

A photograph of a young child sitting up in bed, reading a book. The child is wearing a white t-shirt with a blue and red graphic that says "STAR DIV." The child is covered with a patterned blanket. The room is dimly lit, with a nightlight visible in the background. The text "Ellevio – Green Bond Offering" is overlaid on the left side of the image.

Ellevio – Green Bond Offering

2020-06-02



We bring
electricity to you

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 - 2.** Market drivers and regulatory development
 - 3.** Ellevio Green Bond Framework and Eligible green investment projects
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1. Introduction to Ellevio

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2. Market drivers and regulatory development

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ELLEVIO

We Bring
Electricity to You



We own, operate
and develop
transmission &
distribution
networks in
Sweden

SEK 6.7 bn

net sales 2019

77,500

km of power lines distribute 26.5
TWh electricity

962,000

customers

17.5%

2nd largest DSO, market share

BBB

Solid investmentgrade rating by
Standard & Poor's

~3,000 people

employed, of which ~500 own
employees

SEK 10.7 bn

Investments during 2016 – 2019

99.98%

reliability

ELLEVIO

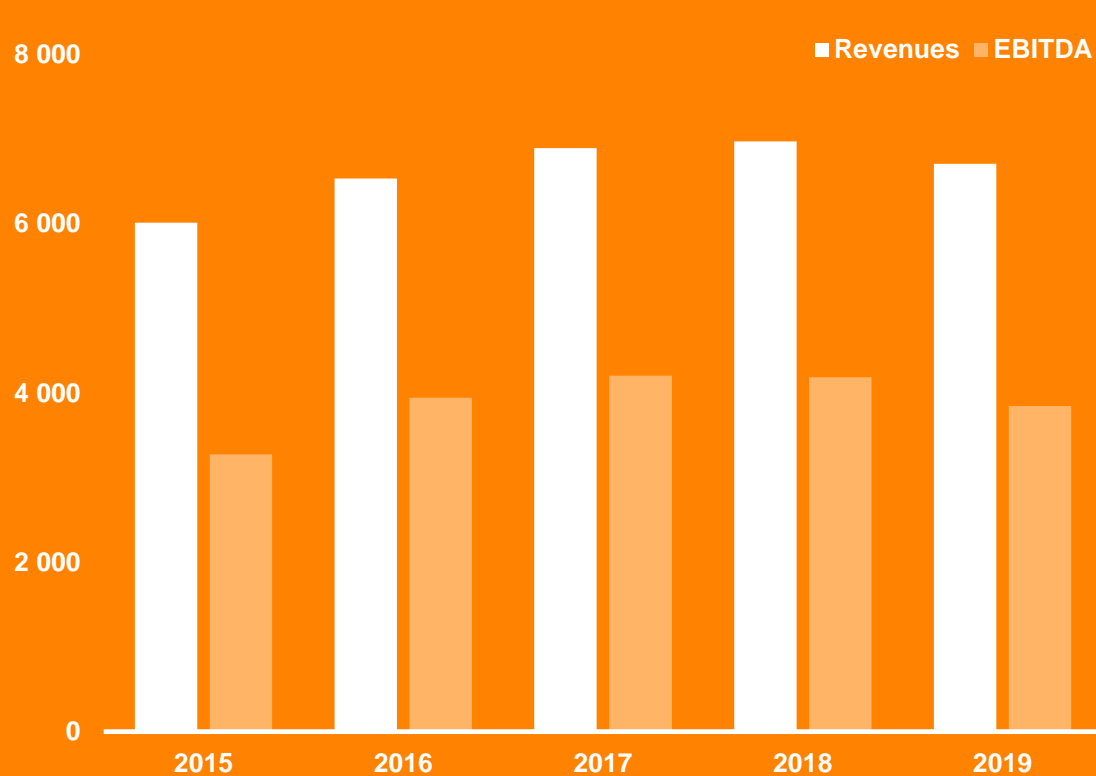
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Ellevio's strategy focusing on delivering value for our stakeholders



