



Investor Presentation of the Lyse Group

February 2025

Lyse

A night landscape featuring a calm lake in the foreground, a line of dark evergreen trees in the middle ground, and a dark blue sky. A bright green line graphic starts from the left, dips slightly, then rises and levels off towards the right, passing behind the trees and above the lake. The overall scene is dark and atmospheric.

Lyse, a Norwegian leader in energy and telecom, has driven sustainable growth for over a century through renewable energy and communication services, with all dividends paid back to local municipalities.

Diversification and growth have been the strategy since 2001



- Hydropower production
- Power trading
- Power sales
- Fast charging



- Fiber- and mobile broadband for private customers and businesses
- Mobile network and mobile towers
- TV and entertainment services
- Fiber backbone network
- International fiber connections



- Power grid
- Street lighting services
- Biogas and natural gas
- District heating/cooling
- Electrification



Stavanger
45.753 %



Sandnes
19.531 %



Sola
8.741 %



Time
5.832 %



Klepp
4.229 %



Hå
3.785 %



Randaberg
3.279 %



Eigersund
2.951 %



Strand
2.532 %



Hjelmeland
0.994 %



Gjesdal
0.993 %



Lund
0.713 %



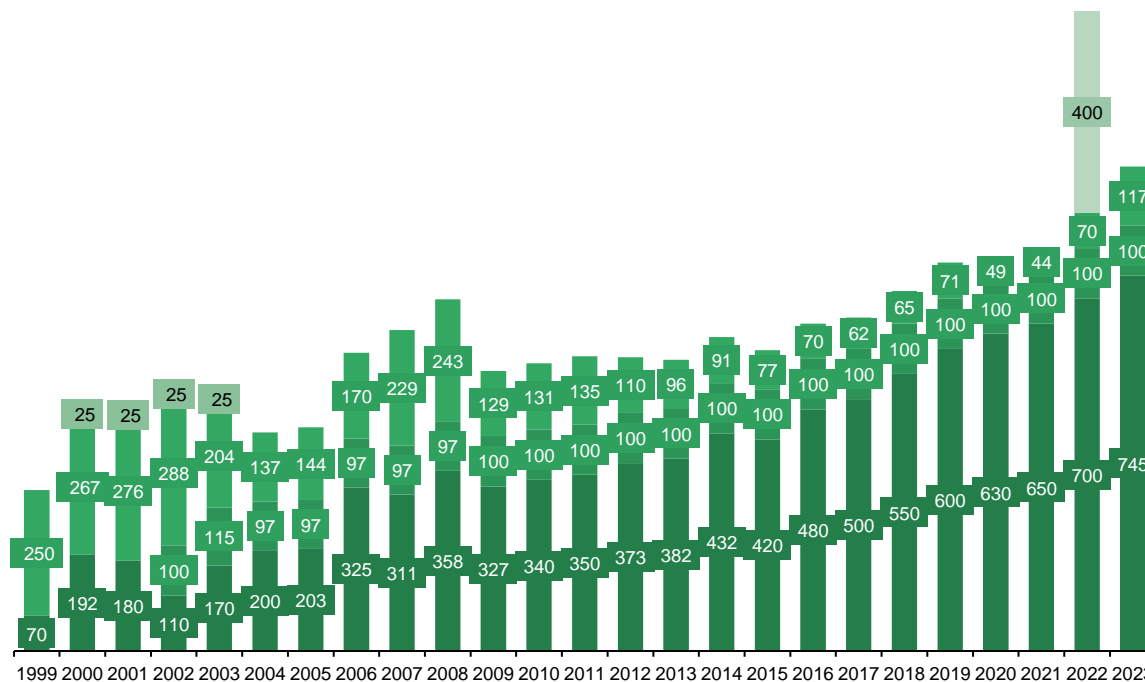
Bjerkreim
0.512 %



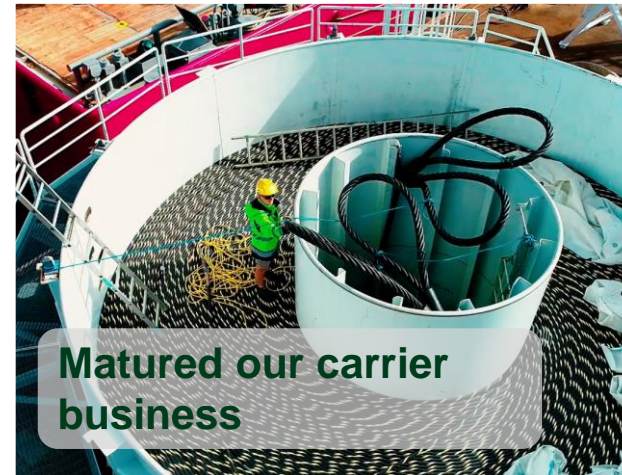
Kvitsøy
0.233 %

Dividend policy

- Over time, 60% of profits after tax should be paid to our owners as dividend
- To avoid large fluctuations in the annual dividends, we in practice have an internal “dividend fund”, which ensures predictability in the dividend payments for both Lyse and our owners, over the next 3-4 years



Selected strategic achievements in 2024



Matured our carrier business

Successfully merged Altibox and Ice organizations into Lyse Tele

Partnership and go-to-market strategy for fiber wholesale established



Matured project for repowering RSK (Røldal Suldal Kraftverkene)

