

Interim report Q3

Statkraft AS

2023



Q3 AT A GLANCE

EBIT underlying

4.9

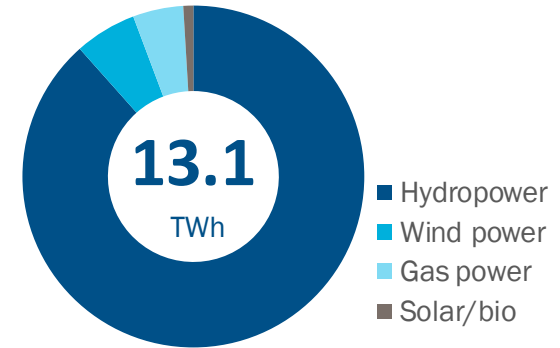
NOK BILLION

Net profit

4.4

NOK BILLION

Power generation



Cash flow from operations

8.0

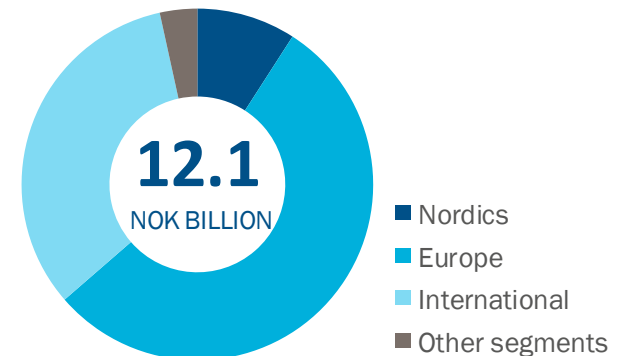
NOK BILLION

Net interest-bearing debt

9.6

NOK BILLION

Investments



Key financial information

NOK million	Third quarter			Year to date			Year 2022
	2023	2022	Change	2023	2022	Change	
Income statement							
Gross operating revenues and other income underlying	19 568	42 737	-23 169	85 808	109 971	-24 163	167 513
Net operating revenues and other income underlying	10 633	13 232	-2 599	48 219	43 675	4 544	75 280
EBITDA underlying	6 212	10 094	-3 882	34 823	34 112	711	59 082
Operating profit/loss (EBIT) underlying	4 865	8 959	-4 095	31 025	30 729	297	54 424
- of which unrealised effects	-1 662	2 225	-3 887	4 823	859	3 964	3 206
Operating profit/loss (EBIT) IFRS	3 165	8 342	-5 177	37 766	29 993	7 773	52 178
Share of profit/loss in equity accounted investments	642	- 159	802	2 665	- 2	2 667	531
Net financial items	2 139	21	2 118	- 765	170	- 935	6 111
- of which net currency effects	1 641	- 150	1 792	-2 604	- 607	-1 997	233
Profit/loss before tax	5 947	8 204	-2 257	39 666	30 160	9 506	58 819
Net profit/loss	4 416	3 825	591	20 926	14 049	6 877	28 592
Key financial metrics							
Operating profit/loss (EBIT) margin underlying	24.9%	21.0%	3.9%	36.2%	27.9%	8.2%	32.5%
ROACE				39.1%	31.8%	7.3%	42.4%
ROAE				16.2%	3.0%	13.2%	3.4%
Balance sheet and investments							
Assets				303 826	474 588	-170 762	341 176
Equity				140 815	119 778	21 036	131 691
Net interest-bearing debt				9 629	-1 216	10 845	-16 063
Capital employed				153 145	133 395	19 750	131 622
Equity accounted investments				21 245	14 732	6 512	18 645
Total investments	12 072	3 044	9 028	21 377	7 933	13 444	11 451
Cash Flow							
From operating activities	8 039	8 573	- 534	5 561	27 710	-22 149	40 242
Cash and cash equivalents (incl. restricted cash)				33 746	55 721	-21 974	58 902
Currency rates							
NOK/EUR average rate	11.40	10.06	1.34	11.35	10.00	1.34	10.10
NOK/EUR closing rate				11.25	10.58	0.67	10.51

Definitions

See section Alternative Performance Measures at the end of this report for definitions.

The quarterly report shows the development in the quarter compared with the same quarter last year, unless otherwise stated.

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CEO'S REVIEW



Solid results in the third quarter, even as power prices fell considerably.

As the power prices fell by 84 per cent in the Nordic region and 76 per cent in Germany, the market situation has changed significantly compared to the extreme market situation in the third quarter last year. The main driver is considerably improved energy balance, as gas storage levels have increased, new renewable energy capacity has come online, and wet weather conditions have refilled Nordic hydropower reservoirs. Under these changing market conditions, Statkraft has managed to deliver stable operations, value-creating energy management and profitable market activities, all contributing to maintaining solid results despite much lower prices.

POWER GENERATION AND PRICES

Statkraft's quarterly power generation was 13.1 TWh, 0.9 TWh higher than the third quarter last year. The increase was primarily related to Norwegian hydropower.

Lower fuel prices, as well as higher inflow and high reservoir levels in southern Norway lowered the Nordic power prices in the quarter. The average system price in the Nordic region was 28 EUR/MWh, down 149 EUR/MWh from extreme prices in the third quarter of 2022 and down 28 EUR/MWh from the second quarter of 2023. The price area differences in Norway have decreased in 2023 but the south-west (NO2) is still facing higher prices than the rest of the country.

The average base price in the German market (EEX) was 91 EUR/MWh in the quarter, down 282 EUR/MWh from the extreme third quarter of 2022. This is at the same level as in the second quarter of 2023.

FINANCIAL PERFORMANCE

Statkraft delivered an underlying EBIT of NOK 4.9 billion, down NOK 4.1 billion from the third quarter last year. Considering the large drop in power prices, this is a strong result. The decrease was driven by the lower power prices, partly offset by positive hedging effects.

Operating expenses were higher, mostly due to a higher number of employees as the company continues to grow, as well as the effects of a weakening NOK.

Cash flow from operating activities was NOK 8 billion.

Net profit for the quarter was NOK 4.4 billion.

Measured on 12 months rolling basis, the return on average capital employed (ROACE) was 39 per cent. Statkraft has a very solid financial position and continues to ramp up project activities to reach its ambition to build 2500-3000 MW renewable energy capacity per year from 2025, increasing to around 4000 MW per year by 2030. Expected development in 2023 is 1100 MW.

KEY EVENTS IN THE QUARTER

Statkraft continues to match producers and consumers of renewable energy, signing several new power purchase agreements (PPAs) across all markets. In the Nordics, Statkraft has entered into PPAs with Aker Horizons in Norway, AstraZeneca in Sweden and Telenor in Finland.

In Ireland, Statkraft acquired a solar and wind project development portfolio of 758 MW, as well as three older wind farms (35 MW) with repowering potential.

Life-time prolongation and repowering possibilities is also the rationale behind the acquisition of 39 operational wind farms in Germany and France, with a total installed capacity of 337 MW.

In Brazil, Statkraft signed an agreement to acquire two recently constructed wind farms from EDP Renováveis. After closing, the deal will contribute to positive scale effects and add 260 MW of installed capacity in Brazil, increasing Statkraft's portfolio of projects under construction and in operation in the country to more than 1300 MW.

To bring even more agility to our strategy in Brazil, we also acquired shares from our local partner FUNCEF, becoming the sole owner in our Brazilian subsidiary Statkraft Energias Renováveis (SKER) as of 13 September.

In October, Statkraft acquired the two Swedish wind power developers Svevind and Njordr Offshore Wind specialising in onshore and offshore wind development respectively. The majority of the portfolio consists of early-phase projects with a total potential of 16000-17000 MW onshore wind and up to 21000 MW offshore wind. Entering offshore wind development in Sweden, expands the geographical scope of Statkraft's ambition to become an industrial player in this technology.

In the third quarter, Statkraft made investment decisions for Clonfad solar project (176 MW) in Ireland and Swansea grid project (69 MW) in the UK.

The substantial M&A and business development activities underlines Statkraft's growth ambitions within renewable energy.

SUSTAINABILITY

The Norwegian Supreme Court verdict in the Fosen-case passed the two-year mark early in October. Protests were held several places in Oslo, including at the Statkraft headquarters. There were demonstrations against lack of action and progress to find a solution. Statkraft/Fosen Vind is putting much effort into finding an acceptable solution, actively participating in the ongoing mediation process together with the affected Sámi reindeer herders and the State of Norway.



Christian Rynning-Tønnesen

President and CEO

Strategic targets

The Board of Directors has set financial and non-financial targets for the Group. The performance related to several of the targets will be assessed over a longer time horizon. The main targets and the status at the end of the quarter are listed in the table below.

Ambition category	Strategic objective	Target	Status
Safety, security and sustainability	Prevent incidents and be committed to a workplace without injury or harm	Zero serious injuries	5
	Prevent corruption and unethical practices in all activities	Zero serious compliance incidents	0
	Deliver climate-friendly renewable energy and taking responsible environmental measures ¹⁾	Reducing greenhouse gas (GHG) emissions (scope 1 & 2) by 7% g CO ₂ /kWh	- ²⁾
Financial performance	Deliver a solid return on capital	>12% ROACE	39%
People and organisation	Improve diversity in background, competence and gender across the company	Minimum 40% of each gender measured on all management positions across the organisation by 2030	28%
Operations	Efficient management of energy resources in the Nordic hydropower fleet	>3.5% higher realised prices than the average spot price in the market	8.6%
	Deliver competitive operations & maintenance	Total cost of operations Nordic hydropower 12.7 øre/kWh for 2023	12.5 øre
Growth	Grow capacity in renewable energy (wind, solar and battery/grid services)	Run rate of 2.5-3 GW in 2025	1.1 GW

¹⁾ The KPI excludes emissions from gas-fired power plants. District heating emissions are based on a normal weather year to avoid larger temperature-driven fluctuations from year to year. Scope 2 market-based are included.

²⁾ The KPI is rolling 12 months and will be reported for the full year 2023.

SAFETY, SECURITY AND SUSTAINABILITY

Statkraft works continuously towards the goal of zero injuries. In the first nine months of 2023, there were one fatal accident and four serious injuries.

Statkraft has zero tolerance for corruption and unethical practices in all activities. There were no serious compliance incidents in the first nine months of 2023.

Statkraft continues to explore measures to reduce the direct emissions to reach climate neutrality by 2040.

See the “Sustainability” section of the report for more information about the safety, security and sustainability targets.

FINANCIAL PERFORMANCE

Statkraft aims to deliver a solid return on capital employed. Measured on 12 months rolling basis, the ROACE was 39 per cent.

The reportable segments have different risk and business models and are at different stages of development. Therefore, some of the segments are expected to achieve a ROACE higher than 12 per cent and some will deliver below.

PEOPLE AND ORGANISATION

Statkraft aims for a diverse workforce and has a long-term ambition of having minimum 40 per cent of each gender in management positions by the end of 2030.

At the end of September 2023, the share of women in management positions was 28 per cent. Statkraft has an additional target of at least 35 per cent women in top management positions by 2025 and at least 40 per cent by 2030. At the end of September, Statkraft had 32 per cent women in top management positions.

OPERATIONS

With Europe's largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft can optimise Nordic hydropower generation over several years. Statkraft is therefore well positioned to achieve a higher average spot price for this generation than the average Nordic spot price.

As of September 2023, Statkraft's realised prices (measured over the last 60 months) were 8.6 per cent higher than the average spot price in the Nordics.

The cost of operations for Statkraft's Nordic hydropower fleet is relatively low. Measured on 12 months rolling basis, the cost was lower than the target.

GROWTH

Statkraft aims to have an annual development rate of 2.5–3 GW renewable energy (wind, solar and battery/grid) in 2025, and 4 GW per year from 2030.

