

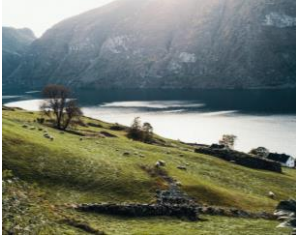


Half-year report 2023 first half-year

*For a world in balance,
with renewables*



Highlights first half-year 2023



Profit before tax
9 536
NOK million



Achieved
power price
100
øre/kWh



- Compared to 2022, the first half of 2023 has been characterised by a certain decline in energy prices in Europe. Together with more precipitation in southern Norway, this has led to lower energy prices in Hafslund's production areas. However, prices have remained high in a historical perspective.
- The hydrological situation and reservoir filling have been relatively normal in the first half of 2023.
- Hafslund had a profit before tax in 1H 2023 of NOK 9,536 million. The profit is historically high for the half year and is due to continued high power prices, near-normal production, and a significant positive effect of value changes of financial power hedges.
- The Group contributed taxes of NOK 5,910 million in the first half of 2023. Profit after tax was NOK 3,626 million.
- Power prices are expected to decrease further in the second half of the year. Heavy precipitation during the summer has resulted in full reservoirs and provides prospects for high power production, but also significantly lower prices compared to the first half of the year. Tax changes for the hydropower business introduced in the autumn of 2022 makes it challenging to hedge profits in the financial market, and Hafslund's profits are exposed to fluctuations of the power price to a greater extent than before.
- In the first half of 2023, Hafslund Vekst signed an agreement with Telenor, HitecVision and Analysys Mason to develop and build secure, sustainable centres for data storage in Oslo, in line with the Group's strategic commitment to contribute to green and smart urban development. The data centres will be connected to both the district heating network and the fibre network in Hafslund Oslo Celsio.
- In April 2023 the Group decided to take the carbon capture project at Klemetsrud into a cost-reducing phase as updated forecasts showed that the project could become significantly more expensive than planned. A full review of the project is now being carried out with the aim of making a new investment decision in line with the support agreement with the Norwegian government and the City of Oslo and restarting the project in mid-2024.
- During the extreme weather "Hans", the water flow in Glomma rose rapidly on 9 August. One of Hafslund Eco Vannkraft's power plants, Braskereidfoss, was submerged and the dam at the power plant burst under stress from the extreme water masses. The incident did not affect life and health but is serious and will be investigated. Braskereidfoss has an annual production of 170 GWh, just under 1 per cent of the Group's total power production.



Key figures

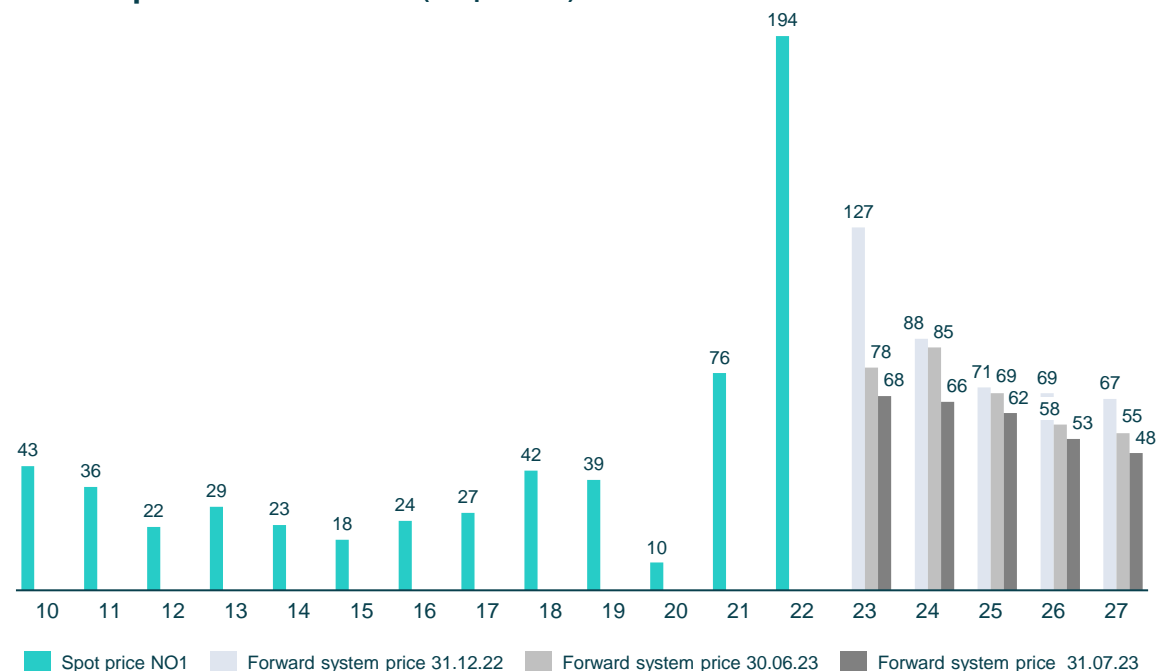
NOK million	1H 2023	1H 2022	2022
FINANCIAL KEY FIGURES			
Revenues and other income	11 604	6 695	22 028
EBITDA	9 975	5 592	20 087
Operating profit (EBIT)	9 519	5 306	19 340
Underlying operating profit	8 471	7 206	19 914
Profit before tax	9 536	5 074	18 879
Profit after tax	3 626	1 154	4 344
Net interest-bearing debt	6 797	20 194	9 523
-of which subordinated debt	5 421	7 338	7 338
Total assets	94 252	82 055	97 265
Capital employed	65 092	63 945	65 609
Investments in operating assets	650	350	870
ROE (%)	8,2 %	3,5 %	12,5 %
ROCE (%)	14,6 %	9,9 %	35,6 %
Net interest-bearing debt/EBITDA (x)	0,8	2,8	0,5
FFO/Net interest-bearing debt (%)	28%	1%	141%
Equity ratio (%)	48%	48%	44%
OTHER KEY FIGURES			
Number of employees	769	655	686
Turnover (voluntary termination) ¹	1,1 %	3,3 %	3,6 %
Number of injuries per million hours worked (H2) last 12 months	5,0	6,0	2,9
Greenhouse gas emissions (Scope 1 and 2) (tCO ₂ e) ²	244 993	-	459 554
Hydropower produced (GWh)	8 631	6 753	13 787
Achieved power price (øre/kWh)	100	113	150
Nordic system price (øre/kWh)	79	115	137
Heat sales (GWh)	971	41	761

3 626 NOK million
Profit after tax

8,6 TWh
Hydropower produced

971 GWh
Heat sales

Power prices 2010 – 2027 (øre per kWh)



¹ Turnover for 1H 2022 does not include Hafslund Oslo Celsio as they became part of the Group from 19 May 2022.

² The climate emissions include market-based emissions in scope 1 and 2 for 1H 2023. Climate emissions for 1H 2022 were not calculated/reported. Climate emissions for the year 2022 include an expansion of scope 3 emissions and climate emissions from Hafslund Oslo Celsio.

Summary first half-year 2023

Figures for the first half of 2022 are in brackets.

Health, safety and environment (HSE)¹

In the first half of 2023, three injuries with absence internally and three injuries with absence at suppliers were reported. A total of nine injuries have been reported in the first half of 2023, including suppliers. The rolling 12-month number of injuries per million working hours internally and at suppliers (H2) as of the end of June 2023 was 5.0 compared with 6.0 as of the end of June 2022.

Active efforts are being made to make managers and employees aware of their responsibility for health, environment and safety in Hafslund. In Hafslund Oslo Celsio, two of the injuries with absence concerned drivers who deliver waste to Celsio's facilities, and meetings and interviews have been conducted with waste customers and their drivers to identify possible measures. Hafslund will continue to have a strong focus on recording, processing and learning from all types of unwanted incidents. This must be done by making each manager and employee aware of their individual and joint responsibility for prioritising safety first. Together, they must ensure that all work tasks are adequately planned and carried out so that accidents can be avoided.

Hafslund had a high level of preparedness ahead of and during the storm "Hans", which in August created major challenges with very high water flow in several waterways. Hafslund Eco Vannkraft's employees worked hard to manage the large quantities of water and prevent flooding. Without regulation, the situation for those who have had their immediate areas submerged would have been significantly worse. Unfortunately, one of the Group's 81 power plants, Braskereidfoss, was completely damaged in the flood and the dam at the power plant burst. The incident did not have consequences for life and health, but will be investigated, among other things, for learning effects within the HSE area.