Divested local heating and consolidated energy metering business



Established Lyse Bio to develop biogas production

Lyse
New group profile established



Mobile network development on track and new national roaming agreement



Established «Green Roadmap» for the energy transition of our region

SANDEFJORD bredbånd | VI LEVERER altibox
ALT I FIBER | VI LEVERER altibox
BergenFiber | VI LEVERER altibox

Future-proof consolidation and restructuring of local fiber providers

Two of the fastest growing business sectors in the world

altibox

*
ice



ELECTRIFICATION



Inett

Our Strategic Priorities



- Build infrastructure and competence necessary for the energy transition in southwest Norway



- Leverage flexible assets and strong competence in increasingly volatile power markets



- Retain position as the preferred fixed broadband distributor



- Be the preferred one stop shop, through high quality services and partnership



- Provide national mobile network and the best mobile value proposition for growth

Renewable energy



166
employees



9,700
GWh annual production



6,800
GWh reservoir capacity

Positioned for the future energy market



Flexible powerplants

- 35 power plants located from Haukeli in the north of Norway to Åna-Sira in the south of Norway
- 2,450 MW installed capacity, with several opportunities to increase. Røldal Suldal upgrade alone may increase installed capacity up to 3,100 MW



A strong market unit

- We have a professionally strong market unit and analysis unit
- Deep insight into the power market, both short-term and long-term



Increase production portfolio

- Opportunistic in exploring opportunities to increase our production portfolio with land-based wind in NO2
- Complementary to the flexible production portfolio and enhancing our inhouse power management

The new role of hydropower – from GWH to MW

Upgrading the hydropower plants in Røldal-Suldal

- Largest application for new power development submitted in the last 40 years
- The new power development alone can help solve 10-15 percent of Norway's power demand
- 5 new power plants - including 3 pumped-storage power plants
- Increase in installed capacity from 636 MW to 1,288 MW
- New pumping capacity of 500 MW
- Investment is estimated to be NOK 7-8 billion, starting from 2030



Telecom

Telecom in numbers



~888k

Customers in the Altibox partnership

~540k

Customers owned by Lyse

altibox

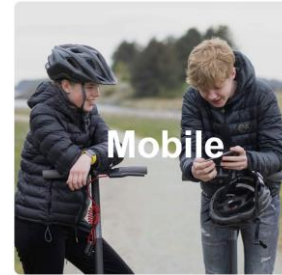
~26%

Market share of TV

~31%

Market share of landline

Market Leader in landline and TV



~934k

Mobile subscriptions

~15%

Market share

*ice

~3,350

Base stations

~99%

Population coverage

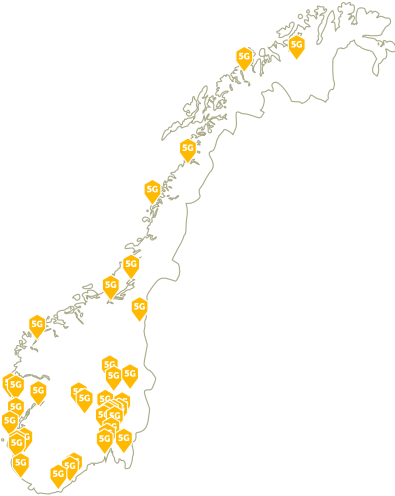
Number 3 position and with the strongest market growth within mobile B to C

1,400
employees

2.8 m
customer relations

4.6 bn
NOK in turnover
1H 2024

Distribution models, a key strategic focus area



Direct Model:

- Direct sales and distribution of services, to customers outside the Altibox partnership
- National corporate clients will also be served under the direct model



Indirect Model:

- Sale and distribution of services through the Altibox partnership. Create an all-inclusive customer offering for both private and business customers, through a combination of Altibox and strong regional brands and partners



Altibox-partnership



Mobile network roll-out

- Since the acquisition of Mobile Network Operator Ice in 2022, Lyse has been investing heavily in rolling out Norway's third national mobile network
- We will have full national coverage by 2027
- In the intermediate period, we will depend on national roaming, and in 2025, we will transition from Telia to Telenor



Political Backing & Regulatory Shift

- As an owner, developer, and operator of critical infrastructure, security is a top priority - especially given growing sabotage threats from Russia and intelligence threats from China, according to recent reports from Norwegian intelligence agencies
- There is still strong cross-party support for a third mobile network, driven by security, preparedness, and need for competition
- Historically, broadband expansion used to have broad political backing with a strong focus on network expansion
- With coverage now well-established, the focus has shifted to more consumer-oriented policies and stronger competition - also driven by implementing EU regulations through the EEA Agreement
- Lyse is addressing the challenge head on and is establishing a wholesale platform open to all fiber owners, also outside the Altibox partner network. This will meet the need for more competition and potentially avoid the need for further regulations



Arbeidingsdirektør for marked og tjenester i Nasjonal kommunikasjonsmyndighet, Kamilla Sharma, fotografert under Nkom agenda høsten 2023. Håvard Fossum

