members of the public with the aim of building a full-scale bio-CCS plant at Värtaverket. The consultation is a key part of the process to obtain permission to build the facility.
- **In September**, Kraftkvinnorna, together with Stockholm Exergi, organised an energy policy debate at Värtaverket. The energy crisis and gender equality in the energy industry topped the agenda.
- **In October**, Stockholm Exergi welcomed the Netherlands' King Willem-Alexander and Queen Máxima together with Sweden's King Carl XVI Gustaf and Queen Silvia to Värtaverket. The visit was part of a three-day state visit which, among other things, focused on green innovation.
- **In November**, Stockholm Exergi participated in COP27 in Egypt. Carbon dioxide capture and negative emissions were on the agenda and there was considerable international interest in the opportunities that Stockholm Exergi's development of bio-CCS offers.
- **In November**, Värtaverket was the venue for the Swedish government to host the European Parliament's Conference of Presidents. The meeting was a preparation for the Swedish EU Presidency.
- **In November**, Stockholm Exergi announced that it would appeal the Land and Environment Court's rejection of its application to build a new cogeneration plant in Lövsta in western Stockholm.
- New sales of district heating for the year amounted to just more than 73 GWh.

# Sales, profit and cash flow

The Group's net sales during January – December 2022 amounted to 7 996 MSEK (7 294). Sales volumes amounted to 9 276 GWh (9 609), of which 7 782 GWh (8 309) pertain to heating, 1 138 GWh (979) pertain to electricity and 356 GWh (321) pertain to district cooling.

Operating profit for the Group amounted to 1 412 MSEK (1 424). Operating profit was previous year affected by a positive non-recurring effect of 145 MSEK related to change of solution for defined benefit pensions under the ITP2 plan.

Milder weather has meant lower sales of heat, which, however, has been more than compensated for by higher production of electricity and high electricity prices. The higher market prices for fuel have had an impact on the production cost towards the end of the year and the higher interest rate has a negative effect on the financial net. Overall, however, the result is largely on par with last year.

Adjusted for the positive one-off effect of pension redemptions of 145 MSEK last year, the year's operating profit was 133 MSEK better.

The Group's profit before tax amounted to 1 186 MSEK (1 254) and after tax to 948 MSEK (970).

Net debt amounted to 13 469 MSEK (12 475), which is an increase of 994 MSEK.

Cash flow from operating activities amounted to 1 567 MSEK (1 804), while funds used in investment operations amounted to -1 698 MSEK (-1 072). Cash flow before financing activities was -131 MSEK (732). The difference is mainly due to increased capital tied up in inventory linked to the sharply increased fuel prices.

The return on equity was 7.7 percent (8.2), and the return on capital employed was 5.6 percent (5.9). The equity ratio was 39 percent (40).

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
Net sales	3 904	3 459	7 996	7 294
<b>EBITDA</b>	<b>1 236</b>	<b>1 342</b>	<b>2 950</b>	<b>2 919</b>
<b>Operating profit</b>	<b>461</b>	<b>572</b>	<b>1 412</b>	<b>1 409</b>
EBIT effect of IFRS9 adjustments	-2			
Disposal of assets		14		14
<b>EBIT</b>	<b>459</b>	<b>586</b>	<b>1 412</b>	<b>1 424</b>
Net financial items	-137	-82	-226	-170
<b>Profit before tax</b>	<b>322</b>	<b>505</b>	<b>1 186</b>	<b>1 254</b>
Tax	-60	-130	-237	-284
<b>Profit after tax</b>	<b>262</b>	<b>375</b>	<b>948</b>	<b>970</b>
Total assets			32 160	29 784
Total equity			12 673	12 037
Interest bearing liabilities			13 471	12 476
Net debt			13 469	12 475
Capital employed			26 144	24 513
Working capital			2 251	1 300
Investments	1 105	937	1 621	1 411
Cash flow before financing activities	-1 404	-832	-131	732
Return on equity			7.7%	8.2%
Return on capital employed			5.6%	5.9%
Equity ratio			39%	40%
Net debt/EBITDA			4.6	4.3



# Financial position

## Net financial items and financing

Net financial items for the year amounted to -226 MSEK (-170). Weighted average borrowing cost by the end of the year was 2,55 percent (1.15).

