



Hafslund
Eco

For a renewable and fully electric future

Investor presentation

March 2021

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Hafslund Eco - for a renewable and fully electric future



Hydropower

- 21 TWh operated, of which 18 TWh owned
- 5.3 GW capacity operated
- 80 hydropower stations

Employees: > 400



New Energy

- Ladeklar (> 10 000 parking spaces)
- Hafslund Rådgivning (20 served customers)
- Investments in new technologies and electrification

Employees: > 25



Eidsiva Energi

- 50 % partnership with Inlandet Energi Holding
- Elvia (> 0.9 million grid customers)
- Eidsiva Biovarme (425 GWh heat)
- Eidsiva Bredbånd (75 000 broadband customers)

Employees: > 1200



Hafslund Eco – key credit strengths

Strong ownership

100% owned by the City of Oslo (capital of Norway, Aaa/AAA rated)

Size and renewable production

Second largest hydropower producer in Norway

High reservoir capacity

~50% of annual operated production

Partial price hedging

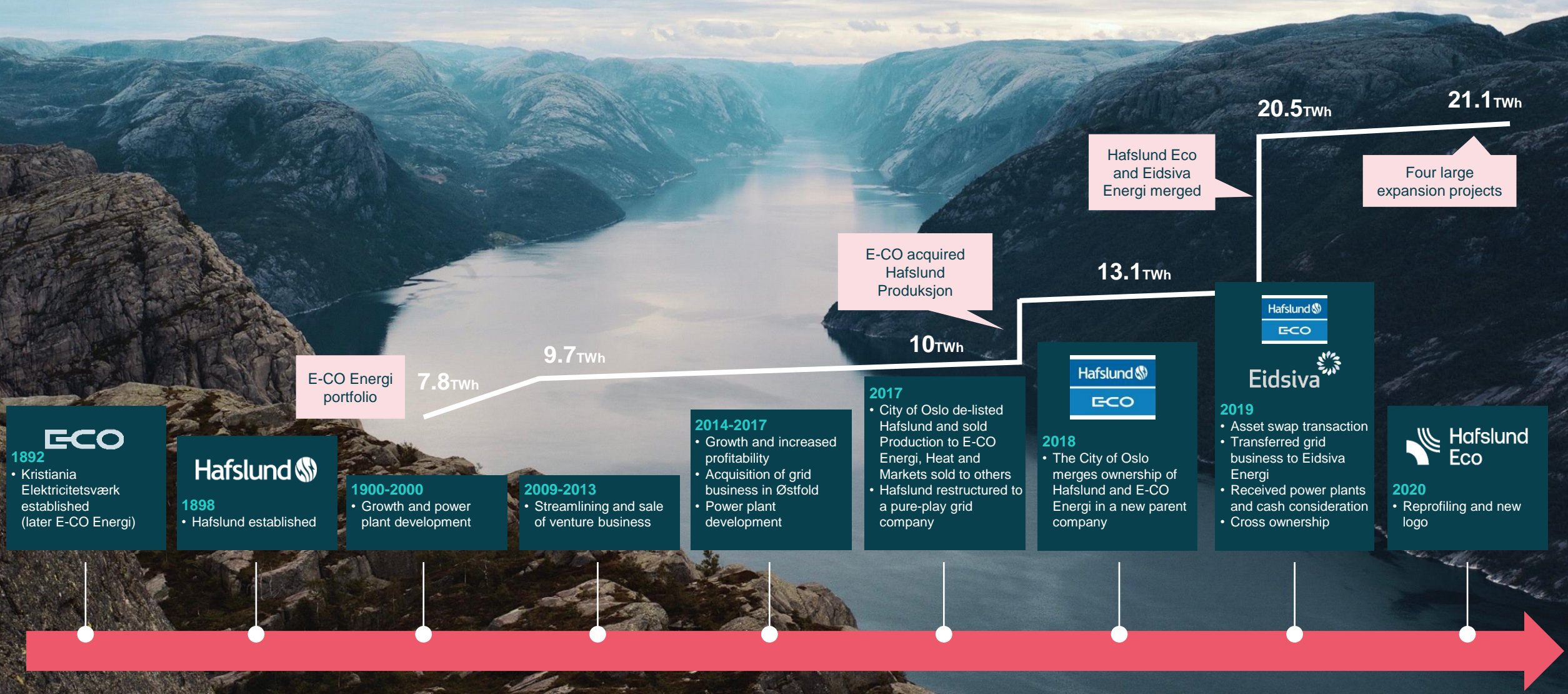
Reduces earnings volatility from power prices

Income stabilizer

50% ownership in Norway's largest power grid company, Elvia, through Eidsiva Energi



More than 120 years of history – from 8 to 21 TWh two last decades



1892
ECO
 • Kristiania Elektricitetsværk established (later E-CO Energi)

1898
Hafslund
 • Hafslund established

1900-2000
 • Growth and power plant development

2009-2013
 • Streamlining and sale of venture business

2014-2017
 • Growth and increased profitability
 • Acquisition of grid business in Østfold
 • Power plant development

2017
 • City of Oslo de-listed Hafslund and sold Production to E-CO Energi, Heat and Markets sold to others
 • Hafslund restructured to a pure-play grid company

2018
 • The City of Oslo merges ownership of Hafslund and E-CO Energi in a new parent company

2019
 • Asset swap transaction
 • Transferred grid business to Eidsiva Energi
 • Received power plants and cash consideration
 • Cross ownership