Infrastructure and circular energy



437

employees



120 GWh

Half year production

2,624 GWh

delivered in the power grid



1.2 bn

NOK in turnover first half of
2024

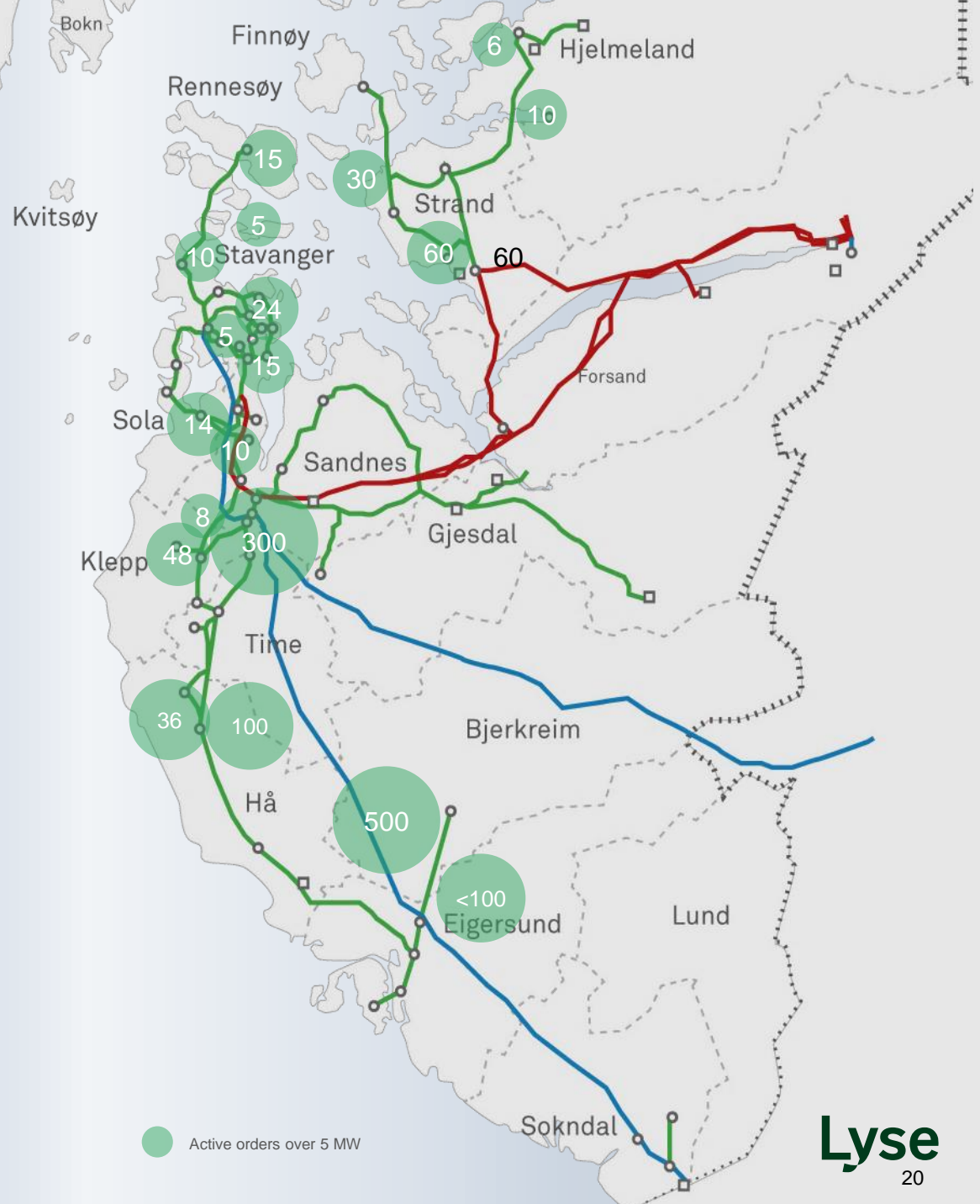
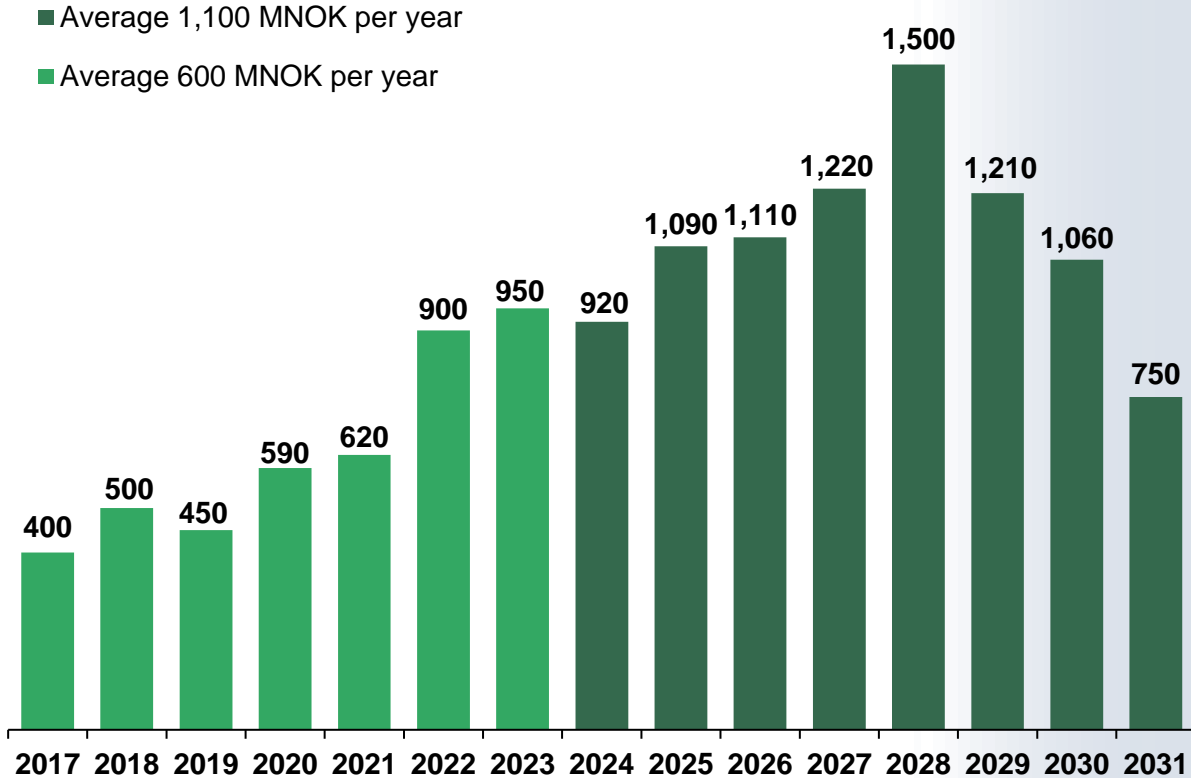
We aim to ensure that there is enough electricity to meet future needs