Strong and resilient performance

Historic development of Net sales and EBITDA



MSEK	2015	2016	2017	2018H	2019
Net Sales	6,014	6,537	6,894	6,974	6,709
EBITDA	3,275	3,946	4,207	4,188	3,848
Operating profit	1,675	1,929	2,161	2,067	1,649
Capital expenditure	1,706	2,076	2,381	2,879	4,000

Long-term, experienced and strategic owners

1. OMERS Infrastructure

International long term investor in large-scale infrastructure projects backed by Ontario Municipal Employees Retirement System (“OMERS”), one of Canada's largest pension plans with more than \$109 bn* in net assets

2. The Third National Swedish Pension Fund (AP3)

One of the five buffer funds within the Swedish national pension system. Manages approx. SEK 394 bn* in a diversified global portfolio of listed equities, fixed income assets and alternative investments.

3. The First National Swedish Pension Fund (AP1)

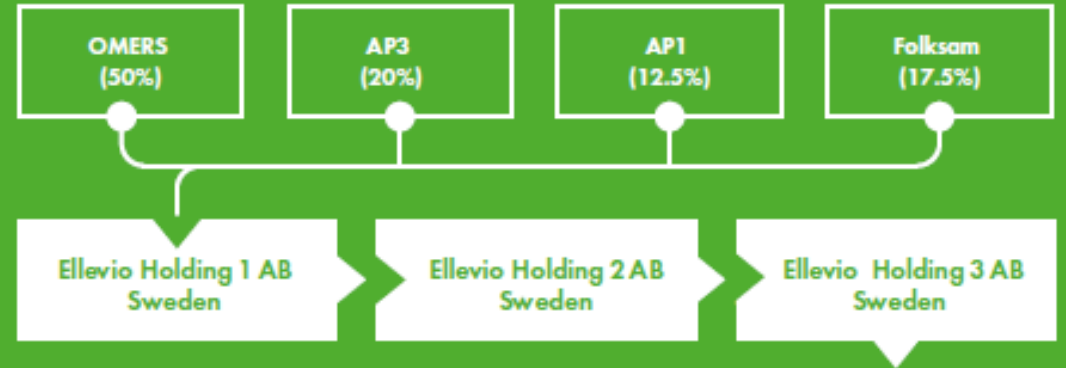
One of five buffer funds in the Swedish national income pension system. Has assets under management of SEK 366 bn* in a global portfolio consisting of equities, fixed-income securities, real estate, infrastructure, private equity funds and hedge funds.

4. Folksam

A Swedish mutual insurance company, and one of Sweden's largest investment managers with approx. SEK 454 bn* in assets under management

*As per 2019-12-31

Control structure of Ellevio



SECURITY RINGFENCE



An aerial photograph of a river flowing through a lush green forest. A dam is visible in the middle of the river, with a wind turbine standing on a small island or peninsula in the center. The text '2. Market drivers & regulatory development' is overlaid on the top left of the image.

2. Market drivers & regulatory development

1. Introduction to Ellevio

2. **Market drivers and regulatory development**

3. Ellevio Green Bond Framework and Eligible green investment projects

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We Bring
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Strong trends in the society supporting the demand for reliable and flexible electricity distribution



Changing production patterns – more renewable, weather-dependent and locally produced electricity



Strong urbanisation continues – capacity issues in certain areas in Sweden



Electrification of society in general and the transport sector in particular



Digitalisation of all aspects of our lives



Cyber security increasingly important



Regulatory update

- Third regulatory period began 1 January 2020
- Decision from Ei regarding allowed revenue served during autumn 2019
 - WACC of 2,16% deemed by the Industry to provide insufficient incitement to generate needed investments in the network
 - 120 companies have appealed
 - Decision by the Administrative Court in Linköping expected in 2020
- Currently a pause in the European Commission process against Sweden
 - Awaits ruling in the case against Germany, expected during 2020
- Agreement with Government to carry over the regulatory deficits from the first regulatory period
 - Proposal for new law allowing distribution companies to utilise regulatory deficits for investments under certain conditions

An aerial photograph of a park. On the left, a dark blue river flows through a dense forest of green trees. In the center-right, there is a red clay tennis court with white lines, surrounded by a green lawn and more trees. To the right of the tennis court, a paved road with white lane markings runs vertically. The overall scene is lush and green, suggesting a natural and recreational area.

