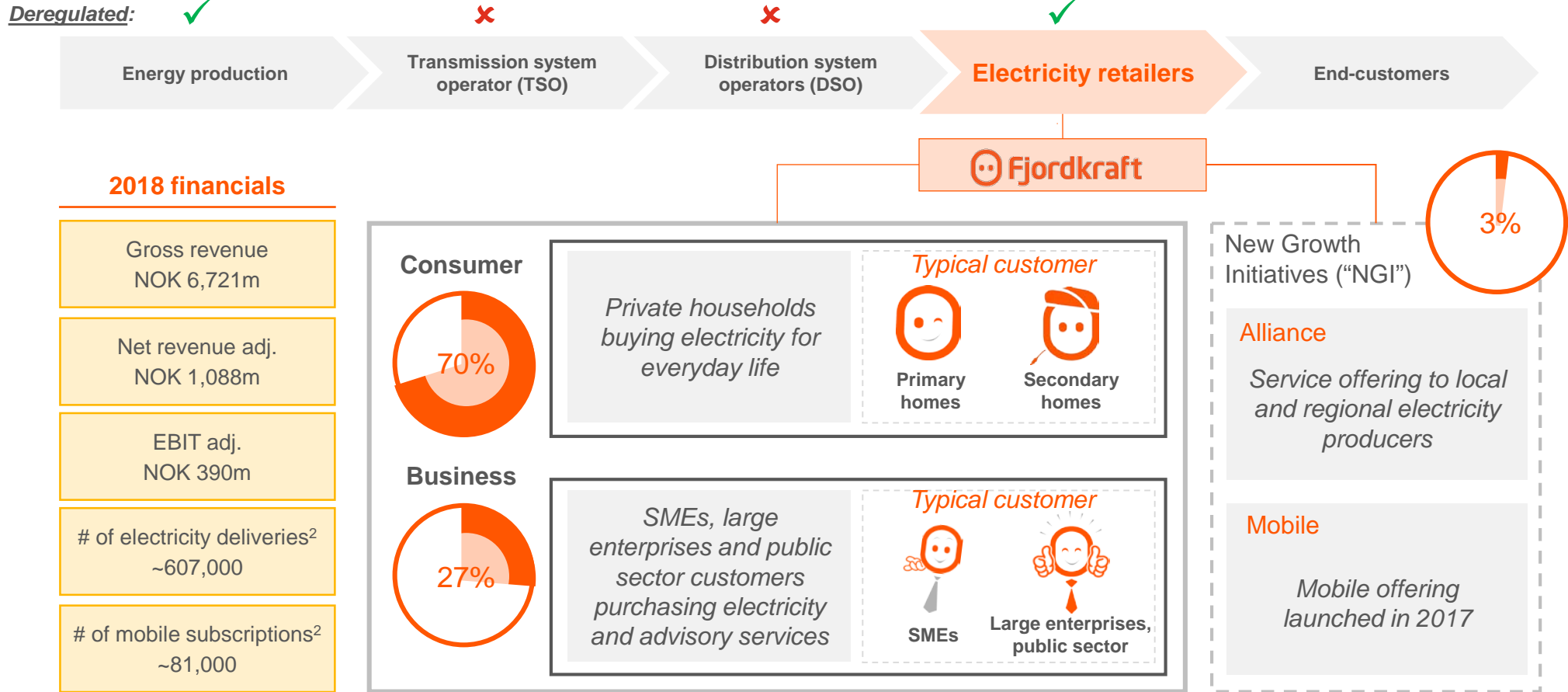




ABG – ESG seminar 2019

Rolf Barmen (CEO)

Fjordkraft at a glance – a leading retailer operating in the renewable Norwegian electricity industry



