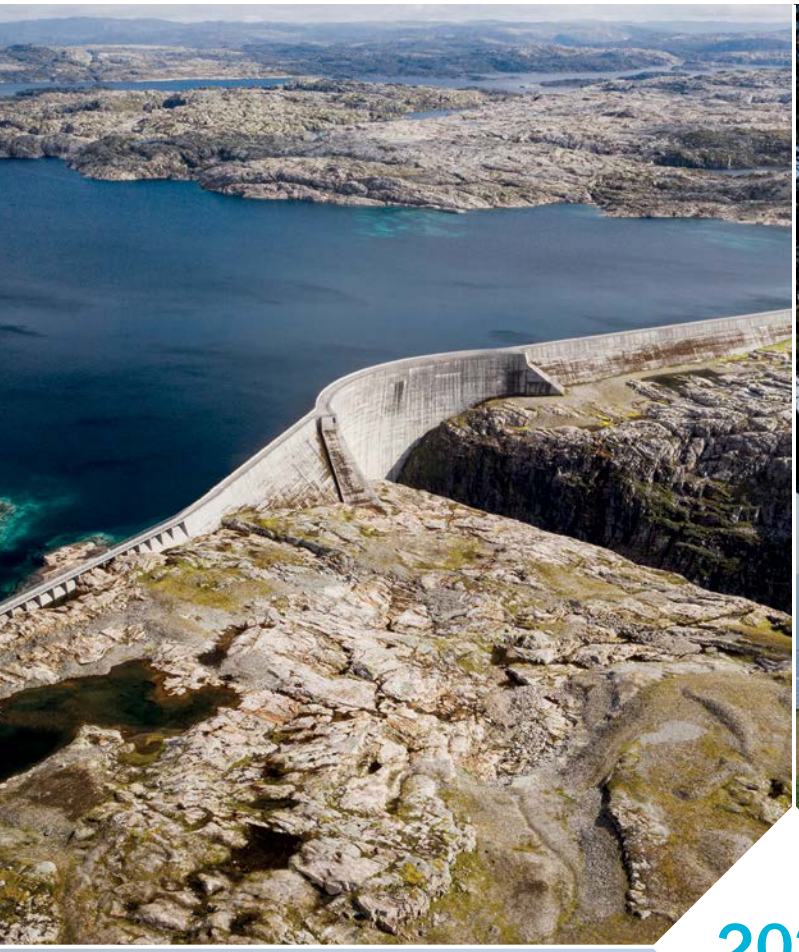
Annual Report

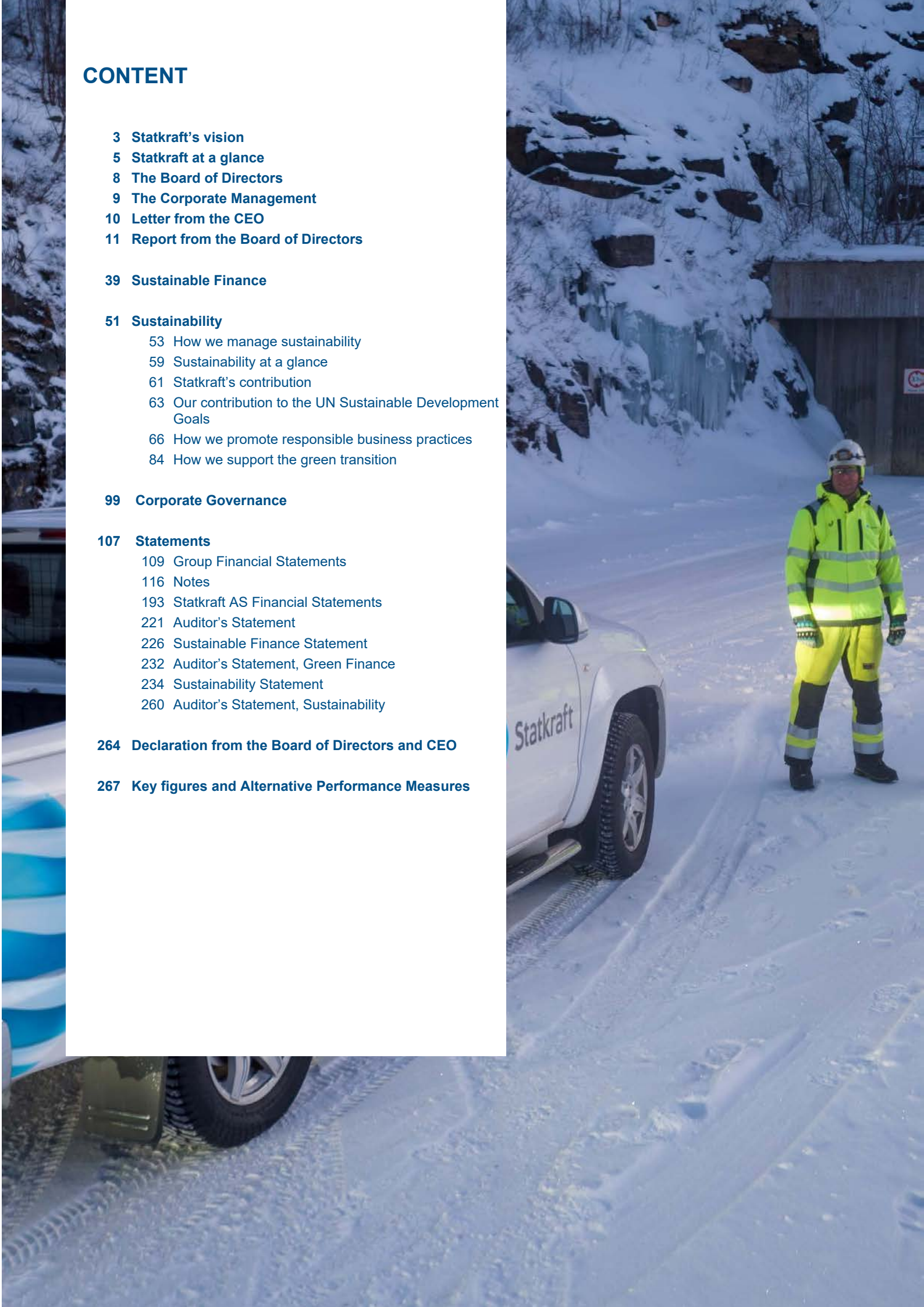
Statkraft AS



2023

Statkraft

CONTENT

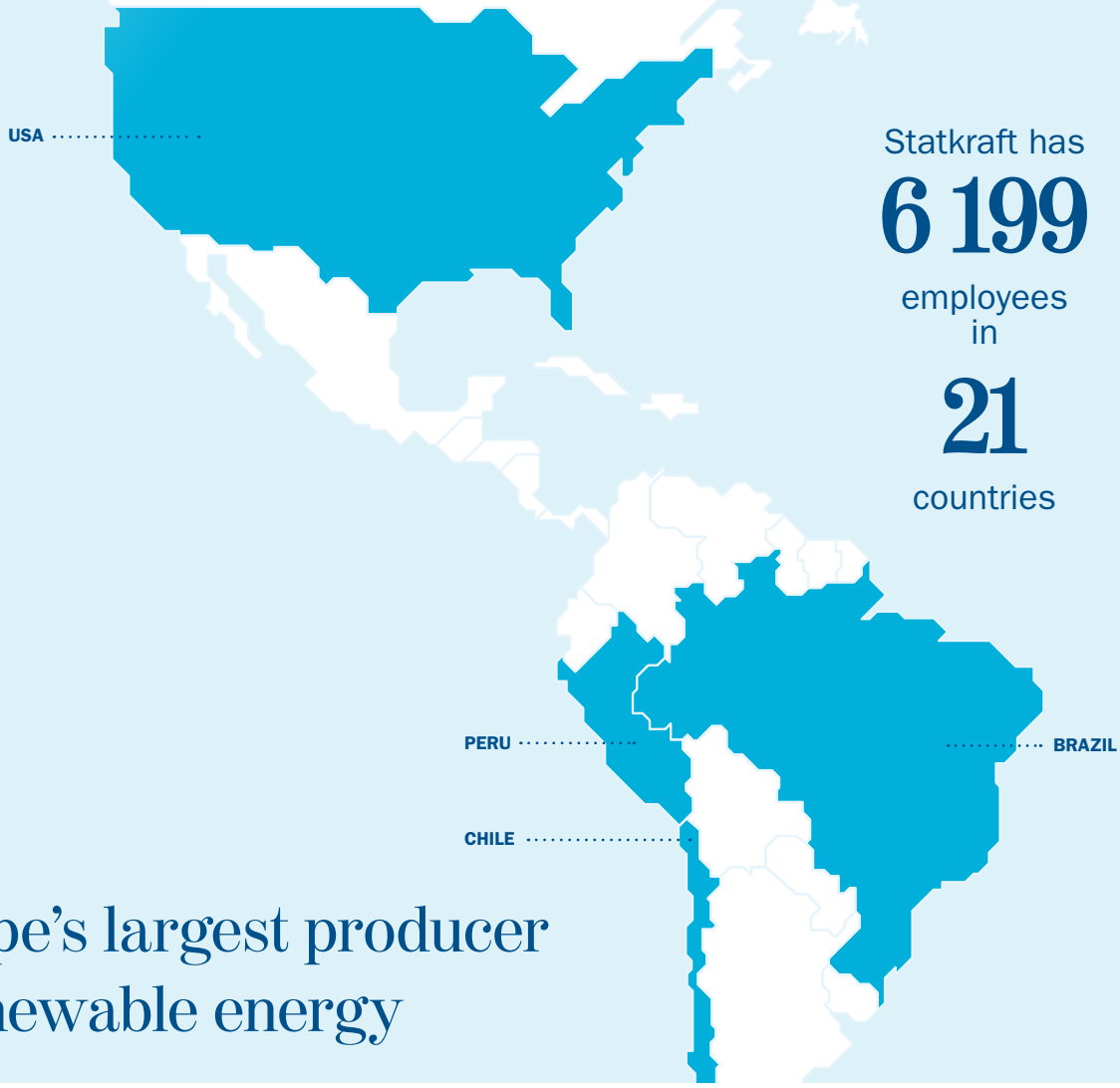


STATKRAFT'S VISION:

Renew the way the world is powered

We have always believed in a better kind of power. Power that renews itself, and in turn, renews the world. Power that creates a positive and sustainable future for people, communities, industries, and our environment. It's the clean, renewable energy we've been pioneering for over a century, and the energy our world needs more than ever before. Through our expertise, we've seen the value it delivers and the good it can do. Now it's our job to make sure it powers the world.

Statkraft
AT A GLANCE



Statkraft has

6 199

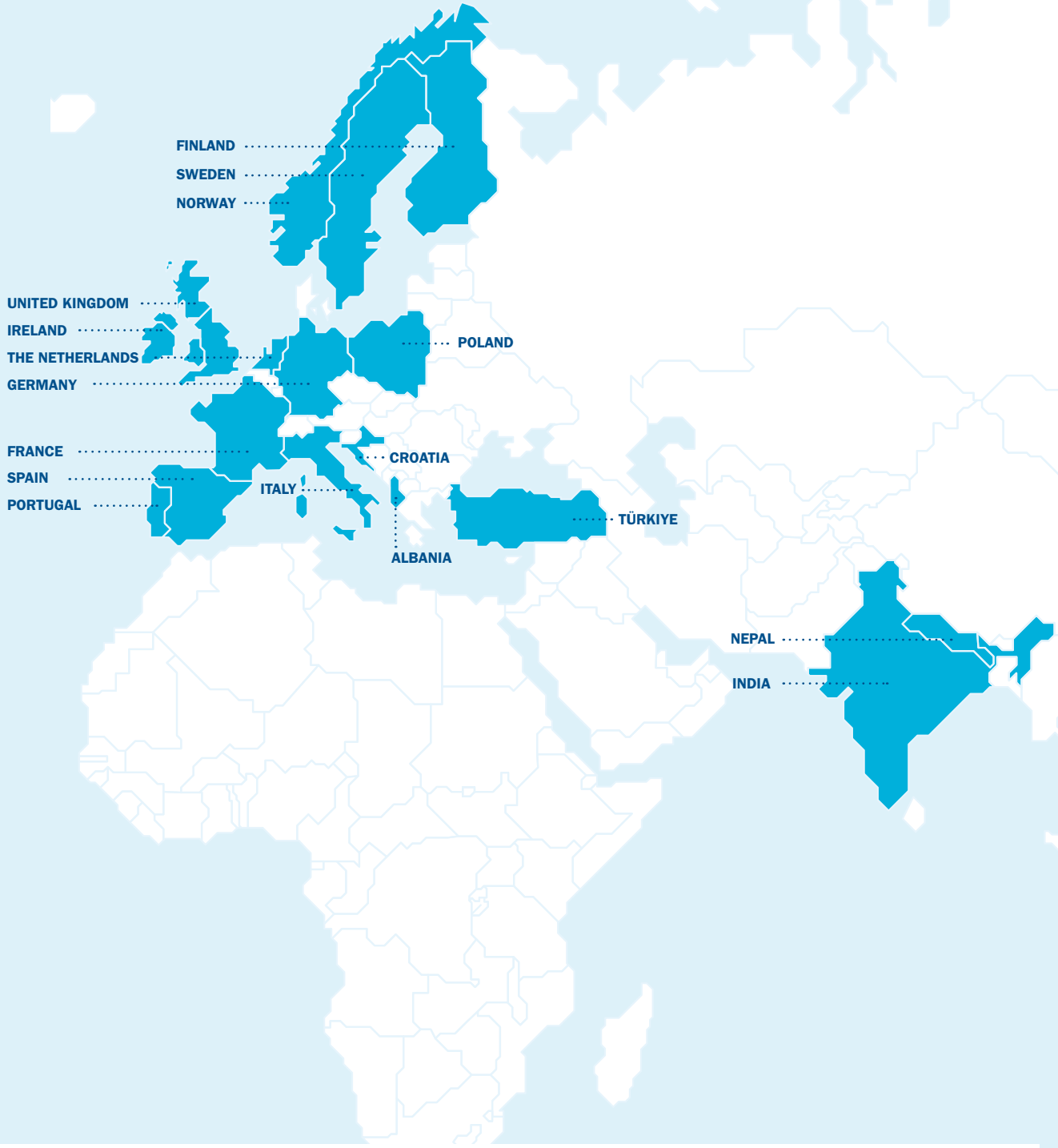
employees in

21

countries

Europe's largest producer of renewable energy

EBIT underlying **41.4** NOK BILLION	Net profit **26.1** NOK BILLION	Cash flow from operations **7.9** NOK BILLION
ROACE **28.3** PER CENT	Net interest-bearing debt **16.6** NOK BILLION	Proposed dividend for 2023 **13** NOK BILLION



Power generated in 2023

61.9

TWh

Share renewable energy

96.8

PER CENT

Investments in 2023

28.7

NOK BILLION

● **17%** Norway ● **43%** Europe ● **40%** Outside Europe

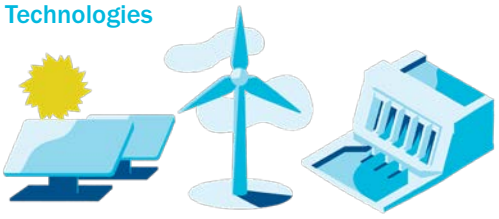
Standard & Poor's long term rating

A

Fitch Ratings' long term rating

A-

Technologies



The Board of Directors

From the left: Marte Lind, Mikael Lundin, Ingelise Arntsen, Pål Erik Sjåtil, Alexandra Bech Gjørv, Lars Røsæg, Lars Mathisen, Marit Salte and Thorbjørn Holøs.

Alexandra Bech Gjørv

Born 1965, Norwegian

Chair of the board, member since 2023.
Chair of the Compensation Committee.
Current board positions: CEO of SINTEF and chair of various SINTEF's subsidiaries. Board member: Oslo Science City, Trondheim Tech Port.
Experience: Partner Hjort law firm, various executive positions in Norsk Hydro and Equinor. Chair of the board in Hafslund and Eidsiva, board member Technip, Schibsted, Norske Skog, NRK, Fritt Ord.

Ingelise Arntsen

Born 1966, Danish

Vice Chair of the board, member since 2017.
Chair of the Audit Committee.
Current board positions: Chair of the board: Asplan Viak. Board member: Synera Renewable Energy, Export Finance Norway, SBM Offshore, Corvus Energy, Fred. Olsen Windcarrier.
Experience: Aibel: EVP. Sway Turbine: CEO. REC: EVP. Statkraft: EVP. Arthur Andersen Business Consulting/ Bearing Point: Director. Sogn og Fjordane Energiverk: CEO. Kværner Fjellstrand: CFO.

Marit Salte

Born 1970, Norwegian

Board member, member since 2020.
Member of the Audit Committee.
Current board positions: Board member: Cercare Medical, Your.MD, Advisory Board Sparebankstiftelsen SR-Bank and various companies within the Smedvig Family Office.
Experience: COO of Smedvig Family Office (present). KPMG auditing and management consulting.

Mikael Lundin

Born 1966, Swedish

Board member, member since 2018.
Member of the Compensation Committee.
Experience: Polhem Infra: CEO. Nord Pool: CEO. Vattenfall Power Consultant: CEO. Vattenfall Poland: CFO. Vattenfall Europe Trading: CFO. Birka Kraft: Director.

Pål Erik Sjåtil

Born 1972, Norwegian

Board member, member since 2022.
Member of the Audit Committee.
Experience: CEO and Managing Partner Lightrock (present), Managing Partner of McKinsey Europe, Shareholder Council (BoD) of McKinsey, Norwegian Air Force.

Lars Røsæg

Born 1982, Norwegian

Board member, member since 2023.
Member of the Compensation Committee.
Current board positions: Various board positions on behalf of Salvesen & Thams Invest AS.
Experience: EVP Corporate Development and Deputy CEO, EVP and CFO Yara International ASA. Various management positions Sapa AS and Orkla ASA.

Marte Lind

Born 1983, Norwegian

Employee-elected board member, member since 2022.
Member of the Audit Committee.
Employee in Statkraft since: 2008
Current work position: Statkraft: Head of Physical services consumption.
Experience: Statkraft: Various positions within production and regulatory affairs.

Thorbjørn Holøs

Born 1957, Norwegian

Employee-elected board member, member since 2002.
Member of the Audit Committee.
Employee since: 1976, Skagerak Energi
Current board positions: Chair: EL and IT Workers Union Vestfold/Telemark.
Current work position: Skagerak Energi: Head union representative.

Lars Mathisen

Born 1975, Norwegian

Employee-elected board member, member since 2022.
Member of the Compensation Committee.
Employee in Statkraft since: 2006
Current board positions: Chair: EL and IT Workers Union Statkraft.
Current work position: Statkraft: Head union representative, Electrician.

The Corporate Management

From the left: Birgitte Ringstad Vartdal, Jürgen Tzschoppe, Anna Nord Bjercke, Christian Rynning-Tønnesen, Ingeborg Dårflot, Barbara Flesche, Hallvard Granheim and Henrik Sætness.

Christian Rynning-Tønnesen
Born 1959, Norwegian

Group management since 2010
Position: CEO
With Statkraft in 1992-2005 and since 2010
Education: MSc NTH, Trondheim
Norwegian Army officer education
Former positions: Norske Skog: CEO and CFO.
Statkraft: CFO and other executive positions.
McKinsey: Consultant.
Esso Norge: Refinery commercial coordinator.
Current board positions: Board member: Klaveness. Chair: VCOM, LØRN, Skift.

Anna Nord Bjercke
Born 1972, Swedish

Group management since January 2024
Position: CFO, EVP Finance & IT
Education: MSc Business Administration, Linköping University, Sweden, Université de Caen and École Supérieure de Commerce de Nantes, France.
Former positions: Møller Mobility Group AS: CFO, Norway Seafoods Group AS: CFO, Statoil (Equinor/Circle K): Various Finance, Strategy and General Management positions within Procurement, Renewable Energy, Manufacturing and Marketing, Retail Europe and Nordic Energy.

Hallvard Granheim
Born 1976, Norwegian

Group management since 2014
Position: EVP Markets
With Statkraft since 2012
Education: MSc Finance NHH, Bergen.
Former positions: Statkraft: EVP & CFO, SVP Financial Reporting, Accounting and Tax.
Deloitte: Director, Advisory & Auditor.
Norske Skog: VP Energy Sourcing & Trading.

Birgitte Ringstad Vartdal
Born 1977, Norwegian

Group management since 2020
Position: EVP Nordics
With Statkraft since 2020
Education: MSc Physics and Mathematics NTNU Trondheim, MSc Financial Mathematics Heriot-Watt, Scotland.
Former positions: Statkraft: EVP European Wind and Solar, Golden Ocean: CEO and CFO. Torvald Klaveness Group, Norsk Hydro: various positions.
Current board positions: Chair: Skagerak Energi AS, Fosen Vind. Board member: Fornybar Norge.

Henrik Sætness
Born 1972, Norwegian

Group management since 2020
Position: EVP Corporate Staff
With Statkraft since 2009
Education: MSc Industrial economics, NTNU Trondheim.
Former positions: Statkraft: SVP Corporate Strategy & Analysis, SVP Strategy & Development Markets. Navita Systems: EVP Products & Consulting. Norsk Hydro: various positions within energy Trading & Origination.
Current board positions: Chair: FME NTRANS. Board member: Eviny, Oslo Energy Forum.

Jürgen Tzschoppe
Born 1968, German

Group management since 2015
Position: EVP New Energy Solutions
With Statkraft since 2002
Education: Ph.D. Electrical engineering, RWTH Aachen.
Former positions: Statkraft: EVP Market Operations and IT, SVP Continental Energy. MD Statkraft Markets GmbH and Knapsack Power GmbH & Co. KG.
Enron: Power Trading Europe Associate.
IAEW Aachen: Chief engineer.

Ingeborg Dårflot
Born 1979, Norwegian

Group management since 2022
Position: EVP International
With Statkraft since 2004
Education: MSc NTNU, Trondheim and Comillas Pontifical University, Madrid, Spain.
Former positions: Statkraft: SVP Region Mid-Norway and various other positions.

Barbara Flesche
Born 1971, German

Group management since 2022
Position: EVP Europe
With Statkraft since 2020
Education: Master in Economics, University of Hamburg, Trained Banker.
Former positions: Statkraft: SVP CFO European Wind and Solar. Solar Century: CEO.

Letter from the CEO

In 2023, Statkraft achieved its second-best result ever, surpassed only by the record-breaking year of 2022 when war and gas shortages sent European energy prices to record-high levels. Europe has handled the crisis well and electricity prices in the Nordic region and Germany declined nearly 60 per cent last year and has reached a more sustainable level. Statkraft's underlying EBIT reached a solid NOK 41.4 billion, with a net profit of NOK 26.1 billion.

Simultaneously, Statkraft's external context continues to be very volatile with war, economic uncertainty and increased geopolitical unrest. This shift has put energy security higher on the agenda and increased awareness for the need for more renewable energy, based on every nation's available natural resources rather than imported energy.

Meanwhile, the climate crisis continues to escalate, manifested by global warming, more frequent extreme weather and other climate-related events. Emission reductions are happening too slowly, and it's increasingly evident that the goal of limiting global warming to 1.5 degrees Celsius will be difficult to achieve. A bright spot was at last year's climate summit, where world leaders reached a historic consensus that fossil energy must be replaced with renewable sources. Also on a positive note, solar and wind power are the most cost-effective renewable energy technologies, and global investments in renewables now outpace those in fossil fuels.

At Statkraft, all new investments are focused on renewable energy and green technology. Hydropower continues to be the backbone of our portfolio. Flexible energy generation is strategically important as more unregulated wind and solar power capacity is phased in. We recently announced the most extensive investment program in hydropower in Norway in several decades. In total, we plan to invest between NOK 34 and 55 billion in capacity upgrades of existing hydropower plants, dam refurbishments, and the modernisation of older facilities. For these projects, the abolishment of the Norwegian high-price contribution was crucial. These planned record-investments will enhance the flexibility and resilience of the Norwegian power system. Simultaneously, we are developing pumped storage power plants in Scotland and Albania, and we continue the construction of hydropower in Chile and India.

In 2023, we completed construction of six solar farms in Spain, the Netherlands and Ireland, along with a wind farm in Ireland and a grid stabiliser facility in the UK. In aggregate, we completed a total of 566 MW in new installed capacity and committed to another 1335 MW. We are well on our way to reaching our goal of a development rate for renewable energy generation and grid services of at least 2500 MW annually by 2025 and 4000 MW annually by 2030. Currently, 17 projects with a combined capacity of 1 600 MW are under construction, and our project portfolio includes more than 400 projects at various stages of development.

Statkraft also has an ambition to become an industrial player in offshore wind with 10 GW in operation in Northern Europe by 2040. We are focusing on the UK and Ireland, Norway and Sweden, and exploring the potential to expand into continental Europe further down the road. In Ireland we continue to develop the NISA and Bore Array projects and in the Norwegian North Sea we are assessing the profitability of the first development opportunities.

We also did strategic acquisitions last year. The purchase of 39 German and French wind farms, two wind farms in Brazil and the acquisition of the Spanish renewable energy company Enerfin were the most important. The first acquisition has potential for extended lifespan and eventual replacement of old turbines with larger, modern ones. Enerfin will strengthen our position and provide economies of scale through a number of operational wind farms, and an extensive portfolio of solar and wind projects in Spain and Brazil, two of our key markets. The Enerfin acquisition is expected to be completed in the first half of 2024.

Two years after the Norwegian Supreme Court's ruling in the Fosen case, the parties came to an agreement for South Fosen in December of last year. I am satisfied that the agreement acknowledges the difficult situation that the reindeer husbandry group at Storheia has experienced while also ensuring the continuation of both reindeer husbandry and wind power. We learned valuable lessons that we bring with us when we seek to develop new onshore wind projects, based on revised licensing procedures and a positive outcome for wind power's resource rent tax.

High fuel and waste prices, and particularly a sharply increasing Norwegian CO2 tax on waste incineration, have contributed to unsatisfactory results in our district heating business. It is a paradox that waste incineration plants, which provide essential relief to the power supply and handle waste in an environmentally friendly manner, face such challenging conditions.

Developing green hydrogen is a strategic priority for Statkraft. At the site of our former gas power plant in Emden, Germany, we are planning to build our first hydrogen plant. Statkraft is also involved in several other hydrogen projects, both in Norway and abroad. Hydrogen is in an early development phase and will likely require government support to be realised.

We are continuing the technology development for biofuel production at our pilot facility in Tofte. Our former partner Södra has decided to focus on its activities in Sweden. Statkraft has acquired Södra's shares in the project and is seeking a new industrial partner in Södra Green Fuel.

Last year our charging company Mer achieved revenues of more than NOK 1 billion and continued its rapid growth, including securing several significant contracts in Germany.

This marks my final CEO's letter for Statkraft. Looking back, I am proud of all competent colleagues in Statkraft and what we have accomplished together. Strategically, the company has taken significant and important steps with renewable energy, and the investment opportunities ahead are plentiful and promising. Statkraft is therefore well-positioned for future growth and value creation - renewing the way the world is powered.

Christian Rynning-Tønnesen
President and CEO

Report from the board of directors

STATKRAFT'S SUSTAINABILITY GOALS

Statkraft is committed to **mitigate our impact on biodiversity** in a responsible and transparent way.

Report from the Board of Directors

In 2023 the European energy prices saw a decline from the extreme prices the preceding year. This was due to reduced demand, strong gas supplies from Norway and imported LNG and a relatively mild winter. However, for most of the year the prices were on a higher level than before Russia's invasion of Ukraine.

Statkraft delivered strong results also in 2023, and the underlying EBIT of NOK 41.4 billion is the second highest ever. Profit before tax ended at NOK 51.0 billion and net profit at NOK 26.1 billion. The tax expense and proposed dividend totalling NOK 38.8 billion represent a significant contribution to society.

The underlying direction of the energy transition towards a net-zero energy system over the next decades is continuing, and the future power system is expected to be dominated by solar as well as onshore and offshore wind. Together with an expected increase in demand for energy, this will require more flexible generation. With Europe's largest portfolio of flexible hydropower plants and reservoir capacity and solid financial results over the last couple of years, Statkraft is well positioned to have a role in this transition and has set ambitious growth targets in the strategy towards 2030.

Statkraft delivered on this strategy in 2023. NOK 28.7 billion was invested and an agreement to acquire the Spanish-based Enerfin for around NOK 21 billion was signed. The Enerfin transaction is expected to be closed during the second quarter of 2024.

VISION

Renew the way the world is powered

We have always believed in a better kind of power. Power that renews itself, and in turn, renews the world. Power that creates a positive and sustainable future for people, communities, industries, and our environment.

It is the clean, renewable energy we have been pioneering for over a century, and the energy our world needs more than ever before.

Through our expertise, we have seen the value this energy delivers and the good it can do. Now it is our job to make sure it powers the world.

VALUES

Our values govern Statkraft's actions and provide guidance for the employees. These values apply to all employees and others who represent Statkraft.

We act responsibly by caring and taking ownership. We are considerate, always aware of how our work will impact our colleagues, customers, society and the environment.

We grow together by being team players and learning from success and failure. We are one Statkraft. We bring our expertise, recognise the value of diversity and learn from every situation.

We make an impact by finding better ways and creating progress and value. We take on the challenge, focus on what matters and deliver solutions that drive positive change.

STRATEGY

Market development

During the last two years there has been a massive increase in European energy prices. This is mainly caused by the Russian invasion of Ukraine and the shortfall of Russian gas supply to Europe, a supply reduction which started already in the second half of 2021. The energy prices have recently declined from the highest levels due to a reduction in demand, strong gas supplies from Norway and imported LNG, and further relieved by a mild winter. Gas and power prices are still on a higher level than before the war in Ukraine. The medium-term price development depends largely on the development of international fuel markets, as well as weather, development in industry demand and the carbon market. The European energy system remains vulnerable to incidents such as major outages in either gas or power supply.

Although the energy markets have been extraordinary over the last two years, the underlying direction of the energy transition towards a net-zero energy system over the next decades is continuing. In some respects, the energy crisis has even accelerated this transition. Statkraft expects massive growth in renewables globally towards both 2030 and 2050, and many renewable energy technologies are needed to reach the climate targets. The key drivers for growth in renewables in Europe are a strong focus on decarbonisation and security of supply through e.g., RePowerEU and net-zero targets, and the replacement of thermal capacity which is being shut down due to low competitiveness, regulation, and/or age. In emerging markets, the main driver is an overall increasing demand for energy due to underlying economic growth. The future power system is expected to be dominated by solar as well as onshore and offshore wind, which is expected to constitute more than half of the global power supply by 2050.

The energy transition will change the way electricity is produced and consumed. The massive growth in intermittent solar- and wind power, the phase-out of coal and increased demand for energy will require more flexible generation. Decarbonisation will further lead to increased demand for new technologies. At the same time, there will be greater market complexity and high market uncertainty both in the short and medium term. Statkraft's strategy builds on these trends and the company's competitive advantages in its quest to be a leading international renewable energy company.

Statkraft's competitive position

Statkraft is the largest producer of renewable energy in Europe and has a growing presence in other international markets. Statkraft's key competitive advantages emerge from the company's understanding of the market, its industrial competence in development and ownership of power generating assets and the ability to apply these strengths across the value chain.

Responsible renewable energy company

Statkraft has a reputation being a responsible renewable energy company and seen as a competent partner with high credibility in business ethics. Statkraft seek to develop and operate renewable projects in a sustainable way for the environment and the societies in which it operates.

A unique Nordic hydropower portfolio

Statkraft's hydropower portfolio in the Nordics includes Europe's largest reservoir capacity. The fleet has long life expectancy, very low CO_2 emissions and a high degree of flexibility, which enables optimisation of power generation based on market needs. The strong competence in optimising profitability with integrated energy management, as well as operations and maintenance processes, make Statkraft a competent owner of flexible hydropower.

Strong industrial competence

The long-term ownership has resulted in strong technical competence in operations and maintenance (O&M) and construction of complex renewable assets across several regions, particularly in hydropower, solar and onshore wind. A key differentiating factor for Statkraft within these technologies, beyond being cost competitive, is Statkraft's ability to develop projects in a sustainable way and to secure the projects' future revenue streams.

Market insight and energy management

Through the company's asset ownership Statkraft has built a deep market understanding. This has created leading energy management capabilities with analytical expertise across markets. Statkraft creates value by bringing together complex systems of own and third-party renewable assets and managing the risk. Statkraft provides market access services for third parties by managing the generation of assets for customers. Statkraft is the market leader for this service in Germany, Europe's largest electricity market, and is one of the largest providers in Europe with growing portfolios across several other European markets. In addition, Statkraft has used its deep market understanding to develop a highly competitive trading business. An analytical approach that leverages on Statkraft's internal fundamental market analysis has made trading a competitive advantage.

Market and customer relationships

For decades, Statkraft has had a close relationship with Norwegian power-intensive industries that has enabled the company to develop competence, particularly in dealing with large customers. This has been further developed in the origination business, in district heating and towards smaller power producers in the market access business. These capabilities have established Statkraft as a leading provider of renewable energy and related services in Europe. Statkraft has strong product and service innovation capabilities to develop new, often complex, products to meet and create customer demand.

Statkraft's strategic approach

Statkraft has significant growth ambitions, across activities and geographies, for the strategic horizon which runs to 2030.

Statkraft aims to create value by enabling a net-zero emission future through four strategic pillars:

- Provide clean flexibility – leveraging hydropower
- Accelerate solar, onshore wind, offshore wind and battery storage
- Deliver green market solutions to customers
- Scale new green energy technologies

To pursue this strategy, Statkraft utilises a market-centric approach within its defined geographical footprint, meaning that the company will use its market insight to find and develop the most profitable opportunities across selected renewable technologies in each specific Statkraft market. The company will develop, acquire, own and operate renewable assets, and provide its customers with the best energy solutions to reach a net-zero emission future.

In Norway, Statkraft will drive the energy transition through developing and delivering renewable power generation and flexible supply, scaling new green energy technologies, and facilitating sustainable businesses. In Europe, Statkraft will take a leading role in supporting the energy markets and the transition ahead, based on the position as the largest producer of renewable energy in Europe and significant market operations. In South America and India, Statkraft will enable more sustainable energy systems by pursuing opportunities from the growing energy demand.

Strategic priorities

Provide clean flexibility – leveraging hydropower

The need for flexibility in the energy market is rising, providing a unique advantage for Statkraft as a flexible hydropower generator with strong market expertise. Statkraft will continue to provide clean flexibility – leveraging its strong hydropower portfolio.

Within hydropower, Statkraft will continue to optimise and expand the unique portfolio. The Nordic portfolio is an important source of flexible and reliable power generation. Given the age of the Nordic hydropower fleet, Statkraft will increase reinvestments in its existing plants to expand their lifetime and retain its competitiveness. Annual reinvestments of around NOK 3 billion are expected for Norwegian and Swedish hydropower in the coming years. In Norway, Statkraft is also planning to develop new hydropower capacity additions through redesign of existing plants and the company aims to have at least five large projects under licencing by 2030.

Outside the Nordics, Statkraft will continue to maximise the long-term value of its existing assets, as well as selectively expand its portfolio. The Tidong project currently under construction in India is an example of this strategy.

In Europe, gas-fired power will continue to be important to provide the required flexibility. Statkraft will own and operate its existing gas-fired power fleet and consider conversion to blending in for example green hydrogen when the market is ready.

To expand its flexibility offering, Statkraft will also continue to develop and deliver grid stabilisation services. The current focus is on developing battery energy storage systems and rotating stabilisers (synchronous compensators), mainly in European markets.

Accelerate solar, wind and battery storage

Solar and onshore wind power have become the technologies with the lowest cost of energy and large growth is expected within these technologies in all countries in which Statkraft operates. Statkraft has a strong starting point with a good track record within development of onshore wind, dating back to the early 2000s, and lately also within solar and battery storage. The company has built strong capabilities throughout the entire life cycle of both onshore wind and solar assets, combined with strong competence in securing different types of revenue streams. Since 2018, Statkraft has scaled a business development organisation across its markets to build a solid pipeline and mature projects. This has been enabled by both organic growth and selective project acquisitions. The acquisition of Enerfin will add operational wind power, wind and solar capacity under construction, as well as a sizeable pipeline of projects in development.

Statkraft is targeting an annual delivery rate of 2.5-3 GW new capacity by 2025 and 4 GW by 2030.

Towards 2030, Statkraft will increase its ownership share in solar and onshore wind in Europe. Build on its unique market operation capabilities, Statkraft will seek to provide additional value by securing revenues through auctions and power sales agreements.

Statkraft also pursues a role as an industrial offshore wind player in Northern Europe, as a developer, equity owner and lead operator in the operational phase of offshore wind assets. Statkraft aims to be part of the development of offshore wind farms in Norwegian waters. In Ireland, Statkraft has joined forces with Copenhagen Infrastructures Partners in developing the projects North Irish Sea Array (NISA) and Bore Array. In May 2023, the partnership secured a 500 MW contract from the Irish State in Ireland's first offshore wind auction for NISA 1. Towards 2030, Statkraft will build a high-performing platform and enter operation with the first project(s); towards 2040, Statkraft will position itself as a competitive offshore wind player in the European market, building operating assets of 10 GW (gross) and an annual run-rate of 1 GW.

Deliver green market solutions to customers

Energy markets are becoming increasingly complex and uncertain, and customers are demanding more green power supply and tailored energy solutions. Statkraft's ambition is to be a top-tier provider of market solutions in Europe with a significant global reach, which is also a competitive advantage for asset-based businesses.

Going forward, Statkraft will continue to grow and strengthen its market activities and maximise the value of its own and customers' portfolios through energy and asset management. Statkraft aims for further growth in origination, increasing the

volumes in upstream power purchase agreements (PPAs) and structured green energy supplies. The company will also continue to grow in proprietary trading.

The largest part of Statkraft's market operations is related to Nordic hydropower, where a share of the generation is hedged with long-term PPAs with customers. In addition to bilateral physical contracts, Statkraft enters into financial contracts, normally forwards and futures, in order to hedge prices on a certain volume of future spot sales.

Scale new green energy technologies

New green energy technologies will play an important part in the net-zero emission future. Statkraft has the right capabilities to build positions in several of these technologies, hence taking part in this expected growth and building new value creating businesses over time. Currently, the main initiatives and ambitions are to:

- Become a leading green hydrogen player in Norway and Sweden and establish an industrial position in other selected Statkraft markets – starting with the UK, Germany and the Netherlands – developing 2 GW to final investment decision by 2030.
- Be a market leading European EV charging provider through Mer
- Build a leading position in biofuel in Norway and Sweden, with biooil production from wood residue feedstock through Silva Green Fuel
- Identify, develop and scale opportunities to build new value-adding businesses over time
- Further grow and develop the district heating business including exploring carbon capture and storage (CCS)

Moreover, Statkraft continuously screens new opportunities where the existing capabilities and portfolio can provide a competitive advantage.

Statkraft's ambition for 2030

Statkraft aspires to be a leading renewables company, with sustainable, ethical, and safe operations. The aim is to be:

- The largest hydropower company in Europe and a solid position in South America and India
- A major developer of solar, onshore wind and battery storage with an annual delivery rate of 2.5-3 GW by 2025 and 4 GW by 2030
- An industrial offshore wind player in Northern Europe
- A top-tier provider of market solutions in Europe with a significant global reach
- A leading developer of green hydrogen, biofuel, EV charging and other green technologies - developing 2 GW production capacity for green hydrogen to final investment decision by 2030
- One of the top three most profitable and customer-oriented district heating players in Norway and Sweden

Investments

Statkraft has an ambitious growth strategy within renewable energy which requires significant investments in the coming years. Although Statkraft manages its exposure to the Nordic markets actively through several strategies, the available investment capacity will be impacted by major movements in the Nordic power prices. The power prices were historically high in 2021 and 2022, before they stabilized in 2023. The recent fall in fuel prices has led to a decline in forward prices. This has together with higher resource rent tax had a negative effect on investment capacity. Future investment capacity is impacted by the development of power prices. However, Statkraft still has a solid financial foundation.

The investment programme and project portfolio have a large degree of flexibility, and the pace and total amount of investments in the strategic period will depend on market opportunities and market development and will be adapted to Statkraft's financial capacity and rating target. Over time, around 75 per cent of net investment capacity is expected to be deployed in Nordic and European activities, with variations year-on-year. Outside Europe, there will be growth in markets where Statkraft is already present, such as South America and India.

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 2023 are listed in the table below.

STRATEGIC OBJECTIVE	TARGET	STATUS
Safety, security and sustainability		
Prevent incidents and committed to a workplace without injury or harm	Zero serious injuries	5
Prevent corruption and unethical practices in all activities	Zero serious confirmed compliance incidents	0
Deliver climate-friendly renewable energy and taking responsible environmental measures	Reducing greenhouse gas (GHG) emissions (scope 1 & 2) by 7% g CO_2/kWh (excluding gas-fired power plants)	+30%
Financial performance		
Deliver a solid return on capital	>12% ROACE	28%
People and organisation		
Improve diversity in background, competence and gender across the company	Minimum 40% of each gender measured on all management positions across the organisation by 2030	29%
Operations		
Efficient management of energy resources in the Nordic hydropower fleet	>3.5% higher realised prices than the average spot price in the market	9.9%
Deliver competitive operations & maintenance	Total cost of operations Nordic hydropower 12.7 øre/kWh for 2023	13.4 øre
Growth		
Grow capacity in renewable energy (wind, solar and battery/grid services)	Run rate of 2.5-3 GW in 2025	1.3 GW

Safety, security and sustainability

Statkraft works continuously towards the goal of zero injuries. In 2023, there were zero fatal accident and five serious injuries.

Statkraft has zero tolerance for corruption and unethical practices in all activities. There were no serious confirmed compliance incidents in 2023.

Statkraft continues to explore measures to reduce the direct emissions to reach climate neutrality by 2040. Regarding the figure for GHG emissions included in the table above, the emissions data captured includes fuel related emissions for both operative assets and assets under construction, whereas the generation figure only captures assets in operations.

See the sustainability chapter of the report for more information.

Financial performance

Statkraft aims to deliver a solid return on capital employed. For 2023, the ROACE was 28 per cent. The reportable segments have different risk and business models and are at different stages of development. Therefore, some of the segments are expected to achieve a ROACE higher than 12 per cent and some will deliver below.

People and organisation

Statkraft aims for a diverse workforce and has a long-term ambition of having minimum 40 per cent of each gender in management positions by the end of 2030. At the end of 2023, the share of women in management positions was 29 per cent. See the “Labour practices” subsection in the sustainability chapter of the report for more information.

Non-discrimination and equality is covered in the sustainability chapter of the report.

Operations

With Europe’s largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft can optimise Nordic hydropower generation over several years. Statkraft is therefore well positioned to achieve a higher average spot price for this generation than the average Nordic spot price. In 2023, Statkraft’s realised prices (measured over the last 60 months) were 9.9 per cent higher than the average Nordic spot price.

The cost of operations for Statkraft’s Nordic hydropower fleet is relatively low. In 2023, the cost was 13.4 øre/kWh, which was higher than the target.

Growth

Statkraft aims to have an annual development rate of 2.5–3 GW renewable energy (wind, solar and battery/grid) in 2025, and 4 GW per year from 2030. In 2023, Statkraft’s development rate was 1.3 GW, which was above the 1 GW target set for 2023.

Previously, Statkraft has communicated a growth target of 9 GW new renewable capacity (hydro, wind and solar) by 2025. At the end of 2023, 4.9 GW of new capacity was either built or made investment decisions for.

SUSTAINABILITY

The field of sustainability is evolving faster than ever, and international ambitions are increasing. The need to ensure both a green and a just transition has become even more apparent during 2023 and the legal landscape is changing fundamentally in response to this. Particularly important is the EU's Corporate Sustainability Reporting Directive (CSRD) and the first set of European Sustainability Reporting Standards (ESRS) which set the standard from fiscal year 2024 not only for new reporting, but also new ways of implementing, integrating and improving internal practices and processes.

Statkraft welcomes the new standards, which correspond with the company's own ambitions and long-standing work on sustainability. Statkraft's sustainability efforts have increased significantly over the past years, with sustainability seen as a key enabler for achieving the business strategy of becoming one of the world's leading companies within renewables by 2030. This is reflected in Statkraft's updated sustainability strategy and in corporate-wide implementation efforts to meet new requirements.

Drawing lessons from how Statkraft has worked on sustainability until now is important for the company's continuous improvement journey. To deliver on increased ambitions and meet requirements and expectations, Statkraft has to ensure that sustainability is integrated in everything the company does, from project development to operations. This is not always easy, and Statkraft faces challenges and dilemmas in different parts of the operations, which the company works extensively to address. Such dilemmas include questions related to indigenous rights in connection with the Fosen and Los Lagos projects, potential risks in the solar supply chain, and dilemmas related to impact on nature and biodiversity.

Ambitions and targets

Statkraft's sustainability strategy was updated in 2023. This was done in alignment with the annual strategy update, linking the business and sustainability aspects of the strategy closer together. The Sustainability Strategy focuses on four key areas: climate action, circularity, biodiversity and human rights. These focus areas are chosen to reflect both external trends and material topics for Statkraft's operations. Climate action is central to the company's overall vision. Statkraft seeks to contribute to this through the deployment of renewable energy and by responsibly managing its climate footprint, its impact on nature and by adopting a more circular mindset. Also, for the world to transition to a greener future, the way there needs to be just, and the company has an important responsibility to respect human rights as part of the change ahead.

The ambitions and targets in the sustainability strategy include:

- Clear commitment to a 1.5°C global warming target in line with the Paris Agreement. This means our emissions shall be well within a 1.5°C pathway for the power sector. Statkraft has a net-zero ambition for Scope 1, Scope 2 and Scope 3 by 2050.
- A new key focus area of circular economy, with reduction of the material footprint, and increasing re-use and recyclability as important activities.
- A commitment to mitigate the company's impact on biodiversity, and continuously work to improve the understanding of the company's impact and disclose performance transparently.
- Continue to uphold high ethical standards and respect human rights in all business activities.

Beyond what is covered in the sustainability strategy, Statkraft also has a strong commitment to health and safety, and with a vision of having a workplace without injury or harm, closely followed up through a group-wide improvement programme.

Statkraft has raised its ambitions for diversity and inclusion (D&I), including a target of having a minimum of 40 per cent of each gender across the organisation by 2030 and a target of 8.5 (on a 0-10 scale) on the employee inclusion index by 2024 (which tracks the degree to which employees experience inclusion at work).

Statkraft is also committed to high standards of business conduct and has an extensive compliance programme in place covering areas such as corruption, fraud, money laundering, sanctions, personal data protection and competition law.

Sustainability management

In its work on sustainability, Statkraft complies with the laws and regulations in the countries where it operates and takes guidance from relevant international frameworks, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. Additionally, the company is a participant in the UN Global Compact and committed to its ten principles.

Statkraft recognises the important role that business plays in contributing to the realisation of the UN SDGs and has assessed its impact on all 17 SDGs. Statkraft has decided to address eight specific goals (SDG 5, 7, 8, 11, 12, 13, 15 and 16) which the company regards as particularly important, and to which the company can provide the greatest contribution. Statkraft's fundamental principles for sustainable and responsible behaviour are outlined in the Code of Conduct, approved by the Board of Directors. Suppliers are expected to meet the requirements in Statkraft's Supplier Code of Conduct. The sustainability principles are further detailed in the management system, 'The Statkraft Way'. The Board of Directors follows up sustainability as part of its regular meetings.

Through its global activities and operations, Statkraft aims to create value for society, the environment, and the company. Acting responsibly is one of the core values of the company. At the same time, Statkraft recognises that this ambition may also give rise to dilemmas. The company seeks to understand and manage such dilemmas through a risk-based approach, carefully balancing various needs, and embedding such considerations into Statkraft's business processes. With all business activities, Statkraft takes a precautionary approach to environmental

matters. This means that Statkraft conducts risk assessments and implements mitigating actions where needed.

Key sustainability performance in 2023

Below is an overview of key sustainability improvement efforts during 2023:

Overall sustainability management

- Statkraft has continued its corporate-wide efforts to prepare for and implement necessary changes to policies, processes and reporting considering new legal requirements, including CSRD.
- A mapping of new requirements and an identification of potential gaps between these and current practices has been conducted, resulting in a prioritised plan for how to implement required changes.
- Efforts to improve quantitative reporting of sustainability indicators, including strengthened internal controls to improve data quality have been undertaken.

Climate

- Consolidated installed renewables capacity was 17 GW, and investment decisions were made for another 1.3 GW in 2023.
- The Group's carbon intensity is among the lowest in the global energy sector. In 2023, it was 12 g CO_2e/kWh and 96.8 per cent of Statkraft's power generation was based on renewable energy sources.
- In 2023, Statkraft has started a process to further improve the company's climate-related risk assessment processes.
- Statkraft has continued to work on reducing GHG emissions in the supply chain. Climate calculator tools are now available for several technologies to assist in the processes of project design and construction.

Circularity

- Statkraft has undertaken further work to understand its footprint and impact, collaborating with suppliers and industry to increase circularity, and testing circularity pilot projects.

Biodiversity

- Statkraft has continued to work on a method and tool to map material sites with focus on protected areas and globally threatened species.

Human and Labour Rights

- Renewed corporate level human rights risk assessment and expanded human rights due diligence at the country and project-level with country risks mapped for all Statkraft geographies.
- New living wage requirement adopted, reflecting the company's commitment to ensure a living wage for all Statkraft employees, and steps taken to promote a living wage for our other site-based workers.
- Work conducted to verify that companies performing work on construction sites respect labour rights. Statkraft has established a set of new tools and guidelines to support this work.

Supply Chain Management

- Statkraft has continued to identify and assess potential adverse impacts on human and labour rights in its supply chains, including continued discussions with strategic suppliers such as framework agreements for photovoltaic (PV) panels and inverters. This enables Statkraft to improve traceability procedures across multiple projects.

Labour practices

- In 2023, Statkraft continued its improvement work by integrating D&I in policies and processes, and by building D&I competence and awareness in the organisation.

Health and Safety

- Regrettably, there was an accident resulting in a third-party fatality in February 2023. A vehicle from Statkraft's part-owned company Allain Duhangan Hydropower Plant (ADHPL) in India was involved in a traffic accident that resulted in the death of a third party. The accident was investigated to understand what happened and identify any learnings from this tragic accident. According to Statkraft and CSRD reporting principles, this incident does not count into the company's KPIs.
- Statkraft did not reach its goal of zero serious injuries. Strengthening health and safety culture and performance continues to have top priority and attention in Statkraft. Key initiatives were implemented in strengthening health and safety culture during 2023.

Business Ethics

- Statkraft continues work to ensure awareness and preparedness to manage risks in new and existing business activities. Training on business ethics has been provided to the company's employees with a focus on high-risk activities and jurisdictions including M&A (mergers and acquisitions), partnerships, business development, construction projects and market activities.

For more detailed information related to Statkraft's sustainability performance, see the 'Sustainability' chapter.

Examples of key issues and challenges

During the year, Statkraft has continued to pay special attention to several issues, both human rights-related and environmental. In particular, the Fosen and Los Lagos cases have continued to present challenges and dilemmas related to renewables and indigenous rights. These are two cases Statkraft takes very seriously and seeks to find solutions that respect the rights of the indigenous peoples involved.

With respect to Fosen, on 18 December 2023, the mediation process between Sør-Fosen sijte and Fosen Vind resulted in the parties entering into an amicable agreement, where Sør-Fosen sijte provided their free and informed consent to revised conditions whereby the continuation of Storheia wind farm throughout the licence period in accordance with the licence requirements does not constitute a violation of Article 27 of the International Covenant on Civil and Political Rights (ICCPR). The purpose of the agreement is to provide necessary remedial measures to ensure that Sør-Fosen sijte can continue their

cultural practices of reindeer husbandry as a commercial activity in accordance with Article 27 ICCPR.

With respect to Los Lagos, some groups made a complaint against Statkraft AS before the Norwegian OECD National Contact Point (NCP) in 2023. The Norwegian NCP is now undertaking an initial assessment to determine whether to accept the complaint and proceed to mediation. The NCP may facilitate a process of mediation in Norway between Statkraft and the two groups. Statkraft has formally responded to the complaint expressing its willingness to cooperate in the process.

Regarding the company's supply chain, the inherent risks related to the solar supply chain remain challenging. Statkraft strongly opposes the use of forced labour and has implemented measures to address the risks through traceability obligations and audit rights.

In September 2022, an unintended incident occurred in the Surna River. This incident, disclosed in the Annual Report 2022, was related to the draining of Follsjø reservoir for a dam rehabilitation, imposed on Statkraft. During the last part of the draining, a significant amount of sediment was discharged from the bottom of the reservoir into the river downstream of the dam.

Statkraft implemented mitigation measures immediately after the incident, and environmental expertise was engaged to provide advice and conduct surveys. Their advice has been included in Statkraft's response to the incident. The incident was immediately notified to the Norwegian Water and Energy Directorate (NVE) and other authorities. They have been updated on several occasions and been given the opportunity to provide input and feedback. The incident has been further followed-up with several biodiversity related studies in 2023. The studies indicate some negative effect on the spawning of salmon in 2022 and on one of the freshwater mussel populations. NVE has imposed further surveys, and that Statkraft will consider additional mitigation measures by June 2024.

Based on the latest reports, the duration of negative effects on the Surna River has been longer than foreseen in 2022 and Statkraft has therefore recategorised the incident from a less serious incident to a serious incident.

In Sweden, Statkraft has several hydropower stations in the Lagan River which also is an eel habitat. In 2023 Statkraft has noted a sudden increase in eel mortalities around the company's infrastructure. The observations of eel mortality increase are being investigated and conclusions expected in Q1 of 2024. The background and reasons for this increase will be closely followed up in 2024.

The lessons learned from working on these cases are incorporated into group-wide efforts to improve the approach to, and implementation of, sustainability across Statkraft's activities. For additional information, see the 'Sustainability' chapter.

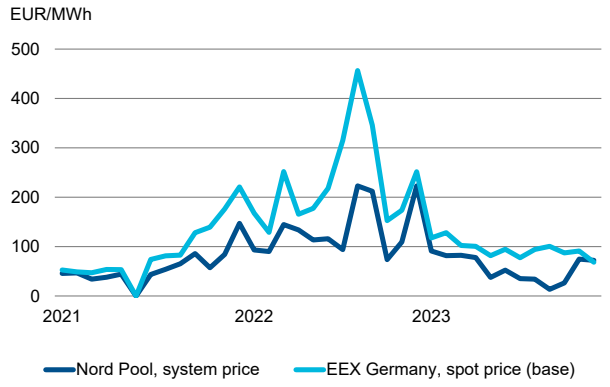
POWER PRICES AND GENERATION

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

Power prices

The power prices saw a significant drop from the extreme levels seen in 2022.

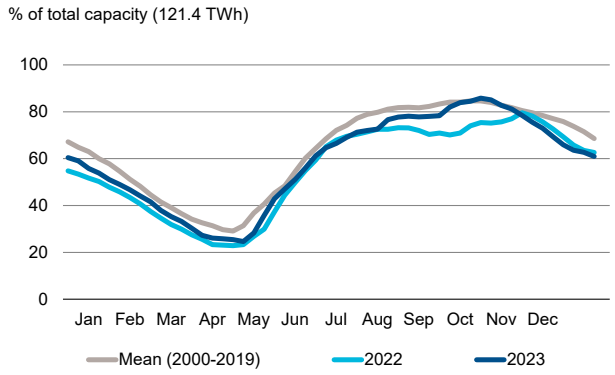
Market prices for power, monthly averages



The average system price in the Nordic region was 57 EUR/MWh in 2023 (136 EUR/MWh), while the average German spot price (base) was 95 EUR/MWh (234 EUR/MWh).

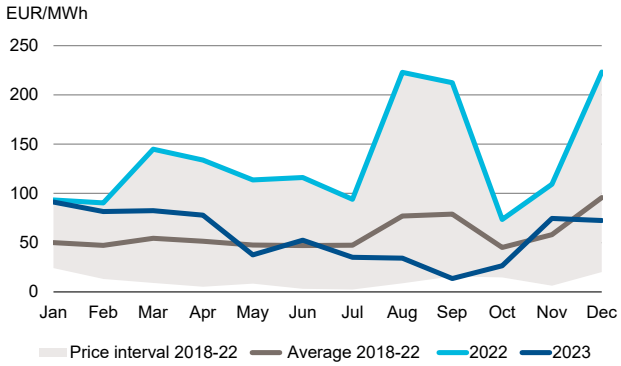
The Nordic market

Reservoir level



As the Nordic generation capacity is mainly hydropower, hydrology and reservoir levels are important price drivers. The reservoir level was at relatively normal levels throughout 2023.

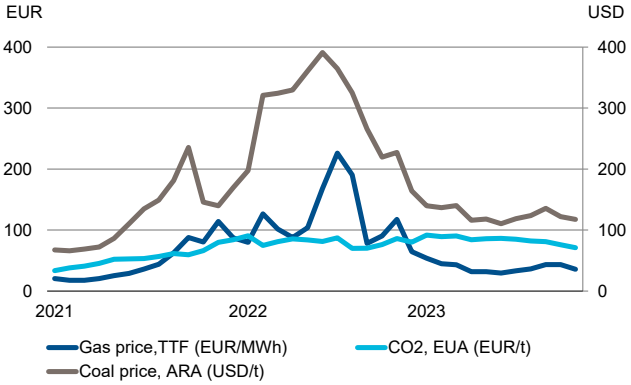
Nordic system price



The Nordic power prices were significantly lower than the record-high levels seen throughout 2022.

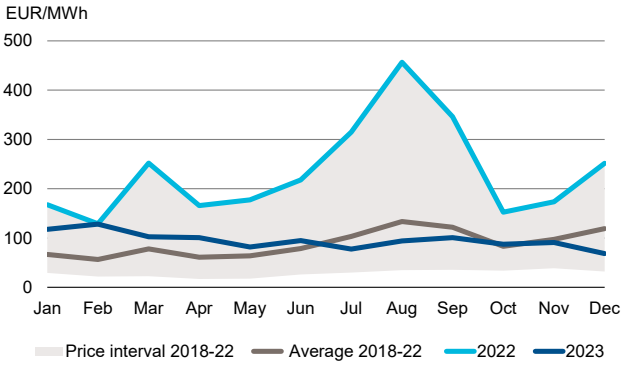
The German market

Price drivers



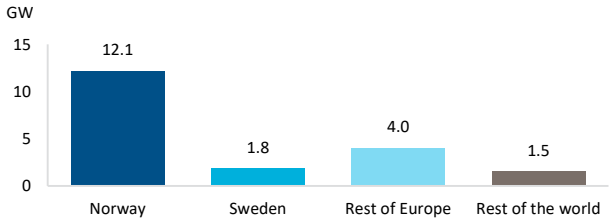
Coal, gas and CO_2 are important price drivers for the German power market. The prices for both coal and gas were significantly lower than in 2022, while the CO_2-price was relatively stable.

German spot price (base)



The German power prices were significantly lower than the record-high prices in 2022 for most of the year.

Generation capacity



Statkraft has a consolidated installed power generation capacity of 19.4 GW. 12.1 GW of this is in Norway, of which hydropower is the largest technology with 11.5 GW. The Norwegian hydropower assets represent around a quarter of Europe's total reservoir capacity. This makes them well suited for a power system with a large share of intermittent power generation from wind and solar.

In addition, Statkraft has ownership in power generation capacity in partly owned companies that are not included in the consolidated capacity above. Statkraft also has a consolidated district heating capacity of 0.9 GW. For further details see the power plant overview in the "Key figures" section at the end of this report.

Power generation

Total power generation in 2023 was 61.9 TWh, an increase of 3 per cent compared with 2022. The increase was primarily related to hydropower in the Nordics. In addition, Statkraft delivered 1.3 TWh district heating, an increase of 11 per cent.

Generation by technology

TWh	2023	2022
Hydropower	55.0	53.9
Wind power	4.5	4.3
Gas-fired power	2.0	1.7
Other (biomass and solar power)	0.4	0.3
Total generation	61.9	60.2

Generation by geography

TWh	2023	2022
Norway	46.7	46.0
Sweden	6.5	6.5
Rest of Europe	4.1	3.4
Rest of the world	4.6	4.3
Total generation	61.9	60.2

Spot and contracted volume

TWh	2023	2022
Net physical spot sales	42.7	42.5
Concessionary sales at statutory prices	3.5	3.5
Other statutory bilateral contracts	0.9	1.0
Long-term commercial contracts	14.8	13.2
Total generation	61.9	60.2

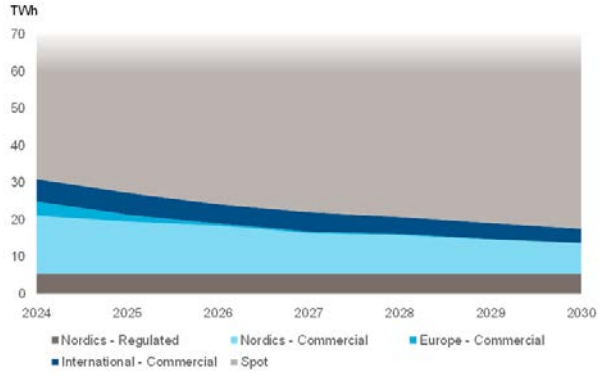
FINANCIAL RISK REDUCING ACTIVITIES

Power generation assets are exposed to energy risk through fluctuations in both price and volume. By entering into positions in the markets for power and related products, either financially or through bilateral contracts, Statkraft actively manages this risk at both company and asset level.

The main hedging activity is long-term contracts with power-intensive industry in Norway. This activity is supplemented with financial power contracts and other risk mitigating activities. The bilateral contracts and other hedging activities reduce the price risk for parts of the power generation and have a stabilising effect on the revenues over time.

A proportion of the generation is hedged through financial contracts. Such contracts are accounted for at fair value and the difference between the contracted fixed price and the forward market price for the total volume of 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 may in periods with volatile power prices lead to significant effects in the financial statements.

Hedged volume 2024-2030



With Europe's largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft can store water for periods when the demand and prices are high. Hence, the power generation can vary significantly from one year to another – typically between 60 TWh and 70 TWh with today's capacity. As seen in the graph above, around one third of the Group's total estimated generation for the next years is hedged.

Most of the hedged volume is related to Statkraft's largest segment, Nordics. The main hedges in the Nordics are long-term contracts with power-intensive industry but it also includes certain prepaid long-term contracts, fixed price contracts with small and medium size enterprises, financial contracts, concessionary power and other regulated contracts.

For the segment Europe a smaller part of the generation is hedged, while the segment International has secured most of the estimated generation through long-term contracts.

FINANCIAL PERFORMANCE

The Group's reported operating profit (EBIT) was NOK 48 515 million, while the underlying EBIT was NOK 41 378 million. This is a strong result, and the second highest ever EBIT for Statkraft. The decrease from 2022 was primarily due to significantly lower power prices, lower results from trading activities and higher operating expenses. The decrease was partly offset by positive hedging effects.

Profit before tax was NOK 50 982 million and net profit ended at NOK 26 055 million. At the end of 2023, the Group's equity was NOK 144 578 million, corresponding to 45 per cent of total assets. Cash flow from operating activities was NOK 7913 million.

In the following, the emphasis is to present the results from the underlying operations for items up to and including the operating profit. All underlying items are alternative performance measures, see the chapter «Alternative Performance Measures» for purpose, definition and statement of all items. Elements from the statement of comprehensive income after the operating profit are analysed in accordance with the financial statements.

Net operating revenues and other income

NOK mill.	2023	2022
Nordics	42 226	53 375
Europe	9 059	5 400
International	2 916	2 475
Markets	10 278	14 106
District heating	607	749
New technologies	418	215
Other	2 377	1 870
Group items	-2 542	-2 911
Net operating revenues and other income underlying	65 339	75 280

Statkraft's revenues are generated through spot sales, contractual sales to the industry, market activities, grid activities and district heating. In addition, the Group delivers concessionary power. The fundamental basis for Statkraft's revenues comprises of power prices, energy optimisation and generation. The generation revenues are optimised through financial power trading, and the Group engages in energy-related trading activities. The Group's underlying net operating revenues and other income decreased 13 per cent from 2022.

The largest segment, Nordics, and the Markets segment were the main contributors to the decrease. For the Nordics segment, the decrease was primarily due to the lower Nordic power prices and negative contribution from embedded derivatives, partly offset by positive effects from hedging. For the Markets segment, the decrease was primarily related to trading, which delivered strong results but significantly lower than in 2022.

The improvement for the Europe segment was driven by hedging gains, while the increase for International was primarily due to higher wind power generation in Brazil.

The net revenues for District heating decreased, primarily as a result of higher fuel prices and more peak load utilisation.

The increase for New technologies was mainly related to growth and scale up in the EV charging business.

Operating expenses

NOK mill.	2023	2022
Nordics	-10 857	-10 333
Europe	-4 980	-3 568
International	-2 436	-1 839
Markets	-3 668	-3 732
District heating	-646	-561
New technologies	-1 489	-871
Other	-2 738	-2 277
Group items	2 852	2 327
Operating expenses underlying	-23 961	-20 855

In total, the Group's underlying operating expenses increased by 15 per cent year-on-year. The increase was driven by increased business development activity level in line with the growth strategy.

In addition, a significantly weaker NOK relative to other currencies contributed to an increase in the operating expenses in 2023 compared with 2022.

The increase was partly offset by lower high-price contribution on power generation in Norway and performance-related remuneration.

Items excluded from the underlying EBIT

NOK mill.	2023	2022
Unrealised value changes from embedded EUR derivatives	3 181	-1 338
Gains/losses from divestments of business activities	1 603	-1
Impairments/reversal of impairments	2 354	-907
Total adjustments	7 137	-2 247

The positive unrealised effects from derivatives excluded from the underlying operating profit was driven by a weakening of forward NOK against EUR.

The gain from divestment of business activities was related to the divestment of a 50 per cent stake in the offshore wind portfolio in Ireland.

Impairments and reversal of previous years' impairments excluded from the underlying operating profit had a net positive effect of NOK 2354 million. This was primarily related to reversals on wind power assets in Norway and Sweden reflecting an expectation of higher future power prices. See note 15 to the consolidated financial statements for more information.