During April, a refinancing was carried out on the capital market through green bond issues in total of 1 500 MSEK in three different tranches. At the same time maturing green bond loans of 1 500 MSEK was refunded.

During the whole year, bank and other long-term loans were also amortized with 644 MSEK. The term of the 3 000 MSEK credit facility has been extended to 2027 and the terms have been renegotiated.

During the autumn, a new long-term bank loan of 1 000 MSEK was also taken out and the short-term fluctuations in the working capital were financed with overdrafts, money market loans and certificate loans.

On December 31, 2022, the Group had interest-bearing liabilities in total of 13 471 MSEK (12 476) and cash and cash equivalents amounted to 1 MSEK (1). Interest-bearing net debt therefore amounted to 13 469 MSEK (12 475).

On the balance sheet date, unutilized credit facilities amounted to 3 128 MSEK (3 098), consisting of an overdraft facility and three credit facilities.

## Equity

On December 31, 2022, equity amounted to 12 673 MSEK (12 037), which gives an equity ratio of 39 percent (40).

Equity has been added the period's total comprehensive income of 1 486 MSEK (1 241). Dividend of 850 MSEK (850) was paid to the shareholders during the year.

## Tax

Deferred tax liabilities as of December 31, 2022, amounted to 3 355 MSEK (3 201) and are mainly assignable to accumulated overdepreciations. Booked deferred tax assets amounted to 7 MSEK and is net reported against deferred tax liability. There are no unutilized deficit deduction in the group.

## Investments

The Group's gross investments in fixed assets during January – December 2022 amounted to 1 621 MSEK (1 411).

## Staff

The average number of employees during January–December 2021 was 735 (709).

## Significant risks and uncertainties

Stockholm Exergi supplies heat, cooling and electricity to the Stockholm region and is thus a socially important business. It is our business responsibility to secure deliveries to our customers and therefore we have plans and routines to be able to secure the business in different types of critical scenarios. The earlier spread of the Covid-19 infection was for example one such scenario.

Russia's war against Ukraine affects Sweden's and Europe's energy situation in different ways. The assessment from the Energy Agency continues to be that the risk is low of serious shortages or extensive supply disruptions in the supply of electricity, gas or fuel in Sweden as a consequence of the war.

However, the assessment could change, which could mean consequences for our deliveries and our business in both the short and long term. During the year, the Swedish Energy Agency has regularly requested reporting on whether there is anything that affects our energy deliveries.



We have continuously had and have reconciliations within all units to ensure correct information and prevent possible risks and deficiencies.

The unstable world situation has also led to sharp price increases in several different areas, including fuels. Inflation is high and yield curves are rising. This will affect the company and the company's customers and is being followed closely

For a further description of significant risks and uncertainties, see Stockholm Exergi Holding AB (publ) Annual and Sustainability Report for 2021, p. 82–85 and Note 3 and Note 4.

#### **Transactions with related parties**

The owners regulate their cooperation through a shareholder agreement. Transactions with the owners and other closely related parties are performed on market-based terms.

#### **Accounting principles**

The Group applies international accounting standards, International Financial Reporting Standards (IFRS), as adopted by the EU. The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities. This year-end report

has been prepared in accordance with IAS 34 Interim reporting and the Annual Accounts Act. For details on applied accounting principles refer to Stockholm Exergis Annual and Sustainability report for 2021 which can be found on the company's website.

#### **Important estimates and assessments**

The company's Annual and Sustainability Report for 2021 reports in Note 2, page 109, important areas where management's estimates and assessments have an impact on the reported results and the financial position.

