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Fjordkraft Holding - Announcement of terms of the Initial Public Offering

Bergen, 9 March 2018: Further to the intention to float announcement published on 28 February 2018, Fjordkraft Holding ASA ("Fjordkraft" or the "Company") has resolved the terms of an initial public offering of its ordinary shares (the "Offering" or the "IPO").

The Offer Shares (as defined below) will be offered for sale within an indicative price range of between NOK 28.00 and NOK 31.00 per Offer Share, corresponding to an equity value of Fjordkraft of between NOK 2,926 million and NOK 3,239 million. The final price per Offer Share (the "Offer Price") may, however, be set above or below this indicative price range.

The Offering will comprise up to 37.5% of the total number of Shares in issue excluding any Additional Shares (as defined below), and up to 43.1% including any Additional Shares.

Subject to approval of the listing application and successful completion of the Offering, the shares of Fjordkraft (the "Shares") are expected to be admitted to trading on the Oslo Stock Exchange on or about 21 March 2018 under the ticker "FKRAFT" (subject to any extension or shortening of the offer period).

The Offering in brief

BKK AS, Skagerak Energi AS and Statkraft Industrial Holding AS (together, the "Selling Shareholders") intend to offer up to 39,186,081 Shares (the "Sale Shares"), representing up to 37.5% of the Shares of Fjordkraft. BKK AS intends to offer up to 18,102,672 Shares, Skagerak Energi AS up to 17,787,072 Shares and Statkraft Industrial Holding AS up to 3,296,337 Shares.

In addition, ABG Sundal Collier ASA (the "Global Coordinator"), in consultation with SpareBank 1 Markets AS (together with ABG Sundal Collier ASA, the "Joint Bookrunners"), may elect to over-allot up to 5,877,912 additional shares, equalling up to approximately 15% of the number of Sale Shares sold in the Offering, (the "Additional Shares", and together with the Sale Shares, the "Offer Shares"). BKK AS and Skagerak Energi AS (the "Lending Selling Shareholders") have granted ABG Sundal Collier ASA as stabilisation manager an option to borrow a number of Shares equal to the number of Additional Shares (the "Over-Allotment Option") for the purpose of such over-allotment. The Stabilisation Manager has further been granted an option to purchase from the Lending Selling Shareholders up to a combined total number of Shares equal to the Additional Shares for the purpose of covering any short position created as a result of any over-allotment.

Assuming that all Offer Shares are sold, the Offering will comprise 45,063,993 Offer Shares, representing up to 43.1% of the Shares of Fjordkraft.

The Company and the Selling Shareholders have agreed with the Global Coordinator to be subject to a 12 month lock-up period. In addition, members of the Company's management and board have agreed with the Global Coordinator to be subject to a 12 month lock-up period for shares subscribed for in connection with the Offering. The lock-up agreements are subject to customary exceptions.

The Selling Shareholders will receive the proceeds from the Offering. The Offering will not include the issuance of any new shares.

Offering details

The terms and conditions for the Offering will comprise:

- (i) An institutional offering, in which Offer Shares are being offered (a) to institutional and professional investors in Norway, (b) to investors outside Norway and the United States, subject to applicable exemptions from prospectus and registration requirements, and (c) in the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act. The institutional offering is subject to a lower limit per application of NOK 2,500,000.
- (ii) A retail offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 2,499,999 for each investor.
- (iii) An employee offering, in which Offer Shares are being offered to permanent employees of the Company and its subsidiaries, subject to a lower limit per application of NOK 10,500 for each eligible employee. Eligible employees participating in the employee offering will receive a 20% discount on the aggregate amount payable for the Offer Shares allocated to such employee, subject to a maximum discount of NOK 3,000. Eligible employees will receive full allocation for any application up to and including an amount of NOK 2,499,999.

The further details of the IPO and the terms thereof will be set out in the prospectus prepared and to be published by the Company in connection with the IPO (the "Prospectus"). The Prospectus is expected to be approved by the Financial Supervisory Authority of Norway today, 9 March 2018.

Time line and offer period

Subject to timely approval of the Prospectus, the bookbuilding period for the institutional offering is expected to take place from 12 March 2018 at 09:00 hours (CET) to 13:00 hours (CET) on 20 March 2018, and the application period for the retail offering and the employee offering is expected to take place from 12 March 2018 at 09:00 hours (CET) to 12:00 hours (CET) on 20 March 2018. The bookbuilding period and/or the application period may be shortened or extended at any time.

The Offer Price and the final number of Offer Shares will be determined by Fjordkraft, in consultation with the Global Coordinator, after completion of the bookbuilding period for the institutional offering. The pricing of the IPO is expected to take place on or around 20 March 2018. Trading of the Shares on the Oslo Stock Exchange is expected to commence on or around 21 March 2018 under the ticker "FKRAFT".

Conditions for the Offering

Completion of the Offering will be conditional upon (i) the board of directors of the Oslo Stock Exchange approving the application for listing of the Shares in the Company in its meeting expected to be held on or about 19 March 2018 and the satisfaction of the conditions for admission to trading set by the Oslo Stock Exchange, which are expected to be that (a) Fjordkraft will have a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and (b) there being a minimum free float of the Shares of 25%, and (ii) the Company, in consultation with the Global Coordinator, having approved the Offer Price, the number of Offer Shares and the allocation of the Offer Shares to eligible investors following the bookbuilding process. There can be no assurance that these conditions will be satisfied.

Prospectus

The Prospectus will, subject to regulatory restrictions in certain jurisdictions, be made available at <https://investor.fjordkraft.no>, www.abgsc.no and www.sb1markets.no, from the commencement of the bookbuilding period and the application period for the Offer, expected to be from 12 March 2018 at 09:00am (CET). Hard copies of the Prospectus may also be obtained free of charge from the same date by contacting the Company or one of the Joint Bookrunners.

Advisers

ABG Sundal Collier ASA is acting as Sole Global Coordinator and Joint Bookrunner in the IPO. SpareBank 1 Markets AS is acting as Joint Bookrunner. Advokatfirmaet Schjødt AS is acting as legal advisor to the Company. Advokatfirmaet Wiersholm AS is acting as legal advisor to the Joint Bookrunners.

For further queries, please contact:

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Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is an advertisement and is not a prospectus for the purposes of Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive"). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus. Copies of any such prospectus will, following publication, be available from the Company's registered office and, subject to certain exceptions, on the website of the Company.

In any EEA Member State other than Norway that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive ("Qualified Investors"), i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

This communication is only being distributed to and is only directed at persons in the United Kingdom that are Qualified Investors and that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

The Joint Bookrunners and their affiliates are acting exclusively for the Company and the selling shareholders and no-one else in connection with the intended IPO. They will not regard any other person as their respective clients in relation to the intended IPO and will not be responsible to anyone other than the Company and the selling shareholders for providing the protections afforded to their respective clients, nor for providing advice in relation to the intended IPO, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the contemplated IPO, the Joint Bookrunners and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the contemplated IPO or otherwise. Accordingly, references in any prospectus, if published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such Joint Bookrunners and any of their affiliates acting as investors for their own accounts. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "aims", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other

important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. The Company, each of the Joint Bookrunners and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

The IPO may be influenced by a range of circumstances, such as market conditions, and there is no guarantee that the IPO will proceed and that the listing will occur.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

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