

Eidsiva Energi AS

Green Bond Investor Presentation

May 2021



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Today's presenters



Petter Myrvold
CFO



Jørn Gunnar Kleven
Head of finance and controlling



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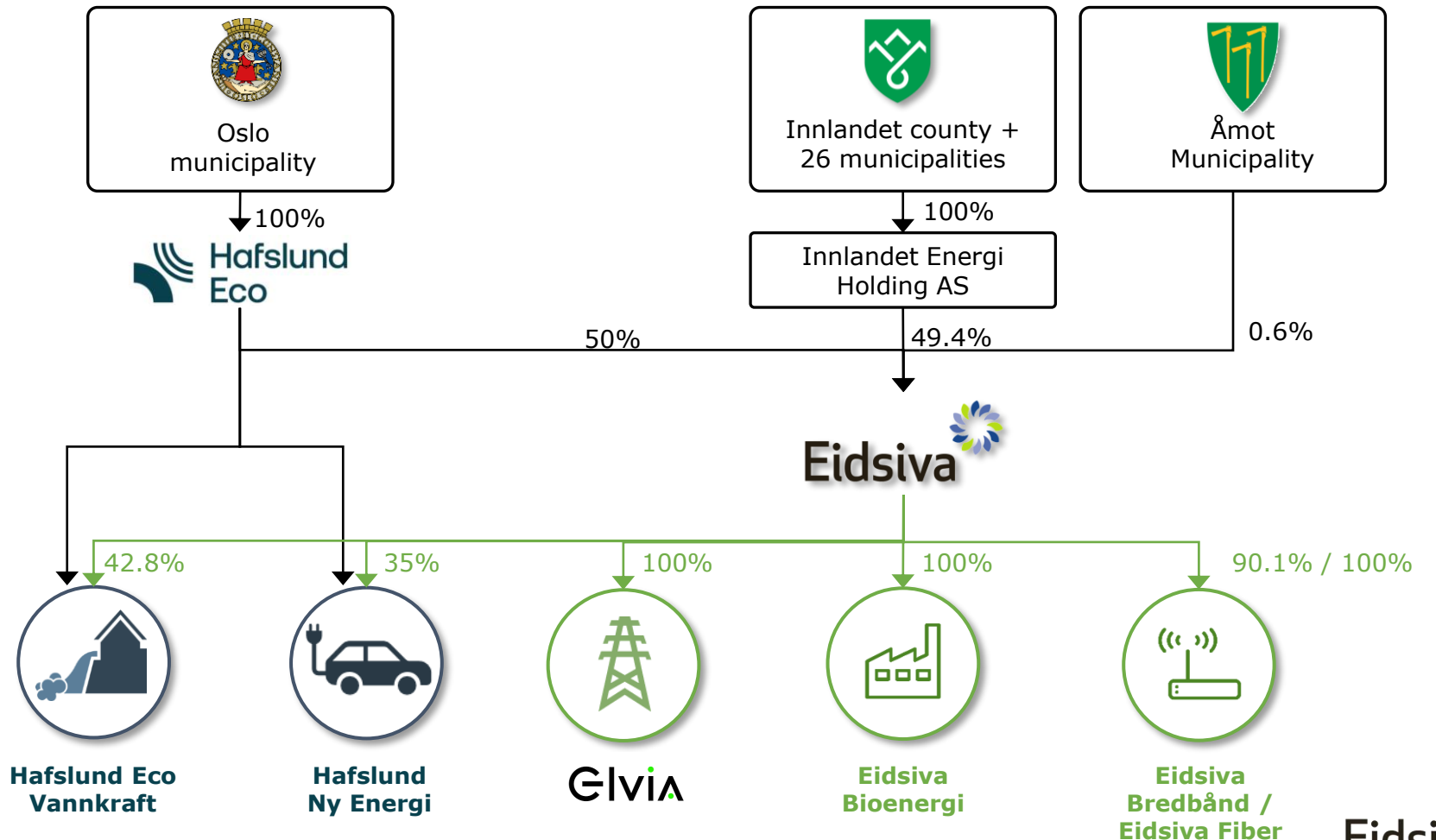
- Management
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Two groups in cross-ownership

Comments

- The cross-ownership structure was completed 30 September 2019, and represents Norway's largest mainland merger
- The transaction rationale was to strengthen and separate the power production and power grid operations by
 - Bringing the production companies together in Hafslund Eco
 - Bringing the grid companies together in the Eidsiva structure
 - Initiate a collaboration between Eidsiva Energi and Hafslund Eco through cross-ownership
- The combination of two strong competence environments within hydropower production and electricity supply have provided a unique platform for creating long-term values

Cross-ownership structure



Ownership structure and shareholders

Hafslund Eco 50%



- Hafslund Eco is Oslo Municipality's (rated AAA by S&P) wholly owned energy group
- In addition to the shares in Eidsiva Energi, Hafslund Eco owns the remaining shares in Hafslund Eco Vannkraft directly in addition and other production assets

Innlandet Energi Holding 49,4%



- Holding company established in 2019 to combine Innlandet's ownership in Eidsiva Energi in conjunction with the integration with Hafslund Eco
- Owned by Innlandet County and 26 municipalities in the Innlandet region

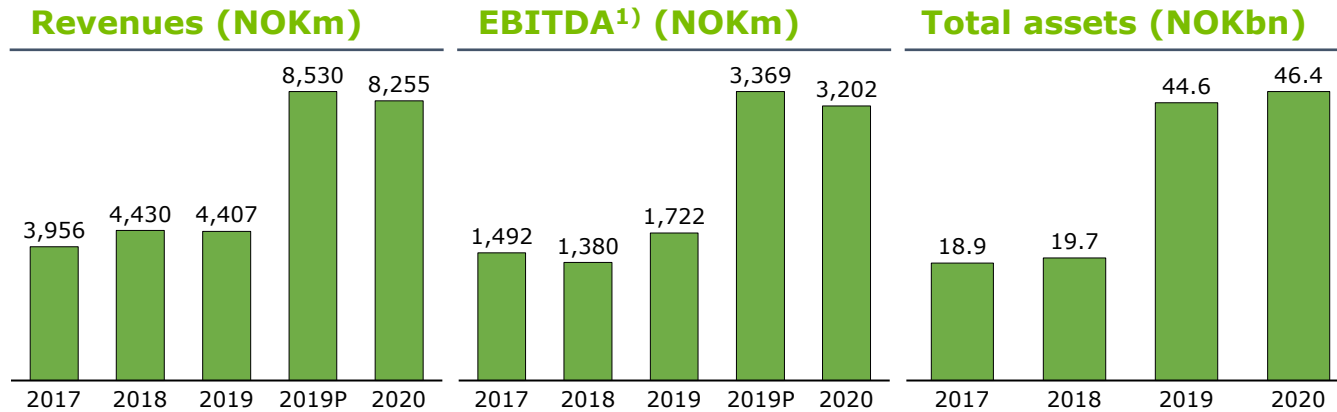
Åmot Kommune 0,6%







- Direct owner of Eidsiva Energi
- Municipality located within Innlandet county with approximately 4,300 inhabitants

Eidsiva Energi at a glance

- Norway's largest grid company with significant shareholdings in hydropower
- Three main business areas (i) Power distribution, (ii) Fiber and (iii) District heating
- 42.8% ownership interest in Hafslund Eco Vannkraft with a net production of 6.3TWh (reported to associated companies)
- Head office located in Hamar, Norway
- BBB+ (stable) rating from Scope Ratings AG



Grid	<ul style="list-style-type: none"> • NOK 19,8bn³⁾ grid capital • DEA³⁾ score 2020: 110% • EBITDA 2020: NOK 2,700m 	
Fiber	<ul style="list-style-type: none"> • >81,100 customers with significant growth • EBITDA 2020: NOK 343m 	
District heating	<ul style="list-style-type: none"> • Production 2020: 397 GWh • Renewable energy 2020: 99% • EBITDA 2020: NOK 84m 	
Hydro power	<ul style="list-style-type: none"> • 6,3TWh average production²⁾ • Co-owner of 74 hydro power plants • Profit contribution of NOK 168m in 2020 	
Other	<ul style="list-style-type: none"> • Elsikkerhet Norge (68%) • Hafslund Ny Energi (35%) 	