#### **Parent company**

The parent company's operations consist of owning shares in the operating company Stockholm Exergi AB and to be responsible for the Group's financing solutions. The parent company's net profit for the year amounted to 804 MSEK (350). The difference compared to previous year is mainly due to higher group contribution from subsidiaries.

#### **Significant events after the balance sheet day**

There have been no significant events after the balance sheet date.



## Consolidated income statement in summary

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
Sales	3 904	3 459	7 996	7 294
Activated work for own account	25	19	48	40
Other income	95	48	140	87
Materials and consumables	- 1 631	- 1 299	-3 148	-2 722
Other operating expenses	-787	-704	-1 319	-1 213
Employee benefits	-369	-196	-767	-581
<b>EBITDA</b>	<b>1 236</b>	<b>1 342</b>	<b>2 950</b>	<b>2 919</b>
Depreciation and amortisation of tangible and intangible fixed assets	-777	-755	-1 539	-1 495
<b>OPERATING PROFIT</b>	<b>461</b>	<b>572</b>	<b>1 412</b>	<b>1 409</b>
Changes in valuation of financial contracts	-2			
Disposal of assets		14		14
<b>EBIT</b>	<b>459</b>	<b>586</b>	<b>1 412</b>	<b>1 424</b>
Financial income	1	0	2	1
Financial expenses	-138	-82	-228	-171
<b>PROFIT BEFORE TAX</b>	<b>322</b>	<b>505</b>	<b>1 186</b>	<b>1 254</b>
Income tax	-60	-130	-237	-284
<b>PROFIT FOR THE PERIOD</b>	<b>262</b>	<b>375</b>	<b>948</b>	<b>970</b>
<b>ATTRIBUTABLE TO:</b>				
Owners of the parent	255	370	940	968
Non-controlling interests	7	5	8	2
<b>PROFIT FOR THE PERIOD</b>	<b>262</b>	<b>375</b>	<b>948</b>	<b>970</b>

## Consolidated statement of comprehensive income in summary

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
<b>PROFIT FOR THE PERIOD</b>	<b>262</b>	<b>375</b>	<b>948</b>	<b>970</b>
<b>Items that will not reclassified to profit or loss in subsequent periods:</b>				
Revaluation of the pension obligations	78	148	78	148
Deferred taxes	-16	-31	-16	-31
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>				
Cash flow hedges				
Fair value gains/losses	499	74	622	196
Transfers to the income statement	-32	29	-81	-19
Transfers to inventory/fixed assets	56	13	58	16
Deferred taxes	-108	-24	-123	-40
<b>OTHER COMPREHENSIVE INCOME/EXPENSES FOR THE PERIOD, NET OF DEFERRED TAXES</b>	<b>476</b>	<b>210</b>	<b>537</b>	<b>271</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>738</b>	<b>585</b>	<b>1 486</b>	<b>1 241</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Parent company shareholders	731	579	1 478	1 239
Non-controlling interests	7	5	8	2
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>738</b>	<b>585</b>	<b>1 486</b>	<b>1 241</b>

## Consolidated balance sheet in summary

MSEK	DEC 31 2022	DEC 31 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible fixed assets	261	183
Tangible fixed assets	26 339	26 254
Plan assets and other long-term receivables	45	3
Derivative financial instruments	338	74
<b>Total non-current assets</b>	<b>26 982</b>	<b>26 515</b>
<b>Current assets</b>		
Materials and consumables	1 751	724
Derivative financial instruments	396	87
Trade receivables	1 738	1 640
Other receivables	1 292	816
Cash and cash equivalents	1	1
<b>Total current assets</b>	<b>5 178</b>	<b>3 269</b>
<b>TOTAL ASSETS</b>	<b>32 160</b>	<b>29 784</b>
<b>EQUITY</b>		
<b>Equity attributable to the owners of the parent</b>		
Share capital	2	2
Reserve fund	582	45
Retained earnings	12 072	11 982
<b>Total</b>	<b>12 656</b>	<b>12 029</b>
Non-controlling interests	16	8
<b>TOTAL EQUITY</b>	<b>12 673</b>	<b>12 037</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Interest-bearing liabilities	11 069	9 680
Derivative financial instruments	0	20
Deferred tax liabilities	3 355	3 201
Other provisions	41	49
Pension obligations	3	37
<b>Total non-current liabilities</b>	<b>14 468</b>	<b>12 987</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	2 402	2 796
Derivative financial instruments	13	19
Trade payables	988	814
Other payables	1 607	1 114
Tax liabilities	7	10
Other provisions	3	6
<b>Total current liabilities</b>	<b>5 020</b>	<b>4 760</b>
<b>TOTAL LIABILITIES</b>	<b>19 488</b>	<b>17 747</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32 160</b>	<b>29 784</b>



