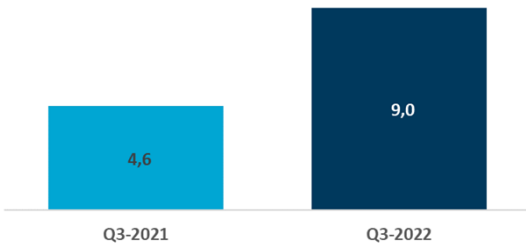
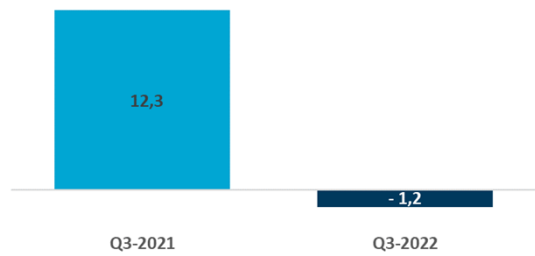


Q3 at a glance

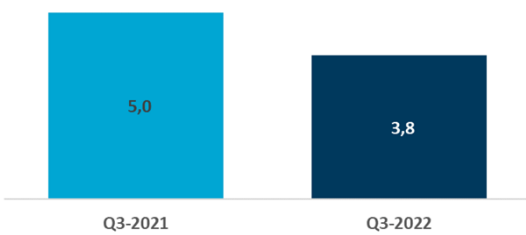
EBIT UNDERLYING (BNOK)



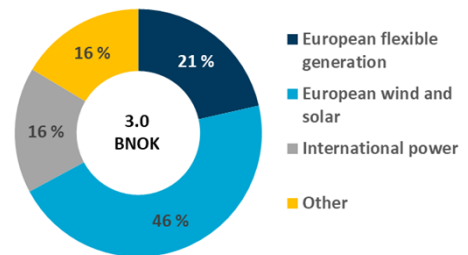
NET INTEREST-BEARING DEBT (BNOK)



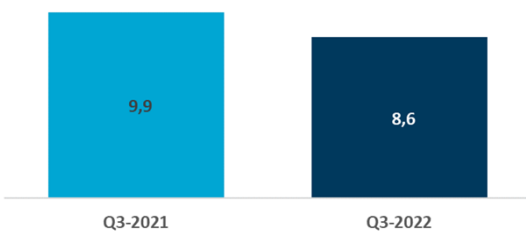
NET PROFIT (BNOK)



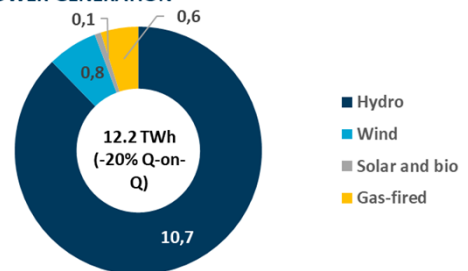
INVESTMENTS



CASH FLOW FROM OPERATIONS (BNOK)



POWER GENERATION



Key figures

NOK million	Third quarter			Year to date			Year
	2022	2021	Change	2022	2021	Change	2021
Income statement							
Gross operating revenues and other income underlying	42 737	16 830	25 907	109 971	50 553	59 418	83 440
Net operating revenues and other income underlying	13 232	8 111	5 121	43 675	27 935	15 740	41 749
EBITDA underlying	10 094	5 594	4 500	34 112	20 387	13 725	30 906
Operating profit/loss (EBIT) underlying	8 959	4 609	4 350	30 729	17 458	13 271	26 792
- of which unrealised effects	2 225	-4 636	6 861	859	-3 811	4 670	3 647
Operating profit/loss (EBIT) IFRS	8 342	8 468	- 126	29 993	20 616	9 376	29 727
Share of profit/loss in equity accounted investments	- 159	863	-1 022	- 2	1 232	-1 234	1 686
Net financial items	21	- 274	295	170	616	- 446	1 331
Profit/loss before tax	8 204	9 057	- 853	30 160	22 464	7 696	32 744
Net profit/loss	3 825	4 956	-1 131	14 049	12 198	1 851	16 081
Key financial metrics							
Operating profit/loss (EBIT) margin underlying	21.0%	27.4%	-6.4%	27.9%	34.5%	-6.6%	32.1%
ROACE				31.8%	16.1%	15.7%	22.4%
ROAE				3.0%	13.7%	-10.7%	12.1%
Balance sheet and investments							
Assets				474 588	271 963	202 625	310 004
Equity				119 778	105 463	14 315	107 775
Net interest-bearing debt				-1 216	12 295	-13 511	14 439
Capital employed				133 395	121 701	11 694	123 598
Equity accounted investments				14 732	14 264	468	14 771
Total investments	3 044	2 676	368	7 933	6 599	1 334	11 868
Cash Flow							
From operating activities	8 573	9 887	-1 314	27 710	19 800	7 910	26 242
Cash and cash equivalents (incl. restricted cash)				55 721	25 674	30 047	37 162
Currency rates							
NOK/EUR average rate	10.06	10.33	-0.27	10.00	10.23	-0.22	10.16
NOK/EUR closing rate				10.58	10.17	0.42	9.99

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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STRONG THIRD QUARTER RESULTS AND STORING WATER FOR THE WINTER

- Strong revenues driven by high energy prices and solid results from market activities
- Steady operations and solid financial position
- The European energy crisis is continuing and market conditions are expected to remain volatile

The European energy crisis continued through the third quarter following Russia's invasion of Ukraine earlier in the year. The unprecedented high power prices on all energy-related commodities remain a burden for both industries and consumers in Europe.

Statkraft delivered strong results in the third quarter supported by high energy prices and solid contribution from trading and origination activities. Hydropower generation was lower as Statkraft reduced the generation during the dry summer to ensure sufficient hydro reservoir levels for the winter. Statkraft is well positioned amid the ongoing energy crisis in Europe.

The quarterly generation was 12.2 TWh, 3.1 TWh lower than the third quarter last year. Despite the lower hydropower generation, particularly in Southern Norway, strong results from the Market operations segment and high power prices led to an almost doubling of the underlying EBIT in the quarter to NOK 9 billion compared with the same quarter last year.

Record-high European gas prices in combination with very dry weather in Southern Norway and reduced availability of nuclear power capacity in Europe has led to high power prices. The average Nordic system price reached a new record level with 176 EUR/MWh in the quarter and the prices continue to differ significantly between the price areas, with particularly high prices in Southern Norway.

The underlying EBIT included positive net unrealised effects of NOK 2.2 billion, mainly related to trading and origination. Hedging of Nordic assets led to negative unrealised results as the forward power prices increased in the quarter and were at a higher level than the contracted fixed prices.

Despite a strong increase in the underlying EBIT, the net profit of NOK 3.8 billion was NOK 1.1 billion lower than in the same quarter last year. The main explanations for this were

related to last year's large positive effects from reversal of impairments in addition to lower contribution from Agder Energi due to negative hedging effects this quarter.

Cash flow from operating activities were NOK 8.6 billion in the quarter. Statkraft has a very solid financial position and has secured the necessary financial and liquidity reserves to support our market positions.

The underlying EBIT year to date was NOK 30.7 billion and the net profit NOK 14 billion. This was record-high for any first nine months period.

Statkraft continues to offer long-term power contracts to maintain the position as a competitive supplier to the energy intensive industry in Norway. In the quarter, Statkraft signed such an agreement with the ferrosilicon company Finnjord, extending the existing agreement from 2031 to 2044. In November, a new power sales agreement was signed with the producer of publication paper Norske Skog. The new agreement will ensure delivery of 2.9 TWh over the contracted period from 2024 until 2030.

A key element in Statkraft's strategy is to upgrade and expand the Norwegian hydropower assets. In the third quarter an investment decision was made for new rock-filled dams at Kjela. The project has low impact in terms of environment and encroachment on nature.

In September, the general assemblies of Agder Energi and Glitre Energi approved the merger of the two companies, which is expected to be finalised in the fourth quarter of 2022. The merger is subject to approval from the Ministry of Petroleum and Energy. Statkraft's ownership in the new company, named Å energi, will be 33.3 per cent.

The Norwegian government has proposed changes to the taxation of power producers increasing taxes going forward. The proposed changes will, if enacted, have a negative impact on Statkraft's investment capacity and project profitability.

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	TARGET	STATUS
HSE and sustainability		
Prevent incidents and be committed to a workplace without injury or harm	Zero serious injuries	11 ¹⁾
Prevent corruption and unethical practices in all activities	Zero serious compliance incidents	0
Deliver climate-friendly, renewable power and taking responsible environmental measures	Zero serious environmental incidents	0
Financial performance		
Solid return on capital (ROACE) over time	12%	32%
Value creation in ongoing business		
Efficient management of energy resources in the Nordic hydropower fleet	>3.5% higher realised prices than the average spot price in the market	3.7%
Growth		
Grow capacity in renewable energy (hydro-, wind- and solar power)	9 GW growth by 2025	3.4 GW
Organisational enablers		
Improve diversity in background, competence and gender across the company	At least 35% women in top management positions by 2025 and at least 40% by 2030	31%

1) Updated from previously reported 9 in the second quarter, no incidents in the third quarter.

In the first nine months of 2022, there were two fatal accidents in addition to nine serious injuries. Strengthening the safety culture and performance – across the organisation and among subcontractors – is the top priority and has high attention throughout the organisation. Caring for people is at the core of Statkraft's activities and Statkraft works continuously towards the goal of zero injuries.

Statkraft has zero tolerance for corruption and unethical practices in all activities, and there were no serious compliance incidents in the first nine months of 2022. Assessing environmental risks is part of Statkraft's daily risk management procedures and practices, and there were no serious environmental incidents in the first nine months of 2022.

Statkraft aims to deliver a solid return on capital employed. Measured on 12 months rolling basis, the ROACE was 32 per cent. The reportable segments in the Group 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.

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 2022, Statkraft's realised prices (measured over the last 60 months) were 3.7 per cent higher than the average spot price in the Nordics.

The strategy has a growth target of 9 GW by 2025. At the end of the third quarter, the status for this target is 3.4 GW. By 2025, the aim is to be a major wind and solar developer with a development rate of 2.5–3 GW per year, and from 2030 an annual development rate of 4 GW per year.

Statkraft aims for a diverse workforce and has a long-term ambition of having at least 40 per cent women in top management positions. At the end of September 2022, the total share of women in all top management positions was 31 per cent, up from 30 per cent at the end of 2021.

Corporate responsibility and HSE

	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Corporate responsibility and HSE					
Fatal accidents ¹⁾	0	0	2	0	0
Serious environmental incidents	0	0	0	0	0
Absence due to illness, Group	2.8%	2.5%	3.1%	2.3%	2.4%
TRl rate ¹⁾²⁾			3.9	3.8	3.6
Full-time equivalents, Group			4 626	4 306	4 385

¹⁾ Includes employees and suppliers in plants where Statkraft owns 20% or more.

²⁾ TRl rate (rolling 12 months): Number of injuries per million hours worked.

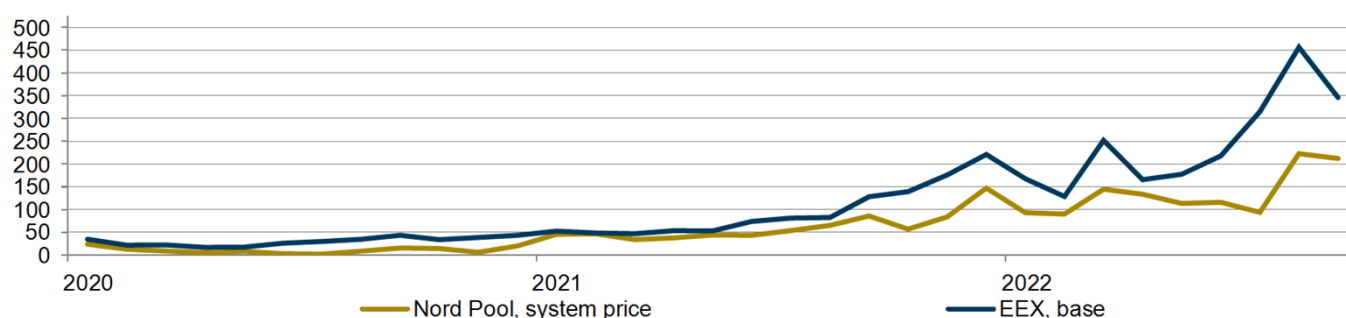
There were no serious injuries reported in the quarter.

Market and production

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

Electricity, average monthly system price
EUR/MWh



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

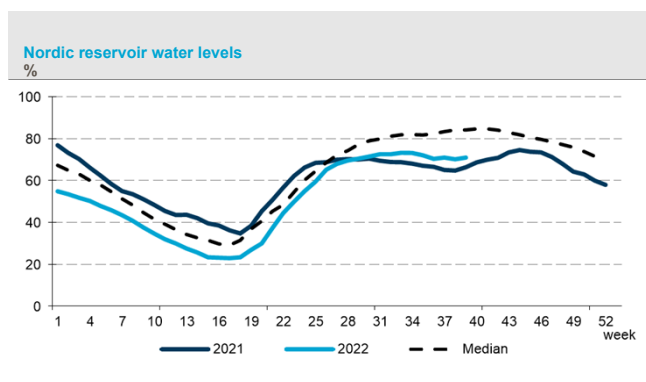
	Third quarter			Year to date			Year
	2022	2021	Change	2022	2021	Change	2021
Market prices (average)							
System price, Nord Pool (EUR/MWh)	176.4	68.5	107.9	135.7	50.9	84.8	62.2
Spot price (base), EEX (EUR/MWh)	372.5	97.5	275.1	247.5	69.1	178.4	96.6
Spot price (peak), EEX (EUR/MWh)	405.0	107.3	297.7	272.4	77.3	195.1	114.5
Spot price (base), N2EX UK (GBP/MWh)	294.6	129.8	164.8	215.6	88.9	126.6	117.4

The price of energy and energy-related commodities remained at a very high level in the quarter, although the prices were reduced somewhat towards the end of the quarter.

The average system price in the Nordic region was 176.4 EUR/MWh in the quarter, an increase of 107.9 EUR/MWh. The increase was mainly due to higher thermal prices and lower reservoir levels, especially in the South of Norway. There were significant price area differences in the quarter, with average Norwegian prices in the south in the range 289-352 EUR/MWh and prices in the mid- and north around 32 EUR/MWh and 14 EUR/MWh respectively.

The average base price in the German market (EEX) was 372.5 EUR/MWh in the quarter, an increase of 275.1 EUR/MWh. The increase was mainly due to significantly higher gas, coal and CO₂ prices. The average base price in the UK was 294.6 GBP/MWh in the quarter, an increase of 164.8 GBP/MWh. The increase was mainly driven by substantially higher gas prices.

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



TWh	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Consumption and output					
Nordic					
Nordic consumption	79.5	82.1	277.1	288.5	397.7
Nordic output	88.0	86.9	301.1	303.6	420.2
Net Nordic import(+)/export(-)	-8.5	-4.8	-24.0	-15.1	-22.5
Norway					
Norwegian consumption	26.9	27.5	95.7	100.6	138.3
Norwegian output	29.0	32.6	104.5	113.8	156.5
Net Norwegian import(+)/export(-)	-2.1	-5.1	-8.8	-13.2	-18.1

The total reservoir level for all hydropower producers in the Nordic region was 84 per cent of median level at the end of the quarter, corresponding to 70.9 per cent of total capacity. There were significant differences in the reservoir levels in Norway, with the levels in the south of Norway well below median. Price area NO2 was 64 per cent of median at the end of the quarter and showed a positive development from mid-September.