P= Pro forma 1) EBITDA 2019P of NOK 3,369m has not been audited and is based on the current group structure throughout 2019. Profit for 2019 has been adjusted for a material non-recurring item of 4,085m related to the sale of Eidsiva Vannkraft and Laje Nettsservice. 2) Net production is indirectly the production share in Hafslund Eco Vannkraft 3) As per 31.12.2020

Eidsiva Energi in figures

84%

of EBITDA in 2020 from
power grid operations

66,000

Kilometers of power
grid lines

74

Hydro power plants co-
owned with Hafslund Eco
Vannkraft

81,100

Fiber and broadband
customers

#3

Norway's third largest
district heating
producer

BBB+

credit rating from Scope
Ratings AG

Dark Green

CICERO green finance
framework second
opinion

1,147

Employees per
31.12.2020

Group strategy

Grid

- Successful integration of Hafslund Nett and Eidsiva Nett with significant synergies achieved
- Customer focus that will accelerate electrification and the green shift
- Successful integration and customer focus will provide efficiency and profitability well above the industry average
- HSE – zero target

Fiber

- Profitable growth towards 100,000 satisfied fiber customers
- Industry-leading efficiency and quality of fiber deliveries
- EBITDA - margin of over 50%
- A leading position within digitized value chains
- HSE – zero target

District heating

- Target of 500 GWh annual delivery in 2025 (growth of 10%)
- New products and services (decentralized energy centres and service agreements as examples)
- Ensuring solid and uniform management of values and resources
- HSE – zero target

Finance

- Maintain investment grade rating
- Diversified debt sources with an even maturity profile
- Will cover maturity for the next 12 months with bank deposit and debt facility

Recent events

COVID-19 impact

- The group has managed to maintain stable operations in all three business areas, and there has so far been limited economic effects related to the pandemic

Grid operations

- Elvia has continued the integration activities for realizing synergies following the merger of Hafslund Nett and Eidsiva Nett
- Regional grid connections between Statnett's transformation stations Hasle and Råde is now operational. The new regional grid connection from Kråkerøy to Hvaler is under development, and will be operational in 2021
- The smart grid AMS project comprising roughly 920,000 automatic metering devices was completed in 2020

Fiber operations

- Solid growth within the retail and professional segments during the last year
- The Altibox project involving changes in systems and processes is on track and will be finalized in 2021

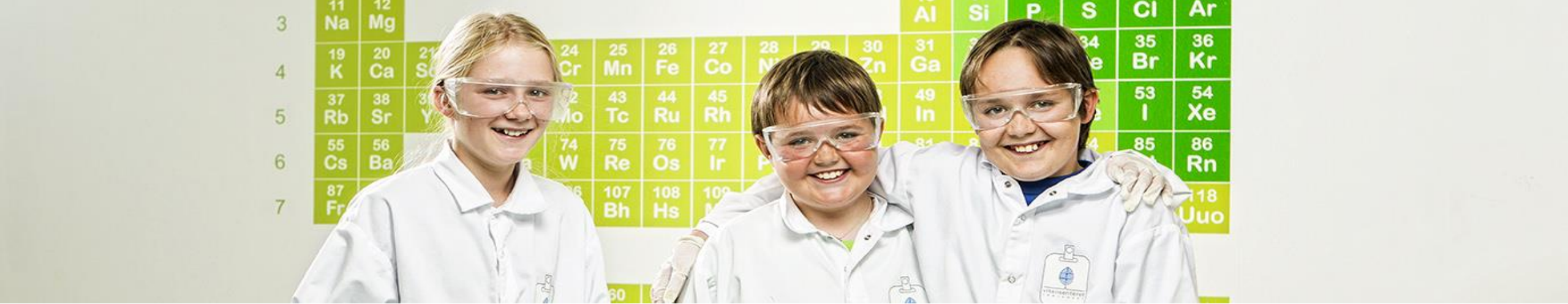
District heating

- Construction of the new heating central at Kongsvinger is on track, to be completed in 2021
- ORC based power production at Elverum is now operational

Divestments

- In March 2021, Eidsiva Energi sold all of its shares (34% of the total shares) in Laje Nettservice AS to Ringerikskraft Entreprenør AS





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Sustainability plan and report for 2020

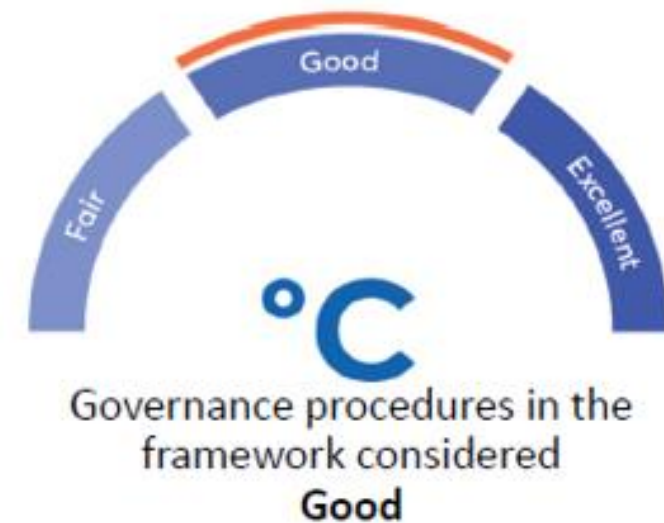
- During 2020, Eidsiva established a best practice, systematic sustainability plan with the aim to secure that:
 - Eidsiva's relevant ESG aspects are identified
 - Sustainability targets are defined and incorporated into the group strategy
 - Action plans for implementation of sustainability targets and review of KPIs are implemented
- Eidsiva's implemented sustainability plan is based on the UN's sustainability definition
- The sustainability report for 2020 is based on the World Economic Forum's framework
- Please [click here](#) to access the report