## Consolidated report of changes in total equity

	Share capital	Retained earnings	Reservations		Equity attributable to the owner of the parent	Non -controlling interests	Total equity
MSEK		Retained earnings and profit	Cash flow hedges	Pension obligations			
<b>OPENING BALANCE JAN 1, 2021</b>	<b>2</b>	<b>12 249</b>	<b>-56</b>	<b>-555</b>	<b>11 640</b>	<b>6</b>	<b>11 646</b>
Profit for the year		968			968	2	970
Other comprehensive income			153	118	271		271
<b>Total comprehensive income for the year</b>		<b>968</b>	<b>153</b>	<b>118</b>	<b>1 239</b>	<b>2</b>	<b>1 241</b>
Adjustments of pension obligations to retained earnings		-385		385			0
<b>Transactions with shareholders</b>							
Dividend		-850			-850		-850
<b>CLOSING BALANCE DEC 31, 2021</b>	<b>2</b>	<b>11 982</b>	<b>97</b>	<b>-52</b>	<b>12 029</b>	<b>8</b>	<b>12 037</b>
<b>OPENING BALANCE JAN 1, 2022</b>	<b>2</b>	<b>11 982</b>	<b>97</b>	<b>-52</b>	<b>12 029</b>	<b>8</b>	<b>12 037</b>
Profit for the year		940			940	8	948
Other comprehensive income			476	62	537		537
<b>Total comprehensive income for the year</b>		<b>940</b>	<b>476</b>	<b>62</b>	<b>1 478</b>	<b>8</b>	<b>1 486</b>
<b>Other adjustments</b>							
Adjustments of pension obligations to retained earnings							
<b>Transactions with shareholders</b>							
Dividend		-850			-850		-850
<b>CLOSING BALANCE DEC 31, 2022</b>	<b>2</b>	<b>12 072</b>	<b>573</b>	<b>9</b>	<b>12 656</b>	<b>16</b>	<b>12 673</b>

## Consolidated cash flow statement in summary

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
<b>EBITDA</b>	<b>1 236</b>	<b>1 342</b>	<b>2 950</b>	<b>2 919</b>
Adjustments for items not included in cash flow <sup>1)</sup>	-43	-710	18	-684
Received interest	0	0	2	4
Paid interest	-119	-72	-218	-177
Paid tax	-117	-74	-225	-180
<b>Cash flow from operating activities before changes in working capital</b>	<b>958</b>	<b>486</b>	<b>2 527</b>	<b>1 882</b>
Changes in operating receivables	-2 548	-1 301	-1 600	-476
Changes in operating liabilities	1 245	484	641	397
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>-345</b>	<b>-332</b>	<b>1 567</b>	<b>1 804</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Paid investments	-1 059	-797	-1 698	-1 369
Divestment of fixed assets	0	297	0	297
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-1 059</b>	<b>-500</b>	<b>-1 698</b>	<b>-1 072</b>
<b>CASH FLOW BEFORE FINANCING ACTIVITIES</b>	<b>-1 404</b>	<b>-832</b>	<b>-131</b>	<b>732</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	1 356	398	3 150	1 598
Payment of loans	-327	-284	-2 140	-1 690
Change in overdraft facility	173	202	-29	202
Dividends paid			-850	-850
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1 202</b>	<b>315</b>	<b>-131</b>	<b>-741</b>
<b>Total increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-202</b>	<b>-517</b>	<b>0</b>	<b>-9</b>
Opening balance cash and cash equivalents	204	518	1	11
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

<sup>1)</sup> Items that do not affect cash flow mainly refer to adjustments for unrealized gains and losses attributable to changes in value in the event of revaluation of financial assets / liabilities that secure future cash flows and changes in provisions.