At the end of the quarter, Statkraft's expected development rate for 2023 was 1.1 GW.

Previously, Statkraft has communicated a growth target of 9 GW new renewable capacity (hydro, wind and solar) by 2025. At the end of September, 3.9 GW of new capacity was either built or made investment decisions for.

Sustainability

HEALTH AND SAFETY

There was a serious injury in Brazil in August 2023 in our wind operations. The incident is being investigated according to Statkraft's procedures and all safety measures will be followed up.

HUMAN RIGHTS

Fosen

On October 11th, it was the two-year mark of the Norwegian Supreme Court verdict. Protests were held several places in Oslo, including outside Statkraft's offices at Lilleaker on October 12th. There were demonstrations against lack of action and progress to find a solution. Statkraft recognises and respects the right to demonstrate and express views in this matter.

Fosen Vind continues to participate in the mediation process together with South-Fosen sijte and the State. Fosen Vind aims to find an acceptable solution that respects and safeguards the affected Sámi reindeer herders' right to practice their culture. We experience that the mediating parties are constructive and solution-oriented in the ongoing mediation. Statkraft, as a majority owner in Fosen Vind, is bound by confidentiality requirements during the mediation process and thus cannot share any further information on this process.

Solar supply chain

As stated in the previous quarterly report, we have entered into framework agreements for photovoltaic (PV) panels and inverters. This means we can delve further into the panel

manufacturers' supply chains, and drive improvements to our traceability procedures across multiple projects, at the same time as having a stronger commitment from suppliers to work with us on wider sustainability objectives. Additionally, we have now held quarterly meetings with counterparties to our framework agreements, including sustainability topics on the agenda.

BUSINESS ETHICS

Improved methodology to perform risk assessment on business ethics risks has been introduced. A new e-learning on business ethics has been launched for all employees, in addition to regular management dilemma discussions and face-to-face training activities. A project is ongoing aiming at improving the way Statkraft detects, tracks and quantifies compliance risk exposure, as well as monitors more systematically risk mitigation activities. Strengthening of the monitoring routines and tools for declaration and management of potential conflicts of interest, community engagement with local stakeholders, M&A (mergers and acquisitions) due diligence, and the use of intermediaries in business activities is also prioritised.

	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
Health and safety					
Fatal accidents	0	0	1	2	2
Serious injuries	1	0	5	11	12
TRI rate			3.4	3.9	4.1
Absence due to illness, Group	2.5%	2.8%	2.6%	3.1%	3.1%
Labour Practices					
Full-time equivalents, Group			5 492	4 626	4 859
Share of women among all employees			30%	28%	28%
Share of women in management positions			28%	26%	26%
Share of women in top management positions			32%	31%	33%
Climate					
Capacity under construction (MW)			1 596	1 590	1 567 ¹⁾
Environment					
Serious environmental incidents	0	0	0	0	0
Business ethics					
Serious compliance incidents	0	0	0	0	0

For KPI definitions refer to sustainability statement in annual report 2022.

¹⁾ *Figure has been corrected from previously reported 1593.*

Power market and generation

Power prices and optimisation of power generation constitute the fundamental basis for Statkraft's revenues. The majority of Statkraft's output is generated in the Nordic region. Power prices are influenced by hydrological factors, commodity prices for thermal power generation, technology cost, grid restrictions and nuclear availability.

POWER PRICES

The price of energy decreased, while the price of energy-related commodities increased in the quarter. The average system price in the Nordic region was 27.6 EUR/MWh, down 148.8 EUR/MWh from Q3 2022 and down 28.4 EUR/MWh since Q2 2023. The main drivers were lower fuel prices, increased inflow and higher reservoir levels in southern areas. There was significant price area differences in the comparable period, while in the current quarter the price area differences was reduced. On average, Norwegian prices in the south were in the range 17-58 EUR/MWh and prices in the mid- and north around 17 EUR/MWh and 15 EUR/MWh, respectively.

	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
Market prices (average)					
System price, Nord Pool (EUR/MWh)*	27.6	176.4	56.3	135.7	135.6
Spot price (base), EEX (EUR/MWh)	90.9	372.5	99.8	247.5	233.8
Spot price (peak), EEX (EUR/MWh)	94.1	405.0	107.2	272.4	264.3
Spot price (base), N2EX UK (GBP/MWh)	78.4	294.6	98.4	215.6	203.8
Generation by geography (TWh)					
Norway	9.8	8.9	33.0	34.1	46.0
Sweden	1.3	1.4	4.6	4.9	6.5
Europe ex. Nordic	1.0	0.9	2.7	2.6	3.4
Rest of the world	1.0	1.0	3.3	3.3	4.3
Total generation	13.1	12.2	43.6	44.9	60.2
Generation by technology (TWh)					
Hydropower	11.6	10.7	38.8	40.3	53.9
Wind power	0.8	0.8	3.1	3.2	4.3
Gas-fired power	0.6	0.6	1.4	1.2	1.7
Biomass and solar power	0.1	0.1	0.3	0.2	0.3
Total generation	13.1	12.2	43.6	44.9	60.2

*) Sources: Nord Pool and European Energy Exchange (EEX).

The average base price in the German market (EEX) was 90.9 EUR/MWh in the quarter, down 281.7 EUR/MWh from Q3 2022 and down 1.5 EUR/MWh since Q2 2023. Power prices have decreased mainly due to lower gas and coal prices, in particular gas. The price drop came despite lower nuclear production in Germany.

RESOURCE ACCESS IN THE NORDIC REGION

The total reservoir level for all hydropower producers in the Nordic region was at median level at the end of the quarter, corresponding to 83.9 per cent of total capacity. The levels in the south are still lower than those in the north, but the differences have decreased compared to the same period last year.

STATKRAFT'S POWER GENERATION

Statkraft's generation optimisation is determined by price expectations, water reservoir capacity and reservoir water levels, access to resources (inflow and wind), the margin between power prices and gas in addition to CO₂ prices (spark spread) and grid restrictions. For the flexible hydropower assets, Statkraft's water values (value of future hydropower generation) are compared with the power prices, and power will be generated when the power prices are expected to exceed the water values.

Total power generation was 13.1 TWh, which was 0.9 TWh higher than the same period last year. The increase was primarily related to Norwegian hydropower generation, which was 11 per cent higher than in the third quarter of 2022. This was mainly due to low generation in southern part of Norway in the third quarter last year caused by the strained hydrological situation. This quarter, generation has been around normal both in the south and north of Norway.

The district heating deliveries amounted to 0.1 TWh, which was 12 per cent lower compared to the same quarter last year.

Spot sales from net physical deliveries were 6 per cent higher compared to the third quarter of 2022, driven by higher Norwegian hydropower generation.

Financial performance

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
Net operating revenues and other income underlying	10 633	13 232	48 219	43 675	75 280
Operating profit/loss (EBIT) underlying	4 865	8 959	31 025	30 729	54 424
- of which unrealised effects	-1 662	2 225	4 823	859	3 206
Operating profit/loss (EBIT) IFRS	3 165	8 342	37 766	29 993	52 178
Share of profit/loss in equity accounted investments	642	-159	2 665	-2	531
Net financial items	2 139	21	-765	170	6 111
- of which net currency effects	1 641	-150	-2 604	-607	233
Profit/loss before tax	5 947	8 204	39 666	30 160	58 819
Tax expense	-1 530	-4 380	-18 740	-16 111	-30 228
Net profit/loss	4 416	3 825	20 926	14 049	28 592

THIRD QUARTER

Statkraft's underlying EBIT was slightly less than half of what it was in the third quarter last year. The significant drop was primarily due to significantly lower power prices, negative value changes from embedded derivatives and lower contribution from trading activities. The decrease was partly offset by improved hedging effects and higher generation. The segment Nordics was the main contributor to the results.

The EBIT IFRS was negatively affected by unrealised value changes from embedded EUR derivatives driven by a stronger forward NOK against EUR.

Net financial items in the quarter included positive currency effects, primarily driven by a stronger NOK vs. EUR, GBP and USD.

YEAR TO DATE

The underlying EBIT so far in 2023 is record-high for any first nine months period. As for the third quarter, the segment Nordics was the main contributor to the results. However, the segment's underlying EBIT was lower than in the same period last year, primarily due to the significant drop in power prices and lower generation.

The underlying EBIT from the Europe segment improved significantly as the segment has significant hedging gains this year while there were hedging losses in the first nine months of 2022.

The Markets segment delivered strong results, primarily related to origination.

The EBIT IFRS was positively affected by unrealised value changes from embedded EUR derivatives driven by a weaker forward NOK against EUR, gain from the divestment of 50 per cent of Statkraft's offshore wind portfolio in Ireland and reversal of impairments for onshore wind assets in the Nordics.

Net financial items included significantly negative currency effects, primarily driven by a weaker NOK vs. EUR, GBP and USD.

NET OPERATING REVENUES AND OTHER INCOME UNDERLYING

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
Net operating revenues and other income					
Generation	7 596	15 149	32 921	43 861	65 101
District heating	106	155	787	726	1 203
Customers	7 665	24 981	33 014	57 222	80 296
Other	1 619	3 893	5 146	9 322	11 005
Sales revenues	16 986	44 179	71 868	111 131	157 605
Gains/losses from market activities	2 458	-1 567	13 187	-1 640	8 498
Other operating income	123	125	753	480	1 409
Gross operating revenues and other income	19 568	42 737	85 808	109 971	167 513
Generation	-1 160	-3 088	-3 157	-5 321	-7 156
District heating	-49	-53	-318	-208	-384
Customers	-6 830	-24 186	-30 631	-55 009	-77 400
Other	-565	-2 069	-2 332	-5 255	-6 190
Energy purchase	-8 603	-29 395	-36 437	-65 793	-91 131
Transmission costs	-333	-110	-1 151	-504	-1 103
Net operating revenues and other income	10 633	13 232	48 219	43 675	75 280
Operating expenses underlying					
Salaries and payroll costs	-2 097	-1 602	-5 814	-4 995	-7 508
Depreciations and amortisations	-1 347	-1 135	-3 797	-3 383	-4 657
Regulatory fees	-414	-319	-2 277	-1 021	-3 409
Other operating expenses	-1 909	-1 217	-5 306	-3 546	-5 281
Operating expenses	-5 768	-4 273	-17 194	-12 945	-20 855

Net operating revenues from Generation decreased mainly driven by significantly lower power prices, partly offset by increased hydropower generation in the segment Nordics.

Net operating revenues from Other decreased, mainly due to reduced average German/SE4 price spread which effects revenues from the subsea interconnector between Sweden and Germany (Baltic Cable).

Gains/losses from market activities increased, mainly driven by positive effects from financial hedging of generation revenues in the segments Nordics and Europe. Markets delivered a strong result in the third quarter, but lower than in the third quarter last year, driven by lower contribution from trading activities.

Transmission costs increased, mainly due to a negative variable fee in the NO2 (Southern Norway) price area in the comparable period.

OPERATING EXPENSES UNDERLYING

In general, a significantly weaker NOK relative to other currencies contributed to an increase in the operating expenses in the period compared with the same quarter last year.

The increase in salaries and payroll costs was mainly due to effects from higher number of full-time equivalents following the increased activity level in line with the growth strategy.

The increase in depreciations and amortisations was mainly related to currency effects and depreciations of newly acquired investments in Europe.

The increase in regulatory fees was mainly related to the high-price contribution in Norway which was introduced in the fourth quarter of 2022.

Other operating expenses was higher mainly due to an increased activity level in all segments related to the growth strategy.

ITEMS EXCLUDED FROM OPERATING PROFIT/LOSS (EBIT) UNDERLYING

The segment reporting is based on underlying figures, which is in accordance with how the corporate management makes, follows up and evaluates its decisions. Unrealised value changes from embedded EUR derivatives, gains/losses from divestments of business activities which are not included in the Develop-Sell / Develop-Build-Sell (DS/DBS) business model and impairments/reversal of impairments are excluded from operating profit/loss (EBIT) underlying. See the section Segments in the quarterly financial statements as well as the Alternative Performance Measures section for further information.

