

Continued strong performance during the first six months of 2018

- Net sales amounted to SEK 3,542 (3,538) million
- Distributed electricity amounted to a total of 14.3 (14.1) TWh
- Operating profit amounted to SEK 1,217 (1,213) million
- Free cash flow totalled SEK 1,912 million (1,269)
- Capital expenditure amounted to SEK 1,022 million (975)
- Number of customers totaled ~941,000, compared to ~939,000 in the year-end 2017



Strategic highlights during January-June 2018

- Integration of Elverket Vallentuna continues
- Well defined strategy for continued growth
- A series of financing transaction completed

 securing a stable long term financing
 platform
- Normal period in operations, no major outages
- Large investment programs continued
- Ordinance passed in Government regarding new functional requirements for electricity metering
- The bill for "Elmarknadsfrågor" passed in the Swedish Parliament
- Decision to lower corporate tax rate from 22% to 20.6%. Interest deduction rules in line with EU-directive with cap at 30% of EBITDA
- After the end of the reporting period –
 Swedish Government passed a new ordinance on the regulatory framework



- Joined the construction industry initiative "Håll Nollan", Retain Zero
- First follow-up report submitted to Global Compact, based on Ellevio's sustainability report
- Price harmonisation initiated according to plan
- The transition of the energy tax from electricity sales companies to DSO:s conducted
- Continued digitalisation in all aspects of the customer experience – chat function, BankID
- Initiatives to increase the equality in the company and in the industry
- Continued strong employee engagement





Income statement

MSEK	1 Jan 2018 30 June 2018	1 Jan 2017 30 June 2017	1 Jan 2017 31 Dec 2017
Net sales	3,542	3,538	6,894
Capitalised own work	43	34	70
Other income	34	31	70
	3,619	3,604	7,034
Operating expenses			
Costs for purchase and transit of power	-576	-526	-1,023
Other operating expenses	-561	-639	-1,384
Employee benefit expense	-230	-209	-419
Depreciations and amortisation	-1,035	-1,017	-2,046
Operating profit	1,217	1,213	2,161
Financial income and expenses			
Interest income and similar items	1	1	1
Interest expense and similar items	-1,574	-1,497	-2,912
Profit/loss after net financial income/expense	-356	-284	-750
Appropriations	0	0	1,207
Profit/loss before tax	-356	-284	457
Income tax expense	794	-70	-169
PROFIT/LOSS FOR THE PERIOD	438	-353	288



Balance sheet

MSEK	30 June 2018	30 June 2017
ASSETS		
Non-current assets		
Intangible assets	44,530	45,188
Property, plant and equipment	30,040	29,043
Non-current financial assets	3,633	1,492
Total non-current assets	78,203	75,722
Current assets		
Current receivables	1,932	1,408
Cash and cash equivalents	146	9
Total current assets	2 078	1,417
TOTAL ASSETS	80 282	77,139

MSEK	30 June 2018	30 June 2017	
EQUITY AND LIABILITIES			
Equity	6,639	5,560	
Untaxed reserves	1,069	783	
Deferred tax liability	13,141	14,018	
Non-current liabilities			
Bond loans	32,719	32,114	
Liabilities to credit institutions	4,218	1,726	
Liabilities to Group companies	17,664	20,076	
Derivative instruments	430	448	
Other non-current liabilities	323	166	
Total non-current liabilities	55,354	54,530	
Total current liabilities	4,078	2,248	
TOTAL EQUITY AND LIABILITIES	80,282	77,139	



Cash flow statement

MSEK	1 Jan 2018 30 June 2018	1 Jan 2017 30 June 2017	1 Jan 2017 31 Dec 2017
Cash flow from operating activities	3,078	2,404	4,117
Investing activities			
Capital expenditure intangible assets	-47	-21	-64
Capital expenditure property, plant and equipment	-1,118	-1,113	-2,305
Acquisition of shares	-627	-438	-438
Proceeds from sales of fixed assets	0	4	4
Cash flow from investing activities	-1,792	-1,568	-2,802
Cash flow before financing activities	1,286	835	1,314
Of which free cash flow	1,912	1,269	1,748
Financing activities			
Borrowings	5,305	13,020	14,063
Repayment of borrowings	-5,809	-12,910	-12,695
Loans given	0	0	-650
Repayment of loan receivables	624	0	0
Received interest	1	1	1
Paid interest	-1,271	-1,006	-2,094
Cash flow from financing activities	-1,149	-895	-1,374
CASH FLOW FOR THE PERIOD	136	-60	-60