## Fair value of derivatives and interest-bearing liabilities

### Outstanding derivative instruments (financial assets/liabilities) reported at fair value

MSEK	DEC 31 2022	DEC 31 2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
Derivative instruments	338	74
<b>Current assets</b>		
Derivative instruments	396	87
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Derivative instruments	0	20
<b>Current liabilities</b>		
Derivative instruments	13	19

The reported fair value of the Group's outstanding derivatives and interest-bearing liabilities is shown in the tables to the left and below. The calculation of fair value is based on level 2 for derivatives and interest-bearing liabilities in the hierarchy of real value. Under interest-bearing liabilities 31 December 2022 in the table below, interest-bearing leasing liabilities of 514 MSEK (522) are excluded.

### Reported value and fair value for interest-bearing liabilities excluding leasing liabilities

MSEK	DEC 31 2022	DEC 31 2021
<b>Interest-bearing liabilities</b>		
Reported value	12 957	11 954
Fair value	12 536	12 073

### Netting information 2021-12-31

MSEK	Derivative Gross fair value	Financial instruments, netting agreement	Net amount
<b>ASSETS</b>			
Derivative instruments	1 126	-392	734
<b>LIABILITIES</b>			
Derivatinstrument	405	-392	13

## Revenue recognition

### Group net sales distributed by significant products

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
Heat	2 635	2 673	5 889	6 023
Electricity	881	569	1 457	908
Cooling	130	126	232	224
Other net sales	259	91	417	140
<b>Total</b>	<b>3 904</b>	<b>3 459</b>	<b>7 996</b>	<b>7 294</b>

Revenue is reported when goods have been delivered or services have been performed, ie when delivery commitments have been fulfilled and the inspection of the goods or the service included in the delivery commitment has been transferred to the customer. Only a marginal part of the revenue is reported over time. Revenue is recognized at the price that the company is expected to receive in accordance with the agreement and is reported reduced for discounts, price deductions and VAT.

Heating and cooling revenues arise from fees directly to the customer and usually consist of a fixed monthly fee and a variable fee based on the heating and cooling volume delivered in the current period.

Under the heading Electricity, all electricity-related income is reported, such as sales of physical electricity, electricity certificates and electricity power and emergency preparedness. collected, ie also allocated electricity certificates for the production of renewable electricity as well as income for electricity and electricity preparedness. Electricity revenues for physical electricity arise from the net delivery of electricity to Nord Pool, which takes place via Fortum at market price. Valuation of electricity certificates takes place through a combination of the market value at the balance sheet date and sales revenues for sold electricity certificates.

Other net sales include service deliveries and sales of fuels.



## Parent company income statement in summary

MSEK	JUL-DEC 2022	JUL-DEC 2021	YEAR 2022	YEAR 2021
<b>Operating expenses</b>				
Other operating expenses	0	0	0	-1
<b>OPERATING PROFIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>
<b>RESULT FROM FINANCIAL ITEMS</b>				
Other interest income and similar income	31	6	42	12
Interest expenses and similar expenses	-135	-76	-214	-151
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>-104</b>	<b>-70</b>	<b>-173</b>	<b>-139</b>
<b>APPROPRIATIONS</b>				
Group contribution	1 185	580	1 185	580
<b>PROFIT BEFORE INCOME TAX</b>	<b>1 081</b>	<b>509</b>	<b>1 012</b>	<b>440</b>
Income tax	-223	-105	-208	-91
<b>PROFIT FOR THE PERIOD</b>	<b>858</b>	<b>404</b>	<b>804</b>	<b>350</b>

There is no other comprehensive income in the Parent Company, which is why the total comprehensive income for the Parent Company corresponds to the profit for the period.

