

Eco Data Center

EcoDC Holding AB (publ)
Q4 2024

CEO Comments Q4 2024

In the last quarter of 2024, we continued to build momentum and achieved important milestones that strengthen our foundation for the future. The past quarter was a testament to our ability to grow at scale and a testament to that was the completion of our third data center in Falun during the quarter.

One of the most important events was our acquisition in Borlänge of a new +200MW campus in October. This expansion is a strategic step that will enable our next phase of growth and allow us to leverage the same strong ecosystem of regional partners. In doing so, we strengthen our position to support the increasing demands of digitalization and AI at scale.

We have also made headlines that we are working on one of the first installations of the NVIDIA GB200 NVL72 SuperPod, in collaboration with our customer DeepL and NVIDIA. This project is a true validation of our technical and operational expertise and positions us among the leaders in next generation AI infrastructure. It demonstrates our ability to deliver cutting-edge solutions that push the boundaries of what is possible in data centers.

Sustainability remains an important part of our strategy and during the quarter we achieved Platinum status in EcoVadis, placing us in the top 1% of companies globally for our sustainability performance. This recognition reflects the work we have done to ensure that

our growth is not only ambitious but also responsible - creating value for our customers, partners and the communities in which we operate.

Another important milestone was the successful issuance of our first SEK 1 billion bond. The strong confidence of investors in our vision and platform underlines the financial strength and long-term potential of our business. This milestone enables us to invest further in infrastructure, innovation and sustainability to drive the industry forward.

As we close the chapter on 2024 and look ahead to 2025, we do so with confidence and excitement. The progress we have made over the past year has laid the foundations for even greater achievements, and I look forward to what is to come. Thank you to our team, partners and stakeholders for your continued trust and cooperation - we have only just begun.



Peter Michelson - CEO

Summary

Significant events in Q4 2024

On October 25, EcoDC Borlänge AB (org. no. 559281-4767) was acquired, enabling future growth opportunities in Dalarna, Sweden

Additional 6 MW contracted capacity at Campus Falun

Campus Falun continues to expand, during the period another data center of 12 MW was completed

Change in the Board: Robert Björk replaces Therese Norling as Board member of EcoDC Holding AB (publ)

Change in management: Josefina Xanthou has chosen to leave her role as CFO in the Group in the spring of 2025, recruitment process has begun for a replacement

Significant events after the end of the period

New data center construction has begun on Campus Falun

October - December 2024

Net sales: 89 035 (87 185) KSEK
Operating result (EBIT): -124 270 (-100 741) KSEK
Result for the period: -242 090 (-53 186) KSEK
Cash flow for the period: -561 990 (265 093) KSEK
Cash and cash equivalents at the end of the period: 627 908 (448 274) KSEK

January - December 2024

Net sales: 298 130 (189 844) KSEK
Operating result (EBIT): -200 150 (-186 298) KSEK
Result for the year: -382 102 (-160 440) KSEK
Cash flow for the period: 179 634 (33 403) KSEK
Cash and cash equivalents at year-end: KSEK 627,908 (448,274)



Comments on 2024

Period October - December 2024

The Group's net sales for the period amounted to KSEK 89,035 (87,185). The increase in net sales is attributable to projects that were completed during the period. For the period 2023, a major customer project was invoiced.

The operating result for the period was KSEK -124 270 (-100 741). The negative profitability trend is attributable to other external costs during the period to ensure future expansion.

Financial expenses for the period were SEK -133,514 (-7,541) thousand, which is directly attributable to the Group's increased indebtedness. Financial liabilities are recognized at amortized cost; full-year reversals were made during the period.

The result for the period was KSEK -242 090 (-53 186).

Cash flow from operating activities amounted to KSEK 145 477 (287 552). Cash flow from investing activities for the period amounted to KSEK -938,256 (-427,918). Cash flow from financing activities amounted to SEK 230,789 (405,459) thousand, which is attributable to net new loans and amortization.

Period January - December 2024

The Group's net sales for the year amounted to SEK 298,130 (189,844) thousand. The increase is mainly related to the full-year effect of projects that were sold in 2023 and increased IT load leading to higher energy consumption.