Strategy

The Group's strategy is based on five strategic focus areas towards 2035. Hafslund must become climate and nature positive, contribute with strong renewable growth, balance the energy system of the future, contribute to green and smart urban development and the Group must attract and retain the best minds. In the first half of 2023, Hafslund has worked with strategic risks and measures as well as follow-up of work towards set objectives.

Sustainability

Hafslund's materiality analysis for sustainability was updated during the first half of 2023. The update was based on the double materiality analysis from 2022, which provided a thorough insight into the Group's impact on people and the environment, as well as which sustainability risks and opportunities exist for Hafslund. This year's update has simplified and combined some of the significant themes defined in 2022. The updated themes now have a designation and a content that coincides with the requirements of the forthcoming Sustainability Directive (CSRD). This makes it easier for users of the sustainability reporting to read and understand Hafslund's sustainability work, as well as simplifying comparison of the content with other companies' sustainability reporting. The updated significant topics were adopted by the Group management in May 2023.

Hafslund has set itself ambitious goals for both climate and nature. During the second half of 2023, an application will be made to have the Group's climate targets approved by the international initiative "Science Based Targets initiative" (SBTi). For the topic of nature, efforts are being made to clarify and define the goal of nature positivity so that it can also be approved in the long term in accordance with the new framework for "Science Based Targets for Nature" (SBTN). For the important topics where there are no already agreed targets, efforts are being made to draw up and adopt ambitious but realistic targets. In the spring of 2023, the implementation of a climate risk analysis in accordance with the TCFD (Task Force on Climate Related Disclosures) framework also began. This work maps which climate risks and opportunities are the most significant for the Group.



¹ Hafslund Oslo Celsio, of which Hafslund became the majority owner (60 per cent) from 19 May 2022, is not included in the stated HSE figures for 1H 2022.



Hafslund Group – profit, cash and capital matters

Profit

Hafslund Hafslund had an operating profit before depreciation (EBITDA) of NOK 9,975 million (NOK 5,592 million) and an operating profit of NOK 9,519 million (NOK 5,306 million) in the first half of 2023. The increased operating profit compared to the first half of 2022 is mainly due to higher power production, and effects of value changes on financial power hedging, despite lower spot prices compared to the first half of last year.

Achieved power price for the hydropower business of 100 øre per kWh (113 øre per kWh), is in line with the spot prices in the hydropower business's production areas. In addition to sales in the spot market, the power price achieved must be seen in the context of the hedging activity for the sale of power to industry at fixed prices and realised results from financial power hedging, in addition to the sale of concessionary power at prices determined by the government. The power production of 8,631 GWh in the first half of 2023 is close to normal production, but 28 per cent higher than in the first half of 2022, which was a very dry half-year. Full half-year effect from the acquisition of Hafslund Oslo Celsio in May 2022 contributed to NOK 1,490 million (NOK 82 million) of operating revenues and district heating sales of 971 GWh (41 GWh) in the first half of the year.

The operating profit includes value changes of NOK 1,013 million¹ (-NOK -1,264 million) related to financial power hedging that is recognised at market value in profit or loss. The operating profit is significantly positively affected compared to the first half of 2022 as a result of the fall in forward prices from the turn of the year positively affecting the value change of financial power hedges in the first half of the year, compared to a negative value change as a result of increased forward prices in the first half of 2022.

Operating expenses, including depreciation, of NOK 2,502 million (NOK 1,190 million) are an increase from the first half of 2022, mainly as a result of the full half-year effect from the acquisition of Hafslund Oslo Celsio. Profit from equity-accounted investees was NOK 417 million (NOK -198 million) in the half-year, of which the profit from the ownership in Eidsiva Energi amounts to NOK 398 million (NOK -248 million). The significant positive change from the first half of 2022 is largely linked to Eidsiva's subsidiary, Elvia. The costs of grid loss and overhead grid costs have been greatly reduced, and together with bottleneck revenues received from Statnett, this contributes to a significant lift in the result. Adjusted for Hafslund's ownership share of the excess/defeat revenue in the grid business, Hafslund's underlying profit from the ownership in Eidsiva Energi is NOK 363 million (NOK 388 million).



¹ Consist of: Value change power contracts MNOK 1 154 (MNOK -1 065), value change currency derivatives MNOK -139 (MNOK -67), included in Other gain/loss, and value change compensatory power MNOK -1 (MNOK -133) included in Property tax and other imposed costs and compensation.

Net financial items were NOK 17 million (NOK -233 million) in the first half of the year, where the change towards the first half of 2022 is mainly due to positive results from currency positions. Net interest expenses of NOK 284 million (NOK 274 million) are due to lower net interest-bearing debt and higher interest compared to the first half of 2022.

The tax expense of NOK 5,910 million (NOK 3,920 million) corresponds to an effective tax rate of 65 per cent of profit before tax, adjusted for profit from equity-accounted investees. The high tax expense reflects the special taxation of the hydropower business, which includes resource rent tax (NOK 3,237 million) and high-price contribution (NOK 617 million). The effective tax rate of 65 per cent (73 per cent) is also affected by the positive result from financial power hedging, which is not subject to resource rent tax.

Profit after tax of NOK 3,626 million (NOK 1,154 million) in the first half of 2023 is an increase of NOK 2,472 million from the first half of 2022. Underlying profit after tax of NOK 2,800 million is more stable compared to profit for the first half of 2022 (NOK 2,726 million). Underlying profit is profit adjusted for value changes on power and currency derivatives and excess/defeat revenue in the Elvia grid business. Please see page 28 for an explanation of underlying profit.

Cash flows

Hafslund had net cash flows from operating activities of NOK 4,825 million in the first half of 2023, after an account payment of arrears tax for 2022 of NOK 7,008 million. The remaining arrears tax due for 2022 of NOK 7.5 billion will be paid in the fourth quarter of 2023.

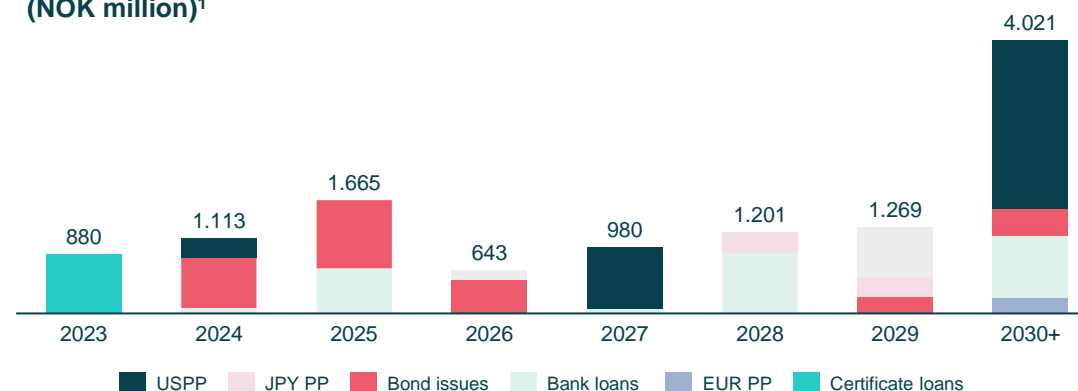
Net cash flows to investment activities was NOK 33 million (NOK 2,447 million) in the first half of 2023 and includes, among other things, investments in property, plant and equipment of NOK 650 million and dividends received of NOK 476 million from Eidsiva Energi. The high cash flows to investment activities in the first half of 2022 is mainly due to the transactions regarding Hafslund Oslo Celsio and Stange Energi. Dividends paid to The City of Oslo and minority owners amounted to NOK 1,829 million (NOK 2,393 million). Positive net cash flows have contributed to the reduction of net interest-bearing debt by NOK 2.7 billion in the first half of 2023.

Capital matters

Hafslund At the end of the first half of 2023, Hafslund had total assets of NOK 94 billion (NOK 82 billion) and capital employed was NOK 65 billion (NOK 64 billion). The increase in total assets compared to last year is mainly due to higher bank deposits. The Group's net interest-bearing debt including subordinated loans was NOK 6.8 billion (NOK 20.2 billion) at the end of the half year. The average coupon rate for the loan portfolio excluding subordinated loans / shareholder loans was 4.2 per cent (2.7 per cent) and the average time to maturity is 4.9 years. Subordinated loans of NOK 5.4 billion are down NOK 1.9 billion from the turn of the year as a result of an extraordinary repayment to Eidsiva Energi AS of subordinated loans given to the subsidiary Hafslund Eco Vannkraft Innlandet AS in connection with the Eidsiva transaction in 2019.