Financial items

NOK mill.	2023	2022
Interest income	2 405	1 155
Interest expenses	-1 432	-922
Net currency effects	-2 497	233
Other financial items	548	5 645
Net financial items	-977	6 111

Both interest income and interest expenses increased, primarily due to higher interest rates.

Other financial items in 2023 were mainly related to value changes in venture capital investments.

Net currency effects

NOK mill.	2023	2022
Currency hedging contracts and short term currency positions	46	2 129
Debt in foreign currency	-1 448	-1 733
Internal loans, joint ventures and associates	-1 095	-162
Net currency effects	-2 497	233

The net negative currency effects were driven by a weakening of NOK against EUR, GBP and USD and were primarily related to external debt and bank deposits in EUR, with negative effects on debt and positive effects on deposits.

Tax expense

NOK mill.	2023	2022
Profit before tax	50 982	58 819
Nominal tax rate in Norway	22%	22%
Tax calculated at nominal Norwegian tax rate	11 216	12 940
Tax on share of profit/loss in equity accounted investments	-758	-117
Resource rent tax	12 711	16 838
Other differences from the nominal Norwegian tax rate	1 758	567
Tax expense	24 927	30 228
Effective tax rate	49%	51%

The recorded tax expense decreased compared with 2022. This was mainly due to the lower profit before tax subject to income tax and a decrease in resource rent tax due to lower Norwegian power prices. The majority of Statkraft's tax expense was related to Norway. See note 22 to the consolidated financial statements for more information.

Cash flow

NOK mill.	2023	2022
Operating activities	7 913	40 242
Investing activities	-14 325	-6 020
Financing activities	-8 858	-14 179
Net change in cash and cash equivalents	-15 270	20 043
Currency exchange rate effects	950	1 696
Cash and cash equivalents (incl. restricted cash) at year-end	44 582	58 902

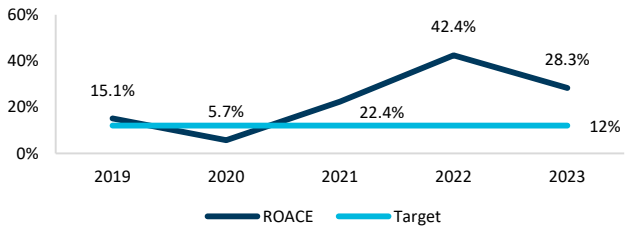
Cash flow from operating activities decreased significantly. The substantial difference between operating profit (IFRS) and cash flow from operating activities was related to non-cash positive effects of NOK 8.2 billion included in operating profit, negative working capital changes of NOK 2.3 billion, development and construction of DS/DBS projects of NOK 3.6 billion and taxes paid of NOK 25.4 billion.

Cash flow from investing activities was mainly related to investments in property, plant and equipment of NOK 9.1 billion and cash outflow following acquisitions of shares in subsidiaries of NOK 8.6 billion, partly offset by interest received of NOK 2.2 billion and cash inflow of NOK 1.6 billion from divestments. See note 5 to the consolidated financial statements for more information on the acquisitions and divestments.

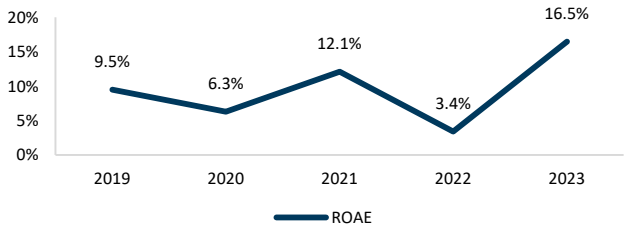
Cash flow from financing activities was primarily related to dividend paid to the owner of NOK 17.2 billion, repayment of interest-bearing debt of NOK 15.1 billion and purchase of non-controlling interest in Brazil of NOK 2.0 billion. This was partly offset by new debt of NOK 26.1 billion.

The cash position was relatively high at the end of the year as significant cash outflow is expected in 2024, particularly related to tax payments, dividends and repayment of interest-bearing debt.

Return on investments



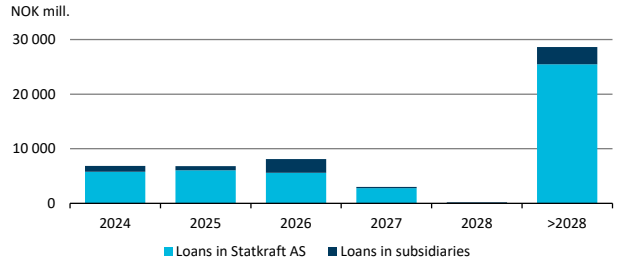
The decrease in underlying operating profit following the significant drop in power prices and lower results from market activities impacted the return on average capital employed (ROACE), which decreased substantially year-on-year, but ended well above Statkraft's target of minimum 12 per cent. The average capital employed was 14 per cent higher than for 2022.



The return on average equity accounted investments (ROAE) increased compared with 2022. This was due to a higher share of profit in equity accounted investments, which increased from NOK 531 million to NOK 3444 million. The increase was mainly related to the Norwegian regional companies Eviny and Å Energi.

Net interest-bearing debt repayment plan

Debt redemption profile[1]



The main objectives of the Group's capital structure management are to maintain a reasonable balance between solidity, the ability to invest and to maintain a strong credit rating. When new external financing is considered, Statkraft seeks to ensure an evenly distributed repayment profile.

The most important target for the Group's management of capital structure is the long-term credit rating.

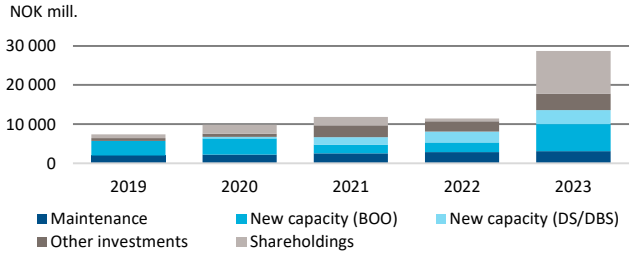
At the end of 2023, net interest-bearing liabilities amounted to NOK 16 633 million, resulting in a net interest-bearing liabilities - equity ratio of 10.3 per cent.

At the end of the year, Statkraft's equity totalled NOK 144 578 million, compared with NOK 131 691 million at the start of the year. This corresponds to 45 per cent of total assets (39 per cent).

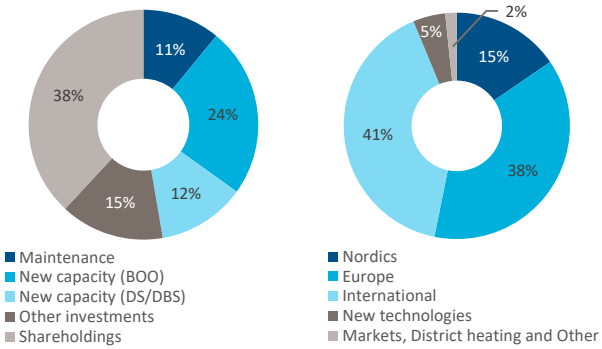
Financial strength and rating

Statkraft is rated by Standard & Poor's and Fitch. After an upgrade in 2022, Statkraft AS current credit rating is A (stable outlook) from Standard & Poor's and A- (stable outlook) from Fitch Ratings. The rating upgrades in 2022 were a consequence of the high power prices and higher profit forecast. Statkraft appreciate the positive rating actions but stay committed to the rating target of A- from Standard & Poor's and BBB+ from Fitch. See note 6 to the consolidated financial statements for further information.

Investments



2023 investments



Statkraft invested NOK 28 715 million in 2023 (NOK 11 451 million), of which 11 per cent were maintenance investments, primarily in Nordic hydropower assets.

Slightly more than one third of the invested amount were in new capacity, either through the business model Develop-Sell (DS) / Develop-Build-Sell (DBS), where the aim 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 in due course after completion or through the business model Build-Own-Operate (BOO).The DS/DBS investments were primarily related to the development and construction of wind and solar projects, primarily in Ireland. The largest BOO investments were related to the hydropower plants Tidong in India and Los Lagos in Chile, as well as the wind farms Ventos de Santa Eugenia and Morro de Cruzeiro in Brazil and Torsa in Chile.

Other investments of NOK 4204 million were mainly related to EV charging businesses, district heating and grid activities in Norway, as well as grid service projects in Ireland and the UK.

The NOK 10 929 million investments in shareholdings were mainly related to acquisitions of operating wind farms in Germany, France and Brazil. See note 5 to the consolidated financial statements for further information on acquisitions in 2023.

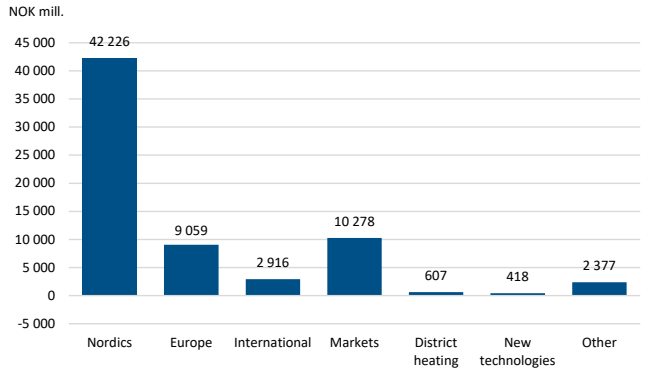
[1] Includes commercial papers, bonds and bank debt.

SEGMENTS

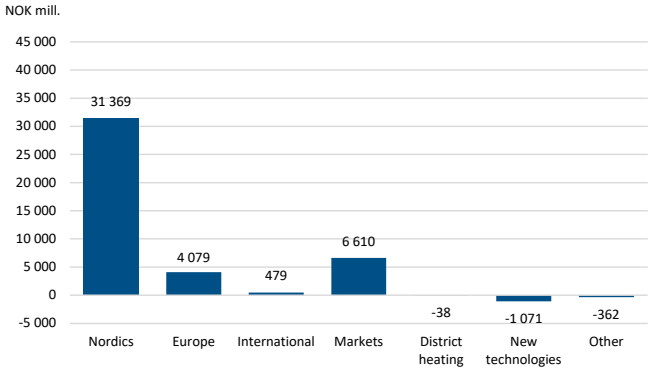
Statkraft is organised in five business areas and two corporate staff areas. The business areas are Nordics, Europe, International, Markets and New Energy Solutions. The staff areas are: Corporate staff and CFO & IT. All business areas and staff areas are headed by an Executive Vice President. The Chief Executive Officer and the Executive Vice Presidents form the Corporate Management. See note 4 to the consolidated financial statements for further description of the business areas and staff units.

The Group's reportable segments are in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified based on internal management information that is periodically reviewed by the corporate management and used as a basis for resource allocation and key performance review. The reportable segments are defined as Nordics, Europe, International, Markets, District heating and New technologies. In addition, the group reports Other and Group items. Other includes costs related to governance of the Group and other group services as well as unallocated assets. Group items include elimination of transactions between segments. See note 4 to the consolidated financial statements for further description of the segments.

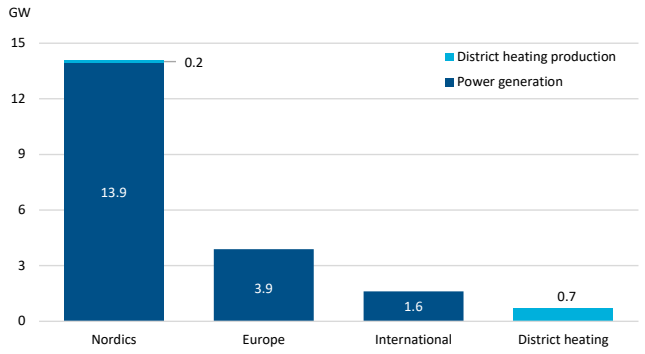
Net operating revenues and other income, underlying



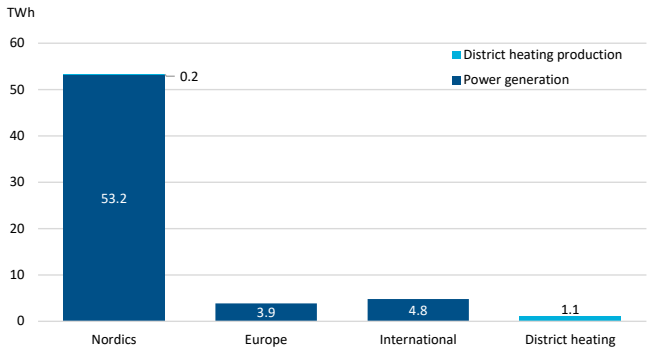
EBIT, underlying



Installed capacity



Power generation/district heating production



Nordics

Nordics includes asset ownership and operation of the Group's hydro and wind power business in Norway and Sweden, as well as a subsea interconnector between Sweden and Germany (Baltic Cable). The segment also includes development of new onshore power generation in the Nordics as well as all offshore wind power development in Statkraft. In addition, it includes management and development of Norwegian shareholdings within the Group's core business, which is the shareholdings in Skagerak Energi, Eviny and Å Energi. Skagerak Energi is included in the consolidated financial statements, while Eviny and Å Energi are reported as equity accounted investments.

Nordics is the largest segment in the Statkraft Group, measured in terms of installed capacity, fixed assets, net operating revenues and results. The assets are primarily flexible with the main part of the capacity related to hydropower. Most of the segment's revenues stems from sales in the spot market and from long-term contracts. The long-term contracts have a stabilising effect on the revenues and profit over time. The segment also delivers concessionary power.

Business model

The segment owns and operates the portfolio of hydro- and wind power in the Nordics. Multi-year reservoirs in Norway and the flexibility of the hydropower plants enable optimisation of the power generation based on the hydrological situation and the power price expectations. In addition, the optimisation balances availability, reinvestments and maintenance costs for the assets.

Key risks

Key risks are risks related to market, HSSE, commodity prices, economic, political and regulatory aspects and compliance.

Inflow and market prices are important external factors affecting the results. Statkraft hedges generation revenues through physical bilateral contracts and financial power positioning. The hedged percentage of generation varies with market development expectations and generation volumes. Changes in the regulatory framework on concessions, grid tariffs, and energy related taxes are the main additional financial risks.

Important events in 2023

- Fosen Vind signed an agreement with Sør-Fosen sijte ensuring continuation of both reindeer husbandry and wind power in Southern Fosen. See the "Human rights" subsection in the Sustainability chapter for more information.
- Signed several new long-term power contracts that provides hedges for around 70 TWh for the years 2024-2038. Some of the contracts are subject to conditions precedent.
- Divested a 50 per cent stake in the offshore wind portfolio in Ireland with a gain of NOK 1603 million. See note 5 to the consolidated financial statements for more information.
- Won a 20-year Contract for Difference (500 MW) for the North Irish Sea Array in Irelands first offshore wind auction.
- Acquired a Swedish onshore wind business and a Swedish offshore development platform.
- The high-price contribution on power generation that was introduced in Norway in 2022 was abolished in October 2023, while resource rent tax will be introduced for wind power from 2024.

Financial performance

Key figures

NOK mill.	2023	2022
Gross operating revenues and other income	46 836	60 524
Net operating revenues and other income	42 226	53 375
Operating expenses	-10 857	-10 333
Operating profit (EBIT) underlying	31 369	43 042
- of which unrealised effects	2 227	*-597*
Unrealised value changes from embedded EUR derivatives	3 181	-1 338
Gains/losses from divestments of business activities	1 603	-
Impairments/reversal of impairments	2 542	-692
Operating profit (EBIT) IFRS	38 695	41 011
Share of profit/loss in equity accounted investments	3 116	-685
ROACE (%)	37.8	53.9
ROAE (%)	20.0	-6.3
Maintenance investments	2 692	2 320
Investments in new capacity	91	41
Other investments	1 535	1 398
Investments in shareholdings	120	97
Generation (TWh)	53.2	52.5

Nordics had strong results in 2023, even if it was below the record level in 2022, and good energy management led to realised prices well above spot prices The decrease in net operating revenues and other income was mainly due to significantly lower power prices and negative value changes from embedded derivatives linked to various commodities and consumer price indexes. The decrease was partly offset by positive effects from hedging activities and increased generation.

Operating expenses increased 5 per cent, primarily driven by a higher number of full-time equivalents and activity level in line with the growth strategy. The increase was partly offset by lower high-price contribution on power generation in Norway.

The positive unrealised effects from derivatives excluded from the underlying operating profit was driven by a weakening of forward NOK against EUR. Reversals of impairments were recognised on Swedish and Norwegian wind power assets reflecting an expectation of higher future power prices. See note 15 to the consolidated financial statements for more information.

The increase in share of profit/loss in equity accounted investments was primarily related to positive hedging effects in Eviny and Å Energi in 2023.

Nordics delivered a strong ROACE at 37.8 per cent, but significantly down from 2022 due to the lower underlying EBIT. The average capital employed was at the same level as in 2022.

The improvement in the share of profit/loss in equity accounted investments led to a solid return on average equity accounted investments (ROAE).

The investments were primarily related to maintenance of Nordic hydropower assets and grid activities in Skagerak Energi.

Europe

Europe is responsible for development and ownership of onshore wind, solar, hydropower, gas-fired, biomass and grid/storage assets in Europe outside of the Nordic countries. In addition, Europe is responsible for corporate shared services such as procurement and the project execution of large construction projects in Statkraft.

The revenues come from power sales, support schemes and gains from divestments.

Business model

Europe has two main business models. One of the models is to develop and construct onshore wind and solar projects with the intention to divest the assets either before, at the time of, or in due course 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 asset ownership and operation of wind and/or solar farms in Ireland, Germany, France and Spain, hydropower in Germany, the UK and Albania, gas-fired and biomass power plants in Germany as well as grid/storage assets in the UK and Ireland. This business model is known as Build-Own-Operate (BOO).

Key risks

Key risks for the segment are risks related to market, commodity prices, execution, HSSE, economic, political and regulatory aspects and compliance.

The fluctuation of power prices leads to significant market risk with financial impact for the assets in development and operation. There is also significant commodity risk and foreign exchange risk which can affect the construction costs and accordingly profitability of development projects. An upward movement in interest rate may affect potential investors financing ability which could impact the profitability of the projects. All relevant risks are reflected in the valuation of investments and assets on a regular basis.

For some projects where Statkraft will construct a power plant, there is a risk of contractual liabilities emerging during the warranty period, subsequent to divestment to a third party. Warranty provisions are recognised for the applicable projects.

Statkraft hedges generation revenues through financial power trading. The hedged percentage of generation varies with market development expectations and generation volumes.

Changes in the regulatory framework on concessions, grid tariffs, and energy-related taxes are the main additional financial risks for the segment. Proactive mitigation and handling of other risks is covered in the risk and performance management process.

Important events in 2023

- The current gross pipeline consists of 22 000 MW, with 600 MW fully developed during 2023.
- Acquired 372 MW of operating wind farms in Germany, Ireland and France, as well as wind and solar projects with a planned capacity of 1328 MW. See note 5 to the consolidated financial statements for more information on these acquisitions.

Financial performance

Key figures

NOK mill.	2023	2022
Gross operating revenues and other income	12 288	12 453
Net operating revenues and other income	9 059	5 400
Operating expenses	-4 980	-3 568
Operating profit (EBIT) underlying	4 079	1 832
- of which unrealised effects	*3 834*	*-628*
Impairments/reversal of impairments	-20	1 542
Operating profit (EBIT) IFRS	4 059	3 375
Share of profit/loss in equity accounted investments	126	281
ROACE (%)	14.4	8.8
ROAE (%)	14.6	32.2
Maintenance investments	184	359
Investments in new capacity	3 580	2 858
Other investments	1 261	475
Investments in shareholdings	5 809	16
Generation (TWh)	3.9	3.1

The significant improvement in net operating revenues and other income was primarily related to positive effects from hedging activities, primarily driven by decreased spark spreads and lower forward power prices.

Operating expenses increased 40 per cent, mainly due to a higher number of full-time equivalents, inflation, weakening of NOK and acquisitions in 2023. The increase is in line with the growth strategy.

The decrease in share of profit/loss in equity accounted investments was related to Wind UK Invest and was primarily due to lower power prices.

The increase in return on average capital employed (ROACE) was due to the improvement in underlying EBIT. Average capital employed increased by 37 per cent. The capital employed is relatively high due to newly built and acquired assets leading to high carrying values.

The return on average equity accounted investments (ROAE) decreased in line with the lower share of profit in equity accounted investments.

Investments were mainly related to acquisitions as well as development and construction of wind and solar projects within the DS/DBS business model, primarily in Ireland, as well as grid service projects in Ireland and the UK.

International

International includes development, asset ownership and operation of onshore wind, solar and hydropower assets in selected markets outside Europe. Some of the investments are made in collaboration with local partners or international investors. The segment operates in, Brazil, Chile, Peru, India, Türkiye and Nepal.

The revenue stems from power sales, mainly on long-term contracts.

Business model

The segment's business model is to develop, acquire, own and operate renewable generation assets in selected markets, requiring activities and capabilities across the value chain. The target is to develop the best opportunities in each market and provide customers with the best products. This will be achieved through strong operations and maintenance as well as market competence, excellence in project planning and execution and a common understanding of the markets and regulatory developments.

Key risks

Key risks for the segment are risks related to HSSE and other sustainability areas, compliance, commodity prices, project execution, long-term development of the energy markets, climate as well as political and regulatory aspects.

Hydrology and market prices are important external market factors affecting risk, the financial results and valuation.

All relevant risks are reflected in the valuation of investments and assets on a regular basis. Proactive mitigation and handling of the risks are covered in the risk and performance management process.

Important events in 2023

- Acquired a portfolio of operating wind farms in Brazil (260 MW) and acquired the remaining 18.7 per cent share of the Brazilian subsidiary Statkraft Energias Renováveis and now holds 100 per cent of the shares. See note 5 to the consolidated financial statements for more information on these acquisitions.

Financial performance

Key figures

NOK mill.	2023	2022
Gross operating revenues and other income	4 711	3 993
Net operating revenues and other income	2 916	2 475
Operating expenses	-2 436	-1 839
Operating profit (EBIT) underlying	479	636
Gains/losses from divestments of business activities	-	-1
Impairments/reversal of impairments	-104	-1 753
Operating profit (EBIT) IFRS	376	-1 117
Share of profit/loss in equity accounted investments	274	988
ROACE (%)	1.7	2.9
ROAE (%)	6.2	27.2
Maintenance investments	264	168
Investments in new capacity	6 722	2 376
Other investments	115	45
Investments in shareholdings	4 543	143
Generation (TWh)	4.8	4.6

The net operating revenues and other income increased, primarily due to higher wind power generation in Brazil, partly offset by lower generation in Chile and Türkiye. In Chile, energy purchase was also higher to cover commitments from long-term power sales agreements.

Operating expenses increased 32 per cent, primarily due to a higher number of full-time equivalents, inflation, weakening of NOK and higher business development activity in line with the growth strategy.

The decrease in share of profit/loss in equity accounted investments was mainly due negative impacts from flooding event and changes on deferred tax. Both years includes reversal of impairments due to expected higher future power prices, but the reversals were higher in 2022. See note 15 to the consolidated financial statements for more information on these reversals.

The decrease in the return on average capital employed (ROACE) was due to the lower underlying EBIT. The average capital employed, which was 29 per cent higher year-on-year, is relatively high due to newly built and acquired assets leading to high carrying values.

The lower return on average equity accounted investments (ROAE) was mainly driven by the lower share of profit from equity accounted investments in Chile.

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

Markets

Markets includes proprietary trading, origination and market access for generators of renewable energy. The segment has activities in several countries in Europe, and is also active in Brazil, India and US. Markets generates profit from changes in the market value of energy and energy-related products, and from buying and selling both standard and structured products, typically environmental certificates and power contracts. Statkraft further provides market access services for third parties. For all these activities, Statkraft takes on different risks, and all activities are followed up through separate risk mandates. The main activities are:

- Proprietary trading of standard energy and energy-related products, mainly via exchanges.
- Origination and hedging services for generators (upstream PPAs) and power supply for consumers (downstream PPAs) as well as sourcing and supply of environmental certificates.
- Provide market access to external generators of renewable energy with the aim to optimize revenues for intermittent and flexible assets owned by third parties.

Key risks

Key risks for the segment are risks related to market, economic, political and regulatory aspects and compliance.

The main focus is the management of market, credit and liquidity risks. These risks are managed through a mandate framework and daily risk reporting by the risk department, which has strict segregation of duties from the Front Office.

Important events in 2023

- The first power purchase contract of renewable electricity and certificates from a 99 MW wind farm in the US was signed. The contract started in 2023 and runs until 2026.
- Two long-term power supply agreements with Commercial Metal Company Poland have been signed. Combined with a previously signed contract, the three contracts secure the power price for volumes up to 400 GWh per year. The new contracts start in 2025 and last until 2034.
- Four long-term guarantees of origin (GoO) agreements with a German company have been signed. Statkraft will be selling as-produced GoO volumes from Spanish and Portuguese wind and solar farms. Contract duration is from 2023 to 2033, and the expected volume corresponds to the delivery of 355 GWh per year.
- Two 10-year power supply agreement in Spain were signed. The contracts start in 2024 and 2025 and has a contracted volume of 380 GWh and 95 GWh per year.
- Two swap curve deals were signed in Brazil for 4 and 12 years. The total contact volumes are 5.6 TWh and 8.8 TWh respectively.

Financial performance

Key figures

NOK mill.	2023	2022
Gross operating revenues and other income	54 861	93 312
Net operating revenues and other income	10 278	14 106
Operating expenses	-3 668	-3 732
Operating profit (EBIT) underlying	6 610	10 374
- of which unrealised effects	*-1 362*	*4 917*
Operating profit (EBIT) IFRS	6 610	10 374
Other investments	76	42

The decrease in EBIT was primarily related to trading activities, which delivered strong results in 2023, but at a significantly lower level than in the preceding year. The contribution from origination activities were on par with the very strong results in 2022. The result in 2023 was mainly driven by power positions gaining on lower price levels in the European power markets and by entering new power contracts and environmental certificates.

The record results connected to the trading- and origination business in 2022 triggered substantial provisions for variable pay. The variable pay system was therefore changed from 2023, and the maximum variable pay per employee is therefore significantly reduced, despite very strong results also in 2023. The group considers the variable pay scheme to be necessary in order to be competitive in this market. Statkraft aims to have competitive, but not market-leading, remuneration schemes in its trading and origination business.

Operating expenses decreased 2 per cent compared with 2022, primarily due to significantly lower performance related remuneration. The decrease was to a large extent offset by higher business activity, which led to higher IT expenses and higher number of full-time equivalents in line with the growth strategy. In addition, inflation and a weakening of NOK had a negative effect.

District heating

Statkraft owns and operates 13 facilities and concessions divided in two sub-areas, Trondheim and Bio Norden. Trondheim is centred around a waste-to-energy plant at Heimdal in Trondheim with mainly electricity and gas to cover peak load. Bio Norden consists of 12 plants in different locations in Norway and Sweden, all based on biomass with some bio-oil and electricity for peak load. District heating has a grid of approximately 500 km, 40 000 end-users and the segment delivers around 1.1 TWh of heating and cooling.

The revenue stems from the sale of heating and cooling as well as waste handling.

Business model

Statkraft's district heating activities include the full value chain, from sourcing and production to end-user sales of heating and cooling.

Key risks

Key risks for the segment are risks related to market, HSSE, economic, political and regulatory aspects and compliance. District heating is complementing green electricity as a sustainable energy source. However, newly introduced CO_2 taxes on waste incineration challenges the financial viability of the district heating business.

The segment is also exposed to financial risk through Norwegian power prices and grid tariffs, price on waste handling and other energy sources. Production volume is affected by temperatures during the heating season.

Important events in 2023

- Entered an agreement with Coop Norge that ensures the utilization of excess heat from Coop's logistics centre at Gardermoen for the period 2023-2041 (20-25 GWh/year).
- Acquired neighbouring property to the heating plant in Trondheim and entered into a cooperation agreement with Trondheim municipality in relation to a CCS project.
- Acquired the onshore business of Winns to further develop and fulfil the role as an industrial developer of urban energy through buy, build and operate decentralized heating and cooling solutions outside of or connected to current concession areas.
- The Norwegian government raised the CO_2 tax on fossil waste incineration in the national budget to NOK 882 per tonne of fossil CO_2 emitted, an increase of 85 per cent from 2023 levels.
- New EU regulations requires certification of biomass (Sustainable Biomass Production - SBP). This will increase the segments cost for purchase of CO_2 quotas.

Financial performance

Key figures

NOK mill.	2023	2022
Gross operating revenues and other income	1 132	1 088
Net operating revenues and other income	607	749
Operating expenses	-646	-561
Operating profit (EBIT) underlying	-38	188
Impairments/reversal of impairments	-4	-3
Operating profit (EBIT) IFRS	-42	184
ROACE (%)	-1.1	5.4
Maintenance investments	5	4
Other investments	310	164
Delivered volume (GWh)	1 110	1 002

Net operating revenues and other income decreased, primarily due to higher fuel prices and more peak load utilisation. The decrease was partly offset by higher delivered heating volume in Norway and higher achieved heating prices in Sweden. The revenues from waste handling were lower than in 2022, due to both lower volume and achieved prices.

Operating expenses increased 15 per cent, mainly due to a higher number of full-time equivalents, higher operation and maintenance cost as well as a high activity level in line with the growth strategy.

The return on average capital employed (ROACE) was -1.1 per cent due to the negative underlying EBIT. The average capital employed was stable compared with 2022.

The investments were primarily related to acquisition of land, extension of the heat distribution system and other reinvestments in existing assets, mainly in Norway.

New technologies

New technologies' responsibility is to identify, develop and scale opportunities within renewable energy, and to create value through tailored ownership and business models for selected mature businesses.

New technologies is the asset owner for activities within electric vehicle (EV) charging, hydrogen, and biofuel. The segment also includes venture capital investments, as well as research and development (R&D).

Key risks

Key risks are related to HSSE, market maturity, project execution, economic, political and regulatory aspects and compliance.

All relevant risks have mitigating actions in place which are monitored on a continuous basis. These risks are also reflected in the valuation of investments.

Important events in 2023

- The EV charging company Mer continued the growth journey to become a leading European EV charging company and secured several large contracts in Norway and Germany.
- Continued to develop the hydrogen business and made the first principal investment decision on a project in Germany.
- Continued to mature and test the HTL - technology for biofuel in the demo-plant at Tofte in Norway.
- Acquired the remaining 51 per cent of the shares in Silva Green Fuel and now holds 100 per cent of the shares. Following the transaction Silva Green Fuel changed from an equity accounted investment to a consolidated company. See note 5 to the consolidated financial statements for more information.

Financial performance

Key figures

NOK mill.	2023	2022
Gross operating revenues and other income	1 106	685
Net operating revenues and other income	418	215
Operating expenses	-1 489	-871
Operating profit (EBIT) underlying	-1 071	-656
Impairments/reversal of impairments	-61	-1
Operating profit (EBIT) IFRS	-1 132	-657
Share of profit/loss in equity accounted investments	-72	-54
Other investments	867	425
Investments in shareholdings	457	469

Net operating revenues and other income increased, primarily related to the EV charging business.

Operating expenses increased 71 per cent, due to higher activity and cost levels in line with the growth and scale up of EV charging and ramp-up of the hydrogen business.

The investments were primarily related to purchase of EV charging equipment and investments made by Statkraft Ventures.

PROFIT ALLOCATION

The parent company Statkraft AS had a net profit of NOK 9225 million in 2023.

Statkraft AS is fully owned by Statkraft SF. The Board of Directors of Statkraft SF proposes a dividend of NOK 13 029 million to its owner. The Board of Directors of Statkraft AS proposes the following allocation of the annual profit in Statkraft AS:

NOK mill.	
Total comprehensive income in Statkraft AS' company accounts	9 225
Appropriation of profit for the year and equity transfers:	
Allocated dividend from Statkraft AS to Statkraft SF	13 029
Allocated to (+)/from (-) retained earnings	-3 804

The proposed dividend is deemed to be prudent based on Statkraft AS' equity and liquidity.

GOING CONCERN

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the annual financial statements have been prepared on the assumption that the company is a going concern, and that it is appropriate to assume this.

RESEARCH AND DEVELOPMENT (R&D)

Investments in R&D are made to strengthen Statkraft's competitive advantages and support the ambitious growth plans. R&D within hydropower and energy management remains a priority, at the same time the R&D portfolio has been broadened to support Statkraft's growth within other technologies and markets. The portfolio consists of a mix of internal development, contract R&D as well as joint industry projects. Statkraft participates in valuable research projects to keep updated on the latest knowledge and to contribute to securing a sustainable future for the renewable energy sector.

The R&D activities provide knowledge and solutions for operations as well as for new business development. The R&D portfolio currently consists of around 90 projects targeting all the pillars of the corporate strategy. In 2023, approximately 55 per cent of the spend for this portfolio was related to hydropower, energy system modelling and market operations, 25 per cent to wind, solar and battery and 20 per cent to new energy solutions. There were also significant investments in pilot projects and technology demonstration across the company, such as the 2 MW floating PV demo plant at Banja in Albania and the biofuel demo plant at Tofte in Norway.

Both in the Norwegian and European research arenas, Statkraft seeks to actively contribute with problem definitions, direction and content. Statkraft is contributing to several research centres' boards. Furthermore, Statkraft actively participates in regulatory processes and hearings through research policy developments and prioritisations.

In hydropower, R&D activities support optimised operation and increased flexibility, also contributing with fact-based knowledge within the regulatory and framework environments. In addition, step change market models are explored, adapting to a future market by developing more robust, flexible and scalable models. The research centre HydroCen continues to be the main research partner within hydropower related research. Over the last years, several projects with high value for the hydropower assets have been completed, and the R&D teams have focused on dissemination and implementation of relevant results. At the same time, Statkraft has continued with a high research activity level in all prioritised areas. This includes solutions for making hydropower even better at delivering flexibility, increased knowledge about the costs of more flexible operation, effective and efficient operations and maintenance, including digitalising condition monitoring, and securing knowledge-based regulatory processes and decisions.

To remain a competitive developer within wind and solar, R&D is needed to steadily decrease the cost of energy. An increasingly diverse wind portfolio internationally is developed and the R&D focus has shifted from mainly supporting the operational phase to also include areas such as sustainable development, site selection and decommissioning. The solar energy R&D portfolio is increasing in line with a growing project pipeline. Reduced investment uncertainties regarding technology choice, plant design and production estimates are in focus, as well as addressing land scarcity, coexistence and sustainability challenges.

R&D is an important contributor to identify and develop new business opportunities. Experimental development is an important factor in de-risking new technologies and helping Statkraft build competitive advantages in new fields. R&D activities in this area are currently focused on supporting the development and growth of the ambitions in hydrogen. Taking a holistic view of the growth area, R&D is currently supporting projects on whole system integration, climate and environmental impacts, production and storage and energy system transition.

The energy sector in the Nordics and Europe is in the midst of the green transition, and R&D plays a vital role in understanding the future energy sector. This includes how climate effects will impact operations and markets across all technologies. Statkraft also seeks new knowledge on customer and society's behaviour to improve the understanding of challenges in the interface between the society and the industry.

Statkraft is actively optimising the returns from its R&D activities by seeking research partnerships, co-funding and public funding when appropriate. The mode of operation is to pursue clear business cases owned by the business line, often through joint industry projects and in collaboration with research institutions and suppliers. Statkraft encourages open discussions and cooperation and pursues competitive advantages through optimal use of knowledge and technologies. Through participation in R&D projects both on the Norwegian, European and international arena, the position as a leading player within renewable energy is strengthened.

RISK MANAGEMENT

The most important risks are related to market prices, financial risk, HSSE, operating activities including construction projects, business development and framework conditions. Growth and increased international presence as well as fundamental changes in the energy sector and climate change emphasise the importance of risk management.

Risk management is an integrated part of Statkraft's governance model. The Group has a risk-based approach to target setting, prioritisations and follow-up of the business and staff areas. The day-to-day risk management is a line responsibility. The Group's key risks are reviewed and followed up by the Corporate Management and are reported to the Board of Directors. Statkraft performs a detailed quality assessment prior to investments, sales and acquisitions.

Operational risk

All processes throughout the value chain are exposed to operational risk. The operational risk is highest within execution of investment projects, operation and maintenance activities and market operations. This may result in:

- Injury to employees, contractors or third parties
- Social and environmental impact
- Compliance breaches
- Damage and losses related to own and third-party production plants and other assets
- Weakened reputation
- Economic loss

Statkraft's commitment to safety, sustainability and responsible business practices is the foundation for all activities. Statkraft has high attention on executing development activities and operations in a responsible manner and to prevent financial losses. A solid business culture is the foundation of continuously improving a robust system of prevention and control. Ensuring that business development activities are in accordance with international standards has high priority.

Operational risk is managed through procedures and controls of activities and processes, by design of technical solutions, competence development and in various types of contingency plans. Furthermore, Statkraft has a comprehensive system for recording and reporting risks, hazardous conditions, undesirable incidents, damages and injuries. Such cases are continuously analysed to prevent and limit any negative consequences, and to ensure that causes are followed up and necessary measures are implemented.

Statkraft's infrastructure and applications are exposed to cybercrime and other external threats and the company's procedures, competencies and systems are continuously improved to strengthen the resilience against such incidents.

All construction projects in Statkraft conduct systematic risk assessments. Larger investments have a risk-based project contingency and reserve. Major attention is devoted to HSSE,

ensuring compliance, avoiding delays, cost overruns and undesirable incidents during project delivery.

Large and complex construction projects in emerging markets have a higher inherent safety, compliance and human rights risk. Statkraft has experienced serious safety accidents in connection with execution of activities with high risk potential. Systematic work to continually improve HSSE and ethical culture, capabilities and performance based on care, clear requirements and effective systems and tools is fundamental.

The possible financial consequences of the total operational risk, as well as significant individual risks, are key drivers to the Group's overall risk profile. Statkraft has insurance coverage for all significant cases of operational damages or injuries, partly through the Group's own captive insurance company Statkraft Forsikring AS.

Additional information about operational risk is presented in the sustainability chapter later in the report.

Energy market risk

Statkraft is exposed to significant market risk from its power generation and market operations activities:

- Both power prices and generation volumes are impacted by weather conditions, consumption and transmission conditions in the energy markets.
- Power prices are also affected by fuel prices such as gas, coal and oil, in addition to the price of carbon emission quotas, support schemes, demand growth as well as the introduction and development of new technologies.

The uncertainty and outlook in energy markets and power price volatility is continuously monitored and analysed to ensure optimal energy management, market operations and profitable investments.

Statkraft manages market risk in the energy markets by entering into positions in the markets for power and related products, either financially or through bilateral contracts. The increased integration of the energy markets has a significant impact on business models and risk management. Consequently, Statkraft places significant emphasis on identifying the relationships between the various markets. The Group's hedging strategies are regulated by defined limits on the positions' volume and value, and by criteria for evaluating new contracts against expected revenues and downside risk. The portfolio is constantly adjusted according to updated expectations of future prices and the company's own generation capacity.

Statkraft's activities in energy trading and services consist of both trading with standard products on energy exchanges and sale of services or products adapted to the individual customer. Risk is managed through mandates covering energy products, geographical areas and duration. A risk management function ensures objectivity in the assessment and handling of risk.

See notes 7 and 8 to the consolidated financial statements for further information about market risk.

Financial risk

Financial risk associated with foreign currencies, interest rates, liquidity and funding are coordinated and managed centrally at Group level.

Currency and interest rate risk are regulated by means of mandates and managed by using hedging instruments such as forward contracts, swaps and debt in foreign currency.

The objective of Statkraft's currency hedging is to secure the Norwegian kroner value of future cash flows exposed to foreign exchange risk. Hedging of foreign currency risk is primarily done by allocating appropriate volumes of foreign currency debt and derivatives to the relevant cash flows. The foreign exchange risk is subject to continuous assessment and treated in accordance with the Group Treasury strategy. The Group is exposed to currency risk through operational cash flow in foreign currency and investments, capital expenditures and divestments in foreign currencies.

Statkraft's interest rate exposure is related to its debt portfolio and managed based on a balance between keeping interest cost low over time and contributing to stabilise the Group's cash flows.

The liquidity risk in Statkraft is related to having insufficient funds to meet the Group's financial commitments in a timely manner. The liquidity risk is managed through cash flow forecasting, committed credit facilities, access to several funding sources/markets, ensuring evenly distributed debt maturity profile and maintaining a sufficient liquidity buffer.

Statkraft is exposed to credit and counterparty risk through energy trading, long-term contracts and investment of surplus liquidity. The credit quality of all counterparties is evaluated before contracts are signed, and exposure vis-à-vis individual counterparties are limited by mandates based on their credit quality. Credit and counterparty risk in the energy markets and exposure in connection with the issued mandates, are followed up by independent middle-office functions and regularly reported to management in the business area. A summary is reported annually to the Corporate Management and the Board of Directors.

See note 9 to the consolidated financial statements for further information about credit and liquidity risk.

Regulatory and country risk

Statkraft's activities are influenced by framework conditions such as taxes, fees, terms for concession, energy market regulations and grid regulations.

The ongoing discussions on the security of supply and affordability of energy in many countries which could lead to changes in market design impacting Statkraft revenues and value of assets.

Statkraft puts substantial efforts into the understanding of environmental regulations and climate change. The risk of flexibility loss due to stricter regulations stipulated by the Norwegian Water Resources and Energy Directorate (NVE) for

hydropower generation, the cumulative effect for the Norwegian society and value of flood-damping capabilities are being analysed. In addition, there are general terms and conditions stipulated for the energy industry that must be adhered to. These framework conditions may affect Statkraft's generation, costs and revenues. The framework conditions in EU and the individual countries in Europe are the result of international processes that will be important for Norwegian and other European power plants. With its international presence, Statkraft is also directly exposed to different national framework conditions, tax levels, licence terms and public regulations. Statkraft therefore emphasises the uncertainty in the future development of these factors at investment decision. Possible changes in the political landscape are considered and maintaining an open dialogue with decision-makers in relevant arenas is of a high priority.

Statkraft is exposed to significant country risk, especially in emerging markets. A common risk assessment process has been implemented across the business areas to ensure a comprehensive and proactive management of business risk in these countries. The risk assessment of the activity in each country covers political and regulatory aspects, social development, security, safety, compliance, tax regime and corporate legislation.

Climate change risk

The transition to a low-carbon economy will entail extensive policy, legal, technology, and market changes, with the potential to have a significant impact on Statkraft's revenues. Even if Statkraft’s portfolio and strategy are well adapted to a low-carbon future, the company still has significant exposure to various climate-driven transition risks.

Statkraft is impacted by climate change directly, as the average output of renewable power plants can change and the probability of extreme weather events that challenge the physical integrity of the plants will increase. Statkraft is also exposed to market changes that are driven by political measures to reduce emissions from the power sector and other industrial sectors. This exposure comes primarily from measures that impact the power price and thus Statkraft’s income. Subsidies for renewable capacity may lead to overcapacity and lower prices, while increased cost of emissions will lead to higher power prices. Direct measures to phase out fossil fuels will also have a price impact, as the market balance will be changed. There is also risk associated with Statkraft’s own emissions, as regulations may increase the cost of these emissions. Changed customer preferences driven by increased public awareness of the climate challenge can also impact Statkraft.

Climate change is assessed as an integrated part of Statkraft’s risk management activities as a driver to the relevant risk factors such as in power price forecasts, operating activities and investment decision. See the section “Climate change” in the sustainability chapter of the report and note 7 for more information.

CORPORATE GOVERNANCE

Statkraft adheres to the Norwegian Code of Practice for Corporate Governance (NUES) within the framework established by the company's organisation and ownership. Statkraft follows the Norwegian state’s principles for sound corporate governance, described in the White Paper, Meld. St. 6 (2022-2023) «Et grønnere og mer aktivt statlig eierskap — Statens direkte eierskap i selskaper» (“Greener and more active state ownership — The State’s direct ownership of companies”) and is subject to reporting requirements relating to corporate governance according to Section 3-3b of the Accounting Act.

See separate chapter later in the report for more information about corporate governance, including corporate audit, internal control over financial and sustainability reporting and the work of the Board of Directors.

OUTLOOK

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

The energy transition will change the way energy is produced and consumed. The massive growth in intermittent solar and wind power, the phase-out of coal and an increase in demand for energy will require more flexible generation. With Europe’s largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft has a unique competitive advantage. To further strengthen this competitiveness, Statkraft wants to make significant reinvestments in the Nordic hydropower portfolio towards 2030. Major upgrades of hydropower plants are large and complex projects and take a long time to develop and build. The upgrades also depend on a predictable regulatory framework, getting the necessary concessions, the level of power demand, and a good dialogue with local communities. Statkraft also plans significant investments in the rehabilitation of dams and modernization of older power plants to ensure continued cost-effective and regulated power generation. This will make the facilities even more robust against extreme weather, handling of damage floods and terrorist threats.

To meet the increased demand for power, Statkraft has set ambitious growth targets across geographies and technologies. Specifically, accelerating the growth rate in renewable energy, pursuing an industrial role in offshore wind in the North Sea and Ireland, aiming to become a leading developer of green hydrogen in selected European Statkraft markets and raise the business development activities across technologies in Norway. The aim is to be a major solar, onshore wind and battery storage developer with an annual delivery rate of 2.5–3 GW per year by 2025 and 4 GW per year by 2030. In total, Statkraft aims to develop 30 GW new renewable capacity within 2030, of which parts will be divested. That could increase Statkraft’s annual power generation by up to 50 per cent from today, to around 100

TWh per year by the end of the decade. The growth targets will be realised by strategically combining organic greenfield initiatives and strategic M&A investments. The development of new wind farms depends on access to grid capacity, concessions, and ability to find good solutions with local stakeholders and interests.

The power prices were historically high in 2021 and 2022, before they stabilized in 2023. The recent fall in fuel prices has led to a decline in forward prices. This has together with higher resource rent tax had a negative effect on investment capacity. Future investment capacity is impacted by the development of power prices. 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. 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 also have a leading role in offering fixed price contracts to businesses in Norway.

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

In the second quarter of 2024 the acquisition of the Spanish-based renewable company Enerfin is expected to be closed. This will add a portfolio of operating wind farms and wind and solar projects including pipeline projects of about 3600 MW. This emphasises Statkraft's position as a major international renewable energy player, and significantly strengthens the position in Europe and Brazil.

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

Statkraft's ambition is to maintain the position as the largest generator of renewable energy in Europe and to have a solid position 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.

The Board thanks all employees for the solid contribution in 2023 – towards the ambition of renewing the way the world is powered!

The Board of Directors of Statkraft AS

Oslo, 29 February 2024

Alexandra Bech Gjørv

Chair of the Board

Ingelise Arntsen

Deputy chair

Marit Salte

Director

Mikael Lundin

Director

Lars Røsæg

Director

Pål Erik Sjåtil

Director

Marte Lind

Director

Thorbjørn Holøs

Director

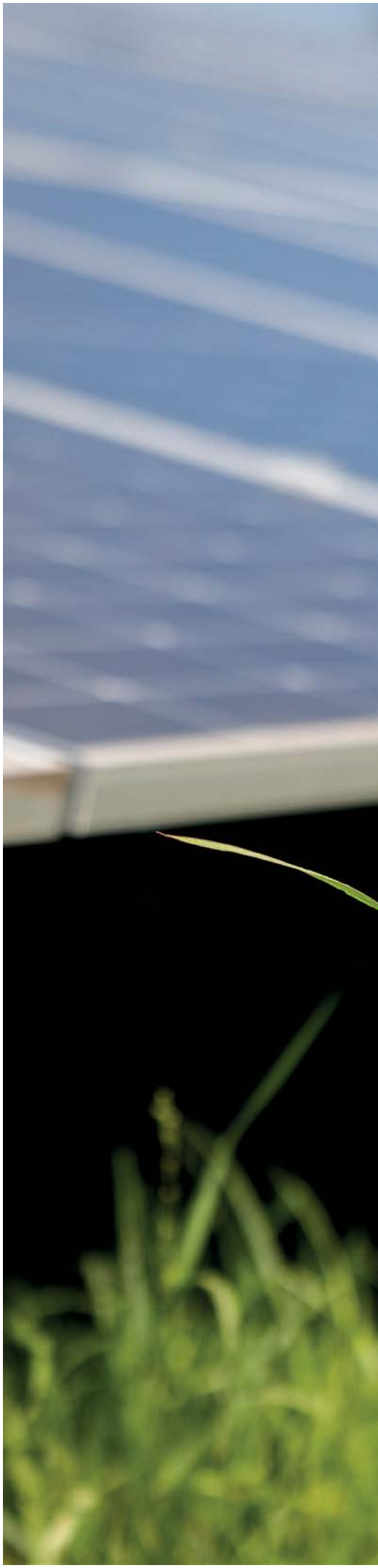
Lars Mathisen

Director

Christian Rynning-Tønnesen

President and CEO

Sustainable finance



STATKRAFT'S SUSTAINABILITY GOALS

Statkraft is committed to a power sector pathway compatible with a **1.5°C global warming target**.

Sustainable Finance

GREEN FINANCE IMPACT REPORT

Statkraft has an ambitious growth strategy towards 2030 across our geographies and technologies. This includes reaching an annual development rate of 4 GW by 2030 for onshore wind, solar and battery storage. This comes in addition to ambitions of optimising and expanding in hydropower, offshore wind and green hydrogen. In total, Statkraft aspires to have developed 30 GW new renewable capacity by 2030.

Statkraft is a responsible company with respect for people, the environment, and society. Sustainability is embedded at the core of everything we do, and safeguarding people is always our first priority.

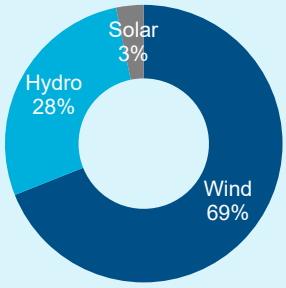
In 2023, Statkraft issued three new green bonds, one in June and two in December totalling NOK 16.7 billion. This brings the total outstanding amount of Statkraft's green bonds to more than NOK 27 billion, following our Green Finance Framework as of April 2022. This framework covers two eligible categories, renewable energy and clean transportation, with a lookback period of three years.

Projects are considered new financing if they are not older than 3 years, while projects are refinanced if they are older. CICERO Shades of Green has rated our framework CICERO Dark Green, and the framework's governance procedures to be Excellent.

Statkraft's Green Bond Framework provides the basis for all allocations and reporting in this Green Finance Impact Report. Green Bond is our preferred financing tool used to finance Eligible Projects that promote the transition to low carbon and climate resilient growth and a sustainable economy as determined by Statkraft.

Proceeds from the green financing instruments issued in 2023 have been allocated to Eligible Projects following procedures described in our Green Finance Framework. A portion remains unallocated for now and is expected to be allocated in 2024.

Allocation of proceeds by technology (percentage)



Overview of green financing issued in 2023

Issuer	Instrument	Issue date	Maturity date	Tenor (Years)	Coupon/ reference rate	ISIN	Currency of issue	Amount	Amount (MNOK[1])
Statkraft AS	Bond	09.06.2023	09.06.2033	10	3.500%	XS2631822868	EUR	496 095 000	5 576
Statkraft AS	Bond	13.12.2023	13.12.2026	3	3.125%	XS2723597923	EUR	498 185 000	5 600
Statkraft AS	Bond	13.12.2023	13.12.2031	8	3.125%	XS2726853554	EUR	494 430 000	5 558
Total									**16 734**

[1] Converted to NOK using year-end exchange rate as per 31 December 2023.

Impact and allocation of green financing proceeds per Eligible Project

Project	Green Finance Framework category	Statkraft's share (%)	Status	Geography	Start & compl.	Capacity (MW)	Annual energy generation (GWh)	Est. annual GHG emission avoided[1] (CO_2 thousand tonnes)	Taxonomy alignment	Proceeds allocated 2023 (MNOK)
Morro do Cruzeiro (MdC)	Renewable energy	100	Under construction / new	Brazil	2022 - 2024	79.8	381.8	51.2	Yes	549
FUNCEF[2]	Renewable energy	100	In operation / reinvestment	Brazil	2023 - 2023	N/A[2]	N/A[2]	N/A[2]	N/A[2]	1 992
Jerusalém / Boqueirão[3]	Renewable energy	100	In operation / reinvestment	Brazil	2023 - 2023	260	1 171	156.9	Yes	2 139
Breeze Two Energy[4]	Renewable energy	100	In operation / reinvestment	Germany/France	2023 - 2023	337	190	66	Yes	4 773
Torsa	Renewable energy	100	Under construction / new	Chile	2021 - 2024	108	307	114.5	Yes	1 579
Ventos de Santa Eugênia – Wind	Renewable energy	100	Under construction / new	Brazil	2020 - 2024	519	2 346	314.4	Yes	634
Talayuela II	Renewable energy	100	Under construction / new	Spain	2022 - 2023	55	56	8.4	Yes	468
Hylte	Renewable energy	100	In operation / reinvestment	Norway	2016 - 2020	26	100	1.1	Yes	373
Lio	Renewable energy	100	In operation / reinvestment	Norway	2014 - 2021	42	270	1.7	Yes	210
Songa	Renewable energy	100	In operation / reinvestment	Norway	2017 - 2021	840	4 035	25	Yes	306
Storlia	Renewable energy	65	In operation / reinvestment	Norway	2018 - 2020	8.5	35	0.2	Yes	192
Trollheim	Renewable energy	100	In operation / reinvestment	Norway	2020 - 2026	145	925	5.7	Yes	475
Kjela	Renewable energy	100	In operation / reinvestment	Norway	2022 - 2026	62	245	22.7	Yes	131
Høyanger - Eringsdalen	Renewable energy	100	In operation / reinvestment	Norway	2021 - 2025	84	356	2.2	Yes	391
Nesjødammen	Renewable energy	100	In operation / reinvestment	Norway	2021 - 2026	204	839	5.2	Yes	153
Straumsmo/Innset	Renewable energy	100	In operation / reinvestment	Norway	2020 - 2024	228	1 096	6.8	Yes	259
Båtsvatn	Renewable energy	100	In operation / reinvestment	Norway	2022 - 2024	343	1 347	8.4	Yes	196
Hammarforsen	Renewable energy	100	In operation / reinvestment	Sweden	2021 - 2026	94	1 148	7.1	Yes	281
Total allocated (MNOK)										**14 103**
Total unallocated (MNOK)										**2 631**

[1] The calculations for avoided annual emissions are based on actual annual production for the selected renewable energy projects (solar, wind and hydropower) in the asset portfolio and using relevant country-specific CO_2 emission factors for electricity generation. Data source is International Energy Agency (IEA); IEA's Emissions Factors database from September 2023.
[2] Acquisition of remaining shares in its Brazilian subsidiary Statkraft Energias Renováveis (SKER) from Fundação dos Economiários Federais (Funcef).
[3] Acquisition of two operational wind farms owned by Central Eolica Jerusalem Holding S.A., Central Eolica Boqueirao I S.A. and Central Boqueirao II S.A. The wind farms are located in the state of Rio Grande do Norte, Brazil.
[4] Acquisition of 39 operating wind farms in Germany owned by Statkraft Windenergie GmbH & Co. KG and of four wind farms in France owned by Eoliennes Suroit SNC.

Project examples

Talayuela II

The Talayuela II solar farm, the second one constructed by Statkraft in the municipality of the same name in Cáceres, Spain, has been producing clean energy for more than 30 000 households since June 2023. The plant has a firm environmental and social commitment, which is reflected in the implementation of important measures to preserve local biodiversity and fauna, as well as to boost local employment, following the example of its neighbour Talayuela Solar.

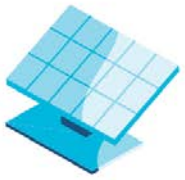
Breeze Two Energy Portfolio

Statkraft has added 39 wind farms in operation to its European onshore wind power portfolio in an acquisition from Breeze Two Energy. 35 of the assets are based in Germany and four are in France. The aim is to optimise the operation of the wind farms and eventually replace the old turbines with new, more efficient ones. Increasing the capacity while re-using parts of the existing infrastructure is one of the most sustainable ways to deliver growth in renewable energy.

EU TAXONOMY

Eligible economic activities

Solar power



Wind power

Hydropower

EV charging

District heating

Gas power plants

Disitribution of electricity

Other*

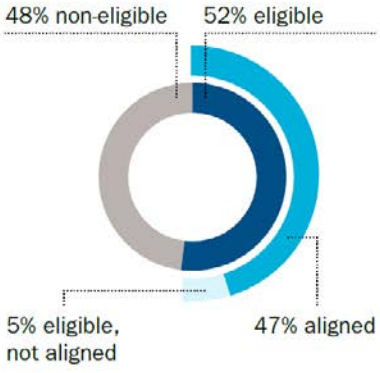
Non-Eligible economic activities

Waste incineration

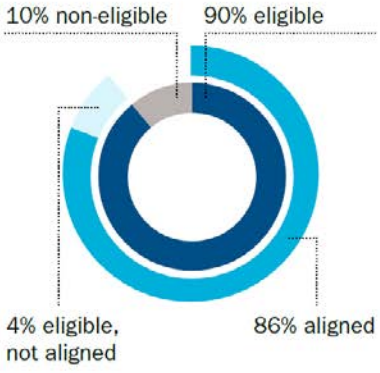
Markets

*This includes our biomass power plants and storage of electricity.

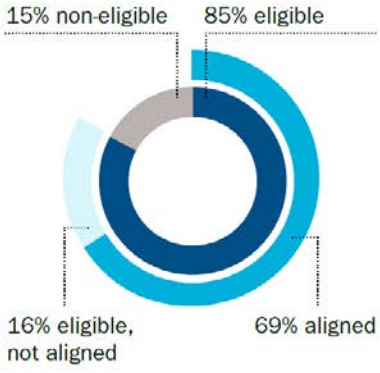
Turnover



CapEx



OpEx



General principles

The EU Taxonomy Regulation (EU 2020/825) for sustainable activities is part of the EU Sustainable Finance Action Plan. It is a classification system that defines when an economic activity can be considered environmentally sustainable.

An economic activity shall meet the following criteria to qualify as environmentally sustainable:

- Comply with the technical screening criteria for the environmental objectives.
- Do no significant harm (DNSH) to the other five objectives.
- Comply with minimum safeguards standards.

The EU Taxonomy requires large non-financial companies to disclose the share of turnover, operating expenditure (OpEx) and capital expenditure (CapEx) that are eligible and aligned under the Taxonomy.

The purpose of the EU Taxonomy is to redirect private capital towards sustainable projects and investments to meet the objectives of the EU Green Deal.

Approach to EU Taxonomy reporting

Throughout 2023, Statkraft has assessed our new projects and assets for EU Taxonomy alignment. In addition, we have reviewed our previous assessments conducted in 2022. The review led to:

- Inclusion of the economic activity '4.10 Storage of Electricity'.
- Revision of our reporting on the economic activity '4.15 District heating/cooling distribution' to include distribution of district heating derived from waste heat produced by waste incineration.
- Removal of the economic activities: '4.16 Installation and operation of electric heat pumps', '4.24 Production of heat/cool from bioenergy', '4.25 Production of heat/cool using waste heat' since we cover those assets through the reporting on '4.15 District heating/cooling distribution'.
- Elimination of the economic activity '7.7 Acquisition and ownership of buildings' because we consider we do not meet the description of this economic activity.
- Removal of the economic activity '3.10 Manufacture of hydrogen' since those projects have not yet reached the Final Investment Decision. For additional information see 'Reporting boundaries'.

The process has also included a dialogue with peers in the Nordics and Europe to discuss the interpretation of the EU Taxonomy requirements and approach.

The EU Taxonomy is still a relatively new reporting framework where industry norms on how to assess and align are yet to be established. The EU has published guidelines which we have applied in our assessments, but there are still some unclarities around how the different parts of the requirements should be interpreted. Statkraft will follow the continued development of the EU Taxonomy framework and adapt to any specifications and clarifications. This may affect our assessment of alignment and reported KPIs in the coming years.

Statkraft welcomes the EU Taxonomy. We believe a successful implementation will be an important accelerator and enabler for sourcing the required funds into green and sustainable investments, and ultimately contribute to meeting the ambitious goals of the EU Green Deal.

Environmental objective

We have assessed the technical screening criteria outlined in the EU Taxonomy Delegated Acts. This includes the Environmental Delegated Act, the Climate Delegated Act, the Complementary Climate Delegated Act, and the Disclosures Delegated Act.

Statkraft's economic activities mainly contribute towards the environmental objective Climate change mitigation. As a result, our reporting on alignment with the EU Taxonomy is focused on this environmental objective. Parts of our business could also qualify under the climate change adaptation objective, especially our hydropower plants as they play an important role in implementing strategies to reduce the risk of flooding. However, no amounts have been assigned to the climate change adaptation objective to avoid double counting.

Meeting the environmental criteria

Eligible Activities

Statkraft has identified 9 of our economic activities that fall under the EU Taxonomy definition as eligible for the climate change mitigation objective. These 9 activities are the basis for Statkraft's reporting on aligned activities.

In general, our EV charging business includes installation and operation of electric charging points. For this reason, we have considered only the economic activity '6.15 Infrastructure enabling low-carbon road transport and public transport', and not '7.4 Installation, maintenance and repair of charging stations for EVs in buildings (and parking spaces attached to buildings)' as we believe this better covers the wider definition of our activities. The DNSH criteria for the economic activity '6.15 Infrastructure enabling low-carbon road transport and public transport' are stricter than for the economic activity '7.4 Installation, maintenance and repair of charging stations for EVs in buildings (and parking spaces attached to buildings)'.

We have evaluated our hydropower assets with pump functionality under both economic activities '4.5 Electricity generation from hydropower' and '4.10 Storage of Electricity'. For assets that form part of a larger production system, the assessments were based on the economic activity '4.5 Electricity generation from hydropower'. In Europe, one pumped-storage power plant was assessed under the criteria for economic activity '4.10 Storage of Electricity'.

Non-Eligible Activities

The activities that are classified as non-eligible mainly relate to the Markets segment. Furthermore, the activities related to waste incineration are also classified as non-eligible.

Reporting boundaries

Only assets in consolidated companies and joint operations were considered for eligibility, see Note 40 and 26 in the 'Financial statements'. In joint operations, Statkraft has assessed the activities in which Statkraft has operational control. When Statkraft does not have operational control, we rely on the assessment of our business partner.

Only projects and activities that have passed a Final Investment Decision are considered for eligibility. Statkraft has several initiatives and business development projects related to production of biomass, biofuel, hydrogen and offshore wind, but as these projects have not yet reached the Final Investment Decision, they are out of scope for the eligibility assessment.

Assessment of substantial contribution

The predominant economic activity in Statkraft's portfolio is electricity generation from hydropower. In order to assess this activity as substantially contributing towards climate change mitigation, it needs to meet one out of the three screening criteria:

- The electricity generation facility is a run-of-river plant and does not have an artificial reservoir.
- The power density of the electricity generation facility is above 5 W/m^2.
- The life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 g CO_2e/kWh.

In general, most hydropower assets globally, and nearly all European hydropower assets, rank low in life-cycle carbon footprint, with a global median of 18.5 g CO_2e/kWh[2]. In Norway, hydropower benchmarks are even lower, with life cycle emissions of about 3 g CO_2e/kWh[3].

As extensive work is required to document life cycle emissions for each hydropower plant, we have assessed hydropower production against the run-of-river and the power density screening criteria.

Statkraft operates several plants for production of district heating with input from both biomass, waste heat and heat pumps. Statkraft also operates the heat/cool distribution pipelines connected to the power plants. Since the plants use more than 50 per cent renewable energy, the assets meet the criteria. Since Statkraft covers the whole value chain, we report everything under '4.15 District heating/cooling distribution'.

Statkraft operates three combined heat and power plants in Germany fuelled by waste wood and small volumes of other types of biomass. The power plants are currently running under the EEG regime (subsidies from the renewable energy law). The prerequisite for these subsidies is the exclusive use of 'biomass' according to the German biomass ordinance that was applicable at the time of commissioning. For waste wood, there are no standard values for greenhouse gas savings in the Renewable Energy Directive (RED II). Since the values are complex to determine in individual cases, we have not assessed our combined heat and power plants against the substantial contribution criteria. Therefore, this activity is currently reported as not aligned.

Statkraft's electricity grids are connected to the main Norwegian electricity grid which in turn is connected to the European distribution grid. Therefore, the activity meets the criteria for substantial contribution under the activity of transmission and distribution of electricity.

Regarding our powerplants producing electricity from gaseous fuels, Statkraft has assessed that the powerplants do not meet the substantial contribution criteria for this economic activity.

By definition, the remainder of Statkraft's eligible activities related to electricity generation from onshore wind, solar photovoltaic technology, storage of electricity as well as EV charging stations make substantial contributions to climate change mitigation by their own performance.

Do no significant harm (DNSH)

Statkraft's economic activities are to a large extent concentrated in the Nordics and Europe, but we also have activities in Brazil, Chile, Peru, India, Nepal, Türkiye and Albania. For activities within the EU/EEA, the DNSH criteria for eligible economic activities are assessed against the EU directives and amended EEA directives.

For activities in third countries (outside the EU or EEA), Statkraft applies the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (2012). If local or national environmental requirements differ from the IFC performance standards, the most stringent requirement will prevail to ensure compliance with both IFC and national regulations.

Climate adaptation

Climate conditions, weather patterns and predictions are core elements of Statkraft's project developments and production planning. We are continuously improving our processes for identifying, assessing, and monitoring physical climate risk as well as implementing mitigation measures, both in our projects under development and our plant operations. We also address physical climate risk as part of the annual Group Risk process. See our 'Task Force on Climate-Related Financial Disclosures (TCFD) index' for further details.

Sustainable use and protection of water and marine resources

For hydropower, the DNSH criteria related to 'Sustainable use and protection of water and marine resources' is directly linked to the Water Framework Directive (WFD), and in particular to articles 4 and 11. Article 4 deals with the environmental objectives which member states are required to set for its waters. Article 4 also sets out strict conditions under which the member states can use exemptions and take into account socially beneficial use of water when setting the objectives for specific waterbodies. Article 11 includes requirements for a 'programme of measures' aimed at reaching these objectives. The DNSH criteria applicable to all hydropower specifically refers to 'all the requirements laid down in Article 4'. Statkraft's understanding is that the criteria thus include

[2] International hydropower association. 2018. *Hydropower status report.*
[3] Norwegian Institute for Sustainability Research. 2020. *The inventory and life cycle data for Norwegian hydroelectricity.*

objectives justified in accordance with the WFD article 4.3-4.7 considering 4.8 and 4.9.