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 higher than the water values.

TWh	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Generation, technology					
Hydropower	10.7	13.9	40.3	46.2	63.0
Wind power	0.8	0.8	3.2	2.7	3.9
Gas-fired power	0.6	0.5	1.2	2.3	2.7
Biomass and solar power	0.1	0.1	0.2	0.2	0.2
Total generation	12.2	15.3	44.9	51.3	69.9

TWh	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Generation, geography					
Norway	8.9	12.1	34.1	39.9	54.5
Sweden	1.4	1.6	4.9	5.1	7.1
Europe ex. Nordic	0.9	0.8	2.6	3.5	4.3
Rest of the world	1.0	0.8	3.3	2.9	4.0
Total generation	12.2	15.3	44.9	51.3	69.9

The combination of gas prices remaining at a high level following low supply from Russia as a result of the war in Ukraine, very dry weather in Southern Norway and reduced availability of nuclear power capacity in Europe has increased power prices and Statkraft's water values. This led to a low hydropower generation in the quarter, that increased the reservoir levels for the coming winter. Total power generation was 12.2 TWh, which was 3.1 TWh lower than the same period last year. The decrease was primarily related to Norwegian hydropower generation, which was 27 per cent lower than in the third quarter of 2021. The reduction was particularly related to Southern Norway.

The district heating deliveries amounted to 0.1 TWh and were stable compared with the same quarter last year.

TWh	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Generation, type					
Net physical spot sales	8.2	11.6	32.0	39.1	53.0
Concessionary sales	0.6	0.5	2.5	2.4	3.5
Long-term contracts	3.1	3.0	9.6	9.2	12.5
Other statutory bilateral contracts	0.2	0.2	0.7	0.7	0.9
Total generation	12.2	15.3	44.9	51.3	69.9

Spot sales from net physical deliveries were significantly reduced in the quarter, driven by lower Norwegian hydropower generation. Statkraft is a reliable supplier of renewable energy to the power-intensive industry in Norway and generation to long-term contracts were stable in the quarter.

FINANCIAL RISK REDUCING ACTIVITIES

With the purpose to reduce risk from power generated from its own power plants Statkraft has entered into various physical and financial contracts. With less than one third of the estimated generation for the next years hedged, Statkraft has a relatively low level of hedging.

In order to secure stable revenues, certain volumes are sold on contracts at fixed volume and price with a duration varying from 3-15 years. For these contracts, the main rule is that only revenue from the contracted volume delivered in the reporting period is recognised under the line item "Revenues" in the financial statements. Thus, fluctuations in the forward power prices do not have any accounting effects on such contracts as the value of future deliveries of the contracts is not recognised in the financial statements.

Other contracts are recognised at fair value. Thus, the difference between the contracted fixed price and the forward market price of the volume for the remaining contract period is recognised in the financial statements under the line item "Gains/losses from market activities" at each reporting period. Hedging contracts that are recognised at fair value will in periods with volatile power prices lead to significant effects in the financial statements as changes in the forward market prices will lead to changes in the value of the contracts that is recognised at each reporting period.

The main hedging positions and the corresponding accounting treatment are described more in detail below.

Bilateral physical power sales agreements:

Statkraft has entered into bilateral physical power sales agreements with industrial customers and other customers. Approximately half of the contracted volume until 2030 is related to industry customers in Norway, reported under the segment European flexible generation. There are also bilateral physical power sales contracts in other countries in Europe and South America, reported under the segment International power. The power delivered to these customers are generated at Statkraft's power plants in Europe and South America. These long-term physical power sales agreements are entered into at fixed prices and ensure stable revenue for Statkraft, and correspondingly predictable costs for the customers. For the most significant part of the contracts, revenues are recognised as produced and delivered to the customers. The total contracted volume of bilateral physical power sales agreements are approximately 106 TWh from 2023 until 2030, of which 54 TWh is with industry customers in Norway.

Some of the bilateral physical power sales contracts in Norway have prices linked to certain commodity prices. Changes in such forward commodity prices are recognised at fair value at the end of each reporting period. These derivatives are recognised at fair value and changes in the forward market prices will lead to changes in the value of the derivatives that is recognised at each reporting period.

Financial risk reduction contracts:

Statkraft has also entered into financial contracts in order to secure a defined level of revenues from future power generation. The segments European flexible generation, International power and European wind and solar have entered into financial sales contracts at fixed prices to stabilise future revenue from power generation. The financial contracts are recognised at fair value meaning that fluctuation in the forward power prices will lead to changes in the value of the contracts that must be recognised at each reporting period in the financial statements. The contracted volume of financial risk reducing contracts are in total approximately 13 TWh from 2023 until 2030.

Dynamic asset management portfolios:

Statkraft has one Nordic and one Continental dynamic asset management portfolio (DAMP) reported under the segment Market operations. The objective of the dynamic hedging portfolios is to reduce risk and optimise revenues for power generating assets in the Nordics and in Germany. The financial contracts are recognised at fair value.

Financial performance

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Net operating revenues and other income underlying	13 232	8 111	5 121	43 675	27 935	15 740	41 749
Operating profit/loss (EBIT) underlying	8 959	4 609	4 350	30 729	17 458	13 271	26 792
- of which unrealised effects	2 225	-4 636	6 861	859	-3 811	4 670	3 647
Operating profit/loss (EBIT) IFRS	8 342	8 468	- 126	29 993	20 616	9 376	29 727
Share of profit/loss in equity accounted investments	- 159	863	-1 022	- 2	1 232	-1 234	1 686
Net financial items	21	- 274	295	170	616	- 446	1 331
Profit/loss before tax	8 204	9 057	- 853	30 160	22 464	7 696	32 744
Tax expense	-4 380	-4 101	- 279	-16 111	-10 266	-5 845	-16 663
Net profit/loss	3 825	4 956	-1 131	14 049	12 198	1 851	16 081

FINANCIAL PERFORMANCE THIRD QUARTER

The increase in underlying EBIT compared with the third quarter last year was primarily related to the Market operations segment with strong results from trading and origination. In addition, the results from dynamic asset management portfolios improved from last year, however still with a loss. Despite a significantly lower hydropower generation, particularly in the southern parts of Norway where the power prices are highest, the European flexible generation segment delivered an EBIT on par with the same quarter in 2021. This was due to higher results from Baltic Cable and improved contribution from the gas-fired power plants in Germany due to high peak spark spreads.

The positive unrealised effects included in the underlying EBIT in the quarter was mainly related to trading and origination, see note 6.

Underlying operating expenses increased 22 per cent compared with the third quarter last year, primarily related to increased operating expenses for the 43 German and French wind farms that was acquired in the fourth quarter last year, an overall increased activity level in line with the growth strategy and higher performance related remuneration.

The EBIT IFRS was negatively affected by unrealised value changes from embedded EUR derivatives driven by a stronger forward NOK against EUR and an impairment for a hydropower project in Chile. In the comparable period there were significant positive effects from reversal of impairments for Nordic wind farms and German gas-fired power plants.

The decrease in share of profit/loss in equity accounted investments was primarily related to lower contribution from Agder Energi due to losses from financial risk reducing contracts and that there was a positive effect from reversal of impairments in India in the third quarter last year.

Net financial items and tax expense are commented in separate sections.

FINANCIAL PERFORMANCE YEAR TO DATE

The increase in underlying EBIT compared with the first nine months of 2021 was primarily related to the very high Nordic power prices. This led to improved results from the segments European flexible generation and Industrial ownership. Furthermore, the results from the Market operations segment significantly improved, particularly related to trading and origination activities.

Underlying operating expenses increased 24 per cent compared with the first nine months of last year, mainly related to the same factors as for the third quarter, as well as public pension scheme changes in Norway.

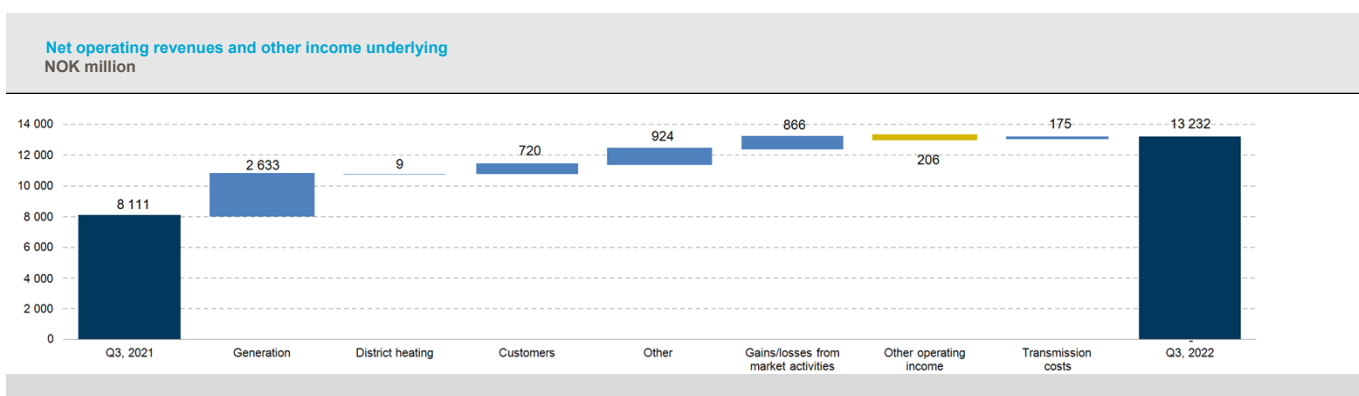
The decrease in share of profit/loss in equity accounted investments was primarily related to losses from financial risk reducing contracts in Agder Energi and Eviny.

Net financial items and tax expense are commented in separate sections.

Statkraft's total assets have increased significantly since the corresponding quarter in 2021 and the carrying value is approximately NOK 475 billion at quarter end. The significant increase in total assets is mainly explained by a surge in the price of energy and energy-related commodities, leading to a substantial increase in the value of the Group's derivatives.

NET OPERATING REVENUES AND OTHER INCOME UNDERLYING

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Net operating revenues and other income							
Generation	15 149	10 204	4 945	43 861	26 537	17 324	43 412
District heating	155	138	18	726	748	- 21	1 154
Customers	24 981	7 267	17 714	57 222	18 106	39 116	34 062
Other	3 893	1 323	2 570	9 322	3 342	5 980	6 028
Sales revenues	44 179	18 932	25 247	111 131	48 732	62 399	84 656
Gains/losses from market activities	-1 567	-2 433	866	-1 640	1 257	-2 897	-1 950
Other operating income	125	331	- 206	480	565	- 84	734
Gross operating revenues and other income	42 737	16 830	25 907	109 971	50 553	59 418	83 440
Generation	-3 088	- 777	-2 312	-5 321	-2 164	-3 157	-3 335
District heating	- 53	- 44	- 9	- 208	- 251	44	- 380
Customers	-24 186	-7 191	-16 994	-55 009	-17 684	-37 325	-33 536
Other	-2 069	- 423	-1 646	-5 255	-1 322	-3 933	-2 717
Energy purchase	-29 395	-8 435	-20 961	-65 793	-21 421	-44 372	-39 968
Transmission costs	- 110	- 285	175	- 504	-1 197	694	-1 723
Net operating revenues and other income	13 232	8 111	5 121	43 675	27 935	15 740	41 749



In the graph above Generation, District heating, Customers and Other are shown as sales revenues less energy purchase.

- Net operating revenues from Generation increased, mainly driven by significantly higher Nordic power prices, partly offset by lower Norwegian hydropower generation driven by higher water values in Southern Norway.
- Net operating revenues from Customers increased, mainly driven by improved margins from market access activities in Germany.
- Net operating revenues from Other increased, mainly driven by improved contribution from the subsea interconnector between Sweden and Germany (Baltic Cable).
- Gains/losses from market activities increased, see separate section below for further information.
- Other operating income has decreased, mainly driven by recognition of a settlement for extended concessions in Brazil in the comparable period.
- Transmission costs have decreased, mainly driven by negative variable fee in the NO2 (Southern Norway) price area.

GAINS/LOSSES FROM MARKET ACTIVITIES UNDERLYING

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
European flexible generation							
- Financial hedging	-1 924	595	-2 519	-7 131	898	-8 029	-1 378
- Embedded derivatives indexed to industry indices	319	1 254	- 935	2 780	2 195	585	3 566
- Other	- 2	- 58	56	- 232	- 63	- 169	- 29
Sub-total	-1 606	1 792	-3 398	-4 583	3 030	-7 613	2 159
Market operations							
- Trading & origination ¹⁾	2 194	-1 303	3 497	6 846	850	5 996	2 426
- Dynamic asset management portfolios (DAMP)	- 953	-2 453	1 500	- 596	-2 071	1 475	-5 429
Sub-total	1 241	-3 756	4 997	6 250	-1 221	7 471	-3 003
International power							
- Financial hedging	- 683	- 407	- 276	-1 404	- 548	- 856	- 939
Sub-total	- 683	- 407	- 276	-1 404	- 548	- 856	- 939
European wind and solar							
- Financial hedging	- 182	- 24	- 158	-1 191	- 30	-1 161	- 189
Sub-total	- 182	- 24	- 158	-1 191	- 30	-1 161	- 189
Group items and other	- 337	- 38	- 299	- 712	26	- 738	22
Gains/losses from market activities	-1 567	-2 433	866	-1 640	1 257	-2 897	-1 950

¹⁾ Includes trading, origination and market access.

- European flexible generation ended with a loss of NOK 1606 million in the quarter, mainly due to hedging of Nordic generation revenues driven by increased forward power prices. This was partly offset by a positive effect from hedging of gas-fired power plants in Germany, which was driven by a decrease of future spark spreads. The EBIT from embedded derivatives was positive in the quarter following increased forward prices on certain commodities.
- Market operations contributed with NOK 1241 million in the quarter, mainly due to gains from activities within trading & origination, partly offset by losses from hedging of revenues from Nordic and Continental power generating assets from the dynamic asset management portfolios.
- International power had a loss from hedging of revenues from generation in Albania of NOK 683 million in the quarter following an increase in the forward power prices through the third quarter.
- European wind and solar delivered a loss of NOK 182 million in the quarter due to financial hedging of revenues from generation related to wind farms in Germany and France. This was mainly driven by increased forward power prices in both Germany and France in the quarter.

OPERATING EXPENSES UNDERLYING

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Operating expenses							
Salaries and payroll costs	-1 602	-1 252	- 351	-4 995	-3 751	-1 244	-5 286
Depreciations and amortisations	-1 135	- 984	- 151	-3 383	-2 929	- 454	-4 113
Regulatory fees	- 319	- 336	17	-1 021	-1 011	- 10	-1 375
Other operating expenses	-1 217	- 929	- 288	-3 546	-2 786	- 760	-4 183
Operating expenses	-4 273	-3 501	- 772	-12 945	-10 477	-2 468	-14 957

- The increase in salaries and payroll costs was mainly due to higher number of full-time equivalents following the increased activity level in line with the growth strategy and higher performance-related remuneration.
- The increase in depreciations and amortisations was mainly related to newly acquired companies within German and French wind power and higher carrying value following previous reversal of impairments within Nordic wind power and German gas-fired power. In addition, there was an increased asset base in Chile and Brazil.
- Other operating expenses was higher mainly due to increased business development costs in the segments European wind and solar and International power related to the growth strategy and costs from newly acquired companies within German and French wind power.