- Green transition and new industries create high demand for increased capacity in the power grid, followed by new renewable and climate-neutral energy



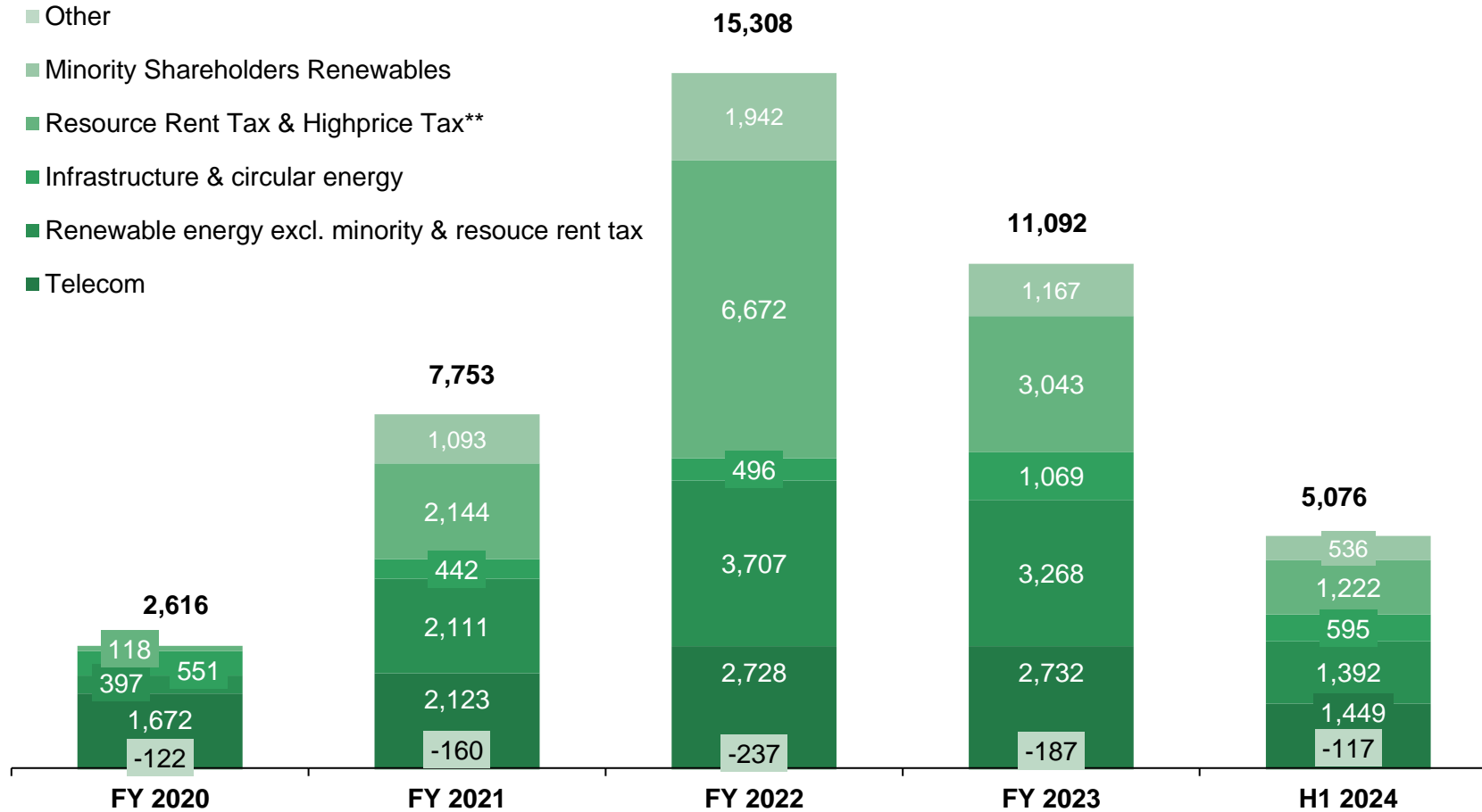
We are building Power Grid 2.0

to accommodate electrification and business development



Financials & ESG

EBITDA (FY 2020 – H1 2024 NOKm)