As part of our assessment, we have also applied the EU Commission notice C/2023/267[4] related to the EU Taxonomy Climate Delegated Act. Due to the level of uncertainties related to the application of DNSH 3 criteria in Norway, management must make certain judgements that affect our EU Taxonomy assessment. Some external parties claim that this notice, and in particular question 58 related to hydropower, restricts the possibilities to Taxonomy alignment of justified derogations under the WFD. However, upon thorough analysis, we do not believe this to be the case and we consider our activities taxonomy aligned. When the legislative text as well as the other answers of the notice are also taken into account, the Commission reiterates the principles of the WFD and the criteria of the Climate Delegated Act.

As the WFD applies to member states, Statkraft will have to follow national implementations of this in order to comply with the Directive and hence with the DNSH criteria. In Norway, the implementation of WFD is done through the water regulation. The regulation is authorised in a number of sectoral laws, i.e. Water Resources Act and Nature Diversity Act. These sectoral laws provide the means to follow up the specific environmental objectives, which are set by the competent authorities in accordance with the WFD.

Statkraft has an environmental management system in place and we implement the measures that are imposed on us through the national implementation to reach the environmental objectives. Furthermore, as part of our environmental management system, we also monitor the effectiveness of the measures we implement.

Consequently, as we operate in line with concessions and provisions enforcing the objectives set by member states in accordance with article 4 of the WFD, we consider that our hydropower operations in the EU and Norway are in line with the DNSH criteria for water and marine resources.

As described above, our interpretation of the Taxonomy is derived from broad discussions with various stakeholders, together with our own expertise on the relevant EU regulations. We acknowledge that other interpretations of this criterion exist, and further that the Taxonomy may still be subject to change and clarification. In addition, the WFD is itself dynamic, in the sense that environmental objectives shall be periodically revised, and improvements continuously sought. Over time both our understanding of the Taxonomy and responsibilities imposed by the WFD may change.

Our hydropower operations in third countries follow the IFC performance standards on Environmental and Social Sustainability in addition to any national regulations and requirements. The IFC performance standards state that all environmental impacts must be mitigated. Our environmental management system ensures the implementation of mitigation measures and monitors the effectiveness of those measures on the water bodies. Due to lack of historical data, we have not been able to verify whether some of our old operations in third countries fulfil all the requirements under the DNSH criteria related to 'Sustainable use and protection of water and marine resources'. Therefore, those operations are not Taxonomy-aligned.

For our district heating activities, we identify and manage risks related to water as part of our management system. We monitor water consumption, emissions to water and potential leakage in our distribution net. All our district heating plants, and distribution nets are reported as compliant with the DNSH criteria for water and marine resources.

Transition to a circular economy

The DNSH criteria related to the environmental objective 'Transition to a circular economy' are quite broad. In general, Statkraft's assets and key equipment are designed for long durability. Statkraft also requires waste management plans including recycling requirements on projects and for 'end of life'. We recognise that recycling of wind turbine blades and solar panels is a challenge for the renewable energy sector. Therefore, we are involved in various initiatives aimed at finding better solutions to 'end of life'. Based on this, we consider our operations in line with this DNSH criteria. See the 'Circular economy' section in the 'Sustainability' chapter for more information.

Pollution prevention and control

The DNSH criteria related to 'Pollution prevention and control' are particularly relevant for our activities relating to district heating, transmission and distribution of electricity, and EV charging stations. These activities are located within the EU/EEA, and Statkraft adheres to the EU directives referenced in the DNSH criteria.

As for the requirements for using equipment covered by Directive 2009/125/EC, which are in accordance with top-class energy label requirements, we follow our energy efficiency plans that are in line with the above-mentioned EU directive when it comes to replacing equipment.

It's worth noting that Statkraft believes that replacing well-functioning and reliable equipment with the best performing solutions prior to 'end of life' of said equipment has a negative effect on the DNSH criteria related to circular economy.

For our electricity distribution activities, we follow the Norwegian Water Resources and Energy Directorate's standards on HSE, we respect applicable norms and regulations to limit impact of electromagnetic radiation on human health and we do not use PCBs (polychlorinated biphenyls). We therefore report our electricity distribution activities as aligned to the DNSH criteria related to pollution prevention and control.

For all our activities, measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance.

Protection and restoration of biodiversity and ecosystems

The criteria related to 'Protection and restoration of biodiversity and ecosystems' include completing an Environmental Impact

[4] COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective.

Assessment (EIA) in accordance with Directive 2011/92/EU and implementing mitigating measures before starting operations. In the EU/EEA, meeting the requirements is a prerequisite for obtaining the concession or permit. For activities located in third countries, Statkraft considers being compliant with the IFC performance standards, in addition to national regulations and requirements, to be sufficient for meeting the criteria.

For existing assets located in biodiversity sensitive areas, we consider the same requirements to apply, meaning that the operations of the assets must comply with national requirements in EU/EEA countries, or IFC performance standards in third countries, with no overdue mitigation measures.

In our assessment, we have determined that all our assets follow national legislation in addition to IFC performance standards in third countries, and that we implement mitigation measures within reasonable time constraints.

Minimum safeguards

Statkraft's alignment assessment with the Minimum safeguards is currently based on the guidelines presented in the 'Final Report on Minimum Safeguards' by the Platform on Sustainable Finance[5]. This is the most comprehensive existing guideline for compliance with Minimum safeguards. Statkraft meets the criteria for processes and outcomes related to human rights, corruption, taxation, and fair competition defined in the report.

Statkraft supports and respects human rights, including labour rights. We conduct our business in a way that respects human rights by preventing, minimising, and mitigating negative impacts; and by driving continuous improvements. A description of how this commitment is integrated into our business can be found in the 'Human rights' section in the 'Sustainability' chapter. Statkraft takes guidance from and strives to align with relevant international frameworks and guidelines, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. To specifically guide our human rights efforts, we are committed to operating consistently with both the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work.

Statkraft has not been convicted of a human rights or serious labour rights violation in this reporting period. With respect to Fosen, on 18 December 2023, the mediation process between Sør-Fosen sijte and Fosen Vind resulted in the parties entering into an amicable agreement, where Sør-Fosen sijte provided their free and informed consent to revised conditions whereby the continuation of Storheia wind farm throughout the licence period in accordance with the licence requirements does not constitute a violation of Article 27 of the International Covenant on Civil and Political Rights (ICCPR). The purpose of the agreement is to provide necessary remedial measures to ensure that Sør-Fosen sijte can continue to enjoy their culture through reindeer husbandry as a commercial activity in accordance with Article 27 ICCPR. See the 'Human rights' section in the 'Sustainability' chapter for additional information.

[5] Platform on Sustainable Finance. October 2022. *Final Report on Minimum safeguards.*

The Norwegian OECD National Contact Point (NCP) has received a complaint in relation to our operations in Southern Chile, which is currently being assessed by the NCP. Statkraft is engaging with the NCP and has expressed our willingness to engage constructively in the process. See the 'Human rights' section in the 'Sustainability' chapter for more information.

Statkraft also works according to high ethical standards and has policies and procedures in place that mitigate the risk of fraud and corruption, unfair competition and aggressive tax planning. There have not been any convictions in court on corruption or bribery, or any violations of tax or competition laws in the reporting period. Please, see the 'Business ethics' and 'Statkraft's contribution' sections in the 'Sustainability' chapter.

KPI disclosure requirements

The three performance indicators, turnover, CapEx and OpEx, are determined in accordance with the standards applied in the group consolidated financial statements. For each KPI the financial figures are determined at the lowest level for which separate cash flows can be identified for assets or groups of assets (cash-generating unit), considering them on a standalone basis. The figures presented are group totals for each economic activity regardless of their geographical location, whether inside or outside of the EU/EEA. Joint operations are included in the reported figures to the extent of Statkraft's share of ownership.

Turnover (Sales revenue)

The EU Taxonomy KPI on turnover has the same definition as Sales revenues in Statkraft's statement of comprehensive income. In 2023 the Group's total sales revenues were NOK 102 657 million, of which 52 per cent derived from Taxonomy eligible activities. 47 per cent of the sales revenue met the Taxonomy screening criteria and are therefore classified as aligned. This is a 29 per cent decrease from 2022 and is mainly related to a change in the definition of the turnover KPI at Statkraft. For 2022 the reporting was based on Net operating revenues and other income, whereas for 2023 this is based on Sales revenues. The effect of this is that a larger part of the non-eligible activities in Markets influences the calculations.

CapEx

The EU Taxonomy KPI on CapEx includes additions to Property, Plant and Equipment (including right-of-use-assets) and Intangible Assets during the financial year, considered before depreciation, amortisation and any re-measurements. Statkraft has business models (Develop-Sell and Develop-Build-Sell) within solar and wind power, where the investments are classified as inventories according to International Accounting standards (IAS) 2. These activities have previously been reported as eligible due to the fact that they are related to the Taxonomy eligible activity of electricity production using solar PV. For fiscal year 2023 Statkraft has reviewed this policy and decided to exclude these activities from the Taxonomy scope of eligible activities as IAS 2 is not included in the list of applicable IFRS in the Disclosures Delegated act (EU 2021/2178). In 2023, the Group's total CapEx was NOK 24 760 million, of which 90 per cent derived from Taxonomy-eligible activities. 86 per cent of the CapEx met the Taxonomy screening

criteria and are therefore classified as aligned. This is a 1 per cent reduction from 2022. The changes to the project portfolio definitions had limited effect to the reported figures.

CapEx plans

An asset is included to Statkraft's CapEx plan if there is current year economic activity to either expand Statkraft's Taxonomy-aligned economic activities or to upgrade Taxonomy-eligible economic activities to Taxonomy-aligned within five years.

Statkraft is committed to optimise and expand the hydropower portfolio by reinvesting in existing plants as well as developing new capacity. In the coming years, Statkraft will expand its Taxonomy-aligned economic activities by carrying out planned major upgrades of hydropower plants, as well as increase capacity in solar, onshore wind, and battery storage:

- In 2023, there were significant investments in solar power in Spain, India, and Ireland. The Talayuela II solar farm in Spain was energised in 2023, adding 58 MW of installed capacity.
- In India and Ireland, ongoing construction of solar projects is expected to be completed in 2025 delivering an installed capacity of more than 600 MW.
- In Chile and Brazil, there are several wind power projects under construction with a planned capacity of more than 500 MW.
- There are two significant investments in new hydropower capacity located in India and Chile, which will add a combined installed capacity of almost 200 MW. Both projects are expected to be operational in 2026.
- Significant investments are also expected to be channelled towards grid services and Battery Energy Storage Systems in the future, and there are currently two larger construction projects in the UK delivering a combined capacity of 250 MW.

In addition to the projects outlined in the CapEx plan, there are six major construction projects ongoing related maintenance and development of already operational assets in Norway and Sweden, each with an estimated capital expenditure above NOK 600 million.

Economic activity	Country	Number of Projects	Planned year of alignment	New Capacity (MW)
4.5 Electricity generation from hydropower	India	1	2026	150
	Chile	1	2026	48.5
4.3 Electricity generation from wind power	Chile	1	2024	105.6
	Brazil	2	2024	399
4.1 Electricity generation using solar photovoltaic technology	Ireland	1	2025	176
	India	1	2025	445
4.10 Storage of Electricity	United Kingdom	2	2024-2026	250

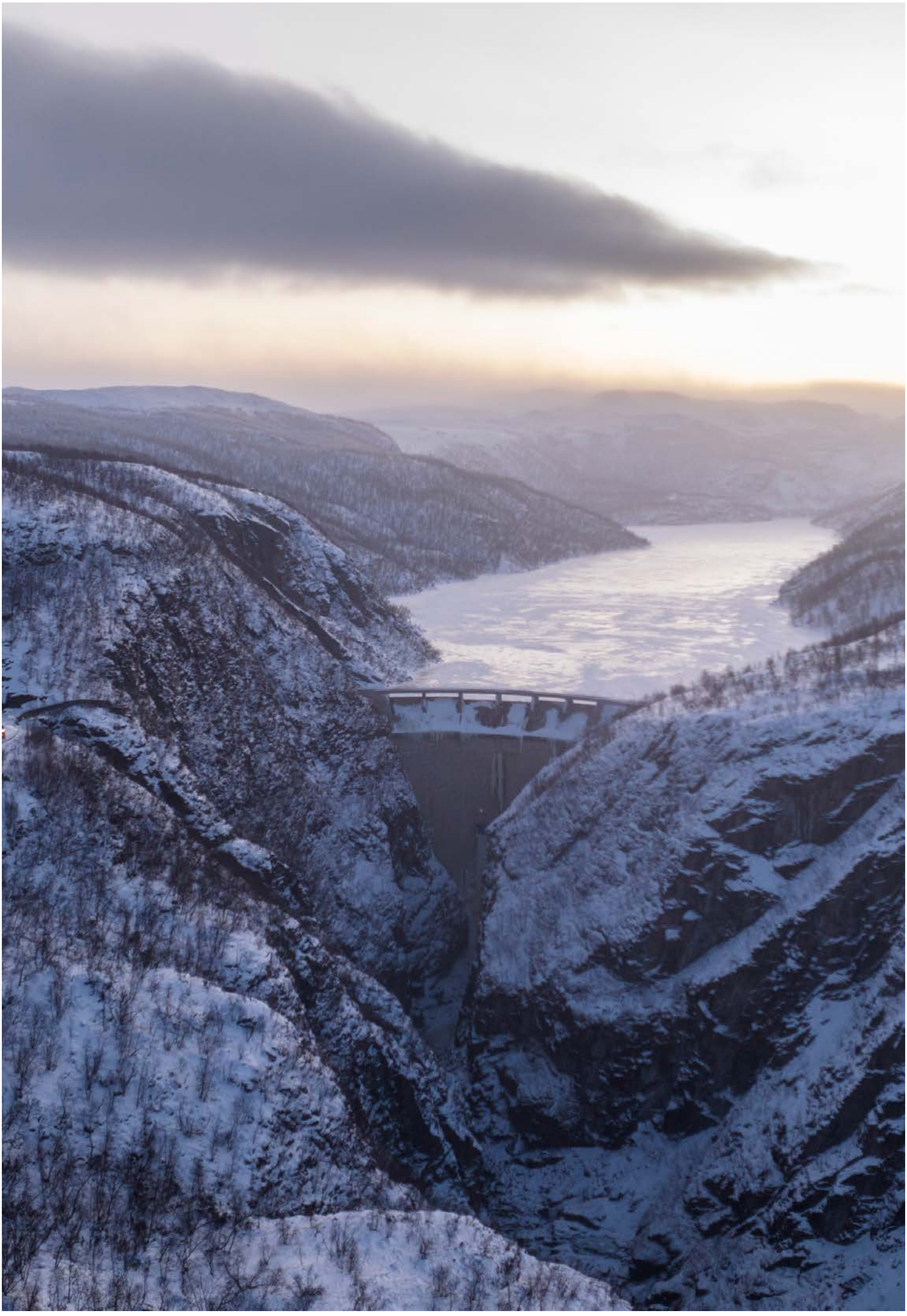
OpEx

The EU Taxonomy KPI OpEx is a share of the operating expenses in the statement of comprehensive income. According to the regulation, the KPI shall only include operating expenses related to:

- Research and development.
- Building renovation measures.
- Short-term lease.
- Maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

In 2022 Statkraft included all operating expenses in the statement of comprehensive income in the denominator of the KPI. For 2023, only the expenses from the list above are included in the denominator.

In 2023, the Group's total OpEx amounted to NOK 21 607 million. NOK 1 669 million were within the scope of the Taxonomy definition of OpEx, of which 85 per cent derived from Taxonomy-eligible activities. 69 per cent of the OpEx met the Taxonomy screening criteria and are therefore classified as aligned. This is an increase of 39 per cent from 2022 and is mainly related to a change in policy of the OpEx denominator scope.



Sustainability

STATKRAFT'S SUSTAINABILITY GOALS
Statkraft is committed to a **sustainable resource use and circular economy** within own operations and value chain.

STATKRAFT'S SUSTAINABILITY GOALS
Statkraft is committed to ensure high ethical standards and **respect human rights** in all business activities.

Sustainability

HOW WE MANAGE SUSTAINABILITY

Renew the way the world is powered

Statkraft aspires to be a leading international renewable energy company – creating value by enabling a net-zero future. As we look towards 2030, Statkraft's corporate strategy displays strong growth ambitions across our geographies and technologies, and has four strategic pillars:

- Provide clean flexibility – leveraging hydropower.
- Accelerate solar, onshore and offshore wind, and battery storage.
- Deliver green market solutions to customers.
- Scale new green energy technologies.

Sustainability drivers and trends

The sustainability landscape continues to rapidly change as we have seen over the past few years. Statkraft faces an increasing number of regulations coming into force and new legislation being drafted. This leads to ever higher expectations related to the company's performance, management and reporting on sustainability topics. Four key global sustainability trends that currently shape the energy market are:

Climate resilience: With the effects of climate change becoming ever more visible, there is increasing focus on reducing vulnerability to climate threats. This includes understanding and mitigating climate risks, as well as adapting to the changes.

A just transition: COP28 closed in December 2023 calling for a transition away from fossil fuels in a just, orderly and equitable manner. There is growing focus on the green shift being fair and inclusive, ensuring that we are not only ceasing to deplete the planet's resources, but also consider the impacts on people. This includes creating decent, safe, and equal working conditions, respecting the rights of local communities, and leaving no people or countries behind in the energy transition.

Protecting nature: A historic deal to halt and reverse biodiversity loss was decided at COP15 in Montreal at the end of 2022. The 196 countries that adopted the framework are now following up with national action plans, emphasising nature and its interlinkages with climate change.

Increased regulation: There are an increasing number of regulations related to sustainability, changing to a large extent what businesses are required to do and how to. This makes sustainability management and external reporting mandatory, more comprehensive and standardised. Companies are expected to integrate sustainability into key business processes and performance management.

Our sustainability strategy

To achieve our growth ambition, the way we do business is important. Through our activities, Statkraft aims to create value for society, the environment, and the business. In 2023, we updated the sustainability strategy to ensure that it is firmly linked to Statkraft's 2030 corporate aspiration, new vision and values and enable the company to embed sustainability in everything we do.

Through our large operational fleet and our growth strategy within new renewable energy, we contribute to decarbonisation, increased access to clean energy, and the electrification of societies. In these activities we are committed to fair and inclusive processes, taking into account the impact on people and the environment.

Statkraft applies a precautionary approach to the environment. This means that we conduct risk assessments and implement mitigating actions where needed. We also consider the impact we have on the environment, climate and society, which sometimes calls for careful balancing of various concerns.

We regularly conduct corporate-wide impact assessments related to sustainability topics. We also complete double materiality analyses, assessing Statkraft's impact on the economy, environment and people, as well as financially material topics that affect the business value. Furthermore, the white paper on state ownership details the Norwegian state's role and expectations of companies in which it has ownership interests. The overall goal from our owner is 'highest possible return over time in a sustainable manner'. Our sustainability strategy is based on Statkraft's strategy, the owner's expectations, market development and evolving requirements and expectations.

Statkraft's sustainability ambition is to drive a green and fair energy transition. To achieve this, we focus on four pillars:

- **Climate action:** Developing a net-zero value chain.
- **Circular economy:** Adopting circular ways of thinking.
- **Biodiversity:** Growing within planetary limits.
- **Human rights:** Creating a positive impact on people.

Commitments, targets and actions have been developed for all pillars.

Climate action

Developing a net-zero value chain

Statkraft is committed to the 1.5°C global warming target and the Paris agreement. This means our emissions shall be well within a 1.5°C pathway for the power sector. 100 per cent of our new investments are in renewable energy, and we aim to reach carbon neutrality for Scope 1+2 by 2040. In principle, this means that by 2040, all unabated use of fossil fuels today will either be replaced with emissions-free solutions or need to be retrofitted with carbon capture and storage (CCS).

We are also committed to decreasing our indirect GHG emissions (Scope 3), with an ambition of reaching net-zero for Scope 1+2+3 by 2050 at the latest. We will collaborate with our major strategic suppliers to achieve this, e.g. by purchasing low-carbon material, as well as using electric machinery on our construction sites. The residual Scope 3 emissions will be neutralised by carbon removals.

Circular economy

Adopting circular ways of thinking

Statkraft is committed to sustainable resource use and circular economy within our own operations and value chain. Since the company's beginning, our business has leveraged circular thinking, producing renewable energy with long-term time horizons. We prolong the lifetimes of our assets through monitoring, rehabilitation, and upgrades. Hydropower assets have a particularly long lifetime, but with the increasing share of wind and solar power in our portfolio, with shorter lifetimes, we experience new challenges and opportunities related to circularity.

We strive to decrease the material footprint of our own activities and to minimise resource use across technologies. Our primary focus for increasing circularity is on wind, solar and energy storage solutions. Statkraft is committed to increasing re-use and recyclability, and to applying the principles of the waste mitigation hierarchy. We aim at designing our assets in a way that increases efficiencies and extends operational lifetime, and we strive to improve circularity throughout the value chain and through industry collaboration.

Biodiversity

Growing within planetary limits

Statkraft is committed to applying the principles of the mitigation hierarchy and mitigating our impact on biodiversity in a responsible way. We also continuously work to improve the understanding of our impact and to disclose our performance transparently.

For new energy developments Statkraft will follow relevant best practices, and first and foremost seek to avoid adverse impacts if possible. In a number of new wind and solar development projects, Statkraft is striving to achieve net gain for biodiversity. We aim to learn from this for our wider operations. For existing assets, and redevelopment of these, the appropriate approach will be further explored in light of concessioning frameworks and wider developments. Furthermore, Statkraft recognises the biodiversity risks in our supply chain. For our biomass supplies we will strive to ensure sustainable procurement of wood.

Human rights

Creating a positive impact on people

Statkraft's commitment to care for people is rooted in our values and respect for human rights. As a renewable energy developer and producer, we are committed to conducting business in a way that respects human rights and we seek to positively contribute to the realisation of human rights of neighbouring communities.

As an employer, we are committed to international labour rights and a workplace without injury or harm. We promote diversity and inclusion in the workplace and support the right to organise and collective bargaining.

As a buyer of goods and services, we encourage decent working conditions in our supply chains, including promoting living wages and reasonable working hours. We are committed to providing for or cooperating in remedy processes in situations where our activities cause or contribute to adverse human rights impacts.

Governance

At Statkraft, acting responsibly is a core value. This means we are considerate, aware of how our work will impact our colleagues, customers, society and the environment. Our governance structure supports the organisation in achieving our strategic goals and embedding our sustainability approach into our activities.

Our governance structure

The CEO is responsible for the day-to-day management of the company, overseen by the Board of Directors. The Board of Directors has the overarching responsibility for the management of the company and establishes Statkraft's strategy, Code of Conduct and issues the CEO's mandate. The CEO appoints Corporate Management to assist in stewardship duties delegated by the Board and in the day-to-day management.

The Board of Directors monitors and oversees progress related to Statkraft's sustainability strategy, processes and reporting. This includes targets and activities related to climate, environmental, social and human rights considerations as well as sustainable supply chain topics. The Board takes such considerations into account in their strategic, risk and performance discussions, and as part of major investments and acquisitions. The Board of Directors receives regular updates on our sustainability performance, key activities, strategy updates, targets, KPIs, and improvement measures. The annual report, which includes our Sustainability Report, is approved by the Board.

In 2023, Statkraft has provided both the Board of Directors and the Board's Audit Committee with deep-dives on sustainability, including key trends, upcoming sustainability regulations and further steps related to our sustainability reporting. The Audit Committee follows up Statkraft's sustainability reporting, processes, internal controls and risk management. Audit findings and recommendations are presented to the Board of Directors twice a year. Non-compliance is systematically registered and followed up in line with external and internal requirements. It facilitates handling of cases, analysis of incidents, identification of improvements, and subsequent learning across the group.

Statkraft has a holistic performance management and governance structure where our management scorecards include strategic objectives, key risks, key performance indicators as well as sustainability topics like health and safety, diversity and inclusion, and environment. These scorecards are reviewed quarterly by Corporate Management and the Board of Directors through the corporate performance review process.

We regularly conduct corporate-wide impact assessments on sustainability topics, including environmental and human rights issues. We also carry out materiality analyses to assess our impacts on the economy, environment, and society. The results are discussed with Corporate Management and the Board of Directors. Our sustainability strategy is regularly updated based on impact assessments, material topics, market developments, and evolving requirements and expectations.

Our management system: The Statkraft Way

All of our governing documents are published in our management system 'The Statkraft Way'. The governing documents are regularly reviewed and updated as regulations and expectations evolve. The Statkraft Way forms the basis for how work is organised outlining: the Vision, Values, Code of Conduct, internal Operating Models and Requirements.

The fundamental principles for responsible behaviour are outlined in our Code of Conduct, approved by the Board of Directors. These principles cover our key activities, including acquisition and construction projects. The Code of Conduct applies to our employees and all companies in the Statkraft Group.

Statkraft's responsible business conduct is based on globally supported initiatives and standards such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights on Responsible Business Conduct, and the IFC Performance Standards on identifying and managing environmental and social risk. Those international standards inform our requirements and guidance.

How we manage our supply chain

We expect our business partners and suppliers to adhere to our Supplier Code of Conduct. Suppliers are expected to meet these requirements throughout their relationship with Statkraft. The Supplier Code and our due diligence activities are informed by the same standards mentioned above, and we seek to understand where Statkraft may be linked to negative impact and to adequately address such impact. See 'Supply chain management' and 'Human rights' sections for additional information.

Sustainability reporting

We are continuously working to align with new and emerging regulations, standards and frameworks. In 2023, we continued the preparation to comply with the Corporate Sustainability Reporting Directive (CSRD) and the first set of European Sustainability Reporting Standards (ESRS). Our work has included:

- Corporate-wide efforts to prepare for and implement necessary changes to policies, processes and reporting considering the new legal requirements.
- A mapping of new requirements and an identification of potential gaps between these and current practices, resulting in a prioritised plan for how to implement required changes.
- Efforts to improve quantitative reporting of sustainability indicators, including strengthened internal controls to improve data quality.

Statkraft reports on sustainability topics in accordance with the Global Reporting Initiative (GRI) Standards. References to relevant GRI Standards are included in Statkraft's GRI index that appears in the Sustainability Statement. Sustainability figures are included in the Sustainability Statement.

Statkraft has engaged an independent third party, Deloitte AS, to provide a limited level of assurance of the sustainability information, excluding the 'EU Taxonomy' section, in the Annual

Report. The Audit Committee evaluates the external auditor's independence. The Auditor's statement is presented to the Corporate Management and the Board of Directors.

In 2023, Statkraft continued the annual reporting of our climate-related status, actions and ambitions to the Carbon Disclosure Project (CDP). Our reporting related to climate topics is aligned with the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations. A reference table is included in the 'Sustainability statement'.

The annual reporting on human rights impacts required under the Transparency Act is embedded in this annual report.

About the materiality assessment

In 2022, we performed a thorough materiality assessment aligned with GRI standards, while also incorporating aspects from CSRD. During 2023, there have been no material changes at Statkraft, nor have there been any material changes in the external factors that could generate new, or modify existing impacts, risks and opportunities or that could affect the relevance of a specific disclosure. Therefore, our assessment completed in 2022 remains applicable. During 2024, we will conduct a materiality assessment following ESRS requirements.

The assessment is based on the principle of double materiality. Double materiality means that we report on topics that not only have a significant impact on the economy, environment, and society, but also financially material topics that affect the business value.

Statkraft's process to identify and assess material impacts, risks and opportunities was based on desktop research, interviews and a validation workshop to understand the interests and views of key stakeholders.

The longlist of material topics consisted of 30 topics within the categories environment (7), social (13) and governance (10). The material topics were ranked based on the significance of impact materiality and financial materiality, resulting in 19 topics being deemed material for Statkraft.

The criteria for assessing impact on the economy, environment, and society were based on global standards (e.g. GRI, CSRD). This includes a review of the severity (scale, scope, irreversibility) of a potential or actual impact, as well as the likelihood of the impact happening. Similarly, assessing impact on the business value involves criteria for severity and likelihood of the impact happening. To operationalise this, the severity criteria were based on Statkraft's Enterprise Risk Management (ERM) framework and included expected effects on Net Present Value (NPV), integrity and reputation, among other aspects.

The insights gained from the materiality analysis are used in our continuous work to develop Statkraft's sustainability strategy and reporting.

The table below describes how our material topics relate to the topics defined in the GRI Standards:

Material Topic	GRI Topic Specific Indicators	Section in Sustainability Chapter
ENVIRONMENTAL (E)		
Responsible water management	303-1, 303-2, 303-3, 303-4, 303-5	Water management
Nature and biodiversity	304-1, 304-2, 304-4	Biodiversity
Climate mitigation	201-2, 302-1, 305-1, 305-2, 305-3, 305-4	Climate action
Waste & circularity	306-1, 306-2, 306-3, 306-4, 306-5	Circular economy
SOCIAL (S)		
Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	Health and Safety
Local community impact	203-2, 413-1, 413-2	Human rights
Forced labour	409-1	Human rights
Land rights	-	Human rights
Indigenous rights	411-1	Human rights
Cyber- & asset security	-	Security and emergency response
Access to energy	-	How we manage sustainability / Statkraft's contribution
Security of people	-	Security and emergency response
Talent acquisition & development	401-1, 404-2, 404-3	Labour practices
Living wage & compensation	-	Human rights / Labour practices
Non-discrimination & equality	405-1, 405-2, 406-1, 407-1	Labour practices
GOVERNANCE (G)		
Public policy and regulation	-	How we manage sustainability
Responsible procurement	308-1, 407-1, 409-1, 414-1	Supply chain management
Anti-corruption	205-1, 205-2, 205-3	Business ethics
Competitive behaviour	206-1	Business ethics

Stakeholder engagement

Statkraft works with a variety of stakeholders:

We work to create an open dialogue around sustainability issues with all stakeholders who are part of, or are potentially impacted by, our activities. This dialogue provides us with valuable input in our daily activities. This helps us to continuously improve and strengthen our relationships and our business practices. We engage with our stakeholders to share information, better understand their needs and find solutions to common challenges.

In early phases of developing a new project, Statkraft conducts stakeholder analysis and planning, to identify key stakeholders of the project and plan for consultation, information sharing and grievance mechanisms. The scope of the stakeholder engagement may vary with the project's risks and impacts, and throughout the different project phases. An important target of any project development is to ensure that any loss of land, production or access to resources is compensated in a sustainable way.

Below are some examples of how we engage with our stakeholders:

Employees

We work continuously to provide a working environment characterised by inclusiveness and mutual respect. We are strongly committed to diversity, labour rights and equitable treatment to make Statkraft a great place to work.

We hold regular employee surveys to evaluate our organisation and management, with topics including leadership, cooperation, working conditions, and personal development.

Society

We engage with society in multiple ways. For example, at project level we engage and collaborate with local organisations to implement community activities, learn about the needs of the local communities and search for positive synergies between our activities and theirs. At country level we engage with organisations both bilaterally and through sustainability networks.

Local communities

We engage with local communities throughout the lifecycle of our projects and operations. Prior to investment decisions, we conduct consultations and engage in dialogue with neighbouring communities and potentially affected households. During construction projects, we establish consultation and contact channels, including grievance and communication mechanisms.

Local, regional and national authorities

We engage in close dialogue with local, national and international authorities to provide key decision makers with up-to-date information about Statkraft's projects, and the importance of renewable energy in the green transition.

Suppliers

We work with our suppliers to guarantee implementation of high sustainability standards. In order to drive improvement, we ensure training, reviews, inspections and audits in order to assure compliance.

Financial institutions

We engage with investors and financial institutions on a regular basis. In addition to financing, our core banks provide services that support ongoing operations and mitigate risks for our owner and investors. Statkraft strives to have a good dialogue with investors and financial institutions and provide relevant sustainability information.

Networks

Our internal governance work is supplemented by external networks where we share experiences and best practice. Some examples of networks where Statkraft is a member are the Global Compact Norway Network, the Nordic Business Network for Human Rights and Solar Power Europe.

Examples of stakeholder engagement in 2023 related to material topics are included in the relevant sections of this report.

Handling reported concerns

Statkraft actively promotes a culture of openness and encourages employees to seek advice on all matters, including matters related to responsible business conduct. When unsure about the proper course of action to pursue, employees can reach out to their managers, as well as to support functions such as Compliance, Sustainability, Human Resources, Health, Safety and Security (HSS) and Corporate Audit.

Statkraft acknowledges that the reporting and prevention of violations of laws, regulations and of Statkraft's Code of Conduct depend on the willingness of employees and external parties to raise concerns. Accordingly, employees have the right and the responsibility to report concerns. Externals can also do so.

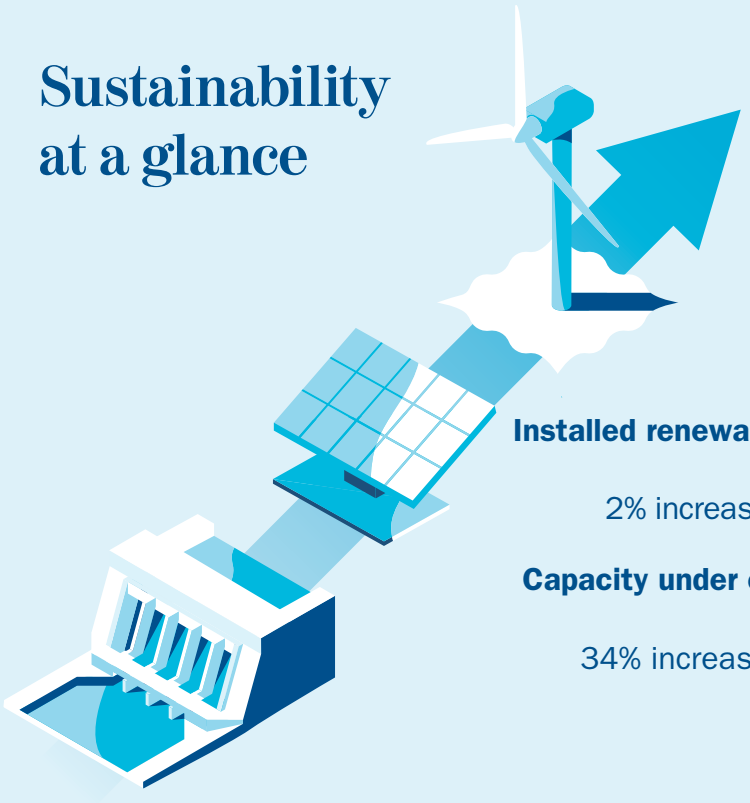
Employees and externals can report their concerns through the Whistleblowing Channel, through line management, via email, mail, or by phone. Additional grievance channels may exist based on local applicable legislations. The Whistleblowing Channel offers reporters the possibility of reporting and communicating anonymously with Corporate Audit. The decision on how to follow up a reported concern received is made by the Head of Corporate

Audit. The unit is independent from line organisations, and the Head of Corporate Audit reports functionally to the Board of Directors. The Head of Corporate Audit is responsible for managing Statkraft's independent reporting channel. Reported concerns sent to Corporate Audit are acknowledged within 72 hours. The unit starts by conducting a quality assurance and initial review of the information received. Then, they assess the nature of the concerns and determine the steps required to establish relevant facts. They are responsible for performing internal investigations.

All reported concerns are taken seriously, and their handling is based on important principles, including fair and objective treatment, protection of the reporter and parties helping the reporter, protection of the individuals who are the subject of the report, confidentiality, protection of personal data and data security, and proportionality in the handling process.

The Head of Corporate Audit reports on the handling of reported concerns annually to the Board of Directors and biannually to the Audit Committee, and when investigations are concluded. In addition, the Head of the unit provides regular updates on reported concerns to the Audit Committee. In 2023, 90 cases were reported to Corporate Audit. During the year, Corporate Audit worked on one investigation that is still ongoing, and finalised six inquiries. Nine cases out of the cases received in 2023 were concluded to be outside Corporate Audit's mandate to handle and were accordingly sent to the correct department for further handling (e.g., issues related to human resources), while low risk cases were either handled by Corporate Audit or by the line, or closed as part of an initial evaluation and quality assurance.

Sustainability at a glance



Installed renewable capacity
16 954 MW
2% increase from 2022

Capacity under construction
2095 MW
34% increase from 2022

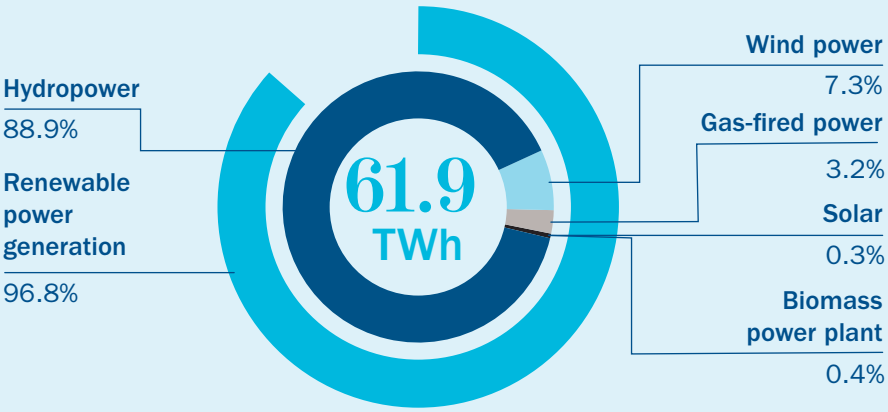
EU Taxonomy alignment

Turnover*	47%
CapEx	86%
OpEx	69%

Carbon intensity (g CO_2e/kWh)

2021	14
2022	11
2023	12

Power generation



Strategic SDGs

Our commitment

Our core business

The way we work

MORNINGSTAR | SUSTAINALYTICS
ESG INDUSTRY TOP RATED
2023

Score: 12.5, Low risk
Updated: May 2023

BRONZE
2023
ecovadis
Sustainability Rating

Score: Bronze
Updated: December 2023

CDP
DISCLOSURE INSIGHT ACTION

Climate change score: A-
Updated: February 2024

*A larger part of the activities in Markets are non-eligible and influences the share of EU taxonomy aligned turnover negatively.

Target | On track | Target not reached

HEALTH AND SAFETY

We are committed to our Safety Vision: A safe and healthy workplace without injury or harm.

	2021	2022	2023	2023
Serious injuries	7	12	5	0
TRI rate	3.6	4.1	3.4	<3.5

Comments on 2023 performance:

Regrettably there was one third-party fatality in India in February 2023. Statkraft did not reach our goal of zero serious injuries. The TRI rate was 3.4 which is below our target (<3.5).

HUMAN RIGHTS

We ensure high ethical standards and respect human rights in all business activities.

	2022	2023	2023
New confirmed instances in the fiscal year	9	3	0

Comments on 2023 performance:

There were three confirmed instances in 2023. The incidents all relate to working conditions and have been identified through targeted labour rights controls of specific Statkraft sites. In addition, we made efforts to close out audit gaps related to labour and human rights during 2023.

LABOUR PRACTICES

We aim to be a diverse and inclusive workplace where everyone has equal opportunities to contribute and realise their potential.

	2021	2022	2023	2030
Women in top management positions	30%	33%	32%	40%
Women in all management positions	25%	26%	29%	40%
Women among all employees	27%	28%	30%	40%

Comments on 2023 performance*:

The share of women across the organisation increased during 2023. A number of Diversity and Inclusion initiatives were implemented.

BUSINESS ETHICS

We aim to prevent corruption and unethical practices in all activities.

	2021	2022	2023	2023
Serious confirmed compliance incidents	0	0	0	0

Comments on 2023 performance:

There were no serious confirmed compliance incidents in 2023. The implementation of our compliance programme is on schedule, and the level of compliance prevention activity continues to be high. Our work continues to ensure awareness and preparedness to manage risks in new and existing business activities.

ENVIRONMENT

We aim to deliver climate-friendly, renewable power while implementing responsible environmental measures.

	2021	2022	2023	2023
Serious environmental incidents	0	1	0	0

Comments on 2023 performance:

There were no serious environmental incidents in 2023. The duration of negative effects on Surna River has been longer than foreseen in 2022 and we have therefore recategorised the incident occurred in September 2022 to a serious incident.

CLIMATE ACTION

We commit to a 1.5°C global warming target pathway for the power sector and carbon neutrality for Scope 1+2 by 2040.

	2021	2022	2023	2025	2030
GHG emissions intensity (g CO_2e/kWh)	14	11	12	<50	<35
Growth (GW) in renewable energy capacity	3.3	3.6	4.9	9	

Comments on 2023 performance:

The GHG intensity (scope 1 and 2) is among the lowest in the global energy sector. We are on track to reach our growth capacity target. We started a process to further improve the company's climate-related risk assessment processes. We continued to work on reducing GHG emissions in the supply chain as well.

*Gender balance target and results are set and measured for the parent company and subsidiaries, except Skagerak, Mer, Baltic Cable, Himal Power Ltd and Bryt. Top management positions include CEO, EVPs, and SVPs.

STATKRAFT'S CONTRIBUTION

Creating value

We aspire to be a leading international renewable energy company by 2030 – creating value by enabling a net-zero future.

Environmental shared value

Statkraft operates a large fleet of power plants, and in 2023 we generated 61.9 TWh of renewable energy. Statkraft also develops new plants, and 2095 MW renewable energy production capacity was under construction by the end of 2023. Statkraft supports the electrification of society, by developing charging infrastructure for electric vehicles. We also develop new green business activities, such as hydrogen and biofuel generation.

Social shared value

Statkraft's activities create jobs across 21 countries. In 2023, Statkraft added 1321 employees to the workforce and had 6199 employees at the end of the year. New construction projects create jobs at the respective sites, as well as in the supply chain.

In addition to local jobs, our projects can provide local infrastructure and services, such as irrigation systems, roads, electrification, community buildings and health centres, as well as support for health and education improvement projects. We help increase the knowledge of the wider society through activities such as research and development projects.

The development and operation of hydropower plants facilitates multiple uses of watercourses and infrastructure such as drinking water supply, transportation, flood prevention, irrigation, and recreation.

OUR WIND PROGRAMME - MORRO DO CRUZEIRO

In 2023, Statkraft Brazil worked on 10 social projects in Bahia State, benefitting over 150 families in the local community surrounding the Morro do Cruzeiro Wind Farm. The initiatives include agricultural training, infrastructure for cassava production and wellbeing infrastructure such as a football field and playground. Moreover, Statkraft invests in female-owned local businesses who produce snacks, fruit pulps, and improve honey production. There is also an initiative focusing on water security, providing wells and improved water distribution equipment.

Economic shared value

In 2023, Statkraft had gross operating revenues and other income of NOK 123 559 million globally. This was distributed to salaries and benefits of our employees (12 per cent), returns to lenders and owners (66 per cent) and equity (22 per cent).

Through taxes and tariffs, we generate revenue for the governments where we operate. We also create value for our shareholder through the generation and distribution of dividends. For additional information, see 'Contribution to society' in the 'Sustainability statement'.

STATKRAFT'S LOW EMISSIONS SCENARIO

Statkraft's Low Emissions Scenario provides a technology-optimistic, but realistic scenario of the global energy system towards 2050.

In response to the growing uncertainty, Statkraft has introduced two additional scenarios this year to explore the challenges and consequences of alternative paths: 'Clean Tech Rivalry' influenced by a more protectionist transition globally, and 'Delayed Transition', where increased conflict and cost-of-living leads to a slower transition.

Some key messages:

- The energy transition continues across all scenarios. The affordability of solar PV, onshore wind, batteries, and heat pumps is driving transformative changes in the energy markets. Towards 2030, we see an accelerated build-out of solar and wind power and higher share of electricity use in industry, buildings and transport.
- Solar PV and onshore wind will see strong growth and will continue to outcompete fossil technologies across all three scenarios.
- In the Low Emissions Scenario, power demand will more than double and renewable energy will supply over 80 per cent of the world's power demand in 2050. By 2050, solar and wind power are expected to increase 21 and 11 times respectively.
- In Europe, even in the least optimistic scenario, solar and wind capacity grows by nearly 250 per cent from the current level to 2050 and reaches a market share of 66 per cent and emissions are significantly reduced. In the Low Emissions Scenario, renewable will supply 87 per cent of power demand in 2050 and EU reaches its net-zero ambition.
- Statkraft's Low Emission Scenario is just below a 2°C emission pathway. This is ambitious, but not ambitious enough. Getting closer to a 1.5°C pathway would require global collaboration and a substantial change in speed in all sectors.

Our tax policy

The Statkraft Group pursues a tax strategy that is principled, transparent and sustainable. It is approved by the Board of Directors and published on our external website. The tax strategy is regularly evaluated by Statkraft's Group Tax Department, and any amendments to the tax strategy are presented to the Board of Directors for review and approval.

Our tax strategy is based on the fundamental principles that taxes should be paid where economic value is generated, that company tax arrangements are a board responsibility, and that public country-by-country reporting is a core element of transparent corporate tax disclosure. Statkraft believes that appropriate, prudent, and transparent tax behaviour is a key component of responsible business practices. Therefore, we expect our business partners to implement similar standards around tax and transparency within their organisations whilst recognising that Statkraft engages with different business partners. Full alignment with these standards may not be possible for some of these due to the scope and size of their business operations.

We comply with tax law and practices in all the countries we operate. Tax is a core part of our governance and our responsibility as a corporation and is overseen by the Board of Directors. The day-to-day management of Statkraft's tax affairs is handled by Group Tax, which is involved in all significant business developments to assess any potential tax consequences of our decisions in advance. Statkraft has a clear responsibility to comply with legislation in our operating countries. For tax legislation, we choose to do this by aiming not only to comply with the letter of the law, but also with the underlying intent of the policy.

Statkraft has a centralised and uniform approach to interpretation of tax rules, which is handled at the Group level. We employ appropriately qualified and trained tax professionals with the necessary levels of expertise and knowledge. We constantly monitor updates and changes to tax legislation to assess their impact on the Statkraft Group. Tax disclosures are subject to internal reviews as part of the statutory reporting process and as part of the Group reporting process. In addition to internal reviews, tax disclosures are subject to ordinary external audit requirements in accordance with local statutes and regulations.

Statkraft approaches tax in a way that is aligned with our business strategy and aims to reduce business complexity and cost. We do not engage in artificial tax arrangements and actively consider all implications of tax planning. Furthermore, all tax planning must comply with the Group's Tax Optimisation and Structuring framework, which governs our approach to tax planning and is subject to robust review and approval processes. We do not use low tax jurisdictions to avoid tax and only establish an entity in a nil or low-rate jurisdiction for substantive and commercial reasons.

Statkraft is committed to ensuring full compliance with all statutory obligations and full disclosure to tax authorities. We engage with tax authorities with honesty and integrity and seek to establish a relationship based on mutual respect, transparency, and trust. We work collaboratively with tax authorities wherever possible to resolve disputes and achieve clarity, but we are prepared to litigate where we disagree with a ruling or decision. Statkraft engages constructively and with integrity with governments on the development of tax systems, legislation, and administration, either directly or through industry associations as appropriate. We believe that more informed and sustainable outcomes are achieved where governments openly consult with industry and other affected stakeholders.

Statkraft has an established quarterly procedure in place for tax risk management that facilitates appropriate identification, measurement, management and reporting of tax risks. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought in accordance with our internal framework. We proactively manage tax issues and risks in a way that maximises shareholder value after tax while operating in accordance with applicable legislation and Statkraft's Code of Conduct.

Statkraft continuously evaluates our tax processes and controls to ensure we are compliant with local and international standards relevant to our business. Complying with tax rules can be complex, as the interpretation of legislation and case law may not always be clear-cut and may change over time. We seek to manage this inherent tax risk by taking strong, well-documented technical positions to prevent unnecessary disputes.

Tax is part of the general process for reporting concerns about unethical or unlawful behaviour. Statkraft has systems in place for independent reporting of concerns, and Corporate Audit is the first recipient of all concerns reported (e.g., the Whistleblower Channel). Should a risk of tax evasion be identified through a business relationship, Statkraft shall always report the matter through appropriate channels, including to authorities.

Statkraft will seek business partners' collaboration in good faith when it comes to the avoidance of aggressive tax behaviour. When Statkraft acquires a company or group of companies, their tax policies and procedures are reviewed as part of the due diligence process, and post-acquisition, Statkraft will implement our own standards through the integration process. When Statkraft enters into a joint venture arrangement, we require the joint venture company to apply equivalent standards to Statkraft's own around tax and transparency.

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Statkraft is committed to playing a key role in the green transition towards a more decarbonised, and thus more sustainable future.

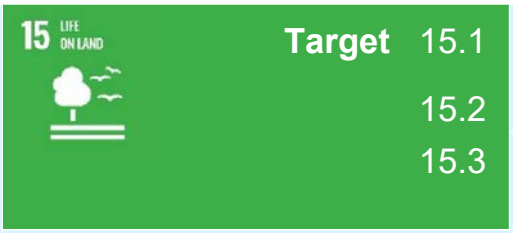
The UN Sustainable Development Goals (SDGs) enable the global community to navigate towards a more sustainable future by 2030. For Statkraft, the SDGs serve as a guide for developing and improving our business activities.

Statkraft recognises the important role that businesses play in contributing to the realisation of these goals, and we have assessed our impact on all 17 SDGs. Through our sustainability strategy and materiality analysis, we specifically address eight of the goals where we believe we can contribute the most.

We address the SDGs on three levels: as part of our overarching commitment, in our core business, and in the way we work.

As a provider of renewable energy, and with an aspiration to enable a net-zero future, we are strongly committed to SDG 13 (Climate Action). Our core business is closely linked to SDG 7 (Affordable and clean energy) and SDG 11 (Sustainable cities and communities). We believe that the key to achieving the goals lies in responsible and sustainable operations and project development. Therefore, we also focus on SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production), SDG 15 (Life on land) and SDG 16 (Peace, justice and strong institutions).

CORPORATE STRATEGIC OBJECTIVES	SDGs	TARGETS AND ACTIONS
We commit to a power sector pathway compatible with a 1.5°C global warming target.	 Target 13.1 13.3	Develop an action roadmap with updated climate targets by end of 2024.
		Complete third-party verification of our GHG emission targets by 2025
	SDG 13: Take urgent action to combat climate change and its impact.	Carbon intensity (scope 1+2) to be <50 g CO_2e/kWh by 2025 and <35 g CO_2e/kWh by 2030 and onwards.
		Statkraft to be carbon neutral (scope 1+2) by 2040.
		Statkraft to be net-zero (scope 1+2+3) by 2050.
	 Target 11.5 11.6	Phase-out all company-owned fossil fuel-based cars and commercial vehicles by 2030.
		Engage with and set requirements to suppliers in order to reduce supply chain emissions (scope 3).
	SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.	Have a renewable share of 100% in district heating activities by 2030.
		Increase awareness for GHG emissions related to business travel and improve overview of these emissions.
Grow capacity in renewable energy (hydro-, wind- and solar power).	 Target 7.1 7.2	9 GW growth by 2025.
	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.	Run rate of 2.5-3 GW in 2025.

CORPORATE STRATEGIC OBJECTIVES	SDGs	TARGETS AND ACTIONS
We mitigate our impact on biodiversity in a responsible and transparent way.		Explore ways to measure biodiversity impact and methods to demonstrate no net loss and net gain.
		Identify and participate in relevant external initiatives, e.g., standard setting initiatives to measure biodiversity impact.
	SGD 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	Develop and rollout group-wide knowledge programme to cover our interaction with biodiversity and dilemmas for our operations.
		Develop updated biodiversity targets by end of 2024.
We ensure high ethical standards and respect human rights in all business activities.		Zero confirmed instances where we are causing, contributing, or directly linked to breaches of human rights as per the UN Guiding Principles on Business and Human Rights.
	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Develop plan for how Statkraft shall support the transition to a net-zero economy in a fair and just manner.
		Update our guidance for follow-up of indigenous and tribal peoples, where such groups are impacted by our activities.
		Develop further guidance on management of social investments and community engagement.
		For promotion of collective bargaining, map gaps and risks in own organisation and explore targets for the supply chain.
We are committed to our Safety Vision: A safe and healthy workplace without injury or harm.		Have zero serious injuries associated with our activities.
	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Keep a rate of less than 3.5 per cent sick leave amongst employees.

CORPORATE STRATEGIC OBJECTIVES	SDGs	TARGETS AND ACTIONS
We commit to a sustainable resource use and circular economy within own operations and value chain.	 **Target** 12.2 12.4 12.5 12.6	Map our footprint and impact related to resource use and circular thinking, including lifecycle of key materials, resource inflow and outflow, extraction of virgin non-renewable resources and the extent of certain waste materials.
	SDG 12: Ensure sustainable consumption and production patterns.	Develop end of life strategies for our wind and solar assets.
		Increase our use of recycled material.
		Strengthen our collaboration with suppliers and industry to develop best practice solutions and policies.
		Test circularity concepts in pilot projects.
		Develop an action roadmap with specific circularity targets by end of 2024.
We aim to be a diverse and inclusive workplace where everyone has equal opportunities to contribute and realise their potential.	 **Target** 5.1 5.5	Gender balance (40/60) across the organisation by 2030. This is measured on three levels: top management, all management positions, and all employees.
	SDG 5: Achieve gender equality and empower all women and girls.	Score of 8.5 (on a 0-10 scale) on the employee inclusion index by 2024.
We aim to prevent corruption and unethical practices in all activities.	 **Target** 16.5	Zero confirmed instances where we are causing, contributing, or directly linked to breaches of human rights as per the UN Guiding Principles on Business and Human Rights.
	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Develop a plan for how Statkraft shall support the transition to a net-zero economy in a fair and just manner.
		Update our guidance for follow-up of indigenous and tribal peoples, where such groups are impacted by our activities.
		Develop further guidance on management of social investments and community engagement.
		For promotion of collective bargaining, map gaps and risks in own organisation and explore targets for the supply chain.

HOW WE PROMOTE RESPONSIBLE BUSINESS PRACTICES

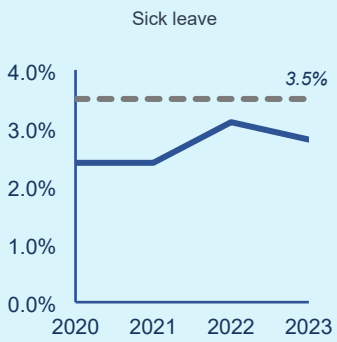
Health and Safety

Commitment

We are committed to our Safety Vision: A safe and healthy workplace without injury or harm.

Targets

- Zero serious injuries associated with our activities.
- A rate of less than 3.5 per cent sick leave amongst employees.
- Total Recordable Injury (TRI) rate of less than 3.5.



Comments on performance

In 2023, Statkraft had a positive development of our TRI rate ending at 3.4 compared to 4.1 in 2022, and a target of 3.5.

However, we did not meet the target of zero serious injuries. Five serious injuries were reported: two employees, one employee in a partly-owned company, and two contractors. This is a reduction compared to 12 serious injuries in 2022. However, there was regrettably also one third party fatality.

Statkraft will continue to work on improving our health and safety performance, and building a strong safety culture will remain a high priority for the company in 2024.

Improvement measures in 2023

1. Renewed our health and safety vision, and established corresponding safety behaviours, which serve as the basis for our efforts to enhance safety performance.
2. Tested different approaches to work with health and safety culture and behaviours across the organisation.
3. Strengthened the focus on high-risk activities and preventative measures.
4. Expanded our health and safety training portfolio for leaders, employees, and contractors.
5. Strengthened our root cause analysis processes and the competence of our leaders, employees, and contractors.
6. Introduced compulsory safety glasses across the company.

Why it matters

Caring for people is at the core of our culture. We are reliant on our people and contractors to deliver safe operations to succeed in our strategy. Ensuring that everyone comes home safely while working for Statkraft is fundamental for us. Through the strengthening and alignment of our global Health, Safety and Security (HSS) ambitions and actions, we will enable our employees and contractors to perform their work professionally, competently, and safely.

Our approach

The policy and management system for health and safety applies to everyone working at or for Statkraft. We work continuously towards our vision of having a safe and healthy workplace without injury or harm. We continue to standardise and simplify our working practices to create environments where people are safe at work. Statkraft uses international and national standards and best practice as reference for the management system framework, like International Organization for Standardization (ISO) 45001 Occupational Health and Safety.

Key risks

Health and safety risks arise from Statkraft's activities in construction projects, our operation and maintenance of power plants and other facilities, our presence in various geographical locations, and from travel and other business activities. The predominant high-risk areas are related to personal injuries from workplace accidents. Activities related to driving, working at height, lifting operations, energised systems, heavy mobile equipment, ground works and working in confined spaces are considered to represent the highest risk.

Status 2023

Fatal accidents

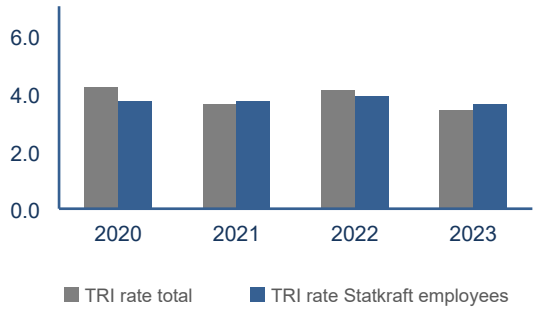
Regrettably, there was an accident resulting in a third-party fatality in February 2023. A vehicle from Statkraft's part-owned company Allain Duhangan Hydropower Plant (ADHPL) in India was involved in a traffic accident that resulted in the death of a third party. The accident was investigated to understand what happened and identify any learnings from this tragic accident. According to Statkraft and CSRD reporting principles, this incident does not count into the company's KPIs.

Accidents

In addition to the third-party fatality, three contractors and two Statkraft employees suffered serious injuries in 2023. In addition, 115 incidents and observations were classified with high-risk potential. Serious injuries and high-risk potential incidents are defined as incidents causing, or potentially causing, serious health consequences. Such incidents are investigated, and mitigating actions are implemented locally and across the Group to ensure learning and prevent future accidents. Statkraft will focus on improving learning from incidents and daily work by strengthening our learning processes and investigation methods.

The total recordable injuries (TRI) for Statkraft employees decreased to 60 in 2023, of which 27 were lost-time injuries (LTI). The TRI for contractors was 43, of which 24 were LTI. TRI rates for the last four years are presented below.

Total recordable injuries per million hours worked (TRI rate)



Sick leave

Sick leave in Statkraft has decreased to 2.8 per cent in 2023. Sick leave is below the target of 3.5 per cent.

Health and Safety Improvement Programme

In 2023, the Renew HSS programme focused on:

Leadership and commitment

In 2023, we piloted different approaches to improving HSS culture and behaviours across the organisation, such as simulations, team dilemma discussions and learning from daily work. The aim was to clarify and strengthen our collective HSS culture by aligning on behaviours, messaging and actions across all business areas and functions.

Serious injury mitigation

Serious incidents (those with, or with potential for, serious consequences) are analysed to identify measures to prevent recurrence, and lessons learned are shared across the organisation. Use of the Life-saving rules aimed at preventing serious and fatal injuries remains a focus area, in addition to further improving the quality of investigations and lessons learned.

Training and competence

Improvement of e-learning and training resources continued with a focus on simplification and clarity within a new and improved HSS ambition. HSS training was expanded to include other aspects of HSS, such as HSS Culture, and Engagement and Reporting, while a greater emphasis was placed on varied multimedia assets to improve participation and comprehension. Additional updates, new content, tools, and resources were more clearly defined to align with our renewed HSS culture.

Engagement Key Performance Indicators (KPIs)

Indicators are in place to encourage and measure employee and management engagement, for example through risk observations, improvement proposals, positive observations and safe job dialogues.

CEO's HSSE Award

An award scheme is in place to encourage activities that contribute to improved health, safety, security and environmental awareness, results and engagement across the organisation.

Continuous improvement

Continuous improvement is key for our work in health and safety, and we perpetually and systematically review our health and safety practices to enable our people to work safely. Collaboration takes place within and across business areas to share and learn from incidents, health and safety programmes and best practices. During 2023, we have identified a potential to simplify and align our management systems and requirements. This will facilitate easier understanding and navigation of the requirements and supporting documentation for our workers and contractors. In 2024, we will focus on simplifying and exploring alternative approaches to better communicate our management systems and requirements.

Health

Statkraft has dedicated initiatives that focus on health and well-being. These include flexible work arrangements and pulse surveys to check status on wellbeing and workload. Workload has been raised as a risk in the company and there are several mitigating actions set in place to reduce this risk. Additionally, corporate HSS has now included occupational health in their scope. The new Statkraft HSS vision specifically includes a health section to signal and anchor the responsibility, 'A safe and healthy workplace without injury or harm'.

Priorities 2024

- Implement our health and safety behaviours across the organisation and our operations.
- Further develop and implement relevant tool kit for Safety Culture.
- Structure HSS requirements and systems according to processes.
- Simplify the complexity in HSS governance and develop a unified language across all areas.

Security and emergency response

Commitment

We aim to actively prevent harm to people and assets.

Targets

- Zero serious injuries associated with our activities.

Actions

- Fit for purpose security and emergency response management framework, roles, and responsibilities.
- Tailored and targeted emergency response training.
- Maturity and performance monitoring and efforts which enhance security culture and awareness.

Commitment

We aim to protect Statkraft in a severely worsened cyber threat landscape.

Actions

- Centralised Cyber Security function for both IT and OT environments resulting in increased coverage of security measures.
- Centralised access management function for improved governance and management.
- Integrated risk management processes for IT and Process Control assets.

Improvement measures in 2023

1 Adaptation of Statkraft's Security and Emergency Response Management system to overall organisational change.

2 Developed increased range of emergency response trainings.

3 Developed new products and processes which strengthen sustainable security risk management, accountability, and visibility.

Cyber security:

1 Increased the coverage of ISO/IEC 27001 implementation to other countries and regions.

2 Extensive Business Continuity Exercises for IT and OT environments performed to prepare the organisation.

3 Increased focus on Information and Cyber Security Awareness through Group programmes.

Comments on performance

An overarching task in 2023 has been to develop and adapt the security and emergency response management framework, roles, and responsibilities to be fit for purpose following Statkraft's re-organisation and new operating models. Increasing and improving emergency response competence development at the country and functional level has been a priority. Methods, tools, and products to enhance situational awareness and early warning for evolving security threats and risks have been developed and tested.

Within Cybersecurity, the focus has been to establish a security baseline across the group by implementing a holistic Information Security Management System (ISMS) based on the ISO/IEC 27001 standard. The coverage of technical monitoring and detection of vulnerabilities and potential threats has increased. Actions have also been performed to ensure that security policies are adhered to in the whole organisation, based on previous and ongoing security gap analysis.

Why it matters

Security refers to the ability to keep people, operations and assets secure from intentional damage or harm. Statkraft builds, owns, and operates critical infrastructure in several countries, and has ambitious aims to grow. Malfunctions and incidents in the Statkraft supply chain, production or delivery processes could have severe impacts on society, customer relations and even on people's lives. Incorporating security in our activities is a business enabler and builds confidence and trust with our stakeholders and in the societies where we operate.

Our approach

Statkraft takes a comprehensive approach and follows international best practice for security management. Security matters are addressed through a risk-based approach aligned with standards such as ISO 31000, ISO 27001, NS-5814 and NS-5832.

We aim to take on a community-based security strategy where a cross-functional and holistic view identifies interdependencies between security and social risks. Statkraft has well established relationships with local and global security companies and participates actively in networks to stay on top of threat trends and security risk management best practises. We interact regularly with government entities to acquire up-to-date knowledge of incidents across sectors.

Developing strong security functions at country level is a priority given the variety of security risks across Statkraft's geographies.

Information security is a high priority and Statkraft follows international best practice for information security management. Statkraft is continuing a focused effort to achieve the objective of a strong information security culture that ensures the confidentiality, integrity, and availability of Statkraft's information.

Over the last four years, we have organised the October Cyber Security Month, as initiated by ENISA.

Cyber security

The practice of cyber security refers to the measures to protect assets, data and information from various threats and risks.

A governing structure is aligned and anchored with Corporate Management to ensure effective decision making, where cyber security aspects are regularly reported.

To ensure compliance with regulatory requirements and internal policies, an Internal Control System is implemented. The controls are regularly tested to assure that processes and practices are effective.

To ensure that evolving best practices are implemented, a wide network of national authorities, KraftCERT, subject matter experts and peers has been established.

Key risks

Statkraft performs risk assessments in two dimensions, top-down and bottom-up, to cover both strategic and operational risks.

The threat analyses are based on national threat reports, open-source information, and risk analyses from external vendors. Conducting security risk assessments is a line responsibility, supported by the Corporate Security & Emergency Response department, Corporate Information Security Organisation, and the Cyber Security Department.

We utilise a wide range of human, organisational and technical measures to proactively reduce security risks. Sudden changes in a security situation will trigger immediate measures.

For selected countries with Statkraft operations, focus has also been on physical security, following from wider geopolitical as well as local contexts.

In 2023, Statkraft also has experienced the increased trend in activism, with both local, national, and international reach.

Cyber security

For the cyber security domain, we are utilising the best practice framework from National Security Authority (NSM) and Information Security Forum (ISF) in combination with frameworks such as MITRE ATT&CK and other relevant material to ensure complete coverage of the current threat landscape.

All risks are registered in a central risk register to ensure transparent and effective risk treatment. The risk register is an integral part of the Internal Control System that cover risk, control and issue management.

For 2023 the key risks have been related to supply chain and the situation around the war in Ukraine. In addition, there have been an increased number of phishing attacks, ransomware, and situations around energy cabling systems in Europe.

For Statkraft operations, both IT and OT suppliers have been affected and phishing attempts have been increasing.

Emergency preparedness

Statkraft's emergency response is based on the use of dedicated and temporary teams and is in accordance with best practice. This approach aims to enable Statkraft to simultaneously handle emergencies at the local, regional/national, and strategic level.

Statkraft's ability to handle serious and unwanted emergency events is a constant priority. It is a continuous effort to use the experiences and lessons identified from both emergency response trainings and real events to evaluate and further develop effective emergency response management. In 2023, the further development of targeted and tailored emergency response trainings has been a focus.

We work with other companies, non-governmental organisations, local law enforcement and fire departments to ensure the best possible preparedness for handling emergencies.