The operating result for the year was SEK -200 150 (-186 298) thousand. The fourth quarter contributed to the negative development. Furthermore, the increased energy consumption is driving up costs, Personnel costs increased during the year as the Group continues to expand and additional data centers are commissioned.

Financial expenses for the year were SEK -197,646 (-29,238) thousand, attributable to the increased indebtedness of the Group. Financial liabilities are recognized at amortized cost. Hedges in interest rate swaps refer to hedging of the variable interest rate on loans. Interest rate swaps are recorded as cash flow hedges.

The result for the year was KSEK -382 102 (-160 440).

Cash flow from operating activities was negative, SEK -430,743 thousand (-507,156). Cash flow from investing activities for the year amounted to SEK -2,253,229 thousand (-1,052,963). Investments are mainly attributable to the expansion in Falun, and the acquisition in Borlänge. Cash flow from financing activities amounted to SEK 2,863,606 thousand (1,593,522), of which SEK 844,758 thousand (1,099,984) related to new share issues during the year. Net new loans and amortization amounted to SEK 2,018,823 (493,538) thousand.



Other information

Company details

EcoDC Holding AB (publ), corporate identity number 559491-2098, is a limited liability company based in Stockholm and the parent company of the EcoDC Group.

Group structure

As of the reporting date, the Group consisted of the parent company EcoDC Holding AB (publ), EcoDC Group AB, EcoDC AB, EcoDC Falun AB, EcoDC Piteå AB, EcoDC Stockholm AB, EcoDC Östersund AB, EcoDC 2 AB and EcoDC Borlänge AB.

Formation of the group

On September 10, 2024, the group underwent a major restructuring. The former ECODC AB group was extended upwards by EcoDC Group AB becoming the owner of 100% of the shares in ECODC AB. The group was extended one step further by EcoDC Holding AB (publ) becoming the owner of 100% of EcoDC Group AB.

At the time of the transaction, Areim Investment DC AB owns 97% of the shares and votes in both EcoDC Holding AB (publ) and ECODC AB and therefore has a controlling influence over the underlying business both before and after the transaction.

The formation of the EcoDC Holding AB (publ) Group is thus a transaction under common control, which is not regulated by the K3 regulations. This means that, according to K3, Chapter 10 Change in Accounting Policies, Changes in Accounting Estimates and Judgments and Correction of Errors, management shall use its judgment in developing and applying an accounting policy that results in information that is relevant to users' economic decision-making and reliable.

Management believes that an applicable and accepted principle in this type of transaction is to use previous book values (predecessor basis), which is the principle that the EcoDC Holding AB (publ) Group has chosen to apply. In order to apply the acquisition method, K3 requires that there has been a business combination, i.e. that

two operations/businesses are combined through the acquisition. Since only ECODC AB conducts activities/businesses as defined in K3, the transaction is not considered to constitute a business combination. Instead, the economic substance of the transaction is solely an intra-group restructuring and continuity of ECODC AB's operations. For the purposes of the consolidated financial statements, this means that assets and liabilities are recognized at the carrying amounts that existed in the ECODC AB group before the acquisition. No assets and liabilities are recognized at fair value at the date of the transaction.

The difference between the effect of the transaction in the EcoDC Holding AB (publ) Group and the net assets of ECODC AB is recognized in equity within other contributed capital and retained earnings at the time of the transaction.

The financial statements are thus a continuation of the financial information of the ECODC AB Group and are presented as if the entities had been a group for all periods presented based on the values and for the periods they were part of the ECODC AB Group. Subsidiaries are therefore included in the consolidated financial statements from the date they were acquired from an external party.

Acquisition of subsidiaries

On October 25, 2024, 100% of the shares in Kvarnsvedens Fastighets AB were acquired, which has been renamed EcoDC Borlänge AB. The consolidated surplus value has been determined to SEK 338,013 thousand. This surplus value has been identified in the form of land and is therefore not the basis for depreciation.

Principles for the preparation of the report

The year-end report has been prepared in accordance with the same accounting principles as in the company's latest annual report, i.e. the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). The company's assets and liabilities are stated at cost unless otherwise stated.

Other information

Valuation principles

Financial liabilities are recognized at amortized cost in accordance with BFNAR 2012:1 chapter 11.