Sustainability is now formalised as an integral part of the group strategy

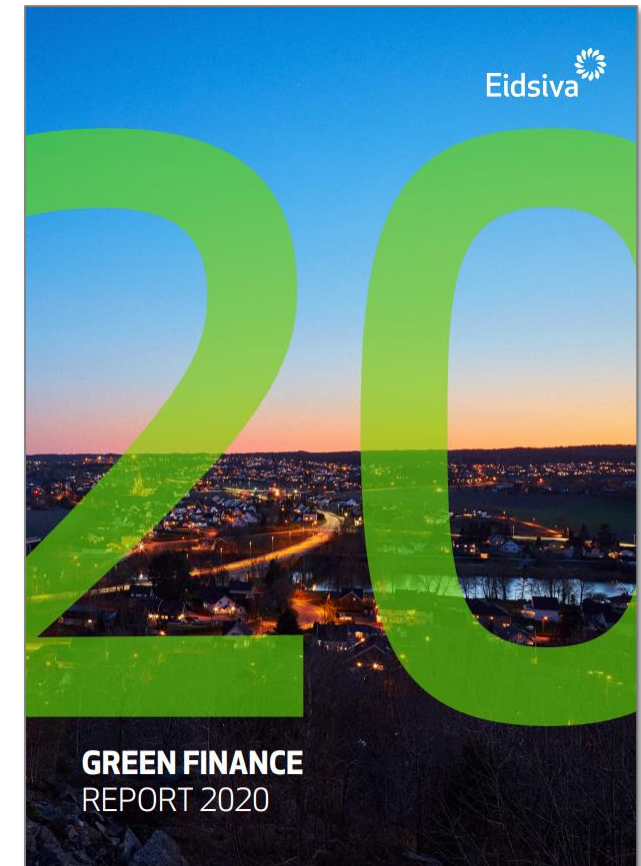
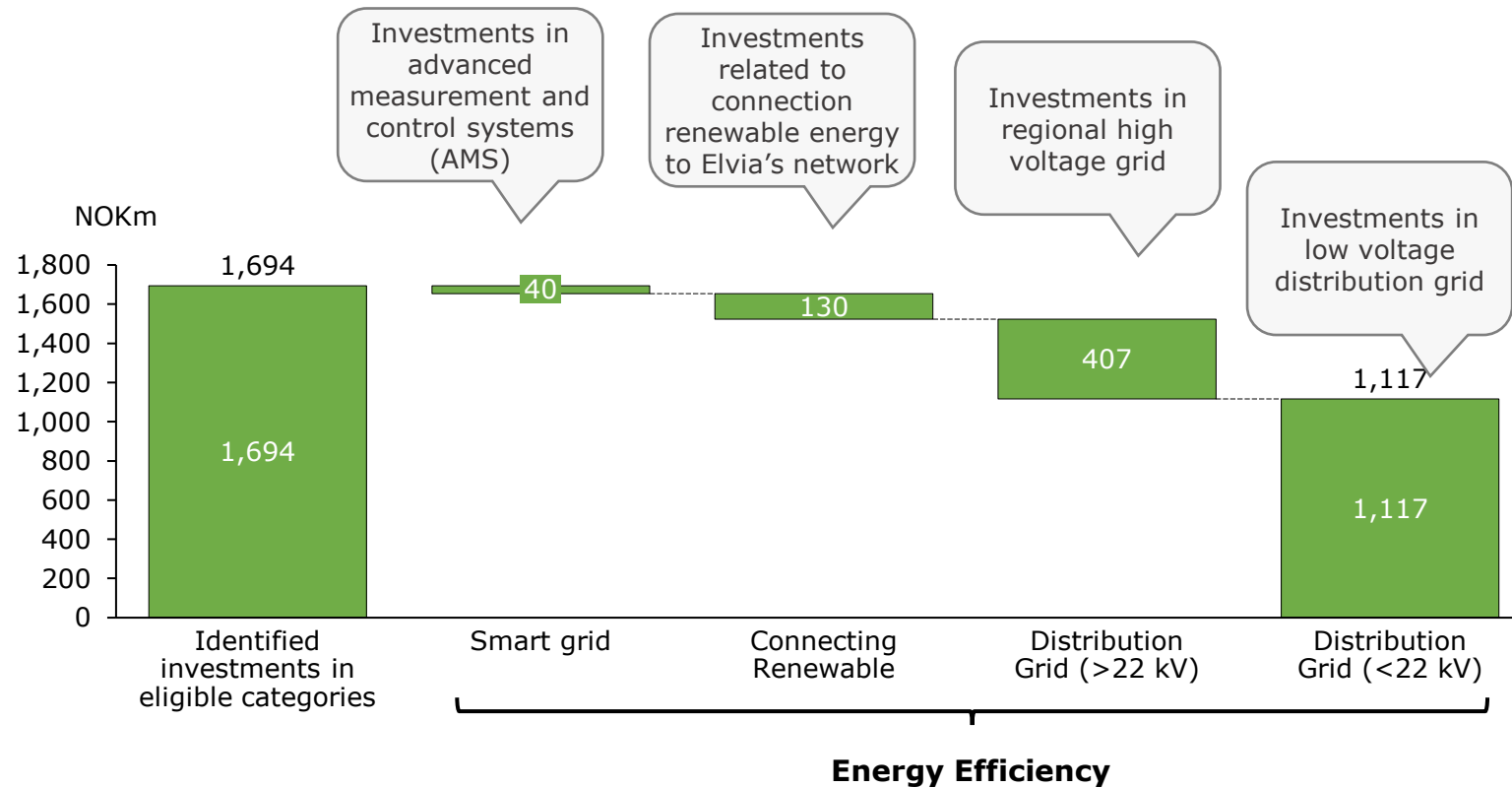
Eidsiva Energi's Green Finance Framework – November 2019

Category (ICMA)	Eligible projects
Energy efficiency	<ul style="list-style-type: none">▪ Connection of renewable energy to distribution and transmission networks▪ Upgrading of transmission and distribution networks▪ Smart grids▪ District heating
Renewable energy	<ul style="list-style-type: none">▪ Hydro power and related infrastructure▪ Wind power and related infrastructure



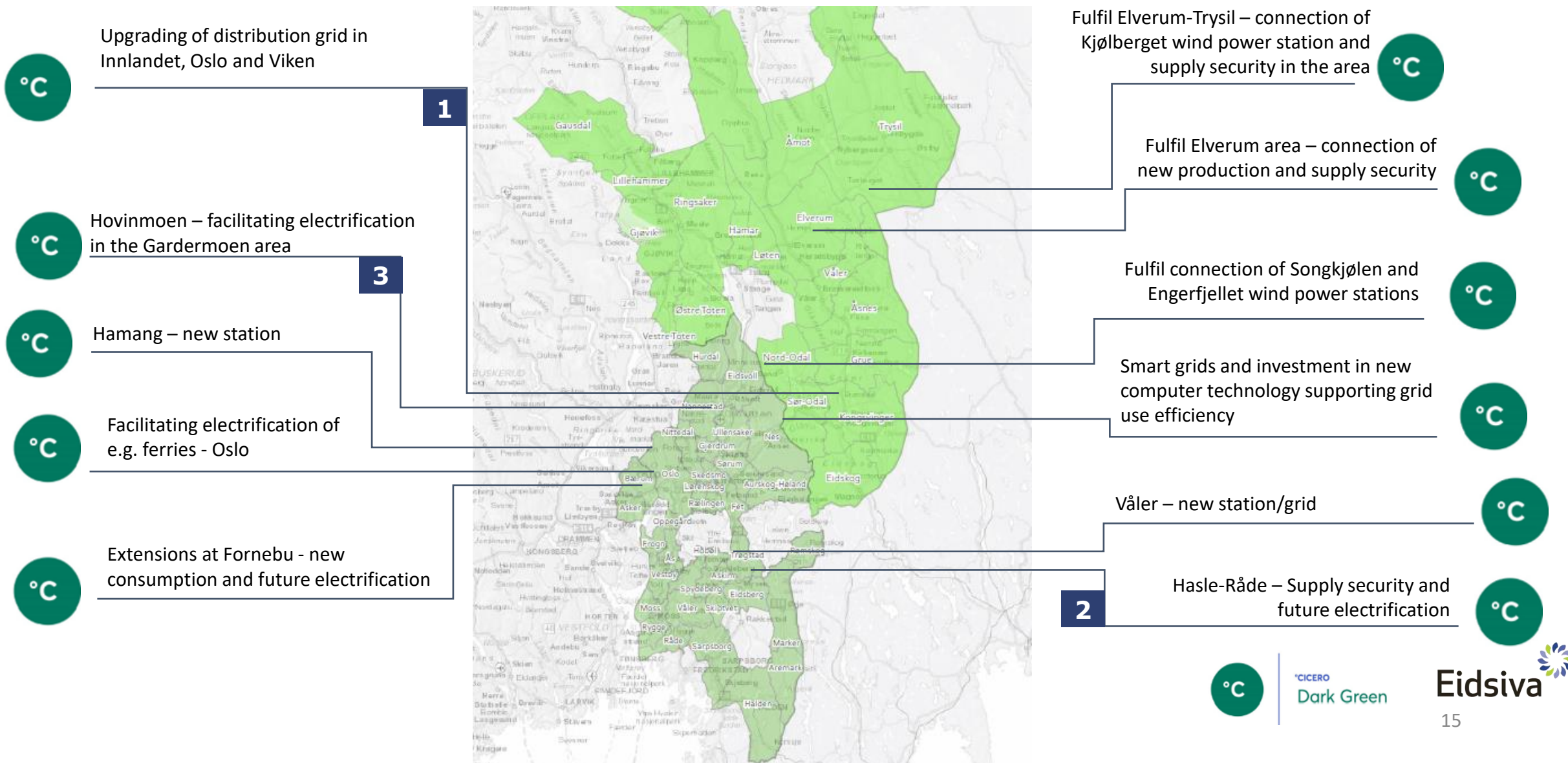
Green Finance Report 2020

Eidsiva invested significant funds in sustainable projects during 2020



Click [here](#) to read the Green Finance Report 2020

Selected completed and/or planned projects by Elvia (1/2)



CICERO
Dark Green



Selected completed and/or planned projects by Elvia (2/2)

1



- Increase capacity to handle new consumption and stable power supply in Innlandet, Oslo and Viken (security of supply)
- Distribution grid reinforcements and new connections – low voltage.
- Investment – < NOK 1.000m
- Innlandet, Viken and Oslo

2



- Increase capacity to handle new consumption and stable power supply Hasle – Råde – Halmstad
- 23 km built in the existing route
- The high voltage upgrading will be finalized in 2021.
- Investment NOK 360m

3



- Hovinmoen transformer station at Ullensaker / Gardermoen
- Investment – NOK 146m
- Facilitate electrification in the fast growing region of Ullensaker / Gardermoen



CICERO
Dark Green

Facilitate for an "electric Oslo" with grid reinforcement and upgrades

Oslo is not only the world's largest electric car capital but is also becoming one of the world's most important cities for testing electrical solutions in a number of different sectors.