Status 2023

Security incidents

A total of 285 security incidents were reported in 2023. 248 of these were cyber security incidents. Included in the total are seven incidents classified as serious/high potential incidents, five of which were cyber security incidents. Early detection and handling prevented these from resulting in major consequences.

Priorities 2024

- Increase the efficiency of mechanisms for dissemination of Security threat information and handling of security events.
- Develop and strengthen country security and emergency response functions through targeted competence development measures.
- Improve governance, monitoring and review, reaching a higher level of maturity in security and emergency response.

Cyber security:

- Continue roll-out of company-wide risk processes and ISMS.
- Further develop threat detection and monitoring technology capability, including visibility within OT.
- Increase focus on identifying, monitoring, and managing vendor risk.

Human rights

Commitment

We ensure high ethical standards and respect human rights in all business activities.

Targets

- Zero confirmed instances where we are causing, contributing, or directly linked to breaches of human rights as per the UN Guiding Principles on Business and Human Rights.

New confirmed instances in the fiscal year

Comments on performance

Throughout 2023 Statkraft has continued its efforts to ensure compliance with the Norwegian Transparency Act. These efforts build on Statkraft's long standing approach to respecting human rights, aligned with international standards, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The term 'directly linked to' is, for the purposes of this indicator, limited to incidents connected to our construction sites, power plants, and operations. We are continuously increasing monitoring of working conditions at our sites and implementing measures to strengthen the respect for human and labour rights. Even so, more needs to be done to improve this indicator.

During 2023, three serious incidents have been confirmed where Statkraft is directly linked to serious adverse human rights incidents on our sites. The incidents all relate to working conditions and have been identified through targeted labour rights controls of specific Statkraft sites. The incidents include non-payment of overtime work, excessive working hours and insufficient resting time. Statkraft takes these issues very seriously and will continue efforts to identify and address such issues and engaging with our contractors to ensure that remedy is provided where necessary.

Statkraft will continue to mature our methods for measuring our human rights impacts through our construction sites, power plants, operations, and our broader value chains. Statkraft is committed to progressively improving our ability to identify and monitor such impacts in compliance with our obligations under the Norwegian Transparency Act and based on a philosophy on continuous improvement.

Improvement measures in 2023

1. Renewed corporate level human rights risk assessment and expanded human rights due diligence at the country and project-level with country risks mapped for all Statkraft geographies.
2. Confirmed and closed out audit gaps related to labour rights on key projects.
3. Adoption of a living wage requirement for all Statkraft employees, and steps taken to promote a living wage for our other site-based workers.
4. Undertaken training – across the organization and within projects – on key human rights risks and the management of labour rights, working conditions and indigenous rights.

Why it matters

As a responsible business we are committed to creating value while caring for people and the environment. This is rooted in our company values and Code of Conduct. Respect for human rights is a fundamental principle and an important part of making the green transition a just transition as well.

Our approach

Statkraft is committed to respecting the human rights of our people, our supply chain workers and the communities impacted by our operations, by preventing, minimising and mitigating negative impacts. This commitment applies equally to Statkraft as a renewable energy developer, as an employer and as a buyer of goods and services. This is clearly expressed in our Code of Conduct, approved by the Board of Directors, and through our Human Rights Commitment Statement endorsed by our Corporate

Management. Human rights are also one of the four key focus areas in our sustainability strategy.

As a signatory of the United Nations Global Compact, Statkraft is committed to implementing the 10 principles (including the principles on human rights and labour rights). We are also committed to implementing the UN Guiding Principles on Business and Human Rights (UNGP) and the principles contained in the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines). The Norwegian Transparency Act, which entered into force on 1 July 2022, further codifies these commitments into legal requirements directly applicable to Statkraft. Separately, the Norwegian State, as Statkraft's owner, expects that Statkraft should respect human rights and workers' rights and be a leader in promoting decent working conditions within our own activities and within our supply chains.

Our duty and commitment to respecting human rights requires that Statkraft undertakes and integrates human rights due diligence in our operations and for the full supply chain in order to:

- Avoid causing or contributing to adverse human rights impacts through our own activities, and prevent or address such impacts when they occur; and
- Seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services by our business relationships.

Our approach to human rights is risk-based and aims to create shared value. Additionally, we strive to integrate human rights systematically into relevant business processes and activities.

The overall commitment and approach are embedded in internal requirements on human rights and social management, which provides a description of the human rights due diligence process covering our own direct activities and our supply chain. It requires that the company shall assess human rights risks, impacts and contributions including within, but not limited to, our greenfield and reinvestment projects, M&A transactions, new business / geographies, and regular business operations. We continuously develop further requirements and guidance for specific processes to support the business.

Furthermore, requirements to provide for, or cooperate in, remediation through legitimate processes, where our activities can potentially cause or contribute to adverse human rights impacts, are covered in governing documents. Statkraft is assessing the need to establish separate grievance mechanisms, in addition to existing whistleblowing channels, in construction projects or operations which can potentially cause or contribute to adverse human rights impacts.

Our objective is to ensure that grievance mechanisms, both for our on-site supply chain workers and potentially affected communities are handled as locally as possible and are as consistent as possible across our geographies. We hope that the implementation of local grievance mechanisms, alongside our corporate whistleblowing channel, will enhance our ability to address potential and actual adverse human rights impacts and better incorporate the views of key stakeholder groups into our strategy and target setting.

More information about our corporate-wide whistleblowing channel, which is available to both our own workforce and external persons, can be found on 'How we manage sustainability'.

It is the responsibility of the business units to ensure implementation of relevant requirements on human rights and have competent resources to do so. A dedicated corporate function is responsible for developing relevant requirements, tools, and templates to support the business units in their endeavours. This corporate function also provides mandatory advice to the business to ensure aligned practices and handling of high-risk cases. The corporate function also coordinates a working group on human rights among personnel with responsibility for social and human rights issues across the organization. This group convenes monthly and facilitates the coherent management of human rights within Statkraft. Our group enterprise risk management process includes human rights considerations and combines input from group and business areas. Corporate Audit conducts independent audits, with human and labour rights being an integral part of the annual audit plan adopted by the Board of Directors (in addition to investigating reported concerns). Corporate Management and the Board of Directors provide steering and oversight. See the 'How we manage sustainability' section for more information.

Key risks

We regularly undertake reviews of our human rights standards and salient human rights issues, and a new corporate level review was finalised in 2023. The aim of this was to deepen our understanding, reassess our assumptions and identify any significant changes to our salient issues since our previous corporate review in 2020. The 2023 review identified a number of areas where human rights impacts may arise within our operations, supply chains and local communities. We are currently reviewing the identified risks and will be incorporating them into our strategy going forward. Among the salient risks we have been and continue to be focused on are:

- Community relations and social licence, including indigenous/tribal peoples and other minority rights.
- Health, safety and security, including privacy.
- Labour conditions in the workplace, including those related to non-discrimination and harassment.
- Decent working condition and work practices in our supply chains.

As with the previous corporate review from 2020, the 2023 assessment was conducted using the methodology described in the UNGPs and OECD Guidelines, looking at relevant factors such as scope, scale and irremediability. The process included internal and external input and engagement with corporate management on salient issues and dilemma discussions.

Simultaneously, during 2023 we finalised a review of high-level inherent country human rights risks in all our geographies. This country risk review is being discussed in the management teams

in all our countries. This process will continue into 2024. The expected output is an overview of key, prioritised risks in each country, which will be integrated into the regular risk management process, with an agreed action plan to reduce, mitigate or prevent the risks from materialising. This review will also be an important baseline for human rights impact assessments in our development and construction projects and as input to M&A risk assessments in the respective countries.

In addition, also during 2023, we undertook assessments of five selected capital projects (development, construction and refurbishments) in Spain, Chile, Norway, Ireland and Brazil. We reviewed existing approaches to human rights within the projects assessed against the human rights due diligence expectations elaborated in the Norwegian Transparency Act (referring to the OECD Guidelines and UNGP). We are currently reviewing the findings and will incorporate them into our planning going forward.

Status 2023

Improvement initiatives

Norwegian Transparency Act

During 2023, Statkraft has continued with efforts to ensure compliance with the Norwegian Transparency Act.

Regarding the duty to undertake human rights due diligence, in addition to the due diligence efforts described, we have also developed a human rights due diligence tool. The tool provides a framework against which capital projects can be assessed for various human rights risks. The tool should enable us to better identify potential risks for negative impacts on human and labour rights in early phases and throughout the project cycle. During 2023, in connection with efforts to close out audit gaps related to labour and human rights (see 'Decent working conditions in the supply chain' below for more information), we have begun to use the tool to assess our ongoing construction projects both for human and labour rights risks and for gaps in the project-level approach to human and labour rights risk assessment. Statkraft is using the findings of this exercise to develop both short-term and longer-term corrective actions at both a governance level and a project management level.

The duty to account for due diligence

To address the duty to disclose publicly, Statkraft has continued to make efforts to publish relevant and timely human rights material and to provide the public with further details on the company's efforts in our own operations and in our supply chain. In 2023 this has included, for example, disclosing information related to human rights in our quarterly reporting and providing updated statements regarding human rights on our website (specifically related to the Fosen case). The annual reporting on human rights impacts required under the Act is embedded in this annual report and made available on the company website.

The right to information

The third duty under the Act is to respond to requests for information. Statkraft has an internal procedure for handling such requests. We receive requests under the Act from various stakeholders from time to time. We treat all such requests as a matter of high priority and within the response time of three weeks set by the Act. Details of all requests requiring formal and substantive responses from Statkraft are provided on our Norwegian public website which is regurlarly updated.

Information requests under the Transparency Act in 2023 have typically come from NGOs and media; these requests together with Statkraft's responses are published on our Norwegian website. One such request received in 2023 related to the solar supply chain for PV modules and ultimately led to a complaint to the Norwegian Consumer Authority tasked with monitoring compliance with the Act. In January 2024, the Consumer Authority concluded that Statkraft does not need to identify the suppliers to respond adequately to the information request.

Living wage

The Norwegian State, as Statkraft's owner, expects Statkraft to be a leader in promoting decent working conditions within our own activities and within our supply chains. In 2023, Statkraft continued efforts to ensure adequate worker compensation. Building on Statkraft's commitment to guarantee a living wage for all our employees, requiring the same for all site-based workers, and promoting a living wage in the rest of the supply chain, a new internal requirement has been developed. It establishes the Statkraft approach to the living wage, and the company is continuing work to set appropriate thresholds and frameworks for determining the living wage in the markets where we operate. This will be a long-term process that will require careful consideration of various legal, social, economic and commercial factors in each and every Statkraft location.

Decent working conditions in the supply chain

Follow-up of human rights in the supply chain, and in particular decent working conditions is a key focus area for Statkraft. During the course of 2022, several controls, internal audits and monitoring missions related to both working conditions and on-site implementation of contractor requirements were performed on Statkraft sites in Norway, India and Ireland. These efforts resulted in various observations of breaches of applicable labour laws and/or contractual conditions and other smaller labour rights issues and risks. In 2023, we have been working to close the audit gaps and also to review all ongoing Statkraft projects for common labour rights issues with respect to on-site supply chain workers. This review process has revealed a picture of generally good practice and high standards promoted by Statkraft and maintained by our contractors. However, there are certain gaps and a more robust and consistent approach is needed. Particularly with respect to follow-up of contractor commitments on-site, worker compensation, working hours, worker grievance channels and the potential for differential treatment of non-native workers. Statkraft is currently implementing a range of measures, including anchoring greater responsibility and resourcing for labour and human rights within project management teams.

See the 'Supply chain management' section for more information.

Community relations and social license

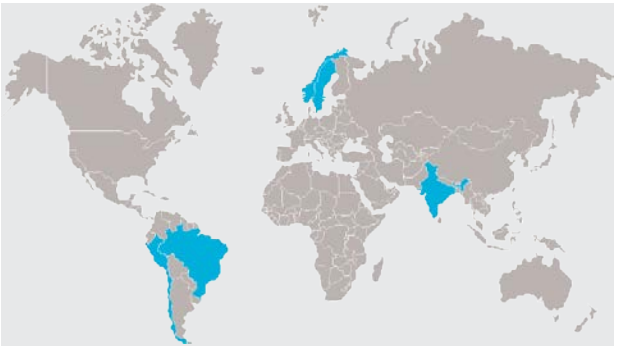
As part of the development, construction and operation of our hydropower plants, wind farms, solar farms and in our other activities, Statkraft engages extensively in consultation processes with local communities. As a salient issue it is important to

understand the nature of our potential impacts on these communities. Statkraft's approach to stakeholder consultation (in particular with respect to indigenous peoples) has evolved over the years in line with international standards and stakeholder expectations. We strive to continuously improve our approach to engagement and consultation with potentially affected and affected communities.

As a matter of corporate policy and aligned with international guidelines such as the IFC Performance Standards, Statkraft engages in consultation processes with local and potentially affected communities and seeks to establish grievance mechanisms to address any complaints or concerns. We believe that a participatory assessment of potential social, spiritual, cultural and environmental impacts on communities is the starting point, including for determining more specifically the scope of the consultation to be undertaken.

In a number of countries where we are present, there are risks of impacting on indigenous, tribal, native or other minority groups and it is a high priority for the company to handle such risks responsibly and with care. These risks could be for example related to livelihood or cultural practices.

The map below indicates countries where Statkraft is present and has activities potentially impacting above mentioned groups:



Statkraft's approach is to avoid, reduce and compensate direct or indirect impacts. To successfully implement programmes, Statkraft conducts consultations with affected parties, including individual households and landowners, local organisations, and different levels of government entities. Compensation usually consists of two parts. Firstly, there is compensation for any losses of land, production and structures in the form of replacement or monetary compensation based on negotiations with owners, licensees and/or others owning rights over the land, or rights of use the land, and communities. Secondly, there is support for sustainable development initiatives. The latter is obligatory in some countries, but in many countries, it is an arrangement negotiated with local stakeholders.

With respect to indigenous people, Statkraft is in the process of drawing on lessons from our recent experiences in Norway and Chile – discussed directly below – and from internal and external indigenous advisors to improve our corporate policy, processes and guidelines. This is a prioritised process which will continue in 2024. During 2023 we have also run many training and awareness raising activities about this topic within the company.

Fosen

In October 2021, the Norwegian Supreme Court held that the licence awarded for the Roan and Storheia wind farms as part of the Fosen development was in violation of Article 27 of the International Covenant on Civil and Political Rights (ICCPR).

During the spring of 2023, the Norwegian state initiated a mediation process between the affected reindeer herders, Fosen Vind and Roan Vind, where the Norwegian state also participated, with the aim of finding an amicable solution that respects and safeguards the affected reindeer herders' right to practise their culture. The national mediator was appointed in his personal capacity to lead the mediation. The mediation process was conducted separately between Sør-Fosen sijte and Fosen Vind and Nord-Fosen siida and Roan Vind. Fosen Vind participated in the meetings with Sør-Fosen sijte in good faith and found the participating parties to be constructive and solution-oriented.

On 18 December 2023, the mediation process between Sør-Fosen sijte and Fosen Vind resulted in the parties entering into an amicable agreement. Sør-Fosen sijte has provided their free and informed consent to revised conditions whereby the continuation of Storheia wind farm throughout the license period in accordance with the license requirements does not constitute a violation of Art. 27 ICCPR. The purpose of the agreement is to provide necessary remedial measures to ensure that Sør-Fosen sijte can continue their cultural practices of reindeer husbandry as a commercial activity in accordance with Article 27 ICCPR. The mediated agreement stipulates that:

- The Norwegian state must ensure a winter grazing area outside the Fosen reindeer grazing district and that this winter grazing area meets certain characteristics as described by Sør-Fosen sijte.
- Sør-Fosen sijte is given the right to veto future rights holders applying for a prolongation and/or renewal of the licence for Storheia.
- Fosen Vind shall pay Sør-Fosen sijte an annual consumer price indexed amount of 7 MNOK as of 2020 until the end of the licence period. All amounts shall be paid to the account of Sør-Fosen sijte's siida fund.

To facilitate a good and ongoing dialogue and cooperation regarding the following-up of the agreement, it has been agreed to establish a follow-up group which will have regular meetings. This group shall consist of representatives from Fosen Vind and Sør-Fosen sijte. The Norwegian state will attend when needed.

In 2021, Roan wind farm was divested from Fosen Vind DA (for additional information see our previous annual reports). The mediation process between Roan Vind and Nord-Fosen siida has not resulted in an amicable agreement yet. Statkraft must on certain conditions indemnify the buyers of Statkraft's previous 52.1 per cent shareholding in Roan Vind for potential losses following the Supreme Court ruling. Statkraft hopes that the mediation process will also result in an amicable solution for Roan wind farm.

Los Lagos

The Los Lagos project in Southern Chile has faced longstanding lack of dialogue from some members among the Mapuche-Huilliche communities identified in the area of influence of the project. Statkraft Chile has been working actively to establish trust and cooperation with most of the impacted indigenous communities and has made substantial efforts to engage with these communities and address potential human rights impacts. These efforts have included terminating plans to develop one of the two hydro power plants that Statkraft Chile had licences to develop in Southern Chile (to avoid potential adverse human rights impacts on the identified communities given the cultural significance of a ceremonial site) and taking steps to return that religious site to the communities. In spite of such ongoing efforts, resistance has continued from some groups in the form of protests and legal actions. Most recently, Statkraft Chile engaged third parties to conduct a wide-ranging human rights risks and impacts review of the Los Lagos project and to review the policy and practice related to Indigenous Peoples. The review identified good practices overall and some areas for improvement, for example, related to capturing lessons learned and ensuring perspectives of indigenous persons are better represented in leadership discussion and decision making.

Several legal and administrative procedures initiated by some groups are ongoing both due to archaeological findings at the Los Lagos site and disputes over the attempted land transfer (resulting from disagreements within the communities about the correct legal entity to which the land should be transferred). The Council of National Monuments (CNM) is required to consult with directly affected indigenous communities before granting the permit to characterise and rescue the archaeological remains. This process has been significantly delayed due to resource constraints within the CNM. Statkraft Chile requested the Court in charge of the enforceability of this ruling to set a deadline for the process to start. There now appears to be progress and the first consultation meeting was held at the end of November.

Meanwhile, by virtue of the Supreme Court of Justice Ruling of 20 January 2022, the land transfer related to the ceremonial site is now a matter under the jurisdiction of the national indigenous authorities (CONADI). The groups have also contested Statkraft's environmental licence for the Los Lagos project, arguing for a new environmental impact assessment due to changes in aquatic fauna and archaeological finds. These attempts have been unsuccessful in court with a final dismissal from the Chilean Supreme Court in November of 2023. Most recently, some groups have also submitted a complaint against Statkraft AS before the Norwegian OECD National Contact Point (NCP). The Norwegian NCP is now undertaking an initial assessment to determine whether to accept the complaint and proceed to mediation. The NCP may facilitate a process of mediation in Norway between Statkraft and the two groups. Statkraft has formally responded to the NCP expressing our willingness to cooperate in the process.

Health, safety and security

The right to safety and health at work is a fundamental human right. There is a clear link between health, safety and security and our commitment to respect human rights. See the 'Health and Safety' and 'Security and emergency response' sections for more information.

Labour conditions at the workplace

Fundamental human rights are closely linked to the management of human resources and ensuring adequate working conditions for our more than 6000 employees. See the 'Labour practices' section for more information.

Other initiatives

Statkraft is a member of the Nordic Business Network on Human Rights, where we engage with peers to share information and knowledge on human rights topics. Statkraft is also engaging with other large, industrial Norwegian companies with state-ownership on topics within business and human rights. In 2023, we have discussed topics such as the draft EU directive on Corporate Sustainability Due Diligence, compliance with the Norwegian Transparency Act and how to implement a living wage requirement.

Statkraft also regularly engages with various public institutions, civil society groups and universities on human rights topics. In this way, Statkraft seeks to remain informed about key human rights topics, emerging risks, and best practices. Statkaft's human rights professionals participate in educational and training programs to share experience with other professionals.

Priorities 2024

- Continue the implementation of human rights due diligence in Statkraft operations and value chains with a particular focus on capital projects and mergers and acquisitions.
- Review and assess findings from the corporate, country level and project based human rights due diligence, incorporate them into our human rights strategy as appropriate and disseminate learnings within the company.
- Continue to refine our approach to data collection related to human rights.
- Continue work towards implementation of the living wage requirement.
- Review and enhance approach to engagement with indigenous peoples.
- Increase focus on social impact and Statkraft's approach to the "Just Transition".
- Continue training and awareness raising related to human rights.

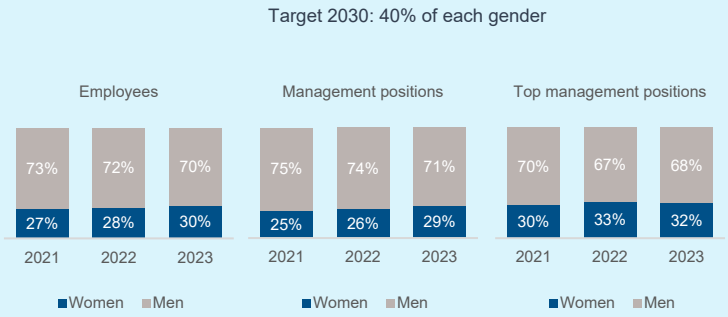
Labour practices

Commitment

We aim to be a diverse and inclusive workplace where everyone has equal opportunities to contribute and realise their potential.

Targets

- Gender balance (a minimum of 40 per cent of each gender) across the organisation by 2030 [1]. This is measured on three levels: top management, all management positions, and all employees.
- A score of 8.5 on the employee inclusion index by 2024.



Comments on performance

In 2023 there has been progress towards the gender balance target, both among all employees and in management positions. However, there has been a slight decline in share of women in top management positions since 2022.

Upon the appointment of the new CFO in January 2024, Corporate Management has again a 50 per cent share of women.

In 2023 the score on the inclusion index, tracking to what extent employees experience inclusion at work, increased from a score of 8.1 (on a 0-10 scale) in December 2022, to 8.3 in October 2023.

[1] Gender balance target and results are set and measured for the parent company and subsidiaries, except Skagerak, Mer, Baltic Cable, Himal Power Ltd and Bryt. This also applies to gender balance figures included in 'Workforce D&I' below. Previously reported figures have been amended due to an error. Top management positions include CEO, EVPs, and SVPs.

Improvement measures in 2023

1. Raised ambition for gender balance.
2. Implemented a Diversity and Inclusion (D&I) strategy by integrating D&I in policies and processes.
3. Built D&I awareness and competence in the organisation.

Why it matters

People are our most important asset. To maintain excellence in operations and deliver on Statkraft's growth ambitions it is key to attract, retain and develop the people that will make this happen.

Our approach

We are committed to a great and inclusive employee experience, where people can grow and are empowered to make a difference. We believe everyone working at Statkraft plays a key role in delivering our vision to 'Renew the way the world is powered'.

Statkraft's people and organisation strategy is part of our business strategy, and underlines our commitment to be a great place to work, and to develop both people and how we work:

We continuously develop our organisation. Our vision and values give us a shared direction for culture development.

We develop people and competence. We develop the skills we need today and tomorrow, providing great learning and development opportunities, and a learning culture.

We attract and retain diverse talent. We ensure that we are an attractive employer for current and future employees.

We are committed to a great and inclusive employee experience. We want an inclusive work environment where everyone can contribute, grow, and thrive.

Key risks

Statkraft depends on the competence and capacity of the people working in the company to deliver on our strategic ambitions. A key risk for Statkraft related to labour practices in 2023 has been the high competition for talent in the renewables sector. In 2023 there has been a continued focus on the work we do to attract, develop, engage, and retain people. This is key to ensuring that Statkraft can deliver on the business strategy and lead the transition to renewable energy.

Status 2023

Attracting talent

In 2023 Statkraft has increased Employer Branding efforts towards key target groups for recruitment. Many new employees have been recruited and onboarded into the business and the organisation. A record high number of graduate positions were initiated and filled, with 28 new trainees joining the company in 2023.

Employee experience

Through the Statkraft Pulse surveys, employees provide feedback twice a year. The results are discussed in Corporate Management, and all units and teams in Statkraft. The purpose of the survey is to capture feedback from employees, and use it to influence how Statkraft can deliver a great and inclusive employee experience. Pulse surveys were conducted in April and October 2023. The April survey showed an overall engagement score of 8.6 on a 0-10 scale, whilst the October score was 8.7. This places Statkraft in the top 5 per cent within the Energy and Utilities benchmark in the survey tool.

People development

Attracting and developing people has remained a key focus in 2023 to ensure a workforce that is both engaged and highly qualified. In 2023, we continued our efforts to strengthen processes for people development. In 2023, 72 per cent of employees formalised their development plan and 70 per cent of employees documented performance and behaviour goals for the year. Employees and leaders further engaged in regular check-ins during the year to ensure continued focus on updating of goals and development plans. The figures include the employees that use Statkraft's corporate IT system for setting goals and development plans. At Statkraft, all permanent employees have variable pay based on a performance appraisal.

Statkraft has continued to deliver learning and development for employees at all levels in the organisation. In 2023, a strategic leadership development programme focusing on change, collaboration and growth was initiated for all senior managers in the company. In addition, development journeys of 2-6 months were conducted for 532 leaders and specialists. The programmes generated high engagement and received positive feedback from participants. In 2023, we also delivered shorter 'Skills courses' for 247 employees. In addition, an internal online learning portal and LinkedIn Learning are available to all Statkraft employees.

Workforce D&I

For Statkraft, diversity means differences in gender, age, expertise, cultural background, nationality, experience, sexual orientation, ethnicity, ability, and religious beliefs – everything that shapes who we are and our perspectives. To succeed with the transition to a world powered by renewable energy, we need different perspectives and voices at the table. Statkraft therefore works actively to create an inclusive work environment where everyone has an equal opportunity to contribute to business success and to realise their potential. This is a core part of our values and ethical fundament as a company. It has also been identified as a salient human rights issue for the company. Diverse and inclusive teams make Statkraft better.

The efforts to strengthen D&I in Statkraft were continued in 2023. Statkraft has set clear targets for both inclusion and gender equality, and in 2023, we raised our ambitions when it comes to gender balance. Our updated strategic goal is gender balance (a minimum of 40 per cent of each gender) across the organisation by 2030. This is measured on three levels: top management, all management positions, and all employees. The focus this year has been to implement our D&I strategy by integrating D&I in policies and processes and by building D&I competence and awareness in the organisation.

Examples of initiatives to build D&I competence and awareness include celebrating diversity days, launching a D&I toolbox with dilemmas and inclusion moments for discussion in teams, the implementation of cross-cultural awareness training, and the initiation of an employee resource group supporting LGBTQ+ inclusion in the workplace.

To ensure ownership and accountability for D&I among leaders we have established a governance structure for follow-up, reporting and alignment across the company. This means that in addition to corporate D&I initiatives, country managers are responsible for establishing a local D&I action plan for employees in their country. D&I progress will be discussed, monitored, and followed up twice a year in Corporate Management. It is important to note that there are already many good D&I initiatives and action plans in place in the different Statkraft locations.

In 2023 we have mapped potential risks for sexual harassment in the organisation by collecting and evaluating input from a range of stakeholders including Corporate Audit, employee representatives and HR. Examples of mitigating actions implemented include establishing a new requirement on sexual harassment and workplace bullying, updating our code of conduct, and implementing training to prevent sexual harassment. Based on this work we have established a methodology that will be used in our continuous work to ensure equality and prevent discrimination also for other areas like recruitment and promotions, and development.

Since 1993, Statkraft has used an internationally renowned system and methodology for position evaluations that allows for objective, non-gender dependent, market-based salary benchmarks. This year we further strengthened our equal pay process by the establishment of a new requirement on Equal Pay for Norway. The requirement provides guidance for ensuring equal pay, meaning that the process of setting pay must be set in the same way for all positions without regard to gender. In 2024, we plan to further strengthen the Equal Pay requirement to include all countries that we operate in.

Inclusion is measured by four questions in the Statkraft Pulse survey that tracks to what extent employees experience inclusion at work. The October survey results show an inclusion score of 8.3 on a 0-10 scale, an increase of 0.2 since the April survey. This shows that employees to a great extent feel like they work in an

inclusive environment where diversity is valued and where they can speak up without fear of negative consequences.

Entering 2023, Statkraft's Corporate Management team had a 50 per cent share of women. However, at year end 2023 Corporate Management had a 37.5 per cent share of women, including a man in the role of acting CFO. Upon the appointment of the new CFO in January 2024, Corporate Management has again a 50 per cent share of women, which is the same as in 2022. There is 32 per cent women in top management positions, down from 33 per cent in 2022, and 29 per cent women among all management positions, up from 26 per cent in 2022. The share of women among all employees was 30 per cent, an increase from 28 per cent in 2022. This shows that systematic work overtime gives results, but that progress is slow.

When looking at gender equality in compensation for 2023 in Norway, the overall ratio for total salary women to men is 0.82. Total salary includes, in addition to fixed base salary, elements such as shift premiums and other compensation. When looking at average fixed salary, the ratio of women to men in Norway is 1.04. The gender pay gap on total salary is attributed to the disproportionate representation of men in roles associated with Energy Trading. Positions with Energy Trading responsibilities tend to have higher compensation in the labour market compared to equivalent roles in other areas. Additionally, the inclusion of overtime and shift payments contributes to variations in total salary ratios. In 2023, men, on average, had more overtime and shift work compared to women, further influencing the overall gender pay gap.

Statkraft uses an external framework for assessing positions and compensation provided by Korn Ferry Hay Group. This is an international well-known and used methodology. Full-time work is a norm and policy in Statkraft, unless part time is requested from employees. In Norway, only one per cent of employees work part time and those workers are evenly split between men and women.

In 2024 work will continue to further embed D&I in policies and processes and create an even more inclusive culture through building diversity competence in the organisation. Being able to attract and recruit talent from the entire talent pool is key to the success of Statkraft's growth strategy, and an important focus area for next year. Increasing cross cultural understanding will be another focus area for 2024. Furthermore, efforts will be continued to work strategically and systematically with D&I based on reliable insights. Work was initiated in 2023 to improve employee data to enable better D&I metrics and analytics, and this work will be continued in 2024.

Employee relations

Statkraft has a structured and close collaboration with local employee representatives and trade unions. In addition to cooperation at the national level, Statkraft has established the Statkraft European Works Council (SEWC), with employee representatives from Norway, Sweden, Germany, and the UK. Due to Statkraft's growth in Europe in 2023, processes were initiated to establish local works councils in more countries. In France a works council for Statkraft Renouvelables was elected and started by March 2023, and in the Netherlands inventory talks were started during the second half of 2023 with plans for follow-up and establishment of a works council in 2024. Statkraft supports and respects internationally recognised labour rights in all countries where we are present. Relevant International Labour Organisation conventions and EU directives have been included in the SEWC agreement with the European Federation of Public Service Unions, the federation for European trade unions within the energy sector. In countries not covered by SEWC, Statkraft respects and promotes the employees' freedom of association and cooperates with union representatives in accordance with collective bargaining agreements, legal requirements, international standards and human rights, and prevailing industry best-practice for each location.

At Statkraft, we are committed to ensuring a living wage for every Statkraft employee, and we are taking steps to promote a living wage for all site-based workers in our supply chains. In 2023, we reinforced this commitment by introducing a new Living Wage requirement. Statkraft adheres to the definition of a living wage outlined by the Global Living Wage Coalition (GLWC), as per the Anker Methodology. Our Living Wage commitment is described in more detail in the 'Human Rights' section.

Priorities 2024

- Utilise Pulse surveys insights to define and deliver actions on both group and team levels that are needed to improve and fulfil the commitment to have a great and inclusive employee experience.
- Develop people and culture through solid annual processes and tailored learning opportunities for key competencies and varied employee needs.
- Continue work to improve diversity and inclusion through insights, actions, awareness, and competence building, and monitoring of results.

Supply chain management

Commitment

We aim to continuously improve sustainability in our supply chain.

Actions

- Update requirements, processes, and systems to avoid adverse impacts on people, society, and the environment.
- Increase awareness about potential adverse impacts linked to procurement of products and services.
- Collaborate with peers and participating in industry initiatives to share best practices.

Comments on performance

Qualification and tendering processes have been updated to reflect Statkraft's requirements for working conditions when services are performed on our sites. Significant efforts were made during 2023 to implement improved governance and tools in live construction projects. Through this work, we promote living wages and decent working conditions in our supply chain.

Improvement measures in 2023

1 In 2023, around 40 per cent of our procurement spend was from suppliers rated in EcoVadis.

2 Collaborated with peers to develop the Solar Stewardship Initiative, promoting transparency in the supply chain of solar equipment.

3 Contract clauses have been improved to focus on category sustainability risks and revised requirements to prevent, mitigate and rectify identified risks.

4 A strategy for avoiding conflict and critical minerals was established.

Why it matters

Statkraft is committed to sustainable and responsible business practices, and this commitment extends to our suppliers. Our procurement activities are guided by the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and their Due Diligence Guidance for Responsible Business Conduct.

To improve sustainability throughout the supply chain, we believe that cooperation with our suppliers is essential.

Our approach

Our Procurement Policy sets out that procurement is organised to obtain the best possible value, terms, and conditions, as well as avoiding adverse impacts on people, society, and the environment. The requirements for working conditions when services are performed on our sites have been strengthened, and we actively promote living wage and decent working conditions in our supply chains.

The Human Rights Commitment Statement from Statkraft's Corporate Management states that:

- We will only engage with business partners and suppliers who are committed to respecting human rights in their activities; including in their supply chain and can effectively show how they drive continuous improvements on these matters.

We have more than 20 000 registered suppliers in our systems and procurement is handled by more than 130 procurement professionals. There are purchasing teams located in 15 countries. The procurement professionals are supported by a dedicated sustainability team that is part of the Group Procurement unit.

All Statkraft's suppliers must accept our Supplier Code of Conduct (SCoC), which describes their duty of responsible business conduct and prohibits unethical and illegal business practices. This requires our suppliers to respect human and labour rights and to ensure a healthy, safe, and secure workplace. Furthermore, suppliers shall work to reduce greenhouse gas emissions and minimise any other environmental impacts.

Statkraft's Procurement Policy is supported by procurement requirements to ensure that sustainability risks are assessed in the same manner as financial and operational risks.

Our standard contract models include sustainability obligations. In addition, we integrate sustainability requirements in tender documents, and strategic and key suppliers are assessed on their management systems for human and labour rights, environment and climate, and business ethics.

Our procedures require all suppliers to be integrity checked through the Dow Jones Risk Center tool. We also use the EcoVadis sustainability rating tool for key suppliers. In 2023, key suppliers for our wind and solar projects were rated along with several key suppliers in other categories.

When we discover an adverse impact linked to procurement of products or services, we engage in dialogue with the supplier to stop, mitigate and rectify the situation. In addition, we reassess our supplier relationship and consider if it should be terminated.

Key risks

Most of Statkraft's procurement activities relate to products and equipment necessary to produce electricity and services for construction of power plants. Specific sustainability risks in the supply chains are identified for (i) hydropower electromechanical equipment, wind turbines, solar panels and batteries and (ii) transport to, and work at Statkraft's sites. We mitigate risks by identifying and addressing them during the qualification and tendering phase, as well as through contractual terms.

We acknowledge that we cannot address all potential adverse impacts in our supply chain and have therefore prioritised risks based on severity and likelihood, as detailed below.

Risks directly linked to products and equipment

Hydropower

Electromechanical equipment for hydropower generation is usually tailor-made to the power plant production capacity. Statkraft's suppliers purchase material and components from sub-suppliers that manufacture and assemble equipment at their sites.

There are risks of breach of labour rights such as poor working conditions and inequality at sub-supplier workshops (in rough machining and welding workshops). When Statkraft project teams visit supplier's workshops, they report back to the category manager on working conditions.

Wind

Main components in wind turbines are rotor blades, rotor hubs, nacelles, and towers. The supply chain is long and Statkraft's suppliers buy standard and manufactured components from a variety of sub-suppliers.

Statkraft has identified a risk related to the use of Rare Earth Elements ('RER') in the permanent magnets used in select types of wind turbines which originate from conflict zones and/or associated with breaches of human rights, as well as environmental damage during excavation and refining. Statkraft will follow up this risk in 2024 through dialogue with key wind suppliers.

Solar

We have worked proactively to understand and address the potential risk of forced labour in the solar supply chain. To date, whilst examples of actual negative consequences have not been identified in our own supply chains, a general inherent risk of forced labour remains a potential consequence relevant for all photovoltaic (PV) supply chains with inputs from China. To address and limit this risk, Statkraft has implemented several measures:

- Engaging with key suppliers to secure improvements in transparency and traceability.
- Enhanced qualification processes for relevant suppliers.
- Framework agreements with vertically integrated suppliers.
- Secured a contractual right to trace the materials in our solar panels on site (an independent third party conducts the traceability audit).
- Rights in our framework agreements that allow Statkraft to change and terminate supply agreements and reject deliveries that fail to meet requirements.

Statkraft strongly opposes the use of forced labour and has decided contracts will be awarded to suppliers that deliver PV panels from factories where there is a limited risk of forced labour, who act transparently and allow insight into their supply chain. Addressing the risks related to forced labour in the supply chain is complex and individual companies' efforts are important, but not enough in themselves to address the challenges. Therefore, we work with industry associations to raise awareness, increase transparency, and improve industry standards for PV panels and other solar equipment.

Battery Energy Storage Systems (BESS)

The main components of BESS are batteries, protection devices, battery management systems, cooling systems, fire suppression systems, inverters, transformers and energy management systems. The supply chain is complex and Statkraft's suppliers buy standard and manufactured components from a variety of sub-suppliers. The battery cells contain lithium and graphite, minerals that are associated with risks of environmental, human and labour rights infringements during excavation and refining.

Electrical Infrastructure

In 2023, the procurement of several products used for all power plant was centralised in a new category called 'electrical infrastructure'. This includes four sub-categories: transformers, cables, switch gears and grid stabilisers.

Copper is utilised across all these sub-categories. When sourced as a raw material, copper mining is associated with risks of both environmental damage and harm to people and communities.

Respect for labour rights in our supply chains

Statkraft purchases services such as business consulting and engineering. For these purchases the supply chain is short and work is usually performed in countries where Statkraft is located. We consider the risk of breach of human and labour rights linked to these services to be low.

However, when work and services are performed on Statkraft's sites, risks of unreasonable working times, inadequate leave periods and insufficient payment to supply chain workers are identified, especially when work is performed by migrant workers. Statkraft acknowledges that there may also be risks linked to transportation of goods, but priority has been given to risks on Statkraft's sites, since we have most leverage there.

Use of minerals sourced from conflict zones

Some of the products and components that Statkraft buys, and that are critical to the renewable sector, incorporate materials that may be sourced from conflict zones. To minimise the risk of purchasing from conflict zones the contractual obligations were revised in 2022. We have identified copper and lithium as priority risks to be followed up in 2024.

Business ethics and Compliance

Business ethics compliance in the supply chain (e.g. risk of fraud and corruption) is a focus. The Dow Jones Risk Centre is used to

screen potential suppliers for all large contracts world-wide and for all procurement from high-risk countries.

Status 2023

Sustainable procurement as an integrated part of procurement processes

We have continued the work to integrate sustainability in procurement systems and procedures. Sustainability assessments are part of the supplier qualification.

Selected project managers and project procurement managers have received new awareness training, and in 2024 training in new procurement templates and contract clauses will continue.

Hydropower
In 2023, Statkraft has taken measures to increase the transparency of the lower tiers in our supply chains with a particular focus on sourcing of steel.

Wind
In 2023, Statkraft continued close cooperation on sustainability topics through the Wind Europe network, including establishing an EcoVadis sector platform for monitoring contractors in the supply chain. This cooperation will be developed further in 2024.

Solar
In 2023, we entered into framework agreements with suppliers for delivery of PV panels and inverters. In addition, Statkraft became a founding member of the Solar Stewardship Initiative (SSI), which will work across the global solar value chain to foster responsible production, sourcing and stewardship of materials.

Battery Energy Storage Systems (BESS)
In 2023, Statkraft pre-qualified suppliers for framework agreements and discussed with them how to avoid and track sustainability risks.

Electrical Infrastructure
In 2023, key risks for this new category were identified. We aim to improve transparency and to select suppliers who use copper from recycled sources or otherwise implement measures to ensure that it comes from sustainable sources.

Respect for labour rights in our supply chains
In 2023, Statkraft initiated control of working hours and salary for cleaning services in Norway, to be completed in 2024. Over the last few years, we have systematically worked to reduce the amount of harmful chemicals and oils used in the operation of power plants, and the initiative to assess risks related to chemicals used for cleaning is deferred to 2024.

Use of minerals sourced from conflict zones
In 2023, Statkraft assessed the use of minerals, and if there are risks that conflict and critical minerals may be contained in products and components that we buy. As part of this initiative, Statkraft has updated the non-functional requirements for IT procurement. In 2024, we will ensure that category risk mapping includes conflict and critical minerals and establish a standard for transparency and management of mineral sourcing to enable selection of suppliers meeting those requirements.

Monitoring and follow-up
Statkraft continued our efforts to monitor working conditions for supplier personnel at our sites. We have specifically worked to verify that companies performing work on our sites respect labour rights. In 2023 we established a set of tools and guidelines to support us in that work, with a focus on the control of working hours, salary, and accommodation. In addition, we have established guidelines for grievance mechanisms on our sites. A dedicated project resource will be responsible for management of working conditions on our sites. Some of these monitoring activities have resulted in Statkraft identifying breaches of labour rights in the supply chain. When breaches are discovered, Statkraft requires the supplier to rectify and/or compensate impacted workers.

Sustainability rating for global supply chains
Statkraft continues to partner with EcoVadis to measure and improve sustainability impacts. In 2023, around 40 per cent of Statkraft's procurement spend was purchased from suppliers rated in EcoVadis. We have, together with other members of Wind Europe (both suppliers and utilities), joined the EcoVadis Wind Energy Initiative.

Building awareness among procurement personnel
Group Procurement continues to build awareness of issues that may cause adverse impacts on people, society, and the environment. The procurement community (including procurement professionals such as category managers, contract managers and sourcing personnel), has been trained. Four sustainability advisors provide training and support to procurement professionals and all new members of procurement teams receive sustainability onboarding and an introduction to our tools.

Priorities 2024

- Ensure implementation of the Statkraft Sustainability Strategy in the procurement process.
- Training of the procurement community in revised contractual requirements and follow-up of supplier's obligations during project execution.
- Define requirements for suppliers of equipment and products that may contain conflict minerals.
- Engage with the Solar Stewardship Initiative on traceability requirements for the industry.
- Establish framework agreements for BESS with suppliers that have robust policies and systems for avoiding and monitoring human rights in their supply chain.
- Finalise governance and tools to address labour-related audit findings and update governance for monitoring of suppliers after contract signing.

Business ethics

Commitment

We aim to prevent corruption and unethical practices in all activities.

Targets

- Zero serious confirmed compliance incidents.

Actions

- Implement our compliance programme on schedule.

Comments on performance

There continues to be a high level of compliance activity, with additional resourcing put in place to respond to growth activities. Training and dilemma discussions have been organised in all high-risk operations.

A strong digitalisation agenda is being implemented for compliance management improvements, aiming at making it easier for employees to adhere to requirements, to receive efficient support and to focus expert resources efforts on higher risk cases.

Compliance reviews and support take place in all investment projects across different geographies and technologies. The programme, with all its mitigation measures and awareness initiatives, has been rolled out in all parts of the organisation.

Improvement measures in 2023

1 To support and guide the organisation in the current growth period, further work on effectiveness, digitalisation and scalability was done. This included, but was not limited to, execution of a gap analysis and anchoring of a roadmap for further strengthening of controls and monitoring, in close collaboration with the IT department.

2 Preparation for implementation of the digital declaration and approval tool for Conflicts of Interest.

3 Implementation of a revised business ethics risk assessment methodology.

4 Improvement of the structure and geographical footprint of the Compliance unit.

Why it matters

Statkraft is committed to high standards of business conduct in all our activities. We firmly believe that ethics are important for society and for business. Conducting our business ethically is an essential condition on which our social and legal licence to operate depends. It serves as a fundamental component of our business operations which aim at creating value in a sustainable manner.

Our business is experiencing rapid growth in a changing business environment. The risk picture is also evolving. As new external disclosures on compliance management are being introduced, external and internal expectations are continuously increasing, and Statkraft must be able to demonstrate externally its effective management of business ethics and compliance risks.

Our approach

In performing its business activities, Statkraft and its employees shall act in accordance with relevant laws and regulations. Statkraft does not tolerate any form of corruption. Corruption includes a wide variety of activities, all with the aim to obtain or give illegal benefits. Statkraft prohibits facilitation payments regardless of whether local laws permit them or not. We work to ensure fair competition, avoid unethical business partners, and prevent all forms of fraud. We respect the right to privacy and are committed to looking after the personal data of those who interact with us, only using it for its stated purpose, and being open and transparent about what we collect. Our privacy management policy is based on the European Union General Data Protection Regulation (GDPR) and is applied across Statkraft jurisdictions both inside and outside of the European Economic Area. This ensures that we set a baseline for data protection in countries where there are currently no equivalent legal requirements.

The Code of Conduct sets out the key expectations for all employees, and our requirements are in line with international best practice. Business ethics is a line responsibility, supported by a central compliance function with regional compliance officers located close to the business operations. The compliance function supports the CEO and business areas to build a robust support and control environment to ensure compliance with group-wide standards on business ethics, anti-corruption and the prevention of other economic crimes, economic sanctions, privacy and antitrust. Statkraft complies with applicable local law in the countries where it operates. It sets adequate governance requirements and processes, in close collaboration with the business, conducts monitoring and review activities and executes mandatory services for the business. The Board of Directors exercises oversight of the compliance programme through regular discussions on the programme's development. This includes

reviewing results from risk assessments and audits and the follow-up plans presented by the administration to address identified improvement areas.

The Statkraft Way applies to Statkraft fully-, and majority-owned or controlled subsidiaries. The Compliance unit is involved in all potential deviation approvals. All Statkraft employees and partners are expected to live up to the company's high ethical standards, and we encourage the reporting of concerns by internal and external parties.

Key risks

Since the Compliance unit was established in 2015, the compliance programme has evolved in line with expectations. Significant efforts have been invested in risk assessment, awareness raising, culture building, expert support, and more recently digitalisation efforts aimed at making it easier for employees and managers to adhere to requirements and get help.

Assessments of business ethics and compliance risks are undertaken regularly at the country level, business area level and for the entire Group. The business ethics and compliance risk management process always involves a combination of local expertise and central compliance resources. All operations shall be risk-assessed on a regular basis, and a comprehensive report outlining a detailed risk analysis, external trends, drivers, progress and the direction of the Compliance programme is delivered to Corporate Management and the Board every three years.

The primary corruption risks are related to business development, construction projects and M&A activities. The high demand for green energy can result in an increased pressure on project implementation, including licences and permit approvals and community interaction, which are deemed high-risk activities. The use of agents and intermediaries including co-developers are also identified as relevant high-risk features of Statkraft's business model. A higher volume of M&A activities is also associated with risks, including in high-risk jurisdictions where the liability and reputational risks relating to past corrupt and fraudulent behaviour during the seller's permitting processes can be significant. Growth activities, including the expansion into new product or geographic markets, new projects and more business partners and employees coming on-board have been a particular focus of compliance and culture-building efforts in 2023.

There continues to be a risk of conflict of interests and other unethical behaviour (e.g., inappropriate gifts and hospitality) within procurement activities. Partnerships and alternative governance set-ups including joint-ventures and community participation models, where there is less direct influence and oversight, are also flagged as a relevant risk. Risks related to personal data protection and competition law have also been identified. Statkraft is generally subject to low levels of sanctions and export control risk exposure. Thorough due diligence is undertaken on new business partners, including the identification of any relations with Russian companies or ownership.

Risk assessment results, audit findings, trends and expectations, are taken into account in the annual planning and review process to ensure that prevention and detection work are adequate and efficient. Annual compliance action plans in the business areas and most countries have been implemented, actions and responsibilities are defined therein, and associated data collection will allow for better performance measurement.

Status 2023

We report no serious confirmed compliance incidents during 2023. Several initiatives were launched to further strengthen internal procedures and controls related to compliance.

Key results

Fraud prevention and detection

Statkraft has over the years developed measures to prevent fraud. The main activity is the Fraud Prevention System (FPS), which includes internal controls to mitigate fraud risk, e.g. within the finance processes. We have continued the work to assess fraud risks with mitigating actions across all relevant processes, such as the revenue, IT and HR processes. In 2023, an uplift initiative was launched to set up the future roadmap for fraud prevention. The Finance and Fraud analytics tool will continue to be developed to support efforts to detect fraud.

Due diligence of critical transactions and business partners and other enquiries

Statkraft has an end-to-end digital process for handling of risks related to business partners. This includes background checks, business ethics contractual clauses and monitoring of risks during the engagement. High-risk business partners (including agents and intermediaries) are escalated and reviewed by the Compliance unit. The integrity reviews include assessments of the ownership structure (incl. beneficial owners), connections to politically exposed persons and reputational risks relating to the business partner's track record.

Compliance considerations are embedded in the due diligence that applies to investment decisions as well as management of construction projects. Sign-offs from the Compliance unit are required in these instances. A compliance review was performed for all M&As, projects subject to the Capital Project Model, and JV set-ups and other partnerships during 2023.

As stated in the 2021 Annual Report, on 16 October 2021, a leniency agreement was signed with the Federal Comptroller General (CGU, the Brazilian Economic Crime Agency) and the Federal Attorney General in Brazil. As part of the agreement, Statkraft admitted that prior to Statkraft taking over control of Desenvix Energias Renováveis S.A. in 2015, Desenvix made illegal payments to speed up public entity approvals in 2011-2014. On 10 February 2023, a second leniency agreement was signed with the State Comptroller General's Office, the Attorney General's Office, and the State Prosecutor's Office in Minas Gerais State. As part of the agreement, Statkraft subsidiaries Moinho S.A. and Passos Maia Energética S.A. admitted to having found evidence of an illicit act that took place in 2011, prior to Statkraft's takeover of control of the companies in 2015. Statkraft's full compliance programme was rolled out in the organisation in Brazil following Statkraft taking control.

Statkraft was subject to a monitoring period and a range of improvement measures have been implemented in Brazil to comply with the terms of the leniency agreement signed with CGU. CGU confirmed the successful completion of the monitoring period on 24 January 2024.

An investigation was conducted in 2021 following reported concerns that corruption may have taken place related to two development projects in Greece prior to Statkraft's acquisition of Solarcentury in 2020. Direct evidence was not found. There are no further updates following the reporting to the relevant authorities.

Employees are encouraged and trained to approach the compliance unit when they need guidance or in case of doubt while fulfilling their day-to-day responsibilities. The Compliance unit handles several hundreds of enquiries every year.

Personal data protection
Throughout 2023, we have continued the rollout of initiatives that strengthen our privacy and data protection programme:

- Continued close collaboration with Cyber Security and Information Management teams to ensure that all new initiatives in Statkraft that process personal data are assessed from a privacy perspective in a timely manner.
- Engagement with staff and business areas to deliver classroom-based training and raise awareness about data protection matters, particularly on best practices that represent good data protection, and the importance of privacy to individuals.
- Improvement in the quality of our records of personal data processing to ensure staff and business areas in our jurisdictions have clearer overview and better control over the personal data they process.
- Continued focus on how we meet our obligations pertaining to the transfer of personal data out of the EU/EEA, following up with our third parties and supply chain to ensure adequate risk management. This aims to ensure that any personal data that leaves the EU/EEA retains the same level of protection as if it were to remain within the EU.
- Responses to developments in the field of data protection and privacy, such as the implementation of new adequacy agreements from the European Commission, and the introduction of privacy laws in non-European jurisdictions, such as India.

Training and communication
Statkraft ensures that all employees are familiar with the principles set out in the Code of Conduct and internal business ethics rules. We regularly update the Compliance Portal, which is a key hub for knowledge sharing, engagement and culture-building, and other digital and physical workplaces with relevant business ethics and compliance information. Key achievements relating to training and awareness raising during 2023 have been to launch a new mandatory e-learning for all employees, with top management contributions, in which 95 per cent of all employees have completed, and the fact that more than 1200 employees have attended face-to-face ethics and compliance training. Specialised training sessions were organised for the Board of Directors and Corporate Management. We reached our target of 95 per cent completion of the mandatory e-learning. However, there is a need for further strengthening of the approach.

Business ethics topics were included in leadership and group events throughout the year. A key principle is to empower the organisation in raising awareness. One of the ways this is accomplished is via managers running tailored dilemma discussions with their teams on a frequent basis.

Continuous improvements
The Corporate Compliance programme is updated on an ongoing basis to ensure continuous mitigation of the identified risks and to reflect lessons learned from concrete cases and investigations, and from audits and reviews. For more information about management of reported concerns, see the section 'How we manage sustainability'. The key priorities are to ensure adequate upscaling of compliance management to cater for the growth strategy, to increase consistency and effectiveness through digitalisation and systematisation.

During the last year, some gaps in the compliance programme have been identified through audits and review exercises, mainly pointing to the need for increased systematisation and strengthened controls and monitoring in some areas. As a result, and as part of a sound review routine of the programme, the Compliance unit has initiated a project to further address any weaknesses related to the integration of compliance in business processes, monitoring and review, as well as supplier and business partner management, all three elements being essential building blocks of a robust compliance programme.

The implementation of an efficient compliance programme depends on interdisciplinary collaboration, and the Compliance unit collaborates with other functional areas and business areas to secure successful implementation of necessary improvements.

Priorities 2024

- Full implementation of the business partner integrity due diligence tool through integrations and system enhancements.
- Roll out of a group-wide conflict of interest tool.
- Improving monitoring and review of key controls and performance reporting.
- Continuously providing high quality day-to-day support to the organisation to manage Statkraft's compliance risks adequately.

HOW WE SUPPORT THE GREEN TRANSITION

Climate action

Commitment

We commit to a power sector pathway compatible with a 1.5°C global warming target.

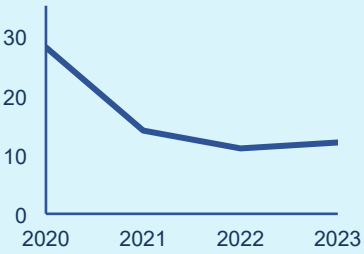
Short- and medium-term targets

- By 2025: Secure science-based third-party verification of our emissions targets.
- By 2025: Carbon intensity (scope 1+2) to be <50 g CO_2e/kWh.
- By 2030 and onwards: Carbon intensity (scope 1+2) to be <35 g CO_2e/kWh.
- By 2030: 100 per cent share of renewable energy in district heating activities.

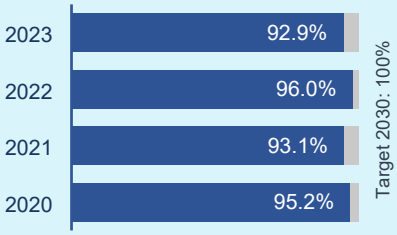
Long-term targets

- By 2040: Become carbon neutral (scope 1+2).
- By 2050: Become net-zero (scope 1+2+3).

GHG Intensity (scope 1 & 2, g CO_2e/kWh)

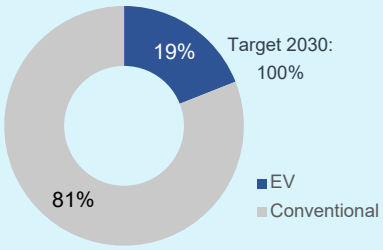


Share of renewables in district heating



Installed renewable power generation capacity (GW)

EV percentage in own fleet in 2023



Comments on performance

In 2023, our installed capacity based on renewables was 16 954 MW, and an investment decision has been taken for an additional 1300 MW.

Statkraft's total GHG emissions (scope 1+2) in 2023 were 685 600 tonnes CO_2e. 95 per cent of the GHG emissions was from the gas-fired power generation in Germany. The average GHG intensity from our total power generation is still one of the lowest in Europe; at 12 g CO_2e/kWh in 2023. In 2023, 96.8 per cent of Statkraft's power generation was based on renewable energy sources.

Our total GHG emissions (scope 1+2+3) were estimated to be 1 527 300 tonnes CO_2e. Several measures have been initiated to decrease our scope 3 emissions going forward.

Improvement measures in 2023

1 Continued to deliver on Statkraft's growth strategy targeting an annual delivery rate of 2.5–3 GW per year by 2025.

2 Continued to minimise negative climate impacts through initiatives such as transitioning Statkraft's commercial vehicle fleet to electric vehicles, limiting unnecessary business travel, increasing the renewable energy share in district heating activities, and offsetting non-ETS direct emissions.

3 Continued to develop and test GHG assessment tools and testing them in pilot projects across the company in order to reduce scope 3 emissions in construction and refurbishment projects.

4 Initiated development of group-wide framework for climate risks and opportunities in line with recognised reporting standards, such as the Task Force on Climate-Related Financial Disclosures (TCFD).

5 Actively supported policies for mitigation of climate change, including the EU ETS (EU Emissions Trading System) and other carbon pricing schemes.

Why it matters

Climate change is one of the greatest challenges the world is currently facing. Statkraft helps alleviate climate change through our core business. Statkraft is well-positioned to create value by enabling a net-zero future.

Limiting global warming to 1.5°C means that global greenhouse gas (GHG) emissions must be reduced by half by 2030 and approach net-zero by 2050. This is the goal of the Paris Agreement, and it requires a comprehensive transformation across all economic sectors.

The energy system will play a central role in this transformation, as nearly 75 per cent of today's GHG emissions are energy-related – the vast majority from the combustion of fossil fuels. Decarbonising the power sector is therefore key to reaching the Paris Agreement targets. This will require a sustained rapid growth of renewable electricity, and at the same time significant reductions in coal- and gas-fired power generation at a global level over the next 10 years.

Our approach

Our portfolio and GHG emissions

Statkraft's asset portfolio and our growth strategy, based on 100 per cent renewable energy, is consistent with a 1.5ºC global warming target.

Our current GHG intensity (scope 1+2) from our power generation is one of the lowest in the EU energy sector. In 2023, our German gas-fired power plants represented 95 per cent of our scope 1 emissions, whilst contributing only 3.2 per cent of our power generation.

We continue to implement climate measures to reach carbon neutral operations (scope 1) in our district heating activities, reducing our scope 3 emissions, and electrifying our commercial vehicle fleet.

We compensate 100 per cent of our electricity consumption with Guarantees of Origin, and we offset non-ETS direct emissions.

Our commitment

Statkraft is committed to the 1.5 °C global warming target and the Paris Agreement. This means our emissions shall be well within a 1.5 °C pathway for the power sector. 100 per cent of our investments are in renewable energy, and we aim to reach carbon neutrality for scope 1+2 by 2040. In principle, this means by 2040 all unabated use of fossil fuels today will either be replaced with emissions-free solutions or need to be retrofitted with carbon capture and storage (CCS). A climate action roadmap with updated targets will be developed in 2024.

We are also committed to decreasing our scope 3 emissions, with an ambition of reaching net-zero for scope 1+2+3 by 2050 at the latest. We will collaborate with our major strategic suppliers to achieve this, e.g. by purchasing low-carbon material and using electric machinery on our construction sites. The residual scope 3 emissions will be neutralised by carbon removals.

Statkraft is a renewable company with already very low GHG emissions. This means our climate targets do not fit into ready-made frameworks for science-based target setting, such as the current SBTi's framework for the power sector. In 2024 we will therefore initiate a process to ensure that our climate targets are validated as science-based targets by the SBTi or an alternative organisation no later than in 2026.

Key risks

Statkraft seeks climate-related market opportunities through our growth ambitions across our geographies and technologies. At the same time, we seek to reduce the risks related to the transition to a low-carbon economy. We are also assessing acute and chronic physical risks, and taking long-term weather development, and extreme weather conditions and events into account when designing and building our assets.

We take climate-related risks and opportunities into account when we prepare business cases for investment in new assets or activities. The risk of stranded assets due to climate change is thus considered to be low.

Climate-related risk assessment processes

Climate change is assessed as an integrated part of Statkraft's risk management and is regarded as a driver to the relevant risk factors such as in power price forecasts, operating activities, and investment decisions. In order to better understand and mitigate the climate-related risks, we will perform comprehensive assessments across the company of both physical and transition risks in line with the upcoming ESRS requirements and existing TCFD recommendations.

The ESRS requirements state that assessment of climate-related physical risks in own operations and value chain shall be based on a high emissions climate scenario, for example the NGFS (Network for Greening the Financial System) climate scenario 'Hot House'. Further, the ESRS requirements state that assessment of climate-related transition risks shall be based on a climate scenario consistent with the Paris agreement and limiting climate change to 1.5 °C, for example the NGFS climate scenario 'Net Zero 2050'.

In 2023, Statkraft has initiated a process to further coordinate climate-related risk assessments across the company.

Based on the TCFD recommendations, climate-related risk assessment should be based on at least two climate scenarios. NGFS has designed six scenarios where they assume a continuation of current economic and population trends, though accounting for a Covid shock. When assessing material climate-related risks and opportunities, Statkraft will include the following two NGFS climate scenarios:

- Net Zero 2050: This scenario limits global temperature change to 1.5 °C by 2050 - assuming immediate actions and rapid and steady changes in policies and technology through stringent climate policies and innovation. Global net zero CO_2 emissions will be reached around 2050. For this scenario the exposure to both physical and transitional risks will be relatively low.

- Hot House: This scenario will result in severe physical risks, with an estimated median temperature rise of >2 °C by 2050 and close to 4 °C by 2100 - assuming change of policies and technology will take place very late or not at all. For this scenario the exposure to physical risks will be significant or extreme, while the exposure to transitional risks will be low.

Physical risks

Renewable energy technologies are naturally dependent on the weather conditions and climate change. Changes in climate may impact the renewable industry in many ways, but overall risk areas include increasing temperatures, more extreme weather, such as flooding, wind and wildfires, as well as increased unpredictability in weather patterns.

Area	Potential consequences
Flooding	Floods are made more likely by the more extreme weather patterns caused by long-term global climate change. Flooding may negatively impact Statkraft's infrastructure, directly and indirectly. At the same time, reservoirs serve as a safeguard for potential flooding downstream. Flood mitigation may become a central task for existing power plants that will be upgraded in the coming decades.
Wind	More wind may give improved conditions and high yields for wind turbines. However, very high wind speeds will potentially require wind turbines to be temporarily shut down for safety reasons and to avoid damage.
Wildfires	Increasing severe heat and drought due to climate change may fuel more wildfires. Such wildfires may impact Statkraft's infrastructure.
Precipitation	Climate change can affect the intensity and frequency of precipitation. New precipitation patterns can potentially change the average output from hydropower plants, and more seasonal variations are expected. More torrential rain and melting glaciers will change the water inflow.
Drought	Increased temperature increases precipitation variability, meaning there will be periods of both extreme precipitation and drought. Some assets are vulnerable to drought in certain regions, and hydroelectric power production may be limited during such drought periods.

For our own operations, we continue to safeguard our own assets and infrastructure - both upstream and downstream. We implement preparedness and mitigation plans based on our climate-related risk mapping of both acute and chronic physical risks.

For our supply chain, we handle climate-related physical risks by risk mapping in the tender phase and through supplier dialogue in the contract phase.

As part of the EU Taxonomy assessment, physical climate risks have been assessed on a regional level, and mitigation measures have been implemented. For more information, see the 'EU Taxonomy' section in the chapter Sustainable Finance.

Transition risks

The transition to a low-carbon economy will entail extensive policy, legal, technology, market and reputation changes, all with the potential to have a significant impact on Statkraft's revenues.

Area	Potential consequences
Policy	It is imperative to understand and consider the developments in climate policies including carbon pricing regimes and markets, subsidies and direct regulation. For Statkraft, a stricter climate policy represents opportunities but also risks. Some investments in Statkraft are conditioned by climate policies and thus vulnerable to weakening of policies.
Legal	Power generation companies are subject to strict restrictions for nature and environmental considerations. In addition, there is a risk for challenging conflicts with various stakeholder groups when developing new projects.
Technology	More unregulated solar and wind power in the power grids increase the need for regulated hydropower to balance the system. To achieve this there might be a need for new technology.
Market	Upgraded hydropower plants will be able to increase available capacity and annual generation. At the same time, both operational and financial risks can increase. There might be more technical errors due to increased utilisation and more maintenance. In addition, market prices will most likely be volatile.
Reputation	The renewables industry has historically relied on the fact that its core business is sustainable. Today, the industry must identify best practice solutions to reduce climate and natural impact, as well as managing potential conflicts with local stakeholders.

All countries where Statkraft operates have signed the Paris Agreement, which will require substantial changes in their energy systems, such as reducing the use of fossil fuels, increasing the use of renewable energy sources, as well as increasing the overall energy efficiency of their economies.

This will have significant impact on energy markets and thus also impact on Statkraft assets. In general, this is expected to increase the long-term value of Statkraft's assets and expertise. But there

is considerable uncertainty related to the implementation of climate policies.

EU legislation and the European Green Deal
92 per cent of Statkraft's assets (based on capacity) are located in Norway and other European countries. Norway has been part of the EU's emission trading scheme since 2008 and has an agreement to cooperate with the EU to reduce emissions by 40 per cent by 2030 in accordance with the EU's climate framework. Furthermore, Norway's new NDC (Nationally Determined Contribution) states that the new target of 55 per cent emissions reductions should also be reached in cooperation with the EU.

The EU has through the legislative packages of European Green Deal and RE:Power EU in 2023 passed significant new climate measures. For the energy sector, the emissions reduction targets will be reached through a combination of a strengthened cap-and-trade system for emissions allowances, direct regulation and subsidies. The direction set by Fit for 55 was strengthened by RE:Power EU, the European Commission's plan to phase out Russian gas from the European energy mix by diversifying supply and accelerating the rollout of renewables.

The EU cap-and-trade system, known as the EU Emissions Trading System (EU ETS), puts a price tag on GHG emissions, and will thus impact power prices by influencing the cost of generating power based on fossil fuels. The ambition level of the EU ETS will impact the cost of allowances. The price of emissions allowances in the EU ETS is also sensitive to general macroeconomic trends. The number of allowances will be reduced annually based on a linear reduction factor towards 2030. The EU has stated a clear commitment to carbon pricing, but there are uncertainties around design of the EU ETS after 2030. This could have both upside and downside effects for Statkraft's assets.