To reduce the interest rate and currency exposure of the interest accruing on debt, interest rate swaps in SEK and EURO are used. The Company will assess the effectiveness of the hedging relationship at each balance sheet date by comparing the critical terms of the hedging instrument with the critical terms of the hedged item. The critical terms are nominal amount, maturity and interest rate basis. The hedging relationship is considered effective as long as there is no significant change in the principal terms of either the hedging instrument or the hedged item. Hedge accounting in accordance with BFNAR 2012:1 Chapter 11 is applied on the balance sheet date when the hedging relationship is deemed to be effective.

Employees

The number of employees as of December 31 was 67 (51), of which 11 (9) were women and 56 (42) men. The average number of employees (FTE) was 64 (49) in the fourth quarter and 59 (43) for the period January-December 2024. In addition to employed staff, EcoDataCenter regularly hires consultants with specialist expertise.

Related party transactions

There were no transactions with related parties during the period, apart from the usual transactions between group companies and owners, which are deemed to be on arm's length terms.

Risk factors

Market and operational risk: The Group's operations are to some extent affected by macroeconomic factors such as general economic development, regional economic development, employment development, changes in infrastructure, population growth, population structure, inflation, interest rates, etc. Economic development is a significant factor for supply and demand in the market for available properties suitable for data center development and thus affects yields, occupancy rates and fee levels. Expectations regarding inflation affect the interest rate and thus the Group's net financial income.

The Group operates in Sweden and therefore the Group's operations are exposed to macroeconomic factors affecting Sweden. Furthermore, the supply and demand for data center investments differs between different geographic markets and may develop differently within different geographic markets. Demand for data centers may decrease. This could lead to lower utilization rates, lower future fee levels and/or declining market values of the properties. If one or more of these factors were to develop negatively, it could have a material adverse effect on the Group's operations, financial position and earnings.

The Group's portfolio of data centers includes a large number of customers. Revenue from customers may be affected in the long term by, for example, supply and demand in the data center occupancy market. The economic occupancy rate of the Group's data centers, the contracted fee level and the customers' ability to pay will affect the Group's overall revenues. If, for any reason, the economic occupancy rate or fee levels decrease, the Group's results will be negatively affected.

The Group has legal obligations in its customer contracts to deliver services with a high level of continuity without interruption to customer service. There is a risk that the Group may not be able to deliver according to its legal obligations to its customers due to, for example, power outages, fires, cyber-attacks or other technical failures. If such a risk were to materialize, it would expose the Group to liabilities to its customers.

The Group is also dependent on its customers paying their fees on time and is therefore exposed to the risk that customers do not fulfill their obligations, which could lead to reduced revenues. If any of the risks described above were to materialize, it would have an adverse effect on the Group's business, financial condition and results of operations.

Financial risk: The Group prioritizes maintaining sufficient liquidity to meet its commitments, including its ongoing investments. Liquidity levels, including refinancing needs, are continuously monitored and supported by a long-term liquidity forecast.

The Group has loans from several financial institutions, all structured with long-term repayment plans. The Group is exposed to fluctuations in STIBOR, EURIBOR and SWAP rates. At the end of the period, the ratio between fixed and floating rates was 50/50.

The Group is exposed to different currencies in both costs and revenues, which is why currency risks can have a negative impact on the Group's operations, financial position and results.

Risk factors described in the Annual and Sustainability report 2023, pages 22-23, remain relevant.

Publication

This information is information that EcoDC Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.

Review

This report has not been reviewed by the company's auditor.

The Board of Directors and the Managing Director certify that the year-end report gives a true and fair view of the operations, financial position and results of the Parent Company and the Group.

Stockholm February 14, 2025
Leif Andersson (Chairman)
Robert Björk
Johan Dettel
Alexander Lukesch
Erik Bertman
Peter Michelson (CEO)