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 is not included in the 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.

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Items excluded from operating profit/loss (EBIT) underlying							
Unrealised value changes from embedded EUR derivatives	- 329	54	- 383	- 484	- 777	293	-1 285
Gains/losses from divestments of business activities	-	713	- 713	- 0	798	- 798	817
Impairments/reversal of impairments	- 288	3 092	-3 379	- 253	3 137	-3 390	3 403
Items excluded from operating profit/loss (EBIT) underlying	- 617	3 859	-4 476	- 737	3 158	-3 895	2 934

- 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.
- Impairments/reversal of impairments in the quarter was mainly related to a hydropower project in Chile, see note 8.

NET FINANCIAL ITEMS

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Net financial items							
Net currency effects	- 150	- 154	4	- 607	662	-1 268	1 089
Interest and other financial items	172	- 120	291	776	- 46	823	242
Net financial items	21	- 274	295	170	616	- 446	1 331

Net financial items third quarter

- Net currency losses in the quarter were driven by a weakening of NOK against EUR and were primarily related to external debt, partly offset by bank deposits in EUR.
- Interest and other financial items improved mainly due to positive value changes on interest rate derivatives and higher interest income from increased liquidity, partly offset by increased interest expenses due to new debt and increasing interest rates.

Net financial items year to date

- Net currency losses year to date of NOK 607 million were primarily related to external debt, partly offset by bank deposits and receivables related to margin calls.
- The improvement in interest and other financial items were mainly driven by the same factors as for the quarter.

TAX EXPENSE

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Tax expense							
Profit/loss before tax	8 204	9 057	- 853	30 160	22 464	7 696	32 744
Nominal tax rate in Norway	22%	22%	0%	22%	22%	0%	22%
Tax calculated at nominal Norwegian tax rate	1 805	1 993	- 188	6 635	4 942	1 693	7 204
Tax on share of profit/loss in equity accounted investments	35	- 190	225	0	- 271	272	- 371
Resource rent tax payable	2 681	1 978	704	8 918	4 405	4 513	7 749
Resource rent tax deferred	118	792	- 674	1 105	1 338	- 232	2 324
Other differences from the nominal Norwegian tax rate	- 260	- 472	212	- 548	- 147	- 400	- 244
Tax expense	4 380	4 101	279	16 111	10 266	5 845	16 663
Effective tax rate	53.4%	45.3%	8.1%	53.4%	45.7%	7.7%	50.9%

Tax expense third quarter

- Resource rent tax payable increased, mainly due to significantly higher Norwegian power prices. This was partly offset by lower generation.
- Resource rent tax deferred decreased, mainly due to unrealised value changes related to embedded derivatives.
- Other differences from the nominal Norwegian tax rate were mainly due to changes in unrecognised deferred tax assets.

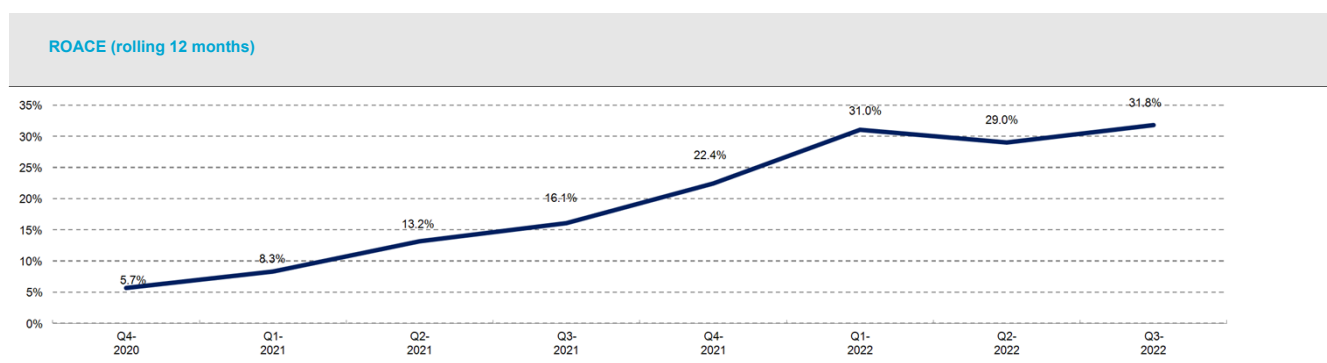
Tax expense year to date

- Resource rent tax payable increased, mainly due to the same factors as for the third quarter.
- Resource rent tax deferred decreased, mainly due to changes in utilisation of resource rent tax carryforwards.
- Other differences from the nominal Norwegian tax rate were mainly driven by the same factor as for the third quarter.

Proposed changes in regulations in Norway

- On 28 September the Norwegian Government proposed significant changes in regulations affecting both hydropower producers and wind power producers. The proposals will, if enacted, have material effects on Statkraft's financial statements. See note 12 for further details.

RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)



The increase in ROACE compared with the last quarter was mainly due to a higher operating profit/loss (EBIT) underlying (rolling 12 months). Average capital employed was stable compared with the last quarter.

CASH FLOW

NOK million	Third quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Cash flow							
Operating activities	8 573	9 887	-1 314	27 710	19 800	7 910	26 242
Investing activities	-1 544	- 483	-1 061	-4 891	-2 207	-2 684	-5 618
Financing activities	-5 468	-1 387	-4 081	-6 335	-3 083	-3 252	5 418
Net change in cash and cash equivalents	1 560	8 017	-6 456	16 484	14 510	1 974	26 042
Cash and cash equivalents (incl. restricted cash) at period end				55 721	25 674	30 047	37 162

Cash flow in the quarter

- The EBIT (IFRS) of NOK 8342 million includes NOK 1896 million of unrealised positive non-cash effects. Working capital movements in the quarter were NOK 769 million. Further, net cash inflow from margin calls of NOK 1986 million also contributed positively, partly offset by cash outflow related to investments in DS/DBS projects of NOK 1350 million, leading to a cash flow from operations of NOK 8573 million.
- The negative cash flow from investing activities of NOK 1544 million was mainly related to construction projects within wind power in Brazil and Chile of NOK 678 million and maintenance investments in Norwegian hydropower of NOK 346 million.
- The cash flow from financing activities was negative with NOK 5468 million and consisted mainly of cash outflow from dividend payment of NOK 10 214 million, somewhat offset by cash inflow from green bond issue of NOK 4965 million.

Cash flow year to date

- The EBIT (IFRS) of NOK 29 993 million was partly offset by negative working capital changes of NOK 2526 million and taxes paid of NOK 2507 million, leading to a cash flow from operations of NOK 27 710 million.
- The negative cash flow from investing activities was mainly driven by the same factors as for the quarter, with investments of NOK 5509 million, partly offset by net cash inflows from divestments of assets within the DS/DBS business model of NOK 1018 million.
- The cash flow from financing activities includes mainly repayment of debt of NOK 21 410 million and payment of dividend of NOK 10 214 million, offset by cash inflows from new debt of NOK 25 463 million.

INVESTMENTS

New capacity: Construction of new power or heating plants, or investments that increase the capacity (MW) of existing plants. These projects are referred to as build-own-operate (BOO) further in the report.

Maintenance: Investments in existing power or heating plants that do not increase the capacity (MW).

Other: Other investments in property, plant and equipment (PPE) or intangible assets. These include assets such as grid assets, heating pipes, biofuel assets, vehicle charging infrastructure and office equipment.

New capacity for subsequent divestment (DS/DBS): Development and construction investments related to projects that Statkraft intends to divest either before, at the time of, or shortly after completion. The projects are presented as inventories and are reported under the segment European wind and solar. These projects are referred to as develop-sell (DS) and develop-build-sell (DBS) further in the report.

Shareholdings, consolidated: Acquisition of shareholdings that are fully or proportionally consolidated.

Shareholdings, equity accounted: Investments in shareholdings that are accounted for in accordance with the equity method.

Shareholdings, financial non-current: Investments in shareholdings that are recognised as financial assets at fair value.

INVESTMENTS THIRD QUARTER

Investments in new capacity were mainly related to construction of wind farms in Chile and Brazil and hydropower plants in India and Chile. The quarterly maintenance investments were primarily related to Nordic hydropower. Investments classified as “Other” were mainly related to grid in Norway and EV charging activities in the Nordics, whereas wind and solar projects in Ireland constituted the main quarterly investments in DS/DBS.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities
Third quarter 2022								
New capacity	374	-	-	378	-	-	6	-
Maintenance	647	531	-	57	16	2	41	-
Other	542	122	6	8	26	40	222	108
Investments in PPE and intangible assets	1 563	653	6	443	42	42	269	108
New capacity for subsequent divestment (DS/DBS)	1 350	-	-	-	1 350	-	-	-
Shareholdings, consolidated	56	-	-	56	-	-	-	-
Shareholdings, equity accounted	74	-	-	-	-	-	74	-
Shareholdings, financial non-current	2	-	-	-	-	-	-	2
Investments in shareholdings	132	-	-	56	-	-	74	2
Total investments	3 044	654	6	500	1 391	42	343	110
Year to date 2022								
New capacity	1 991	2	-	1 969	-	-	20	-
Maintenance	1 707	1 446	-	114	34	2	110	-
Other	1 518	202	32	26	230	111	602	316
Investments in PPE and intangible assets	5 216	1 650	32	2 109	264	113	732	316
New capacity for subsequent divestment (DS/DBS)	2 209	-	-	-	2 209	-	-	-
Shareholdings, consolidated	216	-	-	56	16	-	-	143
Shareholdings, equity accounted	86	-	-	-	-	-	86	-
Shareholdings, financial non-current	206	-	-	-	-	-	-	206
Investments in shareholdings	508	-	-	56	16	-	86	349
Total investments	7 933	1 651	32	2 166	2 489	113	818	665

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities
Third quarter 2021								
New capacity	397	8	-	373	4	-	13	-
Maintenance	716	591	-	60	7	3	54	-
Other	1 013	4	4	158	538	46	156	106
Investments in PPE and intangible assets	2 126	603	4	591	549	49	223	106
New capacity for subsequent divestment (DS/DBS)								
	514	-	-	-	514	-	-	-
Shareholdings, consolidated	1	-	-	-	-	-	-	1
Shareholdings, equity accounted	-	-	-	-	-	-	-	-
Shareholdings, financial non-current	35	-	-	-	-	-	-	35
Investments in shareholdings	36	-	-	-	-	-	-	36
Total investments	2 676	603	4	591	1 064	49	224	142
Year to date 2021								
New capacity	968	32	-	841	38	-	57	-
Maintenance	1 863	1 580	-	99	16	9	161	-
Other	2 172	31	11	214	930	149	486	351
Investments in PPE and intangible assets	5 003	1 643	11	1 154	984	158	704	351
New capacity for subsequent divestment (DS/DBS)								
	1 225	-	-	-	1 225	-	-	-
Shareholdings, consolidated	295	-	-	-	23	-	75	196
Shareholdings, equity accounted	-	-	-	-	-	-	-	-
Shareholdings, financial non-current	77	-	-	-	-	-	10	67
Investments in shareholdings	372	-	-	-	23	-	85	263
Total investments	6 599	1 643	11	1 154	2 231	157	789	615

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities
The year 2021								
New capacity	2 271	228	-	1 925	38	-	80	-
Maintenance	2 534	2 117	1	149	25	10	233	-
Other	3 028	105	22	233	1 259	180	690	539
Investments in PPE and intangible assets	7 833	2 450	23	2 307	1 322	190	1 003	539
New capacity for subsequent divestment (DS/DBS)								
	1 892	-	-	-	1 892	-	-	-
Shareholdings, consolidated	2 033	-	-	-	1 762	-	75	195
Shareholdings, equity accounted	10	-	-	-	-	-	10	-
Shareholdings, financial non-current	99	-	-	-	-	-	8	91
Investments in shareholdings	2 142	-	-	-	1 762	-	93	286
Total investments	11 867	2 450	23	2 307	4 976	190	1 096	825

Projects in consolidated operations ¹⁾

Third quarter	Project	Business model ²⁾	Country	New capacity (MW) ³⁾	Statkraft's ownership share	Planned completion	
Main construction projects							
Hydropower	Tidong	BOO	India	150	100%	2023	Q4
	Straumsmo	n/a	Norway	-	100%	2024	Q1
	Tokke-Vinje	n/a	Norway	-	100%	2024	Q4
	Eringsdalen and Nordalen Dams	n/a	Norway	-	100%	2024	Q4
	Los Lagos	BOO	Chile	52	100%	2025	Q4
	Nesjødammen	n/a	Norway	-	100%	2026	Q1
	Hammarforsen	n/a	Norway	-	100%	2026	Q2
	Trollheim Dam	n/a	Norway	-	100%	2026	Q3
Wind power	Taghart	DBS	Ireland	23	100%	2022	Q4
	Cloghan	DBS	Ireland	34	100%	2023	Q1
	Torsa	BOO	Chile	108	100%	2023	Q2
	Ventos de Santa Eugenia	BOO	Brazil	519	81%	2023	Q2
	Morro do Cruzeiro	BOO	Brazil	80	81%	2024	Q1
	Moanvane	DBS	Ireland	58	100%	2024	Q3
Solar power	Cadiz ⁴⁾	DBS	Spain	234	100%	2023	Q1
	Talayuela 2	DBS	Spain	58	100%	2023	Q2
	Ballymacarney	DBS	Ireland	200	100%	2023	Q2
	South Meath	DBS	Ireland	80	100%	2023	Q3
Other technologies	Lister Drive Greener Grid Park ⁵⁾	BOO	UK	-	100%	2022	Q4

¹⁾ Projects with an estimated CAPEX of at least NOK 500 million.

²⁾ In accordance with the strategy: BOO (Build, Own, Operate), DBS (Develop, Build, Sell). n/a refers to rehabilitation projects.

³⁾ Total for project, incl. partners' share. For solar power projects, the new capacity is based on MWp.

⁴⁾ The project has been divested. Statkraft is conducting the construction, engineering and procurement (EPC) of the Cadiz projects. See note 16.

⁵⁾ Grid network rotating stabilisers.

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 on the basis of internal management information that is periodically reviewed by the corporate management and used as a basis for resource allocation and key performance review.

All the segments, except Market operations, have a business model that entails ownership and operation of its assets. This business model is known as Build-Own-Operate (BOO).

Following Statkraft's updated strategy and corresponding changes to business areas and corporate management, an assessment of the operating and reportable segments is concluded. Statkraft will report on the new reportable segments from the fourth quarter 2022 when all organisational changes are completed. The new segments from the fourth quarter are:

- Nordics
- Europe
- International
- Markets
- District heating
- New technologies

The current reportable segments are defined as:

European flexible generation includes asset ownership and operation of most of the Group's hydropower business in Norway, Sweden, Germany and the United Kingdom, as well as the gas-fired and the biomass power plants in Germany and the subsea interconnector between Sweden and Germany (Baltic Cable).

Market operations includes trading, origination, market access for smaller generators of renewable energy, as well as dynamic asset management portfolios revenue optimisation and risk mitigation activities related to Continental and Nordic power generation. The segment has activities in several countries in Europe, and is also active in Brazil, India and USA.

Trading activities involve buying and selling standardised and liquid products, such as power, gas, oil, CO₂ products and energy-related metals. The activities also include trading of transportation capacity across borders.