- Electric cars
- Electric public transport
- Electricity in ports and at sea
- Electricity at construction sites

Oslo was awarded the European Environmental Capital in 2019



Further information: <https://www.oslo.kommune.no/miljo-og-klima-1/slik-jobber-vi-med-miljo-og-klima/elektriske-oslo/>

OSLO



Eidsiva



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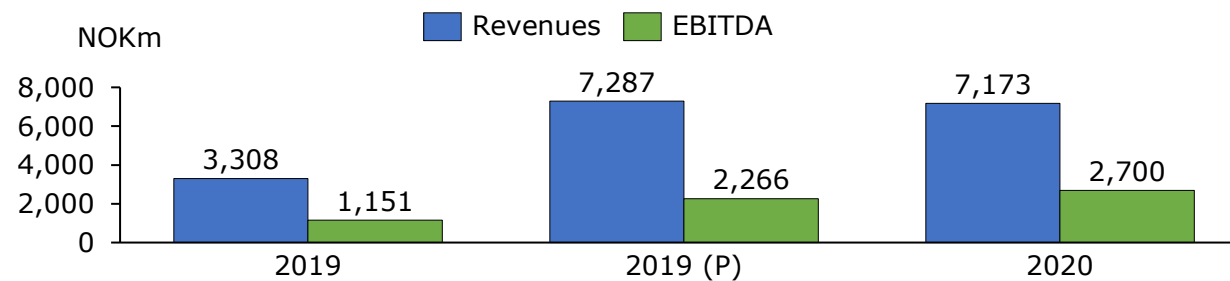
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Elvia – Norway’s No. 1 power grid company

The business

- The grid business involves planning, construction, operation and maintenance of the power grid in the Innlandet, Viken and Oslo counties
- Grid capital of NOK 19,800m
- 933,000 customers in the concession area with a total population of approx. 2 million, and significant growth
- In 2020, 22 TWh of energy was transmitted through Elvia’s grid with an average availability of 99.97%
- Total investments exceeded NOK 8,000m during 2017-2020
- The power grid is a so-called natural monopoly where the calculated return on capital (WACC) is regulated by NVE¹ (5.15% in 2020). Volume and price risk is insignificant.
- No counterparty risk - potential losses will be distributed to all customers

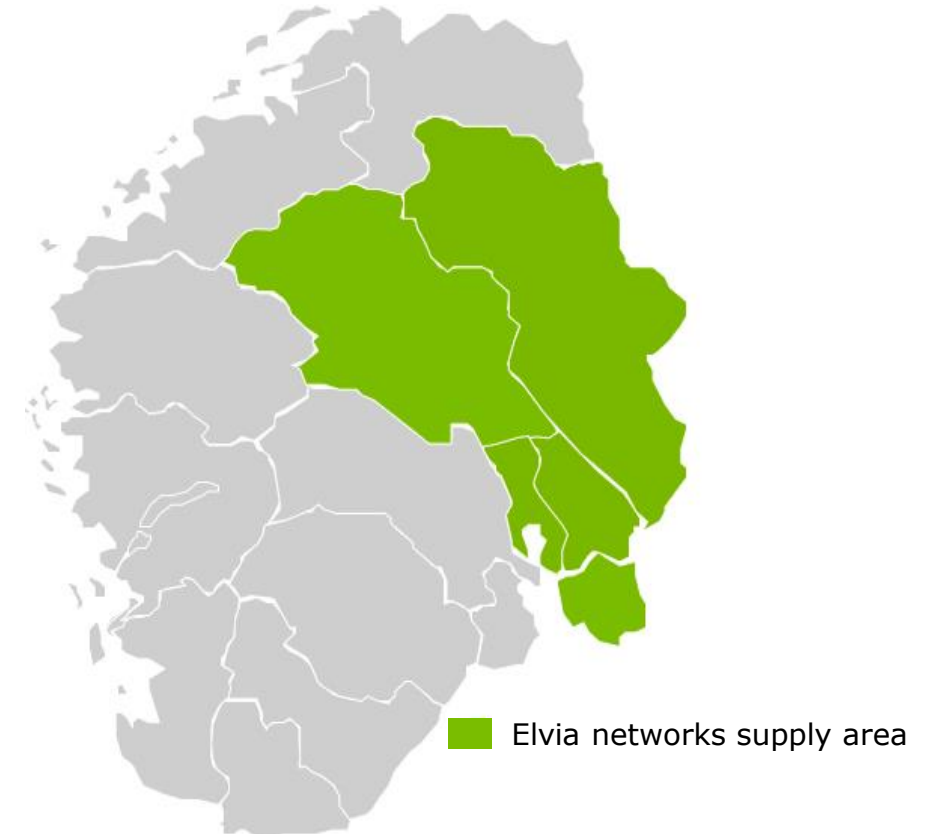
Financial figures



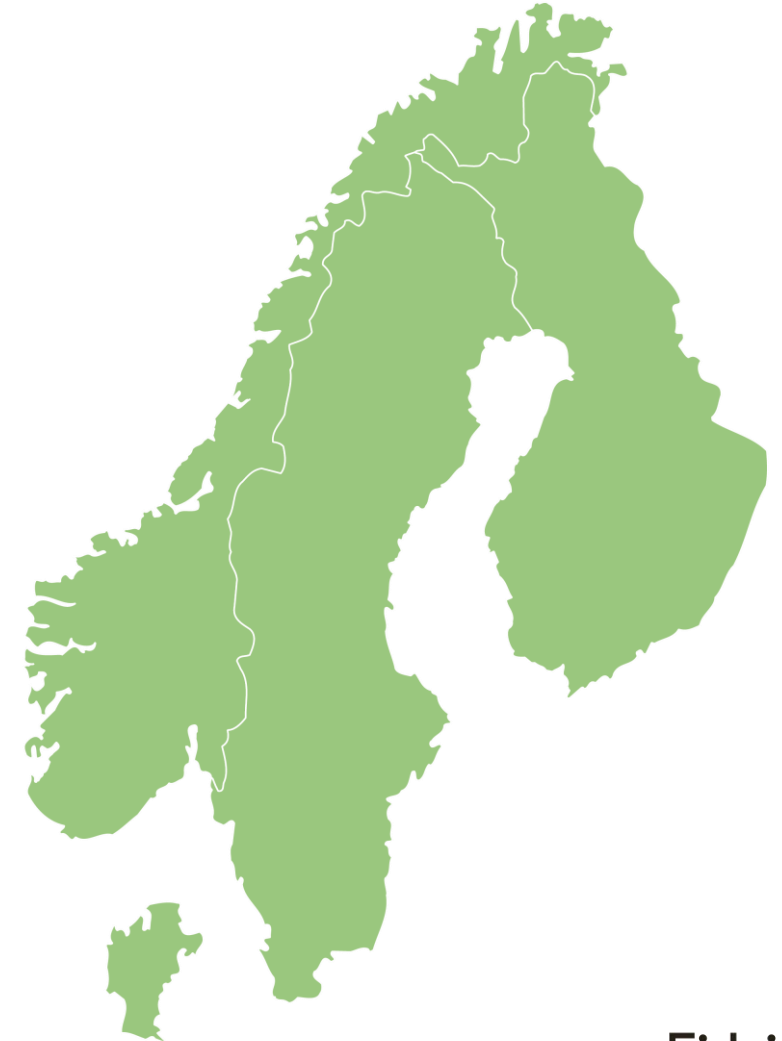
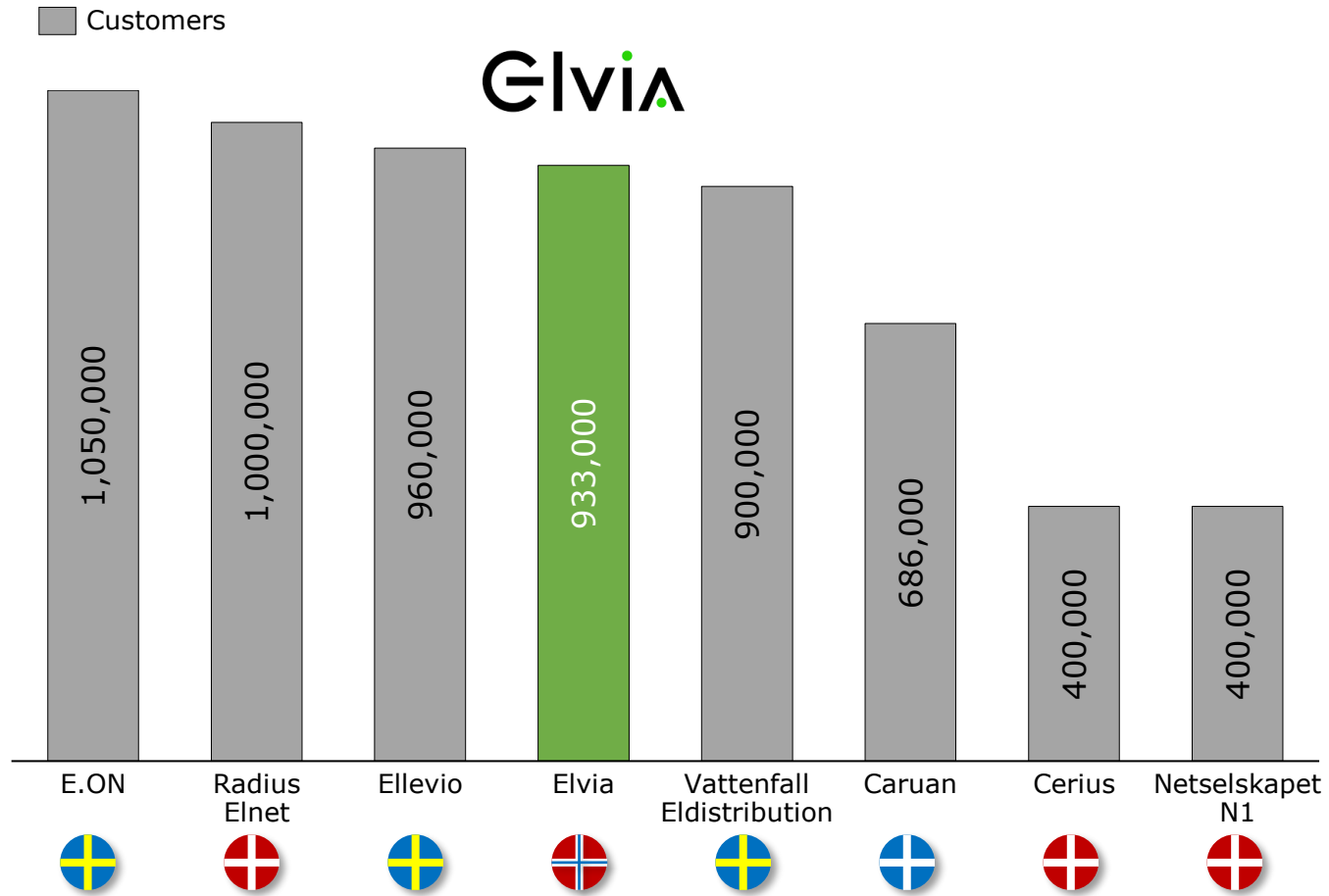
P= Pro forma (not audited) based on the current group structure throughout 2019