Hafslund has a solid financing structure with long-term, committed drawing facilities and liquidity to cover a minimum of 12 months of loan maturities. At the end of the first half of 2023, the Group had unused drawing facilities of NOK 3.5 billion (including an overdraft of NOK 1.0 billion). Hafslund also has an overdraft facility of 50 million euros to cover daily market settlement for futures contracts on Nasdaq Clearing AB, which was unused at the end of the half year. The Group has loan agreements without requirements for financial key figures (covenants). In June 2023, Scope Ratings upgraded Hafslund AS to A- with a positive outlook.

Maturity profile loan excl. subordinated loan / shareholder loan as of 30 June 2023 (NOK million)¹



¹ In contrast to note 5 Interest-bearing debt, the graph shows maturities including swap effects

Risk and uncertainties

Hafslund is exposed to risk of both a strategic and operational nature that can have major impact on the Group's earnings, as well as in HSE. The purpose of risk management is to take the right risk based on the Group's values, strategic direction and investment areas, risk appetite and ability.

The market price for power and the volume of own energy production are Hafslund's most important value drivers, which significantly affect profit and dividend capacity in the coming half-year. Risk management is closely linked to the management of hydrological resources and the optimisation of district heating production. Hafslund has traditionally had an active hedging strategy for the Group's price-exposed business, with the aim of stabilizing income and cash flow over time. Recent years have shown power prices to be very volatile, driven by global prices for alternative energy sources and climate costs (gas and CO2 prices). In addition, weather and temperature conditions, as well as exchange capacity, affect both demand and energy production.

The tax changes for the hydropower business that came in the autumn of 2022 made it difficult to use the financial market for hedging purposes. Going forward, bilateral agreements will become an important tool in risk management, and in the first half of 2023 work is being done on the further development of a framework for handling counterparty risk. Hafslund has entered into long-term bilateral power agreements with physical delivery to Norwegian industrial players and fixed price agreements with business customers.

Changes in regulations and political decisions with immediate or retroactive effect can have major consequences for the Group's earnings. This includes changes in tax levels and new or changed energy market regulations, which may affect several of the Group's business areas. Eidsiva Energi, in which Hafslund owns 50 per cent, is also particularly exposed to regulatory risk within grid operations.

Hafslund's operational activities include construction, maintenance and operation of production facilities and distribution of renewable energy. Undesirable events in operations can potentially have major consequences for life and health, the external environment, business continuity and finances.

The Group's core business is directly exposed to climate risk. Changes in precipitation can both change average production, as well as increase fluctuations which make production planning more demanding. Changes in temperature will affect the Group's snow reservoirs as well as the consumption of electricity and district heating. The Group's infrastructure is also exposed to

physical risk as a result of climate change, the incident at the Braskereidfoss hydropower plant at the beginning of August showed this clearly. In 2023, Hafslund has a particular focus on risk management within cyber, IT and information security and physical security of facilities and emergency preparedness. This was due to an increased risk of targeted attacks against the power industry in Norway in connection with the war in Ukraine and a generally more uncertain geopolitical situation.

In addition to operations, Hafslund is particularly exposed to interest rate risk on loans, where interest rate changes will have an impact on the Group's financing costs in the coming six months. Hafslund is mainly exposed to interest rate risk through its financing activities in Norwegian kroner and foreign currency. The Group's operating income and cash flow from operational activities are also to a certain extent sensitive to changes in interest rates.

The Norwegian power market in first half of 2023

In the first half of 2023, power prices have normalised somewhat compared to the situation in 2022 but are still high in a historical perspective. The average price in southern Norway in the first half of 2023 was 103 øre per kWh for NO1 (Southeast Norway) and NO5 (Western Norway) and 107 øre per kWh for NO2 (Southern Norway). For NO3 (Central Norway) and NO4 (Northern Norway) the prices were 51 øre per kWh and 35 øre per kWh respectively. Compared to the whole of 2022, power prices in southern Norway are down 48 per cent on average in the first half of 2023. Due to limited transmission capacity between northern and central Norway and southern Norway, there has been a significant price difference between the regions. The Nordic system price was 79 øre per kWh.

Compared to 2022, 2023 has been characterised by a normalisation of the energy situation in Europe, which has resulted in reduced power prices. There are still relatively high prices for thermal power production from gas and coal on the continent, which affects prices in Norway. The European power and gas markets were under considerable pressure in 2022. The war in Ukraine and the subsequent sanctions against Russia led to reduced imports of gas from Russia to Europe. So far, the gas price (TTF) has fallen to EUR 44 per MWh in the first half of 2023 from EUR 132 per MWh in 2022. The drop in the gas price is due to high LNG imports and reduced industrial consumption on the continent, which has led to high filling of the gas reservoirs throughout the first half of 2023. The price for carbon emissions is high in a historical context and increased from EUR 81 per tonne of CO2 in 2022 to EUR 89 per tonne of CO2 in the first half of 2023.



For Norway as a whole, the hydrological situation was relatively normal in the first half of 2023. The reservoir filling in NO2 (Southern Norway) and NO3 (Central Norway) has been somewhat below normal, while NO1 (Southeast Norway), NO5 (Western Norway) and NO4 (Northern Norway) has been about normal. Consumption in southern Norway was 43.6 TWh in the first half of 2023, compared to 44.4 TWh and 49.6 TWh for the first half of 2022 and 2021, respectively. The temperatures for January and February were somewhat higher than normal in 2022 and 2023, the reduction in consumption is mainly due to high price levels.

So far, the period after the first half of 2023 has been characterised by a relatively wet summer in southern Norway and the extreme weather "Hans". "Hans" contributed to heavy precipitation, high production from hydropower and high production from wind power. This has resulted in low power prices in southern Norway. The precipitation has also resulted in significantly increased reservoir filling in NO5, which increased from 77.7 per cent to 83.6 per cent from week 31 to 32, according to NVE's report on the power situation for week 32. Reservoir filling for the whole of Norway is now at normal levels, as northern Norway is below, while southern Norway is somewhat above.

Segment information

Hydropower

NOK million	1H 2023	1H 2022	2022
Revenues	10 106	6 603	20 534
EBITDA	9 303	5 946	19 253
Operating profit (EBIT)	9 042	5 697	18 743

The hydropower business had operating revenues of NOK 10,106 million in the first half of 2023 (NOK 6,603 million). Operating profit (EBIT) of NOK 9,042 million is an increase of NOK 3,345 million from the first half of 2022. Operating revenues and operating profit reflect high power prices, near-normal production and positive value changes on financial power derivatives.

The power price achieved was 100 øre per kWh in the first half of 2023. This is 13 øre per kWh lower than in the first half of 2022 and, in isolation, contributed NOK 1,539 million in reduced operating profit. The power price achieved is in line with the average spot prices in the hydropower operations' production areas, compared to the fact that it was 24 per cent below the corresponding average spot price in the first half of 2022. The power price achieved must, in addition to the sale of power in the spot market, also be seen in the context of the hedging activity of industry and other business which is entered into at fixed prices and realised result from financial power hedging, as well as concessionary power at prices determined by the government.

Operating profit includes value changes of NOK 1,009¹ million (NOK -1,264 million) related to value changes of financial power hedges that are recognised at market value in profit or loss. The operating profit is significantly positively affected compared to last year as a result of the fall in forward prices from the turn of the year positively affecting the change in value of financial power hedges in the first half of 2023, compared to a negative change in value as a result of increased forward prices in the first half of 2022.

The power production of 8,631 GWh in the first half of 2023 is 28 per cent higher than the first half of 2022 and 4 per cent lower than normal production. In isolation, higher power production contributed to NOK 2,527 million in increased operating profit compared to the first half of 2022. There has been good operation and resource allocation, as well as high availability of the power plants. There were no incidents with significant operational interruptions in the first half of 2023. The incident at Braskereidfoss at the beginning of August means that the power plant is temporarily out of service. Hafslund has business interruption insurance and property damage insurance.