2020
 • Reprofiting and new logo

E-CO Energi portfolio

E-CO acquired Hafslund Produksjon

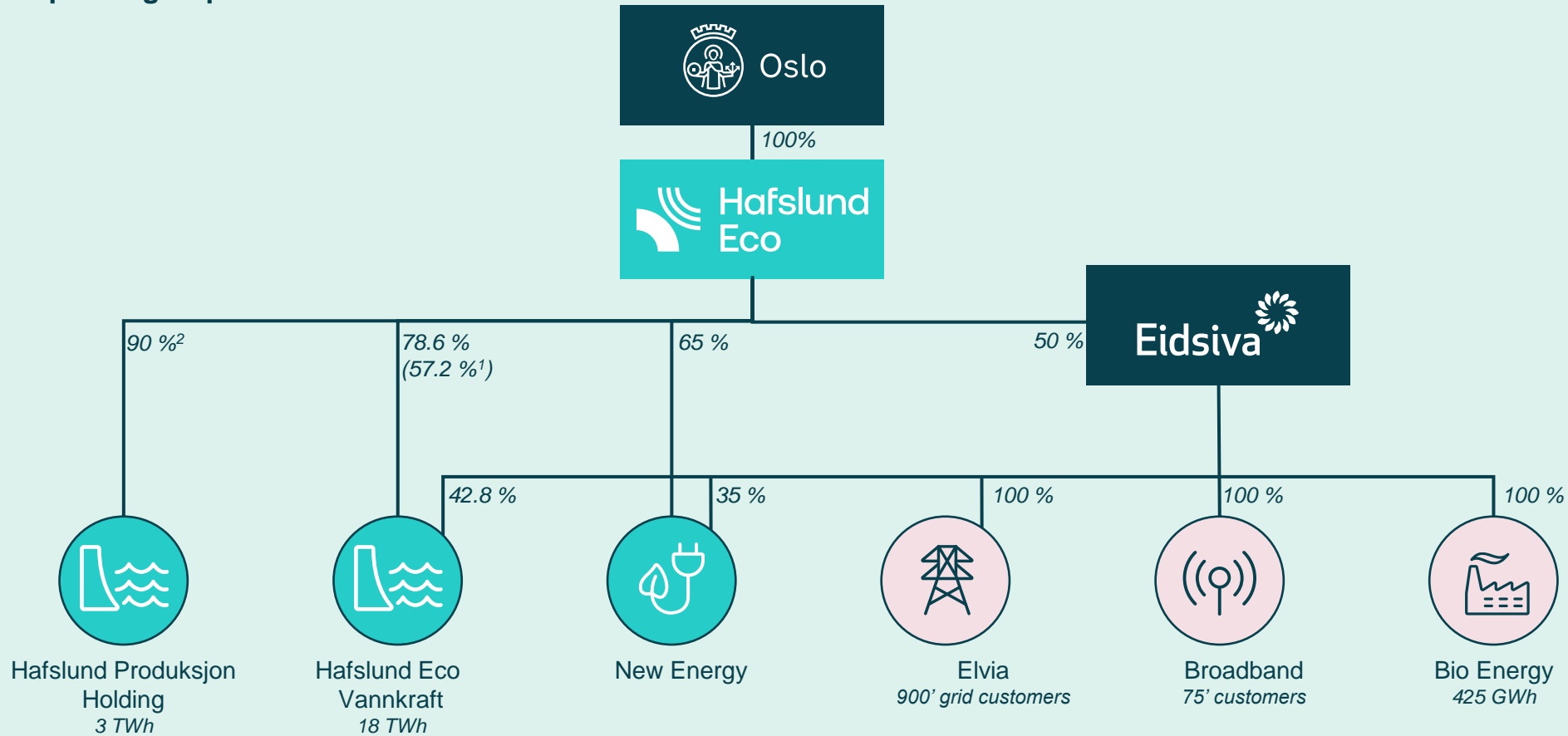
Hafslund Eco and Eidsiva Energi merged

Four large expansion projects



Strong ownership by the City of Oslo

Simplified group structure



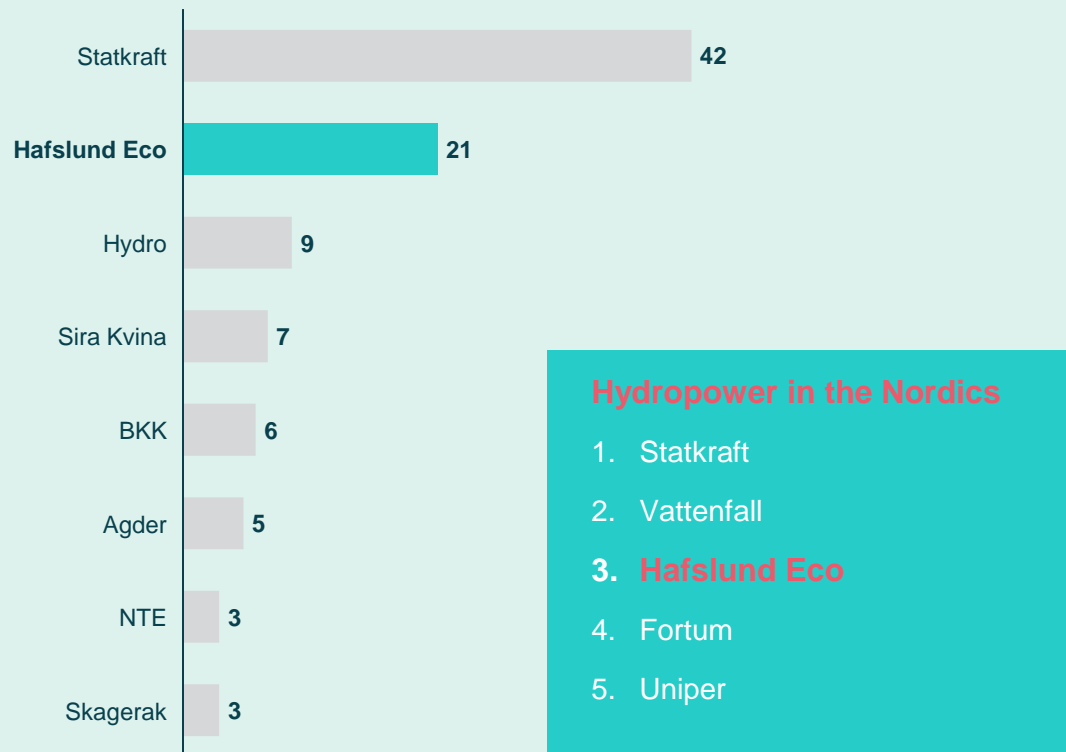
1) 57.2% directly, 78.6% directly and indirectly through 50% ownership in Eidsiva.
2) Hafslund Produksjon Holding 10% owned by Svartisen Holding AS.