1) The Norwegian Water Resources and Energy Directorate

Grid concession area



Nordic grid companies by customers

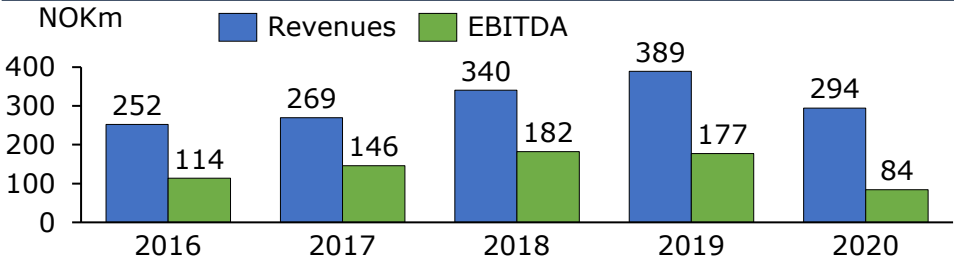


Eidsiva Bioenergi – Norway’s 3rd largest district heating company

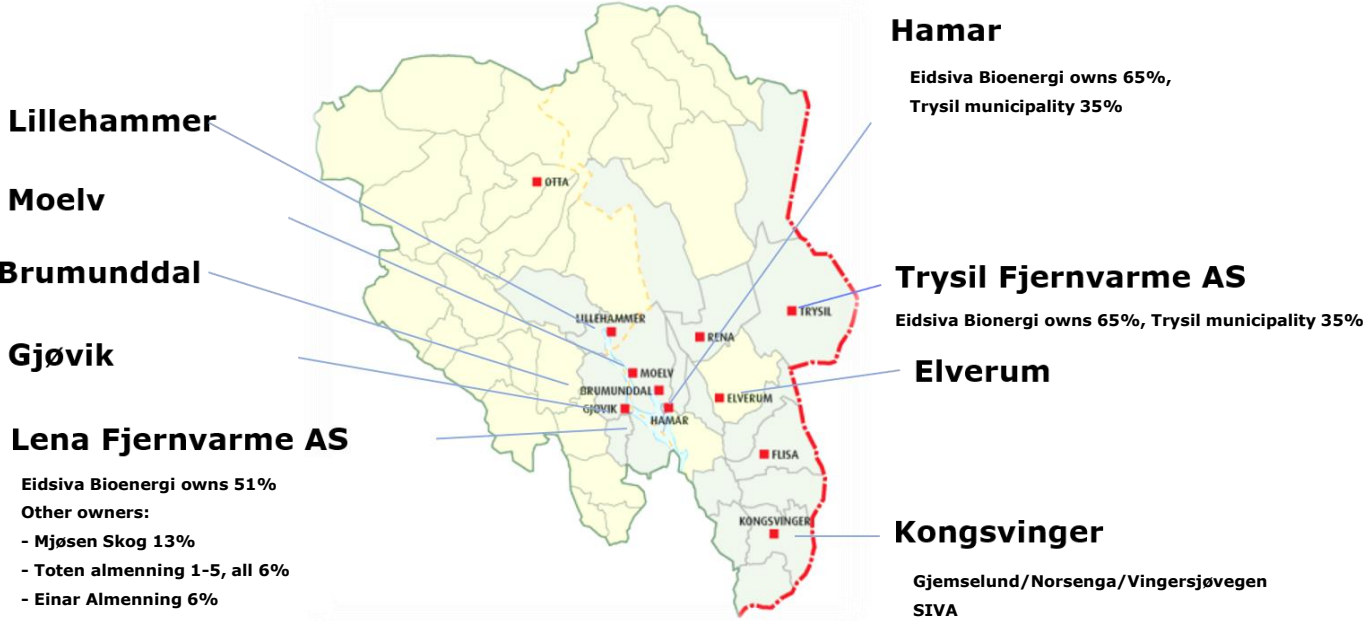
9 wholly and partly owned plants

- Eidsiva Bioenergi was established as a separate business area within Eidsiva on 01.01.2008, as a result of the BioTerra project, with the objective of 1 TWh bio energy generation in Innlandet
- Has since 2007 invested over NOK 2 billion in development and construction of infrastructure and generation plants
- Delivering heat, industrial steam and electricity, all together 397 GWh in 2020
- Covers the entire value chain within district heating
- High renewable share through the use of forest residue/wood (99% in 2020)