Subsidies and other incentives
Subsidies, including government auctions for new renewable capacity, will impact the supply side and thus also the long-term power price level. In general, a high level of subsidies for new generation capacity can be negative for Statkraft's existing assets, as it can lead to oversupply and put negative pressure on power prices. However, subsidies may also create investment opportunities. Subsidies and other incentives for technologies that increase the electricity demand will have a positive impact for Statkraft.

Statkraft bases its investment decisions on internal projections of future power prices. These projections are based, among other variables, on expectations for future climate and environmental targets, as well as different regulatory measures. The uncertainties related to both targets, the path chosen to achieve these targets and the actual measures will result in significant uncertainties for Statkraft's future revenues. This will also impact new investment decisions, but this will partly be offset through geographical diversification.

The European energy sector is also impacted by regulations of a broader scope. A key part of the European Green Deal process is the Sustainable Finance process, which introduces a taxonomy based on environmental criteria. This is expected to impact the power markets, making it more attractive to invest in renewable energy.

In order to understand and manage uncertainties driven by climate policies, Statkraft regularly performs systematic analyses of the European power markets.

Status 2023

Statkraft's GHG emissions

Scope 1+2 emissions
In 2023, Statkraft's GHG emissions (scope 1+2) were 685 600 tonnes CO_2e. The average GHG intensity for Statkraft's power generation is still one of the lowest in the EU energy sector, in 2023 12 g CO_2e/kWh. Statkraft's scope 1+2 GHG emissions are dominated by emissions from the gas-fired power plants in Germany (95 per cent in 2023). In addition, there are emissions from company-wide consumption of fossil fuels in machineries and vehicles and from district heating activities.

Especially in warmer areas, there are GHG emissions from reservoirs. These emissions are currently not included in our total GHG emissions figures. Investigations are ongoing to continuously improve our understanding of this area and implement relevant measures.

GHG emissions from reservoirs in the Devoll Hydropower Project (Albania): Statkraft has in partnership with SINTEF since 2003 actively participated in work to increase the understanding of the process behind GHG exchange from reservoirs and investigated how to best mitigate potential high net emissions. Preliminary results from the Banja and Moglicë reservoirs (in the Devoll Hydropower Project in Albania) indicate that the gross GHG emissions per kWh power generation are low, but seasonal and yearly variations occur. Compared to the estimated global average (24 g CO_2e/kWh, by Intergovernmental Panel on Climate Change), Moglicë performs 7.9 g CO_2e/kWh (in winter season) and Banja 5.2 g CO_2e/kWh just a short time after reservoir filling. A forestry programme is on-going in the catchment area that contributes to reduced influx of nutrients such as dissolved organic carbon (as a source to GHG).

Replacement of SF_6 equipment: Our ambition is to avoid or reduce the use of SF_6, which has a very high global warming potential, where this is technically and financially feasible. In Sweden, all equipment with SF_6 has been mapped, and an action plan for SF_6 replacement is being prepared for long-term follow-up. At the Straumsmo hydropower plant in northern Norway, a SF_6 free solution for a new switching station has been chosen in 2023.

Scope 3 emissions
The primary sources of Statkraft's indirect emissions are upstream emissions linked to production and transportation of gas to our gas power plants, and use of materials and products (primarily concrete and steel) and fossil fuels in ongoing construction and refurbishment projects. Estimates based on spend analysis indicate that Statkraft's scope 3 emissions in 2023 were 841 700 tonnes CO_2e.

Statkraft is developing technology-specific emission calculators to identify and assess emissions reduction options in construction

and refurbishment projects, with a key focus on the use of low-emission materials and reduced onsite fossil fuel consumption.

Kjela dams in Norway: At Kjela dams, the current concrete plate dams will be replaced by two new rockfill dams. Throughout the project period (2022-2026), low carbon footprint and climate accounting has been an important focus area where all deliveries have been documented by EPDs (Environmental Product Declaration).

The Kjela project has been an important learning arena for both design, planning and decision-making processes. Further, the assessments have resulted in the use of low-carbon concrete with 30 per cent less CO_2 emissions and low-emission steel in reinforcement. In addition, there has been a reduction in fuel consumption based on optimised mass transportation and electrification of crushers at the plant.

Siljan dam refurbishment project: For the Siljan dam refurbishment project in Norway, a carbon assessment was completed in the early phase of the project. Subcontractors were required to use low carbon concrete and environment-friendly steel and fossil-free machinery, and carbon accounting has been included in the project management. This resulted in a 49 per cent reduction in the project's CO_2 emissions when the identified climate-related requirements were implemented.

Scope 1+2+3 emissions
Statkraft's total GHG emissions (scope 1+2+3) were in 2023 estimated at 1 527 300 tonnes CO_2e. In 2023, 55 per cent of Statkraft's total GHG emissions were scope 3 emissions.

Growth in renewable energy capacity

Statkraft's business strategy towards 2030 includes a significant growth in capacity. In total, Statkraft aims to develop 30 GW of new renewable capacity in the period 2022-2030. In 2023, Statkraft's installed renewable power generation capacity was 16 954 MW. In addition, investment decision was taken for 1300 MW renewable energy.

Hydropower
Statkraft will continue to optimise and expand the hydropower portfolio. We will increase reinvestments in existing plants to expand their lifetime and retain their competitiveness. The investment programme will include:

- NOK 20 – 35 billion in upgrades and transformations of Norwegian hydroelectric power plants by 2030.
- NOK 14 – 20 billion in rehabilitation of dams and modernization of older power plants.

In Norway, Statkraft is also planning to develop new hydropower capacity additions through redesign of existing plants. In addition, the target is to submit planning applications for at least five new, large projects by 2030.

Statkraft has significant hydropower positions in continental Europe, South America, and India. Currently, two hydropower projects are under construction: Los Lagos in Chile and Tidong in India.

In 2023, the generation of hydropower was 55 TWh (82 per cent of this in Norway) and an installed capacity of 14 561 MW.

Onshore wind power, solar power and batteries
In 2022, Statkraft set a more ambitious strategy for further development of solar power, wind power and battery storage, targeting investment decisions of 2.5–3 GW new capacity annually by 2025 and 4 GW by 2030.

In 2023, our onshore wind power generation was 4.5 TWh and the installed wind power capacity was 2 236 MW. For solar power, the generation was 0.17 TWh and the installed capacity was 114 MW.

Offshore wind
In 2022, Statkraft set a strategic ambition to take an industrial position in offshore wind in the North Sea and Ireland. We are currently pursuing this role through a number of projects. In 2023, a partnership with Copenhagen Infrastructure Partners (CIP) secured a 500 MW contract from the Irish State in Ireland's first offshore wind auction. The offshore wind farm will have the capacity to power approximately half a million Irish homes, while preventing any increase in the country's GHG emissions with approx. 500 000 tonnes CO_2e per year[6].

New Energy Solutions
Statkraft will develop and scale up new green energy technologies. These technologies will play an important role in a net-zero future. Statkraft aims to become a leading developer of green hydrogen, biofuel, EV charging, district heating, and other green technologies. Building positions within these technologies will enable us to take part in the expected growth and build new value-creating businesses.

Supporting decarbonisation of society

Power Purchase Agreements
During 2023, Statkraft signed several PPAs with large corporations across Europe, serving these customers with renewable energy. For example, Hydro Energi AS signed a long-term PPA with Statkraft for delivery of renewable power to Hydro's Norwegian aluminium plants in the period 2024-2038. This agreement enables further development of Hydro's aluminium plants in Norway, including investment in CCS and new technology.

Providing system services to power grids
In Ireland, Statkraft has developed and operates two grid parks with battery energy storage systems (BESS). These provide frequency response services to the electricity system operator, replacing fossil fuel power stations, and delivering enhanced services to manage the second-by-second changes in frequency, especially during occasional large system faults and events. In Ireland and UK, BESS has cut the cost of managing system frequency and is one of the beneficial spin-offs of the renewable

[6] Based on the Baringa report's assessment of avoided CO_2e emissions when developing wind energy in Ireland.

energy transition. Statkraft's Irish BESS are estimated to save at least 15 000 tonnes CO_2e per year.

With more and more energy coming from wind and solar farms, maintaining stability in a power grid during high renewable generation periods is becoming a new challenge. Many grid systems do not have access to large amounts of stabilising hydropower and have traditionally relied on coal or gas-fired power plants for stability. With high renewable generation, fossil fuel power plants are not scheduled to run, but have been brought online purely for grid stability reasons, with renewables curtailed, resulting in increased GHG emissions and increased costs.

However, Statkraft's synchronous compensators in Greener Grid Parks in the UK provide stability without curtailing renewables and without dispatching fossil generation. These grid parks at Lister Drive in Liverpool and Keith in Scotland are saving 216 000 tonnes CO_2e per year.

Statkraft is currently constructing three more Greener Grid Parks in the UK and Ireland (Swansea, Cushaling, & Neilston) with synchronous compensators and BESS, and has two more sites in late development.

Priorities 2024

- Develop new renewable capacity, in line with our growth strategy.
- Embed climate assessments and actions into project development and procurement processes.
- Develop and test GHG assessment tools, in order to reduce GHG emissions in construction and refurbishment projects.
- Continue the process to externally verify that Statkraft's climate targets are in line with science-based emission trajectories for the power sector.
- Improve our understanding of cost and benefits related to climate risk and opportunities.
- Develop an action roadmap with updated climate targets.

Biodiversity

Commitment

We mitigate our impact on biodiversity in a responsible and transparent way.

Targets

- Zero serious environmental incidents.

Actions

- Implement group-wide improvement initiatives related to biodiversity management.

Comments on performance

There have been zero serious environmental incidents in 2023. In 2023, Statkraft has followed-up on focus areas for biodiversity of the sustainability strategy and focused on preparing for the EU reporting requirements for biodiversity.

Improvement measures in 2023

1 Statkraft revised the biodiversity section of the corporate sustainability strategy. The strategy is published on Statkraft's web page.

2 Continued work on implementing the biodiversity strategy with a focus on preparing for the ESRS requirements, defining appropriate indicators and the approach to identifying and reporting on material biodiversity sites.

3 In Europe, we have continued work on a strategy for peatland, land use, birds, and bats. For land-use efficiency, Statkraft has for example implemented dual usage initiatives in several solar power projects.

Why it matters

The last 50 years have seen an unprecedented decline of nature, and the rate of species extinctions is accelerating. Loss of biodiversity and negative impact on nature is now ranked among the most prominent risks to humanity.

Biodiversity and ecosystem functions and services are material issues for Statkraft. Two of the key drivers for biodiversity loss are climate change and land- and sea-use change.

Our approach

Statkraft is committed to mitigating our impact on biodiversity in a responsible way. We continuously improve the understanding of our impact and report transparently on this. This enables us to identify relevant mitigation measures.

For biodiversity Statkraft has four cross-cutting focus areas:

- Streamline and disclose biodiversity performance data.
- Understand our impact and evaluate relevant mitigations.
- Use biodiversity networks internally and externally.
- Increase awareness and knowledge.

Statkraft's internal environmental requirements include a precautionary approach to environmental challenges, and to avoid, reduce, restore and/or compensate negative environmental impact from our activities. Furthermore, Statkraft strives to avoid impacts on high biodiversity value areas such as legally protected areas. For new and larger project developments Statkraft aims to align with the IFC performance standards where applicable.

Generally, developments in Statkraft follow a standard risk identification and assessment process:

- Initial environmental risk screening of area or region.
- Detailed risk assessment and planning formalised through an impact assessment process that generally results in a legally binding environmental and social management plan.
- Implementation and monitoring of mitigation measures depending on location and context.
- Monitoring, reporting, and continuous improvement is carried on into the operational phase.
- Revisions of concession terms or licence extensions will result in a new process of assessing the monitoring results and effectiveness of mitigation measures.

Key risks

Statkraft's impact on biodiversity varies with the type of activity and the respective site. However, our primary biodiversity impacts relate to aquatic ecosystems and use of land.

For hydropower the main impact drivers relate to habitat modifications and fragmentations caused by dam constructions which obstruct a river's ecological continuity. The related habitat conversion can impact both aquatic and terrestrial species. Hydropower also has the lowest carbon footprint of all electricity generating options and therefore contributes to reducing the threats to biodiversity brought on by climate change.

For solar power the main direct impact drivers are land-use and habitat conversion, whilst we have some successes in dual use for agricultural land, as well as restoration of degraded farmland.

For wind, a key driver is habitat fragmentation, which in turn impacts flying, grazing, and migrating animals. Infrastructure such as access roads and transmission lines can also contribute to fragmentation and degradation of habitats. Our project design processes involve extensive ecological and ornithological assessment which are key to informing site design.

Activities that involve movement of soil or masses, as well as importing goods have a risk of spreading invasive alien species. Statkraft has an internal requirement to avoid the introduction of invasive alien species.

Status 2023

Follow-up on the sustainability strategy

The sustainability strategy was revised in 2023. Regarding biodiversity, the main change was to include the following statement 'In a number of new wind and solar development projects, Statkraft is striving to achieve net gain for biodiversity. We aim to learn from this for our wider operations'.

In 2023, the priority has been on the two following areas of the strategy:

- Streamline and disclose biodiversity performance data.
- Understand our impact and evaluate relevant mitigations.

Our focus has been on interpreting the ESRS standards on biodiversity and ecosystems, and how we can address the new reporting requirements. In particular, screening and assessing our portfolio for material sites is a challenging requirement given our large and relatively old portfolio in hydropower. To address this, Statkraft has been working on an assessment guideline for material sites, as well as supporting material such as an internal Geographic Information System (GIS) map. The actual screening and assessments of sites will start in 2024. For biodiversity and ecosystems, the ESRS standards have fewer pre-defined metrics. Therefore, we have also worked on identifying relevant and appropriate metrics for our annual reporting on biodiversity and ecosystems.

Operations in and near biodiversity sensitive areas

Today, Statkraft has 18 sites in protected areas and 28 sites adjacent to protected areas. Our hydropower operations are located within 60 watercourses with either eel, sea trout or wild salmon populations, and 46 of these water bodies are located in Norway.

The Tidong hydropower development in India requires logging of about 2000 chilgoza (Pinus Gerardiana) and deodar (Cedrus Deodara) trees. In 2023, Statkraft established a compensatory strategy to plant two trees for every tree that is being logged. The aim is to achieve a minimum survival rate of 75 per cent for the planted trees. Land areas required for the compensatory measures will be secured in collaboration with local authorities, and future harvesting of the trees will be managed by the landowners (the Panchayat community). The programme is a voluntary compensatory measure that goes beyond the statutory requirements.

Furthermore, Statkraft operates hydropower plants in 12 of Norway's 52 National Salmon Rivers. These rivers represent 13 per cent of Statkraft's Norwegian hydropower fleet. The impact of our hydropower plants on salmon varies depending on whether the power stations discharge water into a river stretch where salmon are living and whether they reduce the flow regime. In several of the national salmon rivers the status of the wild salmon population has been classified as good or very good. In some, the status is considered to be moderate or bad. There are several factors influencing this status, such as presence of parasites (lepeophtheirus salmonis) and escaped hatched salmon.

Research & Development

Skagerak Energi, a subsidiary company, is experimenting with green laser technology. This type of remote sensing technology can efficiently map the bottom topography in large, water-covered areas. The data collected can be used to generate digital twins or virtual models of regulated watercourses. These models have been limited to 1D and 2D hydraulic models built on cross-sections, due to a small and uncertain database caused by challenges in obtaining sufficient topographical data in water-covered areas. These models can serve as an effective tool for ecosystem health monitoring, environmental change prediction, and strategic conservation planning. In 2023, Skagerak Energi mapped four watercourses: Vallaråi, Hjartdøla, Heddøla, and Tinnåa. Further analysis and work are planned for 2024.

Hydropower

Statkraft's hydropower portfolio is to a large extent located in Norway. One third of Statkraft's hydropower plants in Norway involve discharges to rivers (as opposed to into the sea or a lake). To date, responsible management of fish populations at these locations has been a priority.

Statkraft operates seven fish hatcheries, and also purchases fish for fish restocking purposes from five external suppliers.

In addition, Statkraft and the Norwegian Environmental Agency jointly manage a gene bank in Bjerka, Northern Norway, to conserve the unique genetics of five wild salmon families.

Key figures for aquatic species restocking in 2023

463 600 salmon, trout, grayling and eel restocked

1 117 700 salmon, trout, grayling and eel juveniles restocked

331 800 fish eggs placed in Norway and Sweden

Wild salmon

Wild salmon is a species for which Norway has a special responsibility (more than 25 per cent of the European population), and national salmon rivers have been established as a protected area. In 2021, wild salmon was certified with the status Near Threatened due to local population reductions.

Two examples of habitat improvements for salmon conducted in 2023 are ripping in Suldalslågen (national salmon river) to improve spawning conditions and removing obstacles and laying spawning gravel in the watercourse leading to Aursjøen.

In Sweden, Gideåbacka hydropower have for example tested technology new to the hydropower sector and installed electric barriers to increase upstream migration of salmon and sea trout.

Wild eel

At Dalfoss hydropower in South-East Norway, Skagerak Energi has previously established a facility that will enable trap-and-transport of down migrating eel to sea. The eel is transported past

four hydropower stations located downstream. The efficiency of the facility will be optimised through operational experience and further monitoring development. The system has been operational for two consecutive years.

In Sweden, Statkraft has several hydropower stations in river systems with eel. In 2023 in the Lagan river, we have observed a significant increase in eel mortality around our hydropower stations' water intake (Ivarsfors & Bro), and the eel collecting facility or trap for adult downstream migrating eel (Skeen). We are currently investigating the reasons for this, and the investigation will be concluded in Q1 2024. The total number of eel mortalities registered in 2023 was 610 eels, whilst at the same locations we have observed between 40 - 80 annual mortalities from 2020-2022. In the same river system and at the same time, we also trap and transport eels to facilitate the downstream migration of adult eels and the upstream migration of young eels. In 2023, a total of approximately 163 700 young eels, combined weight 163.7 kg were collected downstream from Laholm hydro power station, and then transported upstream and distributed throughout lakes within the river Lagan system. There were also 1049 adult eels, combined weight 953 kg, that were caught and released closer to the ocean.

In Germany, Statkraft has an eel protection program around the run-of-river hydropower plants along the River Weser.

Wild reindeer
Statkraft, in collaboration with local communities, authorities, hydropower operators, tourism associations, and landowners, participates in the 'Wild Reindeer Forum' in Norway. The collaboration gathers among other data and discuss potential mitigation measures to protect the wild reindeer, a species of national importance. Mitigation measures may include road closures, reduced motorised water transport, hunting restrictions, and monitoring of migration routes and vegetation.

For information on managing impacts to reindeer herding in Norway, please see the 'Human Rights' section.

Other species' conservation efforts
In 2023, during the facilitation of eel migration in the Lagan river, Statkraft collected 12 individuals of European river lamprey (Lampetra fluviatilis) which is not part of the legally mandated collect and release programme. Neither the upstream nor the downstream locations of Laholm power station were deemed particularly suitable for the species' spawning. Therefore, Statkraft collaborated with local authorities and agreed to reallocate the individuals to Smedjeåen, a downstream tributary in Lagan.

Statkraft has also commissioned a third party in 2023 to map potential measures for improving conditions for freshwater mussels at some of our operating areas in Sweden.

Solar power

In 2023 there were nine solar power projects under construction. The solar farms have a planned capacity of about 642 MW, whilst the total land area needed for these projects is about 801 hectares.

To strive for efficient land-use, Statkraft launched an Agrivoltaics (Agri-PV) initiative in September 2023. This initiative aims to integrate solar PV panels with agricultural land use, where applicable and feasible. The initiative has already seen several sites in Europe implementing dual-use pilots. These are some of the assets in Spain and France with dual-use programmes and pilots in place. At El Yarte and La Guita in southern Spain 1300 sheep have been introduced to the photovoltaic parks from July 2023. These sheep now graze on the land of the solar plant installations and contribute to the maintenance of the vegetation. In France, together with French National Research Institute in Agronomy and the company CVE, owner of the solar power plant in France used for the study, Statkraft is financially supporting a scientific study to understand the well-being and behaviour of sheep under PV panels. The findings will be published in the scientific publication INRAE.

In Norway, Skagerak Energi is involved in a solar PV project plant that is located in Larvik, South-East of Norway, in a previously industrial area. Thus, the project will not require conversion of natural or farmland for its development.

Habitat Improvement and Species Protection
Statkraft has restoration initiatives at several solar power locations. In Spain for example, a 15-hectare forest reserve has been established, which includes the preservation of existing holm oaks, enhancement of the ecological niches for the Cabrera's vole and for the European pond turtle as well as and the installation of nesting boxes for amongst other owls, kestrels and bats.

In the Netherlands, a solar project has just won a tender where they plan to establish a habitat and foraging area for local fauna, create natural water pools and restore old meanders.

In Ireland, the Ballymacarney project is for example restoring grasslands and planting hedge rows, as well as establishing shelter for local bird species.

Wind power

In 2023 there were five wind power projects under construction. The wind farms have a planned capacity of about 817 MW, whilst the total land area needed for these projects is about 1378 hectares.

Impact on birds
At the Smøla wind farm in Norway, Statkraft has completed a four-year-long research project on the status of the local white-tailed eagle population. This research encompassed the breeding season, with all known white-tailed eagle territories being visited for activity monitoring, nesting success, and DNA collection. In addition, deceased eagles within the wind farm were searched for, and their DNA was compared with the nest samples. The conclusion of the work is expected in the beginning of 2024.

In France, the Conteville Wind Farm's bird and bat collision monitoring indicates minimal impacts. At the Combusins Wind Farm mitigation measures have been implemented for raptors where perches are strategically placed away from the wind farm. This encourages raptors to pursue their hunting activities outside the wind farm's area, thus diminishing the likelihood of collision.

Habitat improvements and species relocation
In 2023, Statkraft in Ireland started construction activities for the Cushaling Wind Farm, a development consisting of nine turbines.

On site there was a badger den and during the badgers' breeding season the construction was re-routed away from the den. The project constructed a new den and relocated the resident badger population to avoid impacting the badgers.

The project has also helped to improve a local river habitat by adding gravel to sections of the river as advised by the local authorities on inland fisheries.

Non-compliances and incident management

In 2018 Statkraft purchased a small hydropower development in Brazil where compensatory measures for impacts during construction phase were not yet agreed with the local authorities. In 2023, Statkraft agreed with local authorities to compensate for the required vegetation suppression as part of the project development by restoring and preserving 21 hectares of Atlantic forest in an adjacent area to the Cachoeira da Fumaça State Park. The restoration work was initiated in 2023, and Statkraft will be conducting monitoring for the next four years as a minimum or until the vegetation reaches the initial stage of regeneration.

Priorities 2024

- Continue the work to implement necessary measures to report in line with the ESRS standards with a particular focus on material sites.
- Collect learnings on biodiversity accountancy for new renewable energy projects and explore possibilities for establishing a Statkraft approach.
- Develop biodiversity targets.

Water management

Commitment

We aim to be recognised as a company with responsible water management practices.

Targets

- Zero serious environmental incidents.

Comments on performance
There have been zero serious water management incidents in 2023. There has been one incident from 2022 reclassified as a serious incident.

Improvement measures in 2023

1. Contributions to revision processes for hydropower concession terms in Norway.
2. Implementation of revised terms for hydropower concessions in Norway.
3. Continued efforts to reduce discharges and meet environmental thresholds for our district heating facility in Trondheim.

Why it matters

The assessment of planetary boundaries by the Stockholm Resilience Centre concludes that the freshwater change boundaries have exceeded safe limits. Human activities such as consumption of freshwater, land-use and change of vegetation cover affect the water cycle.

Many regions today are exceeding the local freshwater supply and thus depleting their groundwater resources. Climate change is exacerbating the impacts on the water cycle through increased weather extremes and less predictable weather patterns.

Our approach

Water management is a key environmental consideration in Statkraft. We strive to use water resources efficiently and minimise our impact on freshwater ecosystems. Water management is important because it allows us to efficiently use water as an environmental resource, and it's a key enabler of our energy production.

Statkraft's management system shall secure a systematic, risk based and target oriented approach to ensure compliance and continuous improvement.

Statkraft's portfolio (based on installed capacity) constitutes about 75 per cent of hydropower, and most of this is located in the Nordics. Consequently, hydropower in the Nordics is integral to our water management approach. Responsible management of water resources within hydropower means detailed analyses of water availability and weather forecasts, combined with flow monitoring and day-to-day electricity needs. The concession terms define what are acceptable conditions and specify detailed flow regimes for rivers and stored water quantities in the reservoirs by taking into account ecological, community and societal needs.

Statkraft also has operations in areas of high-water stress (in particular solar power), however these activities do not typically withdraw or consume significant amounts of freshwater.

Key risks

The main water related risks in Statkraft are linked to managing water resources responsibly in our hydropower production.

A key success factor for responsible water management is to predict precipitation as accurately as possible to reduce flood/drought risk, optimise energy production while ensuring the agreed minimum flow.

The main water management aspects relate to water storage or retention in reservoirs, adequate management of river stretches with increased or reduced flow regimes. Although hydropower generation does not consume the water it uses for power generation, flow changes and temporary works can increase erosion risk and can affect water quality in the form of water temperature or turbidity.

Water resource management related to hydropower generation is not only a key impact on the environment, but also a key risk to Statkraft's core business activities, as Statkraft is dependent on sharing water resources with other users and planning power production based on increasingly unpredictable weather patterns.

Statkraft's water management also includes the responsibility to minimise flood risk and damage, where possible, and in that respect aims to regulate water flow to secure infrastructure and human activities downstream of our facilities. More extreme weather will impact how Statkraft is able to operate our hydropower assets.

Water scarcity and solar power generation

Solar farms are largely developed in arid and semi-arid areas. Water is used to clean solar panels as dust reduces the solar panel's power generation capacity. In certain locations, the power output of a PV panel can be reduced by as much as 50 per cent if the module is not cleaned regularly.

Other activities in Statkraft

District heating makes use of water as a medium for distributing heat or cooling services. Statkraft's district heating water circulates in closed pipelines, whilst there can be some water loss due to leakages or maintenance. The waste incineration and subsequent treatment processes result in water use for cooling and discharges of condensed water. Key risks relate to water leakages and meeting water quality requirements for discharge.

Statkraft operates five gas-fired power plants, two of which are in cold-reserve. Water management for these facilities relate to cooling water and discharges from treatment processes. The water consumption reported in Statkraft is largely driven by the use of cooling water for the gas power plants.

Status 2023

Revision of Concession terms for hydropower

In 2023 there have been no revisions of terms concluded for hydropower concession.

Hydropower, climate adaptation risks and opportunities

Statkraft is constantly monitoring and assessing changes to climate and weather patterns and the implications for our portfolio. On one hand, climate change represents new business opportunities. For example, an analysis conducted for the Sima power plant in Norway this year found that we can potentially increase annual power production by 7 GWh by building a new dam and intake, due to increased run-off from glaciers. On the other hand, changes to weather patterns are also a great challenge to Statkraft's production planning, and we are constantly working to improve our processes to optimise usage of water resources.

Statkraft is also conducting a flood zone mapping and flood protection in cooperation with host municipalities for our business region in the South of Norway.

Hydropower and water quality

Statkraft has several initiatives across the hydropower portfolio monitoring various water quality aspects to better understand the impacts on water quality from hydropower. For example, at the Mauranger hydropower plant and the Bondhus water course, we are conducting an environmental study of how flushing of valve chambers from the Bondhus intake in Mauranger may affect the watercourse chemically, physically and biologically.

Furthermore, Statkraft is collaborating with the Technical University of Luleå on replacing oils and grease in hydropower turbines with more environmentally friendly options. Together, we are working on a pilot project that aims to assess the effects of replacing oils and grease with potentially biodegradable glycerol products in the Swedish hydropower plants of Skeen, Nyfors, and Sidensjö.

Water use in high-water stress areas

Statkraft's Nellai solar power is located in Tirunelveli, Tamil Nadu in India. The location is considered an area of high-water stress as per the WRI Aquaduct water risk atlas. The project requires significant water for cleaning of panels, and Statkraft is striving to reduce its water footprint.

In 2023, Nellai has used 30 per cent less water than the legally permitted amount. As a mitigation measure, the use of pressurised water has been increased while the quantity is being monitored. Furthermore, this year has seen an increase in rainfall and cloudiness which supported the reduction in water-use. Water usage will continue to be supervised.

Incidents and compliance

In September 2022, an unintended incident occurred in the Surna River. This incident, disclosed in the Annual Report 2022, was related to the draining of Follsjø reservoir for a dam rehabilitation, imposed on Statkraft. This had received all required governmental authorisations. During the last part of the draining, a significant amount of sediment was discharged from the bottom of the reservoir into the river downstream of the dam.

Statkraft implemented mitigation measures immediately after the incident, and environmental expertise was engaged to provide advice and conduct surveys. Their advice has been included in Statkraft's response to the incident. The incident was immediately notified to the Norwegian Water and Energy Directorate (NVE) and other authorities. They have been updated on several occasions and been given the opportunity to provide input and feedback. The incident has been followed-up with several biodiversity related studies in 2023. Statkraft has carried out monitoring of the sediment propagation in the river system and its effects on fish populations, freshwater mussels and various bird species living on and around the river system. Several of the studies are ongoing, whilst there are some indicative findings from 2023. There are still reservoir sediments in the river system a year after the incident. The studies indicate some negative effect on the spawning of salmon in 2022 and on one of the freshwater mussel populations. The ornithological study shows some effects on the white-throated dipper, whilst very little effect was recorded on the various duck species in the river system.

For the local salmon population in the affected river, a compensatory measure was undertaken in which the minimum water flow for the stretch of river upstream of the incident was increased. The purpose of this was to expand and improve suitable habitat for this season's spawning activities, and the latest fish study has observed a positive effect from this measure, but the overall effect is still negative.

NVE has imposed further surveys, and that Statkraft will consider additional mitigation measures by June 2024.

Based on the latest reports, the duration of negative effects on the Surna River has been longer than foreseen in 2022 and we have

therefore recategorised the incident from a less serious to a serious incident.

Furthermore, learnings from the Surna-incident in 2022 have resulted in an amended approach to dam rehabilitation in Norway. At Nesjødammen rehabilitation in 2023, the project changed its approach to grid tapping, had continuous turbidity monitoring at key downstream locations and conducted weekly interdisciplinary follow-up meetings during the process of tapping.

Priorities 2024

- Identify water consuming assets located in areas at water risk and in regions with high water stress.
- Continued implementation of revised terms for hydropower concessions in Norway.
- Ongoing revision processes to existing concession terms will continue with active participation and data contributions.
- Integrate sustainability criteria in our long-term watercourse strategies for hydropower assets in the Business Area Nordics.

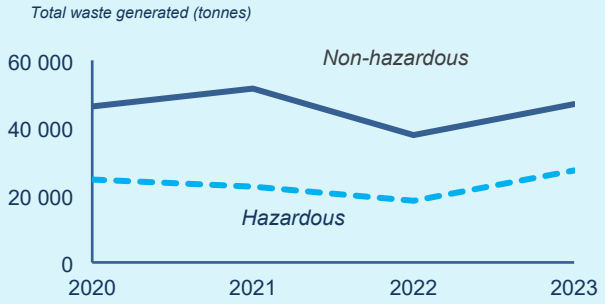
Circular economy

Commitment

We commit to a sustainable resource use and circular economy within own operations and value chain.

Actions

- Map lifecycle of key materials, resource inflows and resource outflows from our operations.
- Develop end of life strategies for our wind and solar assets, including repowering and rehabilitation during lifetime.
- Increase use of recycled material.
- Test circularity in pilot projects.



Comments on performance
Statkraft recognises the principles of circular economy as tools for further integrating sustainable practices into our business processes. In 2023, we successfully incorporated the circular economy into our sustainability strategy as one of the pillars of sustainability.

Improvement measures in 2023

1 Incorporating the circular economy into our sustainability strategy as one of the four key pillars of sustainability.

Why it matters

The circular economy challenges traditional linear economic thinking, which is an important impact driver for climate change and biodiversity loss by depleting natural resources. Thus, to achieve net-zero emissions and a reduced environmental footprint, businesses and countries are adopting principles of circularity.

Our approach

For Statkraft, the concept of circularity is important as it aims to preserve materials in the value chain for the longest possible duration and at the highest possible value. To deliver on our sustainability strategy our approach is focused on mapping: lifecycle of key materials, resource flows, extraction of virgin non-renewable resources and the use of recycled material. This approach is instrumental in conserving critical materials in our operations, and it contributes to climate change mitigation by minimising waste, reducing the need for new resource extraction, and thereby lowering GHG emissions at every stage of the value chain.

The green transition is a significant undertaking due to the quantity of materials required for technologies such as wind, solar, and energy storage solutions. To address this, we are focusing on the circular economy, exploring ways to reuse, refurbish, recycle, or recover materials, thereby minimising waste and making the most of our resources. By developing end of life strategies for our wind and solar assets, including repowering and rehabilitation during lifetime, we create new business opportunities while working towards meeting Statkraft's 2040 climate neutrality target and the UN's 2050 net-zero ambition.

Key risks

The green transition introduces new challenges for the assets involved and for Statkraft: increased waste generation, increased Scope 3 emissions throughout the value chain, and unpredictability in the global supply chain present key risks.

Waste generation is currently low as most of our solar farms and wind farms are relatively new and have not yet exhausted their lifespan. Solar and wind farms have a lifespan of 20-40 years, while hydropower plants can last up to 100 years. This shorter lifespan results in higher risk levels due to increased waste, frequent replacement of parts and materials, some of which are scarce and critical for the energy sector. These risks are further exacerbated by the lack of available recycling practices, which leads to unsuitable waste disposal, i.e., landfill. These challenges underline the relevance of developing end-of-life strategies for these technologies.

Maintaining the value of products and materials is key to managing risks related to increased emissions in the circular economy. The growth of Statkraft in solar and wind technologies will lead to an increase in greenhouse gas emissions at various stages of the value chain. Increased emissions contribute to climate change, and thereby also to our identified climate-related risks. See the 'Climate action' section for more information. Statkraft strives to manage this driver by decreasing the material footprint of our own activities and improving circularity throughout the value chain.

Further embracing circular economy by managing efficiencies in material, waste and resource use not only mitigates risks associated with regulatory change, and reputational risks, but also enhances the predictability of the supply chain.

Status 2023

Sustainability strategy

Statkraft integrated the circular economy as a focus area in our sustainability strategy, recognising the importance of circularity in our operations. We are adopting circular ways of thinking and we strive to decrease the material footprint of our activities, minimise resource use across technologies, and continue to work with the industry to find commercially viable recycling options for wind turbine blades, thereby avoiding landfill. To fulfill these commitments, we have undertaken further work to understand our footprint and impact, collaborating with suppliers and industry to increase circularity, and testing circularity pilot projects. While the focus on 2023 has been on laying the groundwork for an efficient strategic implementation, Statkraft is involved in the following initiatives:

- In June 2021, WindEurope, of which Statkraft is a member, called for a Europe-wide landfill ban on decommissioned wind turbine blades by 2025. Industry efforts to improve the recyclability of blades are ongoing. Statkraft is following developments in this field closely and has funded blade recycling initiatives (Rekovind and ReComp) through the industry coalition Vindforsk.
- The assessment of an asset's life cycle, which cover the value chain from the acquisition of raw materials to its end of life, can potentially help to reduce GHG scope 3 emissions. In line with this, we are currently developing a GHG emissions tool for solar power projects. This tool will help us make informed decisions about future circularity measures.

Valorisation of waste

In Spain, for our projects Arenosas, El Yarte, Malabrigo, La Guita and Talayuela II, we work together with Cocircular to carry out a control of the waste generated during the construction phase with the aim of having traceability of the waste. Consequently, Statkraft implemented waste valorisation principles resulting in 89 per cent of the generated waste being recycled or reclaimed, leading to a reduction of 768 tonnes of CO_2 emissions. This achievement was made possible by classifying waste at the production centre. Eight types of waste were sorted: organic waste and plant fibres, wood, plastic, paper and cardboard, metals, concrete, mineral fractions, and waste from electrical and electronic equipment (WEEE), which primarily consisted of photovoltaic solar panels.

In southern Norway, we aim to valorise 25 000 m³ surplus masses from a neighbouring construction project managed by the Public Road Authority for the upcoming Vinje dam refurbishment. These surplus masses have multipurpose use: encompassing temporary coffer dams, provisional roadways, and/or permanent structures. Post-utilisation, Statkraft intends to explore opportunities to repurpose the remaining aggregates at other road projects in the municipality. Furthermore, using the materials from a storage area closer to the Vinje Dam construction site, rather than sourcing them from a local quarry, will lead to a reduction in CO_2 emissions from transportation.

Managing waste from district heating and biomass plants

Our district heating and biomass plants generate waste ashes that accounts for about 85 per cent of the total waste, measured in weight. Our district heating and biomass plants in Norway, Sweden and Germany have a total installed capacity of 905 MW. Both district heating and biomass plants use solid biomass as base load and produce waste ashes as by-products. In Sweden, ashes from biomass combustion can be spread back to the forest. In Norway and Germany, waste ashes created by the plants must go to landfill by law.

Building better hydropower plants

The Siljan dam refurbishment project uses lower carbon concrete and steel, fossil-free construction machinery and carbon accounting, exemplifying a circular economy approach. For more information, see the 'Climate Action' section.

Understanding our footprint

Two GHG assessment tools have been developed for calculating greenhouse gas emissions throughout the life cycle of hydro and wind projects. Early-phase screening of concepts has been tested in Svean and Moifjellet projects (wind) and Kjela (hydro). For the same projects, the BREEAM framework is being used to guide and improve sustainability efforts.

Research and Development

In collaboration with the Mid Sweden University (Mitt University), Statkraft is studying suitable methods of gathering small microplastic particles from wind turbines as a result of erosion damage or repair activities. The study aims to increase understanding of the effectiveness of collection methods and their potential contribution to better resource efficiency and waste reduction.

Priorities 2024

- Map our footprint and impact related to resource use and circular thinking.
- Strengthen our collaboration with suppliers and industry to develop best practice solutions and policies.
- Development of an action roadmap for each of our technologies with specific circularity targets by end of 2024.

Corporate Governance

STATKRAFT'S BUSINESS GOALS

Provide clean flexibility – leveraging hydropower

Statkraft's ambition is to safeguard its position as the largest hydropower company in Europe and be a significant player in South America and India – investing in at least 5 large projects in Norway by 2030.

Corporate Governance

The corporate governance statement clarifies the distribution of roles between the Norwegian state as owner, the Board of Directors and the management of the company.

Efficient and transparent management and control of the business forms the basis for creating long-term value for the owner, other stakeholders, employees and society in general, and as a result, contributes to sustainable and lasting value creation. Open and accessible communication from the company ensures that the Group maintains a good relationship with society in general and with all stakeholders affected by the company's activities.

CORPORATE GOVERNANCE STATEMENT

Statkraft is organised through a state enterprise, Statkraft SF. The activity in Statkraft SF is, for all practical purposes, restricted to owning all shares in Statkraft AS. Statkraft SF and Statkraft AS have an identical board of directors and President and CEO. Statkraft AS is the parent company for an underlying Group structure. Statkraft adheres to the Norwegian Code of Practice for Corporate Governance (NUES) within the framework established by the company's organisation and ownership.

Statkraft follows the Norwegian state's principles for sound corporate governance, described in the White Paper, Meld. St. 6 (2022-2023) «Et grønnere og mer aktivt statlig eierskap — Statens direkte eierskap i selskaper» ("A greener and more active state ownership – The state's direct ownership of companies") and is subject to reporting requirements relating to corporate governance according to Section 3-3b of the Accounting Act.

ACTIVITIES

The objective of Statkraft AS, alone, or through participation in, or cooperation with other companies, is to plan, engineer, construct and either divest or operate energy facilities, conduct physical and financial energy trading, and perform naturally related operations. Statkraft AS is registered in Norway and its management structure is based on Norwegian company legislation. Statkraft is also subject to the Norwegian Securities Trading Act and stock exchange regulations associated with the company's debt obligations.

The Owner's objectives and expectations are set out in parliamentary documents and resolutions by the Parliament (Stortinget), see www.regjeringen.no and www.stortinget.no.

EQUITY AND DIVIDENDS

Statkraft AS' share capital totals NOK 33 600 000 000, divided among 200 000 000 shares of NOK 168 each.

Changes in the share capital will be considered in the enterprise meeting of Statkraft SF and the general meeting of shareholders in Statkraft AS.

The State as the shareholder determines the dividend in its wholly owned companies. The provision of the Limited Liability Companies Act stating that the general meeting cannot adopt a higher dividend than that proposed or accepted by the Board of Directors, does not apply to wholly owned state companies in Norway.

The owner's dividend expectation is that Statkraft pays a dividend of 85 per cent of realised profit from Norwegian hydropower and 35 per cent of realised profit from other business activities. Realised profit is the profit before tax, less payable taxes and adjusted for unrealised effects and minority interests. Dividends received from equity accounted investments are included in realised profits. The Norwegian hydropower business is defined in the notes to the consolidated financial statements in the annual report. The Board of Directors maintains a continuous focus on adapting the company's objectives, strategy and risk profile to the company's capital situation. Statkraft's investments are financed through a combination of retained earnings, external financing, divestments and contributions from the owner. See Note 6 in the Group financial statements in the annual report for more information about the company's capital structure management.

FREELY NEGOTIABLE SHARES

Shares in Statkraft AS can, according to the Articles of Association, only be owned by the state-owned enterprise Statkraft SF.

ENTERPRISE MEETINGS AND GENERAL MEETINGS

The Norwegian state exercises its authority as the owner in the enterprise meeting of Statkraft SF. In accordance with the Articles of Association of Statkraft SF, Statkraft SF cannot attend and vote in a general meeting in Statkraft AS without a preceding decision in an enterprise meeting. The ordinary enterprise meeting and the following general meeting are held annually by the end of June. The Office of the Auditor General and the external auditor attend the enterprise meeting and the general meeting.

Before the Board of Directors decides in matters assumed to be of significant importance for the purpose of the

enterprise/company, or which will significantly change the character of the activities, the matter must be put before the ministry representing the state's ownership in accordance with the State Enterprise Act.

NOMINATION COMMITTEE

Statkraft SF and Statkraft AS have no nomination committee. The appointment of the board members and Chair of the Board by the owner of Statkraft SF will take place in the enterprise meeting. The evaluation of the performance of the Board of Directors is carried out by the owner of Statkraft SF. Statkraft SF and Statkraft AS have identical boards.

CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The State Enterprise Act stipulates that state-owned enterprises shall be governed by a board and a chief executive officer. Pursuant to the Limited Liability Companies Act, Statkraft AS has entered into an agreement with its employees' trade unions stipulating that the company will not have a corporate assembly. Three of the board's nine members are elected by the employees based on that agreement.

The State emphasises competence, capacity and diversity based on the company's distinctive character when the State selects people to sit on the company's board. The goal is for the board, to collectively represent the desired expertise based on the company's objective, business area, challenges and the State's ownership goals.

The Norwegian Parliament (Stortinget) has decided that its members should not be appointed to offices in companies that are subject to the Parliament's control. It is also assumed that ministers will resign from such offices when elected to the Government and cannot be selected for new offices. The same applies to state secretaries.

There are provisions stipulating that senior officials and civil servants employed in a ministry or the Central Administration in general, who deal with matters concerning the enterprise as part of their job, or that are working in a ministry or other Central Administration agency that regularly processes matters of significance for the company or the industry sector in question, cannot be elected to the company's board, see the White Paper, Meld. St. 6 (2022-2023). The President and Chief Executive Officer (CEO) and senior executives of Statkraft are not members of Statkraft's board.

Members of the Board of Directors are normally elected for terms of two years and can be re-elected.

The company has established directors' and officers' liability insurance which, within the framework of the insurance wording, covers the personal liability they may incur as director or chief executive officer in accordance with applicable law.

THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors usually meets eight to ten times a year. The Chair of the Board ensure that meetings are held as often as required. The Board of Directors has stipulated board instructions with guidelines for the work and case processing of the board. The instructions also cover the President and CEO. The instructions define the work scope, duties and authorities of the President and CEO in more detail than follows from the legislation.

The Board of Directors prepares an annual agenda for its work, with a special emphasis on goals, strategies, governance and oversight of daily operations and the company's other activities. The Board of Directors conducts an annual strategy meeting. The President and CEO prepares background material for such meetings in the form of strategic, economic and financial plans.

The Board of Directors ensures that management informs the boards of subsidiaries about matters of potential significance for the subsidiary in question. The Board of Directors evaluates its own performance and expertise annually.

The Board of Directors monitors and oversees progress related to Statkraft's sustainability strategy, processes and reporting. This includes targets and activities related to climate, environmental, social and human rights considerations, as well as sustainability in the supply chain. The Board takes such considerations into account in their strategic, risk and performance discussions, and as part of major investments and acquisitions. A closer description of this can be found in the chapter for Sustainability and in the Report from the Board of Directors.

The Board of Directors has appointed a Compensation Committee consisting of the Board Chair and three other board members. The Compensation Committee prepares the board's deliberations on wages and other benefits paid to the President and CEO, as well as matters of principle related to wage levels, incentive schemes, pension schemes, employment contracts and similar for the company's executives. The remuneration for the Head of Corporate Audit is stipulated by the board.

The board's Audit Committee consists of five Board of Director's members. The committee functions as a preparatory body for the board's administrative and supervisory tasks related to financial and sustainability reporting. At least one member of the Audit Committee shall have experience in accounts management, financial management or auditing.

An overview of the members' participation in board meetings is available in Note 38 to the Group financial statements.

Statkraft engages in transactions with companies closely related to Statkraft's shareholder, the Norwegian state. All transactions are based on regular commercial

terms and arm's length principles.

The Board of Directors instructions state that neither board members nor the President and CEO may participate in the processing or resolution of issues that are of substantial personal or financial interest to them or their related parties. Any persons in such a situation must, on their own initiative, disclose any interest they or their related parties may have in the resolution of an issue. The same follows from the Group's ethical guidelines.

RISK MANAGEMENT AND INTERNAL CONTROL

The internal control includes compliance with the company's values and guidelines for ethics and corporate responsibility. The Compliance functions, the Group risk function, the Group Investment Review Unit (IRU) and the Group's internal control and fraud unit are all important functions to ensure that risk management and internal control are an integrated part of the activities in Statkraft.

Risk management is an integral part of Statkraft's governance model. Managers at all levels of the organisation are responsible for appropriate risk management. Risk management is regulated by mandates, requirements and guidelines. Follow-up of risk and risk management are incorporated in the daily business operations.

Risk management and internal control are integral parts of the Board of Directors work. To ensure that Statkraft has suitable and efficient systems in place for risk management and internal control, the Board of Directors shall:

- Review the Group's most important risk areas at least once a year
- Oversee that the governance, processes and systems are adequately established, implemented and followed up, e.g., through processing of reports submitted to the board by the President and CEO and the internal audit function
- Oversee that risk management and internal control are integrated in the Group's strategy and business plans and executed according to the guidelines

Statkraft's management system, "The Statkraft Way", defines the Group's principles and ensures a sound control environment for fulfilling the company's goals and intentions. The Statkraft Way is based on ISO principles for quality and environmental management systems.

Statkraft's governance model has a risk-based approach to target setting, prioritisations and follow-up of the business and staff areas. The Group's risk function is process owner for the overall risk management framework and monitors Statkraft's overall risks at Group level. The Group's overall risk profile is assessed and prepared by the Corporate Management and is reported to the Board of Directors. The Group Risk function reports to the Chief Financial Officer (CFO).

Corporate Audit

Statkraft's Corporate Audit is an independent function that reports to the Board of Directors, and which assists the Board of Directors and management in assessing whether the group's most significant risks are sufficiently managed and controlled. The purpose of Corporate Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight related to the organisation's governance, risk management and internal control.

Internal audits are conducted according to an annual plan. The audit work is carried out in accordance with the International Standards for Internal Auditing (IIA). The annual corporate audit report is submitted to the Board of Directors, which also approves the audit plan for the coming year. Corporate Audit also presents a semi-annual report to the Audit Committee. The implementation of Corporate Audit recommendations is regularly followed up.

The Head of Corporate Audit is responsible for Statkraft's system for reporting of concerns (Whistleblowing channel). Corporate Audit, determines the follow-up of reported concerns it receives. In cases where an investigation is required, this is the responsibility of the Head of Corporate Audit.

Corporate Audit is authorised full, free, and unrestricted access to any of Statkraft's records, physical properties and personnel pertinent to carrying out its work. All employees are requested to assist Corporate Audit in fulfilling its roles and responsibilities. The Head of Corporate Audit has a free and unrestricted access to the Board of Directors and the Audit Committee. The Audit Committee and Corporate Audit hold a minimum of one meeting per year without anyone from the Group's administration being present.

Internal control over financial and non-financial reporting

The Group's CFO is responsible for the process for Internal Control over Financial Reporting (ICFR) in Statkraft. The ICFR is based on the COSO framework for internal control, published by the Committee of Sponsoring Organizations of the Treadway Commission.

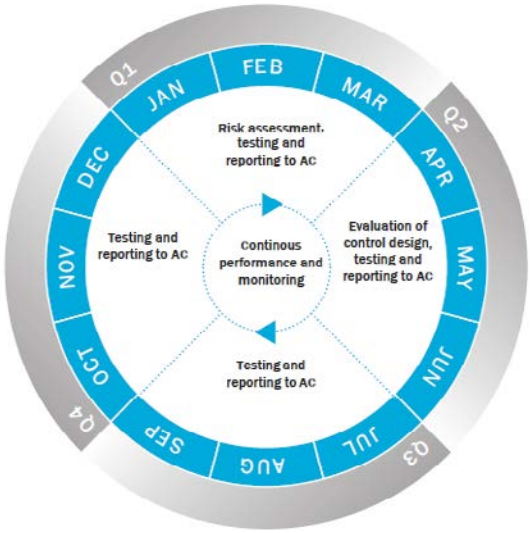
The ICFR ensures reliable and timely financial information in the interim and annual reports. All subsidiaries are required to comply with the ICFR requirements. The same applies for associated companies, joint operations and joint ventures where Statkraft is responsible for the accounting and financial reporting. If a third party is responsible for the accounting and financial reporting of the partly owned company, the responsible segment shall perform compensating controls.

The activities related to ICFR are performed in the Governance, Risk and Compliance (GRC) system, BWise. Through BWise, the Group can efficiently monitor real time

status on control performance throughout the entire organisation.

Statkraft has implemented Internal Controls over Sustainability Reporting (ICSR). The ICSR framework is under development but is built on the same principles and activities as the ICFR system. In 2023 the focus has been to further improve and extend the internal controls for sustainability reporting to build maturity and improve quality in the reporting as CSRD and ESRS will be implemented in 2024.

Annual process for internal control over finanical reporting



The main activities of the ICFR framework are:

Risk assessment

The Group's ICFR Network performs an annual risk assessment where the financial reporting risks are identified and assessed. The purpose is to verify whether Statkraft has appropriate controls to sufficiently mitigate the identified risks.

Evaluation of control design

Process to ensure that the internal controls are designed efficient and mitigate identified risks to an acceptable level.

Test of control performance

On a sample basis, the quality of control performance and compliance with control descriptions are tested quarterly to ensure operational effectiveness and continuous improvement.

Reporting of ICFR to the Audit Committee

As a part of the quarterly reporting, a status on internal control is presented to the Audit Committee. In addition, the result of the yearly assessment of control design and operational effectiveness is reported to the Audit Committee in Q1. The final conclusion of the financial reporting risk assessment is presented to the Audit Committee in Q2. If material breaches are detected in the ICFR system, this will be reported.

Continuous performance and monitoring

Managers are responsible for compliance with control descriptions and ICFR requirements. Responsible managers perform an annual assessment of design and operational effectiveness of all controls.

Fraud Prevention

Statkraft has specific focus on fraud prevention in the procurement, IT, accounting, tax and treasury processes. Statkraft has increased the focus on assessing fraud risks and establishing mitigating measures in additional processes, as the revenue process. Several processes and areas are in scope going forward, selected through a risk-based approach for the group.

Each process owner is responsible for assessing risks and establish controls to prevent and detect fraud. The methodology is built on the same framework and in the same GRC system as for ICFR.

In addition, Statkraft has established a Finance and Fraud Analytics tool. Controls have been built and developed on data from the SAP ERP system working to raise red flags based on algorithms. The purpose of these controls is to assist with detection of fraud and errors in the processes, but also to provide insight to Internal Control and Corporate Audit.

Statkraft will continue to work with fraud prevention and further development of the Finance and Fraud Analytics tool.

REMUNERATION OF THE BOARD OF DIRECTORS

The owner determines the remuneration for the Board of Directors. The remuneration is not related to the company's results.

Shareholder-elected board members normally do not perform any additional services to the company. To the extent that the members of the board perform tasks for the company, this must be clarified with the other board members in advance. Board of Directors remuneration is described in Note 38 to the Group financial statements and in a separate report for management remuneration that is disclosed annually.

REMUNERATION OF EXECUTIVE PERSONNEL

Statkraft adheres to the Norwegian state's guidelines for employment terms for managers in state enterprises and companies.

The Board of Directors will contribute to a moderate, but competitive development of executive remuneration in Statkraft. The board's Compensation Committee prepares the board's deliberation of the wages of the President and CEO and the company's Executive Vice Presidents. The President and CEO and corporate executives shall receive both a fixed salary and a

variable payment. The variable salary has a maximum disbursement that complies with the owner's guidelines. The entering into pension agreements adheres to the current guidelines issued by the owner.

The Board of Directors declaration regarding executive wages and other remuneration to executive employees can be read in Note 38 to the Group financial statements. In addition, a separate report for management remuneration is disclosed annually no later than the annual general meeting.

INFORMATION AND COMMUNICATION

The Board of Directors sets guidelines for financial reporting and other information. Statkraft SF publishes its annual financial statement. Each year, Statkraft AS releases three quarterly financial statements and one annual financial statement.

The financial calendar, press releases and stock exchange notices, investor presentations, quarterly and annual reports and other relevant information are published on Statkraft's website.

Statkraft emphasises transparent communication with all stakeholders. The information the company provides to its owner, lenders and the financial markets in general shall provide enough details to permit an evaluation of the company's underlying values and risk exposure on an equal basis.

TAKE-OVERS

The Articles of Association for Statkraft AS state that the shares can only be owned by Statkraft SF.

AUDITOR

The enterprise meeting appoints the auditor based on the Board of Directors proposal and approves the auditor's fee. Statkraft SF and Statkraft AS have the same auditor. The auditor serves until a new auditor is appointed.

The Board of Directors and the auditor hold at least one meeting annually where the President and CEO and other Group executives are not present. The Audit Committee evaluates the external auditor's independence and reviews the overall use of the external auditor for consultancy purposes.

As part of the ordinary audit, the auditor presents an audit plan to the Audit Committee and a summary of the audit upon completion. The auditor reports in writing to Statkraft's Audit Committee concerning the company's internal control, applied accounting principles, significant estimates in the accounts and any disagreements between the auditor and the administration. The Board of Directors is briefed on the highlights of the auditor's reporting.

Statements

STATKRAFT'S BUSINESS GOALS

Scale new green energy technologies

Statkraft's ambition is to become a leading developer of green hydrogen, biofuel, EV charging and other green technologies, developing 2GW production capacity for green hydrogen by 2030. Statkraft aim to be top 3 most profitable and customer-oriented district heating player in Norway and Sweden.

Group Financial Statements

Statement of profit or loss
Statkraft AS Group

NOK million	Note	2023	2022
Sales revenues	4, 12	102 657	158 906
Gains/losses from market activities	13, 21	18 196	7 159
Other operating income	14	2 706	1 409
Gross operating revenues and other income	4	123 559	**167 474**
Energy purchase	12	-51 833	-92 431
Transmission costs		-1 604	-1 103
Net operating revenues and other income	4	70 122	**73 940**
Salaries and payroll costs	16, 17	-7 991	-7 508
Depreciations and amortisations	23, 24, 25	-5 392	-4 657
Impairments/reversal of impairments	15, 23, 24	2 354	-907
Regulatory fees	18	-2 684	-3 409
Other operating expenses	19	-7 895	-5 281
Operating expenses		-21 607	**-21 763**
Operating profit/loss (EBIT)		48 515	**52 178**
Share of profit/loss in equity accounted investments	15, 26	3 444	**531**
Interest income		2 405	1 155
Interest expenses	20	-1 432	-922
Other financial items	5, 20, 21	548	5 645
Net currency effects	21	-2 497	233
Net financial items		-977	**6 111**
Profit/loss before tax		50 982	**58 819**
Income tax expense	22	-24 927	-30 228
Net profit/loss		26 055	**28 592**
Of which non-controlling interest		616	624
Of which owners of the parent		25 439	27 968

Statement of comprehensive income
Statkraft AS Group

NOK million	2023	2022
Items in other comprehensive income that recycle over profit/loss:		
Items recorded in other comprehensive income in equity accounted investments	-302	88
Recycling of currency translation effects related to foreign operations disposed	-56	-2
Currency translation effects	6 964	4 765
Total	6 605	**4 851**
Items in other comprehensive income that will not recycle over profit/loss:		
Changes in fair value of financial instruments, net of tax	-1	-90
Estimate deviation pension in equity accounted investments	338	-23
Estimate deviation pension, net of tax	-215	797
Total	122	**684**
Other comprehensive income	6 729	**5 535**
Total comprehensive income	32 784	**34 127**
Of which non-controlling interest	894	777
Of which owners of the parent	31 891	33 350

Statement of financial position
Statkraft AS Group

NOK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Deferred tax assets	22	816	1 213
Intangible assets	23	6 034	4 322
Property, plant and equipment	24, 25	147 311	122 808
Equity accounted investments	4, 26	21 679	18 645
Derivatives	10	25 340	39 180
Other non-current assets	17, 27	9 370	7 367
Non-current assets		210 549	**193 533**
Inventories	28	15 390	12 550
Receivables	29	34 757	58 040
Financial investments	10	762	629
Derivatives	10	12 210	17 522
Cash and cash equivalents (incl. restricted cash)	30	44 582	58 902
Current assets		107 701	**147 643**
Assets		318 250	**341 176**
EQUITY AND LIABILITIES			
Paid-in capital		59 219	59 219
Other reserves		13 208	6 853
Retained earnings		67 772	59 928
Total equity attributable to owners of the parent		140 199	**126 000**
Non-controlling interest		4 379	5 691
Equity		144 578	**131 691**
Deferred tax	22	24 179	16 964
Pension liabilities	17	3 044	2 927
Bond and bank debt	33	46 554	25 083
Lease liabilities	25, 33	2 234	1 687
Contract liabilities	32	3 421	3 736
Derivatives	10	19 114	43 629
Other non-current liabilities	31	4 972	3 974
Non-current liabilities		103 517	**98 000**
Commercial papers, bond and bank debt	33	6 792	12 310
Lease liabilities	25, 33	504	345
Contract liabilities	32	316	316
Taxes payable	22	18 336	26 365
Derivatives	10	11 285	35 049
Other current liabilities	34	32 921	37 100
Current liabilities		70 154	**111 485**
Equity and liabilities		318 250	**341 176**

The Board of Directors of Statkraft AS

Oslo, 29 February 2024

Alexandra Bech Gjørv

Chair of the Board

Ingelise Arntsen

Deputy chair

Marit Salte

Director

Mikael Lundin

Director

Lars Røsæg

Director

Pål Erik Sjåtil

Director

Marte Lind

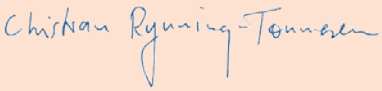
Director

Thorbjørn Holøs

Director

Lars Mathisen

Director



Christian Rynning-Tønnesen

President and CEO

Statement of changes in equity

Statkraft AS Group

NOK million	Paid-in capital	Hedge reserves and profit and loss reserves other shares [1]	Currency translation effects [2]	Total other reserves	Retained earnings	Attributable to owners of parent	Non-controlling interests	Total equity
Balance as of 31 Dec 2021	**59 219**	-179	2 413	**2 234**	**41 426**	**102 880**	**4 896**	**107 775**
Net profit/loss	**-**	-	-	**-**	**27 968**	**27 968**	**624**	**28 592**
Total other comprehensive income	**-**	15	4 603	**4 618**	**764**	**5 382**	**153**	**5 535**
Total comprehensive income for the period	**-**	15	4 603	**4 618**	**28 732**	**33 350**	**777**	**34 127**
Dividend	**-**	-	-	**-**	**-10 214**	**-10 214**	**-312**	**-10 526**
Transactions with non-controlling interests	**-**	-	-	**-**	**-15**	**-15**	**330**	**315**
Balance as of 31 Dec 2022	**59 219**	-163	7 016	**6 853**	**59 928**	**126 000**	**5 691**	**131 691**
Net profit/loss	**-**	-	-	**-**	**25 439**	**25 439**	**616**	**26 055**
Total other comprehensive income	**-**	-302	6 657	**6 355**	**96**	**6 451**	**278**	**6 729**
Total comprehensive income for the period	-	-302	6 657	**6 355**	**25 535**	**31 891**	**894**	**32 784**
Dividend	**-**	-	-	**-**	**-17 213**	**-17 213**	**-720**	**-17 933**
Transactions with non-controlling interests [3]	**-**	-	-	**-**	**-481**	**-481**	**-1 486**	**-1 966**
Balance as of 31 Dec 2023	**59 219**	-465	13 673	13 208	**67 772**	**140 199**	**4 379**	**144 578**

[1] The net investment hedge reserves amounted to NOK -321 million in 2023 and 2022.
[2] Includes inflation adjustment of Turkish entities due to hyperinflation of NOK 695 million in 2023 and NOK 1290 million in 2022. See notes 23 and 24.
[3] Mainly related to purchase of non-controlling interest in the Brazilian subsidiary Statkraft Energias Renováveis (SKER). See note 5.

GENERAL INFORMATION

The parent company has a share capital of NOK 33.6 billion, divided into 200 million shares, each with a par value of NOK 168. All shares have the same voting rights and are owned by Statkraft SF, which is a Norwegian state-owned company, established and domiciled in Norway. Statkraft SF is wholly owned by the Norwegian state, through the Ministry of Trade, Industry and Fisheries.

On 28 June 2023, Statkraft's General Assembly approved a disbursement of NOK 17 213 million as dividend to Statkraft SF. For the current year the Board of Directors has proposed to pay a dividend of NOK 13 029 million.

MATERIAL ACCOUTING POLICIES

Dividend proposed at the time of approval of the financial statements is classified as Equity. Dividends are reclassified to Current liabilities once they have been approved by the General Assembly.

Statement of cash flow

Statkraft AS Group

NOK million	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit/loss (EBIT)		48 515	52 178
Depreciations, amortisations and impairments	23, 24, 25	3 038	5 565
Gains/losses from divestments and disposals of assets		-1 596	-226
Unrealised effects included in operating profit/loss (EBIT)	21	-8 184	-1 867
Dividends from equity accounted investments	26	1 704	1 154
Changes in working capital		-2 314	-1 524
Cash outflow related to development and construction projects classified as inventories (DS/DBS)		-3 558	-2 792
Cash collateral, margin calls and option prepayments		-2 246	2 815
Cash effects from foreign exchange derivatives related to operations		-1 177	-296
Effects from prepayments from customers	12, 32	-336	-316
Taxes paid		-25 422	-14 519
Other changes		-511	70
Cash flow from operating activities (A)		**7 913**	**40 242**
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment and intangible assets		-9 118	-8 041
Divestment of shares in subsidiaries, net liquidity inflow	5	783	-
Acquisition of shares in subsidiaries, net liquidity outflow	5	-8 576	-269
Interests received from cash and other assets [1]		2 173	995
Loans and interest related to equity accounted investments		121	130
Sale of development and construction projects classified as inventories (DS/DBS)	5	803	1 537
Other investments		-511	-372
Cash flow from investing activities (B)		**-14 325**	**-6 020**
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	33	26 139	25 911
Repayment of debt	33	-15 134	-28 271
Cash collateral related to financing		1 257	-593
Interests paid		-1 220	-1 030
Dividend and group contribution paid to Statkraft SF		-17 213	-10 214
Transactions with non-controlling interests [2]		-2 687	18
Cash flow from financing activities (C)		**-8 858**	**-14 179**
Net change in cash and cash equivalents (A)+(B)+(C)		**-15 270**	**20 043**
Currency exchange rate effects on cash and cash equivalents		950	1 696
Cash and cash equivalents 1 Jan	30	58 902	37 162
Cash and cash equivalents 31 Dec [3]	30	44 582	58 902
- Of which cash and cash equivalents in joint operations		219	190
Unused committed credit lines		14 613	13 668
Unused overdraft facilities		2 051	2 045
Restricted cash	30	254	332

[1] Comparable figures have been restated. See note 1.

[2] Mainly related to purchase of non-controlling interest in the Brazilian subsidiary Statkraft Energias Renováveis (SKER). See note 5.

[3] As of 31 December 2023, NOK 5.5 billion (31 December 2022: NOK 3.3 billion) from Baltic Cable is included, see note 35 for further information.

Statement of Cash Flow continued

Reconciliation of investments in property, plant and equipment in the statement of cash flow against investments in note 4:

	2023	2022
Investments in property, plant and equipment and intangible assets in the statement of cash flow	**9 118**	**8 041**
Capitalised borrowing costs	582	293
Capitalised decommissioning provisions	220	525
Non-cash additions from right-of-use assets	988	300
Timing differences between capitalisation and payment date	3 325	-1261
Investments in maintenance, other and new capacity in note 4	**14 227**	**7 899**

Reconciliation of acquisition of shares in subsidiaries in the statement of cash flow against total acquisition cost in note 5:

	2023	2022
Acquisition of shares in subsidiaries in the statement of cash flow	**8 576**	**269**
Contingent consideration on current year acquisitions not paid	145	101
Contingent consideration paid from previous periods acquisitions	-177	-68
Debt paid as part of the share purchase agreement (SPA)	-418	-
Fair value from existing ownership related to acquisitions (non-cash)	78	-
Cash and cash equivalents in acquired companies	307	1
Total acquisition cost in note 5	**8 511**	**303**

MATERIAL ACCOUNTING POLICIES

The cash flow statement has been prepared using the indirect method.

