

A scenic mountain landscape featuring a waterfall cascading down a rocky cliff face. Two workers in high-visibility vests and hard hats are standing behind a metal fence in the foreground, looking towards the waterfall. The sky is blue with some clouds. The Hafslund logo is in the top left corner.

Preliminary annual accounts

2024

## Introduction

Hafslund is a renewable energy group consisting of three business areas: Power Production, with Norway's second largest hydropower business, District Heating, which is Norway's largest provider of district heating, and Growth and Investments, which brings together the Group's industrial ownership and growth initiatives, including ownership of Eidsiva Energi, which includes Elvia, Norway's largest grid company.

Unless otherwise specified, comparative figures from the corresponding period in the previous year are shown in brackets.

## Result and result drivers 2024

- Hafslund had a profit after tax of 2024 of NOK 3,757 million (NOK 5,153 million), representing a decrease of NOK 1,396 million compared to last year. Operating profit amounted to NOK 9,130 million, compared to NOK 13,862 million in the corresponding period last year. The reduced profit is mainly due to lower power prices in southern Norway.
- For Hafslund, the power price is crucial for the Group's profits. In 2024, the average power price for NO1 was approximately 36 per cent lower than the corresponding period in 2023. The achieved power price was 56 øre per kWh in 2024, 19 per cent higher than the spot prices in the hydropower business' production areas. This is due to production optimisation and hedging activity. At the same time, the achieved price is reduced by the sale of concessionary power at low prices determined by the government.
- There has been good operation and high availability at the hydropower plants in 2024. Hydropower production reached a record high level of 19.4 TWh. This was 5 per cent higher than 2023 and 9 per cent higher than normal production for the year. By implementing effective production planning, Hafslund has managed its water resources with positive effects on both profitability and preparedness.
- The heat sales were 1,767 GWh in 2024 (1,833 GWh), marginally lower than in 2023. The district heating business reported a profit after tax of NOK 286 million (NOK -62 million). Adjusted for the gain on the sale of Hafslund Fiber AS of NOK 419 million, the profit after tax was NOK -133 million. Weakened framework conditions such as electricity subsidies, increased incineration fee for waste and lower electricity tax make the financial situation of the district heating business challenging.

- Operating costs, including depreciation, of NOK 5,398 million (NOK 5,431 million) remain approximately unchanged from the previous year. The figure is composed of an underlying cost increase due to more employees, higher activity levels and general price growth, increased costs following the acquisition of Tonstad Vindkraft and a value adjustment on financial liabilities related to power production<sup>1</sup> of NOK -131 million (NOK 95 million). Conversely, lower costs related to the purchase of fuels in the district heating business and the elimination of one-off costs in 2023 related to the CCS project contribute positively.
- Profit from equity-accounted investees was NOK 356 million (NOK 595 million). Profit from the ownership in Eidsiva Energi was NOK 389 million (NOK 692 million). The decrease from Eidsiva is mainly due to reduced profit from the grid business. Elvia's operating profit in 2024 is down by just under 25 per cent compared to 2023, mainly due to increased transmission costs to Statnett and reduced congestion revenues. Despite the fluctuations, Elvia's accounting results are expected to even out over time, given the economic revenue regulations for transmission system operator in Norway.
- Net financial items were NOK -401 million (NOK -230 million). Interest costs have increased. In 2023, a significant currency gain contributed positively, whereas in 2024, net financial items are affected by a gain on the sale of Hafslund Fiber of NOK 419 million.



<sup>1</sup> The Group has financial liabilities recognised in the balance sheet to landowners and other stakeholders as compensation for the inconvenience of using waterfalls and land for power generation. A large proportion is free power with a financial settlement that is valued at fair value based on future power price expectations and the relevant discount rate.

## Key figures

NOK million	2024	2023
<b>FINANCIAL KEY FIGURES</b>		
Revenues and other income	14,172	18,698
EBITDA	10,321	15,130
Operating profit (EBIT)	9,130	13,862
Underlying operating profit	8,703	12,492
Profit before tax	8,729	13,631
Profit after tax	3,757	5,153
Net interest-bearing debt	13,951	9,608
-of which subordinated debt	5,421	5,421
Total assets	95,811	91,048
Capital employed	66,949	63,679
Investments in operating assets	1,502	1,217
ROE (%)	7.8%	11.0%
ROCE (%)	13.6%	21.8%
Net interest-bearing debt/EBITDA (x)	1.4	0.6
FFO/Net interest-bearing debt (%)	15%	2%
Equity ratio (%)	50%	51%
<b>OTHER KEY FIGURES</b>		
Number of employees	902	812
Turnover (voluntary termination)	2.2%	3.4%
Number of injuries per million hours worked (H2) last 12 months	8.5	7.4
Greenhouse gas emissions (Scope 1, 2 and 3) (tCO <sub>2</sub> e) <sup>1</sup>	691,600	573,800
Power produced (TWh)	19.7	18.5
Achieved power price (øre/kWh)	56	73
Nordic system price (øre/kWh)	42	64
Heat sales (GWh)	1,767	1,833