## Parent company balance sheet in summary

MSEK	DEC 31 2022	DEC 31 2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Financial fixed assets</b>		
Shares in group companies	11 888	11 888
Other long-term receivables	3 734	3 734
<b>Total fixed assets</b>	<b>15 622</b>	<b>15 622</b>
<b>Current assets</b>		
Receivables from group companies	2 434	1 210
Tax receivables	0	72
Other receivables	1	48
Cash and cash equivalents	0	0
<b>Total current assets</b>	<b>2 435</b>	<b>1 329</b>
<b>TOTAL ASSETS</b>	<b>18 057</b>	<b>16 951</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	2	2
Reserve fund	1 000	1 000
<b>Total restricted equity</b>	<b>1 002</b>	<b>1 002</b>
<b>Unrestricted equity</b>		
Retained earnings	3 859	3 859
Profit for the year	804	350
<b>Total unrestricted equity</b>	<b>4 163</b>	<b>4 209</b>
<b>TOTAL EQUITY</b>	<b>5 164</b>	<b>5 211</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	10 446	9 053
<b>Total non-current liabilities</b>	<b>10 446</b>	<b>9 053</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	2 356	2 629
Liabilities to group companies	10	12
Tax liabilities	17	
Accrued expenses and prepaid income	63	46
<b>Total current liabilities</b>	<b>2 447</b>	<b>2 687</b>
<b>TOTAL LIABILITIES</b>	<b>12 893</b>	<b>11 740</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18 057</b>	<b>16 951</b>

## Consolidated multi-year overview

MSEK	2022	2021	2020	2019 <sup>1)</sup>	2018
Net sales	7 996	7 294	6 180	6 864	7 003
<b>EBITDA</b>	<b>2 950</b>	<b>2 919</b>	<b>2 811</b>	<b>2 835</b>	<b>2 800</b>
<b>Operating profit</b>	<b>1 412</b>	<b>1 409</b>	<b>1 316</b>	<b>783</b>	<b>1 323</b>
<b>EBIT</b>	<b>1 412</b>	<b>1 424</b>	<b>1 302</b>	<b>737</b>	<b>1 381</b>
Net financial items	-226	-170	-190	-190	-168
<b>Profit before tax</b>	<b>1 186</b>	<b>1 254</b>	<b>1 111</b>	<b>547</b>	<b>1 213</b>
Tax <sup>2)</sup>	-237	-284	-234	-114	-48
<b>Profit after tax</b>	<b>948</b>	<b>970</b>	<b>878</b>	<b>433</b>	<b>1 164</b>
Total assets	32 160	29 784	29 479	29 740	29 673
Total equity	12 673	12 037	11 646	11 762	12 355
Interest-bearing liabilities	13 471	12 476	12 363	12 595	11 779
Net debt	13 469	12 475	12 352	12 593	11 627
Capital employed	26 144	24 513	24 009	24 357	24 134
Working capital	2 251	1 300	1 366	1 626	1 298
Investments	1 621	1 411	1 734	1 550	1 817
Cash flow before financing activities	-131	732	1 100	489	680
Return on equity %	7,7	8,2	7,5	3,6	9,6
Return on capital employed %	5,6	5,9	5,4	3,0	5,8
Equity ratio %	39	40	40	40	42
Debt/equity ratio	1,5	1,5	1,5	1,5	1,4
Net debt/EBITDA (LTM)	4,6	4,3	4,4	4,4	4,2

<sup>1)</sup> The results after depreciation was effected by a write-down of -582 MSEK due to the decided decommissioning of KVV6 in Värtan.

<sup>2)</sup> Income tax contains a non-recurring effect of 216 MSEK in 2018 attributable to the revaluation of deferred taxes due to changes in future tax rates.