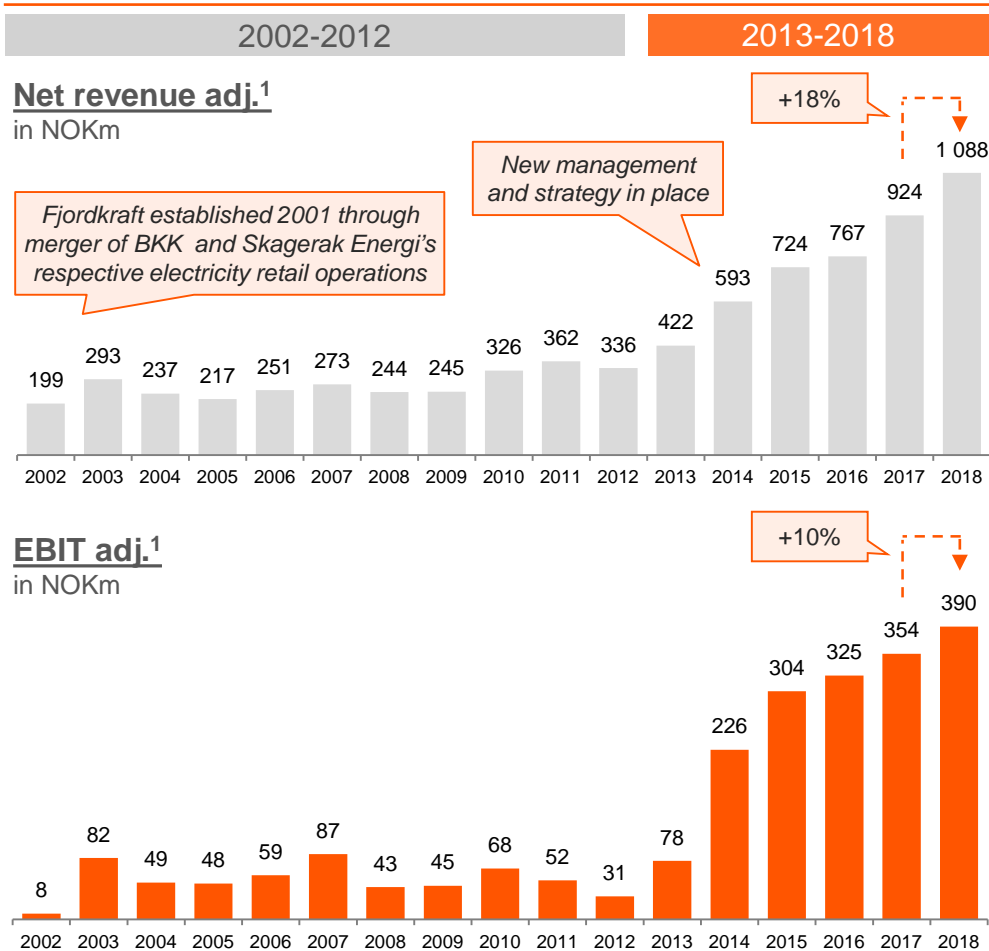
1.4 million people are supplied with electricity from Fjordkraft!

= Share of 2018 net revenues (adj.)