**NOK 3,757** mill.

Net profit after tax

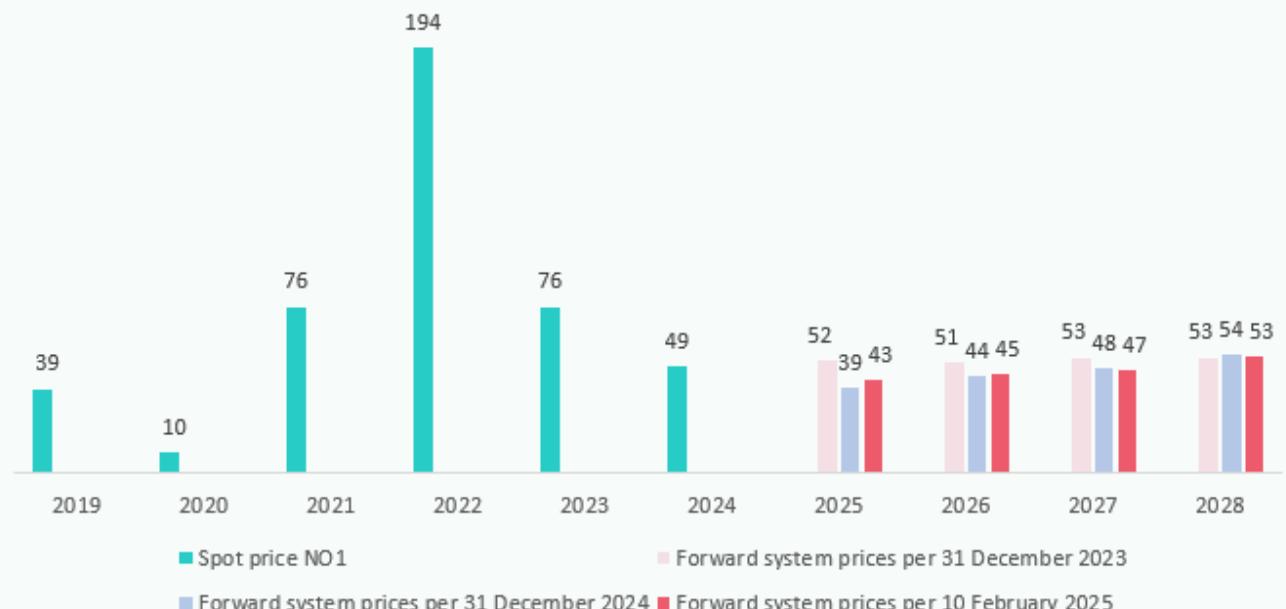
**19.7** TWh

Power production

**1.8** TWh

District heating

### Power prices 2019-2028 (øre per kWh)



<sup>1</sup> Greenhouse gas emissions are calculated using the market-based method. Part of the 2023 emissions have been recalculated using activity-based data.

## Important events in 2024

### **Purchase of Tonstad Vindkraft AS**

The purchase of Tonstad Vindkraft AS was completed on 1 July. Tonstad is located in the municipalities of Sirdal and Flekkefjord and is one of Norway's largest onshore wind power plants. The wind power plant has installed capacity of 208 MW and annual production of around 670 GWh. The acquisition has significantly strengthened Hafslund's wind power portfolio. Power production from Tonstad is sold to Hydro Energi through a long-term power agreement with a duration of 25 years.

### **Sale of Hafslund Fiber AS**

In July, Hafslund Celsio sold 100 per cent of the shares in Hafslund Fiber to Eidsiva Bredbånd, which acquired the customers, infrastructure and employees. This has enabled Hafslund's fibre ownership interests to be consolidated into the Eidsiva Group. Since its inception in 2019, Hafslund Fiber has established significant fibre infrastructure in Norway's capital city through Hafslund Celsio's district heating routes. This transaction has enabled Eidsiva to secure excellent fibre coverage in the capital and a solid customer portfolio.

### **Process in connection with the sale of Orkla hydropower**

In November 2023, Orkla announced that they were exploring structural alternatives for the company's hydropower plants. In January 2025, Hafslund and Orkla announced that an agreement had been entered into to acquire Sarpsfoss Limited. Sarpsfoss Limited owns Borregaard power plant and 50 per cent of Sarp power plant, as well as Mossefossen power plant. The acquisition will add 536 GWh to Hafslund's power production. Hafslund already operates two out of three power plants in Sarpefossen. The transaction is subject to approval from relevant competition authorities and the Norwegian Ministry of Energy.

### ***Hafslund was granted a licence for the construction of the Hemsil 3 power plant***

In June, the Ministry of Energy granted Hafslund a licence for the Hemsil 3 power station in Hallingdal. The power station will supply approximately 110 GWh of new renewable power by better utilising available hydropower resources. The installed capacity will increase from 98 to 181 MW, which will improve the power plant's ability to produce power when demand is at its highest.

### ***New long-term power agreements***

In the autumn of 2024, Hafslund Kraft entered into two long-term power agreements with Elkem and Borregaard. The agreement with Elkem is for the period from 2028 to 2035, has an annual contract volume of approximately 400 GWh, and will be supplied in NO3. The power agreement supports continued long-term operations at Elkem Thamshavn. The agreement with Borregaard is for the period from 2025 to 2034, and has an annual contract volume of 88 GWh, which represents 10-15 per cent of Borregaard's annual consumption at the Sarpsborg factory. Hafslund's objective is to be a partner for Norwegian industry and facilitate market-relevant power contracts.

### ***Preparations for investment decision at Klemetsrud CCS plant***

During 2024, Hafslund Celsio worked to facilitate the resumption of construction of a carbon capture facility at the Klemetsrud waste incineration plant after the project had been placed on hold in the spring of 2023 to reduce costs. Key milestones were reached in 2024. In January 2025, the Hafslund Celsio Board of Directors made the final investment decision for the realisation of the carbon capture project. The state aid agreement and contract with SLB Capturi and Aker Solutions were also signed. The project will reduce fossil CO<sub>2</sub> emissions in Oslo by 19 per cent.

### ***Building Skygard's first data centre***

In the first quarter of 2024, Hafslund made a joint decision with Telenor, HitecVision and Analysys Mason to invest NOK 2.4 billion into the

construction of data centres in Hovinbyen, Oslo. Construction is well underway, and the first construction stage will be completed during the first six months of 2025. The jointly owned company has been named Skygard, and distinguishes itself by having Norwegian owners, a strong focus on energy-efficient operations and strict security requirements.



## Business areas

### Power production

NOK million	2024	2023
<b>Revenues</b>	11,751	15,599
<b>EBITDA</b>	9,707	13,986
<b>Operating profit (EBIT)</b>	8,937	13,317

The Power production business area had revenues of NOK 11,751 million (NOK 15,599 million) in 2024. The operating profit (EBIT) of NOK 8,937 million (NOK 13,317 million) is a reduction of NOK 4,380 million from last year. The reduction in revenues and operating profit is mainly due to lower power prices in southern Norway.

Achieved power price of 56 øre per kWh in 2024, is down 17 øre per kWh from last year. In isolation, this contributed to NOK 3,066 million in lower revenues compared to 2023. The power price achieved is 19 per cent (-1 per cent) higher than the spot prices in the production areas and must be viewed in connection with production optimisation and hedging activity, in addition to the sale of concessionary power at prices determined by the government. Operating profit includes a value change of NOK -43 million (NOK 1,224 million) related to financial power and currency derivatives which are valued at market value in profit or loss.

Power production reached a record high in 2024 with 19.7 TWh, including 0.3 TWh from Tonstad Vindkraft (from 1 July). This was 6 per cent (1.2 TWh) higher than in 2023, and 8 per cent higher than the normal production. In isolation, higher power production contributed to NOK 633 million in increased operating profit compared to last year. Braskereidfoss power plant is currently offline due to damage from the storm "Hans" in August 2023. Braskereidfoss has an annual normal production of 170 GWh, just under 1 per cent of annual normal power production.

Operating costs including depreciation were NOK 2,839 million (NOK 2,292 million) in 2024. Increased costs from 2023 are due to a value adjustment of NOK -226 million compared to the previous year on financial liabilities related to power production<sup>2</sup>, and the acquisition of Tonstad Vindkraft, which resulted in an increase in costs by 165 million kroner. This, as well as somewhat higher activity, contributes, together with more employees and general price growth, to increased costs compared to 2023.