Origination activities include buying and selling both standard and structured products. Structured products are typically environmental certificates or power contracts with tailor made profiles entered into in different currencies. Further, Statkraft enters into long-term power purchase and power sales agreements with the aim to be a market integrator for renewable energy producers and long-term renewable energy supply to corporate consumers.

Market access activities provide market access to external generators of renewable energy with the aim to optimise revenues for intermittent and flexible assets and selling the power to the market.

Dynamic asset management portfolios (DAMP) are hedging portfolios with the objective to reduce risk and optimise revenues for the Nordic and Continental asset generation. The portfolios consist of financial contracts mainly for power, CO₂, coal, and gas products. In general, the time horizon for these contracts is less than five years.

International power includes development, ownership and operation of renewable assets in emerging markets. The segment operates in Albania, Brazil, Chile, India, Nepal, Peru and Turkey.

European wind and solar has two main business models. One of the models is to develop and construct onshore wind and solar power plants with the intention to divest the power plants either before, at the time of, or shortly after completion. This business model is known as Develop-Sell (DS) or Develop-Build-Sell (DBS). The segment has development and construction activities in several countries in Europe. The segment also has a BOO business model for wind farms in Norway, Sweden, Ireland, Germany and France, as well as grid service assets in the UK and Ireland.

District heating includes development, ownership and operation of district heating plants in Norway and Sweden.

Industrial ownership includes management and development of Norwegian shareholdings within the Group's core business and includes the shareholdings in Skagerak Energi, Eviny and Agder Energi. Skagerak Energi is included in the consolidated financial statements, while Eviny and Agder Energi are reported as equity accounted investments.

In addition:

Other activities includes costs related to governance of the Group, new businesses within biomass, electric vehicle charging and hydrogen, as well as venture capital investments. Unallocated assets are also reported as Other activities.

Group items includes eliminations.

Third quarter	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Income statement									
Gross operating revenues and other income underlying	42 737	14 309	26 451	706	428	141	1 296	643	-1 237
Net operating revenues and other income underlying	13 232	9 799	2 003	373	297	92	1 063	498	- 893
EBITDA underlying	10 094	8 628	1 352	42	- 150	10	711	- 154	- 345
Operating profit/loss (EBIT) underlying	8 959	8 128	1 342	- 170	- 315	- 38	565	- 208	- 345
- of which unrealised effects	2 225	-1 040	4 238	- 552	- 91	-	- 0	0	- 331
Operating profit/loss (EBIT) IFRS	8 342	7 799	1 342	- 454	- 318	- 39	565	- 208	- 345
Key financial metrics									
Operating profit/loss (EBIT) margin underlying	21.0%	56.8%	5.1%	-24.1%	-73.5%	-26.9%	43.6%	n/a	n/a
ROACE	31.8%	54.3%	n/a	0.5%	-9.8%	5.2%	32.8%	n/a	n/a
ROAE	3.0%	n/a	n/a	21.6%	32.2%	n/a	-4.7%	n/a	n/a
Investments									
Total investments	3 044	652	6	499	1 392	42	343	110	-
Generation and district heating									
Generation, volume sold (TWh)	12.2	10.0	-	1.2	0.7	-	0.4	-	-
- hydropower (TWh)	10.7	9.4	-	1.0	-	-	0.4	-	-
- wind power (TWh)	0.8	-	-	0.1	0.7	-	-	-	-
- gas-fired power (TWh)	0.6	0.6	-	-	-	-	-	-	-
- biomass and solar power (TWh)	0.1	0.0	-	0.0	-	-	-	-	-
Delivered volume, district heating (TWh)	0.1	-	-	-	-	0.1	0.0	-	-

EUROPEAN FLEXIBLE GENERATION

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	14 309	10 586	36 447	25 588	39 727
Net operating revenues and other income	9 799	9 497	28 277	22 158	33 899
Operating expenses	-1 671	-1 541	-4 979	-4 643	-6 343
Operating profit/loss (EBIT) underlying	8 128	7 956	23 298	17 515	27 557
- of which unrealised effects	-1 040	1 675	-3 741	3 052	1 846
Unrealised value changes from embedded EUR derivatives	-329	54	-484	-777	-1 285
Impairments/reversal of impairments	-	1 020	350	1 020	1 020
Operating profit/loss (EBIT) IFRS	7 799	9 030	23 164	17 757	27 291
Share of profit/loss in equity accounted investments	-1	-	33	-	-
ROACE (rolling 12 months)			54.3%	29.9%	45.2%
Total investments	653	603	1 651	1 643	2 450
Generation (TWh)	10.0	12.5	35.4	40.6	55.0

Key events

- The long-term power sales agreement with Finnjord was extended from 2031 to 2044. The yearly volume of the contract is still approx. 650 GWh.
- On 28 September the Norwegian Government proposed significant changes in regulations affecting both hydropower producers and wind power producers. See note 12 for further details.

Quarterly financial performance

- The high power prices were lifted even further in the third quarter and were significantly higher compared with the same quarter last year contributing to an increase in revenues from spot generation.
- The increase in power prices was more than offset by lower generation and negative effects from financial hedging of generation revenues of NOK 1.9 billion following the significant increase in future power prices in the quarter. The generation in South Norway (NO2) has been very low in the quarter driven by the low reservoir levels.
- The subsea interconnector between Sweden and Germany (Baltic Cable) contributed positively, driven by a strong increase in the price spread between Germany and SE4 (South Sweden). A further reduction of NOK 693 million in the sales revenues has been recognised in the third quarter, see note 13.

Year to date financial performance

- The increase in underlying EBIT was mainly driven high power prices and high price spreads, partly offset by lower Norwegian hydropower generation and negative effects from financial hedging.

Financial metrics

- ROACE remained high at 54.3 per cent following the strong underlying EBIT in the quarter.

Quarterly investments

- The investments were mainly related to maintenance within Nordic hydropower.

MARKET OPERATIONS

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	26 451	3 849	64 311	17 785	32 383
Net operating revenues and other income	2 003	-3 657	8 361	-729	-2 343
Operating expenses	-661	-340	-2 191	-1 266	-2 005
Operating profit/loss (EBIT) underlying	1 342	-3 997	6 169	-1 995	-4 348
- of which unrealised effects	4 238	-5 703	7 420	-6 095	2 865
Operating profit/loss (EBIT) IFRS	1 342	-3 997	6 169	-1 995	-4 348
Total investments	6	4	32	11	23
Specification of operating profit/loss (EBIT) underlying					
- Trading & origination ¹⁾	2 311	-1 532	6 815	116	1 137
- DAMP	-969	-2 465	-646	-2 111	-5 485
Operating profit/loss (EBIT) underlying	1 342	-3 997	6 169	-1 995	-4 348

¹⁾ Includes trading, origination and market access.

Key events

- A 10-year power supply agreement has been signed with German Telekom subsidiary Power & Air Solutions, with an estimated total volume of 920 GWh.

Quarterly financial performance

- The increase in underlying EBIT was driven by record-high prices for power and other power-related commodities and high volatility in the forward markets. These price movements led to a positive result from trading & origination in the quarter which was partly offset by a negative result from dynamic asset management portfolios.
- Trading & origination had a positive EBIT of NOK 2311 million in the quarter compared with a negative EBIT of NOK 1532 million in the third quarter of 2021.
- Dynamic asset management portfolios ended with a negative EBIT of NOK 969 million in the quarter, mainly due to an increase in the forward power prices. Comparable figure for the third quarter was NOK -2465 million. The dynamic asset management portfolios in addition to optimise revenues, are risk-reducing portfolios for Statkraft's flexible assets in Europe.
- The operating expenses increased, primarily related to higher performance related remuneration, increased number of full-time equivalents and higher IT expenses.

Year to date financial performance

- The increase in underlying EBIT was driven by higher contribution from both trading & origination and dynamic asset management portfolios.
- The operating expenses increased, primarily related to increased number of full-time equivalents, higher performance related remuneration and higher IT expenses.

INTERNATIONAL POWER

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	706	637	2 776	1 974	2 588
Net operating revenues and other income	373	293	1 703	1 237	1 632
Operating expenses	- 543	- 411	- 1 485	- 1 200	- 1 677
Operating profit/loss (EBIT) underlying	- 170	- 118	218	37	- 45
- of which unrealised effects	- 552	- 341	- 1 056	- 495	- 676
Gains/losses from divestments					
of business activities	-	- 4	-	- 4	- 4
Impairments/reversal of impairments	- 284	- 64	- 551	- 73	- 79
Operating profit/loss (EBIT) IFRS	- 454	- 186	- 334	- 41	- 128
Share of profit/loss in equity accounted investments	103	680	859	697	553
ROACE (rolling 12 months)			0.5%	0.1%	-0.2%
ROAE (rolling 12 months)			21.6%	32.7%	22.1%
Total investments	500	591	2 166	1 154	2 307
Generation (TWh)	1.2	1.0	4.0	3.6	4.9

Key events

- Continued progress on solar projects in India and closed an acquisition of land to be utilized in a planned 76 MWP solar park.
- An impairment of NOK 277 million related to a hydropower project in Chile was recognised in the quarter. See note 8 for further information.

Quarterly financial performance

- The underlying EBIT decreased mainly due to positive one-off effect from concession extensions in Brazil in the comparable period. This was partly offset by increased contributions from Brazil, Chile and Peru due to higher generation and higher power prices.
- Share of profit from equity accounted investments decreased mainly due to reversal of impairments in India in the comparable period. See note 8.

Year to date financial performance

- The underlying EBIT increased with positive contributions from Peru, Turkey and Chile, mainly due to higher power prices.
- The increase in share of profit from equity accounted investments was mainly driven by higher power prices and generation in India and Chile.

Financial metrics

- ROACE was 0.5 per cent, slightly up from previous quarter, driven by a higher underlying EBIT.
- ROAE was 21.6 per cent, a significant decrease from previous quarter, which is explained mainly by large impairment reversals in India in the comparable period.

Quarterly investments

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

EUROPEAN WIND AND SOLAR

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	428	827	1 794	1 622	2 240
Net operating revenues and other income	297	775	589	1 320	1 703
Operating expenses	- 612	- 426	- 1 788	- 1 270	- 1 867
Operating profit/loss (EBIT) underlying	- 315	349	- 1 199	50	- 164
- of which unrealised effects	- 91	- 13	- 1 035	- 9	- 82
Gains/losses from divestments					
of business activities	-	717	-	802	821
Impairments/reversal of impairments	- 3	2 137	- 49	2 194	2 466
Operating profit/loss (EBIT) IFRS	- 318	3 203	- 1 249	3 046	3 123
Share of profit/loss in equity accounted investments	61	- 2	191	- 81	3
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	-	21	21
ROACE (rolling 12 months)			-9.8%	-2.3%	-1.3%
ROAE (rolling 12 months)			32.2%	-7.7%	0.4%
Total investments	1 391	1 064	2 489	2 231	4 976
Generation (TWh)	0.7	0.7	2.8	2.3	3.5

^{*)} Included in Interest and other financial items.

Key events

- Commercial operation for rotating stabiliser with a capacity of 26 MW at Keith Greener Grid Park in Scotland.

Quarterly financial performance

- The decrease in underlying EBIT was mainly driven by the divestment of solar projects in Spain in the third quarter of 2021. Further, lower price levels and generation in mid Norway (NO3) and Sweden (SE2), as well as losses from financial hedging of generation revenues from wind farms in Germany and France, had a negative effect this quarter. This was partly offset by higher revenues from spot generation from German and French wind farms.

Year to date financial performance

- Decrease in the underlying EBIT year to date was mainly driven by significant losses from financial hedging. The losses were mainly unrealised and were related to German and French wind farms. This was partly offset by higher revenues from spot generation from the same wind farms.
- The operating expenses have increased following increased business development activities.

Financial metrics

- ROACE was -9.8 per cent, down from previous quarter primarily driven by a lower underlying EBIT.
- ROAE was 32.2 per cent, a significant increase from previous quarters, following higher power prices and generation in the UK.

Quarterly investments

- Investments were mainly related to development and construction of wind and solar projects within the DS/DBS business model, primarily in Ireland.

DISTRICT HEATING

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	141	128	652	679	1 045
Net operating revenues and other income	92	87	471	459	716
Operating expenses	- 130	- 129	- 405	- 366	- 508
Operating profit/loss (EBIT) underlying	- 38	- 42	66	93	208
- of which unrealised effects	-	-	-	-	-
Impairments/reversal of impairments	- 1	- 1	- 3	- 3	- 4
Operating profit/loss (EBIT) IFRS	- 39	- 43	64	90	204
ROACE (rolling 12 months)			5.2%	3.3%	5.9%
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	42	49	113	157	190
Delivered volume (GWh)	103	94	660	712	1 065

^{*)} Included in Interest and other financial items.

Quarterly financial performance

- The underlying EBIT improved compared with the third quarter in 2021, primarily due to higher delivered volume.
- The Norwegian heating prices were positively affected by high power prices in the southern parts of Norway. In Sweden the prices were lower as Statkraft has a new price model leading to lower prices in the summer months when the consumption is low and higher prices during the winter season when the consumption is high.

Year to date financial performance

- Underlying EBIT decreased due to lower delivered volume and higher operating expenses, primarily related to changes in the Norwegian public pension scheme.
- Delivered heating volume was lower due to relatively mild winter months, while the heating prices were on par with the first nine months of 2021.

Financial metrics

- ROACE (12 months rolling) was slightly up from 5.1 per cent in the second quarter due to improved underlying EBIT. The average capital employed was stable.

Quarterly investments

- The investments were primarily related to pipelines as well as maintenance and other reinvestments in existing assets, mainly in Norway.

INDUSTRIAL OWNERSHIP

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	1 296	1 184	5 593	3 724	6 638
Net operating revenues and other income	1 063	1 141	5 046	3 483	6 053
Operating expenses	- 498	- 436	- 1 438	- 1 220	- 1 716
Operating profit/loss (EBIT) underlying	565	705	3 608	2 262	4 337
- of which unrealised effects	- 0	-	- 21	-	17
Operating profit/loss (EBIT) IFRS	565	705	3 608	2 262	4 337
Share of profit/loss in equity accounted investments	- 309	210	- 1 043	684	1 227
ROACE (rolling 12 months)			32.8%	14.9%	25.6%
ROAE (rolling 12 months)			- 4.7%	12.1%	11.6%
Total investments	343	224	818	789	1 096
Generation (TWh)	0.4	1.1	2.6	4.8	6.5

Key events

- On 20 September, Agder Energi and Glitre Energi held extraordinary general meetings where the merger between the two companies was ratified. The Norwegian Competition Authority has finalised their treatment of the case without any objections. Subject to approvals from the remaining regulatory authorities, the merger is expected to be completed during fourth quarter 2022.

Quarterly financial performance

- Underlying EBIT decreased, mainly due to increased transmission costs and operating expenses, partly offset by higher generation revenues.
- Share of profit/loss from equity accounted investments decreased significantly, explained mainly by losses in Agder Energi due to negative value changes from energy contracts, driven by higher future power prices.

Year to date financial performance

- The underlying EBIT increased mainly due to significantly higher power prices in the NO2 area in Norway, partly offset by lower generation.
- The decrease in share of profit/loss from equity accounted investments was mainly driven by the same factors as for the third quarter.

