Denmark’s largest utility company within our core areas
More than 1200 employees
More than a million customers in Greater Copenhagen
More than EUR 700 million in net turnover
More than EUR 250 million invested annually in pipelines, cables and wind turbines
Total fixed assets: EUR 3.2 billion
ABOUT US IN BRIEF

- We are municipally owned
- Water + wastewater: shared ownership
- Heating, town gas, district cooling + energy production: owned by Cph.
- Our utilities are regulated by law
- Our revenue and expenditure must balance out over time
- We focus on a sustainable supply and renewable energy
- We support community development

- Albertslund
- Brøndby
- Dragør
- Herlev
- Hvidovre
- Copenhagen
- Rødovre
- Vallensbæk
STRONG, PROFESSIONAL COMMUNITY

- High security of supply and quality
- Reasonable prices
- Environmentally friendly district heating, district cooling and town gas
- CO₂ neutral capital by 2025
- Acquisition of the Amagerværket power plant
- New supply solutions
- Merger
  - Better protection of the groundwater
  - Shared water extraction and production
  - Water sales and backup agreements
  - Coordinated wastewater treatment
  - Better management of extreme rainfall
  - Efficient planning and operation as well as exploitation of economies of scale
HOFOR – YOUR UTILITY COMPANY

HOFOR Energy Production, District Heating, District Cooling, Town Gas, Water and Wastewater
HOFOR Water and Wastewater
Municipalities that HOFOR supplies water to
MISSION
We supply water and energy solutions to our customers – green, safe, cheap

VISION
We create sustainable towns and cities

STRATEGIC STEPS FOR HOFOR

2010
From government to business

2015
Common, integrated, visionary

2020
Green, safe, cheap
<table>
<thead>
<tr>
<th>COMMON</th>
<th>INTEGRATED</th>
<th>VISIONARY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AMBIITION</strong></td>
<td><strong>INTEGRATED</strong></td>
<td><strong>VISIONARY</strong></td>
</tr>
<tr>
<td>We undertake climate change adaptation projects and strive to be CO2 neutral</td>
<td>We increase resource efficiency and ensure reasonable prices</td>
<td>We use innovative solutions</td>
</tr>
<tr>
<td>• 80% CO2 neutral supply</td>
<td>• Reduction in reinvestment costs</td>
<td>• New technologies and sustainable solutions are evaluated</td>
</tr>
<tr>
<td>• 325 MW wind turbines in operation or under construction</td>
<td>• Operating and administrative expenses are kept constant 2016-2020</td>
<td>• New investments have corporate-economic and socio-economic value</td>
</tr>
<tr>
<td>• 25% reduced flood probability in Copenhagen and 10% in the surrounding municipalities</td>
<td>• High ROI in District cooling and Wind</td>
<td>• High satisfaction among retail customers and corporate customers</td>
</tr>
<tr>
<td>• Driving joint municipal climate adaptation projects</td>
<td></td>
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</tbody>
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<table>
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<tr>
<th><strong>GROUP TARGETS</strong></th>
<th><strong>CORE</strong></th>
</tr>
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<tbody>
<tr>
<td>Horizontal activities</td>
<td>Safe operation, high security, optimal customer service, maintenance of assets, efficiency, development of employees.</td>
</tr>
</tbody>
</table>
HOW WE WORK

‣ We are here for our customers
‣ We understand business
‣ We improve
‣ We join
‣ We have an open approach
HOW WE WANT TO RUN OUR BUSINESS

- One corporate and management culture
  - synergies from exploiting common functions across business areas
- Efficient and safe operation in all areas of supply
  - synergies across the supply areas
- Healthy business in commercial areas (electricity production, cooling and wind)
- Separation of responsibility for competitively sensitive information (sale of electricity and the purchase of heat)
- Focus on innovative, attractive and sustainable solutions for the city and its residents
WE GENERATE RESULTS

For example

- **Havnebadet (harbour baths):**
  We ensure clean water through underground basins

- **Vigerslevparken:**
  We cooperate on environmental issues and cloudburst protection

- **EnergyLab Nordhavn:**
  We develop the supply solutions of the future

- **We dig:**
  For environmentally friendly district heating, district cooling, town gas and improved wastewater systems

- **We encourage good behaviour:**
  Saving water, energy management and turning off heating in the summer
ENERGYLAB NORDHAVN

- We develop the supply solutions of the future

- We create sustainable towns and cities
- In cooperation with customers, the industry, municipalities and other utility companies
- We create supply solutions to benefit our society
OUR CUSTOMERS

We have a strong customer focus

- Good, standardised service tailored to the needs of the various customer groups
- Understanding of the different expectations of our customer groups
- Cooperation with our customers on the delivery and development of our services in a sustainable manner – so that we can still live in the city in 100 years time
- We listen to our customers and meet their needs, so that we can improve and develop our service
- Customer ambassadors and methodical work with customer satisfaction

We have five customer groups

- Large customers
- Small and medium-sized corporate customers
- Blocks of flats
- Detached houses
- Apartments
OUR CUSTOMER CENTRE

- Answers customer questions by telephone and e-mail
- Focuses on a high level of availability – auto-dial service, service telephone and on duty station
- Allows customers to evaluate the service level
- Collects payment for customer consumption – more than DKK four billion a year
- Makes sustained efforts to minimise bad debts expense
- Works systematically with customer feedback
- Uses lean processes to continuously improve
OUR CUSTOMERS