Hafslund aims to contribute to increased renewable production and capacity and has several initiatives to support this goal. In 2024, a license was granted for the construction of Hemsil 3 power plant (110 GWh), a license application for the construction of Sarp 2 power plant (184 GWh) has been submitted to NVE and Hafslund has also asked NVE to assess whether the construction of a fifth unit in the Kykkelsrud Fossumfoss Joint Facility (140 GWh) is subject to a licence. These three expansions will, in addition to increased renewable production, also increase power capacity by 255 MW.

The acquisition of Tonstad Vindkraft AS in 2024 has greatly strengthened Hafslund's wind power portfolio. Tonstad Vindkraft is among Norway's largest land-based wind power plants with an installed output of 208 MW and an annual production of around 670 GWh. In addition to Tonstad Vindkraft, Hafslund's wind power portfolio includes a 20 per cent stake in the Raskiftet and Kjølberget wind power plants. Hafslund's ambition is to develop good wind power projects with regard to power needs, security of supply, nature and local communities. As a result, the Group also gets a greater spread in the power portfolio with production in the NO2 price area. The electricity production from Tonstad Vindkraft has been sold to Hydro Energi through a long-term power purchase agreement with a duration of 25 years.

<sup>2</sup> The group has recognised financial liabilities to landowners and other parties as compensation for the inconvenience of using waterfalls and land for power production. A large portion is free power with financial settlement valued at fair value based on future power price expectations and the relevant discount rate.

## District heating

NOK million	2024	2023
Revenues	2,388	3,072
EBITDA	592	785
Operating profit (EBIT)	177	190

The district heating business achieved an operating profit of NOK 177 million (NOK 190 million) in 2024, with a sales volume of 1,767 GWh (1,833 GWh).

The district heating business had total revenues of NOK 2,388 million in 2024 (NOK 3,072 million), primarily related to district heating revenues. Despite sales volume being on par with last year, revenues from underlying operations are NOK 389 million lower in 2024, mainly due to reduced power prices. The district heating price follows the electricity price, which has been significantly lower (36 per cent in NO1) in 2024 than in 2023.

Total operating costs were NOK 1,795 million in 2024, compared to NOK 2,287 million in 2023. The decrease of NOK 493 million is partly due to lower costs related to energy purchases as a result of lower electricity prices. Additionally, other operating costs are NOK 254 million lower compared to last year as a result of one-off costs related to the cost-reducing phase of the carbon capture project in 2023.

The district heating business' profit before tax was NOK 265 million (NOK -102 million) and is largely driven by the NOK 419 million gain from the sale of Hafslund Fiber AS, a company unrelated to the underlying operations of waste incineration and district heating business. Adjusted for the sale of Hafslund Fiber AS, the district heating business achieved a profit before tax of NOK -154 million. The result has been greatly impacted by the negative development of the framework conditions in recent years. The

combined negative effect on results from electricity subsidies, increased incineration tax for waste and lower electricity tax is significant.

The district heating business operates under licence and is subject to government regulation. In recent years, it has become evident that regulatory risk has been significant and the overall framework conditions have significantly deteriorated. Hafslund Celsio is working strategically, in close collaboration with other companies and industry associations, to ensure improved and predictable framework conditions. In the short term, priority is given to the pricing model, electricity support scheme including the proposal to introduce a fixed electricity price ("Norgespris"), incineration tax and the energy labelling scheme.

Hafslund Celsio's waste incineration plant at Klemetsrud is Oslo's largest emission point and accounts for 19 per cent of the city's total fossil CO<sub>2</sub> emissions. Without carbon capture at the plant, the City of Oslo will not be able to reach its ambitious climate goal of reducing greenhouse gas emissions by 95 per cent by 2030, compared to 2009 levels. During 2024, work has been ongoing to resume the construction of the carbon capture plant, following the project's pause in spring 2023 to cut costs. In 2024, the carbon capture project reached several important milestones. In January 2025, the board of Hafslund Celsio made the final investment decision for the realisation of the carbon capture project. In addition, the government funding agreement and the contract with SLB Capturi and Aker Solutions were signed.

## Growth and investments

NOK million	2024	2023
<b>Revenues</b>	23	15
<b>EBITDA</b>	192	470
<b>Operating profit (EBIT)</b>	190	470

The Growth and investments business area had revenues of NOK 23 million in 2024 (NOK 15 million). The increase is mainly due to the emphasis on mobile energy solutions, in addition to advisory and consultancy services. Operating costs, including depreciation, amounted to NOK 163 million (NOK 145 million), an increase which to a large extent reflects an increased number of employees compared to 2023.

Profit from equity-accounted investees was NOK 330 million (NOK 599 million). The profit from Eidsiva Energi was NOK 389 million (NOK 692 million), and the contribution is thus significantly reduced compared to last year. This can largely be attributed to lower profit in the grid business. Elvia's operating profit has dropped considerably in 2024 compared to 2023, largely due to higher costs against the overhead grid and lower congestion revenues<sup>3</sup>. The increased transmission costs to Statnett are due to the fact that the fixed element of the tariff has returned to a similar level as before, after a reduction in 2023. The fluctuations in Elvia's accounting results are expected to stabilise over time, given the economic revenue regulations for transmission system operators in Norway.

Operating profit in Growth and investments was NOK 190 million in 2024 compared to NOK 470 million in 2023.

## Other businesses

NOK million	2024	2023
<b>Revenues</b>	9	12
<b>EBITDA</b>	-170	-110
<b>Operating profit (EBIT)</b>	-174	-115

Other businesses consist of the parent company Hafslund AS, including the management of Hafslund Hovedgård and group eliminations. The operating profit (EBIT) from other businesses was NOK -174 million (NOK -115 million) in the first half of 2024. The rise in the negative operating profit is primarily because of increased activity and a larger workforce.

<sup>3</sup> Congestion revenues are revenues that arise when electricity is transferred between price areas with different electricity prices. In 2024, the grid companies received a significantly lower amount from Statnett than in 2023.

## Consolidated balance sheet and equity

At the end of 2024, Hafslund had total assets of NOK 95,811 million (NOK 91,048 million) and capital employed of NOK 67 billion (NOK 64 billion), an increase of approximately 5 per cent since 31 December 2023.

The Group's net interest-bearing debt including subordinated loans was NOK 14 billion (NOK 10 billion).

At the end of 2024, the Group had unused credit facilities of NOK 3.5 billion (including an overdraft facility of NOK 1 billion), unchanged from 31 December 2023. Of the Group's overdraft facility of EUR 50 million to cover daily market settlements for futures contracts on Nasdaq OMX, EUR 49 million was left unused by the end of 2024. The Group has loan agreements without requirements for financial key figures (financial covenants).