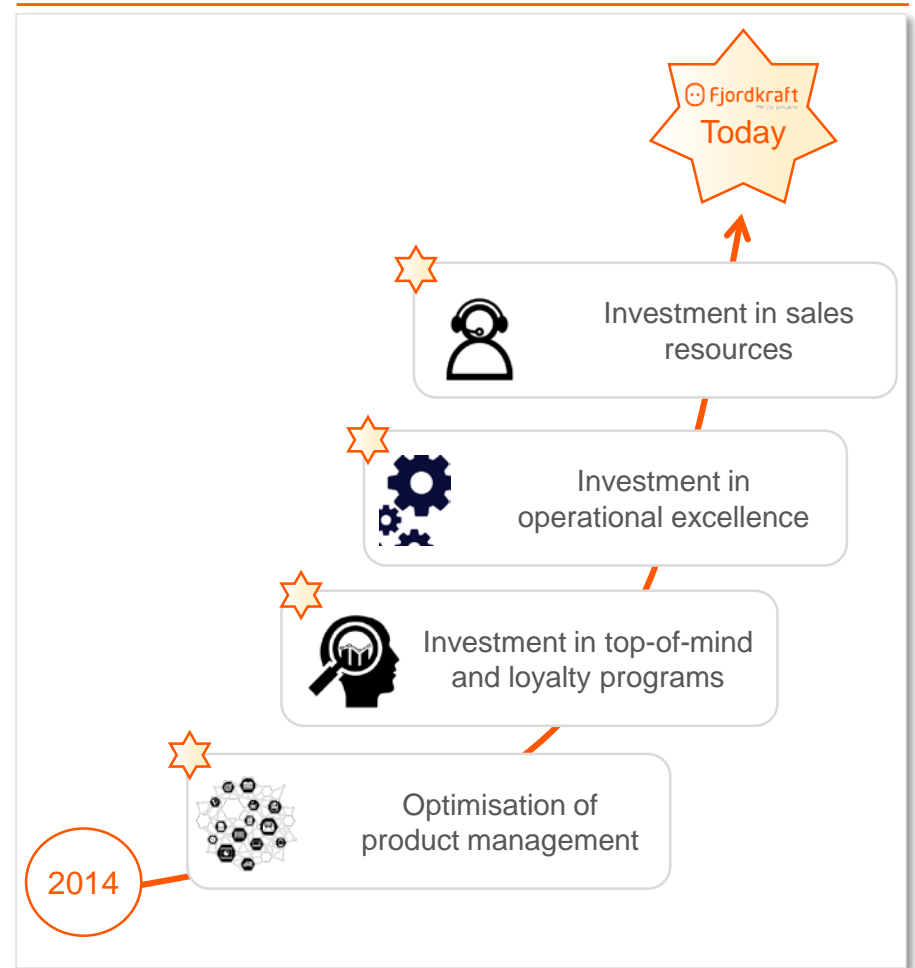
Source: Company information
1) Number of deliveries and subscribers at the end of Q2 2019

A highly successful strategy execution has resulted in an impressive profitability shift and net revenue growth

Impressive net revenue and EBIT development...



...enabled through optimisation & focused investment



Source: Company information

1) NGAAP until 2015, IFRS for 2016 and 2017. 2016, 2017 and 2018 excluding estimate deviations, other gains & losses, special items and depreciation of acquisitions

Observations and fundamental beliefs

We observe that

- **Our industry is fragmented**
- **Our business environment is becoming increasingly more complex**
- **All retail business across all industries suffer from deflation sooner or later**
- **All winning players across all industries possess competitive advantages**