Embedded EUR derivatives linked to long-term industry contracts had a negative effect. This was mainly driven by a strengthening of the forward NOK against EUR.

NET FINANCIAL ITEMS

Net currency gains of NOK 1641 million in the quarter were driven by a strengthening of NOK against EUR, GBP and USD and were primarily related to external debt and currency derivatives.

Interest and other financial items increased due to higher interest income from increasing interest rates and positive value changes on venture investments, partly offset by less positive value changes on interest rate derivatives.

CASH FLOW

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
Cash flow					
Operating activities	8 039	8 573	5 561	27 710	40 242
Investing activities	-7 604	-1 544	-10 837	-4 891	-7 015
Financing activities	-5 023	-5 468	-21 671	-6 335	-13 184
Net change in cash and cash equivalents	-4 587	1 560	-26 946	16 484	20 043
Cash and cash equivalents (incl. restricted cash) at period end	33 746	55 721	33 746	55 721	58 902

Statkraft delivered an operating result in the quarter with an EBIT of NOK 3165 million that included negative non-cash effects of NOK 4709 million. In addition, cash flow from operations was impacted by positive working capital movements of NOK 4321 million and cash outflows from margin calls of NOK 2258 million. Also, considering the cash outflow from operational investments in DS/DBS projects of NOK 1140 million and taxes paid of NOK 434 million, the cash flow from operating activities was positive with NOK 8039 million.

The negative cash flow from investing activities of NOK 7604 million consisted mainly of outflows related to acquisitions of shares in subsidiaries of NOK 5109 million and cash outflows from investments in property, plant and equipment and intangible assets of NOK 2383 million. Of the investments in property, plant and equipment and intangible assets, investments in new capacity totalled NOK 799 million and maintenance investments were NOK 777 million. In addition, other investments in the quarter were NOK 805 million.

The negative cash flow from financing activities was negative with NOK 5023 million and consisted mainly of the repayment of a EUR 500 million bond and an issued commercial paper of NOK 3000 million. In addition, cash outflow from acquisition of non-controlling interests totalled NOK 2015 million in the quarter.

INVESTMENTS

In the quarter, Statkraft invested NOK 12 070 million. NOK 3059 million of the investments were related to new capacity, either through the DS/DBS business model or through the business model Build-Own-Operate (BOO). The largest BOO investments were related to wind farms in Brazil and Chile. The DS/DBS investments were mainly related to the development and construction of wind and solar projects, primarily in Ireland and the Netherlands.

The quarterly maintenance investments of NOK 777 million were primarily related to Nordic hydropower.

Other investments of NOK 942 million were mainly related to grid activities in the segments Nordics and Europe and EV charging assets in the segments New Technologies.

Statkraft invested NOK 7291 million through purchase of shares in the quarter. See note 11 for further information about these acquisitions.

Segments

The Group's operating segments are in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified based on internal management information that is periodically reviewed by the corporate management and used as a basis for resource allocation and key performance review.

For more detailed information about segments in Statkraft, see note 4 to the financial statements in the annual report for Statkraft AS Group for 2022.

NORDICS

Key events

On 6 October, the Norwegian Government published the proposed state budget for 2024. The proposal includes a resource rent tax for onshore wind in Norway and removal of the high price contribution. See note 12 for further details.

In October, two acquisitions were closed. One was a Swedish onshore wind business and the other was an offshore development platform in Sweden.

Quarterly financial performance

The lower underlying EBIT compared with the corresponding period last year was mainly driven by significantly lower power prices and negative value changes from embedded derivatives linked to various commodities and consumer price indexes. This was partly offset by increased generation and improved effects from financial hedging of generation revenues.

Higher operating expenses were mainly driven by higher activity level in line with the growth strategy and inflation. In addition, the high-price contribution on generation revenues from Norwegian Hydropower was introduced from the fourth quarter in 2022.

The increase in share of profit/loss from equity accounted investments was due to positive contribution from energy-related contracts and higher generation, partly offset by lower power prices.

Year to date financial performance

The Nordics segment continued to deliver a strong underlying EBIT year to date. The lower underlying EBIT compared with the corresponding period last year was mainly driven by the same factors as for the third quarter, except for generation which was lower year to date.

ROACE was 48.0 per cent, down from the previous quarter due to a lower underlying EBIT. ROAE was 18.6 per cent, up from the previous quarter, mainly driven by a positive contribution from energy-related contracts.

The investments were mainly related to maintenance within Nordic hydropower.

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
NORDICS					
Gross operating revenues and other income	6 921	11 469	33 404	37 271	59 223
Net operating revenues and other income	6 247	9 351	30 490	32 752	53 375
Operating expenses	-2 452	-2 115	-7 888	-6 340	-10 333
Operating profit/loss (EBIT) underlying	3 795	7 236	22 602	26 412	43 042
- of which unrealised effects	460	-1 879	3 040	-2 983	- 597
Unrealised value changes from embedded EUR derivatives	-1 631	- 329	3 001	- 484	-1 338
Gains/losses from divestments of business activities	-	-	1 603	-	-
Impairments/reversal of impairments	-	- 4	2 318	-	- 692
Operating profit/loss (EBIT) IFRS	2 164	6 903	29 523	25 928	41 011
Share of profit/loss in equity accounted investments	788	- 311	2 363	-1 010	- 685
Gains/losses from divestments of equity accounted investments	-	-	-	-	4 242
ROACE (rolling 12 months)			48.0%	48.8%	53.9%
ROAE (rolling 12 months)			18.6%	-4.4%	-6.3%
Total investments	1 099	885	3 230	2 303	3 855
Generation (TWh)	11.1	10.3	37.6	39.0	52.5

EUROPE

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
EUROPE					
Gross operating revenues and other income	2 591	4 368	8 768	6 690	12 453
Net operating revenues and other income	1 813	1 579	6 624	1 225	5 400
Operating expenses	-1 250	- 754	-3 420	-2 264	-3 568
Operating profit/loss (EBIT) underlying	563	824	3 204	-1 039	1 832
- of which unrealised effects	872	196	3 652	-2 871	- 628
Impairments/reversal of impairments	-	1	-20	1 544	1 542
Operating profit/loss (EBIT) IFRS	563	825	3 184	505	3 375
Share of profit/loss in equity accounted investments	17	61	52	191	281
ROACE (rolling 12 months)			23.6%	-9.0%	8.8%
ROAE (rolling 12 months)			16.5%	32.2%	32.2%
Total investments	6 581	1 509	8 863	2 674	3 708
Generation (TWh)	1.0	0.8	2.5	2.3	3.1

Key events

In August, a portfolio of operating wind farms in Germany and France was acquired. See note 11. In addition, a portfolio of wind and solar development projects of 758 MW was acquired in Ireland.

Quarterly financial performance

The decrease in underlying EBIT was mainly driven by lower generation revenues from gas-fired power in Germany due to narrower spark spreads. This was partly offset by positive effects from financial hedging primarily from hydro power generation in Albania. Operating expenses increased due to higher business development activities, costs related to capacity increases and currency effects.

Year to date financial performance

The year to date increase in underlying EBIT was mainly driven by positive effects from financial hedging of gas-fired power generation in Germany and hydro power generation in Albania.

ROACE was 23.6 per cent, down from previous quarter primarily driven by lower positive effects from financial hedging on underlying EBIT as well as increase in average capital employed due to acquisitions. ROAE was 16.5 per cent, a decrease from previous quarter driven by lower power prices and lower wind resources in the UK.

Investments were mainly related to acquisition of a portfolio of operating wind farms in Germany and France.

INTERNATIONAL

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
INTERNATIONAL					
Gross operating revenues and other income	1 126	983	3 493	2 929	3 993
Net operating revenues and other income	638	650	2 032	1 861	2 475
Operating expenses	- 588	- 475	-1 661	-1 311	-1 839
Operating profit/loss (EBIT) underlying	50	175	371	550	636
Impairments/reversal of impairments	- 8	- 284	- 98	-1 794	-1 753
Operating profit/loss (EBIT) IFRS	42	- 109	272	-1 244	-1 117
Share of profit/loss in equity accounted investments	- 139	103	318	859	988
ROACE (rolling 12 months)			1.7%	2.7%	2.9%
ROAE (rolling 12 months)			10.2%	21.6%	27.2%
Total investments	3 976	492	8 283	2 147	2 732
Generation (TWh)	1.1	1.1	3.5	3.6	4.6

Key events

Statkraft signed an agreement with EDP Renováveis to acquire a portfolio of operating wind farms with a capacity of 260 MW in Brazil for approximately NOK 3500 million. The acquisition is expected to be closed within the next quarters.

An agreement to acquire the remaining shares in the Brazilian subsidiary Statkraft Energias Renováveis (SKER) was closed. See note 11.

Quarterly financial performance

The decrease in underlying EBIT was affected by hydrology in Peru that caused higher energy purchase to cover commitments from long-term power sales agreements. These effects were partly offset by positive contributions from Brazil mainly due to lower energy purchases following lower power prices.

The reduction in share of profit from equity accounted investments was mainly driven by effects from stop of generation due to flooding event in Chile and a recognised non-cash loss on shareholder loan due to amendment of loan terms.

Year to date financial performance

The year to date decrease in underlying EBIT was mainly driven by the same factors as for the quarter, in addition to higher energy purchases in Chile to cover commitments from long-term power sales agreements.

ROACE was 1.7 per cent, slightly down from previous quarter, driven by lower underlying EBIT from Peru. ROAE was 10.2 per cent down from previous quarter, which is mainly explained by negative effects from flood event and loss on shareholder loan.

The investments were mainly related to the construction of the wind farms Ventos de Santa Eugenia and Morro de Cruzeiro in Brazil, as well as Torsa in Chile. In addition, the investments were related to the hydropower plants Los Lagos in Chile and Tidong in India.

MARKETS

Key events

A 10-year power supply agreement in Spain has been signed. The contract starts in 2024 and has a contracted volume of 380 GWh per year.

Statkraft signed a 10-year power supply agreement with a Swedish company to supply their operations with wind power. The contract starts in 2023 and has a contracted volume of 200 GWh per year.

In the quarter, a 12-year swap curve deal with a Brazilian company has been signed. The contract includes both purchasing solar power from the company and selling back baseload power to the company. The contract will start in 2025 and has a total contract volume of 8.83 TWh.

Quarterly financial performance

The Markets segment continued to deliver strong underlying EBIT. The decrease compared to last year was mainly driven by trading activities gaining on the high volatility and price levels in the third quarter last year.

Trading and origination activities had an underlying EBIT of NOK 866 million compared with NOK 2358 million in the third quarter of 2022. The result in the quarter was mainly driven by entering of new power contracts and environmental certificates in the European markets.

Year to date financial performance

The underlying EBIT year to date was very strong and in line with the same period last year. Trading and origination activities had an EBIT of NOK 6180 million and was mainly driven by power positions gaining on lower price levels in the European power markets and market access activities in the UK.

In line with the growth strategy, higher business activity led to an increase in operating expenses mainly due to higher number of full-time equivalents and increased IT expenses.

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
MARKETS					
Gross operating revenues and other income	8 784	26 448	40 487	64 311	93 312
Net operating revenues and other income	1 733	2 050	8 684	8 360	14 106
Operating expenses	- 873	- 661	-2 608	-2 178	-3 732
Operating profit/loss (EBIT) underlying	860	1 389	6 076	6 182	10 374
- of which unrealised effects	-2 667	4 247	-1 690	7 433	4 917
Operating profit/loss (EBIT) IFRS	860	1 389	6 076	6 182	10 374
Total investments	12	6	18	32	42
Specification of operating profit/loss (EBIT) underlying					
- Trading & origination ¹⁾	866	2 358	6 180	6 828	10 042
- Dynamic asset management portfolio	- 6	- 969	- 104	- 646	332
Operating profit/loss (EBIT) underlying	860	1 389	6 076	6 182	10 374

¹⁾ Includes trading, origination and market access.