Operating expenses including depreciation were NOK 1,082 million (NOK 974 million) in the first half of 2023. Increased transmission costs, more employees and general price growth contribute to NOK 241 million in increased costs. The transmission costs in the first half of 2022 included particularly large revenues from the energy component. A change in the value in the first half of 2022 of compensatory power that is recognised at fair value contributes to a total increase in operating expenses of NOK 108 million in the first half of 2023 compared to the first half of 2022.

District heating and cooling (Celsio)

NOK million	1H 2023	1H 2022	2022
Revenues	1 490	82	1 479
EBITDA	373	- 28	394
Operating profit (EBIT)	180	- 63	162

Hafslund acquired Celsio on 19 May 2022. The figures for the first half of 2022 cover the period 19 May to 30 June 2022 and are therefore not comparable.

Celsio's operating profit (EBIT) was NOK 180 million for the first half of 2023. Operating revenues in the period was NOK 1,490 million, of which sales of waste incineration services and heating accounted for NOK 1,471 million and hedging NOK 13 million. Celsio sold 971 GWh of district heating in the first half of 2023 and produced 73 GWh of electricity. Celsio's market risk is linked to fluctuations in power, fuel and waste prices. The district heating volume is largely sensitive to temperature changes. To reduce the risk of falling power prices, the company has a strategy for downside protection, and enters into hedging transactions for the exposure linked to future district heating volume. The Energy Act regulates district heating pricing against the alternative cost of electricity, i.e. the price cannot exceed the cost of electricity. The compensation scheme



¹ Consist of: Value change power contracts MNOK 1 149 (MNOK -1 065), value change currency derivatives MNOK -139 (MNOK -67), included in Other gain/loss, and value change compensatory power MNOK -1 (MNOK -133) included in Property tax and other imposed costs and compensation.

introduced by the government in December 2021, where households received a maximum price for large parts of the electricity volume (electricity subsidy), has therefore put a ceiling on the district heating price for household customers. At the same time, the costs of Celsio's input factors (fuels) have increased sharply. In November 2022, Celsio introduced a discount scheme for all the company's customers (detached houses, condominiums/housing associations and commercial buildings) where the price is reduced by a per centage when the price of electricity exceeds 90 øre per kWh and 250 øre per kWh respectively. The aim of the price discount has been to ensure district heating's competitiveness and attractiveness for existing and future customers.

Operating costs were NOK 1,117 million in the first half of 2023, of which fuel/production costs amounted to NOK 732 million. Other operating costs of NOK 239 million include maintenance costs, with audits on lines 1 and 2 at Klemetsrud as the largest items.

Within District Cooling, the company's first large cooling centre is under construction at Ulven. The cooling centre with associated cooling distribution network will produce and deliver 6 MW of cooling when in operation in 2025. Celsio decided in April 2023 to take the carbon capture project at Klemetsrud into a cost-reducing phase. Updated cost estimates showed that sharp cost increases on equipment deliveries due to inflation, geopolitical instability and a reduced krone exchange rate, together with challenges around infrastructure solutions on land and the port, would lead to the project exceeding the investment framework adopted in June 2022. So far, less than 10 per cent of the allocated funds have been used. Celsio is now working on a full review of the project with the aim of making a new investment decision in line with the support agreement with the Norwegian government and the City of Oslo and restarting the project in mid-2024.

Growth and investments

NOK million	1H 2023	1H 2022	2022
Revenues	6	3	5
EBITDA	363	- 275	552
Operating profit (EBIT)	363	- 275	552

Growth and investments had total operating revenues of NOK 6 million in the first half of the year (NOK 3 million). Operating profit (EBIT) of NOK 363 million (NOK -264 million) is an increase of NOK 638 million from last year. The increase is primarily linked to an increase in the share of profit from the grid businesses in Eidsiva Energi and Fredrikstad Energi, which are included in Hafslund Vekst's profit with NOK 436 million (NOK -254 million). The costs of grid loss and overhead grid costs have been greatly reduced compared to first half of 2022, and together with bottleneck revenues received from Statnett, this contributes to a significant lift in the result.

Market and development

In the first half of 2023, Hafslund Vekst signed an agreement with Telenor, HitecVision and Analysys Mason to develop and build secure and sustainable centres for data storage in Oslo. The aim is to build three data centres in the Oslo region and utilise the excess heat in the district heating in Oslo. Furthermore, Hafslund Vekst has worked on an investment in the charging company Fastcharge AS, which develops charging points and infrastructure for heavy transport. The company aims to build 10 charging stations and 100 charging points in southern Norway by 2025. The first project is planned at Alnabru in Oslo. In the first half of 2023, Hafslund has established a collaboration with Eidsiva Energi to develop land-based wind. Hafslund Invest AS, Hafslund AS and Eidsiva Energi's company for venture investments, made two investments in the first half of the year: Utilifeed AB, a Swedish technology company that helps district heating companies wishing to take an active role in the flexible energy system of the future with digitisation and efficiency, and Optimeering AS, a Norwegian technology company that assists energy companies in optimising their trading activities using advanced machine learning algorithms and AI.

Other business

NOK million	1H 2023	1H 2022	2022
Revenues	1	8	10
EBITDA	- 64	- 50	- 113
Operating profit (EBIT)	- 66	- 53	- 117

Other businesses consist of the parent company Hafslund AS, including the management of Hafslund Hovedgård and group eliminations. Operating profit (EBIT) from other operations was NOK -66 million in the first half of 2023 (NOK -53 million).



Outlook

As a renewable power producer, Hafslund's profits are strongly exposed to changes in power prices. The first half of 2023 has been characterised by high power prices in the first quarter and somewhat lower, but still high, power prices in the second quarter. The last few years have shown that power prices can change quickly, and prices have been at extremely high levels for extended periods since the autumn of 2021. It is important for the long-term development of energy markets that prices stabilise at a level that is sustainable for consumption and society. However, over the summer, power prices have fallen significantly, and the tax changes for the hydropower business that were introduced in the autumn of 2022 make it difficult to use the financial market to hedge the Group's profit in periods of low power prices. Hafslund's profits will therefore be exposed to the volatility of power prices to a greater extent than before.

The Group will work throughout the autumn and winter months to contribute to a stable and secure power supply. Considerable amounts (approximately NOK 1 billion annually) have been spent on maintenance and upgrading of the Group's hydropower plants in recent years. In line with the Group's long-term strategy, Hafslund has planned to more than double the annual investments in upgrades and expansions of hydropower plants and dams.

The Energy Commission's report, which was published in the first half of 2023, points out that the need for more renewable energy is significant and that Norway needs "More of everything - faster". Hafslund works to contribute based on the Group's significant assets, expertise and experience in power and energy production. However, Hafslund and the rest of the renewables industry are dependent on faster license processing and predictable framework conditions that make it possible to invest in and realise new renewable energy.

In the first half of 2023, Hafslund Eco Vannkraft received a license to develop the Frosen power plant, which will contribute 26 GWh of new power each year. So far this year, Hafslund has submitted one notification on new hydropower corresponding to 200 GWh of annual production and three notifications to NVE on new solar power corresponding to 280 GWh of annual production.

In the first half of 2023, Hafslund has worked in the Blåvinge partnership with preparations to compete for project areas for the development of offshore wind in the North Sea. In the first half of the year, Hafslund has also established a collaboration with Eidsiva Energi to develop land-based wind. In the summer of 2023, Hafslund signed an agreement with Helios Nordic Energy AB for the purchase of seven solar park projects in the south of Sweden, corresponding to an annual production of over 250 GWh. The solar parks are expected to be built in the period 2024-2028. Southern Sweden is connected to southern Norway and both of these are deficit areas that will need more power in the future.

In addition to being a significant producer of renewable power, Hafslund is also engaged in other activities that contribute to the green shift. The ownership in Hafslund Oslo Celsio and the growth initiatives of Hafslund Vekst will enable the Group to realise initiatives that contribute to green and smart urban development.

Hafslund's vision is 'for a world in balance, with renewables' and the Group is convinced that work must be done from all sides to realise a green shift. Hafslund works to increase access to renewable energy, but also to adjust consumption and find smart solutions for green urban development. At the same time as contributing to solving some of society's biggest challenges, the Group must ensure good profitability and the ability to pay a significant dividend to our owner, The City of Oslo.