3. Ellevio Green Bond Framework & Eligible green investment projects

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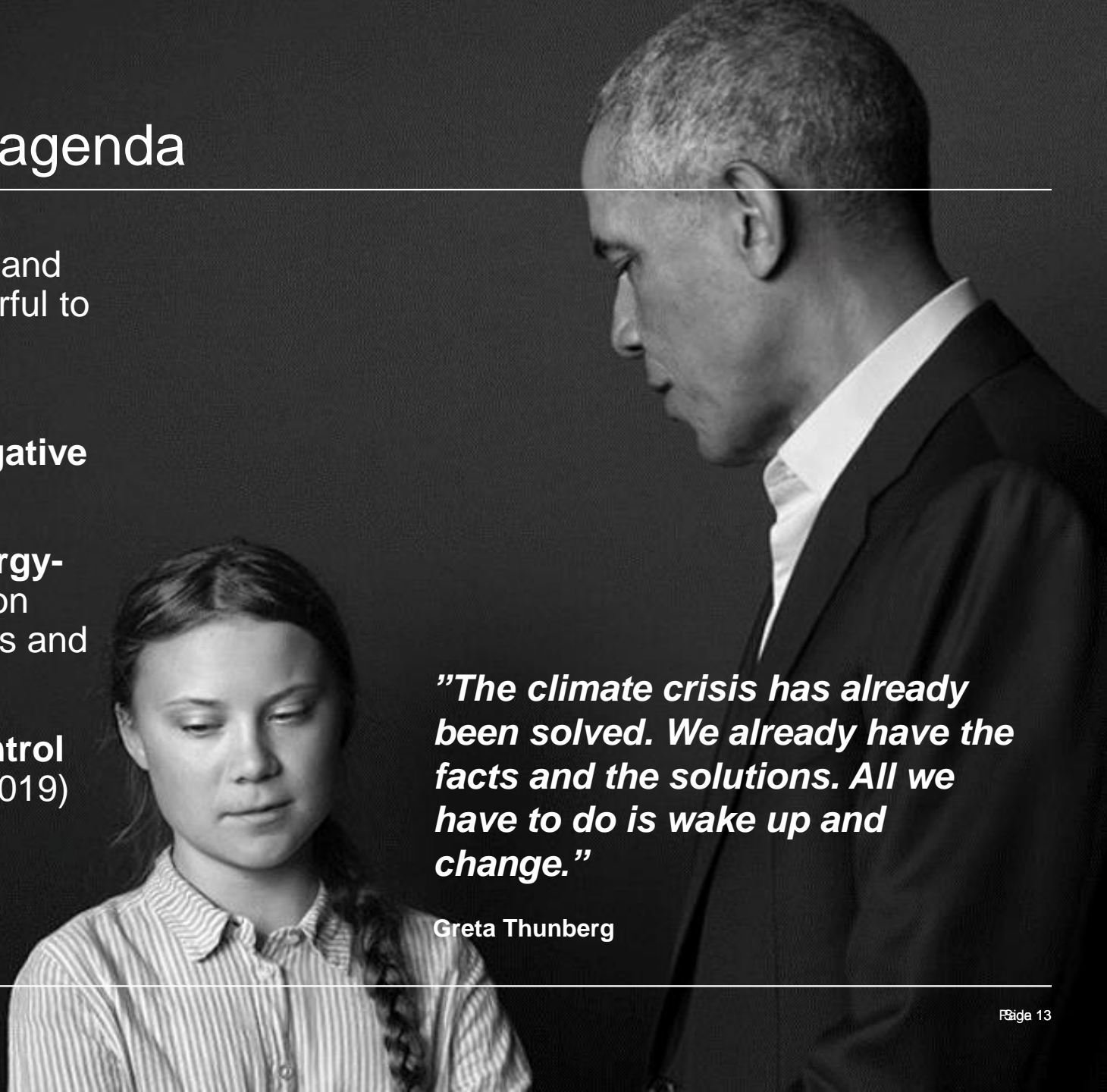