Financial metrics

- ROACE was 32.8 per cent, a slight decrease from the previous quarter, driven by a lower underlying EBIT.
- ROAE was -4.7 per cent, a decrease from the previous quarter, mainly due to a lower share of profit from Agder Energi and Eviny.

Quarterly investments

- The investments were primarily related to grid activities.

OTHER ACTIVITIES

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	643	474	1 906	1 376	1 926
Net operating revenues and other income	498	427	1 559	1 241	1 677
Operating expenses	- 706	- 624	- 2 228	- 1 780	- 2 502
Operating profit/loss (EBIT) underlying	- 208	- 197	- 670	- 539	- 825
- of which unrealised effects	0	-	0	-	-
Operating profit/loss (EBIT) IFRS	- 208	- 197	- 670	- 539	- 825
Share of profit/loss in equity accounted investments	- 12	- 25	- 43	- 68	- 97
ROACE (rolling 12 months)	-	-	n/a	n/a	n/a
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	110	142	665	615	826
Generation (TWh)	n/a	n/a	n/a	n/a	n/a

Quarterly financial performance

- The decrease in underlying EBIT was primarily due to higher project and business development costs within EV charging and business development costs within hydrogen.

Year to date financial performance

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

Quarterly investments

- The investments were primarily related to purchase of EV charging equipment in MER.

Outlook

The power prices have continued at very high levels and are also very volatile. There is still an extraordinary situation in the energy markets and the high prices are expected to continue in the short and medium term. To prepare for the coming winter, Statkraft is increasing the reservoir filling.

The need for flexibility in the energy market is accelerating. Statkraft has Europe's largest portfolio of flexible hydropower plants and reservoir capacity, and these assets are an important source of dispatchable power generation. The operations of the assets are continuously optimised according to the hydrological situation and expected power prices. To further strengthen this competitiveness, Statkraft wants to make significant reinvestments in the Nordic hydropower portfolio and has plans for a record-high activity level towards 2030.

In the recently updated strategy Statkraft set significantly higher growth ambitions across geographies and technologies. Specifically, accelerating the growth rate in renewable energy, pursuing an industrial role in offshore wind, aim to become a leading developer of green hydrogen in Norway and Sweden and raise the business development level 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 percent from today, to around 100 TWh per year by the end of the decade. The high Nordic power prices have had a positive effect on the investment capacity. The recently proposed regulatory changes in Norway with higher resource rent tax and a high-price contribution on power generation will have a negative effect on our project profitability and investment capacity. However, Statkraft still has a 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 within the segments European flexible generation and International power. 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'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, 10 November 2022
The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

NOK million	Third quarter		Year to date		Year 2021
	2022	2021	2022	2021	
STATEMENT OF COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	44 179	18 932	111 131	48 732	84 656
Gains/losses from market activities	-1 896	-2 379	-2 124	479	-3 235
Other operating income	125	1 049	480	1 368	1 556
Gross operating revenues and other income	42 408	17 602	109 487	50 579	82 976
Energy purchase	-29 395	-8 435	-65 793	-21 421	-39 968
Transmission costs	- 110	- 285	- 504	-1 197	-1 723
Net operating revenues and other income	12 903	8 883	43 191	27 961	41 286
Salaries and payroll costs	-1 602	-1 252	-4 995	-3 751	-5 286
Depreciations and amortisations	-1 135	- 984	-3 383	-2 929	-4 113
Impairments/reversal of impairments	- 288	3 092	- 253	3 137	3 403
Regulatory fees	- 319	- 336	-1 021	-1 011	-1 375
Other operating expenses	-1 217	- 934	-3 546	-2 791	-4 188
Operating expenses	-4 561	- 414	-13 198	-7 345	-11 559
Operating profit/loss (EBIT)	8 342	8 468	29 993	20 616	29 727
Share of profit/loss in equity accounted investments	- 159	863	- 2	1 232	1 686
Net currency effects	- 150	- 154	- 607	662	1 089
Interest and other financial items	171	- 120	775	- 46	243
Net financial items	21	- 274	170	616	1 331
Profit/loss before tax	8 204	9 057	30 160	22 464	32 744
Income tax expense	-4 380	-4 101	-16 111	-10 266	-16 663
Net profit/loss	3 825	4 956	14 049	12 198	16 081
Of which non-controlling interest	78	103	553	354	558
Of which owners of the parent	3 747	4 853	13 496	11 844	15 523
OTHER COMPREHENSIVE INCOME (OCI)					
Items in other comprehensive income that recycle over profit/loss:					
Items recorded in other comprehensive income in equity accounted investments	- 6	-	40	25	1
Recycling of currency translation effects related to foreign operations disposed	-	- 32	- 12	- 32	- 39
Currency translation effects	3 132	76	8 001	-1 118	-2 473
Total	3 126	44	8 029	-1 125	-2 511
Items in other comprehensive income that will not recycle over profit/loss:					
Changes in fair value of financial instruments, net of tax	- 5	42	- 96	38	28
Estimate deviation pension in equity accounted investments	- 19	- 47	112	5	28
Estimate deviation pension, net of tax	- 911	- 219	142	- 109	- 312
Total	- 935	- 225	158	- 67	- 257
Other comprehensive income	2 191	- 181	8 187	-1 191	-2 767
Total comprehensive income	6 016	4 775	22 236	11 007	13 315
Of which non-controlling interest	- 9	55	728	354	564
Of which owners of the parent	6 025	4 720	21 508	10 653	12 750

NOK million	Note	Year to date		Year 2021
		2022	2021	
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Deferred tax assets	12, 15	2 150	1 124	1 748
Intangible assets	8	4 266	4 225	4 112
Property, plant and equipment	8	124 629	114 205	116 521
Equity accounted investments		14 732	14 264	14 771
Derivatives	11	72 594	28 282	27 995
Other non-current assets		6 518	6 444	6 488
Non-current assets		224 890	168 543	171 635
Inventories	9	11 787	6 626	6 614
Receivables		73 305	26 974	42 190
Financial investments		605	655	661
Derivatives	11	108 281	43 490	51 741
Cash and cash equivalents (incl. restricted cash)	4	55 721	25 674	37 162
Current assets		249 698	103 419	138 369
Assets		474 588	271 963	310 004
EQUITY AND LIABILITIES				
Paid-in capital		59 219	59 219	59 219
Other reserves		9 931	3 636	2 234
Retained earnings		45 007	37 927	41 426
Total equity attributable to owners of the parent		114 157	100 782	102 880
Non-controlling interest		5 621	4 681	4 896
Equity		119 778	105 463	107 775
Deferred tax	12, 15	14 773	11 306	12 723
Pension liabilities	14	3 686	3 516	3 892
Bond and bank debt	4, 10	26 259	27 240	19 632
Lease liabilities	4	1 740	1 820	1 861
Contract liabilities		3 827	4 142	4 052
Derivatives	11	69 209	34 092	21 985
Other non-current liabilities		3 351	2 969	3 283
Non-current liabilities		122 843	85 085	67 427
Commercial papers, bond and bank debt	4, 10	19 079	3 098	18 942
Lease liabilities	4, 10	317	256	303
Contract liabilities	4	316	316	316
Taxes payable	12, 15	27 092	9 172	14 527
Derivatives	11	150 317	50 040	64 647
Other current liabilities	4, 10	34 846	18 534	36 068
Current liabilities		231 967	81 415	134 802
Equity and liabilities		474 588	271 963	310 004

NOK million	Paid-in capital	Hedging reserves and profit and loss reserves other shares	Accumulated translation differences ¹⁾	Total other reserves	Retained earnings	Total equity attributable to owner of parent	Non-controlling interests	Total equity
STATEMENT OF CHANGES IN EQUITY								
Balance as of 31 Dec 2020	59 219	- 203	4 936	4 733	29 889	93 840	4 188	98 028
Net profit/loss	-	-	-	-	11 844	11 844	355	12 198
Total other comprehensive income	-	56	-1 153	-1 097	- 94	-1 191	- 1	-1 191
Total comprehensive income for the period	-	56	-1 153	-1 097	11 750	10 653	354	11 008
Dividend	-	-	-	-	-3 673	-3 673	- 91	-3 763
Business combinations/divestments	-	-	-	-	-	-	97	97
Transactions with non-controlling interests	-	-	-	-	- 38	- 38	133	95
Balance as of 30 September 2021	59 219	- 147	3 783	3 636	37 928	100 783	4 681	105 463
Balance as of 31 Dec 2020	59 219	- 203	4 936	4 733	29 888	93 840	4 188	98 028
Net profit/loss	-	-	-	-	15 523	15 523	558	16 081
Total other comprehensive income	-	24	-2 523	-2 499	- 275	-2 773	7	-2 766
Total comprehensive income for the period	-	24	-2 523	-2 499	15 249	12 750	564	13 315
Dividend	-	-	-	-	-3 673	-3 673	- 91	-3 764
Business combinations/divestments	-	-	-	-	-	-	101	101
Transactions with non-controlling interests	-	-	-	-	- 38	- 38	133	95
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 September 2022	59 219	- 217	10 148	9 931	45 007	114 157	5 621	119 778

¹⁾ Includes NOK 1299 million in inflation adjustment of Turkish entities due to hyperinflation as of 30 September 2022. Comparable figures have not been restated. See note 8 for more information.

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
STATEMENT OF CASH FLOW					
CASH FLOW FROM OPERATING ACTIVITIES					
Operating profit/loss (EBIT)	8 342	8 468	29 993	20 616	29 727
Depreciations, amortisations and impairments	1 423	-2 107	3 635	-208	710
Gains/losses from divestments and disposals of assets	4	-736	-143	-815	-740
Unrealised effects included in operating profit/loss (EBIT)	-1 896	4 582	-376	4 588	-2 362
Dividends from equity accounted investments	154	15	967	561	571
Changes in working capital	769	-352	-2 526	-628	859
Investments in development and construction projects classified as inventories (DS/DBS)	-1 350	-515	-2 209	-1 225	-1 892
Cash collateral, margin calls and option prepayments	1 986	892	2 083	318	3 311
Cash effects from foreign exchange derivatives related to operations	-3	-118	-24	-135	-273
Effects from prepayments from customers	-65	-65	-225	-225	-316
Taxes paid	-8	-143	-2 507	-2 937	-3 042
Other changes	-784	-34	-958	-110	-311
Cash flow from operating activities	A	8 573	9 887	27 710	19 800
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in property, plant and equipment and intangible assets	-1 502	-1 936	-5 509	-4 781	-7 477
Divestment of shares in subsidiaries, net liquidity inflow	-	1 288	-	2 424	2 442
Acquisitions of shares in subsidiaries, net liquidity outflow	-47	-11	-269	-108	-1 730
Loans and interest related to equity accounted investments	44	10	98	66	90
Sale of development and construction projects classified as inventories (DS/DBS)	-	181	1 018	208	822
Other investments	-38	-15	-229	-17	233
Cash flow from investing activities	B	-1 544	-483	-4 891	-5 618
CASH FLOW FROM FINANCING ACTIVITIES					
New debt	10 360	3 436	25 463	3 816	14 935
Repayment of debt	-5 731	-1 193	-21 410	-3 358	-5 842
Cash collateral related to financing	-32	146	-228	328	333
Interests paid	-168	-117	-497	-350	-567
Interests received from cash and other assets	318	29	555	81	158
Dividend and group contribution paid to Statkraft SF	-10 214	-3 673	-10 214	-3 673	-3 673
Transactions with non-controlling interests	-2	-14	-4	73	73
Cash flow from financing activities	C	-5 468	-1 387	-3 083	5 418
Net change in cash and cash equivalents	A+B+C	1 560	8 017	16 484	14 510
Currency exchange rate effects on cash and cash equivalents	743	-61	2 075	8	-34
Cash and cash equivalents 01.07 / 01.01	53 417	17 719	37 162	11 155	11 155
Cash and cash equivalents 30.09 / 31.12 ¹⁾	55 721	25 674	55 721	25 674	37 162
<i>Of which are cash and cash equivalents in joint operations</i>	318	286	318	286	281
Unused committed credit lines			13 759	9 167	9 167
Unused overdraft facilities			2 045	2 051	2 051
Restricted cash			214	62	342

¹⁾ As of 30 September 2022, NOK 3.2 billion from Baltic Cable is included, see note 13 for further information.

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
Reconciliation of investments in property, plant and equipment and intangible assets					
Investments in property, plant and equipment and intangible assets in the cash flow	1 502	1 936	5 509	4 781	7 477
Capitalised borrowing costs	29	23	178	64	136
Capitalised decommissioning provisions	11	-	25	23	138
Non-cash additions from right-of-use assets, other non-cash additions and other adjustments	74	477	218	799	1 083
Timing differences between capitalisation and payment date	-54	-310	-715	-664	-1 001
Investments in property, plant and equipment and intangible assets in the Investments overview	1 563	2 126	5 216	5 003	7 833

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 tables on the next page show the reconciliation of the IFRS figures versus the underlying figures.

Following Statkraft's updated strategy and corresponding changes to business areas and corporate management, an assessment of the operating and reportable segments is ongoing. It is expected that Statkraft will report on the new reportable segments in the fourth quarter 2022. The new segments will be: Nordics, Europe, International, Markets, District heating and New technologies.

THIRD QUARTER 2022

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. (NOK 329 million)
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. (NOK 288 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS.

YEAR TO DATE 2022

The items below are excluded from the underlying figures:

5. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK 484 million)
6. **Other operating income:** Gains from divestments of business activities that are not included in the DS/DBS business model.
7. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK 253 million)
8. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS.

THE YEAR 2021

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. (NOK 1285 million)
2. **Other operating income:** Gains from divestments of business activities that are not included in the DS/DBS business model. (NOK -822 million)
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK -3403 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS. (NOK 5 million)

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Third quarter 2022			Third quarter 2021		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues ¹⁾	44 179		44 179	18 932		18 932
Gains/losses from market activities	-1 896	329	-1 567	-2 379	- 54	-2 433
Other operating income ¹⁾	125	-	125	1 049	- 718	331
Gross operating revenues and other income	42 408	329	42 737	17 602	- 772	16 830
Energy purchase	-29 395		-29 395	-8 435		-8 435
Transmission costs	- 110		- 110	- 285		- 285
Net operating revenues and other income	12 903	329	13 232	8 883	- 772	8 111
Salaries and payroll costs	-1 602		-1 602	-1 252		-1 252
Depreciations and amortisations	-1 135		-1 135	- 984		- 984
Impairments/reversal of impairments	- 288	288	-	3 092	-3 092	-
Regulatory fees	- 319		- 319	- 336		- 336
Other operating expenses	-1 217	-	-1 217	- 934	5	- 929
Operating expenses	-4 561	288	-4 273	- 414	-3 087	-3 501
Operating profit/loss (EBIT)	8 342	617	8 959	8 468	-3 859	4 609

¹⁾ Comparable figures have been restated. See note 4.

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Year to date 2022			Year to date 2021		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues ¹⁾	111 131		111 131	48 732		48 732
Gains/losses from market activities	-2 124	484	-1 640	479	777	1 257
Other operating income ¹⁾	480	0	480	1 368	- 803	565
Gross operating revenues and other income	109 487	484	109 971	50 579	- 26	50 553
Energy purchase	-65 793		-65 793	-21 421		-21 421
Transmission costs	- 504		- 504	-1 197		-1 197
Net operating revenues and other income	43 191	484	43 675	27 961	- 26	27 935
Salaries and payroll costs	-4 995		-4 995	-3 751		-3 751
Depreciations and amortisations	-3 383		-3 383	-2 929		-2 929
Impairments/reversal of impairments	- 253	253	-	3 137	-3 137	-
Regulatory fees	-1 021		-1 021	-1 011		-1 011
Other operating expenses	-3 546	0	-3 546	-2 791	5	-2 786
Operating expenses	-13 198	253	-12 945	-7 345	-3 132	-10 477
Operating profit/loss (EBIT)	29 993	737	30 729	20 616	-3 158	17 458

¹⁾ Comparable figures have been restated. See note 4.