Consolidated Income Statement

Consolidated Income Statement	2024-10-01	2023-10-01	2024-01-01	2023-01-01
('000 SEK)	-2024-12-31	-2023-12-31	-2024-12-31	-2023-12-31
Net turnover	89 035	87 185	298 130	189 844
Activated own-account work	1 376	1 953	6 804	6 539
Other operating income	227	14 889	710	15 433
Operating expenses				
Raw material and supplies	862		862	
Merchandise	-1 013	-229	-1 887	-1 540
Other external cost	-125 652	-67 627	-298 342	-161 580
Staff costs	-19 418	-18 721	-73 706	-58 012
Depreciations and amortization	-66 208	-116 952	-129 205	-174 416
Other operating expenses	-3 479	-1 238	-3 516	-2 566
Operating result (EBIT)	-124 270	-100 741	-200 150	-186 298
Result from financial items				
Other interest income and similar income	9 108	8 002	18 380	9 795
Interest expense and similar income statement items	-142 623	-15 543	-216 027	-39 032
Earnings before Tax	-257 784	-108 282	-397 796	-215 536
Tax	9 015	0	9 015	0
Deferred tax	6 679	55 096	6 679	55 096
Earnings	-242 090	-53 186	-382 102	-160 440

Consolidated Balance Sheet (Assets)

Consolidated Balance Sheet ('000 SEK)	2024-12-31	2023-12-31
ASSETS		
Fixed Assets		
<i>Intangible fixed assets</i>		
Capitalized expenditures on development and similar activities	1 953	4 756
Concessions, patents, licenses, trademarks and similar rights	6 523	0
Goodwill	0	0
	8 476	4 756
<i>Tangible fixed assets</i>		
Building and land	909 814	183 046
Machinery and other technical installations	61 232	68 157
Equipment, tools and installations	902 340	496 387
Construction in progress	2 619 987	1 625 479
	4 493 373	2 373 068
Financial fixed assets		
Deferred tax assets	140 239	125 249
Other long-term receivables	22 676	23 678
	162 915	148 927
Total fixed assets	4 664 764	2 526 752
Current Assets		
Inventories		
Raw material and supplies	12 296	3 010
	12 296	3 010
Short-term receivables		
Accounts receivables	92 711	50 480
Other receivables	97 106	113 390
Prepaid expenses and accrued income	29 565	25 998
	219 382	189 868
Cash and Cash equivalent	627 908	448 274
Total Current Assets	859 586	641 151
TOTAL ASSETS	5 524 349	3 167 903

Consolidated Balance Sheet (Equity and liabilities)

Consolidated Balance Sheet ('000 SEK)	2024-12-31	2023-12-31
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the parent company shareholders		
Share capital	18 946	1 250
Other contributed capital	3 518 442	2 691 355
Other equity incl profit for the year	-953 395	-571 293
Equity attributable to the parent company shareholders	2 583 993	2 121 313
Total Equity	2 583 993	2 121 313
Provisions for deferred tax	8 311	0
Long-term liabilities		
Bond	983 861	0
Liabilities to credit institutions	1 389 838	410 471
Other liabilities	192 121	133 217
	2 565 819	543 688
Current liabilities		
Liabilities to credit institutions	0	3 308
Advances from customers	123 570	0
Trade payables	143 154	236 313
Liability to owners	0	205 240
Current tax liabilities	26 745	953
Other liabilities	3 075	5 866
Accrued expenses and deferred income	69 683	51 222
	366 226	502 902
TOTAL EQUITY AND LIABILITIES	5 524 349	3 167 903

Consolidated cash flow statement

Consolidated Cash Flow ('000 SEK)	2024-10-01 -2024-12-31	2023-10-01 -2023-12-31	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Current Operations				
Earnings	- 257 784	- 108 282	- 397 796	- 215 536
Adj items not included in cash flow	214 594	116 965	120 894	174 140
Tax paid	36 473	1 078	43 118	- 209
Cash Flow Operating activities before changes in working capital	- 6 717	9 761	- 233 785	- 41 605
Cash flow working capital				
Increase(-)/Decrease(+) in inventories	- 5 212	- 1 432	- 9 286	- 1 580
Increase(-)/Decrease(+) in operating receivables	49 188	- 49 861	- 28 512	- 93 018
Increase(+)/Decrease(-) in operating liabilities	108 217	329 085	46 080	- 370 954
Cash Flow Operating activities	145 477	287 552	- 225 503	- 507 156
Investment activities				
Investments in tangible assets	- 932 434	- 427 918	-2 246 666	- 1 052 963
Investments in intangible assets	- 5 822	-	- 6 563	-
Cash flow from investing activities	- 938 256	- 427 918	-2 253 229	- 1 052 963
Financing activities				
Issue of new shares	-	-	639 518	1 099 984
Shareholder contributions	-	-	25	-
Loans	235 901	410 471	2 038 227	526 207
Repayment of loan	- 5 112	- 5 012	- 19 404	- 32 669
Cash flow from financing activities	230 789	405 459	2 658 366	1 593 522
Cash Flow	- 561 990	265 093	179 634	33 403
Cash and equivalent at the beginning of the period				
Cash and equivalent at the beginning of the period	1 189 898	183 181	448 274	414 871
Cash and cash equivalent at end of the period	627 908	448 274	627 908	448 274