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Sustainability is on everyone's agenda

- 67 percent of all Swedes want politicians and leaders to act more proactively and powerful to **push the sustainability agenda**
- 63 percent of all Swedes say that climate change will **affect their lifestyle in a negative manner**
- Most Swedes are willing to **test new energy-solutions** rather than change consumption patterns related to food, beverage, clothes and shoes for example
- 59,3% of Ellevio's customers want to **control their own energy consumption.** (SKI, 2019)

*WWF:s Klimatbarometer 2019



"The climate crisis has already been solved. We already have the facts and the solutions. All we have to do is wake up and change."

Greta Thunberg

Ellevio – enabling the transition to a carbon-neutral society

- We believe that the electricity networks will play an important role in enabling the transition to a **carbon-neutral and climate-smart society**
- At Ellevio, we take a leading role in this transformation by ensuring reliable, efficient, flexible and smart distribution of electricity. For us, sustainability means playing an active role in the creation of a carbon-neutral and climate-smart society
- Our mission is to improve quality of life by guaranteeing a long-term sustainable electricity network. This transformation will require huge investments in the electricity networks
- All our **future actions and investments are sustainable and green** for the benefit of our customers and society at large

An aerial photograph of a snowy forest. A utility bucket is suspended from a crane, and a worker in a yellow safety vest is visible inside it. The ground is covered in snow, and the trees are also heavily laden with snow. The scene is captured from a high angle, looking down on the worker and the surrounding landscape.

In 2017, we became the first standalone electricity distribution operator to join the UN Global Compact

Drivers to future-proof Sweden

- The Swedish target to become climate-neutral by 2045 requires a major expansion of renewable energy sources and electrification of transport and industry. This is placing major demands on **future investments in the electricity network**
- As a society, Sweden is dependent upon electricity in both urban and rural areas, and the demands placed on reliable, flexible and smart electricity networks are considerable
- This creates a need for a rapid transition to a carbon-neutral and climate-smart society

Through commitment and expertise we at Ellevio aim to invest in and create this carbon-neutral and climate-smart society

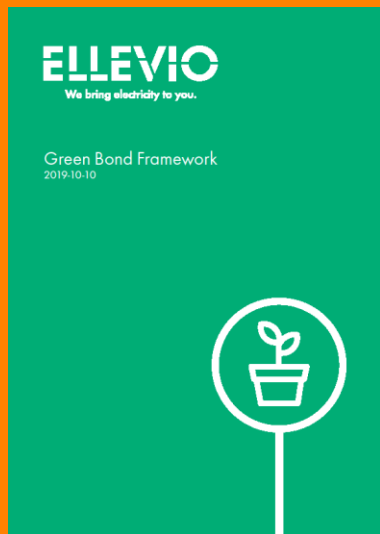


Our response – green investments

Eligible Projects Include

- Our Green Bond Framework issued in 2019 is aligned with the Green Bond Principles published in 2018 by the International Capital Markets Association and has received the highest grade "Dark Green" by CICERO

- Ellevio's green bonds will provide the funds needed for a rapid transition to a carbon-neutral electricity network and a climate-smart society
- Investments in projects covered by our Green Bonds will deliver on the following values and UN Sustainable Development Goals



Value creation

- Renewable Energy
- Energy Efficiency
- Climate Change Adaption
- Protection of natural living resources
- Clean transportation