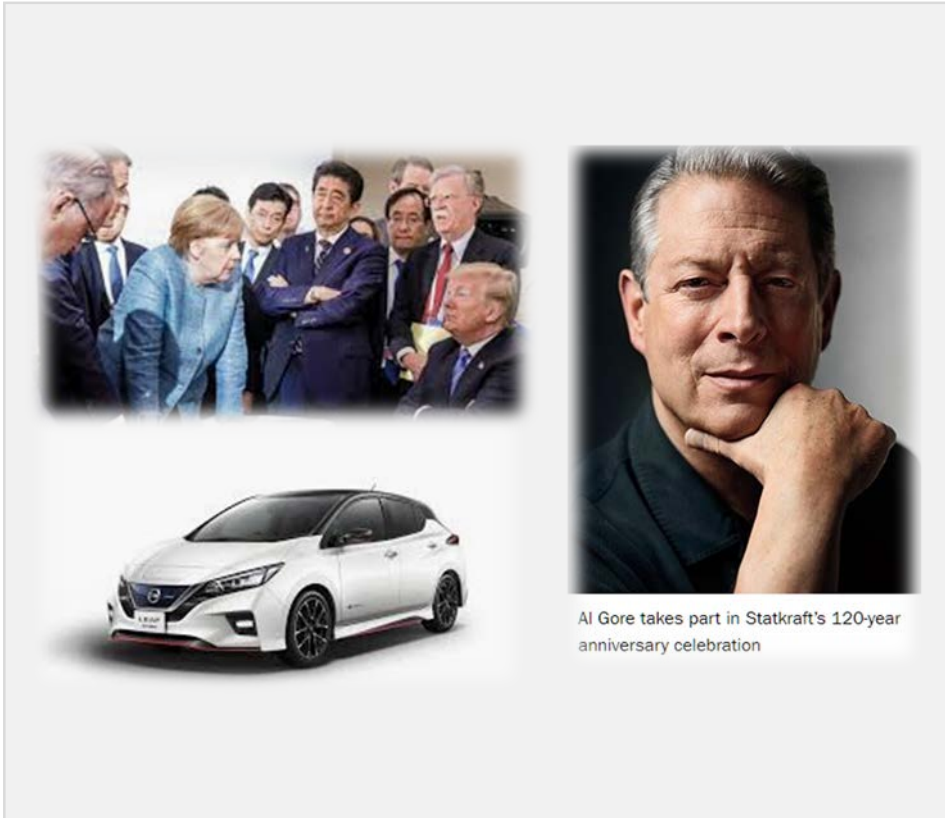
We believe that

- **We are in a pole position to act as the consolidator**
- **Our products still need to be actively sold**
- **Managing share of wallet and price elasticity is key to maintain profitability**
- **We possess and are able to maintain well defined competitive advantages**

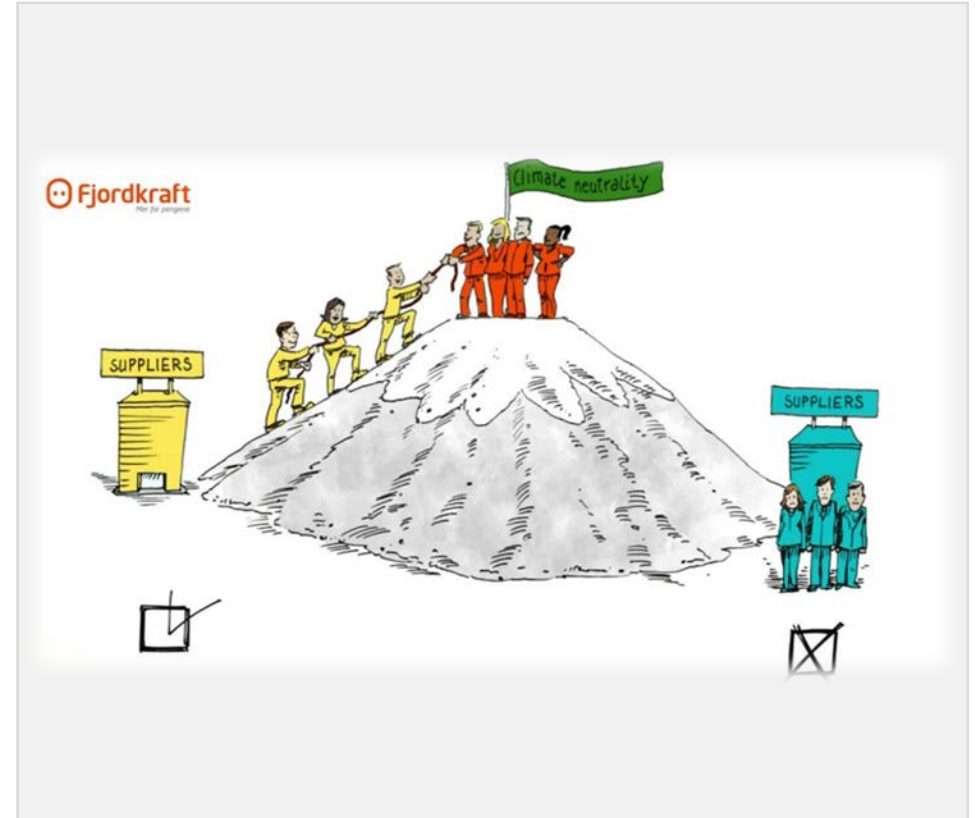
Our observations and our beliefs are transformed into a clear business plan and roadmap to growth