Consolidated Changes in equity

Other information

1. Correction of accounting for borrowing costs and stamp duty on mortgage deeds
2. New share issues in EcoDC AB, completed before September 9, 2024
3. Restructuring of the group - assets and liabilities are recognized at the carrying amounts that existed in the ECODC AB group

Consolidated	Sharecapital	Other contributed capital	Reserves	Other own capital incl. Profit for the year	Total
Amount at the beginning of the ye	1 250	4 388	2 686 967	-719 679	1 972 926
Adjustment 2023 ¹	0	0	0	148 386	148 386
Adjusted amount at the beginning	1 250	4 388	2 686 967	-571 293	2 121 313
Issue of New Shares EcoDC AB ²	341	0	843 892	0	844 233
Group restructuring ³	17 355	3 514 055	-3 530 859	0	550
Result for the year 2024	0	0	0	-382 102	-382 102
Amount at year-end	18 946	3 518 442	0	-953 395	2 583 993

Parent Company Income Statement

Income Statement - Parent ('000 SEK)	2024-10-01 -2024-12-31	2023-10-01 -2023-12-31	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Net turnover	0	0	0	0
Operating expenses				
Other external cost	-812	0	-854	0
Operating result (EBIT)	-812	0	-854	0
Result from financial items				
Other interest income and similar income	7 327	0	7 327	0
Interest expense and similar income statemen	-21 654	0	-22 817	0
Earnings before Tax	-15 140	0	-16 344	0
Tax	0	0	0	0
Earnings	-15 140	0	-16 344	0

Parent company Balance Sheet (Assets)

Balance Sheet - Parent ('000 SEK)	2024-12-31	2023-12-31
ASSETS		
Fixed Assets		
Financial fixed assets		
Shares in group companies	5 798 025	0
Receivables from group companies	654 019	0
	6 452 044	0
Total fixed assets	6 452 044	0
Short-term receivables		
Prepaid expenses and accrued income	167	0
	167	0
Cash and Cash equivalent	315 266	0
Total Current Assets	315 433	0
TOTAL ASSETS	6 767 477	0

Parent company balance sheet (equity and liabilities)

Balance Sheet - Parent ('000 SEK)	2024-12-31	2023-12-31
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the parent company shareholders		
Share capital	18 946	0
Other contributed capital	5 779 580	0
Other equity incl profit for the year	- 16 344	0
Equity attributable to the parent company shareholders	5 782 181	0
Total Equity	5 782 181	0
Long-term liabilities		
Bond	983 861	0
	983 861	0
Current liabilities		
Trade payables	75	0
Accrued expenses and defereed income	1 360	0
	1 435	0
TOTAL EQUITY AND LIABILITIES	6 767 477	0

Parent company cash flow statement

Cash Flow - Parent (‘000 SEK)	2024-10-01 -2024-12-31	2023-10-01 -2023-12-31	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Current Operations				
Earnings	-15 140	0	-16 344	0
Cash Flow Operating activities before changes in working capital	-15 140	0	-16 344	0
Cash flow working capital				
Increase(-)/Decrease(+) in operating receivables	-654 111	0	-654 185	0
Increase(+)/Decrease(-) in operating liabilities	8	0	1 435	0
Cash Flow Operating activities	-669 243	0	-669 095	0
Investment activities				
Cash flow from investing activities	0	0	0	0
Financing activities				
Issue of new shares	0	0	500	0
Loans	1 513	0	983 861	0
Cash flow from financing activities	1 513	0	984 361	0
Cash Flow	-667 730	0	315 266	0
Cash and equivalent at the beginning of the period				
Cash and equivalent at the beginning of the period	982 995	0	0	0
Cash and cash equivalent at end of the period	315 266	0	315 266	0