Operating activities Changes in working capital comprise of inventory (non-DS/DBS), short-term interest-free receivables and short-term interest-free liabilities. Effects related to capital expenditures, unrealised changes or reclassifications are not included in changes in working capital.

Investing activities Acquisition/divestment of shares includes cash and cash equivalents in the investee that are recognised at the transaction date. Hence, this is presented net together with the cash consideration paid or received. Cash received from payment of loans as part of the share sales agreement following divestment of entities is presented together with the cash received from divestment of the shares as a part of business divestments under Investing activities.

Financing activities Interest payments from interest rate derivatives, which are used to manage the Group's debt portfolio, are presented net as a part of Interest paid. Cash effects from foreign exchange derivatives related to debt are presented as a part of Repayment of debt. Both the principal portion and the interest portion of payments of lease liabilities are included in financing activities as Repayment of debt and Interest paid respectively.

Cash flows related to the DS/DBS model.
From the DS/DBS model in the segment Europe, the main types of cash flows originate from either cash outflow related to development and construction of projects and cash inflow from divestment of the projects. These are presented as follows:

- Cash outflow related to ongoing development and construction projects classified as Inventories (DS/DBS) under Operating activities.
- Cash inflow following divestments of shares and loss of control in subsidiaries is presented as Sale of development and construction projects classified as Inventories (DS/DBS) under Investing activities.
- Cash outflow following purchase of shares in DS/DBS projects is presented as part of acquisition of shares in subsidiaries, net liquidity outflow under investing activities.

Notes

Statkraft AS Group

Index of notes to the consolidated financial statements

Note 1 General information and summary of accounting policies

GENERAL INFORMATION

Statkraft AS is a Norwegian limited liability company, established and domiciled in Norway. Statkraft AS is wholly owned by Statkraft SF, which in turn is wholly owned by the Norwegian state, through the Ministry of Trade, Industry and Fisheries. The company's head office is located in Oslo and the company has debt instruments listed on the Oslo Stock Exchange and the Irish Stock Exchange.

Statkraft's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) and interpretations from International Financial Reporting Interpretations Committee (IFRIC®) as adopted by the EU and further requirements in Norwegian Accounting Law (Regnskapsloven).

The accounting policies applied to the consolidated financial statements as a whole are described below while the remaining accounting policies are described in the notes to which they relate. The policies have been applied in the same manner in all presented periods, unless otherwise stated.

The descriptions of accounting policies in the statements and notes form part of the overall description of accounting policies:

- Statement of cash flow
- Statement of changes in equity
- Segment information Note 4
- Acquisitions, divestments and other transactions Note 5
- Financial instruments Note 10
- Hedge accounting Note 11
- Sales revenues and energy purchase Note 12
- Gains/losses from market activities Note 13
- Impairments/reversal of impairments Note 15
- Pensions Note 17
- Income taxes Note 22
- Intangible assets Note 23
- Property, plant and equipment Note 24
- Leases Note 25
- Associates and joint arrangements Note 26
- Other non-current financial assets Note 27
- Inventories Note 28
- Receivables Note 29
- Cash and cash equivalents Note 30
- Other non-current liabilities Note 31

CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of the parent company Statkraft AS and its subsidiaries. A subsidiary is an entity in which Statkraft has control through the power to govern the financial and operating policies. Control is obtained when Statkraft has the ability to affect the variable returns through its power over the investee. Power is obtained either through ownership of more than 50% of the voting power or/and through agreements with other shareholders. Statkraft consolidates a subsidiary from the date the Group first obtains control, and ceases consolidating a subsidiary the date the Group loses control. If necessary, the subsidiaries' financial statements are adjusted to correlate with the Group's accounting policies. Inter-company transactions and inter-company balances, including internal gains and losses, are eliminated.

Investments in joint arrangements and associates
Statkraft classifies its investments based on an analysis of the degree of control and the underlying facts and circumstances. This includes an assessment of voting rights, ownership structure and the relative strength, purchase and sale rights controlled by Statkraft and other shareholders. Each individual investment is assessed. Upon changes in underlying facts and circumstances, a new assessment must be made on how to classify the investment.

Joint operations are joint arrangements where the participants who have joint control over a business activity have contractual rights to the assets and obligations for the liabilities, relating to the operation. In joint operations, decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group's share in joint operations is recognised in the consolidated financial statements in accordance with Statkraft's interest in the joint operation's assets, liabilities, revenues and expenses. The proportionate share of gains and losses arising from intragroup transactions between entities and joint operations are eliminated.

Associates are companies or entities where Statkraft has significant influence. **Joint ventures** are companies where Statkraft has joint control together with one or several other investors. In a joint venture company, decisions related to relevant activities must be unanimous between participants which have joint control. The Group's share in the associates' or joint ventures' net assets is recognised in the consolidated accounts using the equity method and presented as Equity accounted investments under Non-current assets. The Group's share of the companies' profit after tax is presented as Share of profit/loss in equity accounted investments in the statement of profit or loss.

MEASUREMENT OF FAIR VALUE

The consolidated accounts have been prepared based on the historical cost principle, with the exception of certain financial instruments, derivatives, certain environmental certificates and certain elements of net pension assets measured at fair value at the reporting date.

Historical cost is generally based on fair value of the consideration transferred when acquiring assets and services

Note 1 continued

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement of fair value is primarily based on market prices when available. Alternative valuation techniques, such as present value technique, are used in more complex instances where market prices are not available. When determining fair value, the management must apply assumptions that market participants would have been expected to use in a similar valuation. Measurement and presentation of assets and liabilities measured at fair value when presenting the consolidated accounts are based on these policies, except for when measuring fair value less cost to sell in accordance with IAS 2 Inventories and when measuring value in use in accordance with IAS 36 Impairment of Assets.

FOREIGN CURRENCY

Subsidiaries prepare their accounts in the company's functional currency, normally the local currency in the country where the company operates.

Statkraft AS's functional currency is Norwegian kroner (NOK), and it is also the presentation currency for the consolidated financial statements. When preparing the consolidated financial statements, the local currency of the foreign subsidiaries, associated companies and joint ventures are translated into NOK in accordance with the current exchange rate method. This means that balance sheet items are translated to NOK at the exchange rate prevailing as of 31 December; whilst the statement of profit or loss is translated using monthly weighted average exchange rates throughout the year. Currency translation effects are recognised as other comprehensive income and recycled to the statement of profit or loss upon sale or loss of control of shareholdings in foreign companies.

The currency translation effects that are recycled are presented as part of the gain or loss of the sale or disposal in the statement of profit or loss. The part of the currency translation effects related to non-controlling interest is not recycled to the statement of profit or loss. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

CLASSIFICATION AS CURRENT/NON-CURRENT

Items in the statement of financial position are classified as current when they are expected to be realised or settled within 12 months after the reporting date. The first year's repayments relating to non-current liabilities are presented as Current liabilities. Development projects, construction projects and projects in operation in scope of IAS 2 Inventories are always presented as current. For financial instruments measured at fair value the unit of account for presentation purposes is in general the individual contract. Derivatives with recurring settlements are assessed based on its final settlement. Contracts, which are subject to netting and with cash flows as unit of account, are split into a current part for those cash flows that are due within 12 months after reporting date and a non-current part, for those cash flows that are due beyond the 12 months. See note 10.

COMPARABLE FIGURES AND RECLASSIFICATIONS

Presentation of imbalances Sales and purchases from imbalance settlements have previously been presented net under sales revenues in the Statement of Comprehensive Income. From 2023 these sales and purchases will be presented gross under sales revenues and energy purchase, respectively. Comparable figures have been corrected by increasing both sales revenues and energy purchase by NOK 1 301 million.

Presentation of ancillary services from reserved capacity Revenues from sold energy capacity to Transmission System Operators in Nordics have previously been presented as Generation - sales revenues in note 12. From 2023 these sales are presented as Other – sales revenues. Comparable figures have been corrected by reclassifying NOK 1 470 million in revenues from Generation – sales revenues to Other – sales revenues.

Presentation of interest received from cash and other assets Interest received form cash and other assets have previously been presented under cash flow from financing activities in the Statement of Cash Flow. From 2023 these interests will be presented as cash flow from investing activities. Comparable figures have been corrected by reclassifying NOK 995 million from cash flow from financing activities to cash flow from investing activities.

ADOPTION OF NEW AND REVISED STANDARDS

In 2023 new standards and amendments to existing standards have become effective. This is related to the following standards:

- Insurance Contracts and Initial Application of IFRS 17 and IFRS 9 — Comparative Information (amendment to IFRS 17)
- Definition of Accounting Estimates (amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (amendments to IAS 12)
- International tax reform - pillar two model rules (amendments to IAS 12)

The adoption of these items did not have a significant impact on the financial statements of the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 International Accounting Standards Board (IASB) has issued amendments to IAS 1 and IFRS Practice Statement 2, in which it provides guidance on how to apply materiality judgements to accounting policy disclosures. The purpose is that accounting policy disclosures are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. The amendments to IAS 1 are effective for consolidated financial statements beginning on 1 January 2023.

THE FOLLOWING REVISED IFRSS HAVE BEEN ISSUED, BUT ARE NOT YET EFFECTIVE, AND IN SOME CASES HAVE NOT BEEN ADOPTED BY EU

- Lease liability in a sale and leaseback (amendments to IFRS 16)
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

Statkraft does not expect that the adoption of these Standards will have a material impact on the financial statements for the Group in future periods.

Note 2 Climate risks, key accounting estimates and judgements

INTRODUCTION

The use of reasonable estimates and judgements is a critical element in preparing the financial statements for the Group. Due to the level of uncertainties inherent in Statkraft's business activities, management must make certain estimates and judgements that affect the application of accounting policies, results of operations, cash flows and financial position as reported in the financial statements.

Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. In 2023 risks related to climate changes continue to be relevant when management make their estimates and judgements. Statkraft revises its view of future power prices for the purpose of investment and impairment on a quarterly basis.

Accounting estimates, judgements and assumptions may entail a risk of material adjustments in subsequent periods. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

KEY SOURCES OF ESTMATE UNCERTAINTY AND AREAS OF SIGNIFICANT JUDGEMENT

Uncertain energy markets

The energy prices have during 2023 declined from the high levels in 2022 due to a reduction in demand, strong gas supplies from Norway and imported LNG, and further relieved by a mild winter. Power prices are, however, still on a higher level than before the war in Ukraine, and the medium-term price development depends largely on the development of international fuel markets, as well as weather, development in industry demand and the carbon market.

However, despite both prices and volatility in the energy market have fallen to a lower level, the shortage of gas supplies from Russia still entails risks and uncertainty in the global energy markets, see note 7 Market risk for further information.

Regarding how the accounting estimates are influenced by climate changes and market risks are further described in *Statkraft's long-term price forecast for power* and in *Fair value of energy contracts* below.

Statkraft's long-term price forecast for power (LPF)

Statkraft's LPF for power and the related market developments are one of the key assumptions used by management in making business decisions, such as merger and acquisitions. In addition, these assumptions are critical input for management related to financial statement processes such as:

• Allocation of fair value in business combinations	Note 5
• Impairment testing of property, plant and equipment	Note 15, 24
• Impairment testing of intangible assets	Note 15, 23
• Impairment testing of equity accounted investments	Note 15, 26

Statkraft performs an annual update of its long-term price forecasts and the related expected market developments in the geographical areas where Statkraft operates. This update is the output from a continuous process of monitoring, interpreting, and analysing global as well as local trends, which will affect future markets and revenues. The update provides basis for management's expectation for future prices and revenue streams beyond 2031 associated with the assets and for making strategic decisions. The Group's long-term price expectation was updated in May 2023 (LPF 23).

In general, only the short (2023-2027) and medium (2028-2031) term view is changed during the quarterly updates, following changes in the fuel forward curve, demand and other possible revisions of inputs out to current year +7(2031). The market uncertainty in the short-term and medium-term observed in period subsequent to the approval of LPF 23 has not led to an update of expected prices beyond 2030. Statkraft does not see a durable long-term impairment signal but rather a consequence of volatile short-term market movements reflected in the forward curve.

A fundamental approach is applied when analysing the markets, considering elements such as:

- Political framework and regulations on regional and national level
- Global and local energy demand and supply balance
- Expected price development on fuel, primarily gas, and CO_2
- Cost on competing technologies including renewables, gas-fired power plants, nuclear power plants etc.
- Technological developments to reduce emissions of greenhouse gases
- Uncertainties associated with energy and power markets
- Assessment of potential impacts from climate changes such as temperature and inflow

The process is headed and run by a team of experts across the Group. The methodologies and analysis tools are continuously improved to capture the market dynamics and evolvements. The main results are backtested and benchmarked to external references, and major deviations are explained. The process aims to ensure consistency and provides a balanced view of both the market developments and expected future power prices and other income streams.

The Corporate Management is forming its management view by being involved in the process. Corporate Management is invited to provide and challenge the input and scenarios applied in the analysis to be used in asset valuations and other strategic considerations. Based on the expert recommendations, the Corporate Management approves the annual long-term price forecasts for power and the view upon the related market development.

Impact from climate changes on the LPF

The long-term energy sector analysis is based on a specific global climate scenario and where regional climate ambitions are incorporated when developing the power market view. Also, climatic correction of weather and inflow is included in the assumptions used to develop the long-term price forecast. The Nordic countries constitute the most important market for Statkraft. For this area, and for some other countries the inflow series are climate-adjusted, which results in changes in future inflow volume and hydropower production. The estimation of impact on inflows from climate changes in other regions are still in progress.

Note 2 continued

In the LPF a scenario of global warming of 2.0-2.2 Celsius degrees is assumed, as Statkraft currently views this as the most probable outcome. The consequences of known revisions such as the "EU Waterframework directive" and “Revision of licence terms for hydropower plants” are also taken into account in the model.

In Europe, and particularly Germany, gas-fired power will be key to provide the needed flexibility in the short and medium term, as there are few alternatives. The price for emissions will result in a fuel switch from coal to gas leading to lower emissions for Europe as a whole, but with higher run time for Statkraft’s gas power plants. This means by 2040, our existing gas-fired power plants will need to be either phased out, retrofitted with CCS technology, or using blend-in of low-carbon fuels. The remaining useful lifetime for the Group’s gas fired powerplants is 11 to 14 years.

Physical risks from climate changes

Physical risks resulting from climate change will materialise as both incidents and long-term shifts in weather. Hydropower is a significant part of Statkraft’s power generation with 88.9% of the total, where a large part is located in Norway. A key success factor for responsible water management is to predict precipitation as accurately as possible in order to reduce flood/drought risk, optimise energy production and while ensuring the agreed minimum flow. Statkraft invests in dams and waterways to increase the robustness of dams and meet regulators’ updated safety standards. The risk of major accidents related to climate change is thus considered to be low.

Fair value of energy contracts

In addition to the above, significant judgement is applied in the valuation of the Group’s long-term power purchase agreements and power sales agreements categorised within level 3 in the fair value hierarchy. The fair value estimate is based on the amounts for which the assets or liabilities could be exchanged at the end of the reporting period. Where fair value measurement cannot be derived from publicly available information, they are estimated using models and other valuations methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty; particularly where comparable market-based transactions often do not exist.

The spot and forward markets are still expected to be volatile but at a lower level compared to 2022 which led to uncertainty when measuring fair value of energy contracts. Statkraft observes still low liquidity in exchange-traded futures in 2023, which has entailed more detailed analysis of whether observable inputs are representative and relevant for the valuation models. These analyses have not led to significant changes in Statkraft’s valuation models or principles.

Net realisable value of inventory

Statkraft constructs power plants with the intention to divest before or at completion (DS/DBS business model). Such assets are presented as Inventories and shall be measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Significant judgement is applied when assessing the selling price, as market price information on similar assets are not necessarily available. Statkraft uses a team of experts with local market knowledge to assess the selling price. If no external price information is available, the asset is valued by discounting future cash flows applying the long-term price forecast for power.

Various sensitivity analyses are disclosed in:

• Analysis of market risk	Note 8
• Financial instruments	Note 10
• Impairments	Note 15

In addition to the sensitivity analysis above, significant judgement is applied in estimating the carrying amounts of:

• Pensions	Note 17
• Deferred tax assets	Note 22
• Property, plant and equipment (useful life)	Note 24

CRITICAL JUDGEMENT IN APPLICATION OF ACCOUNTING POLICY

Due to Statkraft’s business activities, management must apply judgements in determining the appropriate accounting policy in areas where the choice of policies may have a material impact on the accounting treatment in the financial statements. Such areas include:

• Classification of energy contracts	Note 10
• Classification of sales revenues	Note 12
• Classification of regulated fees and taxes	Note 18/22
• Classification of investments made together with third parties	Note 26

Note 3 Subsequent events

On 1 February 2024, Statkraft signed and closed an agreement with Octopus Renewables Infrastructure Trust to divest 100% of the shares in the 199 MW Ballymacarney solar farm in Ireland for a total consideration of NOK 1.8 billion. The solar farm was divested with a 15-year power purchase agreement with Microsoft securing the farm’s future revenues.

Note 4 Segment information

GENERAL INFORMATION

Statkraft is organised in five Business Areas (BAs) and two corporate Staff Areas (SAs). The BAs are: Nordics, Markets, International, Europe and New Energy Solutions. The SAs are: Corporate staff and CFO & IT.

BAs in Statkraft shall, within their respective areas of responsibility, pursue Statkraft's strategic, financial and other targets and objectives, which are reported through the segment structure. Targets and objectives are defined by key performance indicators.

Activities in the business areas are allocated and presented in the respective segments.

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

The segment reporting is based on underlying figures. The table on the next page reconciles the Group IFRS figures with the Group underlying figures. The rationale for reporting underlying figures is described in the Alternative Performance Measures section.

See note 12 for revenues per category and geography.

Segment assets do not include deferred tax assets, prepaid income taxes, foreign exchange and interest rate derivatives, accrued interests, current interest-bearing receivables (except loans to equity accounted investments), current financial investments and cash and cash equivalents.

The reportable segments are defined as:

Nordics includes asset ownership and operation of the Group's hydro- and wind power business in Norway and Sweden, as well as the subsea interconnector between Sweden and Germany (Baltic Cable). The segment also includes development of new onshore power production in the Nordics and all offshore wind power development. In addition, it includes management and development of Norwegian shareholdings within the Group's core business and includes the shareholdings in Skagerak Energi, Eviny and Å Energi. Skagerak Energi is included in the consolidated financial statements, while Eviny and Å Energi are reported as equity accounted investments.

Europe 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 in due course 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 asset ownership and operation of wind farms in Ireland, Germany and France, hydropower in Germany, UK and Albania, gas-fired and biomass power plants in Germany as well as grid service assets in the UK and Ireland. This business model is known as Build-Own-Operate (BOO).

International includes development, asset ownership and operation of onshore wind, solar and hydropower assets in selected markets outside Europe. Some of the investments are made in collaboration with local partners or international investors. The segment operates in Brazil, Chile, Peru, India, Türkiye and Nepal.

Markets includes proprietary trading, origination and market access for generators of renewable energy. The segment has activities in several countries in Europe, and is also active in Brazil, India and USA. Markets generates profit from changes in the market value of energy and energy-related products, and from buying and selling both standard and structured products, typically environmental certificates and power contracts.

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

New technologies will serve as an incubator where Statkraft creates and grows new businesses, develop them to scale and either integrate or hold at arm's length. The segment has asset ownership and operates activities within EV charging (Mer), hydrogen and biofuel. The segment also includes venture capital investments, as well as research and development.

In addition:

Other includes costs related to governance of the Group, other group services and unallocated assets.

Group items includes elimination of transactions between segments.

Note 4 continued

Reconciliation of IFRS versus underlying figures

NOK million	2023 IFRS	Adjustments	2023 Underlying	2022 IFRS	Adjustments	2022 Underlying
Profit or loss						
Sales revenues	102 657		102 657	158 906		158 906
Gains/losses from market activities	18 196	-3 181	15 015	7 159	1 338	8 498
Other operating income	2 706	-1 603	1 104	1 409	1	1 409
Gross operating revenues and other income	123 559	**-4 783**	118 776	**167 474**	**1 339**	**168 814**
Energy purchase	-51 833		-51 833	-92 431		-92 432
Transmission costs	-1 604		-1 604	-1 103		-1 103
Net operating revenues and other income	70 122	**-4 783**	65 339	**73 940**	**1 339**	**75 280**
Salaries and payroll costs	-7 991		-7 991	-7 508		-7 508
Depreciations and amortisations	-5 392		-5 392	-4 657		-4 657
Impairments/reversal of impairments	2 354	-2 354	-	-907	907	-
Regulatory fees	-2 684		-2 684	-3 409		-3 409
Other operating expenses	-7 895	-	-7 895	-5 281	-	-5 281
Operating expenses	-21 607	**-2 354**	-23 961	**-21 763**	**907**	**-20 855**
Operating profit/loss (EBIT)	48 515	**-7 137**	41 378	**52 178**	**2 246**	**54 424**

The following adjustments are not included in the underlying figures:

- Gains/losses from market activities: unrealised value changes from embedded euro derivatives in power sales contracts.
- Other operating income/expenses: gains/losses from divestment of business activities that are not classified as DS/DBS.
- Impairments/reversal of impairments related to intangible assets and property, plant and equipment.

Note 4 continued

Accounting specification per segment

Segments

NOK million	Statkraft AS Group	Nordics	Europe	Inter-national	Markets	District heating	New techno-logies	Other	Group items
2023									
Gross operating revenues and other income, external	118 776	45 378	11 539	4 490	55 424	1 130	1 079	126	-392
Gross operating revenues and other income, internal	-	1 458	749	222	-563	2	27	2 263	-4 157
Gross operating revenues and other income underlying	118 776	46 836	12 288	4 711	54 861	1 132	1 106	2 389	-4 549
Net operating revenues and other income underlying	65 339	42 226	9 059	2 916	10 278	607	418	2 377	-2 542
Operating profit/loss (EBIT) underlying	41 378	31 369	4 079	479	6 610	-38	-1 071	-362	311
Unrealised value changes from embedded euro derivatives	3 181	3 181	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	1 603	1 603	-	-	-	-	-	-	-
Impairments/reversal of impairments	2 354	2 542	-20	-104	-	-4	-61	-	-
Operating profit/loss (EBIT) IFRS	48 515	38 695	4 059	376	6 610	-42	-1 132	-362	311
Share of profit/loss in equity accounted investments	3 444	3 116	126	274	-	-	-72	-	-
Assets and capital employed 31 Dec 23									
Property, plant and equipment and intangible assets	153 345	85 343	26 882	34 248	171	3 643	2 237	821	-
Equity accounted investments	21 679	16 605	887	4 203	0	-	-9	2	-9
Loans to equity accounted investments	1 820	31	302	1 478	-	-	9	-	-
Inventories (DS/DBS)	7 274	-	7 274	-	-	-	-	-	-
Other assets	134 132	19 478	1 862	2 843	54 479	513	3 138	51 995	-175
Total assets	318 250	121 457	37 208	42 772	54 649	4 156	5 374	52 818	-184
Capital employed	160 619	85 343	34 157	34 248	171	3 643	2 237	821	n/a
Average capital employed (rolling 12 months)	145 980	82 921	28 403	28 350	142	3 565	1 718	881	n/a
Return on average capital employed (ROACE)	28.3%	37.8%	14.4%	1.7%	n/a	-1.1%	n/a	n/a	n/a
Return on average equity accounted investment (ROAE)	16.5%	20.0%	14.6%	6.2%	n/a	n/a	n/a	n/a	n/a
Depreciations, amortisations and impairments	-3 038	-92	-1 403	-881	-39	-218	-212	-193	-
Investments in new capacity	6 879	91	22	6 722	-	44	-	-	-
Maintenance investments	3 145	2 692	184	264	-	5	-	-	-
Other investments	4 204	1 535	1 261	115	76	310	867	40	1
Investments in PPE and intangible assets	14 228	4 318	1 467	7 101	76	359	867	40	1
Investments in new capacity for subsequent divestment (DS/DBS)	3 558	-	3 558	-	-	-	-	-	-
Investments in shareholdings, consolidated	10 401	48	5 809	4 543	-	-	-	-	-
Investments in shareholdings, equity accounted	72	72	-	-	-	-	-	-	-
Investments in shareholdings, financial non-current	456	-	-	-	-	-	456	-	-
Investments in shareholdings	10 929	120	5 809	4 543	-	-	456	-	-
Total investments	28 715	4 438	10 834	11 644	76	359	1 323	40	1

Note 4 continued

Accounting specification per segment

Segments

NOK million	Statkraft AS Group	Nordics	Europe	Inter-national	Markets	District heating	New techno-logies	Other	Group items
2022									
Gross operating revenues and other income, external	168 813	59 197	11 088	3 606	93 411	1 079	635	103	-305
Gross operating revenues and other income, internal	-	1 327	1 365	387	-99	9	50	1 803	-4 842
Gross operating revenues and other income underlying	168 813	60 524	12 453	3 993	93 312	1 088	685	1 906	-5 147
Net operating revenues and other income underlying	75 279	53 375	5 400	2 475	14 106	749	215	1 870	-2 912
Operating profit/loss (EBIT) underlying	54 424	43 042	1 832	636	10 374	188	-656	-407	-584
Unrealised value changes from embedded euro derivatives	-1 338	-1 338	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-	-	-	-	-
Impairments/reversal of impairments	-907	-692	1 542	-1 753	-	-3	-1	-	-
Operating profit/loss (EBIT) IFRS	52 178	41 011	3 375	-1 117	10 374	184	-657	-407	-584
Share of profit/loss in equity accounted investments	531	-685	281	988	-	-	-54	-	1
Assets and capital employed 31 Dec 22									
Property, plant and equipment and intangible assets	127 129	79 984	18 381	22 775	137	3 466	1 461	925	-
Equity accounted investments	18 645	13 740	801	4 026	-	-	92	3	-18
Loans to equity accounted investments	1 555	46	333	1 176	-	-	-	-	-
Inventories (DS/DBS)	4 493	-	4 493	-	-	-	-	-	-
Other assets	189 354	16 547	3 707	4 045	73 139	441	1 998	89 919	-440
Total assets	341 176	110 317	27 714	32 022	73 276	3 907	3 550	90 847	-458
Capital employed	131 622	79 984	22 874	22 775	137	3 466	1 461	925	n/a
Average capital employed (rolling 12 months)	128 453	79 820	20 728	22 022	148	3 475	1 274	986	n/a
Return on average capital employed (ROACE)	42.4%	53.9%	8.8%	2.9%	n/a	5.4%	n/a	n/a	n/a
Return on average equity accounted investment (ROAE)	3.4%	-6.3%	32.2%	27.2%	n/a	n/a	n/a	n/a	n/a
Depreciations, amortisations and impairments	-5 565	-3 219	616	-2 424	-35	-203	-128	-172	-
Investments in new capacity	2 448	41	31	2 376	-	-	-	-	-
Maintenance investments	2 851	2 320	359	168	-	4	-	-	-
Other investments	2 600	1 398	475	45	42	164	425	51	-
Investments in PPE and intangible assets	7 899	3 759	865	2 589	42	168	425	51	-
Investments in new capacity for subsequent divestment (DS/DBS)	2 827	-	2 827	-	-	-	-	-	-
Investments in shareholdings, consolidated	303	-	16	143	-	-	144	-	-
Investments in shareholdings, equity accounted	90	90	-	-	-	-	-	-	-
Investments in shareholdings, financial non-current	332	7	-	-	-	-	325	-	-
Investments in shareholdings	725	97	16	143	-	-	469	-	-
Total investments	11 451	3 856	3 708	2 732	42	168	894	51	-

Note 4 continued

Selected financial figures from "Norwegian hydropower and related business"

In the white paper Prop. 40 S (2014-2015) related to revised national budget, it was stated that Statkraft should disclose information related to the Norwegian hydropower activities ("Norwegian hydropower").

The table below includes financial figures in accordance with IFRS for the Norwegian hydropower, which have been extracted from the Nordics segment.

"Norwegian hydropower" includes the results from all activities related to the Norwegian hydropower assets in the subsidiaries Statkraft Energi AS and Skagerak Kraft Group. Activities which are related to hydropower assets include hydropower generation and the share of contract portfolios related to hydropower generation (portfolio for revenue optimisation and risk reducing portfolios).

"Related business" refers to all activities in the investments in the associated regional companies Eviny AS and Å Energi AS.

The column Sum "Norwegian hydropower, excluding related business" represents the totals for the two subsidiaries after elimination of intercompany transactions and balances. The figures for Statkraft Energi AS and Skagerak Kraft Group are extracted from the Nordics segment. The line "Net profit/loss (of which owners of the parent)" from Skagerak Kraft Group is calculated based on Statkrafts ownership interest of 66.62%.

The lines Net financial items and Tax expense show the financial items and tax related to the activities in the definition of "Norwegian hydropower".

The figures from the equity accounted investments in the associated companies Eviny AS and Å Energi AS have been extracted from the segment Nordics. See note 26.

Norwegian hydropower		"Norwegian hydropower" from:				
NOK million	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group	Sum "Norwegian hydropower, excluding related business"	Related business	Sum "Norwegian hydropower and related business"
2023						
Gross operating revenues and other income	123 559	34 465	5 799	40 263		40 263
Net operating revenues and other income	70 122	32 776	5 516	38 292		38 292
Operating profit/loss (EBIT)	48 515	26 926	4 325	31 251		31 251
Share of profit/loss in equity accounted investments	3 444	-	2	2	3 098 [1]	3 100
Net financial items	-977	499	177	676		676
Income tax expense	-24 927	-17 287	-3 011	-20 298		-20 298
Net profit/loss	26 055	10 139	1 492	11 631	3 098	14 729
Net profit/loss (of which owners of the parent)	25 439	10 139	990	11 129	3 098	14 227
Paid dividend and group contribution to Statkraft		9 500 [2]	1 425 [3]	10 925	1 464 [3]	12 389
Assets 31 Dec 23						
Equity accounted investments	21 679	2	17	19	15 250 [1]	15 268
Other assets	296 571	40 269	10 102	50 372	-	50 372
Total assets	318 250	40 271	10 119	50 390	15 250	65 640
EBITDA	51 553	28 043	4 524	32 567		32 567
Depreciations, amortisations and impairments	-3 038	-1 117	-200	-1 317		-1 317
Maintenance and other investments	7 349	2 282	177	2 459		2 459
Investments in new capacity	6 879	-	-	-		-
New capacity for subsequent divestment (DS/DBS)	3 558	-	-	-		-
Investments in shareholdings	10 929	-	6	6		6
Total investments	28 715	2 282	183	2 465		2 465

[1] Statkraft's share.
[2] Dividend and group contribution after tax paid from Statkraft Energi AS.
[3] Dividend paid to Statkraft.

Note 4 continued

Norwegian hydropower

NOK million	Statkraft AS Group	"Norwegian hydropower" from: Statkraft Energi AS	Skagerak Kraft Group	Sum "Norwegian hydropower, excluding related business"	Related business	Sum "Norwegian hydropower and related business"
2022						
Gross operating revenues and other income	167 474	36 016	7 594	42 350		42 350
Net operating revenues and other income	73 940	34 257	7 387	41 678		41 678
Operating profit/loss (EBIT)	52 178	28 493	6 100	34 593		34 593
Share of profit/loss in equity accounted investments	531	223	2	226	-947 [1]	-722
Net financial items	6 111	75	66	141		141
Income tax expense	-30 228	-21 878	-4 632	-26 510		-26 510
Net profit/loss	28 592	6 914	1 536	8 450	-947	7 503
Net profit/loss (of which owners of the parent)	27 968	6 914	1 016	7 929	-947	6 982
Paid dividend and group contribution to Statkraft		7 334 [2]	662 [3]	7 996	742 [3]	8 738
Assets 31 Dec 22						
Equity accounted investments [4]	18 645	2	9	11	13 473 [1]	13 484
Other assets [4]	322 531	39 214	10 111	49 325	-	49 325
Total assets [4]	341 176	39 216	10 120	49 336	13 473	62 809
EBITDA [4]	57 743	29 626	6 310	35 936		35 936
Depreciations, amortisations and impairments [4]	-5 565	-1 133	-210	-1 343		-1 343
Maintenance and other investments [4]	5 451	1 780	138	1 918		1 918
Investments in new capacity	2 448	-	41	41		41
New capacity for subsequent divestment (DS/DBS)	2 827	-	-	-		-
Investments in shareholdings [4]	725	-	3	3		3
Total investments [4]	11 451	1 780	182	1 962		1 962

[1] Statkraft's share.
[2] Dividend and group contribution after tax paid from Statkraft Energi AS.
[3] Dividend paid to Statkraft.
[4] Comparable figures for Norwegian hydropower have been restated.

Note 5 Acquisitions, divestments and other transactions

MATERIAL ACCOUNTING POLICIES

The acquisition method is applied in business combinations. The acquisition date is the date when the acquirer obtains control of the acquiree and transfers the consideration to the seller. In general, the acquisition date coincides with the closing date. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date. Transaction costs are recognised in the statement of profit or loss when incurred. Consideration transferred to the seller may include contingent consideration. Contingent consideration is measured at fair value at the time of closing of the transaction. In subsequent periods it is accounted for in accordance with the relevant IFRSs.

When less than 100% of the interest in an entity is acquired, a non-controlling interest arises. Statkraft chooses to recognise and measure non-controlling interests at the proportionate share of the fair value of net identifiable assets.

If business combinations are achieved in stages, the existing ownership interests are recognised at fair value at the point in time when control is obtained by Statkraft. Any changes in the carrying value of the investment are recognised in the statement of profit or loss.

On acquisition of an investment in a joint venture or an associated company any difference between the cost of the shares and Statkraft's share of the carrying value of the investee's identifiable assets and liabilities is accounted for as goodwill and excess values. Goodwill may arise as the surplus of the cost of the investment over Statkraft's share of the net fair value of the identifiable assets and liabilities of the joint venture or associate. Such goodwill is recognised within the corresponding investment, presented as Equity accounted investments applying the equity method.

Acquisition of an asset or a group of assets that are not within the scope of business combinations require all individual identifiable assets acquired and liabilities assumed to be identified. The identified assets and liabilities are assigned a carrying amount based on their relative fair value at the date of acquisition. Directly attributable transaction cost is generally capitalised as part of the cost of the assets.

Divestments of subsidiaries are accounted for as sale of shares under IFRS 10 and IAS 28.

ESTIMATES AND ASSUMPTIONS

Statkraft applies judgement on a case-by-case basis for determining whether an acquisition meets the definition of a business combination or an asset deal. The conclusion may materially affect the financial statements both in the transaction period and in subsequent periods. Depending on the specific facts and circumstances, acquisitions of early-stage projects are assessed to be asset deals and acquisition comprising pipeline and development organisations are classified as business combination. For acquisition of producing entities the assessment is depending on access to critical workforce either through full-time employees or service agreements.

Consideration transferred in acquisitions is allocated to acquired assets and liabilities and contingent liabilities based on their estimated fair values. This type of valuation requires management to make judgements with regards to valuation method, estimates and assumptions. Management's estimates of fair value and useful life are based on assumptions supported by the Group's experts and involve inherent uncertainty. See also note 2 for critical assumptions used in estimating fair values of relevant assets and liabilities.

BUSINESS COMBINATIONS AND ASSET ACQUISITIONS IN 2023

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

German and French wind On 30 August, Statkraft closed an agreement with Breeze Two Energy GmbH and Breeze Two GmbH to acquire 100% of Statkraft Windenergie GmbH & Co. KG (previously named B2E Partners GmbH & Co. KG) and Eoliennes Suroit SNC, consisting of 35 operating wind farms in Germany and four in France. The total acquisition cost consisted of both purchase of shares and assuming debt and amounted to NOK 4773 million. In addition, there is NOK 60 million in capitalised transaction costs. The total installed capacity of the German wind farms is 310 MW and 27 MW for the French wind farms. The companies have no employees. Most of the German sites have repowering potential.

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

Biofuel, Norway On 20 October, Statkraft acquired a 49% share in Silva Green Fuel from Södra for a cash consideration of NOK 75 million, which resulted in 100% ownership in the company. Fair value of the original 51 % share is NOK 78 million. The transaction resulted in Statkraft recognising a non-cash gain of NOK 48 million as Other financial items, following the change of control from equity accounted investment to subsidiary. The cash effect from the transaction is NOK 18 million. Silva Green Fuel is a development project for construction of a full-scale production plant for biofuel. The company is reported under the segment New technologies. The transaction is considered to be a business combination.

Brazilian wind On 29 December, Statkraft acquired 100% of the shares in Central Eólica Jerusalém Holding S.A. with its subsidiaries, Central Eólica Boqueirão I S.A. and Central Eólica Boqueirão II S.A. The total acquisition cost is NOK 2139 million, of which 63 million is contingent, and includes cash and cash equivalents of NOK 72 million in the acquired companies. The shares were acquired from EDP Renováveis S.A.

Jerusalém and Boqueirão are two wind farm complexes located in the state of Rio Grande do Norte in north-east of Brazil and consists of 62 wind turbines with a total capacity of 260 MW. The wind farms have been in operation since January 2023. The transaction provides scale effects as it expands Statkraft's presence in the north-east of Brazil were Statkraft Energias Renováveis (SKER) already have an established presence with operating wind farms.

The consideration is allocated to assets and liabilities based on their fair values. The residual amount between the consideration and the net identifiable assets is allocated to goodwill and originates from the recognition of deferred tax on excess values. The transaction is considered to be a business combination as Statkraft gets access to substantive processes through the transaction.

Other Statkraft has during the year closed agreements to acquire other assets for a total acquisition cost of NOK 915 million.

Enerfin portfolio On 17 November, Statkraft signed an agreement with Elecnor Group to acquire the Spanish-based Enerfin Sociedad de Energia S.L., with a

Note 5 continued

portfolio of operating wind farms and wind and solar projects including pipeline projects with a total capacity of 3600 MW and 170 employees. The total consideration is approximately NOK 21 billion. The acquisition is expected to be closed during the first half of 2024 and the financial effects will be reported after closing.

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

Wind and solar, Ireland Statkraft has during the year closed agreements to acquire a portfolio of wind and solar projects in Ireland for a total acquisition cost of NOK 471 million.

DIVESTMENTS AND RESTRUCTURING OF BUSINESS IN 2023

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

Offshore wind, Ireland On 16 March, Statkraft divested a 50% share in Statkraft's offshore wind portfolio in Ireland to funds managed by Copenhagen Infrastructure Partners (CIP). The scope of the transaction included the three phases of the North Irish Sea Array (NISA) and the Bore Array. Developing and building these projects are expected to require an investment of more than NOK 40 billion by Statkraft and CIP by 2030. Following the transaction, NISA and Bore Array went from being subsidiaries to being investments in a joint venture. The gain of NOK 1603 million was recognised as Other operating income in the statement of profit or loss. The gain includes realised gains from reduced ownership interest from 100% to 50%, an adjustment from carrying value to fair value of the remaining ownership interest and recycling of foreign currency translation effects. Part of the consideration for the shares are subject to certain future contingent events, and the gain reflects a best estimate at the transaction date. The fair value of the JV interests is NOK 1018 million. The difference between the gain and fair value of divested assets is NOK 585 million. The companies are reported under segment Nordics.

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

Wind, Ireland On 16 May, Statkraft divested a wind farm in Ireland to Greencoat Renewables Plc with a capacity of 34 MW for a total consideration of NOK 835 million including payment of a shareholder loan. This led to a gain of NOK 130 million, recognised as Other operating income in the statement of profit or loss. Statkraft also entered into an agreement to provide asset management services subsequent to the divestment.

OTHER TRANSACTIONS IN 2023

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

BUSINESS COMBINATIONS AND ASSET ACQUISITIONS IN 2022

Other During 2022 Statkraft acquired 100% of the shares in Elmtronics Ltd, a supplier and installer of electrical vehicle charging infrastructure based in the UK in addition to other acquisitions for a total consideration of NOK 303 million.

DIVESTMENTS AND RESTRUCTURING OF BUSINESS IN 2022

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

Other During 2022 Statkraft divested a solar farm under construction in Spain, three solar farms in the Netherlands, a wind farm in the UK and a wind farm in Ireland for a total consideration of NOK 1770 million. A total gain of NOK 229 million was recognised as Other operating income and NOK 112 million was recognised as Sales revenues in the statement of profit or loss.

Statkraft entered into various agreements to provide asset management and operation and maintenance services subsequent to the divestments. In addition, Statkraft signed an agreement to perform Engineering, Procurement and Construction (EPC) activities to construct the solar farm in Spain.

OTHER TRANSACTIONS IN 2022

Norway On 30 November 2022, Agder Energi AS, which is part of the segment Nordics, merged with Glitre Energi AS. The merged company was named Å Energi AS. Statkraft realised a part of its previous ownership interest in Agder Energi and received ownership interests in Glitre Energi's net assets as a consideration. A gain with no cash effect of NOK 4242 million was recognised on the line item Other financial items in the statement of profit or loss. As part of the merger Statkraft received a right to receive a total of NOK 501 million in extraordinary dividends from Å Energi during the next three years. After the merger Statkraft has a 33.3% ownership in Å Energi.

Note 5 continued

Allocation of cost price for acquisitions in 2023	German and French wind	Brazilian wind [1]
Acquisition date	30 Aug 2023	29 Dec 2023
Voting rights/shareholding acquired through the acquisition	100%	100%
Total voting rights/shareholding following acquisition	100%	100%
Measurement of non-controlling interests	n/a	n/a
Consideration		
NOK million		
Cash paid at acquisition date	4 773	2 076
Contingent consideration	-	63
Total acquisition cost	4 773	2 139
Book value of net acquired assets (see table below)	798	1 406
Identification of excess value, attributable to:		
Intangible assets	-	655
Property, plant and equipment	3 974	125
Provisions	-	-47
Gross excess value	3 974	733
Deferred tax on excess value	n/a	-249
Net excess value	3 974	484
Fair value of net acquired assets, excluding goodwill	4 773	1 890
Of which:		
Controlling interests	4 773	1 890
Total	4 773	1 890
Total acquisition cost	4 773	2 139
Fair value of net acquired assets, excluding goodwill (controlling interest)	4 773	1 890
Goodwill	n/a	249

NOK million	German and French wind	Brazilian wind
Book value of net acquired assets in 2023		
Property, plant and equipment	1 110	2 697
Other non-current assets	12	4
Non-current assets	1 122	2 701
Cash and cash equivalents	143	72
Inventories	50	-
Receivables	42	71
Current assets	235	143
Acquired assets	1 357	2 844
Non-current lease liabilities	186	4
Other non-current liabilities	315	1 315
Non-current liabilities	502	1 319
Other current liabilities	57	119
Current liabilities	57	119
Net value of acquired assets	798	1 406
Total acquisition cost	4 773	2 139
Non-cash elements of acquisition cost	-	-63
Consideration and cost in cash and cash equivalents	4 773	2 076
Cash and cash equivalents in acquired companies	143	72
Net cash payments in connection with the acquisitions	4 630	2 004
Contribution to gross operating revenues and other income since acquisition date	213	-
Contribution to net profit/loss since acquisition date	-109	-

[1] Cost price allocation for Brazilian wind is based on preliminary assessments and could be subject to changes within 12 months. If the company had been acquired 1 January 2023, the contribution to gross operating revenues and other income would have been NOK 383 million and the contribution to net profit/loss NOK 130 million for the year 2023.

Note 6 Management of capital structure

The main objectives of the Group's capital structure management are to maintain a reasonable balance between solidity, the ability to invest and to maintain a solid credit rating. The target for the Group's management of its capital structure is related to long-term credit rating. Statkraft AS has a long-term credit rating of A (stable outlook) from Standard & Poor's and A- (stable outlook) from Fitch Ratings. Statkraft has a rating target of A- from Standard & Poor's and BBB+ from Fitch Ratings.

The tools for long-term management of the capital structure consist primarily of the draw-down and repayment of long-term liabilities and payments of share capital from/to the owner. In addition, the Group may also adjust the level of investments to manage its capital structure. The Group endeavours to obtain external financing from various capital markets. The Group is not subject to any external requirements with regards to the management of capital structure other than those relating to the market's expectations and the owner's dividend expectations. See Corporate Governance for more information about the owner's dividend expectations.

There were no changes in the Group's targets and guidelines governing the management of capital structure in 2023.

Note 7 Market risk in the Group

RISK AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS GENERALLY

Statkraft is engaged in activities that entail risk in many areas and has a unified approach to the Group's market risks. The Group's risk management policy is based on the Group's financial strength, development plans and expertise. The purpose of risk management is to identify threats and opportunities for the Group, and to manage the overall risk level to provide reasonable assurance that the Group's objectives will be met.

In Statkraft, market risk will primarily relate to prices of energy and commodities, interest rates and foreign currencies. The following section contains a more detailed description of the various types of market risk, and how these are managed.

MARKET RISK RELATED TO PRICES ON ENERGY AND COMMODITIES

Statkraft is exposed to significant market risk in relation to the generation and trading of power. Revenues from power generation are exposed to volume and power price risk. The Nordic power price is the dominant market exposure and the Nordic hydropower portfolio represents the largest part of Statkraft's asset base. The energy risk that Statkraft's Nordic hydropower portfolio faces therefore differs from other generation technologies because low price periods often coincide with high precipitation so that the effect of lower prices is partially offset by higher production volumes. On the other hand, high price periods often coincide with low production volumes due to limited precipitation. However, Statkraft has flexibility to manage its water resources with a focus on long-term value creation. This means that Statkraft can store water in periods when the expected value of the water is higher at some stage in the future than the value of producing power immediately. The company has an advanced energy management process that aims to maximise the value over time. Through 2023, both prices and volatility in the energy market have fallen to a lower level, but the shortage of gas supplies from Russia still entails risks and uncertainty in the global energy markets. The uncertainty in energy markets and power price volatility is continuously monitored and analysed to ensure optimal energy management. Statkraft manages market risk in the energy markets by trading physical and financial instruments in multiple markets.

Statkraft is also exposed to energy and commodity price risk affecting its wind and solar assets under the DS/DBS business model. Energy prices can affect the value of the assets in development and commodity prices can affect the construction costs.

Regulatory risk Statkraft's activities are influenced by framework conditions such as tax levels, terms for concession, subsidies and public regulations.

Climate risk Statkraft is directly exposed to climate change, as changes in precipitation will change the average output from hydropower plants, as well as the increased fluctuations. In addition, the transition to a low-carbon economy will entail extensive policy, legal, technology, and market changes, with a potential to have significant impact on Statkraft's revenues. More information on climate risks and how these are managed can be found in the Sustainability Report and in note 2.

Risk management in energy trading in Statkraft focuses on total portfolios rather than individual contracts. Internal guidelines controlling the level of market exposure have been established for all portfolios. Responsibility for the continuous monitoring of granted mandates and frameworks is located in separate organisational units. The frameworks for trading in both financial and physical contracts are continuously monitored. The Group has trading and sales offices located in many countries.

A further description of the risks and risk management within the relevant line items in the statement of profit or loss can be found below:

Sales revenues

Generation Statkraft has entered into bilateral physical power sales agreements with industrial customers and other customers. The most significant part is related to contracts in Norway, but there are also contracts in other countries in Europe and South America. These contracts stabilise Statkraft's revenues as they normally have fixed prices and volume, although with different durations. A substantial part of the contracted volume in Norway is settled in euro and is therefore subject to a foreign exchange risk. Some of the contracts are indexed to industry indices.

Customers This revenue category mainly consists of market access activities within the scope of IFRS 15 (see note 12). Statkraft purchases power from smaller energy generators and sells the power to power exchanges and end-customers, which includes handling volume and imbalance risk. Statkraft has allocated risk capital to most of this activity. See trading and origination activities below for more information about Statkraft's management of allocated risk capital.

Gains and losses from market activities

Risk reducing and revenue optimisation activities In addition to bilateral physical contracts, Statkraft has financial risk reduction portfolios of financial contracts, normally futures, in order to hedge revenues from future generation.

Note 7 continued

Statkraft also operates a Nordic revenue optimisation portfolio with the aim to actively adjust the overall hedge ratio and profile of the Nordic hydro and wind assets in line with internal market and risk assessments on finer resolution, compared to the remaining hedging contracts and portfolios. The revenue optimisation portfolio consists of financial exchange cleared contracts on Nordic power, based on both system price and specific price areas (EPADs). The time horizon for these contracts is less than five years and the duration of each contract is typically between one week and one year.

Following the changes in strategy and new organisational setup, the dynamic asset management portfolios were discontinued in 2022. At end of 2022, all positions were closed. The objective of these portfolios was to reduce risk and optimise revenues.

Trading and origination activities In addition to risk reducing activities, Statkraft has various trading and origination portfolios that are managed independently of the Group's power generation. Statkraft has allocated risk capital to these activities. Clear guidelines have been established limiting the types of products that can be traded. The mandates are adhered to by applying specified limits for value-at-risk and profit-at-risk. Both methods calculate the maximum potential loss a portfolio can incur, with a given probability factor over a given period. The credit risk and operational risk are also quantified in relation to the allocated risk capital.

Trading activities involve buying and selling standardised and liquid products, such as power, gas, oil, CO_2 products and energy-related metals. The activities also include trading of transportation capacity across borders and freight trading. The contracts in the trading portfolio have maturities ranging from zero to five years. The aim is to realise profit on changes in the market value of energy and energy-related products. The market risk in these contracts is mainly related to future commodity prices.

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 has market access activities, within the scope of IFRS 9, that enters into long term power purchase and power sales agreements with the aim to provide route to market for renewable energy producers and long-term renewable energy supply to corporate consumers. Depending of the price mechanisms in the power purchase and sales agreements Statkraft may be exposed to a price risk. The price risk is mitigated by entering into financial contracts, mainly forwards and futures, with third parties. Quoted, liquid contracts pertaining to system price, area prices and foreign currency are primarily used to reduce the risk involved in trading structured products and contracts. Most of the contracts in the portfolio have duration of up to five years, though some contracts run until 2040.

Embedded derivatives are related to long-term power sales agreements with industrial customers in Norway and other customers, where the contracts are nominated in euro and/or where the pricing is linked to certain commodity prices or inflation indexes. Embedded derivatives are exposed to both foreign exchange risk, commodity price risk and inflation risk.

FOREIGN EXCHANGE AND INTEREST RATE RISK

Statkraft is exposed to foreign exchange and interest rate risk. Statkraft uses interest rate and foreign currency derivatives in addition to debt in foreign currency to mitigate these risks. Funding, forwards and swaps in foreign currency in combination with interest rate swaps are used to achieve the desired currency and interest structure of the Group's debt portfolio.

Statkraft's methods for managing these risks are described below:

Foreign exchange risk Statkraft incurs currency risk in the form of transaction risk, mainly in connection with sale of power, investments and divestments in foreign currencies. Currency translation risk is related to shareholdings in foreign subsidiaries, joint operations and equity accounted investments.

Statkraft's settlement currency at the Nordic power exchange Nord Pool is mainly euro and the power contracts traded in the Nordic power exchange Nasdaq are denominated in euro. In addition, most of Statkraft's bilateral power sales agreements in Norway and all power purchase and sales abroad are denominated in foreign currency. The objective of Statkraft's currency hedging is to secure the values of the future cash flows in Norwegian kroner exposed to exchange risk. Hedging of foreign currency risk is primarily done by allocating appropriate volumes of currency debt to the relevant cash flows. The foreign exchange risk is subject to continuous assessment and treated in accordance with the Group Treasury strategy.

Interest rate risk Statkraft's interest rate exposure is mainly related to the Group's debt portfolio. The Group's debt portfolio includes all external interest-bearing bonds and loans, commercial papers and external interest rate derivatives in Statkraft AS and its subsidiaries.

The management of interest rate risk is based on the balance between keeping interest cost low over time and contributing to stabilise the Group's cash flows with regards to interest rate changes. The interest rate risk is monitored by having duration as measure. Statkraft shall always keep the average duration of its debt portfolio within the range of two to five years. This means having an appropriate mix of floating and fixed interest rate that reduces the interest risk in the Group.

Compliance with the limit for currency and interest rate risk is followed up continuously by the middle office function. Responsibility for entering into and following up the various positions has been separated and is allocated to separate organisational units.

Statkraft is also exposed to interest rate risk affecting its assets under the DS/DBS business model. Changes in interest rates affect the discounted value of assets and investors' cost of funding.

Interest rate benchmark reform In 2023 the USD LIBOR ceased 30 June 2023 and was replaced by Secured Overnight Financing Rate (SOFR) for relevant loans and swaps in the Group. The benchmark reform did not have material effects on the market value of the affected instruments.

Note 8 Analysis of market risk

GENERAL INFORMATION

Statkraft is exposed to market risk within trading and origination activities, from power prices, and from currency and interest rate positions.

Trading and origination Trading and origination activities are performed under specific mandates and are allocated risk capital. Statkraft differentiates between the risk capital that is committed short-term, typically proprietary trading where the risk is measured with a value at risk (VaR) approach, and the risk capital that is committed long-term, typically long-term power contracts where the risk is measured with a profit at risk (PaR) approach. For each activity, the mandate specifies a risk limit (VaR or PaR), which is dynamically adjusted to ensure that the losses do not exceed the allocated risk capital. At the end of 2023, the diversified allocated risk capital covering market risk for trading and origination activities in Europe and USA was EUR 150 million for short-term commitments and EUR 130 million for long-term commitments. In 2022, the corresponding amounts were EUR 140 million and EUR 197 million, respectively. Limited risk capital is also allocated to cover trading and origination activities outside Europe and USA.

Price risk sensitivity analysis Statkraft quantifies price risk by looking at the effect of a change in the Nordic system price on Statkraft's expected Net profit. The expected change in net profit with a change of 1 EUR/MWh is estimated at NOK 183 million in 2023 and NOK 169 million in 2022, respectively. Both power prices and generation volume are affected by temperature and precipitation. Furthermore, changes in power prices are driven by generation, consumption and transmission conditions in the power market. These relationships are not reflected in these estimates. A major part of the generation outside the Nordics is hedged against price risk (see note 7 under Sales revenues).

Interest rate risk sensitivity analysis The interest rate sensitivity analysis shows how changes in interest rates affect Statkraft's Net financial items within a 12-month period given the Group's structure at year-end. For each simulation, the same shifts in interest rates are used for all currencies. The sensitivity analysis is run only for assets and liabilities that represent significant interest-bearing positions. The sensitivity has been calculated by including interest effects from cash and cash equivalents, loans to equity accounted investments, interest-bearing debt, interest rate derivatives, cash collaterals and margin calls. Since hedge accounting is applied, the effect of derivatives designed as hedging instruments is partly offset in Net financial items. With an assumption that interest rates would rise by 100 basis points, the impact on Statkraft's Net financial items would be NOK 879 million in 2023. The corresponding figure for 2022 was NOK 1107 million. If interest rates fall by 100 basis points, we would have had the opposite effect of the amounts shown above.

Currency risk sensitivity analysis Statkraft is exposed to changes in the value of NOK relative to other currencies. The currency risk sensitivity has been calculated by assuming a 10% weakening of NOK relative to other currencies based on balances as of 31 December. The sensitivity analysis is run only for assets and liabilities that affect Net financial items and for the revaluation of net assets in foreign subsidiaries (currency translation effects). The calculations do not take into consideration any currency effects that affect other line items than Net financial items in the statement of profit or loss, such as the effect of a change in a foreign exchange rate on power prices, energy derivatives and inventories. This analysis does not consider correlation between currencies.

Specification of currency risk sensitivity [1]

NOK million	2023 Effect on Net financial items before tax	2023 Effect on Currency translation effects	2022 Effect on Net financial items before tax	2022 Effect on currency translation effects
EUR/NOK [2]	-3 953	4 291	-776	2 773
GBP/NOK	-466	609	-527	621
USD/NOK [2]	-736	2 152	-739	1 699
SEK/NOK	-1 143	2 723	-719	2 317
Other	-36	2 157	120	1 966
Total	-6 334	11 933	-2 642	9 376

[1] The table shows the effect on Net financial items and Currency translation effects with a 10% depreciation of NOK against all other currencies. An appreciation of NOK with 10% would have had the opposite effect of the amounts shown in the table.

[2] Effect on Net financial items before tax in 2022 has been restated.

Specification of debt by currency [1]

NOK million	2023 Debt by currency before the effect of derivatives [2]	2023 Debt by currency adjusted for the effect of derivatives [3]	2022 Debt by currency before the effect of derivatives [2]	2022 Debt by currency adjusted for the effect of derivatives [3]
Debt in NOK	12 049	1 535	11 252	1 390
Debt in EUR	33 674	38 256	20 461	25 921
Debt in USD	1 331	5 266	1 715	5 273
Debt in BRL	4 190	4 190	2 404	2 404
Debt in INR	2 104	2 104	1 562	1 562
Total	53 348	51 351	37 393	36 548

[1] Management of foreign exchange risk and interest rate risk are presented in note 7.

[2] Includes commercial papers, bond and bank debt.

[3] Includes commercial papers, bond and bank debt and the currency effect of allocated forward exchange rate contracts. Specification of debt by currency includes effects from allocated forward exchange rate contracts since Statkraft uses these derivatives to achieve the desired currency structure for the Group's debt portfolio.

Note 8 continued

Specification of interest by currency [1]	2023 Interest by currency before the effect of derivatives [2]	2023 Interest by currency adjusted for the effect of derivatives [3]	2022 Interest by currency before the effect of derivatives [2]	2022 Interest by currency adjusted for the effect of derivatives [3]
Nominal average interest rate NOK	**4.20%**	**n/a [4]**	2.80%	n/a [4]
Nominal average interest rate EUR	**2.20%**	**3.00%**	1.80%	1.00%
Nominal average interest rate USD	**2.90%**	**5.40%**	2.67%	3.00%
Nominal average interest rate BRL	**7.60%**	**7.60%**	7.40%	7.40%
Nominal average interest rate INR	**8.90%**	**8.90%**	6.10%	6.10%

[1] Management of foreign exchange risk and interest rate risk is presented in note 7.
[2] Includes commercial papers, bond and bank debt.
[3] Includes commercial papers, bond and bank debt, allocated forward exchange rate contracts and interest rate swaps.
[4] Nominal average interest rate in NOK is not applicable because the figure was negative in parts of 2022 and 2023.

Note 9 Credit risk and liquidity risk

GENERAL INFORMATION ON CREDIT RISK

Credit risk is the risk that Statkraft incurs losses due to the failure of counterparties to honor their financial obligations. Statkraft is facing credit risk when entering into transactions with financial institutions, corporates and providers of clearing services. Credit risk against financial institutions arises from cash or current accounts, deposits, investment of interest-bearing securities, derivative transactions and incoming guarantees. Credit risk against providers of clearing services arises from margin requirements settled as cash payments. Statkraft also assumes credit risk when providing loans to associates and joint ventures. In addition, Statkraft assumes credit risk in connection with energy trading and physical sales contracts. The credit exposure is mainly towards solid Nordic banks. These core relationship banks have very solid credit ratings and are monitored continuously regarding default risk. Historically, Statkraft's credit losses have been limited and Statkraft does not expect material losses in the future.

Statkraft has entered into agreements under which collateral is transferred or received based on the mark-to-market value of interest rate and foreign exchange derivatives with counterparties. Collateral is transferred or received on a weekly basis. Counterparty credit risk is significantly mitigated by collateral under these agreements. Similar agreements have been established for individual counterparties for financial and physical energy contracts.

To reduce credit risk related to clearing services, Statkraft has an agreement where a financial institution posts security to Nasdaq on behalf of Statkraft. Statkraft borrows securities from the financial institution to cover portion of its margin requirements within an agreed framework. The financial institution finances the margin requirements and retains substantially all risks and rewards related to the securities. This means that this arrangement is not included on Statkraft's statement of financial position. However, the underlying responsibility for the margin requirement is unchanged. At the end of 2023, total EUR 212 million in securities was posted as initial margin at Nasdaq.

The credit risk for financial energy contracts which are settled through an energy exchange is considered to be low. For all other bilateral energy contracts entered into, the counterparty is assigned an internal credit rating and limits are stipulated for the individual counterparty based on the internal credit rating.

Statkraft has netting agreements with most of its energy trading counterparties. In the event of default, the netting agreements give a right to a final settlement where all future contract positions are netted and settled. See note 10 for more information.

Excess liquidity is defined as Cash and cash equivalents and is managed in a conservative manner with regard to credit risk, diversification and duration. Management of excess liquidity is handled at Group level. Statkraft's excess liquidity is mainly held in NOK and EUR and invested across various short-term financial instruments such as commercial papers, time deposits and bank deposits. Credit and duration limits are stipulated for each counterparty based on credit ratings and total assets. As of 31 December 2023, approximately 12% of the Group's excess liquidity were held in time deposits, 19% in commercial papers and 70% in overnight bank deposits.

In order to reduce credit risk in connection with energy trading and physical sales contracts, bank or parent company guarantees are sometimes requested when entering into such contracts. The bank which issues the guarantee must be an internationally rated commercial bank which meets minimum rating requirements. When parent company guarantees are received, the parent company is assessed by using ordinary internal credit assessments.

The individual counterparty exposure and limit are monitored continuously and reported regularly to the Corporate Management. An overall counterparty exposure is reported for all relevant legal entities, in addition to being assessed at Group level and included in the Group risk management.

In accordance with the expected credit loss model, Statkraft records lifetime expected credit losses on receivables. The loss provision is based on the Group's assessment of the expected credit losses, and Statkraft does not expect to incur material losses on its receivables.

Statkraft's gross credit exposure corresponds to the recognised value of financial assets, which are found in the various notes to the statement of financial position. To the extent that relevant and significant collaterals have been provided, this is presented below.

NOK million	Note	2023	2022
Gross exposure credit risk:			
Other financial assets, non-current	27	9 370	7 367
Derivatives	10	37 549	56 702
Receivables	29	34 370	58 040
Financial investments, current		762	629
Cash and cash equivalents	30	44 582	58 902
Gross exposure credit risk		126 634	181 639
Exposure reduced by cash collateral:			
Cash collateral	33	-5 420	-3 495
Net exposure credit risk		121 213	178 144

Note 9 continued

GENERAL INFORMATION ON LIQUIDITY RISK

The Group's liquidity risk is the risk that the Group has insufficient funds to meet its payment obligations. The purpose of Statkraft's liquidity management is to always secure fulfilment of payment obligations. Statkraft has incorporated a separate target figure for short-term liquidity to ensure that Statkraft has a satisfactory level of liquidity sources, consisting of cash and cash equivalents, short-term financial investments and unused committed credit facilities.

The liquidity risk is further mitigated through liquidity forecasts, stress tests and access to different borrowing sources and markets. The Group plans for an evenly distributed debt redemption profile to keep refinancing risk low.

Statkraft issues debt primarily under its EUR 6.0 billion Euro Medium Term Note Programme listed on the Irish Stock Exchange. In addition, Statkraft has a backup facility of EUR 1.3 billion supported by the Group's core banks. The backup facility is maturing in 2028. Statkraft also has an unused overdraft facility of NOK 2.05 billion which is renewed on an annual basis.

The main cash outflows include the annual dividend payment, debt redemptions, tax payments in addition to planned investments and margin requirements related to commodity trading and hedging and foreign exchange and interest rate hedging.

Maturity schedule, bonds, commercial papers and bank debt

NOK million	0-1 year	1–2 years	2–3 years	3–4 years	4–5 years	5 years and later
Instalments on bank debt	992	2 518	585	149	157	3 227
Instalments on bonds and commercial papers	5 800	5 976	5 600	2 800	-	25 541
Interest payments	1 647	1 319	1 195	1 004	771	3 304
Total maturity schedule 2023	8 440	9 813	7 380	3 953	928	32 073
Total maturity schedule 2022	13 018	1 527	6 620	993	3 362	17 104

Allocation of derivatives with negative market values

The Group has a significant number of financial and energy derivatives. In the table below, derivatives with negative market value are included. The non-discounted values are allocated to the time intervals based on the contractual due dates. The contractual due dates decide the maturity date and timing of the cash flow for the derivatives.

NOK million	0-1 year	1–2 years	2–3 years	3–4 years	4–5 years	5 years and later
Energy derivatives	13 848	6 538	3 188	2 273	1 865	4 360
Interest rate- and foreign currency derivatives	124	4	19	15	-	-
Total derivatives 2023	13 972	6 542	3 207	2 288	1 865	4 360
Total derivatives 2022	38 686	20 746	7 833	3 902	2 760	7 811

Note 10 Financial instruments

GENERAL INFORMATION

Financial instruments account for a significant part of Statkraft's statement of financial position and are significant for the Group's results. Most of the financial instruments can be classified into three main categories; energy trading, risk reducing and optimisation of future revenues from generation and financial activities. In addition, Statkraft has other financial instruments such as accounts receivable, accounts payable, cash, short-term financial investments and equity investments.

Financial instruments in energy trading Financial instruments are used within the trading and origination activities. The trading and origination activities are managed independently of the Group's energy generation. Their main objectives are to achieve profit from changes in the market value of energy and energy-related financial products, as well as profit from non-standard contracts. Financial instruments in energy trading mainly consist of financial and physical agreements relating to purchase and sale of power, gas, oil, coal, carbon quotas and environmental certificates.

Financial instruments in risk reducing and optimisation activities Financial instruments are also used as part of the Group's financial hedging strategy for continuous optimisation of future revenues from the expected generation from own assets. Derivatives recognised in the statement of financial position are shown as separate line-items and are measured at fair value with changes recognised in the statement of profit or loss. This implies volatility in the statement of profit or loss as the hedged items are not recognized in the financial statement in the same period.

Financial instruments in financial activities Financial instruments used in financial activities primarily consist of bonds, commercial papers, loans, interest rate swaps and forward exchange contracts. To mitigate currency and interest rate risks, Statkraft applies interest rate and foreign currency derivatives in addition to debt in foreign currency. Hedge accounting is reflected in the financial statements for selected loan arrangements where the interest rate has been changed from fixed to floating (fair value hedging). Changes in the value of financial instruments that are not a part of hedge accounting may result in volatility in the statement of profit or loss without necessarily reflecting the underlying business activities.

MATERIAL ACCOUNTING POLICIES

Financial instruments are recognised when Statkraft becomes a party to the contractual terms of the instrument. Financial assets and liabilities are classified based on the nature and purpose of the instruments into the categories "financial instruments at fair value through profit or loss", "financial assets at fair value through other comprehensive income" and "financial instruments at amortised cost". Initial measurement is at fair value for all categories. The content of the categories and subsequent measurement are described below.