Fjordkraft is in the lead when it comes to taking climate action

We observe that



We believe that



Our observations and our beliefs are transformed into a clear business plan and roadmap to growth

“We need more companies like Fjordkraft”

– The United Nations Climate Change Secretariat





Solar panels now available to the Consumer segment

- Consumer customers can now order solar panels for their homes through Fjordkraft
- Three different panel offerings with different outputs and prices
- The majority of consumers want to finance it on their own. Financing might be offered in the future
- Professional and nation-wide partner in Solcellespesialisten
- Check the suitability of your roof at www.fjordkraft.no/solceller
- Supporting loyalty and strengthening the value added service offering





SOLCELLER: Toket på skur 7 på Bradbenken har fått solcellepanel. – Vi er utrolig takknemlige for at Fjordkraft vil være med og gjøre oss grønnere, sier Haakon Vatle, direktør for Stiftelsen Seilskipet Statsraad Lehmkuhl. Her sammen med Erlend Korseth i Fjordkraft.

FOTO: EVANGELAND

- Verdens mest miljøvennlige

Fjordkraft blir #plastsmart



I desember 2018 var Elisabeth Skage med Norges Miljøvernforbund og ryddet i en liten vik på Ulvøy i Øygarden. 11 frivillige ryddet 75 fulle sekker med **plast**søppel. Sekkene ble senere hentet med båt av Miljøvernforbundet.

- Det finnes allerede mange som organiserer strandrydding på en god måte, og #plastsmart kommer ikke til å legge til rette for strandrydding. Vi ønsker å gjøre tiltak som unngår at plast kommer på avveie. Men det er likevel en sterk opplevelse å være med og rydde, oppleve hvordan plasten smuldrer mellom fingrene og å se hvordan plasten hopper seg opp og forandrer landskapet. Det gir meg en sterk motivasjon til å bidra til å løse dette, sier Skage.

Foto: Rune Gåsæ

Elisabeth Skage jobber til daglig som prosjektleder i Fjordkraft. Nå er hun utlånt til tenketanken Progressio for å lede prosjektet #plastsmart.

Hva er #plastsmart?

- #plastsmart er et initiativ fra toppledertenketanken Progressio, som er etablert av Bergen Næringsråd og har deltakere fra næringsliv, forskning, akademia og kommunen. Vi ønsker å ta ansvar og iverksette tiltak som kan bidra til å redusere omfanget av plastforurensing. I regionen har vi mye kompetanse og forskning på plast og hav, og vår verdiskapning er i stor grad knyttet til ressurser i havet. Derfor er det helt naturlig å samarbeide for å finne metoder og løsninger som begrenser tilsiget av plast til havet.

Sustainability report for 2018

– read more at investor.fjordkraft.no



Sustainability Report 2018



Rolf Barren
Photo: Cecilie Barrow

A word from the Chief Executive Officer: Time for action

To put it concisely, sustainable development is about meeting today's needs, without destroying the environment for the people who come after us. The UN Climate Panel has shown with great clarity that we are heading in the wrong direction.

Therefore, since 2016 we have given special attention to UN Sustainable Development Goal 13: Fjordkraft is going to help to stop climate change.

It goes without saying that an escalating problem requires an escalating solution. Fjordkraft's answer is "Klimanjaro" – the requirement for our suppliers to be climate-neutral from 2019. In 2016 we did not know what the consequences would be if our main suppliers refused to comply with this requirement. Nor did we know whether climate-neutral companies could deliver the same services at the same price and with the same quality. But this was a risk we thought was necessary to take.