DISTRICT HEATING

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
DISTRICT HEATING					
Gross operating revenues and other income	91	141	685	652	1 088
Net operating revenues and other income	51	92	416	471	749
Operating expenses	- 162	- 130	- 458	- 405	- 561
Operating profit/loss (EBIT) underlying	- 111	- 38	- 42	66	188
Impairments/reversal of impairments	- 1	- 1	- 3	- 3	- 3
Operating profit/loss (EBIT) IFRS	- 112	- 39	- 45	64	184
ROACE (rolling 12 months)			2.2%	5.2%	5.4%
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	48	42	258	113	169
Delivered volume (GWh)	90	103	678	660	1 002

Quarterly financial performance

The decrease in underlying EBIT was primarily driven by lower sales prices and higher operating expenses. In addition, the volume delivered was lower due to higher temperatures.

Year to date financial performance

The decrease in underlying EBIT year to date was driven by higher fuel prices and more peak load utilisation, partly offset by higher volume delivered and higher sales prices in the first quarter.

ROACE (12 months rolling) was 2.2 per cent, down from previous quarter due to a decrease in underlying EBIT, while average capital employed was stable.

The investments were primarily related to acquisition of property, improvements and reinvestments in existing assets and investments in extensions of the heat distribution system, mainly in Norway.

NEW TECHNOLOGIES

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
NEW TECHNOLOGIES					
Gross operating revenues and other income	269	204	757	527	685
Net operating revenues and other income	106	59	290	186	215
Operating expenses	- 343	- 191	- 1 019	- 630	- 871
Operating profit/loss (EBIT) underlying	- 236	- 132	- 729	- 444	- 656
Impairments/reversal of impairments	- 60	-	- 60	-	- 1
Operating profit/loss (EBIT) IFRS	- 296	- 132	- 788	- 444	- 657
Share of profit/loss in equity accounted investments	- 24	- 12	- 68	- 43	- 54
ROACE (rolling 12 months)			n/a	n/a	n/a
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	310	102	654	442	894

Quarterly financial performance

The decrease in underlying EBIT was primarily driven by higher activity and cost levels in line with the growth strategy for hydrogen projects and EV charging.

Year to date financial performance

The decrease in underlying EBIT was primarily due to the same factors as for the third quarter.

The investments were primarily related to EV charging equipment in Mer and investments made by Statkraft Ventures.

Outlook

Countries across the world strengthen their climate ambitions, while geopolitical concerns and high energy prices have contributed to increased global economic uncertainty and turbulent energy markets. These developments have triggered a push for energy security and significantly increased the pace of the energy transition.

The energy transition will change the way energy is produced and consumed. The massive growth in intermittent solar and wind power, the phase-out of coal and an increase in demand for energy will require more flexible generation. With Europe's largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft has a unique competitive advantage. To further strengthen this competitiveness, Statkraft wants to make significant reinvestments in the Nordic hydropower portfolio towards 2030.

To meet the increased demand for power, Statkraft has set ambitious growth targets across geographies and technologies. Specifically, accelerating the growth rate in renewable energy, pursuing an industrial role in offshore wind in the North Sea and Ireland, aiming to become a leading developer of green hydrogen in Norway and Sweden and raise the business development activities across technologies in Norway. The aim is to be a major solar, onshore wind and battery storage developer with an annual delivery rate of 2.5–3 GW per year by 2025 and 4 GW per year by 2030. In total, Statkraft aims to develop 30 GW new renewable capacity within 2030, which will be partly kept and partly divested. That could increase Statkraft's annual power generation by up to 50 per cent from today, to around 100 TWh per year by the end of the decade. Our growth targets will be realised by strategically combining organic greenfield initiatives and strategic M&A investments.

The strong financial results seen over the last couple of years have had a positive effect on Statkraft's investment capacity, while an increase in the Norwegian resource rent tax has a negative effect on project profitability and investment capacity. However, Statkraft still has a very solid financial foundation for further growth. The investment programme has a large degree of flexibility, and the pace and total amount of investments will depend on market development and opportunities.

Statkraft has a substantial volume of long-term power contracts. These contracts are supplemented with financial power contracts and other risk mitigating activities. This reduces the price risk for significant parts of Statkraft's generation and, in sum have a stabilising effect on cash flow over time. Statkraft will continue to offer new contracts to maintain the position as a competitive supplier to the industry in Norway. Statkraft is also taking a leading role in offering fixed price contracts to businesses in Norway.

The strategic direction stays firm, with increased ambition for offshore wind. Statkraft will continue to build on strong market understanding to find the best opportunities within renewable energy in each market. During the strategy period, Statkraft will increase growth in large parts of the portfolio. The energy transition is expected to provide many growth opportunities for Statkraft in all regions, and the company is well positioned to take part in these.

Uncertainty in the world is increasing, and the renewables industry is challenged by geopolitical tension, market uncertainty, regulatory risk and increasing conflict levels around the energy transition. However, the fundamental trends are supporting the strategy, which has four main pillars:

1. Provide clean flexibility – leveraging hydropower
2. Accelerate solar, wind and battery storage
3. Deliver green market solutions to customers
4. Scale new green energy technologies

Statkraft's ambition is to maintain the position as the largest generator of renewable energy in Europe and to be a significant player in South America and India through investments in renewable energy. This will contribute to lowering carbon emissions and fight climate change.

Statkraft's commitment to safety, sustainability and responsible business practices continues to be a foundation for all activities.

Oslo, 9 November 2023

The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
PROFIT AND LOSS					
Sales revenues	16 986	44 179	71 868	111 131	157 605
Gains/losses from market activities	827	-1 896	16 187	-2 124	7 159
Other operating income	123	125	2 355	480	1 409
Gross operating revenues and other income	17 937	42 408	90 411	109 487	166 174
Energy purchase	-8 603	-29 395	-36 437	-65 793	-91 131
Transmission costs	-333	-110	-1 151	-504	-1 103
Net operating revenues and other income	9 002	12 903	52 823	43 191	73 940
Salaries and payroll costs	-2 097	-1 602	-5 814	-4 995	-7 508
Depreciations and amortisations	-1 347	-1 135	-3 797	-3 383	-4 657
Impairments/reversal of impairments	-69	-288	2 136	-253	-907
Regulatory fees	-414	-319	-2 277	-1 021	-3 409
Other operating expenses	-1 909	-1 217	-5 306	-3 546	-5 281
Operating expenses	-5 837	-4 561	-15 057	-13 198	-21 763
Operating profit/loss (EBIT)	3 165	8 342	37 765	29 993	52 178
Share of profit/loss in equity accounted investments	642	-159	2 665	-2	531
Net currency effects	1 641	-150	-2 604	-607	233
Interest and other financial items	498	171	1 839	775	5 878
Net financial items	2 139	21	-765	170	6 111
Profit/loss before tax	5 947	8 204	39 666	30 160	58 819
Income tax expense	-1 530	-4 380	-18 740	-16 111	-30 228
Net profit/loss	4 416	3 825	20 926	14 049	28 592
Of which non-controlling interest	91	78	470	553	624
Of which owners of the parent	4 325	3 747	20 456	13 496	27 968
OTHER COMPREHENSIVE INCOME (OCI)					
Items in other comprehensive income that recycle over profit/loss:					
Items recorded in other comprehensive income in equity accounted investments	-283	-6	-356	40	88
Recycling of currency translation effects related to foreign operations disposed	-	-	-56	-12	-2
Currency translation effects	-3 196	3 132	7 249	8 001	4 765
Total	-3 478	3 126	6 837	8 029	4 851
Items in other comprehensive income that will not recycle over profit/loss:					
Changes in fair value of financial instruments, net of tax	-	-5	-	-96	-90
Estimate deviation pension in equity accounted investments	301	-19	519	112	-23
Estimate deviation pension, net of tax	-115	-911	406	142	797
Total	187	-935	924	158	684
Other comprehensive income	-3 291	2 191	7 762	8 187	5 535
Total comprehensive income	1 125	6 016	28 688	22 236	34 127
Of which non-controlling interest	33	-9	768	728	777
Of which owners of the parent	1 091	6 025	27 920	21 508	33 350

STATEMENT OF FINANCIAL POSITION

NOK million	Note	Third quarter 2023	2022	Year 2022
ASSETS				
Deferred tax assets		737	2 150	1 213
Intangible assets	6	4 630	4 266	4 322
Property, plant and equipment	6	141 809	124 629	122 808
Equity accounted investments		21 245	14 732	18 645
Derivatives	9	26 106	72 594	39 180
Other non-current assets		9 136	6 518	7 367
Non-current assets		203 663	224 890	193 533
Inventories	7	17 835	11 787	12 550
Receivables		28 707	73 305	58 040
Financial investments		737	605	629
Derivatives	9	19 137	108 281	17 522
Cash and cash equivalents (incl. restricted cash)		33 746	55 721	58 902
Current assets		100 163	249 698	147 643
Assets		303 826	474 588	341 176
EQUITY AND LIABILITIES				
Paid-in capital		59 219	59 219	59 219
Other reserves		13 448	9 931	6 853
Retained earnings		63 560	45 007	59 928
Total equity attributable to owners of the parent		136 227	114 157	126 000
Non-controlling interest		4 587	5 621	5 691
Equity		140 815	119 778	131 691
Deferred tax		21 830	14 773	16 964
Pension liabilities		2 375	3 686	2 927
Bond and bank debt	8	33 778	26 259	25 083
Lease liabilities	8	1 948	1 740	1 687
Contract liabilities		3 511	3 827	3 736
Derivatives	9	22 459	69 209	43 629
Other non-current liabilities		4 741	3 351	3 974
Non-current liabilities		90 642	122 843	98 000
Commercial papers, bond and bank debt	8	3 785	19 079	12 310
Lease liabilities	8	433	317	345
Contract liabilities		316	316	316
Taxes payable		23 964	27 092	26 365
Derivatives	9	18 561	150 317	35 049
Other current liabilities	8	25 311	34 846	37 100
Current liabilities		72 370	231 967	111 485
Equity and liabilities		303 826	474 588	341 176

STATEMENT OF CHANGES IN EQUITY

NOK million	Paid-in capital	Hedging reserves and profit and loss reserves other shares	Accumulated translation differences	Total other reserves	Retained earnings	Total equity attributable to owner of parent	Non-controlling interests	Total equity
Balance as of 31 Dec 2021	59 219	- 179	2 413	2 234	41 426	102 880	4 896	107 775
Net profit/loss	-	-	-	-	13 496	13 496	553	14 049
Total other comprehensive income	-	- 38	7 735	7 697	315	8 012	175	8 187
Total comprehensive income for the period	-	- 38	7 735	7 697	13 811	21 508	728	22 236
Dividend	-	-	-	-	-10 214	-10 214	- 312	-10 527
Transactions with non-controlling interests	-	-	-	-	- 15	- 15	310	294
Balance as of 30 Sep 2022	59 219	- 217	10 148	9 931	45 007	114 157	5 621	119 778
Balance as of 31 Dec 2021	59 219	- 179	2 413	2 234	41 426	102 880	4 896	107 775
Net profit/loss	-	-	-	-	27 968	27 968	624	28 592
Total other comprehensive income	-	15	4 603	4 618	764	5 382	153	5 535
Total comprehensive income for the period	-	15	4 603	4 618	28 732	33 350	777	34 127
Dividend	-	-	-	-	-10 214	-10 214	- 312	-10 526
Transactions with non-controlling interests	-	-	-	-	- 15	- 15	330	315
Balance as of 31 Dec 2022	59 219	- 163	7 016	6 853	59 928	126 000	5 691	131 691
Net profit/loss	-	-	-	-	20 456	20 456	470	20 926
Total other comprehensive income ¹⁾	-	- 356	6 951	6 595	870	7 465	298	7 763
Total comprehensive income for the period	-	- 356	6 951	6 595	21 325	27 920	768	28 689
Dividend	-	-	-	-	-17 213	-17 213	- 386	-17 599
Transactions with non-controlling interests ²⁾	-	-	-	-	- 481	- 481	-1 486	-1 967
Balance as of 30 Sep 2023	59 219	- 519	13 967	13 448	63 560	136 227	4 587	140 815

¹⁾ Includes NOK 600 million in inflation adjustment of Turkish entities due to hyperinflation as of 30 September 2023. Comparable figures have not been restated.