Head-room under financial covenants

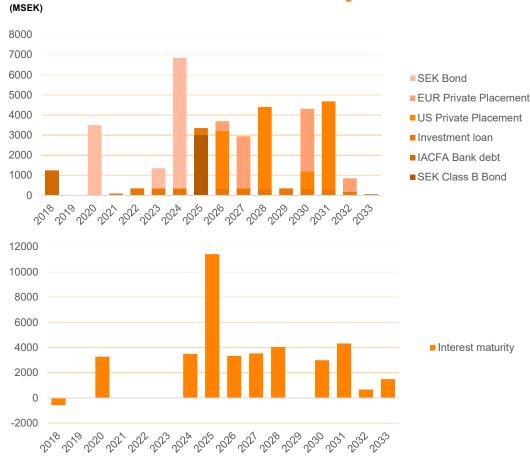
Financial covenants (Common Te	erms Agreement)	2018-06-30 ACT	2019-06-30 FCT	Lock-up
Total Interest Cover Ratio	EBITDA less tax / Total Net Finance Charges	3.1x	3.1x	<1.5x
Total Leverage Ratio	Total Net Debt / Consolidated EBITDA	8.9x	9.5x	>11.9x
Senior Interest Cover Ratio	EBITDA less tax / Senior Class A Net Finance Charges	3.4x	3.3x	<1.7x
Senior Leverage Ratio	Senior Class A Net Debt / Consolidated EBITDA	8.2x	8.8x	>10.75x
Senior Historic Leverage Ratio	FFO / Senior Class A Net Debt	8.3%	N/A	<5%
Senior 3 year Forward Leverage Ratio	FFO / Senior Class A Net Debt	N/A	7.0%	<6%



Financing activities and maturity profile

- January prepaid SEK 372 million of the IACFA term loan facility (A3) whereby the term loan facility was prepaid in full.
- February issued its inaugural contractually subordinated secured debt (class B) in form of a SEK 3,000 million 7 year fixed rate bond in the Swedish market. S&P assigned a 'BB+' issue credit rating to the bond, and at the same time affirmed the 'BBB' rating on Ellevio's senior secured debt (class A).
- March amortized SEK 500 million on its shareholder loan whereby the loan amount was reduce to SEK 17,664 million
- May raised a SEK 1,500 million fixed rate amortizing term loan from Nordic Investment Bank to finance the ongoing capex program. The loan has a tenor of 15 years.
- June the amount drawn under RCFs was reduced by SEK 1,586 million to SEK 1,250 million at end of June.
- June Ellevio Holding 2 AB pre-paid its SEK 3,000 million junior debt facility.

Debt and Interest maturity 2018-06-30



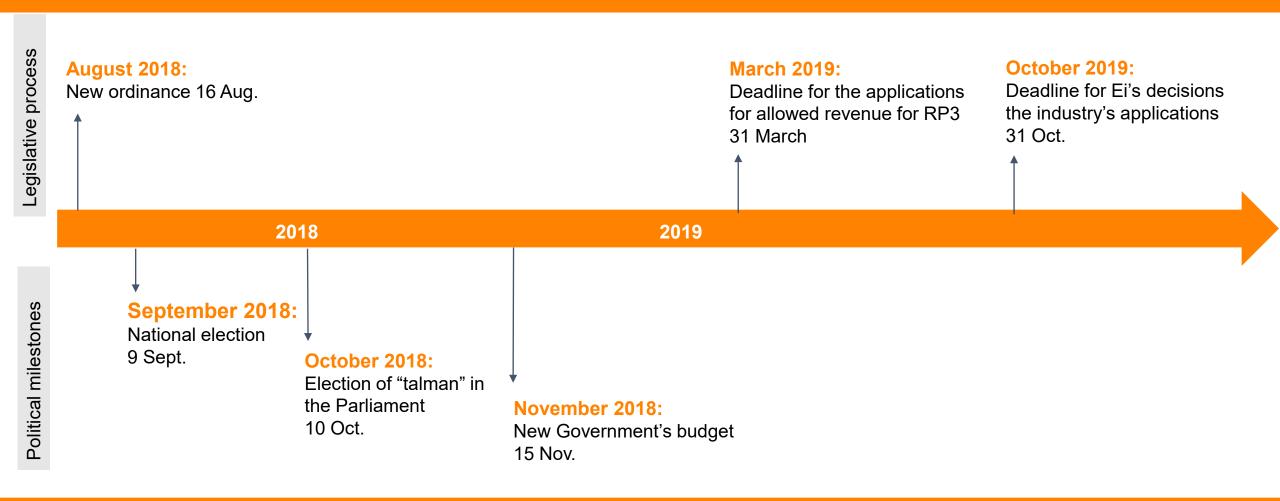


Significant events after the end of the period

- On the 16 August, the Government decided on an new ordinance regarding the regulatory framework for the third regulatory period, 2020-2023.
- The ordinance states six different parameters which should be applied when calculating WACC and the allowed revenue.
- According to the Minister, based on today's conditions, these changes will lead to a WACC-level of approximately 3 per cent, SEK 60 billion lower allowed revenue for the industry and in average in all companies a 21 per cent decrease in consumer tariffs for the period 2020-2023.
- Ellevio continues to engage in dialogue with Ei and other relevant stakeholders to work for a long term, predictable and stable regulatory framework.



Coming legislative process and political milestones



ELLEVIC

We Bring Electricity to You.

Operating in a strong macro environment

Ellevio is well positioned for growth both organic and via acquisitions

Investment programme well underway, with improved capex outperformance Smart grid development will secure reliability in a renewable energy system Stable financials with headroom under covenants.
Diversified financing platform established