## Alternative key figures

	2022	2021
<b>EBITDA</b>		
EBIT	1 412	1 424
Depreciations	1 539	1 495
<b>EBITDA</b>	<b>2 950</b>	<b>2 919</b>
<b>Net debt</b>		
Non-current interest-bearing liabilities	11 069	9 680
Current interest-bearing liabilities	2 402	2 796
Cash and cash equivalents	-1	-1
<b>Net debt</b>	<b>13 469</b>	<b>12 475</b>
<b>Capital employed</b>		
Equity	12 673	12 037
Interest-bearing liabilities	13 471	12 476
<b>Capital employed</b>	<b>26 144</b>	<b>24 513</b>
<b>Equity ratio</b>		
Equity	12 673	12 037
Balance sheet total	32 160	29 784
<b>Equity ratio %</b>	<b>39</b>	<b>40</b>
<b>Working capital</b>		
<b>Operating assets</b>		
Materials and consumables	1 751	724
Derivative instruments (part not classified for hedge accounting)	1	0
Trade receivables	1 738	1 640
Other receivables	1 292	816
<b>Total operating assets</b>	<b>4 782</b>	<b>3 180</b>
<b>Operating liabilities</b>		
Other non-current liabilities	0	0
Derivative instruments (part not classified for hedge accounting)	-1	0
Trade payables	-988	-814
Other payables (reduced by accrued interest expense)	-1 541	-1 066
<b>Total operating liabilities</b>	<b>-2 530</b>	<b>-1 880</b>
<b>Working capital</b>	<b>2 251</b>	<b>1 300</b>
<b>Return on equity</b>		
Equity OB	12 037	11 646
Equity CB	12 673	12 037
<b>Average equity</b>	<b>12 355</b>	<b>12 841</b>
Profit after tax	948	970
<b>Return on equity %</b>	<b>7,7</b>	<b>8,2</b>

Cont.

Cont.	2022	2021
<b>Return on capital employed</b>		
Capital employed OB <sup>1)</sup>	24 513	24 009
Capital employed CB	26 144	24 513
<b>Average capital employed</b>	<b>25 328</b>	<b>24 261</b>
EBITDA	1 412	1 424
Interest income	2	1
<b>Return on capital employed %</b>	<b>5,6</b>	<b>5,9</b>
<b>Debt/equity ratio</b>		
Non-current liabilities	14 468	12 987
Current liabilities	5 020	4 760
<b>Total liabilities</b>	<b>19 488</b>	<b>17 747</b>
Equity	12 673	12 037
<b>Debt/equity ratio %</b>	<b>1,5</b>	<b>1,5</b>

Definitions for alternative key figures and reconciliation for the full years 2018-2020 can be found in the Annual and Sustainability Report 2021 on the company's website, [stockholmexergi.se/om-stockholm-exergi/finanssiell-information](https://stockholmexergi.se/om-stockholm-exergi/finanssiell-information)

# Certification

The Board of Directors and the CEO assure that the year-end report provides a fair overview of the Parent Company's and the Group's operations, position and results and describes significant risks and uncertainties that are facing the Parent Company and the companies of the Group.

Stockholm, February 23, 2023

Stockholm Exergi Holding AB (publ)

On behalf of the board



Anders Egelrud  
CEO

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This year-end report has not been subject to special review by the company's auditors.  
Further information is provided by:

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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 electricity, heating, 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 our 700 employees work every day to reduce Stockholmers' climate impact. By developing carbon dioxide capture technologies, we are committed to making zero emissions a reality.

## **Financial reports**

Annual and Sustainability Report 2022, March 24, 2023

The Annual General Meeting will be held April 19, 2023

Interim report January-June 2023, August 31, 2023

Year-end report 2023, February 24, 2024

All reports are available after publication on the company's website: [stockholmexergi.se](https://stockholmexergi.se)

The information in this year-end report is such that Stockholm Exergi Holding AB (publ)

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