Second largest power producer and largest grid operator in Norway

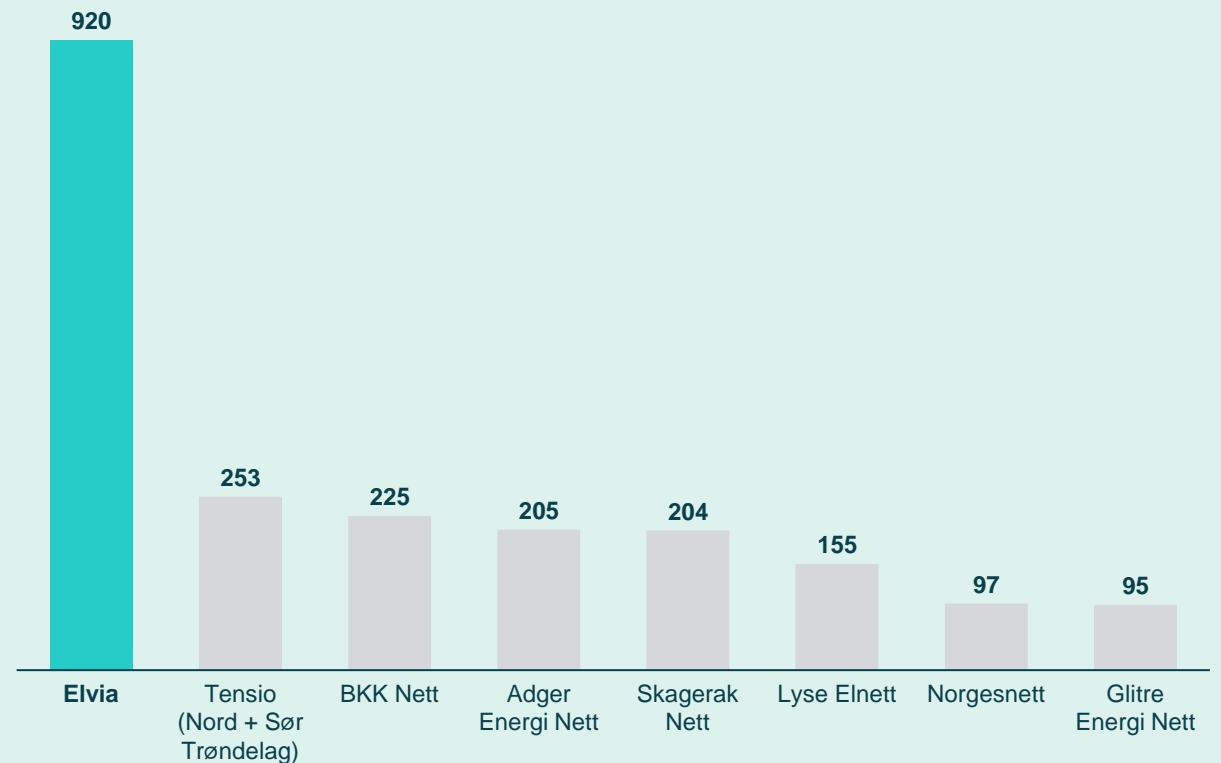
Second largest power producer in Norway

Annually operated TWh in the same operating company¹



Largest grid operator in Norway

Number of grid customers (thousand)²

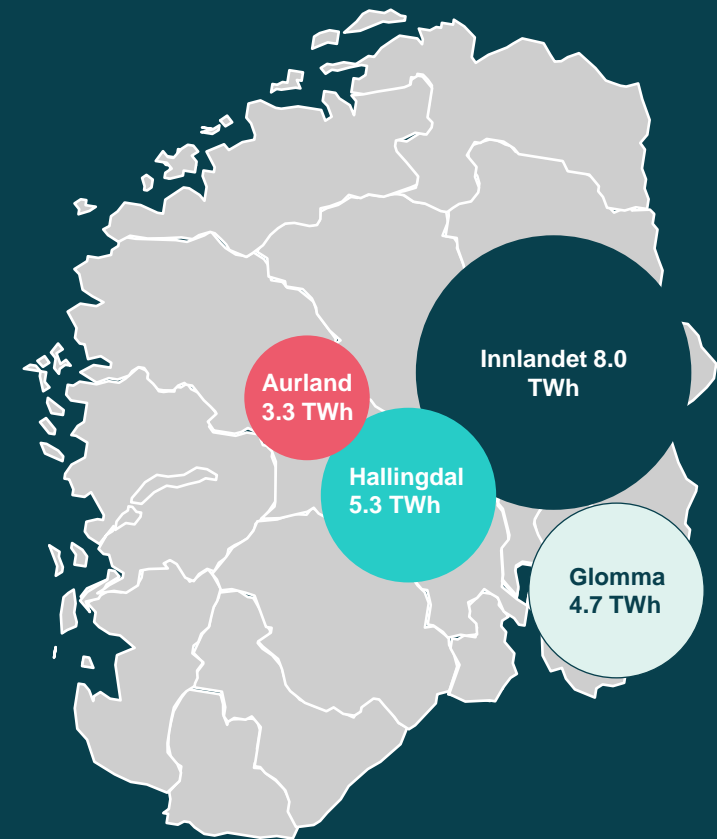
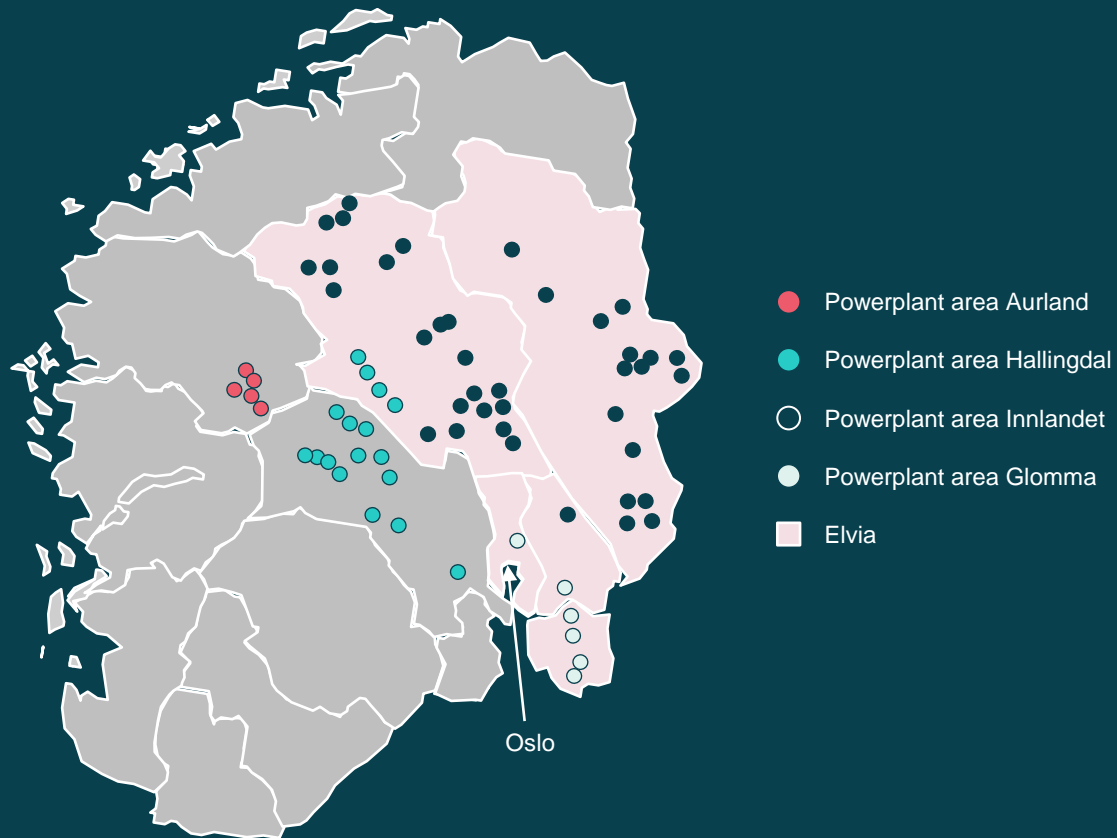