Financial figures



Overview of plants

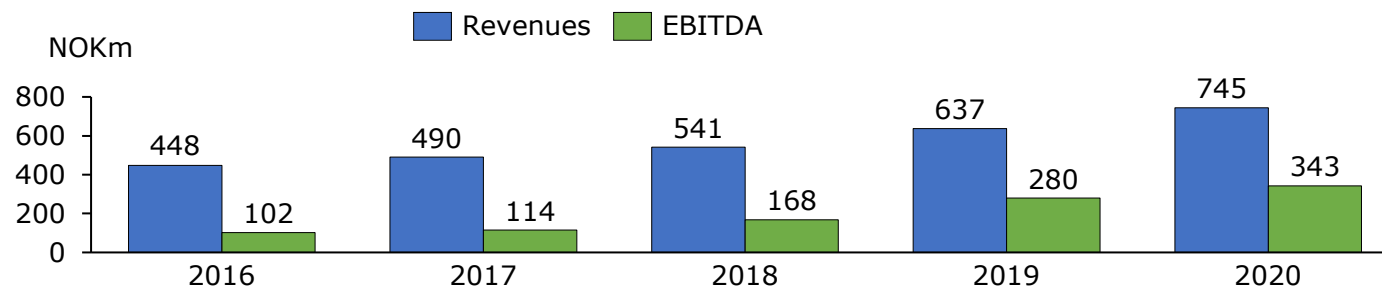


Eidsiva Bredbånd – significant fiber network in Norway

Description

- The business area includes two companies, Eidsiva Bredbånd AS (90.1%) and Eidsiva Fiberinvest AS (100%)
- Eidsiva Fiberinvest is the network owner
- Eidsiva Bredbånd provides broadband services to over 82,000 residential and business customers
- 160 employees headquartered in Lillehammer
- Has at its disposal the third largest fiber network in Norway (after Telenor and GlobalConnect), a total of 9,000 km
- Partner agreement with Altibox in December 2018 that strengthens Eidsiva's role as a provider of fiber-based broadband services in Innlandet

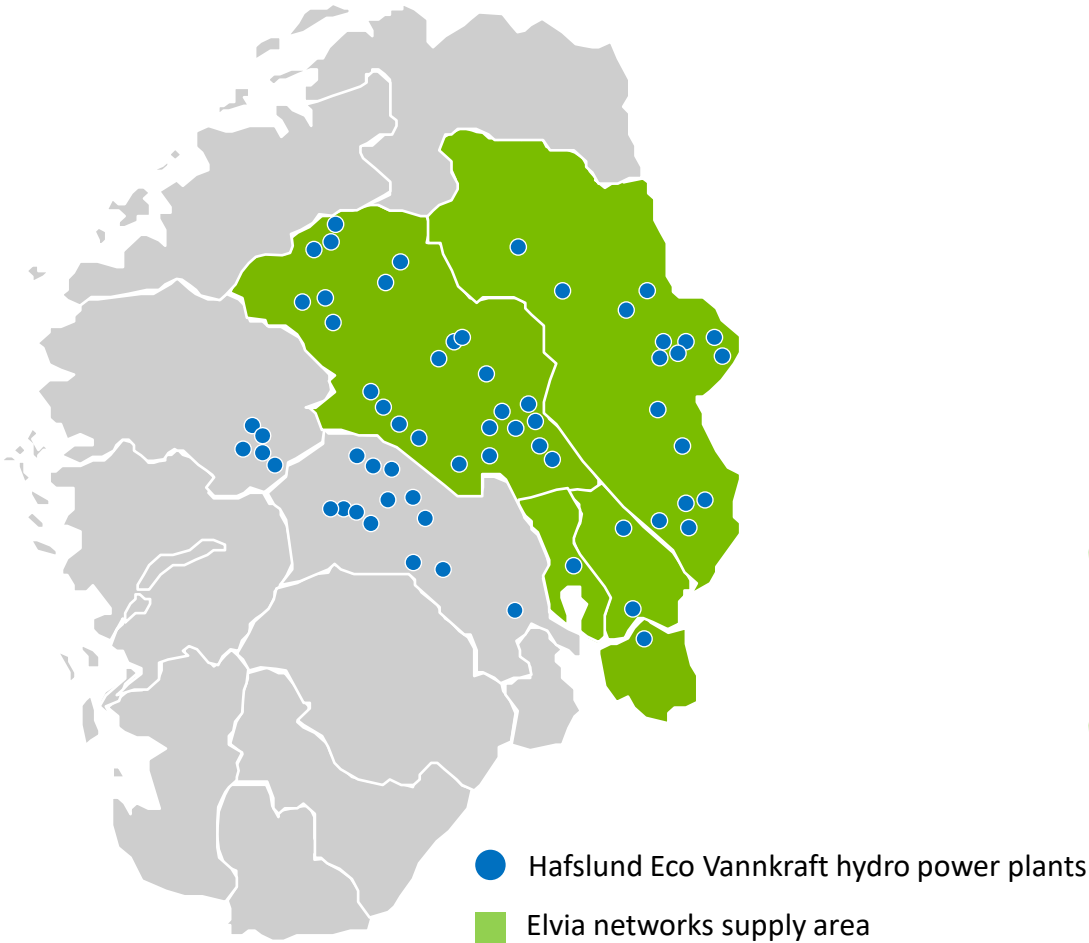
Financial figures



Extent of fiber network

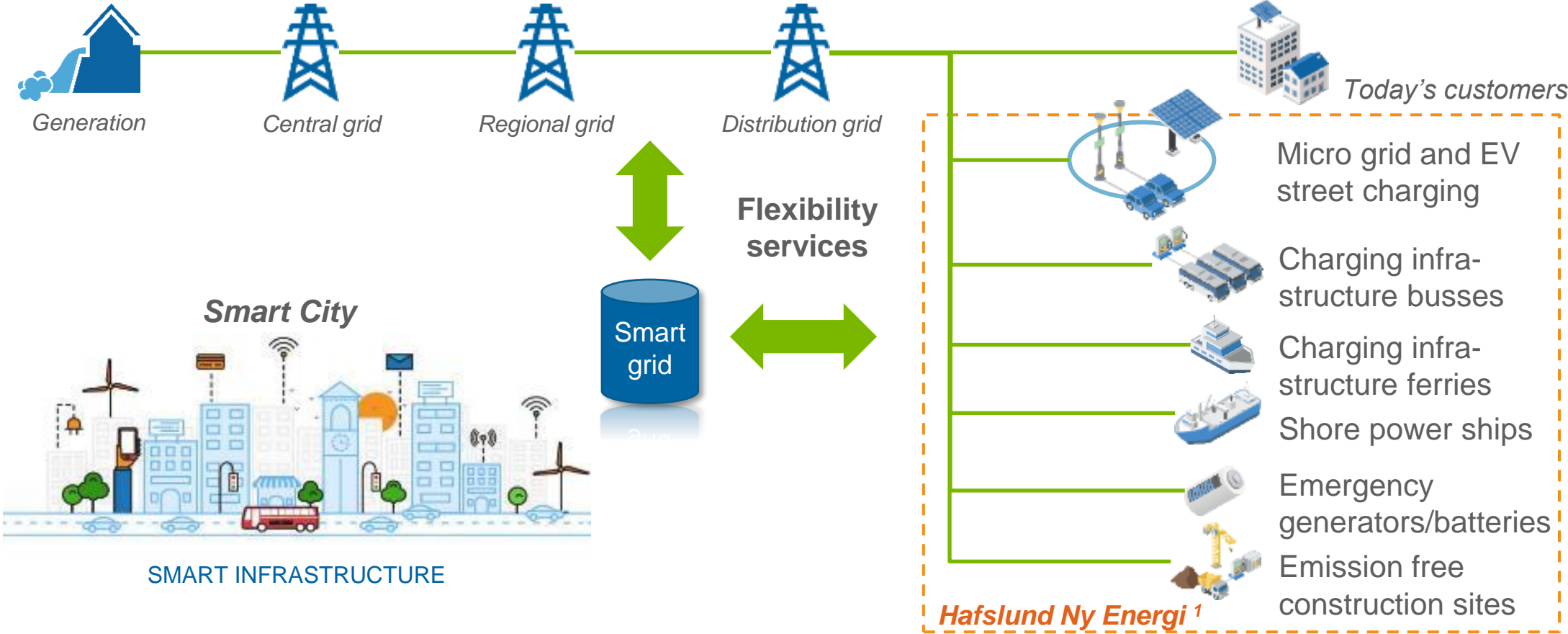


Eidsiva indirectly owns over 6 TWh of hydropower through 42.8% ownership in Hafslund Eco Vannkraft



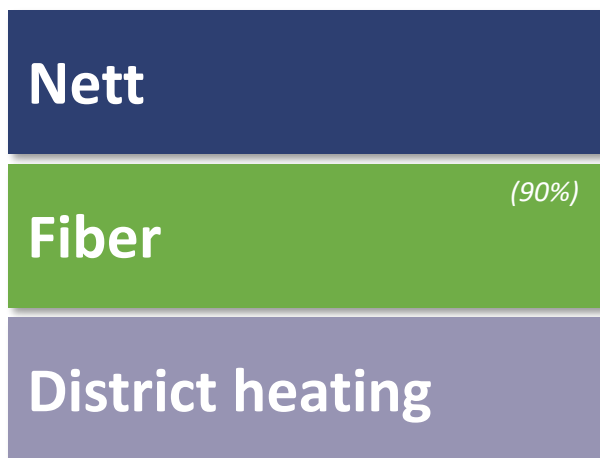
- * 42.8 percent ownership in Hafslund Eco Vannkraft, Norway's 2nd largest power producer after Statkraft
- * Net generation of 14.7 TWh
- * Operating 80 power plants/21 TWh
- * Eidsiva's indirect share is 6.3 TWh
- * Strong hydropower expertise in Innlandet