Hafslund AS
Oslo, 25 August 2023
The Board of Directors



Consolidated statement of comprehensive income

NOK million	Note	1H 2023	1H 2022	2022
Sales revenue	4	10 563	9 245	25 484
Other gain/loss	4	967	- 2 612	- 3 581
Other operating revenue	4	74	62	125
Revenues and other income		11 604	6 695	22 028
Energy purchases and transmission		- 820	25	- 743
Salary and other personnel costs		- 486	- 280	- 751
Property tax and other imposed costs and compensations		- 336	- 398	- 527
Other operating costs		- 404	- 251	- 636
Profit/loss from equity-accounted investees	6	417	- 198	716
EBITDA		9 975	5 592	20 087
Depreciation and amortisation		- 456	- 286	- 746
Operating profit (EBIT)		9 519	5 306	19 340
Interest income		205	-	115
Interest expense	5	- 489	- 274	- 817
Other finance income/costs		301	42	241
Net financial items		17	- 233	- 462
Profit before tax		9 536	5 074	18 879
Income taxes		- 5 910	- 3 920	- 14 535
Profit after tax		3 626	1 154	4 344



Consolidated statement of comprehensive income (continued)

NOK million	Note	1H 2023	1H 2022	2022
PROFIT ATTRIBUTABLE TO				
Owners of the parent company		3 014	1 008	3 636
Non-controlling interests		612	146	708
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
Hedging reserve		1 783	- 2 250	- 2 200
Income tax effects		- 671	1 139	1 258
Translation reserve equity-accounted investees		44	12	3
Total items that may be reclassified to profit or loss in subsequent periods		1 156	- 1 098	- 939
ITEMS THAT MAY NOT BE RECLASSIFIED TO PROFIT OR LOSS				
Actuarial gains (losses) on defined benefit plans		43	229	- 54
Income tax effects		- 19	- 135	59
Equity-accounted investees - share of OCI		-	- 4	- 59
Total items that may not be reclassified to profit or loss		24	90	- 54
Other comprehensive income		1 179	- 1 008	- 993
Total comprehensive income		4 805	146	3 351
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent company		3 926	122	2 758
Non-controlling interests		879	24	593



Consolidated statement of financial position

NOK million	Note	30.06.2023	30.06.2022	31.12.2022
ASSETS				
Deferred tax assets		212	277	212
Intangible assets		37 622	37 592	37 562
Property, plant and equipment		27 835	27 514	27 619
Right-of-use assets		333	360	339
Equity-accounted investees	6	10 271	9 782	10 669
Non-current financial derivatives		701	918	1 098
Other non-current receivables		1 670	1 679	1 579
Non-current assets		78 645	78 122	79 077
Inventory		18	33	77
Trade receivables		482	443	1 148
Other non-interest-bearing current receivables		1 472	351	1 026
Current financial derivatives		870	46	2 441
Cash and cash equivalents		12 765	3 061	13 497
Current assets		15 607	3 933	18 188
Assets		94 252	82 055	97 265

NOK million	Note	30.06.2023	30.06.2022	31.12.2022
EQUITY AND LIABILITIES				
Paid-in capital		23 594	23 594	23 594
Other equity		12 090	7 041	9 696
Non-controlling interests		9 874	8 958	9 314
Equity		45 558	39 593	42 604
Non-current interest-bearing debt	5	17 911	20 305	20 203
Lease liabilities		301	324	306
Deferred tax liabilities		8 934	7 228	8 598
Pension liabilities		57	173	78
Non-current financial derivatives		146	411	337
Other liabilities and obligations		3 612	3 636	4 160
Non-current liabilities		30 961	32 078	33 682
Trade payables		251	349	736
Lease liabilities		41	41	40
Other current non-interest-bearing liabilities		2 326	2 247	3 196
Taxes payable		12 738	4 158	13 482
Current financial derivatives		682	552	707
Current interest-bearing debt	5	1 696	3 039	2 819
Current liabilities		17 733	10 385	20 980
Equity and liabilities		94 252	82 055	97 265



Consolidated statement of cash flows

NOK million	1H 2023	1H 2022	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	9 536	5 074	18 879
Adjustments from:			
Depreciations, amortisations and impairments	456	286	746
Gains/losses from divestments and disposals of assets	7	-	-
Profit/loss from equity-accounted investees	-417	198	-716
Unrealised changes in derivatives	-1 013	1 265	443
Changes in inventories	59	-12	-57
Changes in trade receivables and other non-interest-bearing receivables	745	1 128	436
Changes in trade payables and other non-interest-bearing liabilities	-1 322	-1 175	-472
Settlement of futures contracts	3 876	-1 799	-3 210
Net financial items	-17	233	462
Other non-cash income and expenses	-77	-119	-36
Cash flows from operating activities	11 833	5 079	16 474
Taxes paid	-7 008	-5 073	-4 701
Net cash flows from operating activities	4 825	5	11 773

NOK million	1H 2023	1H 2022	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment	-650	-350	-870
Cash paid to equity-accounted investees	-25	-456	-456
Cash paid for new shares in subsidiaries and equity-accounted investees	-49	-410	-185
Cash effect from Celsio transaction	-	-1 607	-1 607
Dividend received from equity-accounted investees	476	267	450
Other investment activities	215	109	221
Cash flows from investing activities	-33	-2 447	-2 447
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan proceeds	285	1 500	3 380
Loan repayments	-3 546	-450	-2 553
Dividends paid and other equity transactions	-1 829	-2 393	-3 033
Interest paid	-698	-378	-664
Other financing activities	222	128	141
Cash flows from financing activities	-5 567	-1 592	-2 729
		-	-
Changes in cash and cash equivalents	-775	-4 033	6 596
Cash and cash equivalents at 1 January	13 497	6 988	6 988
Foreign currency gains/losses from cash and cash equivalents	44	106	-87
Cash and cash equivalents at end of period	12 766	3 061	13 497



Consolidated statement of changes in equity

NOK million	Share Capital	Share premium	Other equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at 31 December 2022	110	23 484	9 696	33 290	9 314	42 604
COMPREHENSIVE INCOME 2023 FOR THE SIX-MONTH PERIOD TO 30 JUNE						
Profit for the year	-	-	3 014	3 014	612	3 626
Other comprehensive income	-	-	912	912	268	1 179
Total comprehensive income for the year	-	-	3 926	3 926	879	4 805
TRANSACTIONS WITH OWNERS						
Dividends	-	-	-1 651	-1 651	-405	-2 056
Effect of dividends from Hafslund Eco Vannkraft AS to Eidsiva Energi AS	-	-	151	151	-	151
Capital increase	-	-	-	-	86	86
Total transactions with owners	-	-	-1 500	-1 500	-319	-1 819
Other changes in equity	-	-	-32	-32	-1	-32
Equity at 30 June 2023	110	23 484	12 090	35 684	9 874	45 558



Consolidated statement of changes in equity (continued)

NOK million	Share Capital	Share premium	Other equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at 31 December 2021	100	15 415	8 550	24 065	2 751	26 816
COMPREHENSIVE INCOME 2022 FOR THE SIX-MONTH PERIOD TO 30 JUNE						
Profit for the year	-	-	1 008	1 008	146	1 154
Other comprehensive income	-	-	-886	-886	-122	-1 008
Total comprehensive income for the year	-	-	122	122	24	146
TRANSACTIONS WITH OWNERS						
Dividends	-	-	-1 750	-1 750	-477	-2 227
Business combinations	-	-	-	-	6 518	6 518
Transactions with non-controlling interests	-	-	93	93	-25	68
Capital increase	10	8 069	-	8 079	166	8 245
Total transactions with owners	10	8 069	-1 657	6 422	6 183	12 605
Other changes in equity	-	-	27	27	-	27
Equity at 30 June 2022	110	23 484	7 041	30 635	8 958	39 593



Notes

Note 1 General information

Hafslund is an energy and infrastructure group. The parent company Hafslund AS is owned 100 per cent by the City of Oslo.

The Group operates power generation through its subsidiaries Hafslund Eco Vannkraft AS, Hafslund Eco Vannkraft Innlandet AS and Hafslund Produksjon AS. The Group operates power plants with a normal annual production of 21 TWh of hydropower, and supplies more than 2.6 million inhabitants with electricity. The power plants are mainly located in the counties in Vestland, Viken and Innlandet.