By setting the requirement for our suppliers, we are making an impact that is more than 100 times greater than what Fjordkraft could achieve alone. If other businesses impose the same requirements on their suppliers, we will see a domino effect that exceeds the impact of all other climate actions.

"Klimanjaro" can be replicated by any company in any industry anywhere in the world. All it takes is a decision. If we are to have any hope of limiting the global rise in temperature to one and a half degrees, that decision has to be made now.

3

Highlights second quarter 2019

Another solid quarter driven by strong price management and favourable market dynamics

- Strong YoY growth in net revenue adj. and EBIT adj. driven by strong price management and favourable market dynamics
 - Mild weather and decrease in average consumption per delivery is offset by growth in # of deliveries
- Strong growth in number of mobile subscribers - passing 80k and further strengthening our position as the largest mobile service provider without its own mobile network
- Successful acquisition of Vesterålskraft Strøm AS. Transaction completed 1 July 2019

Key Highlights

# of deliveries (end of period)¹	Δ in # of deliveries (QoQ)
607 563	911
Increase of 2 % YoY	Of which org. growth 911
Volume sold²	Gross revenue
2 696 GWh	NOK 1 428.8m
0 % YoY	Increase of 10 % YoY
Net revenue (adj.)³	EBIT (adj.)³
NOK 273.8m	NOK 98.4m
Increase of 13 % YoY	Increase of 26 % YoY
Basic EPS (reported)	NIBD (cash)
NOK 0.73	(NOK 292.2m)
Increase of 40 % YoY	NIBD/LTM EBITDA: -0.51

Sources: Company information

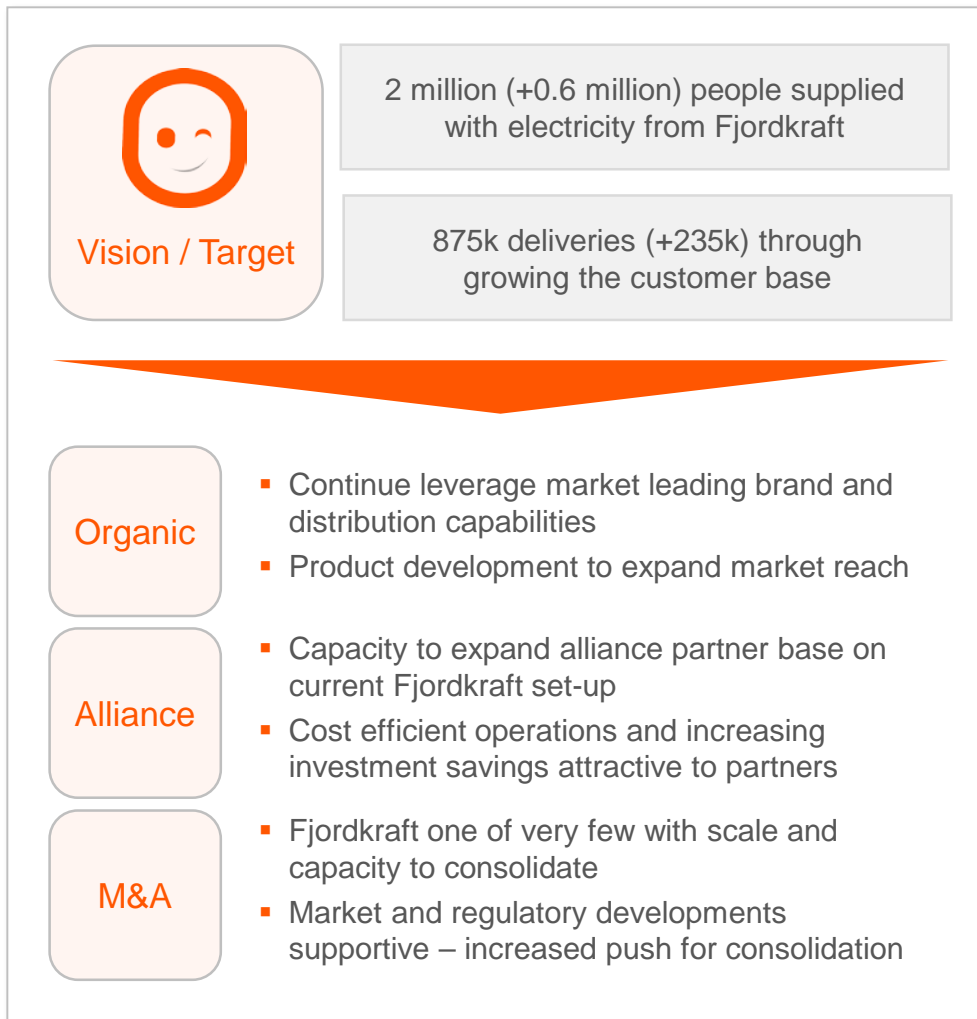
1) Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 641,954