1) Source: NVE sorted by main owner
2) NVE 31.12.2019

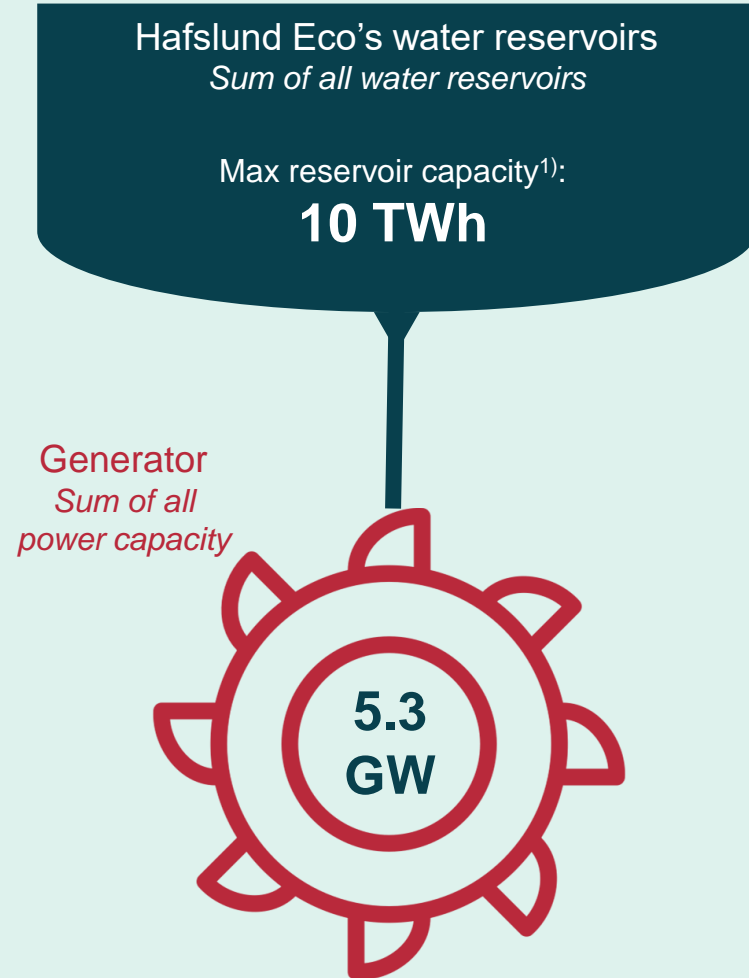
Current renewable energy production and co-owned grid assets

80 power stations and 900,000 grid customers

Generation capacity: 21 TWh operated and 17.8 TWh owned



A medium- to well-regulated hydropower portfolio



**Normalized annual
production volume
21 TWh**

In theory, Hafslund Eco can:

- *store ~50 % of the annual production in our reservoirs*
- *generate the full annual production volume during 50 % of the year*



1) Of 21 TW operated volume and 8 TWh of 18 TWh owned volume.