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	The year 2021		
	IFRS	Adjustments	Underlying
Sales revenues	84 656		84 656
Gains/losses from market activities	-3 235	1 285	-1 950
Other operating income	1 556	- 822	734
Gross operating revenues and other income	82 976	464	83 440
Energy purchase	-39 968		-39 968
Transmission costs	-1 723		-1 723
Net operating revenues and other income	41 286	464	41 749
Salaries and payroll costs	-5 286		-5 286
Depreciations and amortisations	-4 113		-4 113
Impairments/reversal of impairments	3 403	-3 403	-
Regulatory fees	-1 375		-1 375
Other operating expenses	-4 188	5	-4 183
Operating expenses	-11 559	-3 398	-14 957
Operating profit/loss (EBIT)	29 727	-2 934	26 792

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Third quarter 2022									
Gross operating revenues and other income, external	42 737	14 261	26 102	570	189	141	1 348	214	- 89
Gross operating revenues and other income, internal	-	48	349	136	239	-	- 52	429	-1 149
Gross operating revenues and other income underlying	42 737	14 309	26 451	706	428	141	1 296	643	-1 238
Net operating revenues and other income underlying	13 232	9 799	2 003	373	297	92	1 063	498	- 893
Operating profit/loss (EBIT) underlying	8 959	8 128	1 342	- 170	- 315	- 38	565	- 208	- 345
Unrealised value changes from embedded EUR derivatives	- 329	- 329	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-	-	-	-	-
Impairments/reversal of impairments	- 288	-	-	- 284	- 3	- 1	-	-	-
Operating profit/loss (EBIT) IFRS	8 342	7 799	1 342	- 454	- 318	- 39	565	- 208	- 345
Share of profit/loss in equity accounted investments	- 159	- 1	-	103	61	-	- 309	- 12	-
Year to date 2022									
Gross operating revenues and other income, external	109 971	35 925	63 949	2 437	1 006	644	5 612	612	- 213
Gross operating revenues and other income, internal	-	521	362	339	789	8	- 18	1 294	-3 295
Gross operating revenues and other income underlying	109 971	36 447	64 311	2 776	1 794	652	5 593	1 906	-3 508
Net operating revenues and other income underlying	43 675	28 277	8 361	1 703	589	471	5 046	1 559	-2 331
Operating profit/loss (EBIT) underlying	30 729	23 298	6 169	218	-1 199	66	3 608	- 670	- 761
Unrealised value changes from embedded EUR derivatives	- 484	- 484	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	- 0	-	-	- 0	- 0	-	-	-	-
Impairments/reversal of impairments	- 253	350	-	- 551	- 49	- 3	-	-	-
Operating profit/loss (EBIT) IFRS	29 993	23 164	6 169	- 334	-1 249	64	3 608	- 670	- 761
Share of profit/loss in equity accounted investments	- 2	33	-	859	191	-	-1 043	- 43	-
Assets and capital employed 30.09.2022									
Property, plant and equipment and intangible assets	128 896	62 189	152	31 903	11 306	3 460	17 539	2 346	-
Equity accounted investments	14 732	1	-	4 317	899	-	9 496	45	- 28
Loans to equity accounted investments	1 688	-	-	1 279	365	-	44	-	-
Inventories (DS/DBS)	4 500	-	-	-	4 500	-	-	-	-
Other assets	324 773	5 963	204 187	4 126	695	174	1 695	108 325	- 390
Total assets	474 588	68 153	204 339	41 625	17 765	3 634	28 774	110 716	- 418
Capital employed	133 395	62 189	152	31 903	15 805	3 460	17 539	2 347	-
Average capital employed (rolling 12 months)	125 988	61 425	n/a	27 060	14 405	3 491	17 309	n/a	n/a
Return on average capital employed (ROACE)	31.8%	54.3%	n/a	0.5%	-9.8%	5.2%	32.8%	n/a	n/a
Return on average equity accounted investments (ROAE)	3.0%	n/a	n/a	21.6%	32.2%	n/a	-4.7%	n/a	n/a
Depreciations, amortisations and impairments	-3 635	-1 141	- 25	-1 141	- 566	- 150	- 414	- 198	-
Total investments	7 933	1 651	32	2 166	2 489	113	818	665	-

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Third quarter 2021									
Gross operating revenues and other income, external	16 830	10 464	3 927	575	463	128	1 166	131	- 24
Gross operating revenues and other income, internal	-	122	- 78	62	364	-	18	343	- 831
Gross operating revenues and other income underlying	16 830	10 586	3 849	637	827	128	1 184	474	- 855
Net operating revenues and other income underlying	8 111	9 497	-3 657	293	775	87	1 141	427	- 453
Operating profit/loss (EBIT) underlying	4 609	7 956	-3 997	- 118	349	- 42	705	- 197	- 47
Unrealised value changes from embedded EUR derivatives	54	54	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	713	-	-	- 4	717	-	-	-	-
Impairments/reversal of impairments	3 092	1 020	-	- 64	2 137	- 1	-	-	-
Operating profit/loss (EBIT) IFRS	8 468	9 030	-3 997	- 186	3 203	- 43	705	- 197	- 46
Share of profit/loss in equity accounted investments	863	- 0	-	680	- 2	-	210	- 25	-
Year to date 2021									
Gross operating revenues and other income, external	50 553	25 247	18 159	1 869	683	675	3 663	356	- 100
Gross operating revenues and other income, internal	-	341	- 374	105	939	4	61	1 020	- 2 096
Gross operating revenues and other income underlying	50 553	25 588	17 785	1 974	1 622	679	3 724	1 376	- 2 196
Net operating revenues and other income underlying	27 935	22 158	- 729	1 237	1 320	459	3 483	1 241	- 1 233
Operating profit/loss (EBIT) underlying	17 458	17 515	-1 995	37	50	93	2 262	- 539	35
Unrealised value changes from embedded EUR derivatives	- 777	- 777	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	798	-	-	- 4	802	-	-	-	-
Impairments/reversal of impairments	3 137	1 020	-	- 73	2 194	- 3	-	-	-
Operating profit/loss (EBIT) IFRS	20 616	17 757	-1 995	- 41	3 046	90	2 262	- 539	35
Share of profit/loss in equity accounted investments	1 232	-	-	697	- 81	-	684	- 68	-
Assets and capital employed 30.09.2021									
Property, plant and equipment and intangible assets	118 430	61 739	133	24 068	9 996	3 544	17 061	1 890	-
Equity accounted investments	14 264	1	-	2 985	735	-	10 502	66	- 25
Loans to equity accounted investments	1 465	-	-	993	416	-	55	-	-
Inventories (DS/DBS)	3 270	-	-	0	3 270	-	-	-	-
Other assets	134 533	3 945	78 759	2 619	1 375	147	1 258	46 212	219
Total assets	271 963	65 684	78 891	30 666	15 792	3 690	28 877	48 168	194
Capital employed	121 701	61 739	133	24 068	13 266	3 544	17 061	1 890	-
Average capital employed (rolling 12 months)	118 446	60 975	n/a	23 651	11 524	3 547	16 840	n/a	n/a
Return on average capital employed (ROACE)	16.1%	29.9%	n/a	0.1%	-2.3%	3.3%	14.9%	n/a	n/a
Return on average equity accounted investments (ROAE)	13.7%	n/a	n/a	32.7%	-7.7%	n/a	12.1%	n/a	n/a
Depreciations, amortisations and impairments	208	- 411	- 24	- 552	1 900	- 147	- 387	- 171	-
Total investments	6 599	1 643	11	1 154	2 231	157	789	615	1

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
The year 2021									
Gross operating revenues and other income, external	83 440	39 194	32 844	2 454	839	1 041	6 542	531	- 6
Gross operating revenues and other income, internal	-	533	- 461	134	1 401	4	96	1 395	-3 102
Gross operating revenues and other income underlying	83 440	39 727	32 383	2 588	2 240	1 045	6 638	1 926	-3 108
Net operating revenues and other income underlying	41 749	33 899	-2 343	1 632	1 703	716	6 053	1 677	-1 587
Operating profit/loss (EBIT) underlying	26 792	27 557	-4 348	- 45	- 164	208	4 337	- 825	72
Unrealised value changes embedded EUR derivatives	-1 285	-1 285	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	817	-	-	- 4	821	-	-	-	-
Impairments/reversal of impairments	3 403	1 020	-	- 79	2 466	- 4	-	-	-
Operating profit/loss (EBIT) IFRS	29 727	27 291	-4 348	-128	3 123	204	4 337	- 825	72
Share of profit/loss in equity accounted investments	1 686	-	-	553	3	-	1 227	- 97	-
Assets and capital employed 31.12.2021									
Property, plant and equipment and intangible assets	120 633	61 416	135	24 711	11 650	3 512	17 213	1 996	-
Equity accounted investments	14 771	-	-	2 828	818	-	11 066	84	- 25
Loans to equity accounted investments	1 459	-	-	1 013	391	-	55	-	-
Inventories (DS/DBS)	2 965	-	-	-	2 965	-	-	-	-
Other assets	170 176	5 236	97 594	3 364	180	348	1 461	61 793	200
Total assets	310 004	66 653	97 728	31 916	16 003	3 860	29 796	63 873	175
Capital employed	123 598	61 416	135	24 711	14 615	3 512	17 213	1 996	-
Average capital employed (rolling 12 months)	119 422	60 949	n/a	23 685	12 325	3 542	16 959	n/a	n/a
Return on average capital employed (ROACE)	22.4%	45.2%	n/a	-0.2%	-1.3%	5.9%	25.6%	n/a	n/a
Return on average equity accounted investments (ROAE)	12.1%	n/a	n/a	22.1%	0.4%	n/a	11.6%	n/a	n/a
Depreciations, amortisations and impairments	- 710	- 954	- 32	- 733	1 990	- 198	- 531	- 253	-
Total investments	11 867	2 450	23	2 307	4 976	190	1 096	825	-

Selected notes to the accounts

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The consolidated financial statements for the third quarter of 2022, ended 30 September 2022, 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 2021. The accounting policies applied are the same as those applied in the annual consolidated financial statements for 2021, except IAS 29 – Financial reporting in Hyperinflationary Economies that was applied in the second quarter as the Turkish economy was defined as hyperinflationary. For the period beginning 1 January 2022, Turkish entities' non-monetary assets, liabilities and equity measured at historical cost have been remeasured since acquisition date. See note 8 for further information.

The interim consolidated financial statements have not been audited.

2. 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.

3. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting principles to the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the statement of profit and loss 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 2021. 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 profit and loss and statement of financial position, as discussed in the annual report for 2021.

Uncertain energy markets

Since the annual report for 2021 was published, there has been an extraordinary situation in the energy market. The shortage of gas supplies from Russia has increased the risks and uncertainty in the global energy markets. In third quarter the power prices have continued at even higher levels and are very volatile. This leads to higher uncertainty in estimates and a risk for adjustments of carrying amounts of non-financial assets and long-term energy contracts in subsequent periods.

The Group's liquidity risk as well as the counterparty risk is reviewed continuously in light of the situation.

Statkraft ensures on an ongoing basis that no operations are in breach with the relevant sanctions set out by the EU or other authorities. In addition, risks and uncertainties may arise from regulatory interventions.

Management will continue to monitor the situation going forward and adapt to market conditions.

4. CHANGES IN THE FINANCIAL STATEMENTS AND COMPARABLE FIGURES

Presentation of revenues related to DS/DBS business model in Europe Until the fourth quarter 2021, revenues from power generation from a completed wind or solar farm until divestment, as well as asset management, operation and maintenance revenues related to the DS/DBS business model in Europe were presented as Other operating income in the Statement of Comprehensive Income. From the fourth quarter 2021, these revenues are presented as Sales revenues in the sub-category Other. Comparable figures have been restated. In the financial statements for the third quarter and year to date, NOK 49 million and NOK 85 million respectively have been reclassified from Other operating income to Sales revenues in the sub-category Other.

Presentation of prepayments related to long-term power sales agreements In the third quarter 2021, prepayments related to long-term power sales agreements were presented as Other liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Contract liabilities. Comparable figures for the third quarter have been restated by NOK 4142 million for Other non-current liabilities and NOK 316 million for Other current liabilities.

Presentation of lease liabilities Liabilities related to lease agreements have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Lease liabilities. Comparable figures for the third quarter have been restated by NOK 1820 million for non-current liabilities and NOK 256 million for current liabilities.

Presentation of bonds and bank debt Liabilities related to bonds and bank debt have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented separately as Bond and bank debt for non-current liabilities and Commercial papers, bond and bank debt for current liabilities. Comparable figures for the third quarter have been restated by NOK 27 240 million for non-current liabilities and NOK 3098 million for current liabilities.

Presentation of liabilities related to cash collateral Liabilities related to cash collateral have previously been presented as current interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Other current liabilities. Comparable figures for the third quarter have been restated by NOK 5911 million.

Presentation of debt to Statkraft SF Debt to Statkraft SF has previously been presented as current interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Other current liabilities. Comparable figures for the third quarter have been restated by NOK 200 million.