2) Not including Alliance volume. Volume turnover for alliance partners Q2 2019: 858 GWh

3) Adj. Net revenue and EBIT are reported figures adjusted for any estimate deviations on sales and distribution of electricity related to previous reporting periods, special items, unrealised gains and losses on financial derivatives and depreciations from acquisitions

Ambitions & opportunities

Roadmap to growth 2019-2020



Drivers for consolidation

- Regulatory changes
- Merging of grid companies
- Merging of counties and municipalities
- Intensified competition
- Technology development
- Complexity and scale

The market is evolving in a direction of increased complexity in every part of the value chain - growing the need for scale

The M&A target is now 150k deliveries within the end of 2020

Fjordkraft – Summary investment highlights

1 Operating in the attractive Norwegian electricity retailing market with an unparalleled demand profile and a level playing field favouring strong national brands such as Fjordkraft

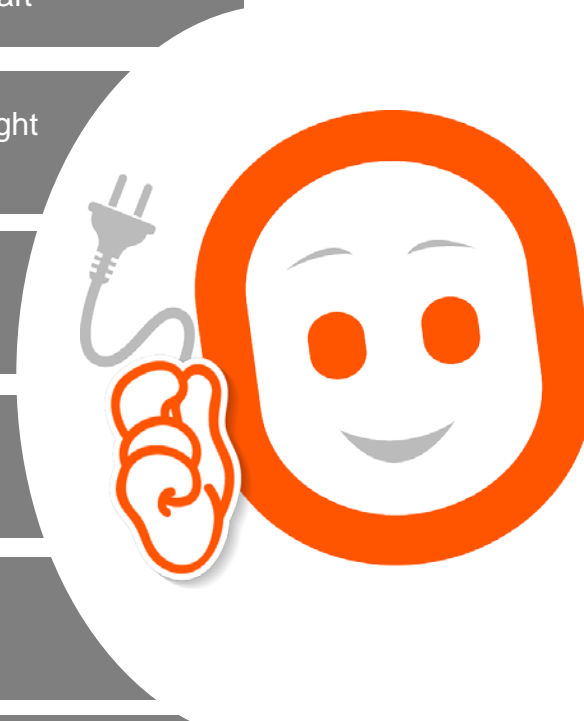
2 A proven business model providing 'need to have' electricity combined with sought after value-added services - supporting differentiation and margin robustness

3 The leading and most recognized electricity retail brand in Norway

4 Unmatched platform for distribution of best in class service offering to consumer and business customers across Norway

5 Strong competitive advantages and a robust platform for further organic and bolt-on acquisition driven growth

6 Attractive financial profile based on a robust business model with limited capital expenditure requirements resulting in solid add-on acquisition- and dividend capacity





For more information:
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