New power plants will generate 1 TWh new annual hydropower from 2021



ROSTEN

- 200 GWh – 85 MW
- Production start 2018



VAMMA

- 230 GWh – 128 MW
- Production start 2019



NEDRE OTTA

- 315 GWh – 85 MW
- Production start 2020



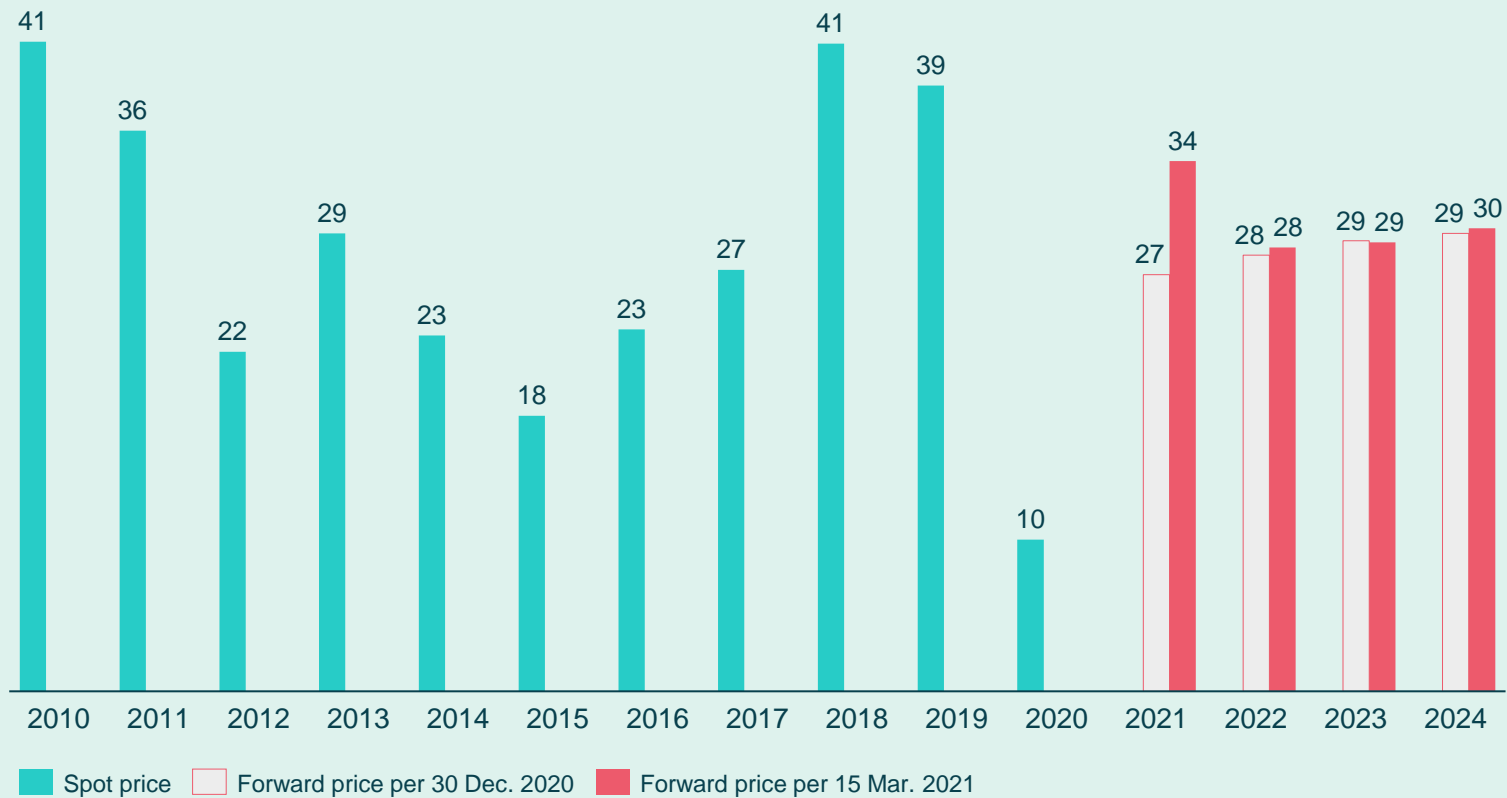
TOLGA

- 205 GWh – 45 MW
- Production start 2021

Power prices – key value driver

Power price development

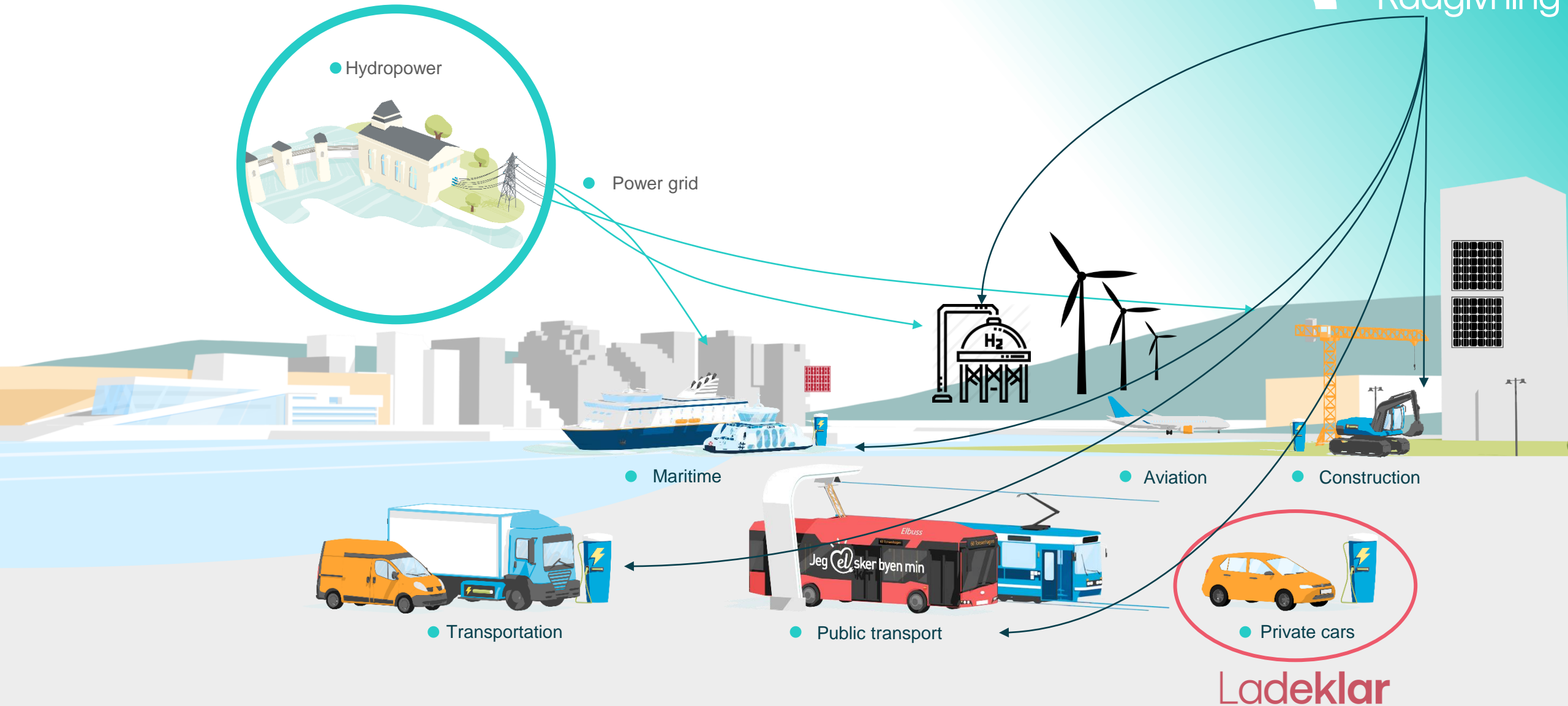
Øre/kWh, Spot price: NO5, Forward price: System price