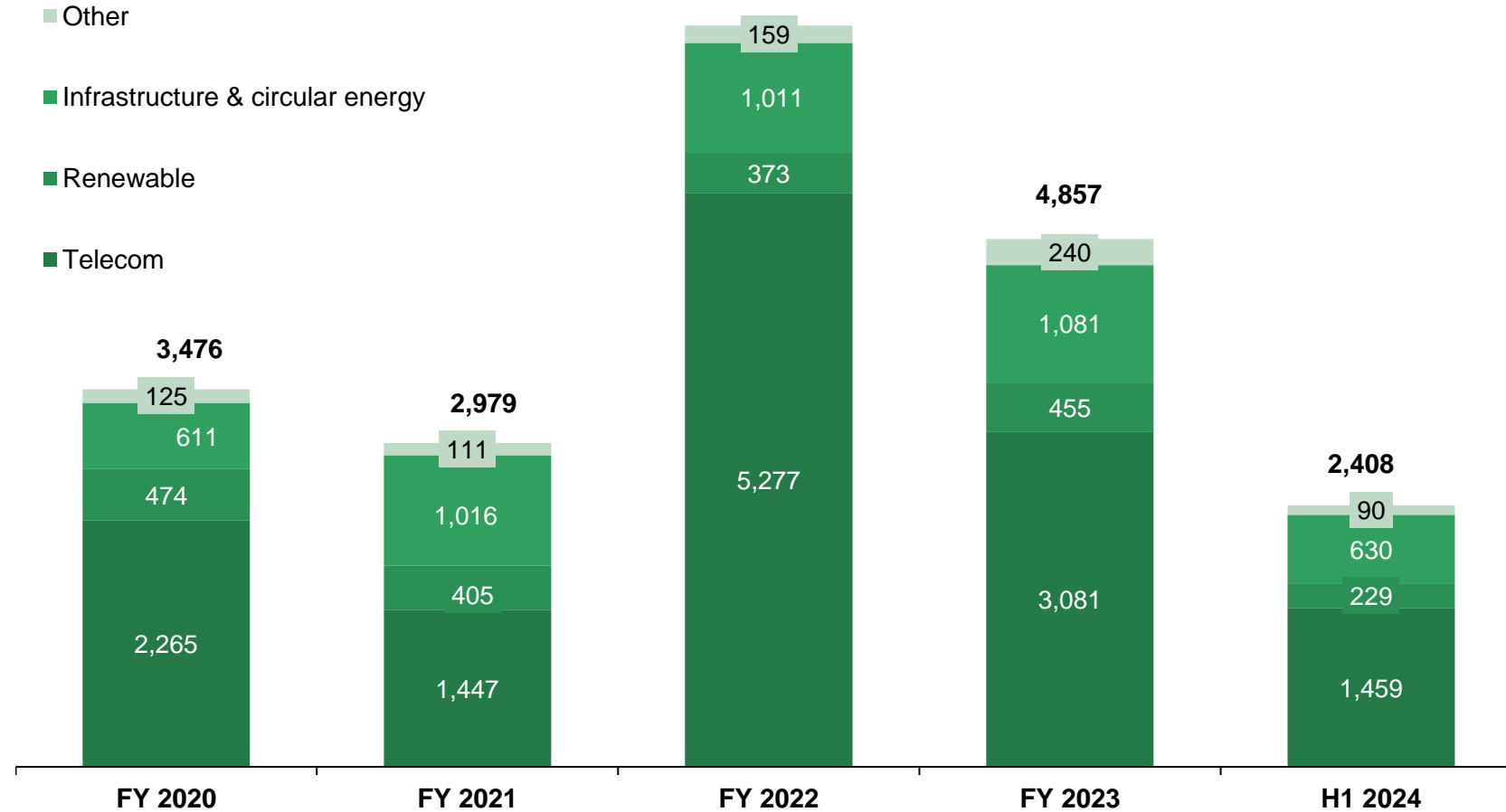


- Renewables EBITDA reduction, a function of the lower power prices year over year. 41% reduction from 1H 2023 to 1H 2024. Realized power price 19% higher than NO2 price 1H 2024.
- In Infrastructure & Circular energy, sold local heating infrastructure for a one-off effect of 50 million in 2024. Overall positive trend in EBITDA also from increased tariffs, higher energy consumption from customers and reduced grid loss from lower power prices
- Telecom EBITDA increasing from increasing number of customers, in particular mobile segment. Seeing some margin pressure from increased competition within broadband & TV, still strong customer growth.