²⁾ Mainly related to purchase of non-controlling interest in the Brazilian subsidiary Statkraft Energias Renováveis (SKER). See note 11.

STATEMENT OF CASH FLOW

NOK million	Third quarter		Year to date		Year	
	2023	2022	2023	2022	2022	
CASH FLOW FROM OPERATING ACTIVITIES						
Operating profit/loss (EBIT)	3 165	8 342	37 766	29 993	52 178	
Depreciations, amortisations and impairments	1 416	1 423	1 660	3 635	5 565	
Gains/losses from divestments and disposals of assets	2	4	-1 715	- 143	- 226	
Unrealised effects included in operating profit/loss (EBIT)	3 293	-1 896	-7 824	- 376	-1 867	
Dividends from equity accounted investments	57	154	1 704	967	1 154	
Changes in working capital	4 321	769	-4 138	-2 526	-1 524	
Investments in development and construction projects classified as inventories (DS/DBS)	-1 140	-1 350	-2 791	-2 209	-2 792	
Cash collateral, margin calls and option prepayments	-2 258	1 986	- 805	2 083	2 815	
Cash effects from foreign exchange derivatives related to operations	- 66	- 3	- 972	- 24	- 296	
Effects from prepayments from customers	- 56	- 65	- 239	- 225	- 316	
Taxes paid	- 434	- 8	-16 568	-2 507	-14 519	
Other changes	- 261	- 783	- 517	- 958	70	
Cash flow from operating activities	A	8 039	8 573	5 561	27 710	40 242
CASH FLOW FROM INVESTING ACTIVITIES						
Investments in property, plant and equipment and intangible assets	-2 383	-1 502	-6 537	-5 509	-8 041	
Divestment of shares in subsidiaries, net liquidity inflow	-	-	783	-	-	
Acquisitions of shares in subsidiaries, net liquidity outflow	-5 109	- 47	-5 688	- 269	- 269	
Loans and interest related to equity accounted investments	22	44	83	98	130	
Sale of development and construction projects classified as inventories (DS/DBS)	-	-	803	1 018	1 537	
Other investments	- 134	- 38	- 281	- 229	- 372	
Cash flow from investing activities	B	-7 604	-1 544	-10 837	-4 891	-7 015
CASH FLOW FROM FINANCING ACTIVITIES						
New debt	3 203	10 360	11 582	25 463	25 911	
Repayment of debt	-6 472	-5 731	-14 768	-21 410	-28 271	
Cash collateral related to financing	97	- 32	433	- 228	- 593	
Interests paid	- 342	- 168	- 946	- 497	-1 030	
Interests received from cash and other assets	506	318	1 594	555	995	
Dividend and group contribution paid to Statkraft SF	-	-10 214	-17 213	-10 214	-10 214	
Transactions with non-controlling interests ¹⁾	-2 015	- 2	-2 353	- 4	18	
Cash flow from financing activities	C	-5 023	-5 468	-6 335	-13 184	
Net change in cash and cash equivalents	A+B+C	-4 587	1 560	-26 946	16 484	20 043
Currency exchange rate effects on cash and cash equivalents	- 401	743	1 790	2 075	1 696	
Cash and cash equivalents 1 Jul / 1 Jan	38 735	53 417	58 902	37 162	37 162	
Cash and cash equivalents 30 Sep / 31 Dec	33 746	55 721	33 746	55 721	58 902	
<i>Of which are cash and cash equivalents in joint operations</i>	332	318	332	318	190	
Unused committed credit lines			14 630	13 759	13 668	
Unused overdraft facilities			2 042	2 045	2 045	
Restricted cash			318	214	332	

¹⁾ Mainly related to purchase of non-controlling interest in the Brazilian subsidiary Statkraft Energias Renováveis (SKER). See note 11.

Segments

The segment reporting is based on underlying figures, which is in accordance with how the corporate management makes, follows up and evaluates its decisions. The table below shows a reconciliation of IFRS figures versus underlying figures.

The items below are excluded from the underlying figures:

1. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts.

2. **Other operating income:** Gains from divestments of business activities that are not included in the DS/DBS business model.
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment.
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS.

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Third quarter 2023			Third quarter 2022			The year 2022		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues	16 986		16 986	44 179		44 179	157 605		157 605
Gains/losses from market activities	827	1 631	2 458	-1 896	329	-1 567	7 159	1 338	8 498
Other operating income	123	-	123	125	-	125	1 409	1	1 409
Gross operating revenues and other income	17 937	1 631	19 568	42 408	329	42 737	166 174	1 339	167 513
Energy purchase	-8 603		-8 603	-29 395		-29 395	-91 131		-91 131
Transmission costs	-333		-333	-110		-110	-1 103		-1 103
Net operating revenues and other income	9 002	1 631	10 633	12 903	329	13 232	73 940	1 339	75 280
Salaries and payroll costs	-2 097		-2 097	-1 602		-1 602	-7 508		-7 508
Depreciations and amortisations	-1 347		-1 347	-1 135		-1 135	-4 657		-4 657
Impairments/reversal of impairments	-69	69	-	-288	288	-	-907	907	-
Regulatory fees	-414		-414	-319		-319	-3 409		-3 409
Other operating expenses	-1 909	-	-1 909	-1 217	-	-1 217	-5 281	-	-5 281
Operating expenses	-5 837	69	-5 768	-4 561	288	-4 273	-21 763	907	-20 855
Operating profit/loss (EBIT)	3 165	1 700	4 865	8 342	617	8 959	52 178	2 246	54 424

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Year to date 2023			Year to date 2022		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues	71 868		71 868	111 131		111 131
Gains/losses from market activities	16 187	-3 001	13 187	-2 124	484	-1 640
Other operating income	2 355	-1 603	753	480	0	480
Gross operating revenues and other income	90 411	-4 603	85 808	109 487	484	109 971
Energy purchase	-36 437		-36 437	-65 793		-65 793
Transmission costs	-1 151		-1 151	-504		-504
Net operating revenues and other income	52 823	-4 603	48 219	43 191	484	43 675
Salaries and payroll costs	-5 814		-5 814	-4 995		-4 995
Depreciations and amortisations	-3 797		-3 797	-3 383		-3 383
Impairments/reversal of impairments	2 136	-2 136	-	-253	253	-
Regulatory fees	-2 277		-2 277	-1 021		-1 021
Other operating expenses	-5 306	-	-5 306	-3 546	0	-3 546
Operating expenses	-15 057	-2 136	-17 194	-13 198	253	-12 945
Operating profit/loss (EBIT)	37 765	-6 740	31 025	29 993	737	30 729

NOK million	Third quarter 2023	2022	Year to date 2023	2022	Year 2022
Gross operating revenues and other income, external					
Nordics	6 806	11 315	32 437	36 636	57 896
Europe	2 358	4 261	8 234	5 926	11 088
International	1 043	843	3 307	2 578	3 605
Markets	8 983	26 094	40 561	63 937	93 410
District heating	93	141	686	643	1 079
New technologies	256	177	736	486	635
Other and group items	36	-95	-154	-236	-201
Statkraft AS Group	19 576	42 737	85 807	109 971	167 512
Gross operating revenues and other income, internal					
Nordics	115	154	967	635	1 327
Europe	233	107	534	763	1 365
International	83	140	186	351	388
Markets	-200	354	-74	374	-98
District heating	-2	0	-1	9	9
New technologies	13	27	21	40	50
Other and group items	-242	-781	-1 632	-2 172	-3 040
Statkraft AS Group	-	-	-	-	-
Net operating revenues and other income					
Nordics	6 247	9 351	30 490	32 752	53 375
Europe	1 813	1 579	6 624	1 225	5 400
International	638	650	2 032	1 861	2 475
Markets	1 733	2 050	8 684	8 360	14 106
District heating	51	92	416	471	749
New technologies	106	59	290	186	215
Other and group items	44	-548	-316	-1 180	-1 041
Statkraft AS Group	10 633	13 232	48 219	43 675	75 280
Operating profit/loss (EBIT) underlying					
Nordics	3 795	7 236	22 602	26 412	43 042
Europe	563	824	3 204	-1 039	1 832
International	50	175	371	550	636
Markets	860	1 389	6 076	6 182	10 374
District heating	-111	-38	-42	66	188
New technologies	-236	-132	-729	-444	-656
Other and group items	-56	-494	-456	-996	-992
Statkraft AS Group	4 865	8 960	31 025	30 731	54 424
Operating profit/loss (EBIT) IFRS					
Nordics	2 164	6 903	29 523	25 928	41 011
Europe	563	825	3 184	505	3 375
International	42	-109	272	-1 244	-1 117
Markets	860	1 389	6 076	6 182	10 374
District heating	-112	-39	-45	64	184
New technologies	-296	-132	-788	-444	-657
Other and group items	-56	-494	-456	-996	-992
Statkraft AS Group	3 165	8 343	37 766	29 994	52 178

NOK million	Third quarter 2023	2022	Year to date 2023	2022	Year 2022
Share of profit/loss in equity acc investments					
Nordics	788	-311	2 363	-1 010	-685
Europe	17	61	52	191	281
International	-139	103	318	859	988
Markets	-	-	-	-	-
District heating	-	-	-	-	-
New technologies	-24	-12	-68	-43	-54
Other and group items	-	-	-	-	-
Statkraft AS Group	642	-159	2 665	-2	531
Property, plant and equipment and intangible assets					
Nordics	83 786	80 204	83 786	80 204	79 984
Europe	25 705	18 344	25 705	18 344	18 381
International	30 577	24 390	30 577	24 390	22 775
Markets	134	152	134	152	137
District heating	3 582	3 460	3 582	3 460	3 466
New technologies	1 794	1 376	1 794	1 376	1 461
Other and group items	859	971	859	971	925
Statkraft AS Group	146 439	128 896	146 439	128 896	127 129
Equity accounted investments					
Nordics	15 968	9 499	15 968	9 499	13 739
Europe	827	899	827	899	801
International	4 434	4 317	4 434	4 317	4 026
Markets	-	-	-	-	-
District heating	-	-	-	-	-
New technologies	25	32	25	32	92
Other and group items	-8	-14	-8	-14	-14
Statkraft AS Group	21 245	14 732	21 245	14 732	18 645
Depreciations, amortisations and impairments					
Nordics	-659	-633	396	-1 858	-3 219
Europe	-350	-221	-897	875	616
International	-201	-457	-665	-2 280	-2 424
Markets	-11	-10	-28	-25	-35
District heating	-53	-49	-158	-150	-203
New technologies	-91	-28	-164	-86	-128
Other and group items	-51	-26	-144	-112	-172
Statkraft AS Group	-1 416	-1 423	-1 660	-3 635	-5 565
Total investments					
Nordics	1 099	885	3 230	2 303	3 855
Europe	6 581	1 509	8 863	2 674	3 708
International	3 976	492	8 283	2 147	2 732
Markets	12	6	18	32	42
District heating	48	42	258	113	169
New technologies	310	102	654	442	894
Other and group items	46	9	72	223	50
Statkraft AS Group	12 072	3 044	21 377	7 933	11 451

Selected notes to the accounts

NOTE 1 – BASIS FOR PREPARATION

ACCOUNTING POLICIES

The consolidated financial statements for the third quarter of 2023, ended 30 September 2023, have been prepared in accordance with International Financial Reporting Standards (IFRS) and consist of Statkraft AS and its subsidiaries and equity accounted investments. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual report for 2022. The accounting policies applied are the same as those applied in the annual consolidated financial statements for 2022.