- Mild, wet and windy weather through 2020 triggered a sharp fall in the power price, exacerbated by restrictions in transmission capacity
- At the end of 2020 another sudden change in weather with extremely cold winter weather and good transmission capacity resulted in a significant rise in power prices from 2021



New Energy - to accelerate the electrification of Norway



New Energy

Develops innovative solutions in electrification, digitalisation and smart urban solutions to enable more people to use electric solutions

Three business concepts launched

Ladeklar

- Charging infrastructure for electric vehicles
- To be merged with BKK charging activity
- Combined more than 18,000 parking spaces

 Hafslund
Rådgivning

Consulting on sustainable roll-out of electrical infrastructure and new energy solutions

Investments

Industrial partnerships where the knowledge of the Hafslund Eco group is utilized



A stabilizing contribution from 50 % stake in Eidsiva

Regulated grid business

- > 80 % of EBIT from regulated grid business, Elvia
- Income framework model sets regulated income
- Largest and most cost efficient grid in Norway

Diversified operations

- Norway's third largest heating company
- Well positioned for significant growth within broadband

Dividend policy

- Minimum NOK 700 million from Eidsiva, increasing with CPI
- 60-90% of underlying result from Hafslund Eco Vannkraft



50/50 joint venture in offshore wind power with Fred. Olsen Renewables

- The joint venture will apply for offshore wind power licences at the Norwegian shelf, Utsira Nord and Sørlige Nordsjø II
- The joint venture combines two highly experienced and complementary resource pools
- Hafslund Eco with leading expertise in renewable power production, the power market and infrastructure
- Fred. Olsen Renewables a leader in wind power and offshore installations and activities



**Fred. Olsen
Renewables**



**Hafslund
Eco**



Financials and green finance framework



Key figures

NOKm	2020	2019
Revenues	3,198	10,437
EBITDA	2,297	6,072
Operating profit	1,805	5,060
Profit before tax	1,163	8,773
Profit after tax ¹⁾	1,040	2,160
Capital employed	45,059	43,813
NIBD / EBITDA (x)	5.8x	1.7x
FFO / NIBD (%)	(1%)	34%
Achieved power price incl. hedging (øre/kWh)	16.4	39.6

Drop in profitability in 2020 due to historically low power prices.
2020 first full year in new Hafslund Eco structure.



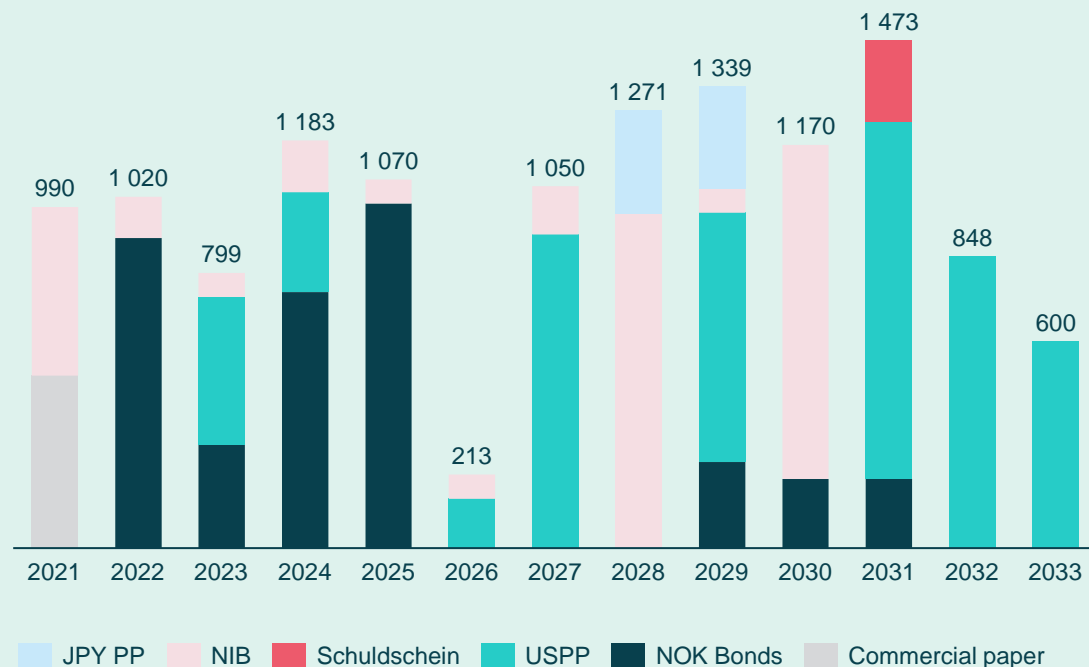
Key figures include continued and discontinued operations in 2019.
Source: Hafslund Eco 2020 preliminary annual accounts.
1) Adjusted for gain on sale of Hafslund Network in 2019.