5. 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 Norway and Peru.
- EV charging activities in Europe.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter 2022									
Generation - sales revenues	15 149	12 450	6	1 344	380	-	947	-	22
Generation - energy purchase	-3 088	-2 802	-	- 288	- 10	-	-	-	12
Generation - net	12 061	9 648	6	1 056	370	-	947	-	34
District heating - sales revenues	155	-	-	-	-	141	17	-	- 3
District heating - energy purchase	- 53	-	-	-	-	- 50	- 5	-	2
District heating - net	103	-	-	-	-	91	12	-	- 0
Customers - sales revenues	24 981	-	25 245	- 27	-	-	119	-	- 356
Customers - energy purchase	-24 186	-	-24 448	27	-	-	- 119	-	354
Customers - net	795	-	797	-	-	-	-	-	- 2
Other - sales revenues	3 893	3 380	- 57	69	170	-	187	193	- 49
Other - energy purchase	-2 069	-1 801	-	- 38	- 94	-	-	- 145	9
Other - net	1 825	1 579	- 57	31	76	-	187	48	- 39
Sales revenues - total	44 179	15 830	25 194	1 386	550	141	1 270	193	- 385
Energy purchase - total	-29 395	-4 603	-24 448	- 299	- 104	- 50	- 124	- 145	378
Sales revenues adjusted for energy purchase	14 784	11 227	746	1 087	446	91	1 146	48	- 7
Year to date 2022									
Generation - sales revenues	43 861	34 272	5	3 926	1 169	-	4 501	-	- 12
Generation - energy purchase	-5 321	-4 548	2	- 834	- 10	-	-	-	69
Generation - net	38 540	29 724	7	3 092	1 159	-	4 501	-	57
District heating - sales revenues	726	-	-	-	-	642	91	-	- 7
District heating - energy purchase	- 208	-	-	-	-	- 180	- 34	-	6
District heating - net	518	-	-	-	-	462	57	-	- 1
Customers - sales revenues	57 222	-	58 166	- 1	-	-	206	-	-1 149
Customers - energy purchase	-55 009	-	-55 952	-	-	-	- 206	-	1 149
Customers - net	2 213	-	2 214	- 1	-	-	-	-	0
Other - sales revenues	9 322	6 571	- 161	199	1 557	7	725	485	- 61
Other - energy purchase	-5 255	-3 655	-	- 149	-1 115	-	-	- 347	11
Other - net	4 066	2 916	- 161	50	442	7	725	138	- 51
Sales revenues - total	111 131	40 843	58 010	4 124	2 726	649	5 523	485	-1 229
Energy purchase - total	-65 793	-8 203	-55 950	- 983	-1 125	- 180	- 240	- 347	1 235
Sales revenues adjusted for energy purchase	45 338	32 640	2 060	3 141	1 601	469	5 283	138	6

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter 2021									
Generation - sales revenues	10 204	8 219	6	814	328	-	925	-	- 88
Generation - energy purchase	- 777	- 624	- 2	- 242	-	-	-	-	91
Generation - net	9 428	7 595	4	572	328	-	925	-	4
District heating - sales revenues	138	-	-	-	-	127	13	-	- 2
District heating - energy purchase	- 44	-	-	-	-	- 41	- 4	-	1
District heating - net	94	-	-	-	-	86	9	-	- 1
Customers - sales revenues	7 267	-	7 579	-	1	-	-	-	- 313
Customers - energy purchase	- 7 191	-	- 7 504	-	-	-	-	-	313
Customers - net	76	-	75	-	1	-	-	-	- 0
Other - sales revenues ¹⁾	1 323	514	-	65	440	-	215	84	5
Other - energy purchase	- 423	- 297	-	- 50	- 29	-	-	- 46	- 1
Other - net	901	217	-	15	411	-	215	38	5
Sales revenues - total	18 932	8 733	7 585	879	769	127	1 153	84	- 398
Energy purchase - total	- 8 435	- 921	- 7 506	- 292	- 29	- 41	- 4	- 46	404
Sales revenues adjusted for energy purchase	10 498	7 812	79	587	740	86	1 149	38	7
Year to date 2021									
Generation - sales revenues	26 537	20 947	11	2 139	892	-	2 673	-	- 125
Generation - energy purchase	- 2 164	- 1 829	- 2	- 447	-	-	-	-	114
Generation - net	24 373	19 118	9	1 692	892	-	2 673	-	- 11
District heating - sales revenues	748	-	-	-	-	667	83	-	- 2
District heating - energy purchase	- 251	-	-	-	-	- 220	- 34	-	3
District heating - net	496	-	-	-	-	447	49	-	0
Customers - sales revenues	18 106	-	18 912	-	1	-	2	-	- 809
Customers - energy purchase	- 17 684	- 1	- 18 490	-	-	-	-	- 1	808
Customers - net	422	- 1	422	-	1	-	2	- 1	- 1
Other - sales revenues ¹⁾	3 342	1 399	23	191	661	2	877	217	- 28
Other - energy purchase	- 1 322	- 809	- 23	- 151	- 233	-	-	- 134	28
Other - net	2 020	590	-	40	428	2	877	83	- 0
Sales revenues - total	48 732	22 346	18 946	2 330	1 554	669	3 635	217	- 965
Energy purchase - total	- 21 421	- 2 639	- 18 515	- 598	- 233	- 220	- 34	- 135	953
Sales revenues adjusted for energy purchase	27 311	19 707	431	1 732	1 321	449	3 601	82	- 12

¹⁾ Comparable figures have been restated. See note 4.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
The year 2021									
Generation - sales revenues	43 412	34 113	13	3 058	1 357	-	5 029	-	- 158
Generation - energy purchase	-3 335	-2 912	- 1	- 568	- 1	-	-	-	146
Generation - net	40 076	31 201	12	2 490	1 357	-	5 029	-	- 12
District heating - sales revenues	1 154	-	-	-	-	1 031	128	-	- 5
District heating - energy purchase	- 380	-	-	-	-	- 330	- 56	-	6
District heating - net	774	-	-	-	-	701	73	-	0
Customers - sales revenues	34 062	-	35 227	-	1	-	167	-	-1 333
Customers - energy purchase	-33 536	- 1	-34 702	-	-	-	- 163	-	1 330
Customers - net	527	- 1	525	-	1	-	4	-	- 2
Other - sales revenues	6 028	3 274	38	264	921	2	1 184	351	- 8
Other - energy purchase	-2 717	-1 832	- 23	- 205	- 435	-	-	- 249	26
Other - net	3 311	1 442	16	60	485	2	1 184	102	19
Sales revenues - total	84 656	37 387	35 278	3 322	2 279	1 033	6 509	351	-1 504
Energy purchase - total	-39 968	-4 745	-34 726	- 772	- 436	- 330	- 219	- 249	1 508
Sales revenues adjusted for energy purchase	44 688	32 642	553	2 550	1 843	704	6 290	102	5

6. UNREALISED EFFECTS REPORTED IN THE STATEMENT OF PROFIT AND LOSS

The table below discloses the effects recognised in the statement of 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.

NOK million	Third quarter 2022			Year to date 2022		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS						
Gains/losses from market activities:						
-of which European flexible generation ¹⁾	-1 369	- 567	-1 936	-4 225	- 842	-5 067
-of which Market operations	4 238	-2 997	1 241	7 420	-1 171	6 250
-of which International power	- 552	- 131	- 683	-1 056	- 348	-1 404
-of which European wind and solar	- 91	- 91	- 182	-1 035	- 155	-1 191
-of which Industrial ownership	- 0	- 1	- 1	- 21	4	- 17
-of which Group items and other	- 331	- 6	- 336	- 707	12	- 695
Unrealised effects included in Operating profit/loss (EBIT) ¹⁾	1 896	-3 792	-1 896	376	-2 499	-2 124
Net financial items:						
Net currency effects ²⁾	- 15	- 135	- 150	-1 447	840	- 607
Interest and other financial items	135	36	172	774	2	776
Unrealised effects included in Net financial items	120	- 99	21	- 672	842	170
Total unrealised effects	2 016			- 297		

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 412 million, of which a gain of NOK 22 million was realised.

NOK million	Third quarter 2021			Year to date 2021			Year 2021		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS									
Gains/losses from market activities:									
-of which European flexible generation ¹⁾	1 729	117	1 846	2 275	- 23	2 252	561	313	874
-of which Market operations	-5 703	1 948	-3 756	-6 095	4 874	-1 221	2 865	-5 867	-3 003
-of which International power	- 341	- 66	- 407	- 495	- 52	- 548	- 676	- 263	- 939
-of which European wind and solar	- 13	- 11	- 24	- 9	- 20	- 30	- 82	- 107	- 189
-of which Industrial ownership	-	- 1	- 1	-	- 3	- 3	17	- 4	13
-of which Group items and other	- 254	217	- 37	- 263	291	28	- 323	332	9
Unrealised effects included in operating profit/loss (EBIT) ¹⁾	-4 582	2 203	-2 379	-4 588	5 067	479	2 362	-5 597	-3 235
Net financial items:									
Net currency effects ²⁾	- 98	- 56	- 154	- 15	676	662	770	319	1 089
Interest and other financial items	39	- 159	- 120	274	- 320	- 46	655	- 412	242
Unrealised effects included in Net financial items	- 59	- 215	- 274	260	356	616	1 424	- 93	1 331
Total unrealised effects	-4 641			-4 328			3 786		

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

²⁾ Currency gains for the year 2021 from internal loans were NOK 27 million, of which a gain of NOK 406 million was realised.

- **European flexible generation** Negative unrealised effects from financial hedging of generation revenues driven by increased forward power prices through the third quarter. In addition, there were negative unrealised effects related to embedded derivatives linked to commercial long-term contracts in the segment European flexible generation driven by a strengthening of the forward NOK against EUR. These negative effects were partly offset by positive unrealised effects from embedded derivatives indexed to industry indices.
- **Market operations** The positive unrealised effects were mainly related to trading and origination. There were also positive unrealised effects from dynamic asset management portfolios.
- **International power** The negative unrealised effects were related to financial hedging of generation activities in Albania driven by increased forward prices through the third quarter.
- **European wind and solar** The negative unrealised effects were mainly related to financial hedging of generation revenues for wind power assets in Germany and France driven by increased forward prices on the hedges through the third quarter.
- **Group items and other** The negative unrealised effects were related to interest and exchange rate derivatives towards the segment Market operations.

7. NORWEGIAN HYDROPOWER AND RELATED BUSINESS

This note discloses selected financial figures from Norwegian hydropower and related business. See note 4 in the annual report 2021.

NOK million	"Norwegian hydropower" from:			Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group			
Year to date 2022						
Gross operating revenues and other income	109 487	20 517	4 803	25 380		25 380
Net operating revenues and other income	43 191	20 335	4 679	25 066		25 066
Operating profit/loss (EBIT)	29 993	17 012	4 064	21 076		21 076
Share of profit/loss in equity accounted investments	- 2	32	0	33	-1 057 ¹⁾	-1 024
Net financial items	170	1	42	43		43
Tax expense	-16 111	-12 453	-2 309	-14 762		-14 762
Net profit/loss	14 049	4 592	1 797	6 390	-1 057	5 333
Net profit/loss (of which owners of the parent)	13 496	4 592	1 190	5 783	-1 057	4 726
Paid dividend and group contribution to Statkraft		7 334 ²⁾	662 ³⁾	7 996	742 ³⁾	8 738
Assets 30.09.22						
Equity accounted investments	14 732	2	4	6	9 257 ¹⁾	9 263
Other assets	459 856	38 846	10 138	48 984		48 984
Total assets	474 588	38 849	10 142	48 990	9 257	58 248
EBITDA	33 629	17 849	4 212	22 061		22 061
Depreciations, amortisations and impairments	-3 636	- 837	- 148	- 985		- 985
Maintenance and other investments	3 225	1 146	108	1 253		1 253
Investments in new capacity	1 991	-	20	20		20
New capacity for subsequent divestment (DS/DBS)	2 209	-	-	-		-
Investments in shareholdings	508	-	-	-		-
Total investments	7 933	1 146	128	1 273		1 273

¹⁾ Statkraft's share.

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

³⁾ Dividend paid to Statkraft.

NOK million	"Norwegian hydropower" from:			Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group			
The year 2021						
Gross operating revenues and other income	82 976	25 373	5 267	30 658		30 658
Net operating revenues and other income	41 286	24 107	5 008	29 135		29 135
Operating profit/loss (EBIT)	29 727	19 977	4 266	24 244		24 244
Share of profit/loss in equity accounted investments	1 686	-	1	1	1 217 ¹⁾	1 219
Net financial items	1 331	- 330	- 47	- 377		- 377
Tax expense	-16 663	-12 842	-2 426	-15 267		-15 267
Net profit/loss	16 081	6 805	1 795	8 601	1 217	9 818
Net profit/loss (of which owners of the parent)	15 523	6 805	1 193	7 998	1 217	9 215
Paid dividend and group contribution to Statkraft		2 300 ²⁾	53 ³⁾	2 353	495 ³⁾	2 849
Assets 31.12.21						
Equity accounted investments	14 771	2	4	6	10 927 ¹⁾	10 932
Other assets	295 233	38 571	10 173	48 745		48 745
Total assets	310 004	38 574	10 177	48 750	10 927	59 677
EBITDA	30 437	21 091	4 457	25 548		25 548
Depreciations, amortisations and impairments	- 710	-1 114	- 190	-1 304		-1 304
Maintenance investments and other investments	5 562	1 698	252	1 950		1 950
Investments in new capacity	2 271	44	80	124		124
New capacity for subsequent divestment DS/DBS	1 892	-	-	-		-
Investments in shareholdings	2 142	-	-	-		-
Total investments	11 867	1 742	332	2 074		2 074

¹⁾ Statkraft's share.

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

³⁾ Dividend paid to Statkraft.

8. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

NOK million	Year to date		Year
	2022	2021	2021
INTANGIBLE ASSETS			
Balance as of 01.01.	4 112	4 113	4 113
Additions	111	488	298
Additions from acquisition of companies	180	-	- 35
Reclassifications	- 31	7	29
Amortisations	- 165	- 124	- 234
Impairments	- 346	- 72	- 61
Reversal of impairments	0	21	26
Derecognition from divestments	-	- 31	- 32
Disposals	- 0	- 44	- 44
Currency translation effects	404	- 134	51
Balance as of end of period	4 266	4 225	4 112
PROPERTY, PLANT AND EQUIPMENT			
Balance as of 01.01.	116 521	112 057	112 057
Additions	4 705	3 728	6 316
Additions due to IFRS 16 (new contracts)	218	787	1 083
Remeasurements and other changes (IFRS 16)	23	- 155	- 154
Additions from acquisition of companies	60	4	1 815
Capitalised borrowing costs	178	63	137
Reclassifications	31	- 7	- 29
Depreciations	- 3 219	- 2 805	- 3 879
Impairments	- 1 500	- 26	- 21
Reversal of impairments	1 592	3 215	3 460
Derecognition from divestments	- 198	- 2 034	- 2 128
Disposals	- 20	- 67	- 254
Currency translation effects ¹⁾	6 238	- 553	- 1 882
Balance as of end of period	124 629	114 205	116 521

¹⁾ Includes NOK 1326 million in inflation adjustment of Turkish entities due to hyperinflation as of 30 September 2022. Comparable figures have not been restated.

Accounting policies, judgment and assumptions for impairments are described in note 15 in the annual report 2021.

Hyperinflation in Turkey The Turkish economy has been defined as hyperinflationary since the second quarter 2022, and still is in the third quarter. For the period beginning 1 January 2022, Turkish entities' non-monetary assets and liabilities measured at historical cost have been remeasured since acquisition date. The application of IAS 29 results in an adjustment for the loss of purchasing power of the Turkish Lira. The consumer price index published by the Turkish Statistical Institute has been used when applying IAS 29. The CPI index was 686.95 in December 2021 and 1046.89 in September 2022. The main effect from the remeasurement is an increase of Property, Plant and Equipment of NOK 1.3 billion, with a corresponding effect under Other Comprehensive Income.

Impairments/reversal of impairments

Hydropower in Chile In the third quarter an impairment of NOK 277 million related to a hydropower project was recognised in the statement of profit and loss under the segment International power. The impairment is explained by delay in expected commercial operation date for the project, resulting in lower revenues and increased estimated costs.

In the first and second quarter the same hydropower project had impairments of NOK 1497 million, which was explained by increased estimated costs as well as reduced revenues driven by expected lower power prices in the long-term horizon.

The estimated values are sensitive to changes in future power prices and cost of capital.

NOK million	Technology	Segment	Country	Third quarter	Year to date
				2022	2022
	Hydropower	European flexible generation	Germany	-	350
	Hydropower	International power	Albania	-	1 243
	Hydropower	International power	Chile	- 277	- 1 774
	Other			- 11	- 72
	Total impairments (-)/reversal of impairments (+)			- 288	- 253
				<i>Intangibles</i>	- 21
				<i>Property, plant and equipment</i>	- 267
					92

9. INVENTORIES

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 also has some inventories which are directly related to the tangible assets, whereof spare parts are the most significant group.

Statkraft currently has 10 ongoing construction projects within the business model, as well as one project where construction is completed. Put/call option agreements (PCOA) for future sale have been signed for four construction projects and one development project. The carrying value of these projects are NOK 2.5 billion at quarter end. These agreements will be closed when the projects reach the agreed conditions.