In May 2024, Hafslund secured a loan of NOK 1 billion with floating interest. The loan amount is divided into two tranches, each of NOK 500 million, with terms of 8 and 10 years respectively. The loan will be used to finance upgrades in hydropower. In August, four new green bonds totalling NOK 2,800 million were issued, with maturities spanning 3 to 10 years.

In June 2024, Scope Ratings confirmed Hafslund's A- company rating with a positive outlook. In January 2025, S&P announced its official rating of Hafslund, A- with a stable outlook. The Group aims to maintain a solid investment grade rating with financial metrics that support this, including an FFO/debt ratio exceeding 20 per cent over time.

## Outlook

The past few years have been characterised by a changing worldview. This situation escalated during 2024, and geopolitical tensions and related conflicts are creating unrest and unpredictability. The United States presidential election was decided in November, and there is a great deal of anticipation about what policies the new US administration will pursue. There appears to be an increased risk of global trade war, with potential consequences for supply chains, cost levels and inflation. Ambitions for international cooperation through the established institutions are thought to be waning. This is not only of major importance to security policy but also to the work in areas such as climate change adaptation and energy transition.

For Norway, cooperation with the rest of Europe will become even more important in the future. The EU is Norway's most important energy export market. Our energy resources can enable us to contribute to a collaboration that we as a nation are also dependent on in other areas.

Energy is a factor in global political power games, and energy markets are impacted not only by long-term shifts in power but also by events that create periodic abnormal situations. Ongoing conflicts can raise tension and threat levels, and critical infrastructure can be particularly vulnerable to attacks. During 2024 we witnessed incidents that caused damage to critical infrastructure in areas such as the Baltic Sea. There is an increased probability of this type of incident occurring in the future, including in Norway.

Power prices in Norway fell significantly during 2024 and have returned to more normal levels. However, there has been significant volatility. During certain days and hours, prices were below zero, while during other days and hours electricity prices were extremely high. These types of fluctuations and high prices create uncertainty for consumers, and the debate around the power market has become more relevant. Framework

conditions that facilitate the production of new renewable power are very important if Norway is to remain an energy nation in the future. However, frameworks and regulations in the power area serve many purposes and are intended to safeguard consumer finances, the climate and nature, redistribution and long-term value creation. It is sometimes the case that regulation which is intended to advance a good cause has unintended and unfortunate consequences for something else. The situation for the district heating industry following the introduction of the electricity support scheme and increased waste incinerate tax is an example of this. The regulatory framework conditions for waste incineration and district heating are crucial for the future prospects of Hafslund's district heating business. Hafslund wants to make a constructive contribution towards the development of regulation that is in the best interests of society, and is working to ensure improved and predictable framework conditions for the industry. In the short term, priority is given to the following four areas: the pricing model, the electricity support scheme including the proposal to introduce a fixed electricity price ("Norgespris"), the incineration tax and the energy labelling scheme.

Increased use of district heating is an effective and important measure for relieving pressure on the electricity grid. Most of the electricity consumption in Oslo is used for heating. Facilitating the utilisation of waste heat will reduce the need for an expensive expansion of the electricity grid, and in terms of emergency response purposes, will ensure that heating is supplied even if the power system encounters challenges. Hafslund's district heating business is working on realising the world's first full-scale carbon capture plant for waste incineration. The plant at Klemetsrud will be Hafslund's most important development project in the coming years, and shall ensure that Oslo can, in the future, manage its own waste and divert waste heat into the district heating network without producing emissions.

Hafslund's goal is to be a growing renewable energy group that utilises its expertise to contribute to the stable supply of renewable energy to

society, as a basis for further electrification and protection of the climate, and as a basis for industrial activity and employment. The development and operation of renewable power is Hafslund's most important task. Moving forward, work will continue on bringing more projects to maturity that can provide new power, and not least, new capacity that will ensure we have enough power, even during the hours when demand is at its highest. This should be done as carefully as possible in order to protect nature. The closest project in terms of time is the hydropower development Hemsil 3, for which Hafslund has been granted a licence. Hafslund is proud to be the operator in Norway that has commissioned the majority of new hydropower in recent years, and will continue to work towards increasing value creation from hydropower in Norway.

Hafslund will contribute towards achieving long-term growth and value creation, while still maintaining financial resilience during unpredictable times, and providing stable returns and dividends to our owner, the City of Oslo.

Hafslund AS

Oslo, 27 February 2025

The Board of Directors

## Consolidated statement of comprehensive income

NOK million	2024	2023	NOK million	2024	2023
Sales revenue	13,395	17,349	<b>PROFIT ATTRIBUTABLE TO</b>		
Other gain/loss	580	1,171	Owners of the parent company	2,955	4,273
Other operating revenue	196	177	Non-controlling interests	802	880
<b>Revenues and other income</b>	<b>14,172</b>	<b>18,698</b>			
Energy purchases and transmission costs	-1,254	-1,486	<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
Salary and other personnel costs	-1,221	-1,060	Hedging reserve	890	2,791
Property tax and other imposed costs and compensations	-762	-536	Income tax effects	-337	-1,219
Other operating costs	-970	-1,081	Translation reserve equity-accounted investees	9	50
Profit/loss from equity-accounted investees	356	595	<b>Total items that may be reclassified to profit or loss in subsequent periods</b>	<b>562</b>	<b>1,622</b>
<b>EBITDA</b>	<b>10,321</b>	<b>15,130</b>			
Depreciation and amortisation	-1,191	-1,269	<b>ITEMS THAT MAY NOT TO BE RECLASSIFIED TO PROFIT OR LOSS</b>		
<b>Operating profit (EBIT)</b>	<b>9,130</b>	<b>13,862</b>	Actuarial gains (losses) on defined benefit plans	169	-118
Interest income	356	448	Income tax effects	-98	85
Interest expense	-1,104	-1,089	Equity-accounted investees	112	15
Other finance income/costs	347	411	Other items that may not be reclassified to profit or loss	-	-3
<b>Net financial items</b>	<b>-401</b>	<b>-230</b>	<b>Total items that may not to be reclassified to profit or loss</b>	<b>183</b>	<b>-20</b>
<b>Profit before tax</b>	<b>8,729</b>	<b>13,631</b>	<b>Other comprehensive income</b>	<b>745</b>	<b>1,601</b>
Income taxes	-4,972	-8,478	<b>Total comprehensive income</b>	<b>4,502</b>	<b>6,754</b>
<b>Profit after tax</b>	<b>3,757</b>	<b>5,153</b>			
			<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>		
			Owners of the parent company	3,554	5,546
			Non-controlling interests	948	1,208