Balanced debt maturity profile and funding sources

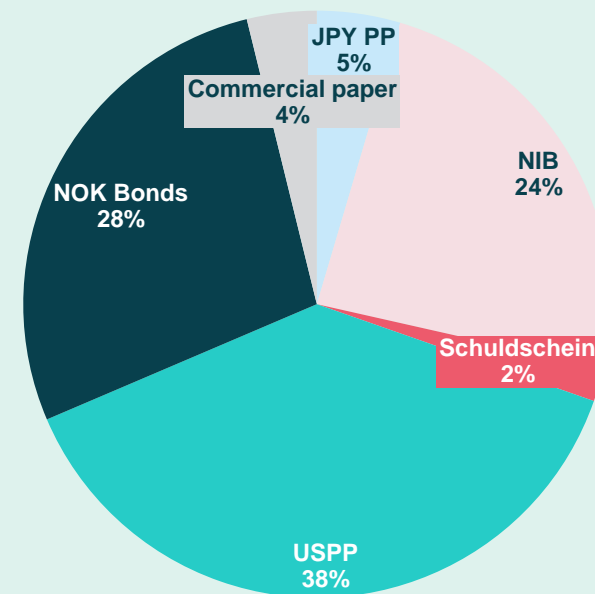
Debt maturity profile Hafslund Eco¹⁾

NOK million



Distribution of funding sources

100 % = NOK 13,009 million



Unutilized credit facilities of NOK 2.5 bn to support short term funding and reduce refinancing risk.
Overdraft facilities of NOK 400 million plus EUR 50 million for operational liquidity and Nasdaq cash requirements.



¹⁾ Excluding subordinated shareholder loans from the owner of NOK 2.3 bn and NOK 1.1 bn which matures in 2037, and subordinated shareholder loan of NOK 1.9 bn from Eidsiva Energi.

A sustainable Hafslund Eco

We believe

Our business is dependent on a good relationship with stakeholders and we therefore work closely with the business sector, municipalities and local communities.

Our activities help to secure jobs, safeguard society's supply of clean energy and increase value creation. In this way, Hafslund Eco creates value locally, regionally and nationally, while contributing to lower greenhouse gas emissions, which has a positive effect globally.



Hafslund Eco vision

For a renewable and fully electric future

UN sustainable development goals



Hafslund Eco supports the UN's sustainable development goals

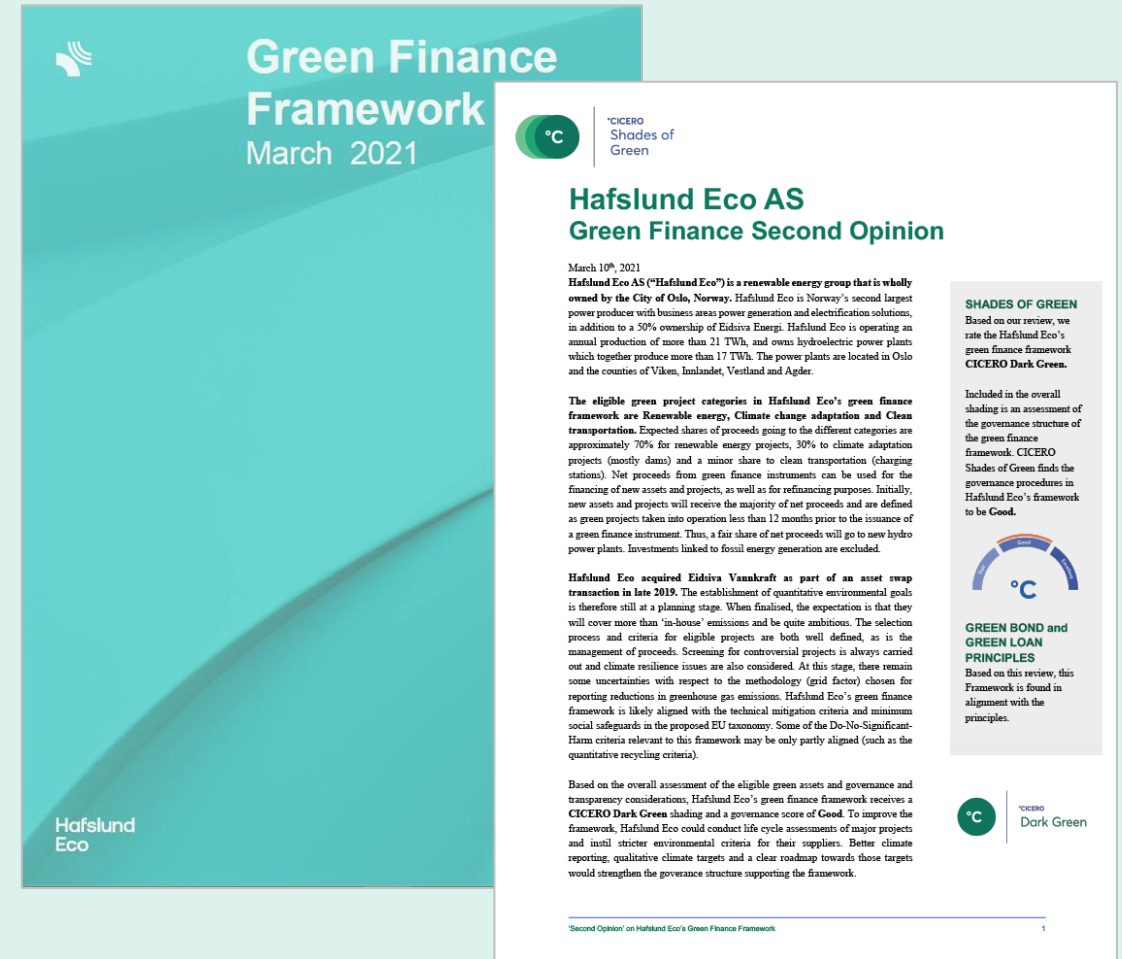
The following being crucial for attaining our strategic goals

- Production and availability of renewable energy (# 7)
- Impact on nature (# 15)
- Sustainable consumption and production (# 12 and 13)
- Safety of surrounding environment (# 8)
- Responsible workplaces (# 5 and 8)
- Financial contributions to society (# 11)

Hafslund Eco Green Finance Framework

Second Party Opinion – Dark Green Rating

- Use of proceeds exclusively low-carbon solutions and climate change adaptation.
- All projects take into account environmental concerns, social impacts, landowner and potential local resistance.
- Green Finance Committee includes member(s) with sustainability expertise.
- Green Finance Report will be published annually as long as there are Green Finance Instruments outstanding or until full allocation.