Together with Hafslund Eco, Eidsiva Energi accelerates the electrification of Norway

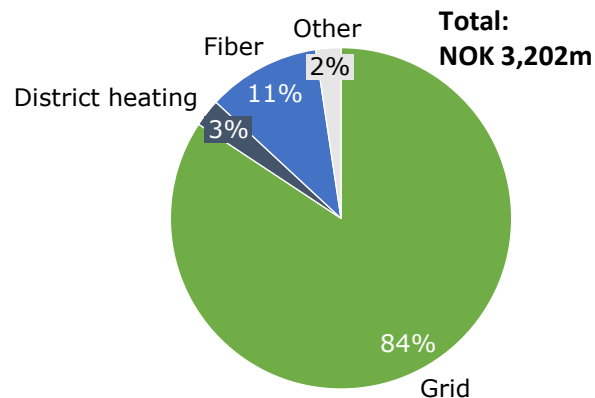


1) Eidsiva's ownership in Hafslund Ny Energi is 35%

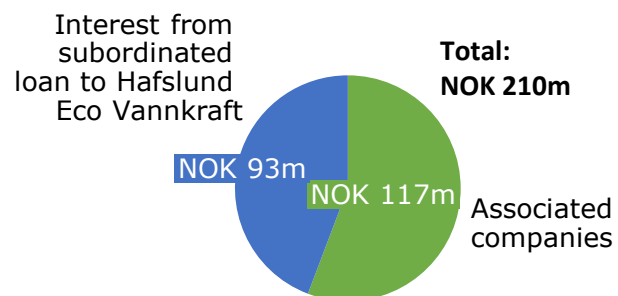
84% of reported EBITDA in 2020 from grid operations



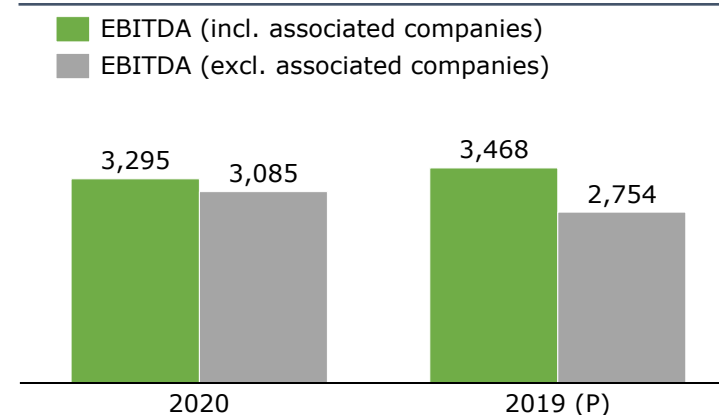
EBITDA distribution 2020



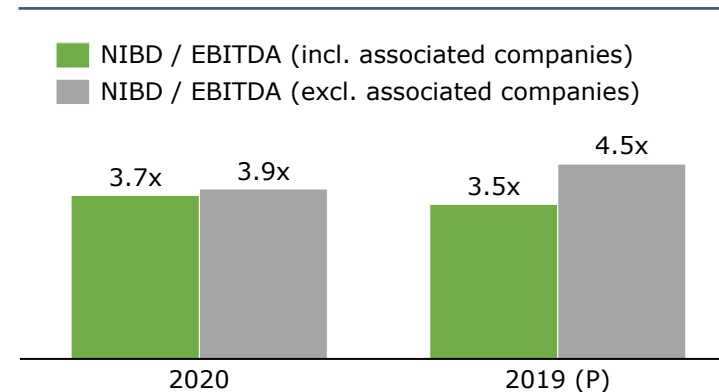
<i>Hafslund Eco Vannkraft AS</i>	(42,8%)
<i>Hafslund Ny Energi AS</i>	(35%)
<i>Rakkestad Energi AS</i>	(68%)
<i>Oplandske Bioenergi AS</i>	(36%)
<i>Svalun AS</i>	(33%)



EBITDA (NOKm)



Leverage



P= Pro forma

Note: Percentages in brackets represents Eidsiva Energi's share of ownership

BBB+/Stable rating from Scope Ratings AG

Extract from the March 2021 rating report

23 March 2021 Corporates

Eidsiva Energi AS
Norway, Utilities



Summary of business and financial risk profiles

Our assessment of Eidsiva's business risk profile (A rated) has not changed. Eidsiva is still Norway's largest grid company, with a significant EBITDA share from monopolistic power distribution.

Our financial risk profile assessment (BB) is also unchanged from last year, although we expect leverage metrics to weaken. Although, the revised levels do not negatively impact Eidsiva's overall financial risk profile rating, it has put pressure on selected credit ratios, especially leverage, making both financial flexibility and the rating headroom lower going forward.

Key financial metrics

Scope credit ratios	2019	2020	Scope Estimates	
			2021F	2022F
EBITDA/Interest	5.0x	9.8x	6.2x	6.7x
Scope adjusted debt (SaD) / EBITDA	9.5x	4.6x	6.2x	5.6x
Scope adjusted funds from operations / SaD	7.4%	20.9%	13.3%	15.7%
Free operating cash flow / SaD	-1.2%	10.6%	-3.9%	-3.1%

Ratings & Outlook

Type	Rating
Corporate and issuer rating	BBB+ / Stable
Short-term rating	S-2
Senior unsecured rating	BBB+

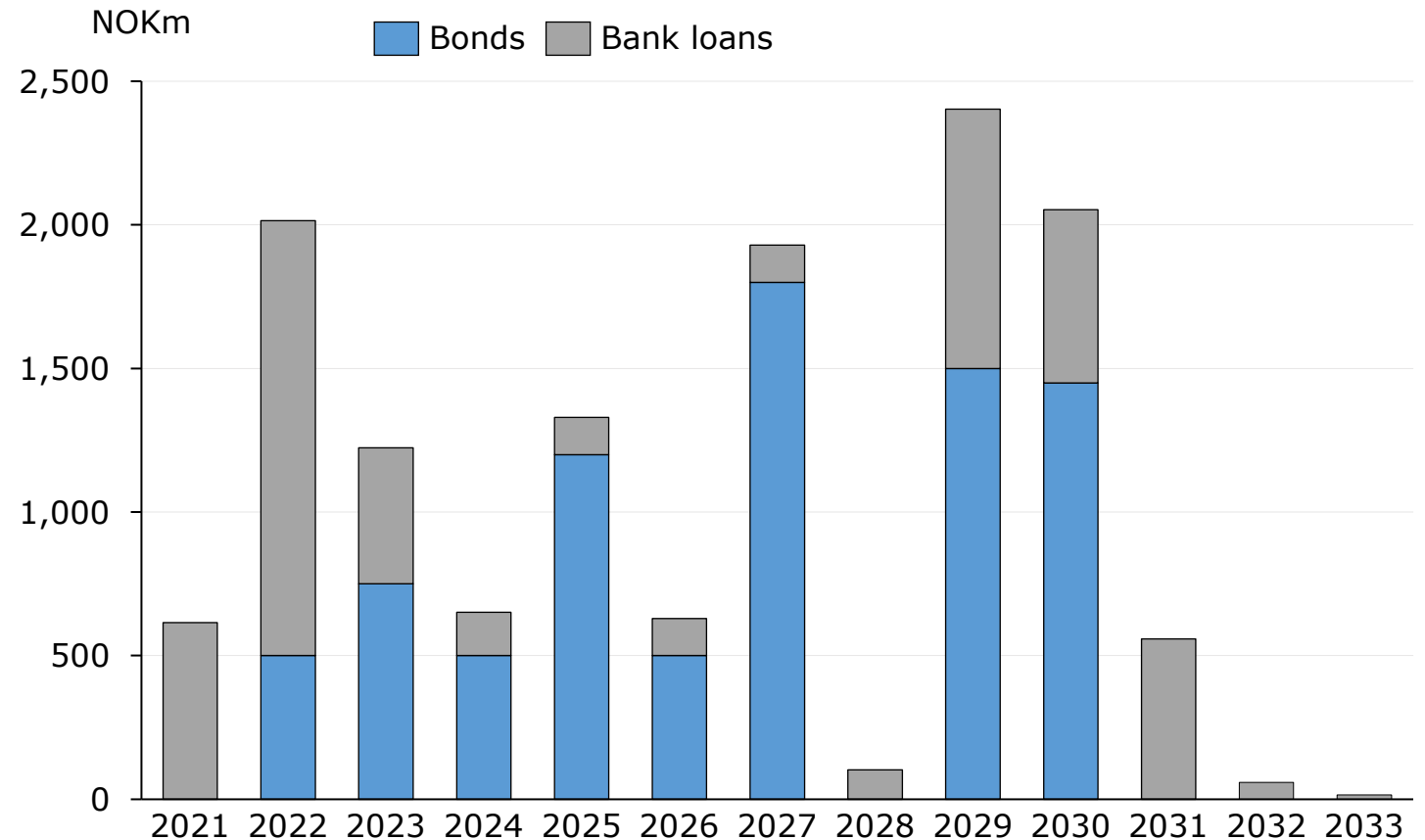
Note: Scope Ratings does not include Eidsiva Energi's share of profits from Hafslund Eco Vannkraft in their EBITDA estimates