Financial instruments measured at fair value through profit or loss

- Physical power sales contracts which are considered as readily convertible to cash and are not entered into for own use.
- Financial contracts to purchase and sell energy-related products classified as derivatives.
- Embedded derivatives are separated and treated as derivatives when the risks and characteristics of the derivative are not closely related to the host contract, and the host contract is not measured at fair value.
- Contracts to either pay or receive financial earnouts subsequent to acquisition or divestment of shareholdings.
- Currency and interest rate derivatives.
- Shareholdings in Statkraft Ventures.
- Other short-term financial assets held for trading.

Financial instruments at amortised cost
Asset debt instruments are classified in this category when the cash flows are solely payments of principal and interest and Statkraft intends to hold the asset to the maturity date. Liability debt instruments are classified in this category unless they are held for trading. The instruments, both assets and liabilities, are measured at amortised cost using the effective interest rate method, where the effective interest remains the same over the entire term of the instrument. Financial assets at amortised cost are adjusted for provision for impairment in accordance with the expected credit loss model. Credit losses are deducted from the carrying value and recognised in the statement of profit or loss.

ACCOUNTING JUDGEMENTS

Statkraft has a significant volume of energy contracts. A characteristic with energy contracts is that they can be accounted for as financial instruments or as contracts with customers, depending on the terms and conditions.

"Own use" contracts Energy contracts that are entered into and continue to be held for the purpose of the receipt or delivery of the power in accordance with Statkraft's expected purchase, sale or usage requirements are accounted for as own use contracts. These contracts do not qualify for recognition in the statement of financial position in accordance with IFRS 9 but are accounted for as revenue from contracts with customers in accordance with IFRS 15 and energy purchase. "Own use" contracts will typically have a stable customer base e.g. bilateral industry contracts and are always settled by physical delivery.

Energy contracts that can be settled net and that are not within the own use exemption, shall be accounted for as derivatives (financial instruments). Management has applied their best judgement when determining the classification of energy contacts as financial instruments or own use contracts.

Note 10 continued

ESTIMATES AND ASSUMPTIONS

Fair value hierarchy Financial assets and financial liabilities measured and held at fair value are classified into one of three categories, known as hierarchy levels which are defined according to the inputs used to determine fair value:

Level 1: Fair value is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities.

Level 2: Fair value is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data.

Level 3: Fair value is determined using significant unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Level 3 consists of investments in energy derivatives and shares where observable data is not available or does not cover the whole contract period. Observable data (quoted futures) for energy derivatives will normally be available for two to five years ahead of time. If the duration of the contract is significantly longer than the period where observable data exists, the entire contract is a level 3 contract. Energy contracts within the level 3 category mainly consists of physical and financial energy contracts and embedded derivatives from bilateral power sales contracts. A significant part of the embedded derivatives consists of foreign exchange derivatives, and the fair value is not affected by estimated future power prices. The discounted cash flow method is used.

Valuation of energy derivatives within level 3 is based on observable market data or estimates with reference to published quotations for the short-term horizon where this is available. For periods where observable market data is not available, fair value is based on valuation techniques which include data that is not based on or derived from observable market data. Where the calculated fair value at initial recognition differs from the transaction price, a day one gain or loss arises. Such gains and losses are deferred, not recognised, and amortised through the statement of profit or loss based on the purchased or delivered volumes over the contractual period until observable market data becomes available. Any gains and losses arising from subsequent changes in the fair value are taken directly to the profit or loss and are presented net.

Exchange traded contracts are normally discounted with a risk-free interest rate. For most bilateral contracts, a credit valuation adjustment is included in the fair value calculation. Any netting agreements with counterparties are considered in the credit valuation adjustment.

DESCRIPTION OF CONTRACTS AND ASSUMPTIONS

Energy contracts Energy exchange contracts are valued at the exchange's closing rates on the reporting date.

Cash-settled futures are normally accounted for as settled-to-market. This means that the variation margins paid or received are accounted for as recurring settlements of the derivative contract as these payments reflect the fair value of the contract. The variation margins are not viewed as separate unit of accounts in relation to the underlying derivative. Hence, the recognised value of the contracts in the statement of financial position is zero.

For other bilateral energy contracts, the expected cash flow is stipulated based on available closing rates at the reporting date. For most level 3 contracts the last available closing rates are extrapolated using a forward interest curve.

Several energy contracts refer to area prices. These contracts are valued using the closing rates on energy exchanges, where such exist. Internal models are used for area prices where closing prices are unavailable.

Statkraft has energy contracts where the contract price is indexed against commodities such as metal, paper, gas, petroleum products and coal. These are valued using forward prices from relevant commodity exchanges and major financial institutions. If no such forward market exists, a weighted average of historical prices is applied as a best estimate of future prices.

Several energy contracts have prices in different currencies. Quoted foreign exchange rates from The European Central Bank (ECB) are used in the valuation of contracts denominated in foreign currency. If there are no quotes for the entire period, then the interest parity is used to calculate exchange rates.

The market interest rate curve e.g. swap interest rate, is used as the basis for discounting derivatives. The market interest rate curve is stipulated based on the publicised swap interest rates. A credit valuation adjustment is included in cases where the credit risk is relevant. This applies to all external bilateral contracts classified as assets and liabilities.

Environmental certificate derivatives

- CO_2 contracts are valued based on the forward prices of European Union Allowance (EUA) quotas and UK Allowance (UKA) quotas.
- Green certificate derivatives are valued using observable forward prices.

Currency and interest rate derivatives The fair value of interest rate swaps is determined by discounting expected future cash flows through the use of observed market interest rates and quoted exchange rates from The European Central Bank. The valuation of forward currency exchange contracts is based on quoted exchange rates from which the forward exchange rates are extrapolated. Estimated net present value is subject to a test of reasonableness against calculations made by the counterparties.

Commercial papers and bonds held for trading are valued at quoted prices.

Shares and shareholdings are valued at quoted prices when available. For fair value measurement of shares within Statkraft's venture business judgement is exercised, and estimates are made to adjust the market data to reflect the potential impact of other factors such as geography, relevant market development, rights attributable, revenue growth and equity prices. Other securities are valued by discounting expected future cash flows.

Note 10 continued

Fair value hierarchy

2023	Fair value measurement at period-end using:			
NOK million	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit or loss				
Energy derivatives, non-current assets	852	8 071	15 452	**24 375**
Energy derivatives, current assets	184	10 963	321	**11 467**
Energy derivatives, non-current liabilities	-452	-7 753	-10 819	**-19 024**
Energy derivatives, current liabilities	-635	-10 490	-91	**-11 216**
Energy derivatives, net	-51	792	4 862	**5 603**
Currency and interest rate derivatives, non-current assets	-	965	-	**965**
Currency and interest rate derivatives, current assets	-	742	-	**742**
Currency and interest rate derivatives, non-current liabilities	-	-90	-	**-90**
Currency and interest rate derivatives, current liabilities	-	-69	-	**-69**
Currency and interest rate derivatives, net	-	1 548	-	**1 548**
Other financial assets at fair value through profit or loss				
Shares	-	-	2 584	**2 584**
Financial investments, current	711	50	-	**762**
Other long-term receivables	-	-	499	**499**
Other long-term interest free liabilities	-	-	-82	**-82**
Total	711	50	3 002	**3 763**

2022	Fair value measurement at period-end using:			
NOK million	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit or loss				
Energy derivatives, non-current assets	132	15 269	23 008	38 409
Energy derivatives, current assets	88	13 426	3 839	17 353
Energy derivatives, non-current liabilities	-3 336	-21 378	-18 595	-43 309
Energy derivatives, current liabilities	-3 066	-28 045	-3 520	-34 631
Energy derivatives, net	-6 182	-20 728	4 732	-22 178
Currency and interest rate derivatives, non-current assets	-	771	-	771
Currency and interest rate derivatives, current assets	-	169	-	169
Currency and interest rate derivatives, non-current liabilities	-	-321	-	-321
Currency and interest rate derivatives, current liabilities	-	-418	-	-418
Currency and interest rate derivatives, net	-	202	-	202
Other financial assets at fair value through profit or loss				
Shares	-	-	1 705	1 705
Financial investments, current	574	55	-	629
Commercial papers and short-term bonds	-	-	348	348
Total	574	55	2 053	2 683

Note 10 continued

Assets and liabilities measured at fair value based on Level 3

NOK million	Assets	Liabilities	Total
Opening balance as of 1 Jan 2023	28 915	-22 115	6 800
Unrealised changes in value recognised in profit or loss	-11 096	11 797	701
Additions or derecognitions	696	-	696
Transfers to or from Level 3	-782	388	-394
Currency translation effects	1 122	-1 062	60
Closing balance as of 31 Dec 2023	18 855	-10 992	7 863
Net realised gain (+)/loss (-) recognised in profit or loss 2023			-136
Opening balance as of 1 Jan 2022	13 574	-11 128	2 446
Unrealised changes in value recognised in profit or loss	15 483	-9 433	6 050
Unrealised changes in value recognised in other comprehensive income	-47	-	-47
Additions or derecognitions	206	-	206
Transfers to or from Level 3	-1 016	-925	-1 941
Currency translation effects	715	-629	86
Closing balance as of 31 Dec 2022	28 915	-22 115	6 800
Net realised gain (+)/loss (-) recognised in profit or loss 2022			-609

Sensitivity analysis of factors classified to Level 3

NOK million	10% reduction	10% increase
Net effect from power prices	1 394	-1 422

The effects are not symmetrical due to volume flexibility in the contracts.

Assets and liabilities recognised at amortised cost		**Amortised cost**	**Fair value [1]**	**Amortised cost**	**Fair value [1]**
NOK million	Note	2023	2023	2022	2022
Financial assets at amortised cost					
Loans to equity accounted investments, non-current	27	1 758		1 496	
Bonds and other long-term receivables	27	1 763		1 186	
Accounts receivable	29	20 659		24 678	
Cash collateral and margin calls	29	9 195		24 990	
Other receivables [2]	29	1 285		1 527	
Cash and cash deposits	30	44 582		58 902	
Total		79 242		112 779	
Financial liabilities at amortised cost					
Bank debt (non-current)	33	-6 636	-6 635	-3 627	-3 627
Bond debt (non-current)	33	-39 918	-39 493	-21 456	-20 421
Bank debt (current)	33	-992	-991	-2 058	-2 058
Commercial papers and bond debt (current)	33	-5 800	-5 807	-10 252	-10 197
Debt to Statkraft SF	33, 34	-200		-200	
Cash collateral	33, 34	-5 420		-3 495	
Accounts payable	34	-4 177		-6 452	
Accrued interest-free liabilities	34	-14 322		-17 847	
Other	34	-6 466		-6 227	
Total		-83 933		-71 613	

[1] Fair value is not disclosed when the carrying amount is a reasonable approximation of fair value. Issued bonds and debt are classified in level 2, since the valuation is based on observable market data in the form of interest rate curves, exchange rates and credit margins.

[2] Amount differs from note 29 since prepaid expenses and indirect taxes are not included in note 10.

Note 10 continued

NETTING AGREEMENTS

2023

Financial assets

NOK million	Gross amount	Offsetting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral received	Net value
Energy derivatives	98 958	63 116	**35 842**	-	3 975	**31 867**
Currency and interest rate derivatives	1 707	-	**1 707**	-	1 445	**262**
Total derivatives (current and non-current)	100 665	63 116	**37 549**	-	5 420	**32 129**
Receivables	39 631	4 874	**34 757**	1 027	-	**33 730**

Financial liabilities

NOK million	Gross amount	Offsetting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral pledged	Net value
Energy derivatives	-93 355	-63 116	**-30 239**	-	-4 104	**-26 135**
Currency and interest rate derivatives	-159	-	**-159**	-	-	**-159**
Total derivatives (current and non-current)	-93 514	-63 116	**-30 398**	-	-4 104	**-26 294**
Other current liabilities	-37 795	-4 874	**-32 921**	-1 027	-	**-31 894**

2022

Financial assets

NOK million	Gross amount	Offsetting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral received	Net value
Energy derivatives	111 231	55 469	55 762	-	6 213	49 549
Currency and interest rate derivatives	940	-	940	-	775	165
Total derivatives (current and non-current)	112 171	55 469	56 702	-	6 988	49 714
Receivables	65 777	7 737	58 040	62	-	57 978

Financial liabilities

NOK million	Gross amount	Offsetting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral pledged	Net value
Energy derivatives	-133 409	-55 469	-77 940	-	-11 524	-66 416
Currency and interest rate derivatives	-738	-	-738	-	-438	-300
Total derivatives (current and non-current)	-134 147	-55 469	-78 678	-	-11 962	-66 716
Other current liabilities	-44 837	-7 737	-37 100	-62	-	-37 038

The tables show a reconciliation of gross amounts, booked amounts and net value (net exposure) of financial instruments where there are netting agreements or similar agreements.

A financial asset and a financial liability are presented net in the statement of financial position when Statkraft has a legally enforceable right to offset the asset and the liability and intends to settle on a net basis or realise the asset and the liability simultaneously. The unit of account for netting purposes is the individual cash flow.

For energy derivatives, futures and spot transactions, Statkraft has agreements with counterparties based on various types of master agreements setting the standard terms and conditions between the two parties. In general, the master netting agreements permit netting of payments and involve offsetting cash flows between the two parties when certain conditions are met, such as same commodity, currency and maturity.

The master agreements further serve to mitigate exposure to credit loss by allowing offsetting when an agreement is terminated, provided that such offsetting is permitted within the jurisdiction of the counterparty.

Termination can occur for instance if one of the parties is bankrupt or has defaulted on the agreement. Such close-out netting does not in itself meet the criteria of offsetting in the statement of the financial position.

Currency and interest rate derivatives are booked net for each contract in the statement of financial position.

Financial collateral is typically cash collateral and margin payments to/from counterparty, usually a bank or a clearing house. Financial collateral can also be cash set a side on a restricted bank account to cover forthcoming interest payments and instalments on a loan.

In the tables, the energy, currency and interest rate derivatives are separated in assets and liabilities. Cash collaterals received or pledged are booked net per counterpart and presented as current assets/liabilities, regardless of the maturity of the corresponding derivative. The derivatives, both current and non-current, are therefore presented on the same line item in the table above.

Note 11 Hedge accounting

GENERAL INFORMATION

Statkraft is exposed to foreign exchange and interest rate risks and uses financial instruments to mitigate these risks. For information on how Statkraft manages interest rate and foreign exchange risks, see note 7. Statkraft often manages the risk on a net basis, where few of the hedging relationships fulfil the requirement for hedge accounting. The main objective of the hedge accounting strategy is to reduce the volatility in profit or loss.

Fair value hedge Four loan arrangements are treated as fair value hedges. Issued bonds have been designated as hedged items in the hedging relationships, and the associated interest rate swaps have been designated as hedging instruments. The hedged items are fixed-interest rate bonds with a total nominal value of EUR 1500 million. The hedging instruments are interest rate swaps with a nominal value of EUR 1500 million, entered into with major banks as the counterparties. The agreements swap interest rate from fixed to floating 3-month EURIBOR. The objective of the economic hedging arrangements is to hedge the exposure to changes in the fair value of the borrowings, which are issued at a fixed rate. Only the interest rate component, determined as the interbank swap interest rate, is hedged.

The hedge ratio is 1:1 as the critical terms of the hedged items and the hedging instruments are deemed to be approximately the same. The fair value hedges are expected to be highly effective and there was no significant impact on the statement of profit or loss resulting from hedge ineffectiveness during the year. Hedge ineffectiveness may arise if the terms of the hedged item and the hedging instrument are not fully aligned.

The hedging relationships are expected to remain effective at a future transition from EURIBOR to an alternative risk-free reference rate. The uncertainty related to the transition is limited, since the hedged items have fixed interest. Any accounting effects at transition are expected to be insignificant.

Net investment hedge The remaining effects of net investment hedge and any reclassification from the net investment hedge reserve to profit or loss, can be seen in the statement of changes in equity.

MATERIAL ACCOUNTING POLICIES

Hedge accounting is applied, when all relevant criteria are met for a hedging relationship including the economic hedge objective, in order to reduce or remove an accounting mismatch between the hedging instrument and the hedged item. In fair value hedges the carrying amount of the hedged item is adjusted for the change in fair value of the hedged risk and the value change is presented as Interest expenses in the statement of profit or loss. The change in fair value of the hedging instrument is also presented as Interest expenses.

Fair value hedges of interest rate risk

NOK million	Balance sheet item	Carrying amount[1)]	Accumulated fair value adjustment of the hedged items[1)]	Changes in fair value used for calculating hedge ineffectiveness
2023				
Hedged items:				
Fixed rate borrowing	Bond and bank debt	-16 868	-163	-626
Hedging instruments:				
Interest rate swaps	Derivatives	161		621
2022				
Hedged items:				
Fixed rate borrowing	Bond and bank debt	-12 549	462	606
Hedging instruments:				
Interest rate swaps	Derivatives	-460		-603

[1)] Accrued interest is not a part of the carrying amount.

Timing profile of hedging instruments designated to fair value hedges of interest rate risk

	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years and later
2023						
Interest rate swaps, nominal amounts		MEUR 250	-	-	-	MEUR 1250
2022						
Interest rate swaps, nominal amounts	MEUR 500	-	MEUR 250	-	-	MEUR 500

Note 12 Sales revenues and energy purchase

GENERAL INFORMATION

The Group's sales revenues and energy purchase are divided into the following 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. See note 1.
- A subsea interconnector between Sweden and Germany, in the company Baltic Cable.
- Revenues related to ancillary services from reserved capacity.
- Rental of power plants in Norway.
- Grid activities in Norway and Peru.
- EV charging activities in Europe.

MATERIAL ACCOUNTING POLICIES

The main principle under IFRS 15 is to recognise revenue at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Generation and District heating

The revenues from Generation and District heating bear the characteristic of delivering power or district heating at a certain price. The performance obligation is to deliver a series of distinct goods (power or district heating) and the transaction price is the consideration Statkraft expects to receive, at either spot price, regulated price or contract price. The performance obligation is satisfied over time which entails that revenue should be recognised for each unit delivered at the transaction price. Statkraft applies a practical expedient under IFRS 15 whereby the revenue from power for most of the contracts is recognised at the amount of which the entity has a right to invoice. The right to invoice power arises when power is produced and delivered and the right to invoice the consideration will normally correspond directly with the value to the customer.

In arrangements where Statkraft sells power on an exchange (e.g. Nord Pool), the exchange is determined to be the customer. This is the enforceable contracts Statkraft has with the exchanges.

In certain jurisdictions, Statkraft is required by law to cede a share of the power generation to counties and municipalities where the power is generated. Statkraft has concluded that income from delivery of concessionary power does not arise from a contract with a customer under IFRS 15. However, Statkraft applies the principles and policies in IFRS 15 by analogy and presents income from sale of concessionary power as revenues.

Government grants are conditional to own generation of power from certain technologies. The right to receive the grants are obtained at the time of generation, and at the point of generation there is a reasonable assurance that Statkraft complies with the conditions related to the government grants and that the grants will be received. The grants are closely connected to the generation and the income is therefore presented as Sales revenues and revenue category generation. The recognised amount from government grants was NOK 1006 million in 2023 (NOK 467 million in 2022).

For power sales contracts where Statkraft receives a fixed prepayment and where the delivery profile is not agreed, revenues are recognised on a straight-line basis over the contract period (years). Within the respective years, the revenues are recognised based on the expected production profile for the relevant power plants. See note 32.

Customers

This category includes sales revenues and energy purchase from market access activities which are in accordance with IFRS 15 (own use exemption). Other market access activities which are in accordance with IFRS 9 are presented net in the line item "Gains and losses from market activities" in the statement of profit or loss.

When other parties are involved in providing goods or services to Statkraft's customers, Statkraft has to determine whether its performance obligation is to provide the good or service itself (i.e. Statkraft is a principal) or to arrange for those goods or services to be provided by another party (i.e. Statkraft is an agent). In assessing whether Statkraft is agent or principal, Statkraft considers its contractual rights to direct the use of the electricity, balancing risk, discretion prices of the deliveries and whether Statkraft acts as the primary obligor of the deliveries. If Statkraft is a principal, the remuneration received from the customer is presented gross as sales revenues. The corresponding energy purchase is presented gross on a separate line item in the statement of profit or loss. If Statkraft is an agent, the compensation for the service delivered is presented net as sales revenues.

Statkraft sells power to end-users (power consumers) in the UK. The contracts are considered as "own use" contracts and within scope of IFRS 15. Statkraft applies the same principles for end-user deliveries as for generation described above.

Note 12 continued

Other

Revenues from grid activities have the same characteristics as those described under Generation. Statkraft applies a practical expedient under IFRS 15 whereby the revenues from transportation of power are recognised at the amount to which the entity has a right to invoice.

The Group receives monetary contributions from customers in different jurisdictions in aid of construction of infrastructure connecting the customers to the grid for electricity or to district heating. Contributions to infrastructure assets represent payments which are to be evaluated together with pricing of future deliveries by Statkraft to the customer (one performance obligation) and revenue is therefore recognised over time. Statkraft has considered that it is appropriate to recognise these revenues over the expected useful life of the infrastructure assets.

The revenues from the subsea interconnector between Sweden and Germany in the company Baltic Cable are regulated, see note 35 for further details.

Revenues related to DS/DBS business model in Europe:

Asset management, operation and maintenance For some of the divested power plants, Statkraft will deliver asset management, operation and maintenance services to the asset owner. Revenues are generally recognised over time but will depend on the facts and circumstances of the contract. Revenues from these services are presented as Sales revenues.

Power generation before divestment If the construction of a power plant in the DS/DBS business model is completed before divestment, the power plants will generate power and these revenues are presented as Sales revenues.

Note 12 Continued

Specification per revenue category

NOK million	Statkraft AS Group	Nordics	Europe	International	Markets	District heating	New technologies	Other	Group items
2023									
Generation - sales revenues	46 947	36 672	6 056	4 329	12	-	-	-	-121
Generation - energy purchase	-5 193	-833	-3 091	-1 385	-3	-	-6	-	125
Generation - net	41 754	35 839	2 965	2 944	9	-	-6	-	3
District heating - sales revenues	1 286	168	-	-	-	1 125	-	-	-8
District heating - energy purchase	-598	-80	-	-	-	-525	-	-	7
District heating - net	688	88	-	-	-	600	-	-	-
Customers - sales revenues	45 658	276	-5	-	47 208	-	-	-	-1 822
Customers - energy purchase	-43 011	-253	-	-	-44 580	-	-	-	1 823
Customers - net	2 648	23	-5	-	2 628	-	-	-	1
Other - sales revenues	8 767	6 967	741	236	-28	-	994	-	-144
Other - energy purchase	-3 032	-2 147	-98	-144	-	-	-682	-13	52
Other - net	5 735	4 820	643	92	-28	-	312	-13	-92
Sales revenues - total	102 657	44 084	6 792	4 565	47 192	1 125	994	-	-2 094
Energy purchase - total	-51 833	-3 313	-3 189	-1 529	-44 583	-525	-688	-13	2 007
Sales revenues adjusted for energy purchase	50 824	40 771	3 603	3 036	2 609	600	306	-13	-87
2022									
Generation - sales revenues	**64 904**	50 927	10 441	3 649	-	-	-	-	-112
Generation - energy purchase	**-8 457**	-1 579	-5 787	-1 206	2	-	-	-	113
Generation - net	**56 447**	49 348	4 654	2 443	2	-	-	-	1
District heating - sales revenues	**1 203**	137	-	-	-	1 076	-	-	-10
District heating - energy purchase	**-384**	-55	-	-	-	-339	-	-	10
District heating - net	**819**	82	-	-	-	737	-	-	-
Customers - sales revenues	**80 296**	256	-2	-	82 113	-	-	-	-2 071
Customers - energy purchase	**-77 400**	-251	-13	-	-79 207	-	-	-	2 071
Customers - net	**2 896**	5	-14	-	2 906	-	-	-	-1
Other - sales revenues	**12 503**	10 028	1 759	265	-125	7	655	-	-87
Other - energy purchase	**-6 190**	-4 384	-1 169	-173	-	-	-470	-36	42
Other - net	**6 312**	5 644	590	92	-125	7	185	-36	-45
Sales revenues - total	**158 906**	61 348	12 198	3 914	81 988	1 084	655	-	-2 280
Energy purchase - total	**-92 431**	-6 269	-6 969	-1 379	-79 205	-339	-470	-36	2 236
Sales revenues adjusted for energy purchase	**66 475**	55 079	5 230	2 535	2 783	745	185	-36	-45

Specification per geographical area

External sales revenues are allocated based on the geographical origin of generating assets or activities.

Geographical areas

NOK million	Statkraft AS Group	Norway	Germany	Sweden	UK	Albania	Brazil	Peru	Other
2023									
Sales revenues external	102 657	43 628	23 731	7 074	18 042	1 029	2 011	1 542	5 599
Generation	46 947	33 014	4 715	3 670	164	1 029	2 011	1 323	1 020
District heating	1 286	1 124	-	162	-	-	-	-	-
Customers	45 658	5 482	18 689	-	17 333	-	-	-	4 155
Other	8 767	4 009	327	3 242	545	-	-	219	424
2022									
Sales revenues external	**158 906**	63 060	52 780	11 219	17 757	1 597	1 496	1 393	9 604
Generation	**64 904**	46 558	8 781	4 158	193	1 597	1 496	1 132	989
District heating	**1 203**	1 072	-	132	-	-	-	-	-
Customers	**80 296**	12 246	43 620	-	17 159	-	-	-	7 270
Other	**12 503**	3 184	379	6 929	405	-	-	261	1 345

Note 12 Continued

Further specification of sales revenues for revenue category **Generation:**

Generation - sales revenues

NOK million	2023	2022
Spot sales	35 618	55 829
Long-term contracts	9 872	8 197
Concessionary power	451	411
Environmental certificates	1 006	467
Generation - sales revenues	**46 947**	**64 904**

The **District heating** category includes district heating deliveries and waste handling in Norway and Sweden.

The **Customers** category mainly relates to market access activities in Europe. Statkraft offers market access services to small producers of renewable energy. These services include wind forecasting, nomination, balancing, settlement and necessary IT systems in order to market the power. The main objective is to achieve low imbalance costs. The market access business is a low margin activity combined with large scale, where the power is sold through the power exchanges. The most significant revenues are in Germany, UK and Norway, see specification per geographical area on previous page. In addition, there are revenues from end-user activities in UK, which are related to the supply of zero carbon, 100% renewable electricity to British businesses, along with optimisation of flexible assets (such as batteries, fridges or air conditioning) owned by the customers.

Further specification of sales revenues for revenue category **Customers:**

Customers - sales revenues

NOK million	2023	2022
Market access	33 215	71 781
End-user	12 443	8 515
Customers - sales revenues	**45 658**	**80 296**

Further specification of sales revenues for revenue category **Other:**

Other - sales revenues

NOK million	2023	2022
Distribution grid	1 568	1 333
Sales of energy capacity to transmission system operator	1 753	1 498
Subsea cable	3 198	6 244
Revenues related to DS/DBS business model in Europe	432	1 566
Rental of power plants [1)]	679	1 198
EV charging	914	595
Miscellaneous	222	69
Other - sales revenues	**8 767**	**12 503**

[1)] Revenues from power plants that are leased to third parties presented as Sales revenues, while expenses related to the operation of the power plants are recognised under Operating expenses.

Note 13 Gains/losses from market activities

GENERAL INFORMATION

Risk reducing revenue optimisation activities consist of financial power contracts that mitigate price risk related to power generation in the segments Nordics and Europe, see “Financial hedging” in the table below. Statkraft also operates a Nordic revenue optimisation portfolio with the aim to actively adjust the overall hedge ratio and profile of the Nordic hydro and wind assets.

Following the changes in strategy and new organisational setup, the dynamic asset management portfolios were discontinued in 2022. At end of 2022, all positions were closed.

Trading and origination activities

Trading activities include buying and selling standardised and liquid products, such as power, oil and gas contracts.

Origination activities include buying and selling both standardised and structured energy-related products and services. It also includes market access activities in accordance with IFRS 9.

Embedded derivatives are related to long-term power sales agreements with industrial customers in Norway, where the contracts are nominated in euro and/or where the pricing is linked to certain commodity prices or inflation indexes.

For more information on the categories above, see note 7.

MATERIAL ACCOUNTING POLICIES

Derivatives Risk reducing derivatives and most of the contracts within trading and origination are recognised at fair value through profit or loss (see note 10). The gains and losses consist of both realised and unrealised items and are presented net.

Embedded derivatives The foreign exchange exposure Statkraft takes on by nominating power sale contracts with Norwegian industrial customers in euro is considered to be an embedded derivative. In addition, some of these contracts are linked to the development of commodity prices and/or inflation indexes. These derivatives are separated from its host contract and recognised at fair value in the statement of financial position. See note 10.

Inventories Environmental certificates within the trading and origination activities are mainly recognised at fair value less costs to sell (see note 28). The gains and losses consist of both realised and unrealised items and are presented net.

Gains/losses from market activities

NOK million	2023	2022
Nordics:		
- Financial hedging and revenue optimisation	2 783	-4 074
- Embedded derivatives linked to various commodities and consumer price indexes	-1 050	2 511
- Embedded EUR derivatives	3 181	-1 338
- Other	317	-408
Sub-total	5 231	-3 310
Europe:		
- Financial hedging	5 047	-225
Sub-total	5 047	-225
Markets:		
- Trading & origination activities [1)]	7 467	10 831
- Dynamic asset management portfolios (DAMP)	-	407
Sub-total	7 467	11 238
Group items and other	451	-544
Gains/losses from market activities	18 196	7 159

[1)] Includes trading, origination and market access activities which are in accordance with IFRS 9.

Note 13 continued

Gains/losses from market activities consist of the following items:

Nordics

- Financial hedging of parts of the generation revenues for the Nordics and a revenue optimisation portfolio with the aim to actively adjust the overall hedge ratio and profile of the Nordic hydro and wind assets.
- Embedded derivatives for long-term power sales agreements, where the pricing is linked to certain commodity prices or inflation indices.
- Embedded derivatives for long-term power sales agreements, where the contracts are nominated in euro.
- Other.

Europe

- Financial hedging of parts of the generation revenues from gas-fired power in Germany.
- Financial hedging of parts of the generation revenues related to German and French wind power.
- Financial hedging of parts of the generation revenues related to Spanish solar power.
- Financial hedging of parts of the generation revenues from hydropower in Albania.

Markets

- Trading, origination and market access activities in accordance with IFRS 9.
- Dynamic asset management portfolios (DAMP). At end of 2022, all positions were closed.

Group items and other

- Interest and exchange rate derivatives towards the segment Markets.

Note 14 Other operating income

GENERAL INFORMATION

Other operating income includes gains from disposals of property, plant and equipment and insurance settlements. It also includes gains from divestment of shares, including sale of shares within the Development-Sell (DS)/Development-Build-Sell (DBS) business model.

MATERIAL ACCOUNTING POLICIES

Divestments of SPVs related to the DS/DBS model are treated as loss of control in a subsidiary in accordance with IFRS 10 Consolidated Financial Statements. A gain or loss is recognised in the statement of profit or loss as either Other operating income or Other operating expenses (see note 19).

Other operating income

NOK million	Note	2023	2022
Gains from divestments of business activities	5	1 603	-
Gains from sale of shares in SPVs related to DS/DBS model	5	130	228
Miscellaneous other operating income [1]		974	1 181
Total		2 706	1 409

[1] Includes NOK 231 million in congestion income from the transmission system operator in Norway in 2023 and NOK 621 million in 2022.

Note 15 Impairments/reversal of impairments

MATERIAL ACCOUNTING POLICIES

Property, plant, equipment and intangible assets are reviewed for impairment at the end of every quarter. When there are indicators that any key value driver has been adversely affected, the recoverable amount is calculated to determine whether the carrying value needs to be adjusted. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use (VIU). Intangible assets with indefinite useful life are not amortised but are considered for impairment once every year and when there are circumstances or indicators implying that an impairment test should be performed. The impairment and reversal assessments are mainly performed by using value in use.

For the purpose of assessing impairments, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units (CGUs)). CGUs in Statkraft are identified as follows:

Hydropower Power plants sharing the same water flow and/or being subject to the same infrastructure limitations are managed together to optimise power generation.

Wind and solar farms The individual farm, unless two or more farms are subject to limitations in infrastructure like a substation and are managed together to optimise power generation.

Gas-fired power plants A gas-fired power plant normally constitutes a CGU unless two or more plants are controlled and optimised together so that revenues are not independent of each other.

District heating Each plant together with associated infrastructure including distribution networks.

Electrical vehicle charging All charging stations within the same country.

Biomass power plants The individual biomass power plant.

Goodwill Goodwill is allocated to CGU or groups of CGUs identified in the acquisition of Element Power (Onshore wind), Solar Century (Solar) and MER (EV charging).

Equity accounted investments are tested for impairment when there are indicators of possible impairment. An impairment loss is recognised if the recoverable amount, estimated as the higher of fair value less cost to sell or value in use, is below the carrying value and a reversal of impairment is recognised in the opposite case. Impairments in equity accounted investments are presented as a part of Share of profit/loss in equity accounted investments in the statement of profit or loss.

ACCOUNTING JUDGEMENTS

Indicator assessment Indicators that might give rise to an impairment loss are analysed and discussed by the segments and the Group's specialists.

Special attention is given to assets where one or more of the following situations are present:

- The difference between carrying value and recoverable amount is marginal.
- Regulatory environment is unclear, or project execution is uncertain.
- Structural changes in market conditions that lead to changes in the expected long-term power prices.
- Impairment loss has been assessed in earlier periods.

ESTIMATES AND ASSUMPTIONS

Value in use is calculated as future expected cash flows discounted by using a required rate of return equal to the market's required rate of return for corresponding assets in the same industry. The operating expenses are derived from the current year's expenses and next year's budget. Restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance in the CGU being tested, are not included. Expected maintenance investments are included for commissioned power plants. Provision for decommissioning is not usually included in the value in use calculation.

When determining the value in use for property, plant and equipment under construction, remaining investments approved by Statkraft's management are included.

Assumptions applied when assessing value in use The recoverable amount is sensitive to the long-term price forecast for power, expected production volumes and the discount rate.

Power prices:

- For the short-term period, typically the first 4-5 years, Statkraft's short-term price forecasts are applied as a basis for estimating future revenues.
- For the long-term period (+8 years from current year, i.e. year 2031 and onwards), estimated revenues are based on Statkraft's long-term price forecast for power, as described in note 2.
- For the period between short-term and long-term periods, estimated revenues are based on price forecast from Statkraft's interim update, which is updated on a quarterly basis.

Production volumes The production volume used in the discounted cash flow analyses is the long-term expected production volume for any given site, taking into account all expected technical, hydrological and wake losses. Climate risks are taken into consideration when estimating the hydropower plants' inflow and expected flood mitigation actions. The volume estimate is a combination of information from turbine suppliers, third-party consultants and Statkraft's internal estimates.

Note 15 continued

Discount rate The discount rate applied when calculating value in use is based on a discount rate after tax and with differentiation between generation technologies and countries in Europe. Estimated future cash flows are discounted using a nominal post-tax discount rate which is based on Statkraft's post-tax weighted average cost of capital (WACC). The use of post-tax discount rates in determining value in use will not significantly affect the amount of impairment/reversal of impairment compared with applying a pre-tax discount rate. Iterations are performed to ensure that the impact of post-tax calculation does not differ significantly from a pre-tax estimate.

Assumptions applied when assessing fair value less cost of disposal A fair value less cost of diposal approach is applied for assets operating in a market where observable transactions for comparable assets exist. This is applied for certain onshore wind assets in Europe, where the fair value of the CGUs is derived from comparable onshore wind transactions. The valuation model applied is based on observable market prices.

Impairments/reversal of impairments recognised in the statement of profit or loss

NOK million	2023	2022
Impairment of property, plant, equipment and intangible assets	188	2 499
Reversal of impairments on property, plant and equipment and intangible assets	-2 542	-1 593
Total impairments/reversal of impairments in consolidated business	-2 354	907
Equity accounted investments	-314	-564
Total impairments/reversal of impairments	-2 668	343

IMPAIRMENTS/REVERSAL OF IMPAIRMENTS IN 2023

Intangible assets, property, plant and equipment:

Wind power in Sweden and Norway A reversal of NOK 2542 million related to wind farms in Sweden (NOK 1754 million) and Norway (NOK 788 million) was recognised in the statement of profit or loss under the segment Nordics. The reversal is explained by expected higher future power prices and reduced resource rent tax in Norway to 25%, from the initial proposal of 40%.

Equity accounted investments:

Hydropower in Chile A reversal of NOK 331 million related to a hydropower plant was recognised in the statement of profit or loss. The reversal is explained by expected higher future power prices. The reversal is presented as share of profit or loss in equity accounted investments under the segment International.

NOK million				
Segment	**Nordics**	**Nordics**	**Other [1]**	**Total**
Geography	Norway	Sweden		**consolidated**
Technology	Wind	Wind		**business**
Recoverable amount relevant assets/CGUs	5 016	4 612		
Recoverable amount applied	VIU	VIU		
Impairments/reversal of impairments (-)	-788	-1 754	188	**-2 354**
Discount rate after tax	7.0%	6.7%		
Discount rate before tax	11.7 %	9.4%		
Sensitivity analysis: [2]				
Power prices +10%	429	602		
Power prices -10%	-433	-602		
Discount rate -1%-point	449	444		
Discount rate +1%-point	-385	-393		
Strengthening of EUR by +2% during the full lifetime	90	126		
Weakening of EUR by -2% during the full lifetime	-90	-124		
Strengthening of EUR by +10% in 2023-2027 and +2% for the remaining lifetime	190	259		
Weakening of EUR by -10% 2023-2027 and -2% for the remaining lifetime	-194	-260		

[1] Mainly related to impairment of NOK 74 million of a solar power plant in India and impairment of NOK 59 million of an industrial site in Norway.

[2] The sensitivties disclosed are the ones assumed to be the most relevant for the specific CGU.

Note 15 continued

IMPAIRMENTS/REVERSAL OF IMPAIRMENTS IN 2022

Intangible assets, property, plant and equipment:

Hydropower in Albania A reversal of NOK 1243 million related to hydropower plants in Albania was recognised in the statement of profit or loss under the segment Europe. The reversal was explained by higher future power prices.

Hydropower in Chile An impairment of NOK 1726 million related to a hydropower project was recognised in the statement of profit or loss under the segment International. The impairment was mainly explained by expected lower power prices in the long-term horizon. The project was also impacted by delay in expected commercial operation date, resulting in lower revenues and increased estimated costs.

Wind power in Norway An impairment of NOK 692 million related to wind power plants was recognised in the statement of profit or loss under the segment Nordics. The impairment was explained by the introduction of resource rent tax on onshore wind power plants.

Equity accounted investments:

Hydropower in India A reversal of NOK 202 million related to a hydropower plant was recognised in the statement of profit or loss, mainly as a result of expected higher future power prices. The reversal was presented as Share of profit/loss in equity accounted investments under the segment International.

Hydropower in Chile A reversal of NOK 362 million related to two hydropower plants was recognised in the statement of profit or loss. The reversal was explained by expected higher future power prices in the short-term horizon. The reversal was presented as Share of profit/loss in equity accounted investments under the segment International.

NOK million

Segment	**Nordics**	**Europe**	**International**	**Other** [1]	**Total**
Geography	Norway	Albania	Chile		**consolidated**
Technology	Wind	Hydropower	Hydropower		**business**
Recoverable amount relevant assets/CGUs	3 586	11 006	2 155		
Recoverable amount applied	VIU	VIU	VIU		
Impairments/reversal of impairments (-)	692	-1 243	1 726	-268	**907**
Discount rate after tax	8.1%	7.7%	6.4%		
Discount rate before tax	14.7%	8.6%	8.7%		
Sensitivity analysis: [2]					
Power prices +10%	362	1290	n/a		
Power prices -10%	-414	-1286	n/a		
Net revenues[3] +10%	n/a	n/a	271		
Net revenues -10%	n/a	n/a	-261		
Change in tax depreciations [4]	-272	n/a	n/a		
Discount rate -1%-point	363	n/a	668		
Discount rate +1%-point	-310	n/a	-483		
Discount rate 100% Albania [5]	n/a	-891	n/a		
Discount rate 100% Hungary [5]	n/a	729	n/a		

[1] Mainly related to reversal of impairment of NOK 350 million of a hydropower pump storage in Germany.
[2] The sensitivities disclosed are the ones assumed to be the most relevant for the specific CGU.
[3] Sales revenues minus energy purchase.
[4] Due to uncertain resource rent tax rules regarding historical capital expenditures, the VIU was calculated based on a consultation draft. In the sensitivity analysis the historical tax base was unadjusted, which meant lower future tax depreciations.
[5] The WACC applied in the VIU is mix of both Albanian and Hungarian input as these are the most important markets for the CGU.

Note 16 Salaries and number of full-time equivalents

NOK million	2023	2022
Salaries	**4 680**	3 721
Employers' national insurance contribution	**993**	704
Pension costs [1]	**544**	823
Other benefits	**1 774**	2 260
Total	**7 991**	7 508

[1] Pension costs are described in further detail in note 17.

	2023	2022
Average number of full-time equivalents	**5 485**	4 622
Number of full-time equivalents as of 31 Dec	**6 110**	4 859

Note 17 Pensions

GENERAL INFORMATION

Statkraft's pension benefit schemes have been established in accordance with local statutes and cover both defined contribution schemes and defined benefit schemes.

Defined contribution schemes A defined contribution scheme is a retirement benefit scheme where the Group pays fixed contributions to a separate entity without incurring further obligations once the payment has been made. The main contribution scheme in the Group is described in more detail below.

Defined contribution scheme in Norway Statkraft's pension scheme for new employees in Norway is a defined contribution scheme. The contributions are 6% of the pensionable income up to 7.1 of the National Insurance Scheme's basic amount (G), and 18% of the pensionable income between 7.1G and 12G. In addition to retirement pensions, the contribution schemes also include risk cover in the event of disability and death. Members of the defined contribution scheme are also covered by the early retirement pension scheme (AFP) in the private sector.

Defined benefit schemes Defined benefit schemes are post-employment benefit plans other than defined contribution plans. These plans create obligations to provide agreed benefits to current and past employees and effectively places actuarial risk on the Group. The main defined benefit schemes in the Group are closed and are described in more detail below.

Funded defined benefit scheme in the National Pension Fund (SPK) and Skagerak Energi Pension Fund (SEPK) in Norway The schemes cover retirement, disability and dependants pensions. The schemes also offer contractual AFP from the age of 62 for those born in 1962 or earlier. Employees in the schemes participate in public service occupational pension schemes in accordance with the Norwegian Public Service Pension Fund Act, the Norwegian Public Pension Service Pension Fund Transfer Agreement and the regulatory framework governing public service pensions.

The retirement benefit for employees born before 1963 is set as a percentage of the employee's salary. At maximum accrual, the retirement schemes provide pension benefits amounting to 66% of pensionable salary, up to 12G. The scheme benefits are coordinated with the benefits provided by the Norwegian National Insurance Scheme. From 1 January 2020 employees born in 1963 or later earn retirement benefits as a supplement to pensions in the National Insurance System.

Companies in Norway with schemes in the SPK pay an annual premium and are responsible for the financing of the scheme. Pension benefits from the SPK are guaranteed by the Norwegian state. The SPK scheme is not asset-based, but management of the pension fund assets is simulated as though the assets were invested in government bonds with 1, 3, 5 or 10-year duration, in addition to a share in the Government Pension Fund Global. The pension benefit scheme in SPK was closed for new employees 1 January 2014.

Companies in Norway with schemes in the SEPK pay an annual premium and are responsible for financing the scheme. Pension assets are placed in a diversified portfolio of Norwegian and foreign interest-bearing securities, Norwegian and foreign shares, hedge funds and properties through external asset managers. The pension benefit scheme in SEPK was closed for new employees 1 March 2016.

Unfunded defined benefit schemes in Norway Some Group companies in Norway have entered into an additional pension agreement that provides all employees whose pensionable incomes exceed 12G with a retirement and disability pension equivalent to 66% at maximum accrual of that portion of their pensionable income exceeding 12G. This agreement was closed for new employees 30 April 2012.

MATERIAL ACCOUNTING POLICIES

The liability recognised in the balance sheet which relates to the defined benefit scheme is the present value of the future retirement benefits that are reduced by the fair value of the plan assets. Net pension fund assets for overfunded schemes are classified as non-current assets and recognised in the balance sheet at fair value. Net retirement benefit liabilities for underfunded schemes and non-funded schemes that are covered by operations are classified as non-current liabilities.

The pension costs for the period are included under Salaries and other payroll costs. The pension costs related to defined benefit schemes comprise the total of the retirement benefits accrued during the period, the interest on the estimated liability and the projected yield on pension fund assets. Gains and losses attributable to changes in actuarial assumptions or base data are recognised in other comprehensive income.

ESTIMATES AND ASSUMPTIONS

The calculation of pension liabilities involves the use of judgement and estimates across a range of parameters. Present value of accrued pension entitlements for defined benefit schemes and present value of accrued pension entitlements for the year are calculated using the accrued benefits method. Net pension liabilities in the balance sheet are adjusted for expected future salary increases until retirement age.

The discount rate The discount rate is based on high-quality corporate bonds (covered bonds - OMF). Statkraft is of the opinion that the market for covered bonds represents a deep and liquid market with relevant durations that qualify as a reference interest rate in accordance with IAS 19.

Actuarial gains Actuarial gains recognised in other comprehensive income in 2023 were mainly driven by higher adjustment of pension payments and higher salary adjustment.

Scheme changes Scheme changes in 2022 were mainly related to change in the method for annual adjustment of pensions payments in Norway. 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 is based on the average of salary adjustment and inflation.

The following assumptions are used [1]	31 Dec 2023	31 Dec 2022
Discount rate and expected return	3.20%	3.10%
Salary adjustment	3.50%	3.50%
Adjustment of current pensions in public schemes	2.80%	2.60%
Adjustment of the National Insurance Scheme's basic amount (G)	3.25%	3.25%
Demographic factors for mortality and disability	K2013/IR73	K2013/IR73

[1] The assumptions apply for Norwegian entities. Defined benefit schemes outside of Norway are not material for the Group.

Note 17 continued

Members of defined benefit schemes	2023	2022
Employees	1 219	1 274
Pensioners and people with deferred entitlements	2 956	2 910

Breakdown of net defined benefit pension liability

NOK million	2023	2022
Present value of accrued pension entitlements for funded defined benefit schemes	8 548	7 969
Fair value of pension assets	7 872	7 067
Net pension liability for funded defined benefit schemes	676	902
Present value of accrued pension entitlements for unfunded defined benefit schemes	838	787
Employers' national insurance contribution	360	353
Net pension liabilities in the balance sheet	1 874	2 041
Of which net pension assets - see note 27	1 170	886
Of which net pension liabilities	3 044	2 927

Movement in defined benefit pension liability

NOK million	2023	2022
Defined gross benefit pension liabilities 1 Jan	8 755	9 718
Present value of accrued pension entitlements for the year	194	207
Interest expenses	283	173
Scheme changes	-	293
Actuarial gains/losses	364	-1 381
Paid benefits	-251	-293
Currency translation effects	41	38
Gross defined benefit pension liabilities 31 Dec	9 386	8 755

Movement in the fair value of pension assets for defined benefit pension schemes

NOK million	2023	2022
Fair value of pension assets 1 Jan	7 067	7 224
Expected return on pension assets	230	132
Actuarial gains/losses	86	-429
Total contributions	637	321
Paid benefits	-193	-204
Currency translation effects	45	24
Fair value of pension assets 31 Dec	7 872	7 067

Pension assets comprise	2023	2022
Equity instruments	2 212	1 768
Interest-bearing instruments	4 828	4 565
Other	832	735
Fair value of pension assets 31 Dec	7 872	7 067

Actuarial gains and losses recognised in other comprehensive income

NOK million	2023	2022
Accumulated actuarial gains and losses recognised in other comprehensive income before tax 31 Dec	3 030	2 690

Pension cost recognised in the income statement

Defined benefit schemes

NOK million	2023	2022
Present value of accrued pension entitlements for the year	194	207
Interest expenses	283	173
Expected return on pension assets	-230	-132
Scheme changes	-	293
Employee contributions	-12	-17
Employers' national insurance contribution	35	67
Net pension cost defined benefit schemes	270	591

Defined contribution schemes

Employer payments	274	232
Total pension cost - see note 16	544	823

	Discount rate		Salary adjustment		Adjustment of G	
Sensitivity analysis upon changes in assumptions	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) in net pension cost defined benefit schemes for the period excluding scheme changes	-22%	21%	10%	-11%	20%	-18%
Increase (+)/decrease (-) in gross defined pension liability as of 31 Dec	-14%	18%	2%	-2%	16%	-13%

Note 18 Regulatory fees

GENERAL INFORMATION

Regulatory fees are operating expenses that are paid to governments. Property tax is mainly imposed on hydropower plants in Norway. Owners of large hydropower plants in Norway are also required to pay licence fees to the state and the municipalities. Other regulatory fees include high-price contribution in Norway, solidarity contribution in Albania, withholding taxes on services, stamp duties and import taxes.

A **high-price contribution (HPC)** was introduced in Norway effective from 28 September 2022 to hydropower plants with generators with a total rated output of 10 000 kVA or more and from 1 January 2023 to other hydropower plants and onshore wind farms. The rate was set at 23 per cent of the electricity price above NOK 0.70 per kWh. See note 22. The high-price contribution was terminated with effect as of 1 October 2023.

A **solidarity contribution** imposed by law was introduced in Albania to redistribute the surplus revenues from electricity producers for the year 2022. The rate is set at 50 per cent of the electricity price above ALL 8.5 per kWh. The law is effective from 1 January 2022 to 31 December 2024 but may be terminated earlier. See note 22.

MATERIAL ACCOUNTING POLICIES

Statkraft has classified the **high-price contribution** and **solidarity contribution** as operating expenses as the regulations are not based on taxable profits (see note 22). Also, these fees are not considered as a reduction in revenues as they do not impact the cash flows, the performance obligations or other elements of the contracts with the customers.

NOK million	2023	2022
Property tax	1 067	884
Licence fees [1]	419	406
Other regulatory fees [2]	1 197	2 119
Total	2 684	3 409

[1] Owners of large hydropower plants in Norway are required to pay licence fees to the state and the municipalities.

[2] Includes high-price contribution in Norway of NOK 964 million in 2023 and NOK 1674 million in 2022.

Note 19 Other operating expenses

GENERAL INFORMATION

A major part of other operating expenses is related to operation of power plants. Purchase of third-party services consists of costs related to buildings, plants, transportation, mechanical and other construction work. Compensation payments consist of concession costs, grants to construction and periodic compensations. The rest is IT expenses, external consultants, and general administrative expenses.

NOK million	2023	2022
Purchase of third-party services	4 649	3 236
Materials	786	671
Power plants operated by third parties [1]	330	297
Compensation payments	183	150
IT licenses and equipment	858	607
Miscellaneous [2]	1 089	320
Total	7 895	**5 281**

[1] See also note 12 and section which specifies 'Other - sales revenues'.

[2] Miscellaneous includes marketing, travel expenses, insurance, rental costs, losses on divestments and losses on sale of property, plant and equipment.

Note 20 Financial items

NOK million	2023	2022
Interest income	2 405	1 155
Interest expenses [1]		
Interest expenses from bond debt, commercial papers and bank debt [2]	-1 627	-948
Interest expenses from lease liabilities	-82	-61
Capitalised borrowing costs	575	293
Other interest expenses	-299	-206
Total	-1 432	-922
Other financial items [1]		
Unrealised gains/losses on interest rate derivatives and securities [3]	201	1 421
Net interest expenses from interest rate derivatives	151	136
Gains/losses from divestments of equity accounted investments [4]	48	4 242
Other	147	-155
Total	548	5 645
Net currency effects [5]	-2 497	233
Net financial items	-977	**6 111**

[1] Comparable figures for Interest expenses and Other financial items has been reclassified.
[2] Includes net interest expenses from interest rate derivatives designated as hedging instruments in fair value hedges.
[3] Fair value changes on investments made by Statkraft Ventures GmbH of NOK 297 million in 2023 and NOK 435 million in 2022.
[4] Merger of Agder Energi AS and Glitre Energi AS in 2022. See notes 5 and 26.
[5] See note 21 for specification of realised and unrealised.

Note 21 Unrealised effects recognised in the statement of profit or loss

GENERAL INFORMATION

The table below discloses the effects recognised in the statement of profit or loss from unrealised value changes of:

- **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.

	2023			2022		
NOK million	Unrealised	Realised	Total	Unrealised	Realised	Total
Gains/losses from market activities:						
-of which Nordics [1]	5 408	-177	**5 231**	-1 935	-1 375	-3 310
-of which Europe	3 834	1 213	**5 047**	-628	403	-225
-of which Markets	-1 362	8 828	**7 467**	4 917	6 321	11 238
-of which Group items and other	304	147	**451**	-487	-58	-544
Total Gains/losses from market activities [1]	**8 184**	10 012	**18 196**	**1 867**	5 292	7 159
Net currency effects [2]	457	-2 954	**-2 497**	1 126	-893	233
Interest and other financial items	201	1 319	**1 520**	1 421	4 457	5 878
Total Net financial items	**658**	-1 635	**-977**	**2 547**	3 564	6 111
Total unrealised effects in Profit or Loss	**8 842**			**4 414**		

[1] Includes effects from embedded EUR derivatives that is excluded from underlying EBIT as presented in the segment disclosure, see note 4.

[2] Currency losses year to date from internal loans were NOK 1096 million, of which a loss of NOK 18 million was realised. The corresponding figures for 2022 were a loss of NOK 162 million and a gain of NOK 22 million, respectively.

Unrealised and realised effects in the financial statement line item Gains/losses from market activities are split between the segments in the table above. For more details of this line item in the different segments, see note 13.

Note 22 Income taxes

GENERAL INFORMATION

Income tax is calculated in accordance with ordinary tax rules and by applying the adopted tax rate. The tax expense in the statement of comprehensive income comprises taxes payable and changes in deferred tax liabilities/assets. Taxes payables are calculated based on the taxable income for the year. Deferred tax liabilities/assets are calculated based on temporary differences between the accounting and tax values and the tax effect of losses carried forward.

Deferred tax liabilities and deferred tax assets are recognised net provided that these are expected to reverse in the same period. Tax related to items recognised in other comprehensive income is also recognised in other comprehensive income.

Statkraft is subject to surtaxes in addition to ordinary income tax. Material accounting policies related to such surtaxes are described below.

MATERIAL ACCOUNTING POLICIES

Norway

- **Resource rent tax (RRT)** on hydropower generation is levied on the net resource rent revenue generated by each power plant with a total rated output of 10 000 kVA or more. The effective marginal tax rate was 45 per cent for the financial year 2023 (45 per cent for the financial year 2022). Deferred tax positions connected with ordinary income tax payable cannot be offset against tax positions connected with resource rent tax.
- **Resource rent tax (RRT)** on wind power generation will be introduced from 1 January 2024 on the net resource rent revenue generated by each wind farm with more than five turbines or an installed capacity of 1 MW or more. The effective marginal tax rate is set to 25 per cent. Deferred taxes have been remeasured in the financial statement for 2023. Deferred tax positions connected with ordinary income tax payable cannot be offset against tax positions connected with resource rent tax.
- **A high-price contribution (HPC)** was introduced with effect from 28 September 2022 to hydropower plants with generators with a total rated output of 10 000 kVA or more and from 1 January 2023 to other hydropower plants and onshore wind farms. The high-price contribution was phased out from 1 October 2023. Statkraft has classified the high-price contribution as an operating expense as the regulation was not based on taxable profits. See note 18.
- **Natural resource tax (NRT)** on hydropower generation is a profit-independent tax that is calculated on the basis of the individual power plant's average output over the past seven years. The tax rate is NOK 0.013 per kWh. The natural resource rent tax paid can be offset against ordinary income tax and is therefore presented as an income tax.
- **Minimum taxation rules** according to Pillar II will be introduced with effect from the financial year 2024. Statkraft is in scope of the rules and might be subject to top-up tax due to having operations in some countries, such as Albania and Ireland, with nominal tax rates at or below 15 per cent (the minimum tax rate). Albania had a profit before tax of NOK 705 million and an effective tax rate of 18.2 per cent in the financial year 2023. Ireland had a profit before tax of NOK 1664 million and an effective tax rate of 4.1 per cent in the financial year 2023. The low effective tax rate in Ireland was mainly driven by a tax-free gain. See note 5. Even for countries with an accounting effective tax rate above 15 per cent there may still be Pillar II implications. This is due to several specific Pillar II adjustments. However, Statkraft's business activities are primarily located in jurisdictions with substantially higher accounting effective tax rates than the minimum tax rate. As such, any top-up tax originating from the Pillar II rules from 2024 onwards is expected to be limited. The Statkraft SF company is the ultimate parent entity according to the Pillar II rules. Statkraft SF is part of the Statkraft SF group, but not the Statkraft AS group. There was no current tax related to Pillar II for the financial year 2023 to Norway or to other countries. Statkraft has applied the mandatory temporary exception according to IAS 12. This implies that no deferred tax is recognised or disclosed with respect to this tax regime for the financial year 2023.

Albania

- **A solidarity contribution** was introduced with effect from 1 January 2022. Statkraft has classified this item as an operating expense as the regulation is not based on taxable profits. See note 18.

ESTIMATES AND ASSUMPTIONS

Deferred tax assets are recognised to the extent that it is probable that they will be utilised. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The key assumptions for projected future taxable income are future expectations related to price, production and deductible expenses.

Deferred taxes initially not recognised are related to tax effect of temporary differences originating from acquisitions not being assessed as business combinations according to IFRS 3.

Uncertain tax positions are described in note 35.

Note 22 continued

2023: TAX EXPENSE AND CURRENT TAX

NOK million

Nominal tax rates in the statement of comprehensive income	Norway
Income tax rate	22%

Tax expense in the statement of comprehensive income	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable (including natural resource rent tax)	5 331	513	1 146	206	7 196
Resource rent tax payable	10 040	-	-	-	10 040
Withholding tax payable	36	-	-	-1	35
Previous year's payable tax expense	280	14	127	0	421
Change in deferred tax net of group contributions	4 529	687	1 843	177	7 235
Tax expense in the income statement	20 217	1 213	3 115	382	24 927

Reconciliation of effective tax rate	Norway	Sweden	Europe Rest	World Rest	Group
Profit before tax	32 011	5 593	11 623	1 755	50 982
Tax expense at a nominal Norwegian rate	7 042	1 231	2 557	386	11 216
Effect on taxes of					
Share of profit/loss in equity accounted investments	-675	0	-23	-60	-758
Tax rate differences	5	-78	587	85	599
Resource rent tax	12 711	-	-	-	12 711
Change in tax rates [1)]	237	-	0	-	237
Tax-free income	-36	-0	-311	-25	-373
Changes relating to previous years	529	-7	82	-8	596
Change in unrecognised deferred tax assets [2)]	-1	7	272	22	300
Other permanent differences [3)]	404	61	-49	-18	399
Tax expense	20 217	1 213	3 115	382	24 927
Effective tax rate	63.2%	21.7%	26.8%	21.7%	48.9%

Taxes payable in the statement of financial position	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable	4 706	70	675	42	5 493
Natural resource rent tax payable	625	-	-	-	625
Resource rent tax payable	10 040	-	-	-	10 040
Previous year's payable income tax	594	663	921	-	2 178
Taxes payable in the statement of financial position	15 966	733	1 596	42	18 336

Tax included in non-current assets and receivables	Norway	Sweden	Europe Rest	World Rest	Group
Tax included in other non-current financial assets - see note 27	2 079	-	-	-	2 079
Tax included in receivables - see note 29	-	10	137	217	364
Tax included in non-current assets and receivables	2 079	10	137	217	2 443

[1)] The change in tax rates was related to introduction of resource rent tax on onshore wind in Norway.

[2)] The change in unrecognised deferred tax assets was mainly related to Spain and the Netherlands.

[3)] Other permanent differences were mainly related to non-deductible high-price contributions in Norway. See note 18.

Note 22 continued

2022: TAX EXPENSE AND CURRENT TAX

NOK million

Nominal tax rates in the statement of comprehensive income	Norway
Income tax rate	22%

Tax expense in the statement of comprehensive income	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable (including natural resource rent tax)	8 093	711	1 166	85	**10 055**
Resource rent tax payable	15 949	-	-	-	**15 949**
Withholding tax payable	10	-	7	-	**17**
Previous year's payable tax expense	-66	61	-41	-156	**-202**
Change in deferred tax net of group contributions	3 297	529	672	-90	**4 409**
Tax expense in the income statement	27 282	1 302	1 805	-161	**30 228**

Reconciliation of effective tax rate	Norway	Sweden	Europe Rest	World Rest	Group
Profit before tax	42 260	5 705	10 337	517	**58 819**
Tax expense at a nominal Norwegian rate	9 297	1 255	2 274	114	**12 940**
Effect on taxes of					
Share of profit/loss in equity accounted investments	162	-0	-62	-217	**-117**
Tax rate differences	-	-80	471	-38	**354**
Resource rent tax	16 838	-	-	-	**16 838**
Change in tax rates [1)]	1 422	-	4	-	**1 426**
Tax-free income	-978	-0	-161	-9	**-1 148**
Changes relating to previous years	42	49	-23	-161	**-92**
Change in unrecognised deferred tax assets [2)]	1	19	-628	131	**-478**
Other permanent differences [3)]	498	59	-71	19	**504**
Tax expense	27 282	1 302	1 805	-161	**30 228**
Effective tax rate	64.6%	22.8%	17.5%	-31.1%	**51.4%**

Taxes payable in the statement of financial position	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable	7 471	637	624	32	**8 764**
Natural resource rent tax payable	638	-	-	-	**638**
Resource rent tax payable	15 949	-	-	-	**15 949**
Previous year's payable income tax	362	365	288	-	**1 015**
Taxes payable in the statement of financial position	24 419	1 002	912	32	**26 365**

Tax included in non-current assets and receivables	Norway	Sweden	Europe Rest	World Rest	Group
Tax included in other non-current financial assets - see note 27	2 079	-	-	-	**2 079**
Tax included in receivables - see note 29	-	430	102	212	**743**
Tax included in non-current assets and receivables	2 079	430	102	212	**2 822**

[1)] The change in tax rates was mainly related to increased resource rent tax in Norway.

[2)] The change in unrecognised deferred tax assets was mainly related to Germany.

[3)] Other permanent differences were mainly related to non-deductible high-price contributions in Norway. See note 18.

Note 22 continued

2023: DEFERRED TAX

NOK million

Norway	1 Jan 2023	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2023
Property, plant and equipment [1]	12 188	1 957	-	-	14 145
Tax loss carryforwards [2]	-797	45	-	-	-752
Pensions	-913	199	-123	-	-837
Derivatives	-1 444	5 071	-	-	3 627
Other items	2 686	-2 744	-	21	-36
Total	11 719	4 529	-123	21	16 147

Sweden	1 Jan 2023	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2023
Property, plant and equipment	1 544	331	114	-	1 989
Tax loss carryforwards	-2	3	-0	-	0
Pensions	-	-	-	-	-
Derivatives	-	-	-	-	-
Other items	779	353	47	10	1 189
Total	2 321	687	161	10	3 178

Europe Rest	1 Jan 2023	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2023
Property, plant and equipment	804	-9	92	-	887
Tax loss carryforwards	-1 017	537	-84	-	-564
Pensions	-37	-7	-4	-	-48
Derivatives	-198	1 340	-52	-	1 089
Other items	142	-18	13	-	136
Total	-307	1 843	-35	-	1 500

World rest	1 Jan 2023	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2023
Property, plant and equipment	2 491	111	118	43	2 763
Tax loss carryforwards	-489	-6	-15	-	-510
Pensions	-	-	-	-	-
Derivatives	-75	92	-12	-	5
Other items	93	-21	2	207	281
Total	2 020	177	93	249	2 539

Group	1 Jan 2023	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2023
Property, plant and equipment	17 028	2 390	324	43	19 784
Tax loss carryforwards	-2 305	578	-99	-	-1 826
Pensions	-950	192	-126	-	-884
Derivatives	-1 718	6 503	-64	-	4 721
Other items	3 700	-2 430	62	238	1 570
Total	15 752	7 235	96	280	23 364
Of which deferred tax assets	1 213				816
Of which deferred tax liabilities	16 964				24 179

[1] Property, plant and equipment in Norway are mainly subject to both ordinary income tax and resource rent tax.

[2] Tax loss carryforwards in Norway are mainly related to resource rent tax.

Note 22 continued

2022: DEFERRED TAX

NOK million

Norway	1 Jan 2022	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2022
Property, plant and equipment [1]	9 663	2 524	-	-	**12 188**
Tax loss carryforwards [2]	-956	159	-	-	**-797**
Pensions	-1 106	-55	248	-	**-913**
Derivatives	956	-2 400	-	-	**-1 444**
Other items	-383	3 069	-	-	**2 686**
Total	8 174	3 297	248	-	**11 719**

Sweden	1 Jan 2022	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2022
Property, plant and equipment	1 565	12	-33	-0	**1 544**
Tax loss carryforwards	-9	6	0	-	**-2**
Pensions	-	-	-	-	**-**
Derivatives	-	-	-	-	**-**
Other items	280	511	-12	-	**779**
Total	1 836	529	-44	-0	**2 321**

Europe Rest	1 Jan 2022	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2022
Property, plant and equipment	-87	873	24	-6	**804**
Tax loss carryforwards	-835	-141	-41	0	**-1 017**
Pensions	8	-42	-3	-	**-37**
Derivatives	-92	-103	-3	-	**-198**
Other items	55	85	2	-	**142**
Total	-951	672	-22	-6	**-307**

World rest	1 Jan 2022	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2022
Property, plant and equipment	2 430	-264	323	-	**2 491**
Tax loss carryforwards	-439	3	-52	-	**-489**
Pensions	-	-	-	-	**-**
Derivatives	-153	105	-28	-	**-75**
Other items	79	67	-53	-	**93**
Total	1 917	-90	190	-	**2 020**

Group	1 Jan 2022	Profit or loss	Other comprehensive income	Additions/ disposals	31 Dec 2022
Property, plant and equipment	13 571	3 145	314	-6	**17 028**
Tax loss carryforwards	-2 239	27	-93	0	**-2 305**
Pensions	-1 099	-97	246	-	**-950**
Derivatives	711	-2 397	-31	-	**-1 718**
Other items	31	3 732	-63	-	**3 700**
Total	10 975	4 409	372	-6	**15 752**
Of which deferred tax assets	1 748				**1 213**
Of which deferred tax liabilities	12 723				**16 964**

[1] Property, plant and equipment in Norway are mainly subject to both ordinary income tax and resource rent tax.