Green project categories in Hafslund Eco

Renewable energy



- New hydropower projects
- Upgrades on existing hydropower plants

Climate change adaption

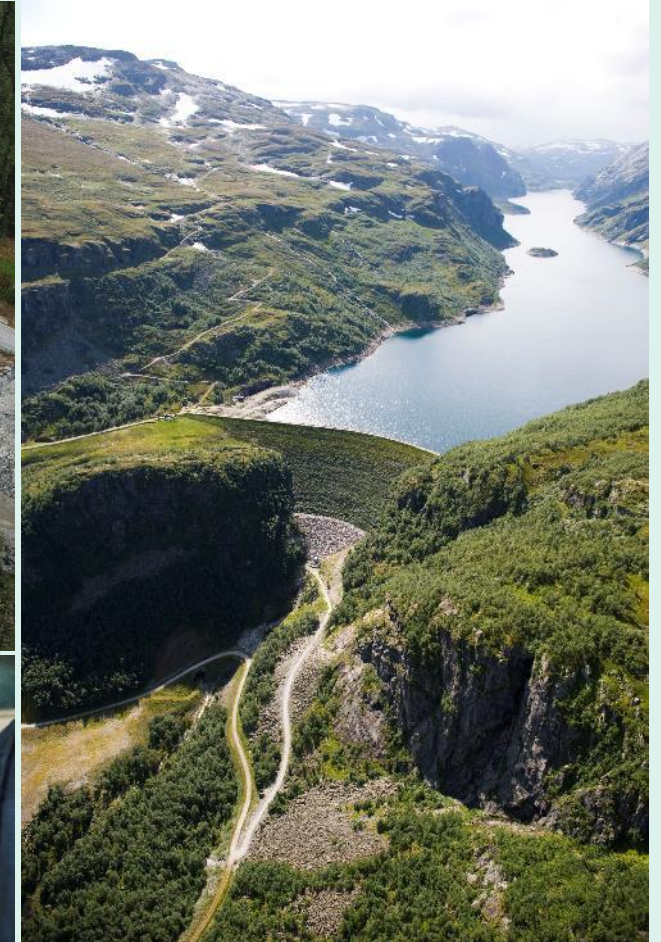


- Fortification of hydropower facilities and dams

Clean transportation



- Infrastructure for electric vehicles, such as charging stations



Examples of projects to be funded under the green framework



Tolga hydropower plant

- Cap. ex.: NOK 900 million
 - NOK 420 million already funded
- Hafslund Eco share: 75%
- Capacity: 205 GWh renewable energy per year
- Planned opening: Spring 2021



Mork hydropower plant

- Cap. ex: NOK 150 million
- Capacity: 42 GWh renewable energy per year
- Planned opening: 2021



Dam Strandevatn

- Cap. ex.: NOK 110 million
- Norway's oldest stone filled dam
- New regulatory requirements due to security and climate changes
- Completed: 2020

Strategy going forward

Hafslund Eco shall generate long-term value through:

- Ownership and operation of renewable energy
- Secure supply of energy
- Development of a smart and fully electrified zero-emission society, supported by electrification solutions from New Energy

Strategic goals which shall support Hafslund Eco's vision:

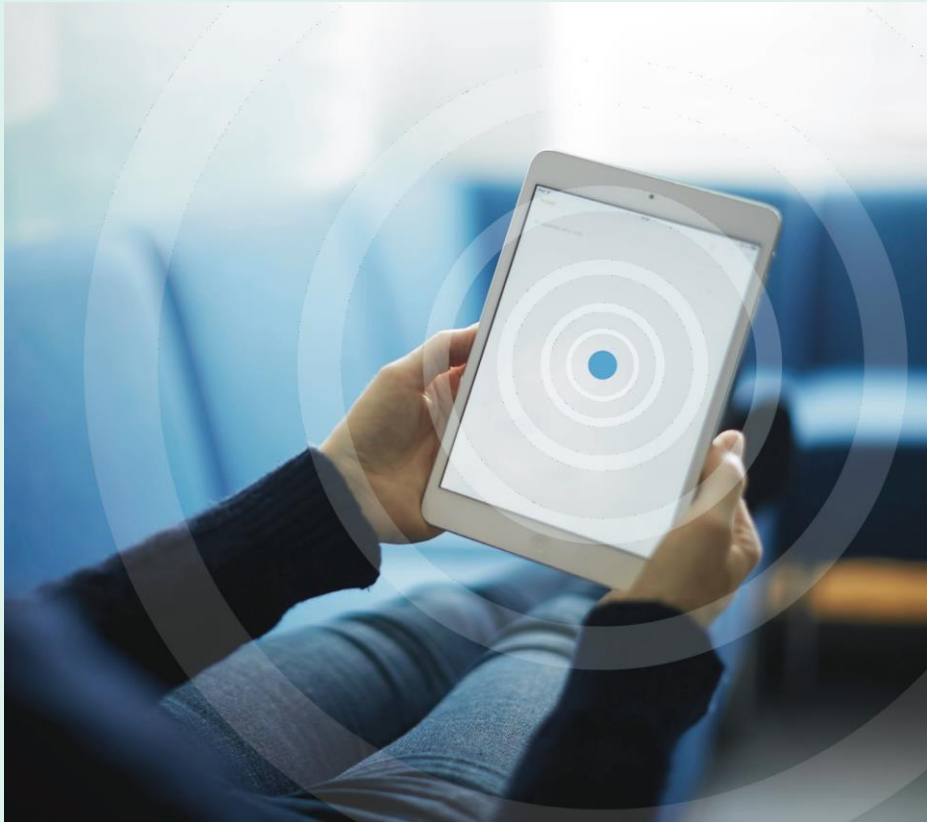
- Be the most efficient hydro power group
- Accelerate electrification and facilitate a new green industry
- Grow organically and through consolidation
- Innovate and put to use new technology and digitalisation
- Attract and develop employees and create a leading expertise resource pool



Hafslund Eco shall be a driver for a better climate through our vision “for a renewable and fully electric future”



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Thank you for your attention!