The interim consolidated financial statements have not been audited.

PRESENTATION OF FINANCIAL STATEMENTS

The presentation in the interim report has been prepared in accordance with the requirements in IAS 34. The schedules comply with the requirements in IAS 1.

ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting principles to the preparation of the interim financial statements, management has exercised its judgment and employed estimates and assumptions that affect the figures included in the statement of comprehensive income and the statement of financial position. The most important assumptions regarding future events and other significant sources of uncertainty in relation to the estimates, and which may involve a significant risk of material changes to the amounts recognised in future financial periods, are discussed in the annual report for 2022. In preparing the consolidated financial statements for the current quarter, the Group's management has exercised its judgment in relation to the same areas where such judgment has had material significance in relation to the figures included in the Group's statement of comprehensive income and the statement of financial position, as discussed in the annual report for 2022.

NOTE 2 - REVENUE SPECIFICATION PER SEGMENT

The Group's sales revenues and energy purchase are divided into four categories:

Generation includes sales revenues and energy purchase related to Statkraft's physical power generating assets. The category includes spot sales, long-term contracts, concessionary sales contracts and certain environmental certificates.

District heating includes sales revenues and energy purchase related to district heating activities in Norway and Sweden.

Customers includes sales revenues and energy purchase related to market access and end-user activities which are in accordance with IFRS 15 and is mainly related to activities in Germany, UK and Norway.

Other mainly consists of:

- Revenues related to DS/DBS business model in Europe.
- A subsea interconnector between Sweden and Germany.
- Rental of power plants in Norway.
- Grid activities in Europe and Peru.
- EV charging activities in Europe.

NOK million	Statkraft AS Group	Nordics	Europe	Inter-national	Markets	District heating	New technologies	Other	Group items
Third quarter 2023									
Generation - sales revenues	7 596	5 100	1 452	1 060	-	-	-	-	-16
Generation - energy purchase	-1 160	-31	-749	-390	-8	-	-4	-	22
Generation - net	6 436	5 069	703	670	-8	-	-4	-	6
District heating - sales revenues	106	14	-	-	-	92	-	-	0
District heating - energy purchase	-49	-7	-	-	-	-39	-	-	-3
District heating - net	58	7	-	-	-	53	-	-	-3
Customers - sales revenues	7 665	10	3	-	7 881	-	-	-	-229
Customers - energy purchase	-6 830	-16	-	-	-7 043	-	-	-	229
Customers - net	836	-6	3	-	838	-	-	-	1
Other - sales revenues	1 619	1 088	198	59	-2	-	237	-	39
Other - energy purchase	-565	-346	-23	-46	-	-	-158	-	8
Other - net	1 054	742	175	13	-2	-	79	-	48
Sales revenues - total	16 986	6 212	1 653	1 119	7 879	92	237	-	-206
Energy purchase - total	-8 603	-400	-772	-436	-7 051	-39	-162	-	257
Sales revenues adjusted for energy purchase	8 384	5 812	881	683	828	53	75	-	52
Year to date 2023									
Generation - sales revenues	32 921	25 759	4 030	3 252	-6	-	-	-	-114
Generation - energy purchase	-3 157	-83	-2 030	-1 150	-9	-	-4	-	119
Generation - net	29 765	25 676	2 000	2 102	-15	-	-4	-	5
District heating - sales revenues	787	107	-	-	-	684	-	-	-4
District heating - energy purchase	-318	-52	-	-	-	-270	-	-	4
District heating - net	469	55	-	-	-	414	-	-	0
Customers - sales revenues	33 014	167	-2	-	34 168	-	-	-	-1 319
Customers - energy purchase	-30 631	-157	-	-	-31 795	-	-	-	1 321
Customers - net	2 383	10	-2	-	2 373	-	-	-	2
Other - sales revenues	5 146	3 894	566	169	-97	-	684	-	-70
Other - energy purchase	-2 332	-1 710	-89	-97	-	-	-462	-13	39
Other - net	2 814	2 184	477	72	-97	-	222	-13	-31
Sales revenues - total	71 868	29 927	4 594	3 421	34 065	684	684	-	-1 507
Energy purchase - total	-36 437	-2 002	-2 119	-1 247	-31 804	-270	-466	-13	1 484
Sales revenues adjusted for energy purchase	35 431	27 925	2 475	2 174	2 261	414	218	-13	-23

NOK million	Statkraft AS Group	Nordics	Europe	International	Markets	District heating	New technologies	Other	Group items
Third quarter 2022									
Generation - sales revenues	15 149	10 104	4 117	934	6	-	-	-	-12
Generation - energy purchase	-3 088	-127	-2 686	-288	-	-	-	-	13
Generation - net	12 061	9 977	1 431	646	6	-	-	-	1
District heating - sales revenues	155	17	-	-	-	141	-	-	-3
District heating - energy purchase	-53	-5	-	-	-	-50	-	-	2
District heating - net	103	12	-	-	-	91	-	-	-0
Customers - sales revenues	24 981	119	-1	-27	25 244	-	-	-	-354
Customers - energy purchase	-24 186	-119	-	27	-24 398	-	-	-	304
Customers - net	795	-	-1	-	846	-	-	-	-50
Other - sales revenues	3 893	3 567	170	69	-69	-	193	-	-37
Other - energy purchase	-2 069	-1 801	-94	-38	-	-	-145	-	9
Other - net	1 825	1 766	76	31	-69	-	48	-	-27
Sales revenues - total	44 179	13 807	4 286	976	25 181	141	193	-	-405
Energy purchase - total	-29 395	-2 052	-2 780	-299	-24 398	-50	-145	-	329
Sales revenues adjusted for energy purchase	14 784	11 755	1 506	677	783	91	48	-	-76
Year to date 2022									
Generation - sales revenues	43 861	33 429	7 832	2 661	5	-	-	-	-66
Generation - energy purchase	-5 321	-231	-4 331	-829	2	-	-	-	68
Generation - net	38 540	33 198	3 501	1 832	7	-	-	-	2
District heating - sales revenues	726	91	-	-	-	642	-	-	-7
District heating - energy purchase	-208	-34	-	-	-	-180	-	-	6
District heating - net	518	57	-	-	-	462	-	-	-1
Customers - sales revenues	57 222	206	-3	-	58 166	-	-	-	-1 147
Customers - energy purchase	-55 009	-206	-	-	-55 953	-	-	-	1 150
Customers - net	2 213	-	-2	-	2 213	-	-	-	2
Other - sales revenues	9 322	7 296	1 557	199	-173	7	485	-	-50
Other - energy purchase	-5 255	-3 655	-1 115	-149	-	-	-341	-6	-
Other - net	4 066	3 641	442	50	-173	7	144	-6	-50
Sales revenues - total	111 131	41 022	9 386	2 860	57 998	649	485	-	-1 269
Energy purchase - total	-65 793	-4 126	-5 446	-978	-55 951	-180	-341	-6	1 225
Sales revenues adjusted for energy purchase	45 338	36 896	3 941	1 882	2 047	470	144	-6	-45

NOK million	Statkraft AS Group	Nordics	Europe	Inter-national	Markets	District heating	New technologies	Other	Group items
The year 2022									
Generation - sales revenues	65 101	51 124	10 441	3 649	-	-	-	-	- 112
Generation - energy purchase	-7 156	- 278	-5 787	-1 206	2	-	-	-	113
Generation - net	57 945	50 846	4 654	2 443	2	-	-	-	1
District heating - sales revenues	1 203	137	-	-	-	1 076	-	-	- 10
District heating - energy purchase	- 384	- 55	-	-	-	- 339	-	-	10
District heating - net	819	82	-	-	-	737	-	-	-
Customers - sales revenues	80 296	256	- 2	-	82 113	-	-	-	-2 071
Customers - energy purchase	-77 400	- 251	- 13	-	-79 207	-	-	-	2 071
Customers - net	2 896	5	- 14	-	2 906	-	-	-	- 1
Other - sales revenues	11 005	8 530	1 759	265	- 125	7	655	-	- 87
Other - energy purchase	-6 190	-4 384	-1 169	- 173	-	-	- 470	- 36	42
Other - net	4 814	4 146	590	92	- 125	7	185	- 36	- 45
Sales revenues - total	157 605	60 047	12 198	3 914	81 988	1 084	655	-	-2 280
Energy purchase - total	-91 131	-4 968	-6 969	-1 379	-79 205	- 339	- 470	- 36	2 236
Sales revenues adjusted for energy purchase	66 475	55 079	5 230	2 535	2 783	745	185	- 36	- 45

NOTE 3 - UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS

The table below discloses the effects recognised in profit and loss from unrealised value changes from:

- **Gains/losses from market activities** includes inventories and financial instruments measured at fair value.
- **Net currency effects** includes currency gains and losses on financial instruments measured at amortised cost and fair value.
- **Interest and other financial items** includes financial instruments measured at fair value.

Nordics There were negative unrealised effects related to embedded derivatives linked to commercial long-term contracts driven by a strengthening of the forward NOK against EUR,

partly offset by positive unrealised effects from financial hedging of generation revenues driven by decreased forward power prices through the quarter.

Europe The positive unrealised effects were mainly related to financial hedging of generation revenues for gas-fired power assets in Germany. In addition, there were also positive effects from financial hedging of generation activities in Albania and from financial hedging of generation revenues for wind power assets in Germany driven by decreased forward prices on the hedges through the quarter.

Markets The negative unrealised effects were mainly related to trading activities.

Group items and other The negative unrealised effects were related to interest and exchange rate derivatives towards the segment Markets.

NOK million	Third quarter 2023			Year to date 2023		
	Unrealised	Realised	Total	Unrealised	Realised	Total
Gains/losses from market activities:	-3 293	4 121	827	7 824	8 363	16 187
-of which Nordics ¹⁾	-1 171	150	-1 021	6 040	- 36	6 004
-of which Europe	872	- 8	864	3 652	184	3 836
-of which Markets	-2 667	3 565	898	-1 690	7 971	6 282
-of which Group items and other	- 327	416	90	- 179	244	65
Total Gains/losses from market activities ¹⁾	-3 293	4 121	827	7 824	8 363	16 187
Net currency effects ²⁾	3 787	-2 145	1 641	- 317	-2 286	-2 604
Interest and other financial items	119	378	498	555	1 284	1 839
Total Net financial items	3 906	-1 767	2 139	237	-1 002	- 765
Total unrealised effects in Profit and Loss	613			8 061		

¹⁾ Includes effects from embedded EUR derivatives that is excluded from underlying EBIT as presented in the segment disclosure.

²⁾ Currency losses year to date from internal loans were NOK 1116 million, of which a loss of NOK 18 million was realised.