- 1,000,000 water customers
- 800,000 wastewater customers
- 600,000 heating customers
- 300,000 town gas customers
- 54 district cooling customers, 50 MW cooling
AS A BUSINESS PARTNER YOU GET

- Projects intended to be sustainable from idea to end product
- Access to the multidisciplinary skills of our more than 1200 employees
- Innovative solutions and documentation of efforts
OUR UTILITIES

- Amagerværket
- Offshore wind turbines
- Alternative district heating methods
- Town gas
- Biogas
- Waterworks
- Renewable energy
- District cooling
- Wastewater
- HOFOR
District heating to app. 600,000 Copenhageners – supplied greenly, securely and cheaply

GREEN
• The City of Copenhagen aims to be the world’s first CO₂ neutral capital by 2025. Green district heating is an important prerequisite for achieving this goal

SECURE
• The greatest possible security of supply. With decreasing capacity from SMV and HCV, there is a need for new capacity. We assure this with the Amagerværket power station

CHEAP
• Heating prices to customers are higher than most other major cities in Denmark. We want to change that

THE AMAGERVÆRKET POWER STATION
THE AMAGERVÆRKET POWER STATION

- Biomass and coal-fired power station
- First block in operation 1971, biomass in 2009
- Total capacity of 300 MW electricity and 580 MW heating
- Approximately 30 percent of base load capacity in the capital
- Burns around 300,000 tonnes of wood pellets a year
- The biomass warehouse holds approximately 32,000 tonnes of wood pellets
- Burns around 380,000 tonnes of coal a year (2015)
- The coal section holds approximately 400,000 tonnes of coal
In 2025, the City of Copenhagen will be the first capital city in the world to be CO₂ neutral

- 90 pct. of all new builds connected to district heating
- Heating price which increases at a lower rate than the average of the 8 major utilities
- Sale of town gas of at least 25 million m³/at least 30 pct. CO₂ neutral town gas
Further CO₂ reductions on the way
- Conversion to biomass at existing power stations
- Possibility of geothermal power plants and large heat pumps being looked into
- Advice on energy savings
- 53 percent of district heating was CO₂ neutral in 2015
- Reduction in loss in the grid
- Conversion of steam-based district heating by the end of 2021

We cover 99 percent of heating requirements in Copenhagen and we are investing in excess of DKK 500 million in new pipelines and plants
THIS IS WHERE WE SUPPLY DISTRICT HEATING
TOWN GAS

- Production and distribution
- Sales to half of all Copenhagen residents and people living in Hvidovre, Rødovre and Tårnby municipalities
- Corporate customers such as Lundbeck, Novozymes and Carlsberg
- Supply to Frederiksberg Municipality
- Customers reduce CO$_2$ emissions by more than half by using town gas instead of electricity
- Increase the share of CO$_2$ neutral biogas in town gas
THIS IS WHERE WE SUPPLY TOWN GAS
DISTRICT COOLING

- More climate-friendly air conditioning – for comfort, processing and cooling of server rooms
- District cooling centres:
  - Adelgade/Kgs. Nytorv
  - Tietgensgade near Rådhuspladsen square
- Companies can achieve financial savings of up to 40 pct. and reduce CO$_2$ emissions by up to 70 pct.
- Customers: Tivoli Hotel and Congress Center, Jeudan, Magasin, Egmont, the Confederation of Danish Industry, the National Museum of Denmark to name but a few
- Target 2020: Agreements for 85 MW district cooling + 60 MW district cooling connected
THIS IS WHERE WE SUPPLY **DISTRICT COOLING**

Current areas: network connection available

Potential areas: future network connection possible
WATER AND WASTEWATER TARGETS 2020:

- Send more than 50 million m³ of water out to customers per year
- We will improve faster than the average of the 'big 8'
- Contribute to interconnected water supply on Zealand
- Area of development: soft water (decalcification)

We supply customers with cold, healthy, high quality drinking water, in the right quantity and at a reasonable price
Our water is subject to constant control

We are certified according to DDS and ISO 22000

We cooperate with local authorities, waterworks, agriculture and residents in our extraction area

Groundwater protection, including planting 3,500 hectares of woodland

We reduce water wastage in production

We help customers reduce water wastage through water saving campaigns, etc.

We look into the possibilities of using water resources other than groundwater
THIS IS WHERE WE SUPPLY WATER
OUR WATERWORKS
OUR EXTRACTION AND AFFORESTATION AREAS
THE RIVER HARRESTRUP Å – DRAINAGE SYSTEM
WASTEWATER

- We are responsible for the operation of the wastewater utility in eight municipalities
- We provide well-functioning, modern and inexpensive wastewater treatment
- More than 2,300 km sewers
- More than 250 pumping stations
- Electronic monitoring of sewers
- The climate challenges our sewer systems:
  - Cloudburst initiatives
  - Climate action plans
THIS IS WHERE WE TREAT WASTEWATER
Wind turbines will help make the capital CO₂ neutral by 2025
- 72 MW in 2015 and 360 MW in 2025
- Approx. 100 turbines in and around Copenhagen
- Approx. EUR 730 billion

- Three turbines at Prøvestenen on Amager
- 11 turbines on Lolland and at Billund
  - Power equivalent to 24,000 households
  - Residents can buy shares
HOFOR GROUP OVERVIEW
More than 1200 employees
More than EUR 700 million in annual net turnover
Over EUR 250 million in annual investments