## Consolidated statement of financial position

NOK million	Note	31.12.2024	31.12.2023	NOK million	Note	31.12.2024	31.12.2023
<b>ASSETS</b>							
Deferred tax assets		181	187	Paid-in capital		23,594	23,594
Intangible assets	3	41,548	37,626	Other equity		14,113	13,169
Property, plant and equipment	3	29,693	27,600	Non-controlling interests		10,223	9,943
Right-of-use assets		312	311	<b>Equity</b>		<b>47,930</b>	<b>46,706</b>
Equity-accounted investees		11,158	10,557	Non-current interest-bearing debt	3, 5	18,498	16,184
Non-current financial derivatives		756	541	Lease liabilities		269	272
Other non-current receivables		1,637	1,536	Deferred tax liabilities		11,295	10,465
<b>Non-current assets</b>		<b>85,285</b>	<b>78,359</b>	Pension liabilities		46	56
Inventory		60	64	Non-current financial derivatives		18	32
Trade receivables		669	741	Other liabilities	3	5,806	2,786
Other interest-bearing current receivables		496	565	<b>Non-current liabilities</b>		<b>35,931</b>	<b>29,796</b>
Other non-interest-bearing current receivables		653	664	Trade payables		462	478
Current financial derivatives		341	415	Lease liabilities		55	49
Cash and cash equivalents		8,306	10,239	Other current non-interest-bearing liabilities		1,777	2,151
<b>Current assets</b>		<b>10,525</b>	<b>12,689</b>	Taxes payable		5,068	7,365
<b>Assets</b>		<b>95,811</b>	<b>91,048</b>	Current financial derivatives		218	224
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Current interest-bearing debt	5			Current interest-bearing debt	5	4,369	4,280
<b>Current liabilities</b>				<b>Current liabilities</b>		<b>11,950</b>	<b>14,547</b>
<b>Equity and liabilities</b>							
						<b>95,811</b>	<b>91,048</b>

## Consolidated statement of cash flows

NOK million	Note	2024	2023	NOK million	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Profit before tax</b>		<b>8,729</b>	<b>13,631</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-1,502</b>	<b>-1,217</b>
<b>Adjustments from:</b>							
Depreciations, amortisations and impairments		1,191	1,269	Investments in property, plant and equipment		-373	-68
Gains/losses from divestments of assets		87	7	Cash paid through share issue to equity-accounted investees		-1,033	-65
Accrual of long-term contracts		-9	-	Cash paid for shares in new subsidiaries and equity-accounted investees	3	719	1,196
Profit/loss from equity-accounted investees		-356	-595	Dividend received from equity-accounted investees		724	-
Unrealised changes in derivatives		60	-1,657	Cash received upon sale of shares in subsidiaries	3	356	448
Changes in inventories		5	13	Interest received		39	-10
Changes in trade receivables and other non-interest-bearing receivables		343	194	Other investment activities		<b>-1,071</b>	<b>283</b>
Changes in trade payables and other non-interest-bearing liabilities		-437	-1,332	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net settlement of futures contracts		544	4,729	Loan proceeds	5	6,746	2,074
Net financial items		401	230	Loan repayments	5	-6,068	-4,737
Other non-cash income and expenses		-80	-30	Effects from currency swaps on loan repayments		-	310
<b>Cash flows from operating activities</b>		<b>10,477</b>	<b>16,458</b>	Dividends paid		-3,824	-3,072
Taxes paid		-7,117	-13,838	Interest paid		-1,070	-1,148
<b>Net cash flows from operating activities</b>		<b>3,360</b>	<b>2,621</b>	Other financing activities		-7	488
<b>Changes in cash and cash equivalents</b>							
Cash and cash equivalents at 1 January				<b>Cash flows from financing activities</b>		<b>-4,223</b>	<b>-6,085</b>
Currency exchange rate effects on cash and cash equivalents				<b>Changes in cash and cash equivalents</b>		<b>-1,934</b>	<b>-3,182</b>
<b>Cash and cash equivalents at end of period</b>				Cash and cash equivalents at 1 January		10,239	13,497
				Currency exchange rate effects on cash and cash equivalents		1	-75
				<b>Cash and cash equivalents at end of period</b>		<b>8,306</b>	<b>10,239</b>

## 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
<b>Equity at 31 December 2023</b>	<b>110</b>	<b>23,484</b>	<b>13,169</b>	<b>36,763</b>	<b>9,943</b>	<b>46,706</b>
Profit for the year	-	-	2,955	2,955	802	3,757
Other comprehensive income	-	-	599	599	146	745
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,554</b>	<b>3,554</b>	<b>948</b>	<b>4,502</b>
<b>TRANSACTIONS WITH OWNERS</b>						
Dividends	-	-	-3,096	-3,096	-787	-3,883
Effect of dividends from Hafslund Kraft AS to Eidsiva Energi AS	-	-	496	496	-	496
Capital increase	-	-	-	-	122	122
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-2,600</b>	<b>-2,600</b>	<b>-666</b>	<b>-3,266</b>
Other changes in equity	-	-	-10	-10	-3	-13
<b>Equity at 31 December 2024</b>	<b>110</b>	<b>23,484</b>	<b>14,113</b>	<b>37,707</b>	<b>10,223</b>	<b>47,930</b>