* Lyse Neo is included in Infrastructure & circular energy for 2022-2024, for 2020-2021 it is included under Renewable Energy

** Highprice tax is only included in 2022 & 2023 numbers – it was introduced, effective from 28. September 2022 and terminated effective 01. October 2023

Investments (FY 2020 – H1 2024 NOKm) – high activity level



Telecom

- Mobile infrastructure 5G, building the 3rd national mobile network in Norway
- Still investments in fiberoptics network, but at lower levels than historically

Renewable Energy

- Maintenance and refurbishments in existing hydropower plants

Infrastructure & Circular Energy

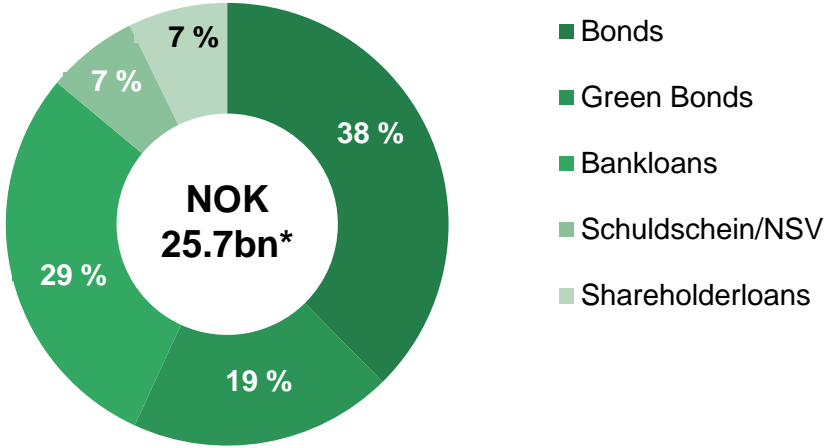
- Investments in both the regional and distribution grid

* Investments in 2022 includes the acquisition of Ice with MNOK 3.002

** The numbers include both capex and investments in shares.

Financing

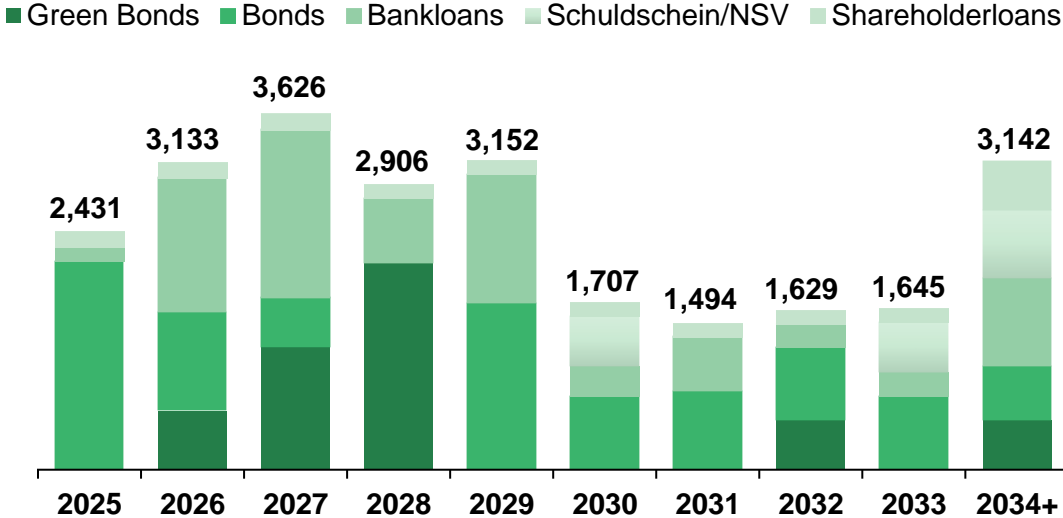
Funding Sources



Net interest-bearing debt (NIBD) - NOKm	1H 24	2023	1H 23
Interest-bearing debt (incl. leasing)	27,723	25,225	23,384
Cash & cash equivalents	5,590	6,190	6,507
NIBD (incl. Leasing)	22,133	19,035	16,877
Available credit facilities (committed)	3,818	3,619	3,555