NOK million	Third quarter 2022			Year to date 2022			Year 2022		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
Gains/losses from market activities:									
-of which Nordics ¹⁾	-2 208	- 594	-2 802	-3 467	-1 186	-4 653	-1 935	-1 375	-3 310
-of which Europe	196	- 195	1	-2 871	- 155	-3 026	- 628	403	- 225
-of which Markets	4 247	-2 997	1 250	7 433	-1 171	6 262	4 917	6 321	11 238
-of which Group items and other	- 340	- 6	- 345	- 720	12	- 708	- 487	- 58	- 544
Total Gains/losses from market activities ¹⁾	1 896	-3 792	-1 896	376	-2 499	-2 124	1 867	5 292	7 159
Net currency effects ²⁾	- 15	- 135	- 150	-1 447	840	- 607	1 126	- 893	233
Interest and other financial items	135	36	171	774	2	776	1 421	4 457	5 878
Total Net financial items	120	- 99	21	- 672	842	170	2 547	3 564	6 111
Total unrealised effects in Profit and Loss	2 016			- 297			4 414		

¹⁾ Includes effects from embedded EUR derivatives that is excluded from underlying EBIT as presented in the segment disclosure.

²⁾ Currency losses for the year 2022 from internal loans were NOK 162 million, of which a gain of NOK 22 million was realised.

NOTE 4 - TAX EXPENSE

Third quarter

Resource rent tax payable decreased, mainly due to significantly lower Norwegian prices. This was partly offset by higher generation and effects from a higher tax rate (45 per cent vs. 37 per cent).

Resource rent tax deferred decreased, mainly due to negative unrealised value changes related to embedded derivatives and effects from and a higher tax rate.

Other differences from the nominal Norwegian tax rate were mainly driven by different tax rates.

The effective tax rate in the quarter (25.7 per cent) was mainly driven by positive contributions from financial hedging and currency effects with a low effective tax rate combined with negative unrealised value changes related to embedded derivatives with a high effective tax rate.

Year to date

Resource rent tax payable decreased, mainly due to significantly lower Norwegian prices. This was partly offset by effects from a higher tax rate.

Resource rent tax deferred increased, mainly due to positive unrealised value changes related to embedded derivatives and effects from a higher tax rate.

Other differences from the nominal Norwegian tax rate were mainly driven by previous year's taxes, different tax rates, and non-deductible regulatory fees.

NOK million	Third quarter			Year to date	
	2023	2022	Change	2023	2022
Tax expense					
Profit/loss before tax	5 947	8 204	-2 257	39 666	30 160
Nominal tax rate in Norway	22%	22%	0%	22%	22%
Tax calculated at nominal Norwegian tax rate	1 308	1 805	- 496	8 727	6 635
Tax on share of profit/loss in equity accounted investments	- 141	35	- 176	- 586	0
Resource rent tax payable	839	2 681	-1 842	6 737	8 918
Resource rent tax deferred	- 695	118	- 813	2 535	1 105
Other differences from the nominal Norwegian tax rate	219	- 260	479	1 328	- 548
Tax expense	1 530	4 380	-2 850	18 740	16 111
Effective tax rate	25.7%	53.4%	-27.7%	47.2%	53.4%

NOTE 5 - NORWEGIAN HYDROPOWER AND RELATED BUSINESS

This note discloses selected financial figures from Norwegian hydropower and related business. See note 4 in the annual report 2022.

NOK million	Statkraft AS Group	"Norwegian hydropower" from:		Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
		Statkraft Energi AS	Skagerak Kraft Group			
Year to date 2023						
Gross operating revenues and other income	90 411	25 374	4 159	29 525		29 525
Net operating revenues and other income	52 823	24 678	3 986	28 655		28 655
Operating profit/loss (EBIT)	37 765	20 373	3 053	23 427		23 427
Share of profit/loss in equity accounted investments	2 665	-	1	1	2 345 ¹⁾	2 346
Net financial items	- 765	434	150	584		584
Tax expense	-18 740	-12 923	-2 129	-15 052		-15 052
Net profit/loss	20 926	7 884	1 077	8 960	2 345	11 305
Net profit/loss (of which owners of the parent)	20 456	7 884	714	8 598	2 345	10 942
Paid dividend and group contribution to Statkraft		9 500 ²⁾	759 ³⁾	10 259	1 464 ³⁾	11 723
Assets 30 September 2023						
Equity accounted investments	21 245	2	16	19	14 901 ¹⁾	14 920
Other assets	282 581	39 983	10 101	50 084		50 084
Total assets	303 826	39 986	10 117	50 103	14 901	65 004
EBITDA	39 426	21 227	3 201	24 428		24 428
Depreciations, amortisations and impairments	-1 661	- 854	- 148	-1 002		-1 002
Maintenance and other investments	4 825	1 659	144	1 803		1 803
Investments in new capacity	5 843	-	-	-		-
New capacity for subsequent divestment (DS/DBS)	2 791	-	-	-		-
Investments in shareholdings	7 919	-	6	6		6
Total investments	21 377	1 659	150	1 809		1 809

¹⁾ Statkraft's share.

²⁾ Dividend and group contribution after tax paid from Statkraft Energi AS.

³⁾ Dividend paid to Statkraft.

NOK million	Statkraft AS Group	"Norwegian hydropower" from:		Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
		Statkraft Energi AS	Skagerak Kraft Group			
The year 2022						
Gross operating revenues and other income	166 174	34 716	7 594	42 350		42 350
Net operating revenues and other income	73 940	34 257	7 387	41 678		41 678
Operating profit/loss (EBIT)	52 178	28 493	6 100	34 593		34 593
Share of profit/loss in equity accounted investments	531	223	2	226	- 947 ¹⁾	- 722
Net financial items	6 111	75	66	141		141
Tax expense	-30 228	-21 878	-4 632	-26 510		-26 510
Net profit/loss	28 592	6 914	1 536	8 450	- 947	7 503
Net profit/loss (of which owners of the parent)	27 968	6 914	1 016	7 929	- 947	6 982
Paid dividend and group contribution to Statkraft		7 334 ²⁾	662 ³⁾	7 996	742 ³⁾	8 738
Assets 31 Dec 22						
Equity accounted investments ⁴⁾	18 645	2	9	11	13 473 ¹⁾	13 484
Other assets ⁴⁾	322 531	39 214	10 111	49 325		49 325
Total assets ⁴⁾	341 176	39 216	10 120	49 336	13 473	62 809
EBITDA ⁴⁾	57 743	29 626	6 310	35 936		35 936
Depreciations, amortisations and impairments ⁴⁾	-5 565	-1 133	- 210	-1 343		-1 343
Maintenance investments and other investments ⁴⁾	5 451	1 780	138	1 918		1 918
Investments in new capacity	2 448	-	41	41		41
New capacity for subsequent divestment DS/DBS	2 827	-	-	-		-
Investments in shareholdings ⁴⁾	725	-	3	3		3
Total investments ⁴⁾	11 451	1 780	182	1 962		1 962

¹⁾ Statkraft's share.

²⁾ Dividend and group contribution after tax paid from Statkraft Energi AS.

³⁾ Dividend paid to Statkraft.

⁴⁾ Comparable figures for Norwegian hydropower have been restated.

NOTE 6 - INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

NOK million	Year to date 2023	2022	Year 2022
INTANGIBLE ASSETS			
Balance as of 01.01.	4 322	4 112	4 112
Additions	486	111	238
Additions from acquisition of companies	106	180	254
Reclassifications	-	- 31	- 36
Amortisations	- 200	- 165	- 224
Impairments	- 27	- 346	- 360
Reversal of impairments	-	-	-
Derecognition from divestments ¹⁾	- 311	-	-
Disposals	- 36	-	- 3
Currency translation effects	290	404	341
Balance as of end of period	4 630	4 266	4 322

PROPERTY, PLANT AND EQUIPMENT

NOK million	Year to date 2023	2022	Year 2022
Balance as of 01.01.	122 808	116 521	116 521
Additions	9 470	4 705	7 067
Additions due to IFRS 16 (new contracts)	306	218	300
Remeasurements and other changes (IFRS 16)	68	23	20
Additions from acquisition of companies	5 446	60	77
Capitalised borrowing costs	407	178	292
Reclassifications ²⁾	478	31	35
Depreciations	- 3 597	- 3 219	- 4 432
Impairments	- 153	- 1 500	- 2 139
Reversal of impairments	2 318	1 592	1 593
Derecognition from divestments	- 33	- 198	- 223
Disposals	- 43	- 20	- 106
Currency translation effects ³⁾	4 334	6 238	3 803
Balance as of end of period	141 809	124 629	122 808

¹⁾ Divested a 50% stake in Statkraft's offshore wind portfolio in Ireland. For more details, see note 11.

²⁾ Reclassified NOK 478 million from Inventory to Property, plant and equipment as of 30 September 2023.

³⁾ Includes NOK 618 million in inflation adjustment of Turkish entities due to hyperinflation as of 30 September 2023.

Accounting policies, judgment and assumptions for impairments are described in note 15 in the annual report 2022.

Impairments/reversal of impairments

NOK million	Third quarter 2023	Year to date 2023
Impairments/reversal of impairments		
Technology	Segment	Country
Wind power	Nordics	Sweden
		-
Wind power	Nordics	Norway
		-
Solar power	International	India
		-
Other		- 69
Total impairments (-)/reversal of impairments (+)	- 69	2 136
	<i>Intangible assets</i>	- 9
	<i>Property, plant and equipment</i>	- 59
		2 164

Wind power in Sweden and Norway Earlier this year a reversal of NOK 2318 million related to wind farms in Sweden (NOK 1754 million) and Norway (NOK 563 million) were recognised in the profit and loss under the segment Nordics. The reversal is explained by higher future power prices.

Reversal of impairments in equity accounted investments

Hydropower in Chile Earlier this year an impairment reversal of NOK 331 million related to a hydropower plant was recognised in the profit and loss. The reversal is explained by expected higher future power prices. The reversal is presented as share of profit/loss in equity accounted investments under the segment International.

NOTE 7- INVENTORIES

NOK million	Third quarter		Year
	2023	2022	2022
Inventories measured at fair value less costs to sell			
Environmental certificates	10 338	6 820	7 022
Inventories measured at the lower of cost price and net realisable value			
Environmental certificates	78	29	549
Spare parts	238	214	216
Other	474	224	270
Total	790	467	1 035
Wind and solar projects (DS/DBS) measured at the lower of cost price and net realisable value			
Development projects	1 935	1 320	1 298
Construction projects	4 616	3 129	3 144
In operation	156	50	51
Total	6 707	4 500	4 493
Total inventories	17 835	11 787	12 550

Statkraft's inventories consist of environmental certificates and wind- and solar projects that Statkraft intends to develop and divest to third parties either before, at the time of or shortly after construction (DS/DBS). In addition, Statkraft has some inventories which are directly related to property plant and equipment, whereof spare parts are the most significant group.

Statkraft currently has 10 ongoing construction projects within the DS/DBS business model, as well as two projects where construction is completed. Put/call option agreements (PCOA) for future sale have been signed for three construction projects. The carrying value of these projects are NOK 2.9 billion at quarter end. These agreements will be closed when the projects reach the agreed conditions.

The increase in fair value less costs to sell for environmental certificates from December 2022 was mainly explained by increased volume of certificates and positive currency effects, somewhat offset by decreased prices and sales of Renewable Obligation Certificates in the UK.

NOTE 8 - INTEREST-BEARING LIABILITIES

NOK million	Third quarter		Year
	2023	2022	2022
INTEREST-BEARING LIABILITIES, CURRENT			
Commercial papers, bond and bank debt	3 785	19 079	12 310
Lease liabilities	433	317	345
Cash collateral	3 634	7 286	3 495
Debt to Statkraft SF	200	200	200
Other current liabilities	18	15	15
Total	8 070	26 897	16 365
INTEREST-BEARING LIABILITIES, NON-CURRENT			
Bond and bank debt	33 778	26 259	25 083
Lease liabilities	1 948	1 740	1 687
Total	35 725	27 998	26 770
Total interest-bearing liabilities	43 795	54 896	43 135

NOK million	2023	2024	2025	2026	>2026
INTEREST-BEARING DEBT REPAYMENT PLAN ¹⁾					
Loans in Statkraft AS	-	3 000	6 077	-	22 680
Loans in subsidiaries	81	1 073	703	2 519	2 393
Total	81	4 073	6 780	2 519	25 073

¹⁾ Lease liabilities and debt related to cash collateral are not included.