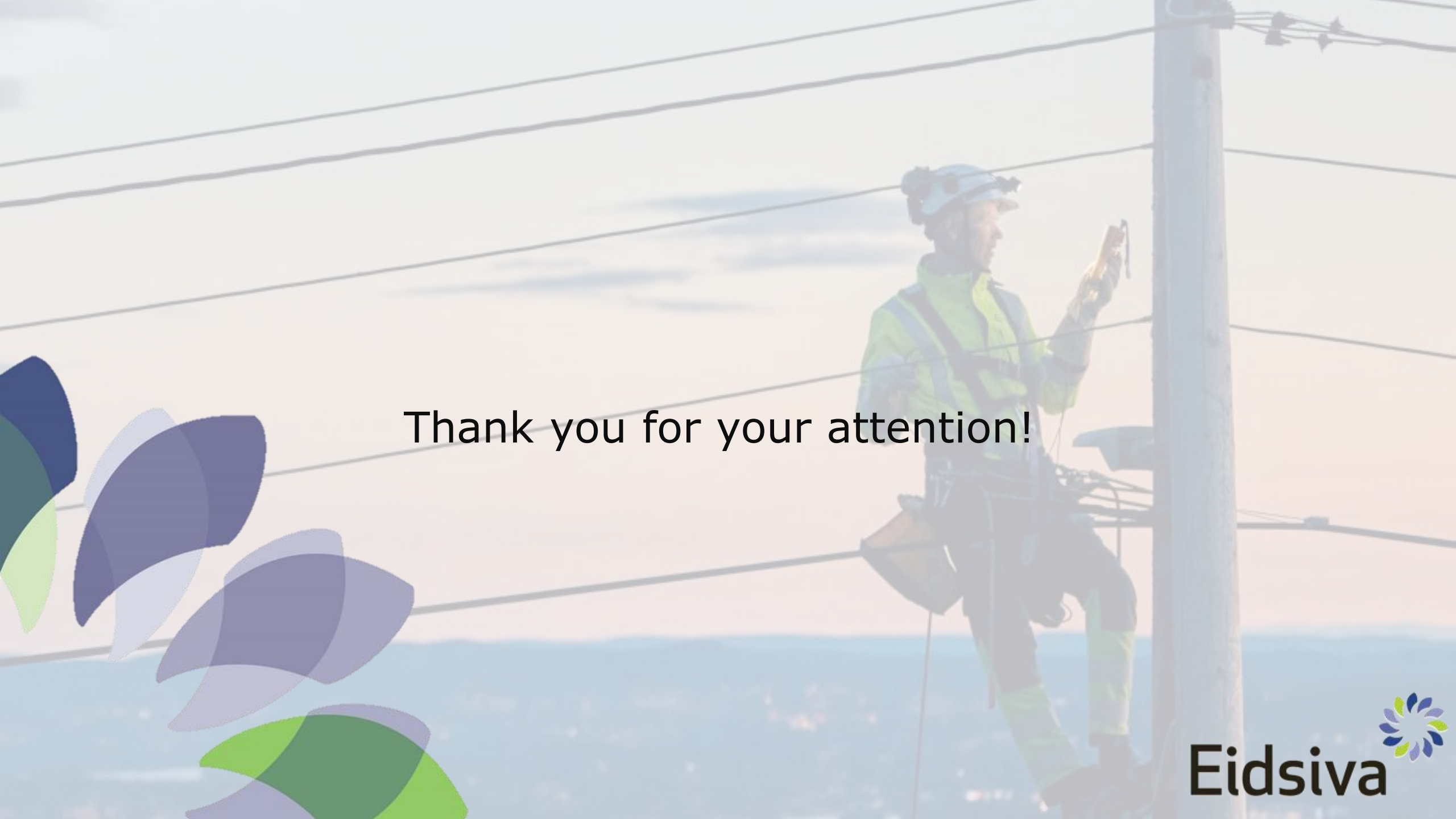
Debt maturity profile for Eidsiva Energi

Comments

- Eidsiva Energi has two credit facilities (RCF) with SEB and Handelsbanken totalling NOK 2,000m, due in February 2022
- The facilities are undrawn as of Q1 2021
- The diagram to the right is updated as of May 2021, following the signing of a 10-year loan agreement with the Nordic Investment Bank of NOK 500m at the end of April 2021

Maturity profile





Thank you for your attention!



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Group Management – Eidsiva Energi AS



Historical results

Results (NOKm)	2012	2013	2014	2015	2016	2017	2018	2019 ¹⁾	2019P	2020	Q1 2020
Revenues	3,564	3,932	3,936	4,143	4,005	3,956	4,430	4,407	8,530	8,255	2,717
EBITDA (incl. associated companies)	1,235	1,365	1,200	1,214	1,430	1,492	1,380	1,722	3,369	3,202	1,415
EBIT (incl. associated companies)	785	941	716	653	998	1,034	865	944	1,993	1,752	1,028
Profit before tax	454	524	438	330	731	720	412	651	N/A	1,887	965
Profit after tax	201	258	232	198	506	506	234	896	N/A	1,598	794

Balance sheet figures (NOKm)	2012	2013	2014	2015	2016	2017	2018	2019 ¹⁾	2019P	2020	Q1 2020
Total assets	15,885	15,343	15,959	16,504	17,840	18,895	19,518	44,627	44,627	46,430	46,680
Equity	5,114	5,096	4,950	5,292	5,635	5,942	7,554	23,990	23,990	24,209	25,003
Interest-bearing debt	6,574	6,752	7,028	7,760	7,518	8,992	8,240	13,775	13,775	14,399	13,488
Cash	99	209	251	328	122	291	366	1,492	1,492	2,408	2,758

P= Pro forma.

1) EBITDA 2019 of NOK 3,369m has not been audited and is based on the current corporate structure throughout 2019. Profit for 2019 has been adjusted for a material non-recurring item of 4,085m related to the sale of Eidsiva Vannkraft and Laje Nettservice

Please contact the following employees regarding this presentation:



CFO – Eidsiva Energi AS



Petter Myrvold

petter.myrvold@eidsiva.no

+(47) 482 69 660



Leder Finans og kontroll
Eidsiva Energi AS



Jørn Gunnar Kleven

jorngunnar.kleven@eidsiva.no

+(47) 958 15 764

Visit our homepages

Parent company and financial information:

<https://www.eidsiva.no/>

← Group information and governance

<https://www.eidsiva.no/om-eidsiva/finansiell-informasjon/>

← Includes Green Finance Report 2020

← Includes Green Finance Framework

<https://www.eidsiva.no/om-eidsiva/barekraft/>

← Includes Sustainability Report 2020

Nettselskapet Elvia AS (100% ownership)

<https://www.elvia.no/>

Eidsiva Bredbånd AS (90,05% ownership)

<https://eidsiva.net/>

Governing documents:

<https://www.eidsiva.no/om-eidsiva/styrende-dokumenter/>