*Excludes leasing

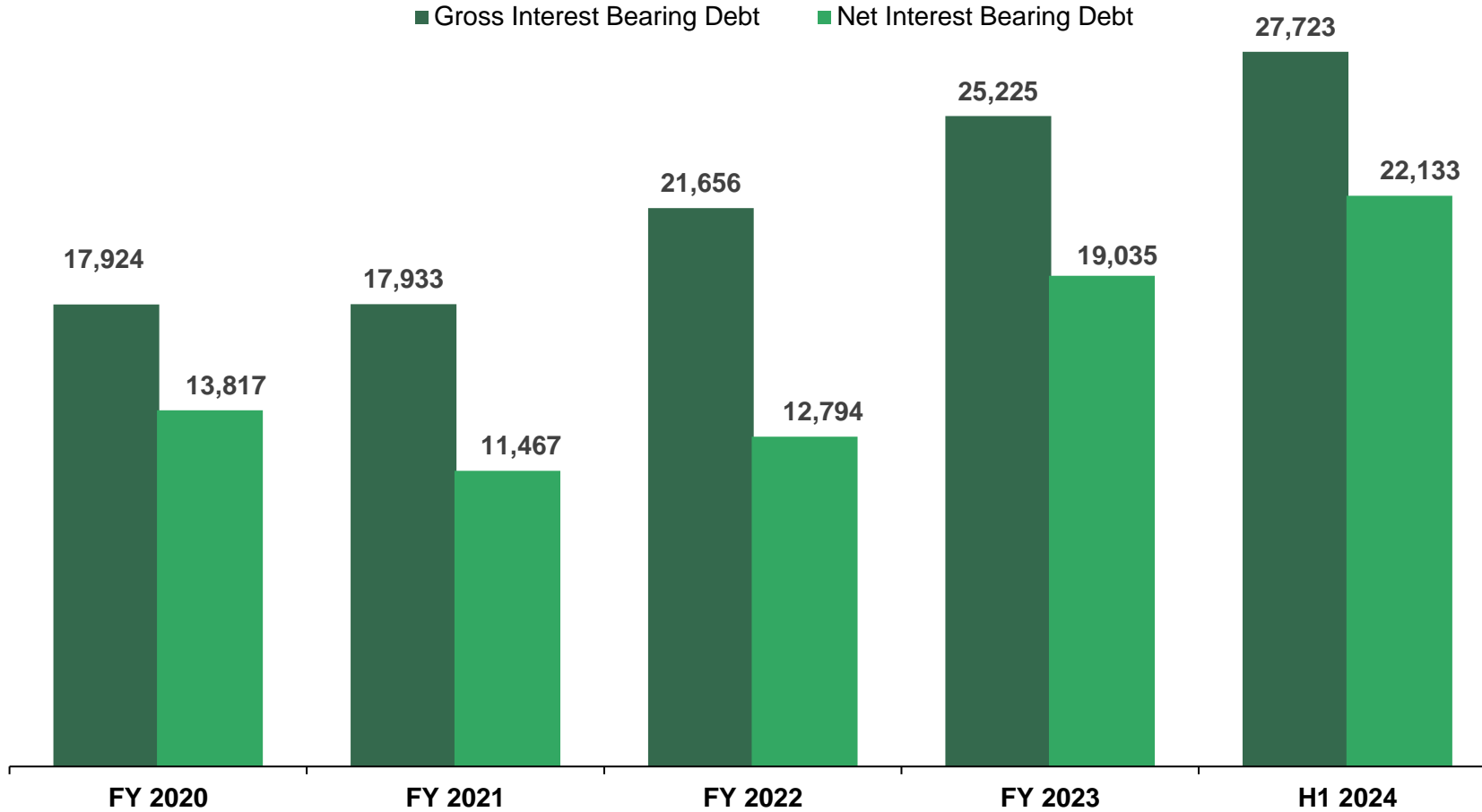
Maturity Profile



Highlights:

- Average duration interest bearing debt: 5.1 years
- Fixed rate share of NIBD: 69%
- Issued 3,400Mill in Norwegian bond market in 2024
- Rating maintained at A-, Stable outlook, in April 2024

Interest bearing debt (FY 2020 – H1 2024)