## Consolidated statement of changes in equity (cont.)

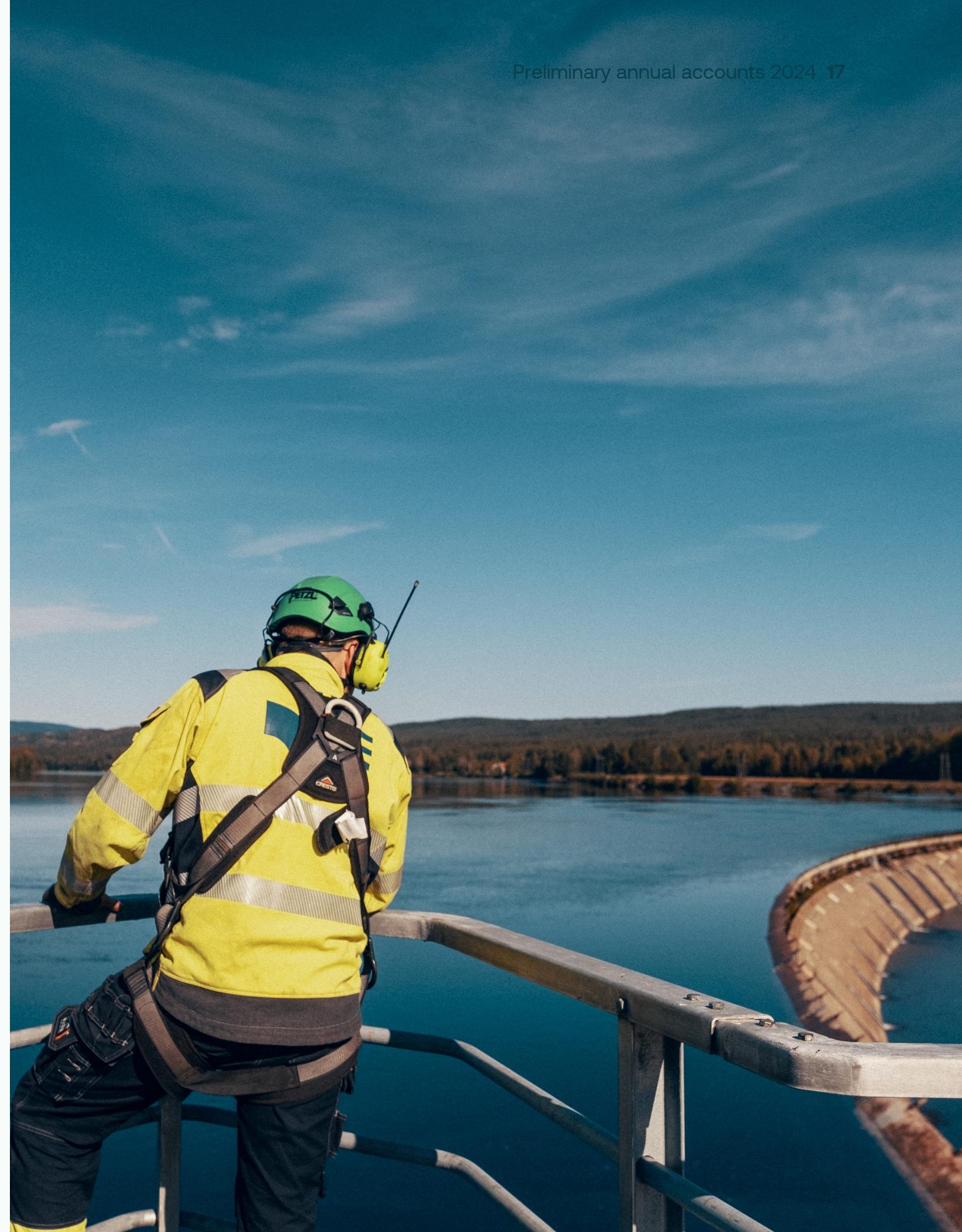
NOK million	Share Capital	Share premium	Other equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<b>Equity at 31 December 2022</b>	<b>110</b>	<b>23,484</b>	<b>9,696</b>	<b>33,290</b>	<b>9,314</b>	<b>42,604</b>
Profit of the year	-	-	4,273	4,273	880	5,153
Other comprehensive income	-	-	1,273	1,273	328	1,601
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>5,546</b>	<b>5,546</b>	<b>1,208</b>	<b>6,754</b>
<b>TRANSACTIONS WITH OWNERS</b>						
Dividends	-	-	-2,460	-2,460	-615	-3,075
Effect of dividends from Hafslund Kraft AS to Eidsiva Energi AS	-	-	360	360	-	360
Transactions with non-controlling interests	-	-	16	16	-16	-
Capital increase	-	-	-	-	53	53
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-2,084</b>	<b>-2,084</b>	<b>-578</b>	<b>-2,662</b>
Other changes in equity	-	-	11	11	-1	9
<b>Equity at 31 December 2023</b>	<b>110</b>	<b>23,484</b>	<b>13,169</b>	<b>36,763</b>	<b>9,943</b>	<b>46,706</b>

## Note 1 General information

Hafslund is a renewable energy group made up of three business areas; Power Production, District heating and Growth and investments. The three business areas are mainly linked to three different companies, Hafslund Kraft with its hydropower business, Hafslund Celsio with its district heating business and Hafslund Vekst, which brings together the ownership of Eidsiva Energi and the other growth initiatives, including the development of onshore wind and solar power.

The parent company Hafslund AS is owned 100 per cent by the City of Oslo.

The consolidated financial statements were authorised for issue by the Board of Directors on 27 February 2025.



## Note 2 Basis for preparation of the preliminary financial statements

The consolidated preliminary financial statements for 2024 are a simplified report and have not been prepared in accordance with the requirements of IAS 34. The preliminary financial statements do not include complete information nor disclosures that are required for annual financial statements in accordance with IFRS® Accounting Standards as adopted by the EU. Consequently, this report should be read in conjunction with the Group's consolidated financial statements of 2023. The consolidated preliminary financial statements of 2024 have been prepared applying the same accounting policies and estimation methods described in the consolidated financial statements of 2023.

There are no adopted standards or interpretations that have entered into force on 1 January 2024 that have had a significant effect on the consolidated financial statements.

The consolidated preliminary financial statements have not been audited. The consolidated financial statements are presented in Norwegian kroner (NOK). All amounts are stated in NOK million unless otherwise stated.

The consolidated preliminary financial statements have been prepared on a 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 2023 consolidated financial statements or in notes to these consolidated preliminary financial statements of 2024 where new or amended assumptions have been applied.

## Note 3 Transactions and events in 2024

### Tonstad Vindkraft AS

On 1 July 2024, Hafslund Kraft AS acquired 100 per cent of the shares in Tonstad Vindkraft AS from the Swiss investment company SUSI Partners. Tonstad Vindkraft AS will from this date be recognised in Hafslund's consolidated statements.

Tonstad Vindkraft AS is located in the municipalities of Sirdal and Flekkefjord and is Norway's fifth largest land-based wind power plant measured in GWh. The wind farm has 51 turbines and an installed capacity of 208 MW, with an annual production of around 670 GWh. The power plant has a concession that lasts until 31 December 2045.

Tonstad Vindkraft AS has entered into an industrial contract with Hydro Energi for the sale of power production until 2044, with a portion of the power sold at a fixed price. Additionally, a fixed price agreement has been entered into with ENGIE Energy Management for the sale of guarantees of origin until 2028.

In connection with the transaction, a syndicated bank loan agreement of NOK 2.8 billion was entered into with a duration until November 2025. The loan was drawn down in July 2024. Existing debt in Tonstad Vindkraft AS was settled at the same time as the closing of the transaction.

### Purchase price allocation

The transaction is considered to be a business combination and a preliminary purchase price allocation has been prepared, which can potentially be modified within a 12-month period.

The results of the purchase price allocation are summarized in the table below.

Tonstad Vindkraft AS per 1 July 2024:

NOK million	Effect on financial position
<b>Identified assets and liabilities</b>	
Goodwill	753
Concessions	3,493
Property, plant and equipment	1,791
Other non-current non-interest-bearing receivables	41
Cash and cash equivalents	314
<b>Assets</b>	<b>6,392</b>
Equity	1,345
Deferred tax liabilities	246
Other liabilities	3,214
Non-current interest-bearing debt	1,546
Current interest-bearing debt	41
<b>Equity and liabilities</b>	<b>6,392</b>

Concessions consist mainly of additional values resulting from the concession from NVE, lease agreements entered into and grid connection. Concessions are amortised over the remaining duration of the concession.