In addition, the Group has a normal production of approximately 1.9 TWh of district heating which is delivered to approximately 6,000 delivery points (private customers, housing associations and businesses) with approximately 250,000 people in Oslo through the subsidiary Hafslund Oslo Celsio AS, which is Norway's largest producer and supplier of renewable district heating and cooling. The Group also has significant ownership in grid operations through the subsidiary Hafslund Vekst AS' 50 per cent share in Eidsiva Energi AS, which also owns 100 per cent of the shares in the grid company Elvia AS with over 900,000 customers. Elvia AS builds, operates, maintains and renews the grid area in Innlandet, Viken and Oslo. Hafslund also has a 49 per cent ownership interest in Fredrikstad Energi AS.

The Group's subsidiary Hafslund Vekst AS works continuously to establish new growth initiatives within the renewable value chain, with a focus on electrification, sustainability and new production and storage of renewable energy with alternative technologies.

The Company's head office is in Oslo. The consolidated financial statements were authorised for issue by the Board of Directors on 25 August 2023.

Note 2 Basis for preparation

Hafslund's consolidated financial statements for the first six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The consolidated interim financial statements do not include complete information or disclosures that are required for annual financial statements in accordance with IFRS. Consequently, this report should be read in conjunction with the Group's consolidated annual financial statements for 2022. These financial statements have been prepared applying the same accounting policies and the same estimation methods described in the annual report for 2022.

Changes in standards that entered into force on 1 January 2023 have had no material impact on the consolidated financial statements.

The consolidated interim financial statements have not been audited.

The consolidated financial statements have been prepared on the historical cost basis, with the exception of some assets and liabilities that are measured at fair value. Preparation of financial statements in accordance with IFRS requires the use of estimates and judgements. Items significantly impacted by discretionary judgements or assumptions and material estimates are described in the relevant notes to the 2022 consolidated annual financial statements or in notes to these consolidated interim financial statements where new or amended assumptions have been applied.

Hafslund has three operating segments, Hydropower, District heating and cooling and Growth and investments. The different segments are mainly linked to three different companies, Hafslund Eco Vannkraft with its hydropower business, Hafslund Oslo Celsio with its district heating and cooling business and Hafslund Vekst, which brings together the ownership of Eidsiva Energi and the other growth initiatives, including the development of offshore wind and solar.



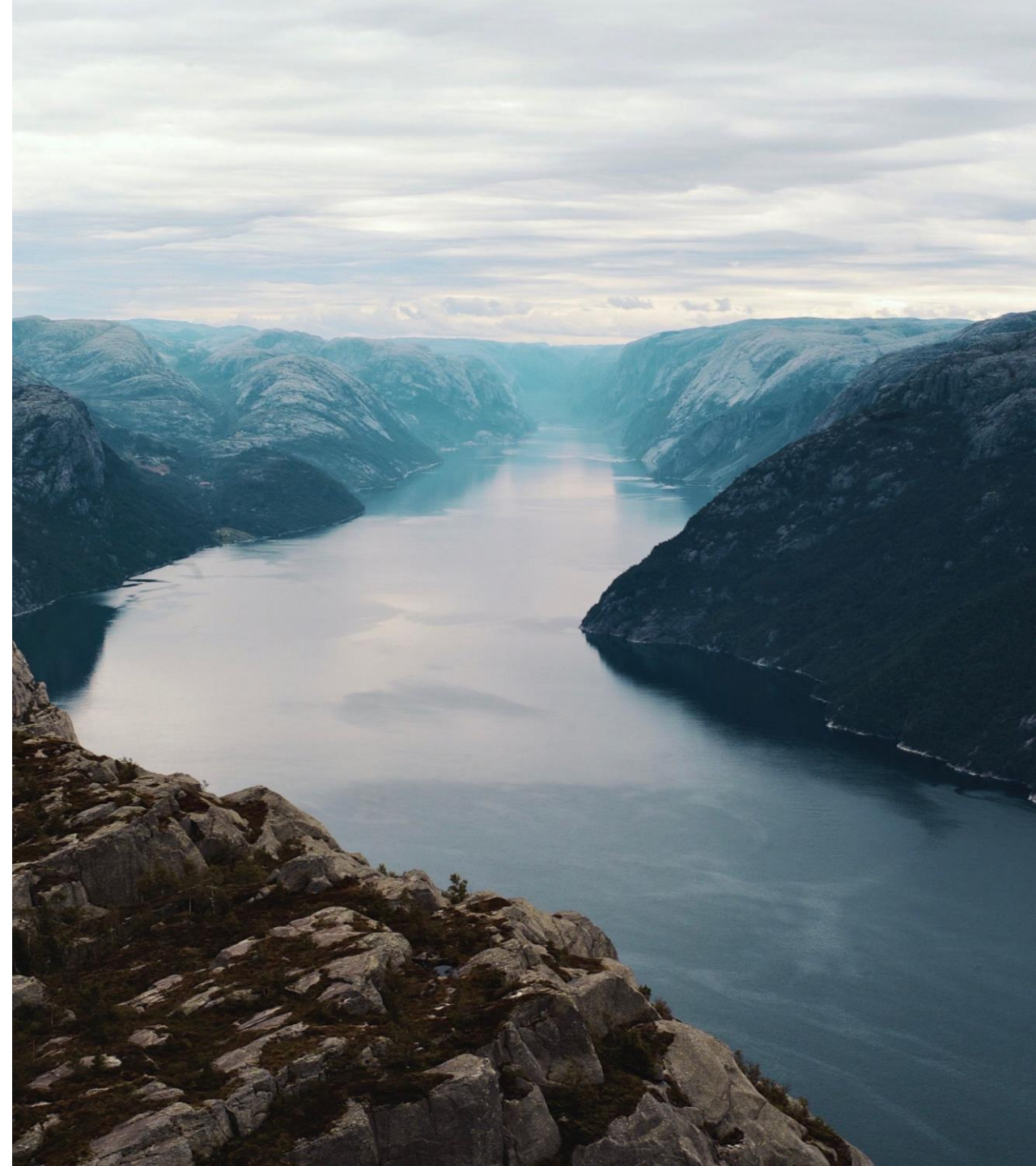
Notes

Note 3 Segment information

Operating segments are reported according to the same structure as the management reporting; Hydropower, District heating and cooling and Growth and investments. In addition to the operating segments, the segment reporting includes Other activities, named as "Other." Other mainly consist of the parent company Hafslund AS and Group eliminations. Results from affiliated companies are presented in the respective operating segments Hydropower, District heating and cooling, and Growth and investments, under operating profit. Transactions between the business areas are carried out in accordance with the arm's length principle.

The business areas' performance and profitability are assessed based on EBITDA, operating profit and profit after tax.

Specification of different revenue types per segment is given in note 4 Revenues and other income.



Notes

Note 3 Segment information (continued)

1 January - 30 June NOK million	Hydropower		District heating and cooling		Growth and investments		Other		Group	
	1H 2023	1H 2022	1H 2023	1H 2022 ¹	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
Sales revenue	9 092	9 156	1 471	90	-	-	-	-	10 563	9 245
Other gain/loss	953	-2 602	13	-10	-	-	1	-	967	-2 612
Other operating revenue	61	49	6	2	6	3	1	8	74	62
Revenues and other income	10 106	6 603	1 490	82	6	3	1	8	11 604	6 695
Energy purchases and transmission	-87	58	-732	-33	-	-	-	-	-820	25
Salary and other personnel costs	-279	-252	-136	-5	-27	-6	-45	-17	-486	-280
Property tax and other imposed costs and compensations	-333	-397	-3	-1	-	-	-	-	-336	-398
Other operating costs	-122	-133	-246	-71	-19	-7	-17	-41	-404	-251
Profit/loss from equity-accounted investees	18	67	-	-	403	-264	-3	-1	417	-198
EBITDA	9 303	5 946	373	-28	363	-275	-64	-50	9 975	5 592
Depreciation and amortisation	-261	-249	-193	-35	-	-	-2	-2	-456	-286
Operating profit (EBIT)	9 042	5 697	180	-63	363	-275	-66	-53	9 519	5 306
Interest income	253	41	18	-	5	-	-71	-41	205	-
Interest expense	-355	-302	-143	-14	-161	-90	170	131	-489	-274
Other finance income/costs	244	146	-7	-1	31	-	34	-104	301	42
Net financial items	142	-114	-132	-15	-125	-90	133	-14	17	-233
Profit before tax	9 184	5 583	48	-77	237	-365	67	-66	9 536	5 074
Income taxes	-5 849	-3 976	-23	19	-3	22	-35	14	-5 910	-3 920
Profit after tax	3 336	1 607	25	-59	234	-343	31	-52	3 626	1 154