NOTE 9 – DERIVATIVES

The table below discloses derivatives measured at fair value specified on hierarchy levels.

NOK million				
Fair value hierarchy				
Year to date 2023	Fair value measurement at period-end using:			Total
	Level 1	Level 2	Level 3	
Derivatives at fair value through profit and loss				
Energy derivatives, non-current assets	251	9 873	15 057	25 181
Energy derivatives, current assets	439	17 586	652	18 677
Energy derivatives, non-current liabilities	-852	-9 555	-11 486	-21 893
Energy derivatives, current liabilities	-889	-17 166	-412	-18 467
Energy derivatives, net	-1 050	738	3 810	3 498
Currency and interest rate derivatives, non-current	-	925	-	925
Currency and interest rate derivatives, current assets	-	460	-	460
Currency and interest rate derivatives, non-current liabil.	-	-566	-	-566
Currency and interest rate derivatives, current liabilities	-	-94	-	-94
Currency and interest rate derivatives, net	-	725	-	725

The year 2022	Fair value measurement at period-end using:			Total
	Level 1	Level 2	Level 3	
Derivatives at fair value through profit and loss				
Energy derivatives, non-current assets	132	15 269	23 008	38 409
Energy derivatives, current assets	88	13 426	3 839	17 353
Energy derivatives, non-current liabilities	-3 336	-21 378	-18 595	-43 309
Energy derivatives, current liabilities	-3 066	-28 045	-3 520	-34 631
Energy derivatives, net	-6 182	-20 728	4 732	-22 178
Currency and interest rate derivatives, non-current	-	771	-	771
Currency and interest rate derivatives, current assets	-	169	-	169
Currency and interest rate derivatives, non-current liabil.	-	-321	-	-321
Currency and interest rate derivatives, current liabilities	-	-418	-	-418
Currency and interest rate derivatives, net	-	202	-	202

NOK million			
Derivatives measured at fair value based on Level 3			
Year to date 2023	Assets	Liabilities	Total
Opening balance 01.01.2023	26 847	-22 115	4 732
Unrealised changes in value recognised in profit and loss	-12 014	11 144	-870
Transfers to or from Level 3	-142	101	-41
Currency translation effects	1 018	-1 029	-11
Closing balance 30.09.2023	15 709	-11 899	3 810
Net realised gain (+)/loss (-) recognised in profit and loss year to date 2023.			59
The year 2022	Assets	Liabilities	Total
Opening balance 01.01.2022	12 298	-11 128	1 170
Unrealised changes in value recognised in profit and loss	14 941	-9 433	5 508
Transfers to or from Level 3	-1 016	-925	-1 941
Currency translation effects	624	-629	-5
Closing balance 31.12.2022	26 847	-22 115	4 732
Net realised gain (+)/loss (-) recognised in profit and loss 2022.			-609

NOTE 10 - DISPUTES, CONTINGENCIES AND UNCERTAIN TAX POSITIONS

There are no material changes to the facts and circumstances of the significant legal proceedings and uncertain tax positions disclosed in the annual report for 2022.

NOTE 11 - ACQUISITIONS, DIVESTMENTS AND OTHER TRANSACTIONS

From the Build-Own-Operate (BOO) business model

On 16 March, Statkraft divested a 50% stake in Statkraft's offshore wind portfolio in Ireland to funds managed by Copenhagen Infrastructure Partners (CIP). The scope of the transaction included the three phases of the North Irish Sea Array (NISA) and the Bore Array. Developing and building these projects are expected to require an investment of more than NOK 40 billion by Statkraft and CIP by 2030. Following the transaction, NISA and Bore Array went from being subsidiaries to being investments in a joint venture. The gain of NOK 1603 million was recognised as Other operating income, of which NOK 821 million do not have cash effect. The gain includes realised gains from reduced ownership interest from 100% to 50%, an adjustment from carrying value to fair value of the remaining ownership interest and recycling of foreign currency translation effects. Part of the consideration for the shares are subject to certain future contingent events, and the gain reflects a best estimate at the transaction date. The fair value of the JV interests is NOK 1018 million.

On 30 August, Statkraft closed an agreement with Breeze Two Energy GmbH and Breeze Two GmbH to acquire 100% of Statkraft Windenergie GmbH & Co. KG (previously named B2E Partners GmbH & Co. KG) and Eoliennes Suroit SNC, consisting of 35 operating wind farms in Germany and four in France. The total consideration was NOK 4773 million, consisting of both purchase of shares and assuming debt. The total installed capacity of the German wind farms is 310 MW and 27 MW for the French wind farms. The companies have no employees. Most of the German sites have repowering potential.

The majority of the assets acquired are recognised as Property, plant and equipment in the statement of financial position. All assets are reported under the segment Europe.

From the Develop-Sell / Develop-Build-Sell (DS/DBS) business model

On 16 May, Statkraft divested a wind farm in Ireland to Greencoat Renewables Plc with a capacity of 34 MW for a total consideration of NOK 835 million including payment of a shareholder loan. This led to a gain of NOK 129 million, recognised as Other operating income.

Statkraft also entered into an agreement to provide asset management services subsequent to the divestment.

Transactions with non-controlling interest

On 12 September, Statkraft closed an agreement with Fundação dos Economiários Federais (FUNCEF) to acquire the remaining 18.7% shares of the Brazilian subsidiary Statkraft Energias Renováveis (SKER) for NOK 1992 million and now holds 100% of the shares.

NOTE 12 - PROPOSED CHANGES IN REGULATIONS

Norway

On 6 October, the Norwegian Government proposed changes in regulations affecting both hydropower producers and wind power producers. The proposal included abolishment of the high-price contribution from 1 October 2023. The financial impact of this depends on future price levels. Statkraft has recognised high-price contribution expenses year-to-date of NOK 962 million.

The Norwegian Government also proposed an introduction of a 35 per cent resource rent tax on onshore wind with effect from 1 January 2024. As Statkraft's generation in Norway is mainly related to hydropower, the financial impact on payable tax expense is not expected to be material. However, given enactment in the fourth quarter, the deferred tax will be remeasured in the financial statement for 2023.

NOTE 13 - SUBSEQUENT EVENTS

On 29 August, Statkraft signed an agreement with EDP Renováveis S.A. to acquire a portfolio of operating wind farms with a capacity of 260 MW in Brazil for approximately NOK 3500 million. The acquisition is expected to be closed within the next quarters, and the financial effects will be reported after closing.

Alternative Performance Measures

As defined in ESMA's guideline on alternative performance measures (APM), an APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Statkraft uses the following APMs:

EBITDA underlying is defined as operating profit/loss (EBIT) underlying before depreciations and amortisations. The APM is used to measure performance from operational activities. EBITDA underlying should not be considered as an alternative to operating profit and profit before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA underlying an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Operating profit/loss (EBIT) underlying is an APM used to measure performance from operational activities.

Statkraft adjusts for the following three items when reporting operating profit (EBIT) underlying:

Unrealised value changes from embedded EUR derivatives, since they do not reflect how the segment is following up on the results. The EUR exposure in the power sales agreements with the power intensive industry are hedged by entering into currency derivatives or EUR bonds. Hence, the unrealised value changes from the energy (EUR) derivatives are partly offset in Net financial items in the statement of Comprehensive income.

Gains/losses from divestments of business activities that are not classified as DS/DBS, since the gains or losses do not give an indication of future performance or periodic performance from operating activities. Such gains or losses are related to the cumulative value creation from the time the asset is acquired until it is sold.

Impairments/reversal of impairments, since they affect the economics of an asset for the useful life of that asset; not only the period in which it is impaired, or the impairment is reversed.

The above items are also excluded from **Gross operating revenues and other income underlying** and **Net operating revenues and other income underlying**. See also section Segment.

ROACE is defined as operating profit/loss (EBIT) underlying divided by capital employed. ROACE is calculated on a rolling 12-month average and is used to measure return from the operational activities as well as benchmarking performance.

ROAE is defined as share of profit/loss in equity accounted investments, divided by the book value of the Group's equity accounted investments. ROAE is calculated on a rolling 12-month average. The financial metric is used to measure return from the Group's equity accounted investments as well as benchmarking performance.

Capital employed is the capital allocated to perform operational activities. Property, plant and equipment, intangible assets and solar- and wind projects presented under inventories in the statement of financial position (DS/DBS) are defined as Statkraft's capital employed.

Net interest-bearing liabilities is used to measure indebtedness.

Net interest-bearing liabilities - equity ratio is calculated as net interest-bearing liabilities relative to the sum of net interest-bearing liabilities and equity.

Operating profit/loss (EBIT) margin underlying (%) is calculated as operating profit/loss (EBIT) underlying relative to gross operating revenues and other income underlying.

ALTERNATIVE PERFORMANCE MEASURES

NOK million	Third quarter		Year to date		Year
	2023	2022	2023	2022	2022
OPERATING PROFIT/LOSS (EBIT) MARGIN UNDERLYING					
Operating profit/loss (EBIT) underlying	4 865	8 959	31 025	30 729	54 424
Gross operating revenues and other income underlying	19 568	42 737	85 808	109 971	167 513
Operating profit/loss (EBIT) margin underlying	24.9%	21.0%	36.2%	27.9%	32.5%
RECONCILIATION OF OPERATING PROFIT/LOSS (EBIT) UNDERLYING TO EBITDA UNDERLYING					
Operating profit/loss (EBIT) underlying	4 865	8 959	31 025	30 729	54 424
Depreciations and amortisations	1 347	1 135	3 797	3 383	4 657
EBITDA underlying	6 212	10 094	34 823	34 112	59 082
FINANCIAL STATEMENT LINE ITEMS INCLUDED IN CAPITAL EMPLOYED					
Intangible assets			4 630	4 266	4 322
Property, plant and equipment			141 809	124 629	122 808
Inventories (DS/DBS)			6 707	4 500	4 493
Capital employed			153 145	133 395	131 622
Average capital employed ¹⁾			139 886	125 988	128 453
RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)					
Operating profit/loss (EBIT) underlying, rolling 12 months			54 719	40 064	54 424
Average capital employed ¹⁾			139 886	125 988	128 453
ROACE			39.1%	31.8%	42.4%
RETURN ON AVERAGE EQUITY ACCOUNTED INVESTMENTS (ROAE)					
Share of profit/loss in equity accounted investments, rolling 12 months			3 198	451	531
Average equity accounted investments ¹⁾			19 727	14 885	15 428
ROAE			16.2%	3.0%	3.4%
NET INTEREST-BEARING LIABILITIES					
Non-current interest-bearing liabilities			35 725	27 998	26 770
Current interest-bearing liabilities			8 070	26 897	16 365
Cash and cash equivalents incl. restricted cash (A)			-33 746	-55 721	-58 902
Restricted cash (B)			318	214	332
Cash and cash equivalents included in net interest-bearing liabilities (A+B)			-33 429	-55 507	-58 569
Current financial investments			- 737	- 605	- 629
Net interest-bearing liabilities			9 629	-1 216	-16 063
NET INTEREST-BEARING LIABILITIES-EQUITY RATIO					
Net interest-bearing liabilities			9 629	-1 216	-16 063
Equity			140 815	119 778	131 691
Sum of net interest-bearing liabilities and equity			150 444	118 562	115 628
Net interest-bearing liabilities - equity ratio			6.4%	-1.0%	-13.9%

¹⁾ Average capital employed and average equity accounted investments are based on the average for the last four quarters.

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