Other liabilities mainly relates to a negative fair value of the power purchase agreement with Hydro Energi and the fixed price agreement with ENGIE Energy Management AS. Provisions have also been made for decommissioning liabilities.

#### Goodwill

Recognised goodwill mainly consists of technical goodwill of NOK 727 million. The remaining NOK 26 million is related to the value of real options for capacity expansion and life-extending measures (repowering). The recognised goodwill is not expected to be tax deductible.

#### Costs related to the transaction

Hafslund's total costs in connection with the transaction amount to NOK 15 million. The transaction costs are included in other operating costs in the operating profit for 2024.

#### Operating revenue and profit in Tonstad

Tonstad Vindkraft AS has contributed NOK 106 million to Hafslund's operating revenues, and NOK -107 million to profit before tax in the period from the acquisition to 31 December 2024.

#### Hafslund Fiber AS

On 8 July 2024, the subsidiary Hafslund Celsio AS sold 100 per cent of the shares in Hafslund Fiber AS to Eidsiva Bredbånd AS, a subsidiary of Eidsiva Energi AS. The sale resulted in a gain for the Group of NOK 419 million, which is presented in the profit and loss statement under "Other finance income/costs".

In July 2024, an extraordinary dividend of NOK 550 million was approved and paid from Hafslund Celsio AS to the owners.

#### Industrial power contract with Elkem ASA

In December, an industrial power contract was signed between Hafslund Kraft AS and Elkem ASA for the delivery of power in NO3 in the period 2028-2035. The contract is measured at fair value and is hedge accounted for as a cash flow hedge ("All-in-one hedge").

## Note 4 Segment information

Operating segments are reported according to the same structure as the management reporting to the Group's top decision maker - the Group management. The Group has three operating segments; Power Production, District heating, and Growth and investments. In addition to the operating segments, the segment reporting includes Other businesses, consisting of Group eliminations and parts of the Group that are not included in the other segments.

For more detailed information about segments in the Group, please refer to note 2.1 in the consolidated financial statements 2023.



## Note 4 Segment information

(cont.)

NOK million	Power production		District heating		Growth and investments		Other businesses		Group	
	2024	2023	2024 <sup>4</sup>	2023 <sup>5</sup>	2024	2023	2024	2023	2024	2023
Sales revenues	11,047	14,611	2,349	2,738	-	-	-	-	13,395	17,349
Other gain/loss	600	865	-21	307	-	-	-	-	580	1,171
Other operating revenue	105	123	60	27	23	15	9	12	196	177
<b>Revenues and other income</b>	<b>11,751</b>	<b>15,599</b>	<b>2,388</b>	<b>3,072</b>	<b>23</b>	<b>15</b>	<b>9</b>	<b>12</b>	<b>14,172</b>	<b>18,698</b>
Energy purchases and transmission costs	-251	-233	-997	-1,251	-6	-2	-	-	-1,254	-1,486
Salary and other personnel costs	-671	-579	-317	-302	-93	-73	-139	-106	-1,221	-1,060
Property tax and other imposed costs and compensations	-757	-530	-4	-5	-	-	-1	-1	-762	-536
Other operating costs	-391	-281	-475	-729	-62	-69	-42	-3	-970	-1,081
Profit/loss from equity-accounted investees	25	10	-2	-	330	599	3	-13	356	595
<b>EBITDA</b>	<b>9,707</b>	<b>13,986</b>	<b>592</b>	<b>785</b>	<b>192</b>	<b>470</b>	<b>-170</b>	<b>-110</b>	<b>10,321</b>	<b>15,130</b>
Depreciation and amortisation	-770	-669	-415	-595	-2	-	-4	-4	-1,191	-1,269
<b>Operating profit (EBIT)</b>	<b>8,937</b>	<b>13,317</b>	<b>177</b>	<b>190</b>	<b>190</b>	<b>470</b>	<b>-174</b>	<b>-115</b>	<b>9,130</b>	<b>13,862</b>
Interest income	363	530	30	23	13	17	-50	-123	356	448
Interest expense	-720	-766	-355	-312	-356	-335	328	325	-1,104	-1,089
Other finance income/costs	-31	398	412	-2	-30	-19	-4	34	347	411
<b>Net financial items</b>	<b>-389</b>	<b>163</b>	<b>87</b>	<b>-291</b>	<b>-374</b>	<b>-338</b>	<b>274</b>	<b>237</b>	<b>-401</b>	<b>-230</b>
<b>Profit before tax</b>	<b>8,549</b>	<b>13,479</b>	<b>265</b>	<b>-102</b>	<b>-184</b>	<b>131</b>	<b>100</b>	<b>122</b>	<b>8,729</b>	<b>13,631</b>
Income taxes	-4,978	-8,546	22	39	102	87	-118	-58	-4,972	-8,478
<b>Profit after tax</b>	<b>3,571</b>	<b>4,933</b>	<b>286</b>	<b>-62</b>	<b>-82</b>	<b>218</b>	<b>-18</b>	<b>64</b>	<b>3,757</b>	<b>5,153</b>

<sup>4</sup> The result includes a gain from the sale of the Hafslund Fiber business amounting to 419 million NOK (Other financial income/expenses).

<sup>5</sup> NOK 217 million in other gain/loss for the segment District heating applies to correction of hedge accounting from 2022 in 2023. Other gain/loss for 2023 are NOK 90 million without the correction.

## Note 4 Segment information

(cont.)

NOK million	Power production		District heating		Growth and investments		Other businesses		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>ASSETS</b>										
Intangible assets	29,721	24,051	13,524	13,746	163	139	-1,678	-122	41,729	37,813
Property, plant and equipment	21,876	19,877	7,609	7,536	45	20	163	166	29,693	27,600
Equity-accounted investees	423	409	16	4	10,683	10,111	36	33	11,158	10,557
Other non-current assets	1,518	1,091	186	340	223	357	778	600	2,705	2,388
<b>Non-current assets</b>	<b>53,538</b>	<b>45,428</b>	<b>21,335</b>	<b>21,626</b>	<b>11,113</b>	<b>10,628</b>	<b>-701</b>	<b>677</b>	<b>85,285</b>	<b>78,359</b>
Cash and cash pool agreement	7,806	10,214	387	200	139	145	-27	-320	8,306	10,239
Other current assets	1,720	1,887	533	676	321	174	-355	-287	2,220	2,450
<b>Current assets</b>	<b>9,526</b>	<b>12,101</b>	<b>921</b>	<b>876</b>	<b>460</b>	<b>319</b>	<b>-382</b>	<b>-607</b>	<b>10,525</b>	<b>12,689</b>
<b>Assets</b>	<b>63,064</b>	<b>57,529</b>	<b>22,256</b>	<b>22,502</b>	<b>11,574</b>	<b>10,947</b>	<b>-1,083</b>	<b>70</b>	<b>95,811</b>	<b>91,048</b>