¹For the period 19 May – 30 June



Notes

Note 3 Segment information (continued)

30 June	Hydropower		District heating and cooling		Growth and investments		Other		Group	
NOK million	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
ASSETS										
Intangible assets	23 862	23 831	13 738	13 738	-	-	22	23	37 622	37 592
Property, plant and equipment	19 860	19 846	7 804	7 495	6	6	166	168	27 835	27 514
Other non-current assets	1 909	1 873	370	343	10 583	219	140	800	2 916	3 234
Non-current assets	46 055	45 963	21 914	21 576	10 304	9 563	372	1 020	78 645	78 122
Cash and cash equivalents	14 340	6 489	590	402	-653	-808	-1 511	-3 023	12 765	3 061
Other current assets	1 864	914	301	295	661	197	15	-534	2 842	872
Current assets	16 204	7 404	891	697	8	-611	-1 496	-3 557	15 607	3 933
Assets	62 258	53 367	22 806	22 273	10 313	8 952	-1 124	-2 537	94 252	82 055

	Hydropower		District heating and cooling		Growth and investments		Other		Group	
NOK million	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
EQUITY AND LIABILITIES										
Equity	19 809	16 834	16 373	15 927	4 213	2 884	5 162	3 947	45 558	39 593
Non-current liabilities	26 724	29 518	5 481	5 210	6 005	6 008	-7 248	-8 658	30 961	32 078
Current liabilities	15 725	7 015	952	1 137	95	60	962	2 174	17 733	10 385
Equity and liabilities	62 258	53 367	22 806	22 273	10 313	8 952	-1 124	-2 537	94 252	82 055



Notes

Note 4 Revenues and other income

The Group's revenue mainly comprise revenue from sales from power in the wholesale market concessionary power, industrial contracts and results from hedging of financial power contracts. From 19 May 2022, revenue also consists of district heating income and income from waste management. The main principles for accounting for income from Hafslund's revenue streams are described below.

Sales revenue

Power revenue

Produced power is mainly sold via the Nord Pool Spot exchange and by bilateral agreement to Fortum Hedging AS. The performance obligation is mainly power, and the transaction price is the consideration the Group expects to receive, at either spot price, regulated price or contractual price. The performance obligation is fulfilled over time, which means that the revenue is recognised for each unit delivered, at transaction price. Hafslund applies a practical approach where power revenue is accounted for at the amount that the entity is entitled to invoice. The right to invoice arises when the power is produced and delivered, and the right to invoice will normally correspond directly to the value for the customer. The Group takes the view that the exchange (Nord Pool) should be regarded as a customer since the Group has an enforceable contract with Nord Pool AS. The same applies to Fortum Hedging AS. As a principal rule, power revenue from own production is generally presented as gross revenue in profit or loss.

Concessionary power

The Group is obliged to deliver concessionary power to municipalities and county authorities at either a regulated OED (Ministry of Petroleum and Energy) price or an estimated full cost. Hafslund does not consider revenue from delivery of concessionary power to derive from a customer contract as defined in IFRS 15 but applies the same principles in IFRS 15 by analogy and therefore also presents revenue from the sale of concessionary power as sales revenue.

Industrial contracts

In addition, Hafslund has entered into bilateral agreements for the physical delivery of power to industrial companies. These contracts are recognised under the same principles as other power sales.

District heating revenue

Revenue from heat sales is recognised according to the customers' measured consumption of district heating. For commercial buildings, condominiums and housing associations, meter readings are taken every hour and customers are billed monthly. For private customers, a monthly or quarterly reading is done, depending on the area. Heat sales are calculated by multiplying the measured consumption to the customers by the applicable district heating tariffs for the period. The Group is usually responsible for the delivery of the entire service and has concluded that the distribution and sale of district heating are not separate performance obligations.

The connection fee is considered a separate performance obligation and is recognised as income when heating is connected to the customer. Until the customer is connected, the fee is accrued in the balance sheet as deferred income. Expenses related to the connection are capitalised.



Notes

Waste management sales

Revenue from waste management services arises from fees charged for receiving waste from customers (i.e. gate fees). The fee is usually determined based on the volume of waste received. The fee is calculated mainly based on the quality and volume of waste received, fees charged are invoiced based on payment schedules agreed with the customer. The Group is required to treat the waste and this performance obligation is satisfied when treatment has been performed.

Other gain/loss

Hedging of financial power contracts and foreign currency derivatives

Hafslund uses financial contracts to hedge future revenues from sale of hydropower in euro, and foreign currency derivatives to exchange settlements from hedges in euro to NOK. Hedging inefficiencies and results from contracts that are not subject to hedge accounting are measured at fair value through profit or loss under Other gain/loss.

Financial power contracts

The Group has a financial power contract to compensate for lost production. Revenue from the contract is presented under Other operating income and value adjustments are presented under Other gain/loss.



Notes

Note 4 Revenues and other income (continued)

1 January - 30 June	Hydropower production		District heating and cooling		Growth and investments		Other		Group	
NOK million	1H 2023	1H 2022	1H 2023	1H 2022 ¹	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
REVENUES AND OTHER INCOME										
Power revenue	8 679	8 753	89	10	-	-	-	-	8 768	8 763
Concessionary power	120	118	-	-	-	-	-	-	120	118
Industrial contracts	273	281	-	-	-	-	-	-	273	281
Fixed-price contracts	20	-	-	-	-	-	-	-	20	-
Heat sales	-	-	1 245	61	-	-	-	-	1 245	61
Waste treatment sales	-	-	137	18	-	-	-	-	137	18
Grid rental/actual revenue	1	4	-	-	-	-	-	-	1	4
Sales revenue	9 092	9 156	1 471	90	-	-	-	-	10 563	9 245
Realised gains/losses power derivatives and foreign currency derivatives	- 56	- 1 477	9	- 3	-	-	-	-	- 47	- 1 480
Value change power contracts	1 149	- 1 057	4	- 7	-	-	1	-	1 154	- 1 065
Value change currency derivatives	- 139	- 67	-	-	-	-	-	-	- 139	- 67
Other gains/ losses	953	- 2 602	13	- 10	-	-	1	-	967	- 2 612
Other operating income	61	49	6	2	6	3	1	8	74	62
Other operating income	61	49	6	2	6	3	1	8	74	62
Revenues and other income	10 106	6 603	1 490	82	6	3	1	8	11 604	6 695



¹ For the period 19 May – 30 June

Notes

The nature of the business is essentially sales of power at spot prices and district heating sales. The Group does not have contract balances of significance from sale of power as spot contracts are settled daily. The Group did not have any significant remaining performance obligations as of 30 June 2023.

Note 5 Interest-bearing debt

In the first half of 2023, the Group repaid a total of NOK 3,546 million of interest-bearing debt, of which a certificate loan of NOK 900 million, a bond loan of NOK 300 million and a private placement in the U.S. market of NOK 429 million. Additionally the group made an extraordinary downpayment of NOK 1,917 million on subordinated loan from Eidsiva Energi AS.

NOK million	30.06.2023	31.12.2022
Interest-bearing debt at 1 January	23 022	18 695
Increase in interest-bearing debt	285	3 380
Repayment of interest-bearing debt	-3 546	-2 553
Sum of changes cash flow from financing activities	-3 261	827
Increase in interest-bearing debt without cash effect	-	3 675
Effect of currency fluctuations (without cash effect)	-150	229
Effect of fair value hedges (without cash effect)	-4	-412
Other changes without cash effect	-	8
Sum changes without cash effect	-154	3 500
Interest-bearing debt	19 607	23 022



Notes

Note 6 Share of profit from equity-accounted investees

The share of profit from equity-accounted investees was NOK 417 million, of which NOK 398 million relates to the joint venture Eidsiva Energi, in which Hafslund holds a 50 per cent stake.

The profit contribution from Eidsiva Energi compared to first half 2022 is mainly driven by lower costs to cover grid losses and overlying grid in Elvia as well as received bottleneck income from Statnett.