Statkraft also divested one wind farm in the UK in the second quarter. In addition, one solar park in Spain and three in the Netherlands were divested in the first quarter. See also note 14.

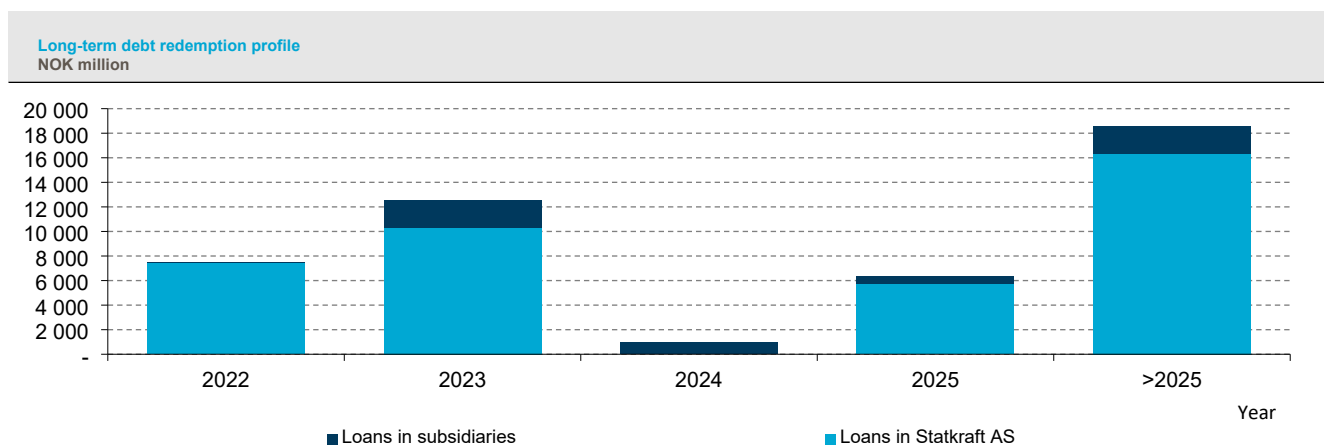
NOK million	Year to date		Year
	2022	2021	2021
Inventories measured at fair value less costs to sell			
Environmental certificates	6 820	3 068	3 372
Inventories measured at the lower of cost price and net realisable value			
Environmental certificates	29	20	20
Spare parts	214	165	153
Other	224	102	105
Total	467	287	277
Wind and solar projects (DS/DBS) measured at the lower of cost price and net realisable value			
Development projects ¹⁾	1 320	978	1 006
Construction projects ¹⁾	3 129	2 051	1 807
In operation	50	241	152
Total	4 500	3 270	2 965
Total inventories	11 787	6 626	6 614

10. INTEREST-BEARING LIABILITIES

The table below discloses the specification of interest-bearing liabilities.

NOK million	Third quarter 2022	2021	Year 2021
INTEREST-BEARING LIABILITIES, CURRENT			
Commercial papers, bond and bank debt	19 079	3 098	18 942
Lease liabilities	317	256	303
Cash collateral	7 286	5 911	10 967
Debt to Statkraft SF	200	200	200
Other current liabilities	15	37	14
Total	26 897	9 502	30 426
INTEREST-BEARING LIABILITIES, NON-CURRENT			
Bond and bank debt	26 259	27 240	19 632
Lease liabilities	1 740	1 820	1 861
Total	27 998	29 060	21 493
Total interest-bearing liabilities	54 896	38 562	51 919

INTEREST-BEARING DEBT REPAYMENT PLAN ¹⁾



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

Very volatile commodity markets with record-high prices have resulted in significantly higher margin requirements. To manage the market volatility, Statkraft has taken precautionary measures to secure liquidity and financial flexibility through raising short-term loans.

In the third quarter, Statkraft issued a green bond of EUR 500 million. The bond matures in September 2029 and pays a fixed coupon of 2.875 %. In addition, a certificate loan of NOK 5000 million maturing in August 2022 has been extended to February 2023.

11. DERIVATIVES

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

NOK million				
Fair value hierarchy				
Third quarter 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	102	44 054	27 688	71 844
Energy derivatives, current assets	94	99 236	7 670	106 999
Energy derivatives, non-current liabilities	-5 751	-39 023	-24 107	-68 881
Energy derivatives, current liabilities	-6 734	-137 248	-4 934	-148 915
Energy derivatives, net	-12 288	-32 982	6 318	-38 952
Currency and interest rate derivatives, non-current assets	-	750	-	750
Currency and interest rate derivatives, current assets	-	1 281	-	1 281
Currency and interest rate derivatives, non-current liabilities	-	-328	-	-328
Currency and interest rate derivatives, current liabilities	-	-1 402	-	-1 402
Currency and interest rate derivatives, net	-	301	-	301

The year 2021	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	128	16 797	10 860	27 785
Energy derivatives, current assets	118	49 165	1 438	50 722
Energy derivatives, non-current liabilities	-1 429	-10 827	-9 623	-21 879
Energy derivatives, current liabilities	-998	-61 961	-1 505	-64 463
Energy derivatives, net	-2 181	-6 825	1 170	-7 835
Currency and interest rate derivatives, non-current assets	-	210	-	210
Currency and interest rate derivatives, current assets	-	1 020	-	1 020
Currency and interest rate derivatives, non-current liabilities	-	-106	-	-106
Currency and interest rate derivatives, current liabilities	-	-184	-	-184
Currency and interest rate derivatives, net	-	940	-	940

NOK million			
Derivatives measured at fair value based on Level 3			
Third quarter 2022	Assets	Liabilities	Total
	Opening balance 01.01.2022	12 298	-11 128
Unrealised changes in value recognised in profit and loss	22 148	-15 957	6 191
Transfers to or from Level 3	-141	-979	-1 120
Currency translation effects	1 054	-977	77
Closing balance 30.09.2022	35 358	-29 040	6 318

The year 2021	Assets	Liabilities	Total
	Opening balance 01.01.2021	1 996	-6 134
Unrealised changes in value recognised in profit and loss	10 004	-5 389	4 615
Transfers to or from Level 3	460	231	691
Currency translation effects	-162	163	1
Closing balance 31.12.2021	12 298	-11 128	1 170

Significant increase in total assets

Statkraft's assets totalled NOK 475 billion at the end of the third quarter, compared to NOK 310 billion at the end of 2021. The significant increase in total assets are explained by a surge in the value of the Groups derivatives of NOK 101 billion following the significant increase of the prices of both power, energy and energy related commodities. Furthermore, the Group's receivables increased by NOK 31 billion mainly as a result of increased margin requirements. Very volatile energy markets with record-high prices have resulted in significantly higher margin requirements. To manage the market volatility, Statkraft has taken precautionary measures to secure liquidity through increased level of cash and cash equivalents. Cash and cash equivalents have increased by NOK 19 billion compared with the end of 2021.

12. PROPOSED CHANGES IN REGULATIONS

Norway

On 28 September the Norwegian Government proposed significant changes in regulations affecting both hydropower producers and wind power producers.

The proposed high-price contribution and the proposed increase in resource rent tax on hydropower production will, if enacted, have material effects on Statkraft's financial statements from 2022 and forwards.

High-price contribution on hydropower production

The Government is proposing to introduce a high-price contribution, with the rate set at 23 per cent of the electricity price in excess of NOK 0.70 per kWh. The high-price contribution will be calculated hourly for each price area and the basis is limited to revenues from power generation and will not be deductible for corporate tax, resource rent tax or property tax.

The new regulation is proposed to apply from 28 September 2022 to hydropower stations with generators with a total rated output of 10 000 kVA or more and from 1 January 2023 to other hydropower stations.

Given an enactment of a high-price contribution on hydropower production Statkraft expects a significant additional regulatory expense in years with high prices. Preliminary and uncertain estimates indicate an additional regulatory expense exceeding NOK 1.7 billion alone for the fourth quarter of 2022. Statkraft also expects significant negative effects on share of profit from equity accounted investments.

Higher resource rent tax on hydropower production

The Government is proposing to increase the effective resource rent tax rate on hydropower from 37 per cent effective tax rate to 45 per cent effective tax rate, with effect from 1 January 2022.

Given an enactment of higher resource rent tax on hydropower production Statkraft expects a significant increase in the resource rent tax expense with effect for the financial year 2022 and forwards.

Preliminary and uncertain estimates indicate an additional payable resource rent tax exceeding NOK 2.5 billion for the financial year 2022. Furthermore, deferred tax positions will be remeasured to the new higher tax rate. Statkraft also expects significant negative effects on share of profit from equity accounted investments.

In addition to this, there are several other proposals affecting Statkraft with effects from 2023 and forwards.

Statkraft is still in the process of evaluating the total impacts of the proposed changes.

Other countries

There are ongoing discussions in several other countries regarding imposing windfall taxes on energy companies' income. Such windfall taxes might, if enacted, have negative effects on Statkraft's financial statements.

13. BALTIC CABLE – REGULATIONS OF REVENUES

Baltic Cable AB (BC) is a subsidiary of Statkraft reported under the segment European flexible generation. The company is the owner of a subsea interconnector between Sweden and Germany. BC is a European transmission system operator (TSO) and is certified in accordance with the German energy legislation.

In the second quarter, the Swedish regulator Energimarknadsinspektionen (Ei) and the German regulator Bundesnetzagentur (BNetzA) issued decisions regarding the regulation of BC's revenues. Ei decided, for the period 1 July 2013 to December 2021 and with respect to 50 per cent of BC's revenues, that revenues above a defined level of operation costs, depreciation and return on capital must be dedicated to the purposes set out in EU Regulation 714/2009 (i.e., for network investments to maintain or increase capacity). This decision has been appealed to the Swedish administrative court, i.a because BC disagrees with certain elements of the calculations.

BnetzA orders BC, with respect to 50 per cent of its revenues, to transfer cash from revenues exceeding a defined level of operation costs, depreciation and return on capital, to a neighboring German TSO for 2022. BC is of the clear view that there is no legal basis for such an order and will appeal this to the Higher Regional Court in Düsseldorf. BC will also request that the decision is suspended pending the appeal. Since such suspensive effect is not certain, a provision has been recognised in the YTD accounts. It is expected that BnetzA also will regulate 50 per cent of the revenues for the period 1 July 2013 to 31 December 2021 by requiring revenues above the allowed level dedicated to the purposes set out in EU Regulation.

As of 30 September 2022, cash and cash equivalents in BC amounted to NOK 3.2 billion is presented under the line item Cash and cash equivalents, of which NOK 460 million is regulated for futures investments. NOK 693 million was recognised in the third quarter as a provision under short term liabilities and as a reduction of revenues. This comes in addition to the provision of NOK 504 million which was recognised in the second quarter.

14. PENSION SCHEME CHANGES IN NORWAY

On 1 April, a regulatory change in the public pension benefit schemes in Norway was enforced. The change was related to the method for annual regulation of pension payments. Prior to the regulatory change, the annual regulation of pension payments was based on the national insurance scheme's basic amount (G) minus a fixed factor of 0.75 per cent. Going forward, the adjustment will be based on the average of salary adjustment and inflation. The regulatory change is assessed to be a plan amendment which has increased Statkraft's consolidated pension liabilities and pension costs with estimated NOK 322 million.

15. 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 2021.

16. MERGERS, ACQUISITIONS AND DIVESTMENTS

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

On 28 January, Statkraft divested three newly constructed solar parks with a total capacity of 40 MWp in the Netherlands to Encavis AG for a total consideration of NOK 435 million, including cash received for debt paid as part of the Share Purchase Agreements. This led to a total gain of NOK 71 million, recognised as Other operating income.

Statkraft also entered into agreements to provide asset management and operation and maintenance services on the solar parks subsequent to the divestments.

On January 31, Statkraft divested a 58 MWp solar park under construction in Cadiz in Spain to The Renewables Infrastructure Group (TRIG) for a total consideration of NOK 172 million. This led to Statkraft recognising gains of NOK 112 million as Other sales revenues and NOK 27 million as Other operating income.

Following agreements signed in 2021, Statkraft will after the divestment also perform Engineering, Procurement and Construction (EPC) activities to construct the solar park, as well as provide asset management and operation and maintenance activities going forward.

On June 24, Statkraft divested the recently completed 38 MW wind farm Twentyshilling in the UK to Greencoat for a total consideration of NOK 623 million, including payment of a shareholder loan. This led to Statkraft recognising a gain of NOK 49 million as Other operating income.

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

17. SUBSEQUENT EVENTS

There are no significant subsequent events.

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.

Items excluded from operating profit/loss (EBIT) underlying:

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

1. **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 Profit and loss statement.
2. **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.
3. **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.

NOK million	Third quarter		Year to date		Year
	2022	2021	2022	2021	2021
ALTERNATIVE PERFORMANCE MEASURES					
OPERATING PROFIT/LOSS (EBIT) MARGIN UNDERLYING					
Operating profit/loss (EBIT) underlying	8 959	4 609	30 729	17 458	26 792
Gross operating revenues and other income underlying	42 737	16 830	109 971	50 553	83 440
Operating profit/loss (EBIT) margin underlying	21.0%	27.4%	27.9%	34.5%	32.1%
RECONCILIATION OF OPERATING PROFIT/LOSS (EBIT) UNDERLYING TO EBITDA UNDERLYING					
Operating profit/loss (EBIT) underlying	8 959	4 609	30 729	17 458	26 792
Depreciations and amortisations	1 135	984	3 383	2 929	4 113
EBITDA underlying	10 094	5 594	34 112	20 387	30 906
FINANCIAL STATEMENT LINE ITEMS INCLUDED IN CAPITAL EMPLOYED					
Intangible assets			4 266	4 225	4 112
Property, plant and equipment			124 629	114 205	116 521
Inventories (DS/DBS)			4 500	3 270	2 965
Capital employed			133 395	121 701	123 598
Average capital employed ¹⁾			125 988	118 446	119 422
RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)					
Operating profit/loss (EBIT) underlying, rolling 12 months			40 064	19 038	26 792
Average capital employed ¹⁾			125 988	118 446	119 422
ROACE			31.8%	16.1%	22.4%
RETURN ON AVERAGE EQUITY ACCOUNTED INVESTMENTS (ROAE)					
Share of profit/loss in equity accounted investments, rolling 12 months			451	1 864	1 686
Average equity accounted investments ¹⁾			14 885	13 602	13 941
ROAE			3.0%	13.7%	12.1%
NET INTEREST-BEARING LIABILITIES					
Non-current interest-bearing liabilities			27 998	29 060	21 493
Current interest-bearing liabilities			26 897	9 502	30 426
Cash and cash equivalents incl. restricted cash (A)			-55 721	-25 674	-37 162
Restricted cash (B)			214	62	342
Cash and cash equivalents included in net interest-bearing liabilities (A+B)			-55 507	-25 611	-36 819
Current financial investments			- 605	- 655	- 661
Net interest-bearing liabilities			-1 216	12 295	14 439
NET INTEREST-BEARING LIABILITIES-EQUITY RATIO					
Net interest-bearing liabilities			-1 216	12 295	14 439
Equity			119 778	105 463	107 775
Sum of net interest-bearing liabilities and equity			118 562	117 759	122 214
Net interest-bearing liabilities - equity ratio			-1.0%	10.4%	11.8%

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