NOK million	Power production		District heating		Growth and investments		Other businesses		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>EQUITY AND LIABILITIES</b>										
Equity	21,963	20,904	16,044	16,160	5,351	4,705	4,573	4,936	47,930	46,706
Non-current liabilities	33,942	24,904	5,561	5,276	6,004	6,006	-9,576	-6,390	35,931	29,796
Current liabilities	7,160	11,720	651	1,066	219	236	3,920	1,524	11,950	14,547
<b>Equity and liabilities</b>	<b>63,064</b>	<b>57,529</b>	<b>22,256</b>	<b>22,502</b>	<b>11,574</b>	<b>10,947</b>	<b>-1,083</b>	<b>70</b>	<b>95,811</b>	<b>91,048</b>

## Note 5 Interest-bearing debt

As of 31 December 2024, Hafslund had interest-bearing debt of NOK 22,868 million, of which NOK 4,369 million was short-term. In 2024, the Group repaid loans of NOK 6,068 million and secured new loans of NOK 6,746 million. Other movements are due to currency effects when converting loans in foreign currency to Norwegian kroner.

The Group has three subordinated loans from CCS Finansiering AS, including a subordinated loan of NOK 2,075 million maturing in 2042. This loan is different from the other two loans as the debtor can make a claim for payment of an extraordinary instalment corresponding to any payment obligation that the City of Oslo or CCS Finansiering AS has in connection with the external financing of the CCS project. For this reason, the loan is classified as a short-term loan. The subordinated loan is classified as short-term interest-bearing debt as of 31 December 2024. In the comparative figures for 2023, the classification of the loan has been reclassified from long-term to short-term interest-bearing debt.



## Note 6 Events after the reporting period

### Acquisition of Sarpsfoss Limited from Orkla ASA

In January 2025, Hafslund AS and Svartisen Holding AS entered into an agreement with Orkla ASA to acquire 90 per cent and 10 per cent of Sarpsfoss Limited, respectively. Sarpsfoss Limited has a 50 per cent ownership interest in Sarp power plant, as well as 100 per cent ownership in Borregaard power plant and Mossefossen power plant. The total average annual production is 536 GWh.

The transaction is subject to approval from the Norwegian Competition Authority and the Ministry of Energy. Assuming approval, the transaction is expected to be carried out in the second quarter of 2025.

### Positive investment decision for construction of carbon capture plant ("CCS") at Klemetsrud

At the end of January 2025, a positive investment decision was made for the construction of the carbon capture facility at the Klemetsrud incineration plant. The facility is expected to be operational by the third quarter of 2029, and will capture 350,000 tonnes of CO<sub>2</sub> annually.

### Loan facility

In February 2025, a syndicated loan facility of NOK 4,000 million with an 18-month maturity was established.

### Proposal for the introduction of a fixed price of NOK 0.4 per kWh

The Group notes the proposal to introduce a fixed price of NOK 0.4/kWh for electricity to private consumers. Depending on how the scheme is structured, the Group sees a risk that it may cap the price chargeable to private customers for district heating sales, without compensating Hafslund Celsio for the resulting income loss. This could have adverse effects on the district heating business and potentially result in an impairment loss.



## Definitions and alternative performance measures

Measure	Definition	NOK million	31.12.2024	31.12.2023
EBITDA	Operating profit/loss + depreciation			
Net interest-bearing debt	Gross interest-bearing debt - interest-bearing receivables - bank deposit - money market funds			
Capital employed	Equity + net interest-bearing liabilities + Tax payable			
ROE	Profit after tax/ Equity			
ROCE	Operating profit/ Capital employed			
Debt/EBITDA	Net interest-bearing debt / EBITDA			
FFO/Debt	(EBITDA - interest paid - taxes paid) / Net interest-bearing debt			
Hydropower production	Total production in power plants in TWh			
Achieved power price	Power production sold in spot market, industrial contracts and concessionary power, and realised results from financial power hedging			
Direct heating sales	Total district heating volume sold in GWh			
Underlying results	Result corrected for non-recurring items and unrealised changes in value			
<b>GROSS AND NET INTEREST-BEARING DEBT</b>				
	Long-term interest-bearing debt	18,498	16,184	
	Value change loan portfolio	129	109	
	Short-term interest-bearing debt	4,369	4,280	
<b>Gross interest-bearing debt incl subordinated debt</b>				
	Cash and Cash equivalents	8,306	10,239	
	Other long-term interest-bearing receivables	740	726	
<b>Net interest-bearing debt</b>				
		13,951	9,608	
<b>CAPITAL EMPLOYED</b>				
	Equity	47,930	46,706	
	Net interest-bearing debt	13,951	9,608	
	Taxes payable	5,068	7,365	
<b>Capital employed</b>				
		66,949	63,679	

## Alternative performance measures (continued)

NOK million	2024	2023	NOK million	2024	2023
<b>UNDERLYING PROFIT</b>					
Operating profit (EBIT)	<b>9,130</b>	<b>13,862</b>	Net interest-bearing debt	13,951	9,608
Value changes in power price and foreign exchange contracts	-6	-1,078	EBITDA	10,321	15,130
Value adjustments on financial liabilities related to power production	131	-95	<b>DEBT / EBITDA</b>	<b>1.4</b>	<b>0.6</b>
Result share Eidsiva Energi - higher or lower revenue after tax	-50	93	EBITDA	10,321	15,130
<b>Underlying operating profit</b>	<b>8,703</b>	<b>12,297</b>	Interest paid	-1,070	-1,148
Profit after tax	3,757	5,153	Taxes paid	-7,117	-13,838
Value changes and one-offs operating profit	-427	-1,369	Net interest-bearing debt	13,951	9,608
Tax effects adjustments and one-offs	79	301	<b>FFO / debt</b>	<b>15%</b>	<b>2%</b>
<b>Underlying profit after tax</b>	<b>3,408</b>	<b>4,085</b>			
<b>ROCE</b>					
Operating profit (EBIT)	9,130	13,862			
Capital employed	66,949	63,679			
<b>ROCE / return on capital employed</b>	<b>13.6%</b>	<b>21.8%</b>			
<b>ROE</b>					
Profit after tax	3,757	5,153			
Equity	47,930	46,706			
<b>ROE / return on equity</b>	<b>7.8%</b>	<b>11.0%</b>			



## Contact details

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