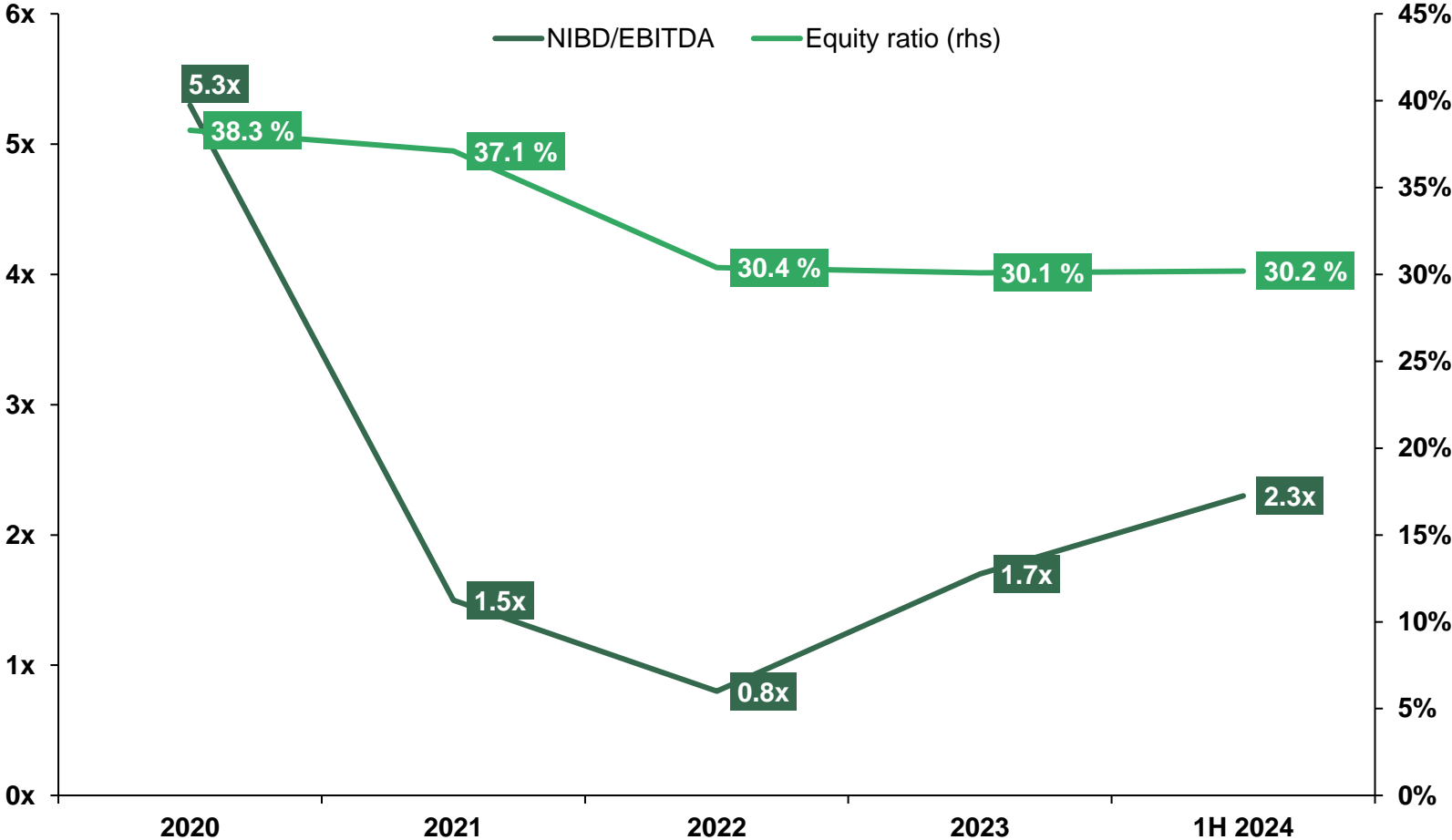


- Debt levels increasing to support investments in 5G mobile network and electrical grid expansion and upgrades
- When 5G mobile network completed, immediate cash flow effect from reduced Capex and termination of national roaming agreement
- Continue to maintain a strong cash buffer covering minimum net flows the next 9 months

* Investments in 2022 includes the acquisition of Ice with MNOK 3.002

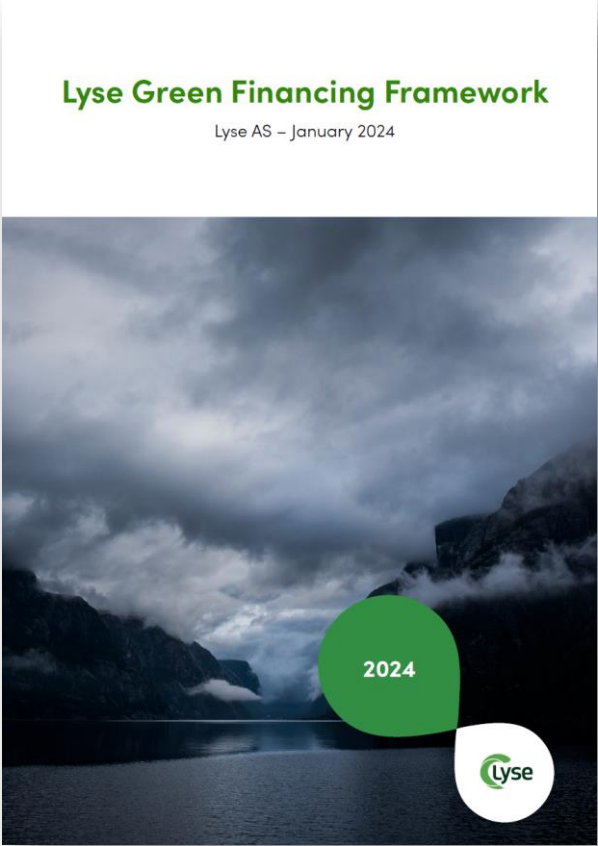
** The numbers include both capex and investments in shares.

Interest bearing debt (FY 2020 – H1 2024)




- Leverage (NIBD/EBITDA) increased from 2022 due to reduced EBITDA from lower power prices, combined with capex to fund grid and 5G investments
- Expected to stay below 3x over time
- Stable equity ratio at ~30% last three years. Reduction in equity ratio from 2021 to 2022 was mainly driven by the acquisition of Ice

Updated green financing framework 2024




The cover of the Lyse Green Financing Framework 2024 features a scenic landscape with mountains and a lake under a cloudy sky. A green circle with the year '2024' and the Lyse logo are positioned in the bottom right corner.

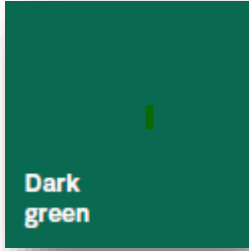
Lyse Green Financing Framework
Lyse AS – January 2024



S&P Global
Ratings



Powered by **Shades of Green**



Dark green
Lyse

Eligible investments overview

- Hydropower
- Onshore and offshore wind
- Regional and distribution grid infrastructure
- District heating and cooling
- Fiber-optics network
- 5G or other high-speed mobile network

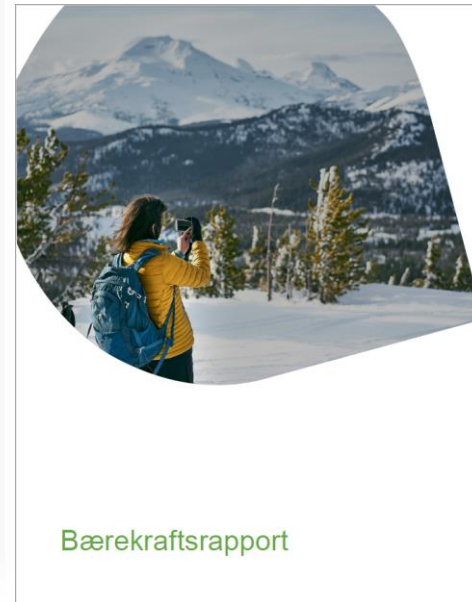
ESG Reporting



ESG Reporting is integrated in our annual financial reporting

Dedicated site for ESG can be found at Lysekonsern.no
<https://www.lysekonsern.no/samfunnsansvar/barekraft/>

Lyse will from 2024 report based on the **Corporate Sustainability Reporting Directive (CSRD*)** and the **EU Taxonomy requirements**



Lyse