Note 7 Impairment testing

Reference is made to note 3.3 in the consolidated annual financial statements for 2022 for a comprehensive description of the Group's key accounting policies for impairment testing, key estimates and assumptions, as well as the breakdown into cash-generating units.

In the first half of 2023, the expected long-term power price curve has fallen compared to year end. Simultaneously, both the interest rate level and inflation are at a higher level. This could potentially be indications of impairment in the book value of the Group's assets.

The booked values in the cash-generating unit District heating and cooling (formerly "Heating and cooling") showed a constrained robustness at year end. This is related to the values being recognised at fair value in connection with the business combination on 19 May 2022. An impairment test has been carried out for these assets for the first half of 2023 to assess the effect of changed assumptions.

The impairment test carried out as of 30 June 2023 confirms that book values can be justified, but that robustness is limited. The Group will monitor further developments in core value drivers for the cash-generating unit.

No indications of impairment have been identified for the other cash-generating units in the Group.

Note 8 Events after the reporting period

At the time of the presentation of the interim financial statements for the first half of 2023, there were no known material events after the reporting period that were expected to have an impact on the Group's income statement for the first half of 2023 or its financial position as of 30 June 2023.

In early August the water flow in Glomma increased significantly as a result of the extreme weather "Hans". The floodgates at the Braskereidfoss power plant did not open as they were supposed to, so the water flooded over the dam and entered the power plant. The company is still surveying the extent of damage and consequences, and at the time of the presentation of the interim financial statements for the first half of 2023, it was not possible to reliably estimate the financial impact of the flood.

In July, the Group entered into an agreement with Helios Nordic Energy AB for the purchase of 7 solar park projects in Sweden, corresponding to an annual production of 250 GWh. Hafslund will acquire the projects as they become ready for construction, and construction is expected between 2024 and 2028.

In August, the Group issued a commercial paper of NOK 500 million with a maturity of 15 August 2024 and a coupon of 3 month NIBOR + 0.6 per cent p.a.



Declaration from the Board of Directors and CEO

The Board of Directors and the CEO have today considered and approved the interim management report and its condensed consolidated interim financial statements for the period 1 January to 30 June 2023 for the Hafslund Group.

We hereby declare to the best of our knowledge that:

The condensed consolidated financial statements for the period 1 January to 30 June 2023 have been prepared in accordance with IAS 34 Interim Reporting and provide a true and fair view of the Group's assets, liabilities, financial position and performance as a whole

The interim management report provides a true and fair view of important events in the accounting period and their influence on the consolidated interim financial statements, and the key risks and uncertainties facing the business in the next accounting period.

Oslo, 25 August 2023

Hafslund AS

Styret

Alexandra Bech Gjerv
(Board chair)

Bjørn Erik Næss

Maria Tallaksen

Mari Thjømøe

Bård Vegar Sollied

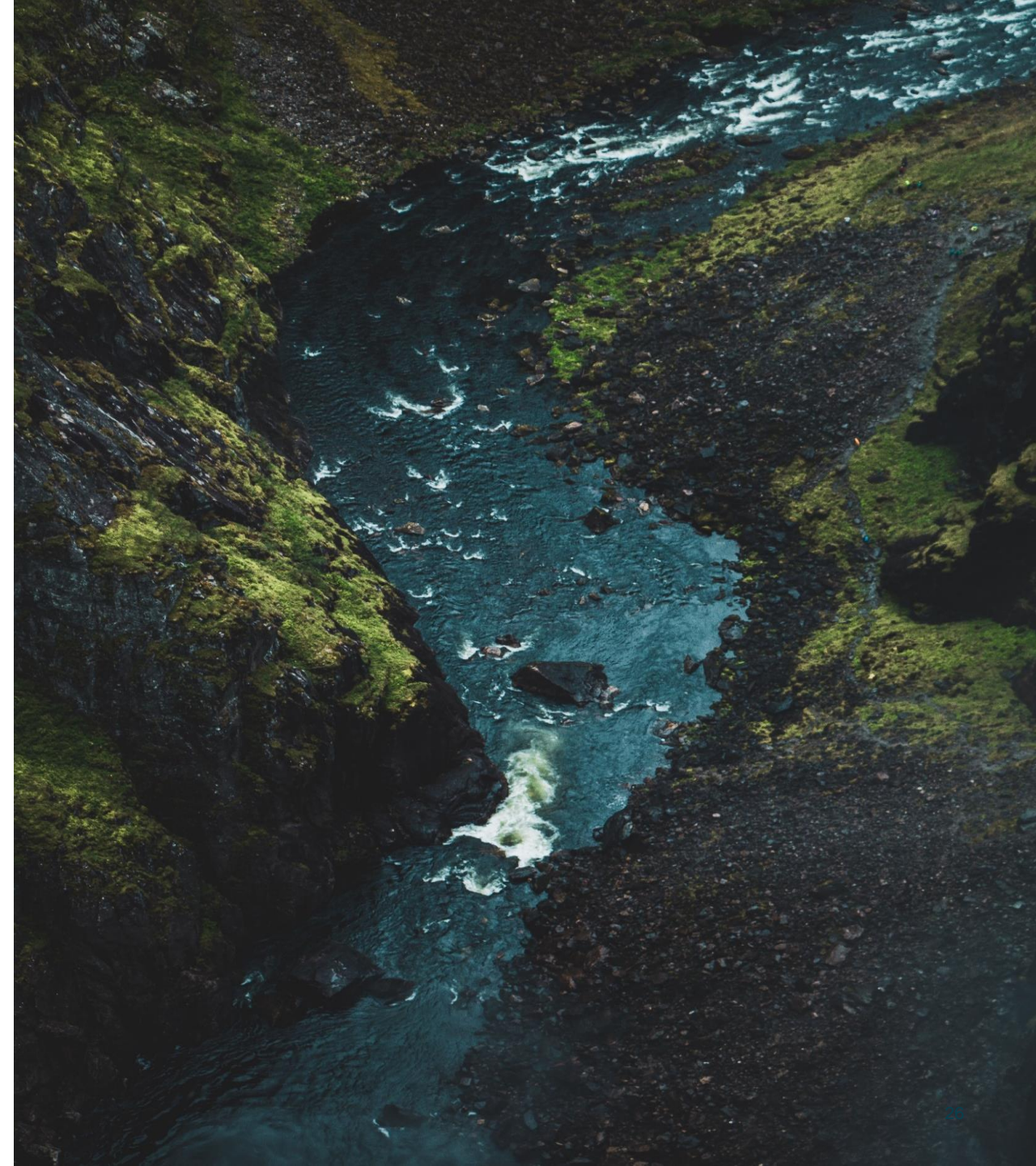
Jarle Roth

Vegar Kjos Andersen

Ingvild Marie Rikoll Solberg

Håkon Rustad

Finn Bjørn Ruyter
(CEO)



Definitions and alternative performance measures (continued)

NOK million	1H 2023	1H 2022	2022
UNDERLYING PROFIT			
Operating profit (EBIT)	9 519	5 306	19 340
Value changes in power price and foreign exchange contracts	- 1 014	1 131	435
Value change land compensation rights	1	133	8
Result share Eidsiva Energi - excess or defeat revenue after tax	- 35	635	130
Underlying operating profit	8 471	7 206	19 914
Profit after tax	3 626	1 154	4 344
Value changes and one-offs operating profit	- 1 048	1 900	574
Tax effects adjustments and one-offs	222	- 327	- 101
Underlying profit after tax	2 800	2 726	4 817
ROCE			
Operating profit (EBIT)	9 519	5 306	19 340
Capital employed (average)	65 351	53 495	54 327
ROCE / return on capital employed	14,6 %	9,9 %	35,6 %
ROE			
Profit after tax	3 626	1 154	4 344
Equity (average)	44 081	33 204	34 710
ROE / return on equity	8,2 %	3,5 %	12,5 %

NOK million	1H 2023	1H 2022	2022
GJELD / EBITDA			
Net interest-bearing debt (average)	8 160	15 765	10 429
EBITDA	9 975	5 592	20 087
DEBT / EBITDA	0,8	2,8	0,5
FFO / GJELD			
EBITDA	9 975	5 592	20 087
Interest paid	- 698	- 378	- 664
Taxes paid	- 7 008	- 5 073	- 4 701
Net interest-bearing debt (average)	8 160	15 765	10 429
FFO / debt	28%	1%	141%





Hafslund

Contact details

Information is displayed on Hafslund's website:

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