UN SDGs



Process for evaluating and selecting green bond projects



- All investment projects > SEK 5/10¹ million are subject for individual sustainability assessment.
- Approved investment projects, will be screened, reviewed and approved by Ellevio's Sustainable Investment Committee before qualifying as projects approved for green bond financing
- Green investment funds will be ear-marked and separated from other funds. An investment letter will be published annually to detail information regarding allocation and impact of funded green bond projects. Green investments will also be reported as a part of our annual sustainability report
- A majority of Ellevio's investments in 2020-2023 qualifies for green bond financing. The purpose of Ellevio's inaugural green bond financing is a well defined "land-mark project" - The Automatic Meter Management Program within the category "Energy Efficiency" with an estimated total investment budget of SEK 1 675 million



The Automatic Meter Management Program



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Investing in smart electricity meters

- Between May 2020 and January 2023, Ellevio will replace the electricity meters in the homes of nearly one million households and customers
- The Automatic Meter Management Program is a landmark project supporting the transition towards a climate-smart society
- The new smart electricity meters are essential in the further development of smart grid functionalities
 - Customers will easier understand their energy consumption - near real time visualization of hourly values - and become more informed and active
 - Will lead to a more efficient use of electricity by enabling peak shavings, securing demand response and contribution to an evolved energy market
- The meters and communication equipment and software will be supplied by Sagemcom, installation of the new smart meters will be performed by ONE Nordic
- May-July 2020 first pilot in Stockholm (Älvsjö) will be carried out and nearly 5 000 meters will be replaced.

AMM Sustainability Assessment



Environment

- The program is supporting Ellevio's sustainability and environmental targets
- The investment has no major direct environmental impacts. All removed meters shall be recycled as material in accordance with the principles of the WEEE directive. Vehicles satisfying the criteria for green cars will be used when performing AMM Services

Economy

- Will secure and stimulate both local and national employment
- Will enable demand response and contribute to a more energy efficient value chain

Social

- Will implement its scope with due care, and always with a sustainable and safety-oriented mindset, both internally and in the supplier interface
- However, contractors and all its personnel and subcontractors will be trained in an comply with the latest versions of ESA Principles and ESA Work and to comply with Ellevio's QHSE and sustainability requirements and all other relevant requirements.

Thanks to new, smart electricity meters, Ellevio's customers will be able to consume electricity in a more climate-smart manner. When almost one million households and companies contribute to little things, Ellevio can make a difference to the big things.



4. Ellevio Bond offering

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Key terms of Green Bond offering

- The issuance represents the first Green Bond issue for Ellevio
- Dark Green shading by CICERO

- We will focus on the 7 year tenor
- The expected transaction amount is SEK 1.0 to 1.5 billion

Issuer	Ellevio AB (publ)
Guarantor	Ellevio Holding 4 AB
Notes Rating	BBB by S&P
Class	Class A Bonds
Use of Proceeds	Green Bonds (Including The Automatic Meter Management Program within the category "Energy Efficiency" of the Green Bond Framework)
Maturity	5 to 7 years (with focus on the 7 year)
Coupon Type	Fixed and/or FRN
Combined issue size	SEK 1.0 to 1.5bn
Green Bond Framework ⁽¹⁾	Ellevio's Green Bond Framework dated 10 October 2019
Second Opinion ⁽¹⁾	The Green Bond Framework has been reviewed and rated " CICERO Dark Green " by CICERO in their Green Bond Second Opinion dated 6 November 2019
Documentation	The Issuer's EUR 10bn EMTN Programme dated 15 May 2020
Listing	Euronext Dublin (official list)
Target Market	Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA or in the UK.

ELLEVIO

We Bring Electricity to You.

Smart grid development will secure reliability in a renewable energy system

Balanced investment programme focusing on sustainability reliability and digitalization

Stable financial performance.
Diversified financing platform
Investment grade rating (BBB) by S&P

A strong value-driven corporate culture and employer brand focusing on safety, diversity and customers

Ellevio is well positioned for growth both via business development and via acquisitions

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