[2] Tax loss carryforwards in Norway are mainly related to resource rent tax.

Note 22 continued

DEFERRED TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

NOK million

2023	Norway	Sweden	Europe Rest	World Rest	Group
Remeasurement of net pension liabilities	-123	-	-2	-	-124
Changes in fair value of financial instruments	-	-	-	-0	-0
Currency translation effects	-	161	-34	93	220
Total	-123	161	-35	93	96

2022	Norway	Sweden	Europe Rest	World Rest	Group
Remeasurement of net pension liabilities	248	-	-4	-	**244**
Changes in fair value of financial instruments	-	-	1	-44	**-43**
Currency translation effects	-0	-44	-19	234	**172**
Total	248	-44	-22	190	**372**

DEFERRED TAX ASSETS NOT RECOGNISED

NOK million	Norway	Sweden	Europe Rest	World Rest	Group
2023	93	27	1 058	839	2 016
2022	198	18	600	758	**1 574**

DEFERRED TAX INITIALLY NOT RECOGNISED

NOK million	Norway	Sweden	Europe Rest	World Rest	Group
2023	1 280	1 985	-617	159	2 807
2022	1 300	1 894	-578	101	**2 717**

UNCERTAIN TAX POSITIONS

NOK million

2023	Norway	Sweden	Europe Rest	World Rest	Group
Included in taxes payable	713	-	375	-	1 088
Included in accumulated taxes paid	2 208	-	592	113	2 914
Not included in taxes payable	2 010	-	355	608	2 974

2022	Norway	Sweden	Europe Rest	World Rest	Group
Included in taxes payable	309	-	335	-	**644**
Included in accumulated taxes paid	2 079	-	537	110	**2 726**
Not included in taxes payable	1 560	-	51	274	**1 885**

Note 23 Intangible assets

NOK million	Goodwill	Other [1]	Total
2023			
Balance as of 1 Jan	1 745	2 577	4 322
Additions	-	538	538
Additions from acquisition of companies	377	1 256	1 634
Reclassifications	-	-71	-71
Transfer between asset classes	-4	4	-
Amortisations	-	-273	-273
Impairments	-32	-1	-32
Derecognition from divestments	-	-311	-311
Disposals	-	-37	-37
Currency translation effects	121	145	266
Balance as of 31 Dec	2 207	3 827	6 034
Cost as of 31 Dec	3 811	5 934	9 745
Accumulated amortisations and impairments as of 31 Dec	-1 603	-2 106	-3 710
Balance as of 31 Dec	2 207	3 827	6 034

[1] Mainly related to power sales agreements from acquisitions in the segment International. In addition to rights in connection with leasehold improvements for power plants in Norway.

NOK million	Goodwill	Other [1]	Total
2022			
Balance as of 1 Jan	1 863	2 249	**4 112**
Additions	-	238	**238**
Additions from acquisition of companies	161	93	**254**
Reclassifications	-	-36	**-36**
Amortisations	-4	-220	**-224**
Impairments	-360	-	**-360**
Disposals	-	-3	**-3**
Currency translation effects	85	256	**341**
Balance as of 31 Dec	1 745	2 577	**4 322**
Cost as of 31 Dec	3 241	4 280	**7 521**
Accumulated amortisations and impairments as of 31 Dec	-1 496	-1 704	**-3 200**
Balance as of 31 Dec	1 745	2 577	**4 322**

[1] Mainly related to power sales agreements from acquisitions in the segment International. In addition to rights in connection with leasehold improvements for power plants in Norway.

Expected useful life	3–22 years

RESEARCH AND DEVELOPMENT

The Group's research and development activities are focused on investigating potential new energy sources and developing existing plants and technologies. Research activities relating to new energy sources include general research projects. These projects are intended to provide further knowledge on technologies or other areas that could provide a basis for future activities/projects.

In order to gain new knowledge and develop new methods within the fields of energy optimisation and preservation, the Group also performs research and development activities in connection with existing plants/energy sources. Research and development activities carried out in 2023 and 2022 are expensed with NOK 162 million and NOK 70 million, respectively. Capitalised development costs in 2023 and 2022 were NOK 77 million and NOK 3 million respectively.

Note 24 Property, plant and equipment

GENERAL INFORMATION

Property, plant and equipment comprise mainly power and heat producing facilities, buildings and machinery, waterfall rights, right-of-use assets, district heating network and buildings and machinery as well as landfill sites and treatment areas used in waste treatment operations.

MATERIAL ACCOUNTING POLICIES

Property, plant and equipment are reported as assets in the statement of financial position if it is likely that there will be future financial benefit for the company and the cost of the asset can be calculated in a reliable manner. It becomes likely that an asset will be constructed when the appropriate management level makes an investment decision, which is determined to be between the feasibility and pre-construction phase of the greenfield and reinvestment projects (DG2). When the investment decision is made, an identifiable asset is assessed to exist and Statkraft starts capitalising project costs. Property, plant and equipment are recognised at cost, including borrowing cost, less accumulated depreciation and impairment.

The cost includes directly attributable expenditure incurred in bringing the assets into the location and condition to be capable of operating in the manner intended by management, such as employee benefits, site preparation, delivery and handling, installation and assembly cost, landside protection, land registration and legal and consulting fees.

Statkraft may generate revenue from the sale of output during testing phases of property, plant or equipment to assess whether it is functioning as intended. This revenue is accounted for in accordance with IFRS 15, reflecting Statkraft's ordinary operational activities. The costs associated with output sales during testing are capitalised as part of property, plant, and equipment, as they are directly attributable to the asset's construction. Capitalisation ceases upon the completion of testing, signifying that the asset is now ready for its intended use.

Subsequent reinvestments follow the same accounting policy as for the initial project. Expenditures related to ordinary repair and maintenances are recognised in the statement of profit or loss when incurred.

Decommissioning costs arise when an entity is required to dismantle or remove an asset at the end of its useful life and to restore the site on which it has been located. An obligation incurs when Statkraft starts construction on the sites with time-limited concession mainly related to solar and wind projects and gas-fired powerplants. Decommissioning cost is estimated and recognised as part of the cost at initial recognition, assuming such costs can be recovered over the asset's useful life, even if the payments will incur at the end of the item's useful life. The equivalent estimated decommissioning obligation is presented as Other non-current liabilities. See note 31.

Depreciation commences when the asset is available for its intended use and is calculated on a straight-line basis over the asset's expected useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately, which means that the components' estimated useful life provides the basis for the straight-line depreciation. Expected useful life, depreciation methods and residual values are assessed annually. If the expected useful life has changed the depreciations are adjusted prospectively. Estimated useful life is further disclosed below in this note.

Waterfall rights with no obligation to be returned to the authorities, are presented as property, plant and equipment and are not depreciated.

Acquired assets in a business combination and asset acquisition are stated at their fair values at the date of acquisition.

The Turkish economy has been defined as hyperinflationary since the second quarter 2022. From the period beginning 1 January 2022, Turkish entities' non-monetary assets and liabilities measured at historical cost have therefore 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, 1128.45 in December 2022 and 1859.38 in December 2023. The main effect from the remeasurement is an increase of Property, plant and equipment of NOK 717 million in 2023 (NOK 1318 million).

ESTIMATES AND ASSUMPTIONS

Property, plant and equipment are tested for impairment in accordance with the accounting policies described in Note 15 to the consolidated accounts, Impairment losses/reversal of impairment losses.

Expected useful life is estimated based on the Group's technical expertise and is adjusted in the event of any changes to the expectations. Useful life is normally adapted to the concession period related to the relevant asset. Residual values are estimated and included in the carrying value when applicable and are not depreciated.

Estimates of decommissioning obligations, which are included as part of the plant's carrying amount, are subject to annual review. The decommissioning obligation is Statkraft's best estimate of the present value of the cost of dismantling and removing an item of property, plant and equipment as well as restoring the site at the date when the operation ceases.

Note 24 continued

NOK million	Regulation plants	Turbines, generators etc.	Waterfall rights	Land, mountain halls, buildings, roads, bridges and quay facilities	Plants under construction	Other [1]	Sum	Right-of-use assets [2]	Total
2023									
Balance as of 1 Jan	33 582	31 768	22 120	10 914	9 925	12 071	**120 382**	2 429	122 808
Additions	160	384	-	201	10 716	855	**12 316**	792	13 108
Remeasurements and other changes (IFRS 16)	-	-	-	-	-	-	**-**	87	87
Additions from acquisition of companies	-	4 421	-	18	206	-	**4 645**	3 998	8 643
Capitalised borrowing costs [3]	-	63	-	-	520	-	**582**	-	582
Reclassifications [4]	-	500	2	16	134	51	**704**	-	704
Transfer between asset classes	456	2 191	12	615	-4 667	1 392	**-**	-	-
Depreciations	-940	-2 267	-3	-381	-	-894	**-4 485**	-635	-5 120
Impairments	-59	-70	-	-1	-	-6	**-137**	-19	-156
Reversal of impairments	-	2 318	-	-	-	225	**2 542**	-	2 542
Derecognition from divestments	-	-	-	-	-	-	**-**	-32	-32
Disposals	-	-44	-	-7	-1	-105	**-156**	-21	-178
Currency translation effects [5]	1 431	1 221	673	592	249	165	**4 332**	-8	4 324
Balance as of 31 Dec	34 630	40 484	22 805	11 968	17 081	13 754	**140 725**	6 590	147 311
Carrying value 31 Dec of assets with infinite useful life	n/a	n/a	22 805	1 237	n/a	46	**24 088**	n/a	24 088
Cost as of 31 Dec	53 882	77 637	24 570	25 203	17 251	27 678	**226 221**	8 289	234 510
Accumulated depreciations and impairments as of 31 Dec	-19 253	-37 154	-1 765	-13 234	-169	-13 924	**-85 500**	-1 700	-87 199
Balance as of 31 Dec	34 630	40 484	22 805	11 968	17 081	13 754	**140 725**	6 590	147 311

[1] Mainly related to distribution grid facilities with a balance of NOK 7994 million as of 31 December 2023 (NOK 7148 million).
[2] Additions from acqusition of Statkraft Windenergie GmbH & Co. KG and Eoliennes Suroit SNC was NOK 3811 million, see note 5.
[3] The average interest rate applied during the year was 2.91%.
[4] Reclassified NOK 632 million from Inventory to Property, plant and equipment as of 31 December 2023.
[5] Includes NOK 717 million in inflation adjustment of Turkish entities due to hyperinflation in 2023.

NOK million	Regulation plants	Turbines, generators etc.	Waterfall rights	Land, mountain halls, buildings, roads, bridges and quay facilities	Plants under construction	Other	Sum	Right-of-use assets	Total
2022									
Balance as of 1 Jan	31 112	30 224	23 087	9 731	7 715	11 994	**113 865**	2 657	**116 521**
Additions	185	857	50	136	5 222	617	**7 067**	300	**7 367**
Remeasurements and other changes (IFRS 16)	-	-	-	-	-	-	**-**	20	**20**
Additions from acquisition of companies	-	8	-	52	-	17	**77**	-	**77**
Capitalised borrowing costs [1]	-	-	-	-	292	-	**292**	-	**292**
Reclassifications	-	412	-	7	-414	30	**35**	-	**35**
Transfer between asset classes	637	1 211	-	311	-2 976	817	**-**	-	**-**
Depreciations	-871	-1 954	-1	-354	-5	-857	**-4 042**	-390	**-4 432**
Impairments	-	-	-1 193	-7	-206	-693	**-2 099**	-40	**-2 139**
Reversal of impairments	832	262	-	426	-	73	**1 593**		**1 593**
Derecognition from divestments	-	-	-	-	5	-	**5**	-228	**-223**
Disposals	-	-52	-	-2	-3	-36	**-93**	-13	**-106**
Currency translation effects [2]	1 687	800	177	614	295	109	**3 682**	124	**3 803**
Balance as of 31 Dec	33 582	31 768	22 120	10 914	9 925	12 071	**120 382**	2 429	**122 808**
Carrying value 31 Dec of assets with infinite useful life	n/a	n/a	22 120	1 167	n/a	44	**22 209**	n/a	**22 209**
Cost as of 31 Dec	51 490	66 372	23 827	23 161	10 084	25 893	**200 827**	3 485	**204 312**
Accumulated depreciations and impairments as of 31 Dec	-17 908	-34 604	-1 707	-12 247	-159	-13 822	**-80 447**	-1 056	**-81 503**
Balance as of 31 Dec	33 582	31 768	22 120	10 914	9 925	12 071	**120 382**	2 429	**122 808**

[1] The average interest rate applied during the year was 1.47%.
[2] Includes NOK 1318 million in inflation adjustment of Turkish entities due to hyperinflation in 2022. Balance as of 1 January 2022 have not been restated.

Note 24 continued

ASSETS PLEDGED AS SECURITY TO COUNTERPARTIES

Statkraft has pledged property, plant and equipment as security to counterparties. For more information, see note 36.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT PER COUNTRY

			2023			2022
NOK million	Intangibles	PP&E	Total	Intangibles	PP&E	Total
Norway	1 732	66 409	**68 141**	1 422	63 985	**65 407**
Sweden	420	22 409	**22 829**	145	19 489	**19 634**
Germany	207	12 782	**12 990**	201	7 810	**8 011**
Brazil	1 961	12 204	**14 165**	1 106	4 102	**5 208**
Peru	229	10 334	**10 562**	203	10 106	**10 309**
Albania	0	8 711	**8 711**	1	7 579	**7 580**
Chile	206	4 778	**4 984**	201	3 274	**3 475**
UK	1 045	2 333	**3 378**	669	1 418	**2 088**
Ireland	230	1 459	**1 689**	368	855	**1 223**
Other	5	5 891	**5 896**	6	4 188	**4 195**
Total	6 034	147 311	**153 345**	4 322	122 808	**127 129**

EXPECTED USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT

A more detailed specification of the expected useful life of the various assets is provided below.

Depreciation of right-of-use assets follows contractual agreements. See note 25.

	Depreciation period (years)		Depreciation period (years)
Regulation plants		Land, mountain halls, buildings, roads, bridges and quay facilities	
- riprap dams, concrete dams	75	- land	perpetual
- other dams	30	- mountain halls	90
- tunnel systems	90	- roads, bridges and quays	75
		- control equipment	20
Turbines, generators etc.		- operating centre	20
- pipe trenches	75	- communication equipment	10
- generators (turbine, valve)	40		
- other mechanical installations	15	Other	
- transformer/generator	40	- transformer (grid)	25-50
- wind turbines	20-35	- switchgear, high voltage (grid)	35-40
- gas and steam generators	20-28	- buildings	25-50
- gas power plant transformers	20-28	- other fixed installations	10-20
		- miscellaneous fixtures	5
Waterfall rights	perpetual	- office and computer equipment	3
		- furnishings and equipment	5
		- vehicles	8
		- construction equipment	12
		- art	perpetual
		- small watercraft	10
		- water cooling systems	20-25

Note 25 Leases

GENERAL INFORMATION

The contracts that have largely affected the recognition of the lease debt and right-of-use asset are contracts for renting of office premises and contracts for lease of land. In addition, contracts for lease of cars and equipment are identified.

MATERIAL ACCOUNTING POLICIES

IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period in exchange for consideration. At the commencement date of a lease, Statkraft as the lessee recognises a liability at the present value of future lease payments with a corresponding asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate.

The lease assets are depreciated over the lease term. The depreciation method used is the straight-line method for all our lease assets, Depreciation of right-of-use assets and interest on lease liabilities are recognised separately in the statement of profit or loss. The total amount of cash paid is separated into a principal portion and an interest portion in the statement of cash flow (both presented within financing activities).

DB/DBS projects are generally held in separate special purpose vehicles (SPVs) and the individual SPVs are normally counterparties in leasing contracts related to land. The leasing liability and corresponding right-of-use asset are accounted for according to IFRS 16 Leases separately from Inventories.

When acquiring wind farms with short remaining lifetime in certain geographical regions, access to land areas is important to be able to utilise repowering potentials. Repowering does not provide the owner with any contractual or legal rights and does not meet the definition of an intangible asset under IAS 38. Excess values identified in mergers and acquisitions of windfarms with repowering potential are allocated to right of use assets.

The following practical expedients and recognition exemptions to leases are applied:

- Intangible assets have been chosen to be excluded from IFRS 16, hence leased concessions or payments for power production licenses, for instance, are not treated within IFRS 16.

Measurement

A lease liability is remeasured upon the occurrence of certain events e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments. Generally, the amount of the remeasurement of the lease liability will be recognised as an adjustment to the right-of-use asset.

Right-of-use assets are not presented separately in the statement of financial position but are disclosed separately in the notes (see note 24).

ESTIMATES AND ASSUMPTIONS

The incremental borrowing rates are calculated as a sum of currency dependant market rates and entity specific credit spreads for each relevant year on an asset-by-asset basis. The incremental borrowing rate applied as discount rate is an average of these yearly borrowing rates for each individual leased asset, depending on the length of each contract.

Statkraft evaluates whether the Group is reasonably certain to exercise an option to renew a lease, not terminate a lease or to purchase the underlying asset. All relevant factors that can create an economic incentive for Statkraft to exercise options e.g. contract-, asset-, entity- and market-based factors are evaluated. Contracts to rent office premises are in most occasions not considered to be customised to Statkraft's use and options to renew leases are normally not included in the estimated lease liability, as it is not considered reasonably certain that the option will be exercised.

Note 25 continued

STATKRAFT AS A LESSEE

Right-of-use assets

NOK million	Office buildings	Land and other property	Vehicles, equipment and other	Total
2023				
Balance as of 1 Jan	1 021	1 340	68	**2 429**
Additions	244	451	97	**792**
Additions from acquisition of companies	4	3 994	-	**3 998**
Depreciations	-241	-346	-47	**-635**
Impairments	-	-19	-	**-19**
Derecognition from divestments	-	-32	-	**-32**
Disposals	-14	-4	-4	**-21**
Remeasurements and other changes	78	-6	6	**78**
Balance as of 31 Dec	1 093	5 376	120	**6 590**

Right-of-use assets

NOK million	Office buildings	Land and other property	Vehicles, equipment and other	Total
2022				
Balance as of 1 Jan	1 126	1 460	70	**2 657**
Additions	102	176	22	**300**
Depreciations	-203	-155	-32	**-390**
Impairments	-	-40	-	**-40**
Derecognition from divestments	-	-228	-	**-228**
Disposals	-7	-3	-3	**-13**
Remeasurements and other changes	3	129	11	**144**
Balance as of 31 Dec	1 021	1 340	68	**2 429**

Amounts recognised in the statement of profit or loss

NOK million	2023	2022
Income from sub-leasing right-of-use assets [1]	**21**	16
Variable lease payments not included in the measurement of lease liabilities [2]	**-26**	-15
Expenses relating to short-term leases, leases of low-value assets and other [2]	**-130**	-70
Depreciations from right-of-use assets [3]	**-635**	-390
Impairments [4]	**-19**	-40
Interest expenses from lease liabilities [5]	**-82**	-61
Total	**-871**	-560

[1] Presented as Other operating income.
[2] Presented as Other operating expenses.
[3] Presented as Depreciations and amortisations.
[4] Presented as Impairments/reversal of impairments
[5] Presented as Interest expenses.

Amounts recognised in the statement of cash flow

NOK million	2023	2022
Principal portion of lease payments on lease liabilities [1]	**-385**	-292
Interest portion of lease payments on lease liabilities [1]	**-82**	-61
Total payments on lease liabilities	**-467**	-353

[1] Presented as cash flow from financing activities.

Note 25 continued

Lease liabilities

NOK million	2023	2022
Lease liabilities, current	504	345
Lease liabilities, non-current	2 234	1 687
Total lease liabilities	2 738	2 032

Current and non-current lease liability include leasing agreements entered into within the DS/DBS model with NOK 23 million and NOK 351 million, respectively. The corresponding figures for 2022 were NOK 19 million and NOK 290 million, respectively. At the time of disposal of related solar and wind farm RoU assets and lease liabilities will be derecognised and reported as part of gain or loss.

Maturity schedule lease liabilities - contractual undiscounted cash flows

NOK million	2023	2022
0-1 year	519	365
1-5 years	1 568	1 275
5 years and later	2 042	1 213
Total undiscounted lease liabilities as of 31 Dec	4 129	2 853

Future cash flows not reflected in the measurement of lease liabilities

Extension options:
Several leases of office buildings contain extension options that can be exercised by Statkraft, where the lease of the head-quarter in Oslo is the most significant one. This lease agreement expires in 2028, with options to prolong for ten plus ten years, and the annual lease payment is NOK 111 million. The buildings included in this lease agreement are considered to be standardised office buildings, not particularly customised to Statkraft or Statkraft's business. With several years left of this contract, it is not considered reasonably certain that these extensions option will be exercised, and thus no period after 2028 has been included in the measurement of the lease liability. Similar assessment is applied to other leases as well.

Termination options:
Some early phase development projects within wind and solar, particularly in South America include land lease agreements already from early development stages. To provide operational flexibility in case projects are not deemed viable, these agreements can have termination options where Statkraft can terminate the lease agreement at any point or at several stages during the lease period, often up to 40 years. As these projects are in the development phase and no investment decision to construct the power plant has been made, it is normally not considered reasonably certain that these termination options will not be exercised. Thus, normally only the non-cancellable period or the period until investment decision is planned is included in the measurement of the lease liability.

Note 26 Associates and joint arrangements

MATERIAL ACCOUNTING POLICIES

The statement of profit or loss reflects Statkraft's share of the results after tax of an equity accounted entity, adjusted to account for depreciation, amortisation and any impairment of the equity accounted entity's assets based on their fair values at the date of acquisition. Share of profit or loss from equity accounted investments is presented on a separate line-item outside operating profit or loss. Gains or losses from a transaction where the investment changes from being classified as a subsidiary to be classified as a joint venture or associated company is recognised in the Group's consolidated financial statements only for the part attributable to co-owners.

Some power plants are structured either as a company with shared liability (DA) or as a co-ownership arrangement without joint control. Ownership in these power plants means that Statkraft has the right to dispose its share of the power production and an obligation to cover its share of the costs and owns a share in the assets and liabilities. Joint operations without joint control are accounted for in a similar manner to joint operations.

ACCOUNTING JUDGEMENTS

The degree of control over the investee is one of the key elements in the assessment to whether the investment should be accounted for as subsidiary, joint operation, joint venture or associate. The assessment of control is judgmental and entails that all facts and circumstances are evaluated.

The decisions about relevant activities that significantly affect the return of the investments are the elements that require extended judgement. To conclude on the degree of control, Statkraft has systematically defined the relevant activities and value drivers for each of its main type of technologies, in addition to an individual assessment per investment to reflect other facts and circumstances.

Judgement is required in assessing whether a joint arrangement is a joint operation or a joint venture. Matters to be addressed include facts and circumstances and evaluation of rights and obligations arising from the arrangement, agreements between shareholders and agreements between shareholders and the investee. Entities established to produce power and where the owners are committed to purchase all the power produced, as well as being responsible for settling of short-term and long-term financing of the company, are normally classified as joint operations. When Statkraft has rights to the net assets of the arrangement, the arrangement is a joint venture.

Co-owned power plants in which Statkraft has joint control are recognised as joint operation.

Based on size and complexity, the following associated companies and joint ventures are considered material:

2023

NOK million	Eviny AS	Å Energi AS	Hidroelectrica La Higuera S.A.	Hidroelectrica La Confluencia S.A.	North Irish Sea Array Windfarm Ltd.	Other	Total
Opening balance as of 01 Jan	5 864	7 609	1 191	911	-	3 069	**18 645**
Additions	-	22	-	-	1 030	46	**1 097**
Divestments	-	-	-	-	-	-30	**-30**
Share of profit/loss	1 638	1 546	-71	-123	-5	242	**3 227**
Depreciations of excess values	-	-86	-	-	-	-11	**-97**
Impairments/reversal of impairments [1)]	-	-	-	331	-	-17	**314**
Capital increases	-	-	-	-	-	38	**38**
Capital decreases	-	-	-	-	-	-34	**-34**
Dividends	-774	-690	-	-	-	-230	**-1 694**
Items recorded in other comprehensive income	53	59	-5	1	-	-70	**37**
Currency translation effects	3	8	44	16	-13	117	**174**
Closing balance as of 31 Dec	6 783	8 467	1 158	1 137	1 013	3 120	**21 679**
Excess values as of 31 Dec	1 406	4 823	260	-	751	798	**8 039**
Of which unamortised waterfall rights	1 406	1 384	-	-	-	-	**2 790**

[1)] See note 15 for more information.

Note 26 continued

2022

NOK million	Eviny AS	Å Energi AS [2]	Hidroelectrica La Higuera S.A.	Wind UK Invest Ltd.	Hidroelectrica La Confluencia S.A.	Other	**Total**
Opening balance as of 01 Jan	6 069	4 858	797	818	560	1 669	**14 771**
Additions	-	-	-	-	-	130	**130**
Divestments	-	-	-81	-	-	-	**-81**
Gains/losses from mergers	-	4 242	-	-	-	-	**4 242**
Share of profit/loss	563	-383	47	283	170	420	**1 100**
Depreciations of excess values	-352	-775	-	-2	-	-3	**-1 133**
Impairments/reversal of impairments [1]	-	-	269	-	93	202	**564**
Capital increases	-	15	-	-	-	144	**159**
Dividends	-398	-344	-	-270	-	-143	**-1 154**
Reclassifications [3]	-	-	-	-	-	-191	**-191**
Items recorded in other comprehensive income	-19	-6	88	-25	19	9	**66**
Currency translation effects	1	2	72	-3	68	34	**173**
Closing balance as of 31 Dec	5 864	7 609	1 191	801	911	2 269	**18 645**
Excess values as of 31 Dec	1 406	5 073	252	37	-	719	**7 487**
Of which unamortised waterfall rights	1 406	1 384	-	-	-	-	**2 790**

[1] See note 15 for more information.
[2] Å Energi AS was established in 2022 as a result of the merger of Agder Energi AS and Glitre Energi AS.
[3] In 2022 Statkraft's interest in Røldal-Suldal Kraft AS changed from associated company to participation in a joint operation without joint control.

DESCRIPTION OF THE ACTIVITIES IN SIGNIFICANT ASSOCIATES AND JOINT VENTURES

Eviny AS has operations mainly in Western Norway, with its core activities being generation, sale and transmission of electric power. Eviny also develops, builds, owns and operates infrastructure for electrification, and offer customers fibre internet access and district heating.

Å Energi AS has operations mainly in Southern and Eastern Norway, with its core activities being generation, sale and transmission of electric power, as well as other energy-related services.

Hidroelectrica La Higuera S.A. has operations in Chile and contains the La Higuera hydropower plant.

Hidroelectrica La Confluencia S.A. has operations in Chile and contains the La Confluencia hydropower plant.

North Irish Sea Array Windfarm Ltd. is offshore wind energy projects in Ireland.

See note 36 for information regarding bank guarantees and parent company guarantees related to associates and joint arrangements.

FINANCIAL INFORMATION FOR SIGNIFICANT ASSOCIATED COMPANIES

The following table presents summarised financial information for significant associated companies. The figures apply to 100% of the companies' operations in accordance with IFRS 12.

2023

NOK million	Eviny AS [1]	Å Energi AS [1]	Hidroelectrica La Higuera S.A. [1]	Hidroelectrica La Confluencia S.A [1]	North Irish Sea Array Windfarm Ltd. [1]
Non-current assets	28 254	39 227	4 369	5 026	523
Current assets	9 706	9 522	524	618	136
Non-current liabilities	13 146	20 466	2 838	4 311	-
Current liabilities	11 257	16 247	210	292	136
Gross operating revenues and other income	11 780	35 843	757	616	-
Net profit/loss	3 765	5 021	69	252	-10
Total comprehensive income	3 876	5 907	146	286	-35

[1] Figures are preliminary and unaudited.

2022

NOK million	Eviny AS [1]	Å Energi AS [1]	Hidroelectrica La Higuera S.A. [1]	Wind UK Invest Ltd. [1]	Hidroelectrica La Confluencia S.A [1]
Non-current assets	27 060	38 016	4 497	2 587	4 983
Current assets	10 472	22 019	517	442	356
Non-current liabilities	9 733	23 832	2 910	1 293	4 224
Current liabilities	16 445	27 593	278	213	269
Gross operating revenues and other income	10 901	11 654	883	981	703
Net profit/loss	1 490	1 917	177	555	164
Total comprehensive income	1 450	1 785	495	501	338

[1] Figures as shown in Statkraft's annual report 2022.

Note 26 continued

JOINT VENTURES, JOINT OPERATIONS AND ASSOCIATES

Shares in companies classified as joint ventures and associates are recognised using the equity method in the consolidated financial statements. Statkraft recognises its share of assets, liabilities, revenues and expenses of companies classified as joint operations on a line-by-line basis in the group financial statements.

Name	Segment [1]	Country	Registered office	Shareholding and voting share
JOINT VENTURES				
Vattenkraftens Miljöfond Sverige AB	NO	Sweden	Stockholm	9.06%
North Irish Sea Array Windfarm Ltd.	NO	Ireland	Cork	50.00%
Bore Array Ltd.	NO	Ireland	Cork	50.00%
Engene Solar AS	NO	Norway	Larvik	50.00%
Hidroelectrica La Confluencia S.A.	IN	Chile	Santiago	50.00%
Hidroelectrica La Higuera S.A.	IN	Chile	Santiago	50.00%
La Higuera Transmission S.A.	IN	Chile	Santiago	50.00%
Allain Duhangan Hydro Power Ltd.	IN	India	New Delhi	49.00%
Dugar Hydro Power Ltd	IN	India	New Delhi	50.00%
Malana Power Company Ltd.	IN	India	New Delhi	49.00%
Khimti HPP [2]	IN	Nepal	Kathmandu	50.00%
Wind UK Invest Ltd.	EU	United Kingdom	London	51.00%
Mirabal 220KV AIE	EU	Spain	Valencia	40.00%
KraftCERT AS	OT	Norway	Bærum	33.33%
Silva Green Fuel AS	XE	Norway	Oslo	51.00%
Grenian Hydrogen Ltd.	XE	United Kingdom	Gloucestershire	33.33%

[1] NO: Nordics, EU: Europe, IN: International, XE: New technologies, OT: Other.
[2] The company has not yet been legally established.

Name	Segment [1]	Country	Registered office	Shareholding and voting share
JOINT OPERATIONS				
Fosen Vind DA	NO	Norway	Oslo	52.10%
Solbergfoss [2]	NO	Norway	Askim	33.33%
Aktieselskabet Tyssefaldene [3]	NO	Norway	Tyssedal	60.17%
Sira-Kvina Kraftselskap DA [4]	NO	Norway	Sirdal	46.70%
Svorka	NO	Norway	Surnadal	50.00%
Vikfalli	NO	Norway	Vik	88.00%
Gäddede	NO	Sweden	Stockholm	70.00%
Harrsele AB	NO	Sweden	Stockholm	50.57%
Volgsjöfors	NO	Sweden	Stockholm	73.10%
Bagn Kraftverk DA	NO	Norway	Porsgrunn	80.00%
Uvdal 1 and 2	NO	Norway	Porsgrunn	90.00%
Hekni	NO	Norway	Kristiansand	33.30%
Sundsbarm Kraftverk DA	NO	Norway	Porsgrunn	91.50%
Svelgfoss	NO	Norway	Tinn	23.94%
Kabel- und Trassengemeinschaft WindStrom GmbH & Co. Windpark Hakenstedt I KG & Co. OHG	EU	Germany	Edemissen	71.00%
Umspannwerk Druxberge GmbH	EU	Germany	Edemissen	20.00%
Umspannwerk Druxberge GmbH & Co. KG	EU	Germany	Edemissen	11.41%
WindStrom GmbH & Co. Windfeld Beppener Bruch Infrastruktur KG	EU	Germany	Edemissen	45.38%
Netzanschluss Wilstermarsch GmbH	EU	Germany	Enge-Sande	29.00%
ANB Treuenbrietzen GmbH & Co. KG	EU	Germany	Zossen	31.50%
Umspannwerk Hellberge GmbH & Co. KG	EU	Germany	Zossen	52.76%
ANB Hellberge GmbH & Co. KG	EU	Germany	Zossen	58.33%
Netzanschluss Genthin GbR	EU	Germany	Nielebock	48.00%
Uhrsleben Leitungs GbR	EU	Germany	Gevensleben	13.12%
Umspannwerk Putlitz GmbH & Co. KG	EU	Germany	Oldenburg	8.00%
ANB Dahmetal GmbH & Co. KG	EU	Germany	Zossen	50.00%
Zonnepark Lange Runde B.V.	EU	The Netherlands	Amsterdam	10.00%
Into Green Future GmbH	EU	Germany	Emden	25.00%
Kraftwerksgesellschaft Herdecke, mbH & Co. KG	EU	Germany	Hagen	50.00%

[1] NO: Nordics, EU: Europe, IN: International, XE: New technologies, OT: Other.
[2] Statkraft owns 33.33% of Solbergfoss, but controls 35.6% of the generation.
[3] Statkraft owns 60.17% of Aktieselskabet Tyssefaldene, but controls 71.4% of the generation from the Tysso II hydropower plant.
[4] Includes Skagerak Energi AS' ownership of 14.6% in Sira-Kvina Kraftselskap DA.

Note 26 continued

Name	Segment [1]	Country	Registered office	Shareholding and voting share
JOINT OPERATIONS WITHOUT JOINT CONTROL				
Svartisen	NO	Norway	Meløy	70.00%
Ulla-Førre [2]	NO	Norway	Suldal	73.48%
Grytten	NO	Norway	Rauma	88.00%
Kobbelv	NO	Norway	Sørfold	82.50%
Sima	NO	Norway	Eidfjord	65.00%
Folgefonn [3]	NO	Norway	Mauranger	100.00%
Aurland	NO	Norway	Oslo	7.00%
Stegaros	NO	Norway	Tinn	50.00%
Kraftverkene i Orkla	NO	Norway	Rennebu	48.60%

[1] NO: Nordics, EU: Europe, IN: International, XE: New technologies, OT: Other.
[2] Includes Skagerak Energi AS' ownership of 1.49% in Ulla-Førre.
[3] Includes Skagerak Energi AS' ownership of 14.9% in Folgefonn.

Name	Segment [1]	Country	Registered office	Shareholding and voting share
ASSOCIATES				
Companhia Energética Rio das Antas - Ceran [2]	IN	Brazil	Florianópolis	5.00%
Passos Maia Energética S.A.	IN	Brazil	Caçador	50.00%
Aursjøvegen AS	NO	Norway	Sunndalsøra	17.00%
Eviny AS	NO	Norway	Bergen	43.44%
Nape Kraft AS	NO	Norway	Grimstad	49.00%
Å Energi AS	NO	Norway	Kristiansand	32.62%
Isola Solar AS	NO	Norway	Larvik	34.00%
Where2O AS	NO	Norway	Svalbard	44.00%
Fossum Sol 1 AS	NO	Norway	Skien	33.30%
Hark Technologies	NO	Norway	Trondheim	34.00%
Air Liquide Skagerak AS	NO	Norway	Porsgrunn	49.00%
Laugstol AS	NO	Norway	Porsgrunn	33.40%

[1] NO: Nordics, EU: Europe, IN: International, XE: New technologies, OT: Other.
[2] Statkraft's voting share in Ceran is 20% and shareholding is 5%.

None of the companies have observable market values in the form of listed market prices or similar.

Statkraft owns 4.79% of the shares in Rsk DA, which owns the Røldal-Suldal hydropower plants. The interest is a participation in a joint operation, where Statkraft does not have joint control.

Note 27 Other non-current assets

MATERIAL ACCOUNTING POLICIES

Loans to equity accounted investments are measured at amortised cost (see note 10) when the loans are issued at market terms and there is a contractual right to receive interest payments at fixed dates, either with or without the right to receive repayment of principal. There is one exception related to a joint venture in Chile. The loan is interest-free and measured at the net present value of future cash flows discounted with a prevailing market rate. At initial recognition, the loan receivable has a recognised value lower than its nominal value, and the difference between the present value and the nominal value is recognised as an increase in the equity accounted investment (see note 26). Subsequently, a non-cash interest income is recognised in the statement of profit or loss which increases the carrying value of the loan correspondingly. The equivalent non-cash interest expense in the equity accounted investment is recognised as a part of the Share of profit/loss in equity accounted investments in the statement of profit or loss.

All loans are subject to potential loss allowance for expected credit losses in accordance with IFRS 9 Financial Instruments.

NOK million	2023	2022
Loans to equity accounted investments	1 758	1 496
Bonds and other long-term receivables [1)]	1 763	1 186
Net pension assets	1 170	886
Uncertain income tax deposit [1)]	2 079	2 079
Other shares and securities	2 600	1 719
Total	9 370	7 367

[1)] See note 35.

Note 28 Inventories

GENERAL INFORMATION

Statkraft's inventories consist of:

- Environmental certificates.
- Wind- and solar projects that Statkraft intends to develop and divest to third parties either before, at the time of or in due course after construction (DS/DBS).
- Inventories which are directly related to the tangible assets, whereof spare parts are the most significant group.

Environmental certificates

Statkraft's environmental certificates mainly consist of green certificates in the Nordics, Renewable Obligation Certificates (ROCs) in the UK, UK allowances (UKA), European Union Allowances (EUAs) and carbon allowances in the US. A significant part of the environmental certificates are ROCs which are purchased from origination and market access activities and in addition from own generating assets that are eligible for receiving these government grants.

Wind and solar projects

Inventories in Statkraft comprise costs of solar and onshore wind power development or construction projects that Statkraft intends to divest to third parties. In some cases, an agreement has been entered with third parties to divest the projects when the project reaches agreed conditions. In other cases, no agreements with third parties are entered prior to construction being finalised, however the intention is always to divest the project and a selling process will be ongoing.

Statkraft has defined three categories of inventory within the DS/DBS model:

- **Development projects**: include early-stage wind- and solar projects which have not yet reached the construction phase.
- **Construction projects**: If management has decided to start construction of a wind farm or a solar farm based on the developed project, the development project will be transferred to Construction projects.
- **In operation**: After the construction is completed and the project has reached commercial operation date, the wind- or solar farm is either sold to a customer or the project will be moved to the category In operation while a process to sell the completed project will be ongoing.

Statkraft currently has nine ongoing construction projects, as well as two projects where construction is completed. For three of the ongoing projects, a put/call option agreement (PCOA) or other types of sales agreements have been signed. These agreements will be closed when the projects reach the agreed conditions.

In 2023 Statkraft divested one wind farm in Ireland, which had been classified as inventory. See note 5 for further information about the divestment.

Note 28 continued

MATERIAL ACCOUNTING POLICIES

Statkraft holds environmental certificates both for own use and for trading.

Environmental certificates held for trading

Purchased environmental certificates held for trading are acquired with the purpose of taking advantage of short-term fluctuations in the market. The certificates are classified as inventories when they are received and are measured at fair value less costs to sell. Changes in fair value of inventories related to trading activities are presented as Gains/losses from market activities in the statement of profit or loss. Environmental certificates held for trading mainly consist of ROCs received through power purchase agreements with wind power producers in UK, California Carbon Allowances in the US and European Union Allowances (EUAs). Other certificates included are Nordic el-certs.

Environmental certificates held for own use

Gas-fired power plants purchase EUAs to cover future emissions. The certificates are classified as inventories when they are received and are subsequently measured at the lower of cost or net realisable value.

Environmental certificates granted from own asset production

Certain environmental certificates, such as Nordic el-certs, Guarantees of Origin or EUAs, are granted for free from generating renewable energy or heating production. These certificates are recognised with a cost price of zero.

Wind and solar projects measured at the lower of cost price and net realisable value

The costs relating to early-stage development opportunities are recognised in the profit or loss until such point as the management is confident that the economics of the underlying project are viable, and the project expenditure is approved by the appropriate management level on the basis of its recoverability. Statkraft considers a project commercially viable if it is expected to be realised with a required positive margin once it is either fully developed or fully constructed.

Initially, inventory is recognised at cost. The costs attributed to inventories comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Wind and solar projects are measured at the lower of cost and net realisable value. Net realisable value is calculated as the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. For projects where contracts with customers are not entered (merchant), the most reliable source is observable prices obtained in the market in transactions including similar assets. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. If the carrying value of the projects is not recoverable the projects are written down below cost to net realisable value.

Spare parts and other inventories

Spare parts and other inventories are directly related to property, plant and equipment and are recognised at the lowest of cost price and net realisable amount.

	2023		2022	
NOK million	Recognised value	Cost price	Recognised value	Cost price
Inventories measured at fair value less costs to sell				
Environmental certificates	**6 842**	**6 530**	7 022	6 670
Total	**6 842**	**6 530**	7 022	6 670
Inventories measured at the lower of cost price and net realisable value				
Environmental certificates	**640**		549	
Spare parts	**247**		216	
Other	**386**		270	
Total	**1 274**		1 035	
Wind and solar projects measured at the lower of cost price and net realisable value				
Development projects	**2 075**		1 298	
Construction projects [1)]	**3 500**		3 144	
Projects in operation [1)]	**1 699**		51	
Total	**7 274**		4 493	
Total	**15 390**		**12 550**	

[1)] PCOA or other types of sales agreements have been signed for NOK 2.9 billion of the total recognised value within construction projects and projects in operation.

Note 29 Receivables

GENERAL INFORMATION

The Group's receivables are divided into four categories:

Accounts receivable mainly related to trading activities and Nordic hydropower generation.

Income tax prepayments and receivables related to resource rent taxes, natural resource rent taxes and ordinary income taxes.

Cash collateral and margin calls related to market settlements for derivatives connected with financial and trading activities.

Other receivables include interest-bearing loans to equity accounted investments.

See note 9 for more information.

MATERIAL ACCOUNTING POLICIES

Receivables are held until maturity and therefore are carried at amortised cost. Statkraft records lifetime expected credit losses on receivables, which is the expected credit loss that result from all possible default events over the expected life of a financial instrument.

NOK million	2023	2022
Accounts receivable	**20 659**	24 678
Income tax prepayments and receivables	**364**	743
Cash collateral and margin calls	**9 195**	24 990
Other receivables	**4 539**	7 628
Total	**34 757**	58 040

Maturity analysis of receivables

		Receivables overdue by			
2023		Less than	More than	Receivables overdue	
NOK million	Not yet due	90 days	90 days	and impaired	**Total**
Accounts receivable	19 106	1 118	663	-227	**20 659**
Recognised as loss for the year					**38**

		Receivables overdue by			
2022		Less than	More than	Receivables overdue	
NOK million	Not yet due	90 days	90 days	and impaired	Total
Accounts receivable	23 391	1 086	382	-181	24 678
Recognised as loss for the year					28

Note 30 Cash and cash equivalents

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents includes commercial papers and other interest-bearing securities which normally are due within a period of three months from acquisition date, highly liquid, readily convertible and subject to an insignificant risk of changes in value. The item also includes restricted cash. Classification of cash deposit to cover margin calls related to trading activities depends on the characteristics of the exchange clearing service. If the service provider is neither a financial institution, nor part of Statkraft's daily cash management and holds no bank accounts in the name of Statkraft, the cash deposit is classified as other receivables.

Market settlements for derivatives connected with financial activities (cash collateral) are recognised in the statement of financial position as either receivables or liabilities.

Bank deposits, cash and similar from joint operations are also presented under cash and cash deposits.

NOK million	2023	2022
Cash and cash deposits [1) 2)]	31 003	47 207
Time deposits	5 272	1 100
Commercial papers and other interest-bearing securities	8 307	10 595
Total	44 582	58 902

[1)] Includes NOK 219 million and NOK 190 million respectively in 2023 and 2022 from companies reported as joint operations.
[2)] Includes NOK 5.5 billion (NOK 3.3 billion) in the company Baltic Cable, of which NOK 2.7 billion (NOK 1.7 billion) is regulated for future investments, see note 35.

Book value of cash and cash equivalents pledged as security to counterparties (restricted cash)

NOK million	2023	2022
Deposit account related to power sales on energy exchanges	251	329
Other restricted cash	3	3
Total	254	332

Note 31 Other non-current liabilities

MATERIAL ACCOUNTING POLICIES

Provisions are only recognised when there is an existing obligation as a result of a past event, and when it is more than 50% probable that an obligation has arisen. It must also be possible to reliably measure the provision. Provisions are recognised with an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. If the probability is lower than 50%, the conditions will be stated in note 36, if material.

Free power and annual compensations to landowners Statkraft compensates landowners for the use of land and waterfalls. In addition, Statkraft compensates for damage caused to forests, land etc. The present value of liabilities related to annual compensation and free power are initially recognised as Other non-current liabilities and as a part of the acquisition costs of the related property, plant and equipment. Annual payments are recognised as Other operating expenses.

Concessionary power Each year, concessionary power sales are made to local authorities at statutory prices stipulated by the Norwegian Parliament. The supply of concessionary power is recognised as revenues on an ongoing basis in accordance with the established concessionary price. In the case of certain concessionary power contracts, agreements have been made regarding financial settlement in which Statkraft is invoiced for the difference between the spot price and the concessionary price. Such concessionary contracts are not recognised in the statement of financial position. The capitalised value of future concessionary power obligations is estimated and disclosed in note 36.

Deferred day one gains If a level 3 financial instrument creates a day one gain, the gain is deferred and recognised as Other non-current liabilities. See note 10.

Decommissioning Provisions related to decommissioning typically arise when Statkraft has the right to time-limited concessions. See note 24.

NOK million	2023	2022
Decommissioning [1]	2 139	1 501
Provisions [2]	1 131	1 088
Other [3]	1 702	1 384
Total	4 972	3 974

[1] Mainly related to wind farms and gas-fired power plants.

[2] Mainly related to annual compensations and free power to landowners.

[3] Includes monetary contributions from customers related to infrastructure assets.

Reconciliation of provisions during the period

NOK million	2023	2022
Carrying value 1 Jan	1 088	1 077
Additions	50	40
Additions due to company acquisitions	41	-
Provisions used/reversed	-47	-50
Reclassifications	-27	-4
Currency translation effects	26	26
Carrying value 31 Dec	1 131	1 088

Note 32 Contract liabilities

GENERAL INFORMATION

Statkraft has entered into two long-term power sales agreements with a duration of 15 years, for which prepayments have been received.

MATERIAL ACCOUNTING POLICIES

The prepayments imply that Statkraft has effectively received financing from the customer. In determining the transaction price, the promised amount of consideration is adjusted for the effects of the time value of money applying Statkraft borrowing rate plus a credit premium as the prevailing interest rate. The financing component is recognised as interest expenses.

NOK million	2023	2022
Contract liabilities, non-current	3 421	3 736
Contract liabilities, current	316	316
Total	3 736	4 052

Note 33 Interest-bearing liabilities

NOK million	2023	2022
Interest-bearing liabilities, current		
Bank debt	992	2 058
Commercial papers and bond debt	5 800	10 252
Lease liabilities	504	345
Debt to Statkraft SF	200	200
Cash collateral	5 420	3 495
Other short-term debt	19	15
Total	12 935	16 365
Interest-bearing liabilities, non-current		
Bank debt	6 636	3 627
Bond debt	39 918	21 456
Lease liabilities	2 234	1 687
Total	48 789	26 770
Total interest-bearing liabilities	61 724	43 135

NOK million	2023	2022
Cash flows from interest-bearing liabilities and derivatives allocated to the debt portfolio		
Interest-bearing liabilities and derivatives allocated to the debt portfolio as of 1 Jan [1]	42 969	51 083
Items with cash effect		
New debt	26 139	25 911
Repayment of debt	-15 134	-28 271
Cash collateral	1 736	-7 675
Total items with cash effect	12 741	-10 035
Items with no cash effect		
Additions from lease liabilities	769	304
Additions from lease liabilities related to acquisition of companies	196	10
Disposals from lease liabilities	-14	-8
Disposals from lease liabilities related to divestments	-29	-224
Remeasurements of lease liabilities	106	27
Additions from acquisition of companies	1 337	22
Derecognition from divestments	-	-3
Changes in foreign exchange rates	2 842	1 647
Changes in fair value	-537	64
Other	15	82
Total items with no cash effect	4 685	1 921
Interest-bearing liabilities and derivatives allocated to the debt portfolio as of 31 Dec [2]	60 395	42 969

[1] In 2023, the derivatives included in the opening balance amounted to NOK -166 million. In 2022 the corresponding amount was NOK -836 million.
[2] In 2023, the derivatives included in the closing balance amounted to NOK -1329 million. In 2022 the corresponding amount was NOK -166 million.

Note 34 Other current liabilities

Other current liabilities

NOK million	2023	2022
Accounts payable [1]	4 177	6 452
Indirect taxes payable [2]	2 335	2 879
Debt to Statkraft SF	200	200
Accrued interest-free liabilities [1]	14 322	17 847
Accrued interest related to long-term debt	821	470
Cash collateral	5 420	3 495
Other interest-free liabilities	5 646	5 757
Total	32 921	**37 100**
Of which interest-bearing liabilities	5 639	3 710

[1] The main part of these liabilities is related to trading activities in energy-related products where costs have been incurred, but not yet invoiced.
[2] Includes high-price contributions in 2022. This was terminated October 2023. See note 18 and 22.

Note 35 Disputes, contingencies and uncertain tax positions

DISPUTES AND CONTINGENCIES

The Group is involved in a number of legal proceedings in various forms. Whilst acknowledging the uncertainties of litigation, the Group is of the opinion that based on the information currently available, these matters will be resolved without any adverse material effect, individually or collectively on the Group's financial position. For legal disputes, in which the Group assesses it to be probable that an economic outflow will be required to settle the obligation, provisions have been made based on management's best estimate. For significant cases with uncertainty, see details below.

Supreme Court ruling of reindeer herding court case at Fosen wind farms

On 11 October 2021, the Norwegian Supreme Court ruled that the concessions and expropriation permits of 2013 for the Storheia and Roan wind farms at Fosen in Norway violate the Sami reindeer herders right to cultural practice under Article 27 of the UN International Covenant on Civil and Political Rights (ICCPR) and are therefore invalid.

Statkraft owns 52.1% of Storheia through Fosen Vind DA, whereas Roan was divested in 2021. Statkraft must on certain conditions indemnify the buyers of Statkraft's 52.1% shareholding in Roan Vind for potential losses following the Supreme Court ruling. Fosen Vind and Roan Vind initiated dialogues with the Ministry of Energy and with the Sami groups following the decision.

On 18 December 2023, Fosen Vind signed an agreement with Sør-Fosen sijte, which ensures both continuation of Storheia wind farm throughout the license period and continuation of reindeer husbandry as a commercial activity in accordance with Article 27 ICCPR. The State undertakes to carry out a process that will give Sør-Fosen sijte a replacement pasture outside Fosen until 2045. The sijte is also given a financial compensation of NOK 7 million per year throughout the concession period and a veto right against an application to prolong the concession period. Through this agreement and the State's provision of a replacement pasture, the violation of ICCPR Article 27 is repaired with respect to Sør-Fosen sijte. Roan Vind and North-Fosen siida are still in a mediation process and have not reached any agreement yet.

Baltic Cable – regulations of revenues

Baltic Cable AB (BC) is a subsidiary of Statkraft reported under the segment Nordics. 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.

The Swedish regulator Energimarknadsinpektionen (Ei) and the German regulator BundesnetzAgentur (BNetzA) issued on 28 April 2022 and 14 June 2022 respectively decisions regarding the regulation of BC's revenues. Ei decided, for the period 1 July 2013 to 31 December 2021 and with respect to 50 per cent of BC's revenues, that revenues above a defined level of operating 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 ordered BC, with respect to 50 per cent of its revenues, to transfer cash from revenues exceeding a defined level of operating costs, depreciation and return on capital, to a neighbouring German TSO for 2022. BC is of the clear view that there is no legal basis for such an order and has appealed this to the Higher Regional Court in Düsseldorf. BNetzA has agreed not to execute the order pending the appeal. As the court case is not concluded, the same estimate as for 2022 has been anticipated for 2023. The court case will continue in 2024 and the outcome and the financial impact is uncertain at this stage.

NOK 871 million has been recognised as a reduction of Sales revenues in the statement of profit or loss for 2023 and NOK 2583 million is recognised as Other current liabilities in the statement of financial position. As of 31 December 2023, cash and cash equivalents in BC amounted to NOK 5544 million and is presented under the line-item Cash and cash equivalents in the statement of financial position, of which NOK 2658 million is regulated for future investments.

UNCERTAIN TAX POSITIONS

The Group is subject to income taxes in several jurisdictions. There is uncertainty related to the final tax liability for many transactions and calculations. A dispute or examination of a particular tax treatment by taxation authorities may affect the accounting for current or deferred taxes. When assessing the recognition of uncertain tax assets or liabilities, it is considered if the asset or liability is probable. If the final outcome of the tax disputes deviates from the amounts recognised in the statement of financial position, the deviations will impact the income tax expense in the statement of profit or loss for the applicable period. The main uncertain tax positions in the Group are described in more detail below. See also note 22.

Uncertain tax positions in Norway

On 3 and 12 March 2020, Statkraft AS received decisions of tax reassessments from the Norwegian tax authorities. The decisions regarded the income tax returns for the fiscal years 2010-2016 related to the investment in the Statkraft Treasury Centre SA (STC) in Belgium. On 24 April 2017, the major business activities in STC were transferred to Statkraft AS. All business activities in STC have been closed down.

The main issue relates to STC's capital structure and its compliance with the arm's length principle. Statkraft strongly disagrees that there is a legal basis for any reassessment and has made no provisions related to this case in the consolidated financial statements. On 8 April 2020, Statkraft appealed the decisions to the Tax Appeals Board.

Statkraft has paid NOK 2335 million to the Norwegian tax authorities in 2020 related to this case associated with the period of 2010-2016. Of this, NOK 2079 million is presented as an uncertain income tax deposit and NOK 256 million is presented as uncertain interests deposit. Both items are recognised as Other non-current assets in the statement of financial position.

Uncertain tax positions in Germany

Statkraft has significant business activities in Germany, and the taxable treatment for some transactions and acquisitions are uncertain. This includes trading contracts. Statkraft is of the opinion that certain unrealised losses on trading contracts are tax deductible while the German tax authorities are of the opinion that the same losses are only deductible at the time of realisation of the relevant contracts. The timing of deductions in combination with the minimum taxation regulations in Germany has significant effects on accumulated payable tax expense. Statkraft is in the process of challenging the tax treatment in the German tax court.

As of 31 December 2023, Statkraft has expensed NOK 890 million as taxes payable due to this tax treatment (NOK 810 million as of 31 December 2022). Of this, NOK 592 million has been paid to German tax authorities (NOK 537 million as of 31 December 2022).

Note 36 Pledges, guarantees and obligations

PLEDGES

Under certain circumstances local authorities and publicly owned energy companies are entitled to a share of the output from power plants belonging to Statkraft in return for paying a share of the construction costs. To finance the acquisition of such rights, the local authorities/companies have been granted permission to pledge the power plant as security. The mortgage debt raised by the local authorities under this scheme totals NOK 800 million (NOK 800 million in 2022). In addition, other subsidiaries have a total of NOK 4510 million (NOK 2404 million in 2022) in pledged debt. The pledged assets consist mainly of cash collateral in restricted accounts, future revenues from long-term power sales agreements and property, plant and equipment.

As of 31 December 2023, the carrying value of the pledged assets in the Statkraft Group totalled NOK 1930 million (NOK 570 million).

GUARANTEES AND BONDS

The Statkraft Group has the following off-balance sheet guarantees:

NOK million	2023	2022
Parent company guarantees on behalf of subsidiaries [1]	50 419	58 950
Parent company guarantees on behalf of associates and joint arrangements	114	-
Other [2]	4 656	3 892
Total guarantees in Statkraft AS	55 188	62 843
Guarantees issued by subsidiaries [2]	8 268	6 763
Total guarantees	63 456	69 606

[1] The guarantees for 2023 are mainly related to energy trading of NOK 34 673 million and liabilities to suppliers of NOK 3442 million.

[2] Figures for 2023 include NOK 3119 million in grid bonds and NOK 308 million in performance bonds related to the development and construction of wind- and solar farms. Such bonds can be called if Statkraft does not develop and construct the respective wind- and solar farms according to the terms.

CONTRACT OBLIGATIONS

Statkraft Group has the following significant off-balance sheet obligations as of 31 December 2023:

- Statkraft is obliged to pay concession fees related to hydropower plants, mainly in Norway. The present value of the Group's future concession fee obligations, not recognised in the statement of financial position, is estimated to NOK 9500 million. The estimated amount is based on a regulated discount rate of 4.4%, annual compensation and funds etc. In 2022, the corresponding amount was NOK 9307 million with a discount rate of 4.4%.
- Contractual obligations of NOK 3629 million related to construction of wind farms, solar farms and hydropower plants.
- A power purchase agreement with an estimated 16-year horizon. The purchase obligation is NOK 1418 million.
- Obligation regarding service agreements related to gas-fired power plants of NOK 540 million.

CONCESSIONARY POWER CONTRACTS

The Group recognises concessionary power as normal buying and selling in accordance with stipulated concessionary power prices upon delivery, regardless of whether the settlement takes place upon physical delivery or financial settlement. Concessionary power contracts are normally regarded as indefinite. The parties can however agree on financial settlement for a period of time.

At the end of 2023, the contracts with financial settlement had a total volume of around 303 GWh and an average price from the Ministry of Energy of 12.3 øre/kWh. For the remaining contracts with financial settlement, the estimated fair value as of 31 December 2023 was NOK -65 million.

Note 37 Fees paid to external auditors

Deloitte is the Statkraft Group's auditor and audits all subsidiaries subject to audit requirements, except for subsidiaries in Brasil and some subsidiaries in India and one subsidiary in Sweden. The statutory audit fee to other auditors amounts to approximately NOK 5 million in 2023 and NOK 2 million in 2022.

The total fees (excluding VAT) paid for auditing and other services were as follows:

NOK thousand	2023	2022
Statutory auditing	39 619	29 208
Other attestation services	1 627	987
Tax consultancy services	360	-
Other services [1]	10 307	965
Total	51 914	31 160

[1] The main items in fees for other services in 2022 relates to attestation of the sustainability report and 2023 relates to attestation of the sustainability report, due diligence services and technical support funding applications.

Note 38 Benefits paid to executive management and the Board of Directors

Statkraft is organised in five business areas and two staff areas. The managers of these business and staff areas report to the Group management, which comprises the executive vice presidents (EVPs) and the President and CEO.

Salary and other benefits – executive management

2023

NOK	Salary	Bonus [1]	Benefits in kind	Salaries and other benefits
Christian Rynning-Tønnesen, President and CEO	6 151 775	1 185 000	240 160	**7 576 935**
Anne Harris, Executive Vice President and CFO [2]	2 126 904	342 000	118 277	**2 587 181**
Thomas Geiran, acting Executive Vice President and CFO [3]	2 054 732	351 000	78 782	**2 484 514**
Hallvard Granheim, Executive Vice President	5 433 861	1 092 000	239 597	**6 765 458**
Birgitte Ringstad Vartdal, Executive Vice President	4 989 534	712 000	243 592	**5 945 126**
Jürgen Tzschoppe, Executive Vice President	4 564 042	760 000	242 808	**5 566 850**
Henrik Sætness, Executive Vice President	3 616 286	569 000	242 713	**4 427 999**
Ingeborg Dårflot, Executive Vice President	4 042 117	574 400	243 398	**4 859 915**
Barbara Flesche, Executive Vice President	5 348 363	856 526	47 109	**6 251 998**

[1] Bonus earned in 2023, but disbursed in 2024.
[2] Anne Harris resigned from her position as Executive Vice President and CFO on 30 June 2023.
[3] Thomas Geiran was appointed acting Executive Vice President and CFO on 1 July 2023.

2022

NOK	Salary	Bonus [1]	Benefits in kind	Salaries and other benefits
Christian Rynning-Tønnesen, President and CEO	6 044 700	808 000	228 189	7 080 889
Anne Harris, Executive Vice President and CFO	3 678 065	630 000	230 520	4 538 585
Hallvard Granheim, Executive Vice President	4 783 957	851 000	226 338	5 861 295
Birgitte Ringstad Vartdal, Executive Vice President	4 413 911	735 000	232 325	5 381 236
Hilde Bakken, Executive Vice President [2]	3 552 936	-	231 135	3 784 071
Jürgen Tzschoppe, Executive Vice President	3 990 535	558 000	230 652	4 779 188
Henrik Sætness, Executive Vice President	3 195 830	402 000	228 674	3 826 505
Ingeborg Dårflot, Executive Vice President [3]	2 723 184	341 000	256 576	3 320 760
Barbara Flesche, Executive Vice President [4]	3 653 002	2 913 354	62 251	6 628 607

[1] Bonus earned in 2022, but disbursed in 2023. Includes payment, made in 2022 prior to becoming EVP, of NOK 2 229 957 to Barbara Flesche to secure continuity during the integration of the acquired company Solar Century Holdings Limited.
[2] Hilde Bakken resigned from her position as Executive Vice President on 30 June 2022.
[3] Ingeborg Dårflot was appointed Executive Vice President on 15 August 2022.
[4] Barbara Flesche was appointed Executive Vice President on 15 August 2022.

The Group management has not received any compensation or financial benefits from other companies in the same Group other than those shown above. No additional compensation for special services beyond normal managerial functions has been provided, nor have any loans or surety been granted. For 2023, total salaries and other benefits paid to the executive management amounted to NOK 46 465 977. The corresponding amount in 2022 was NOK 45 201 135.

Pension costs – executive management

NOK	2023	2022
Christian Rynning-Tønnesen, President and CEO	**3 343 909**	2 880 158
Anne Harris, Executive Vice President and CFO [1]	**85 238**	161 009
Thomas Geiran, acting Executive Vice President and CFO [2]	**85 238**	-
Hallvard Granheim, Executive Vice President	**348 957**	317 325
Birgitte Ringstad Vartdal, Executive Vice President	**170 476**	161 009
Hilde Bakken, Executive Vice President [3]	**-**	979 017
Jürgen Tzschoppe, Executive Vice President	**170 476**	161 009
Henrik Sætness, Executive Vice President	**479 517**	386 314
Ingeborg Dårflot, Executive Vice President [4]	**378 936**	328 027
Barbara Flesche, Executive Vice President [5]	**93 071**	49 153

[1] Anne Harris resigned from her position as Executive Vice President and CFO on 30 June 2023.
[2] Thomas Geiran was appointed acting Executive Vice President and CFO on 1 July 2023.
[3] Hilde Bakken resigned from her position as Executive Vice President on 30 June 2022.
[4] Ingeborg Dårflot was appointed Executive Vice President on 15 August 2022.
[5] Barbara Flesche was appointed Executive Vice President on 15 August 2022.

The year's accounting cost for the pension scheme reflects the period during which the individual has been an executive employee. For 2023, the total pension costs for executive management were NOK 5 155 818. In 2022 the corresponding amount was NOK 5 423 021.

Note 38 continued

Remuneration to the Board, Audit Committee and Compensation Committee as well as participation in board meetings

2023

NOK	Board remuneration	Audit Committee	Compensation Committee	Participation in board meetings
Thorhild Widvey, chair [1)]	545 975	-	56 542	14
Ingelise Arntsen,vice chair [2)]	346 500	115 100	-	15
Peter Mellbye, vice chair [3)]	385 592	-	34 782	14
Marit Salte, director	346 500	83 450	-	14
Mikael Lundin, director	346 500	-	38 015	15
Pål Erik Sjåtil, director	346 500	83 450	-	14
Thorbjørn Holøs, employee-elected director	346 500	83 450	-	15
Lars Mathisen employee-elected director	346 500	-	38 015	14
Marte Lind employee-elected director	346 500	83 450	-	15

[1)] Left the Board in November 2023.
[2)] Was appointed vice chair in November 2023. Prior to this, Ingelise Arntsen was director.
[3)] Left the Board in November 2023.

Alexandra Beck Gjørv was appointed as chair, and Lars Røsæg as board member as of 30 November 2023. Both participated in one board meeting in 2023. They have not received any board remuneration from Statkraft in 2023.

2022

NOK	Board remuneration	Audit Committee	Compensation Committee	Participation in board meetings
Thorhild Widvey, chair	574 600	-	59 500	12
Peter Mellbye, vice chair	405 800	-	36 615	12
Marit Salte, director	333 600	80 350	-	11
Mikael Lundin, director	333 600	39 500	18 615	12
Ingelise Arntsen, director	333 600	110 850	-	10
Bengt Ekenstierna, director [1)]	164 000	-	-	6
Pål Erik Sjåtil, director [3)]	169 600	40 850	-	6
Vilde Eriksen Bjerknes, employee-elected director [2)]	54 667	-	-	1
Thorbjørn Holøs, employee-elected director	333 600	80 350	-	12
Lars Mathisen, employee-elected director [4)]	169 600	-	18 615	6
Marte Lind, employee-elected director [5)]	169 600	40 850	-	6
Asbjørn Sevlejordet, employee-elected director [6)]	164 000	-	18 000	6

[1)] Left the Board in June 2022.
[2)] Left the Board in June 2022.
[3)] Was appointed board member in June 2022.
[4)] Was appointed board member in June 2022.
[5)] Was appointed board member in June 2022.
[6)] Left the Board in June 2022.

The Board has no remuneration agreements other than the directors' fee and remuneration for participation in committee work, nor have any loans or surety been granted to directors of the Board. Total remuneration paid to the Board, Audit Committee and Compensation Committee in 2023 was NOK 3 357 067, NOK 448 900 and NOK 167 353 respectively. The respective amounts in 2022 were NOK 3 206 267, NOK 392 750 and NOK 151 345.

THE BOARD'S STATEMENT REGARDING SALARIES AND OTHER REMUNERATIONS TO SENIOR EXECUTIVES – 2023

The board of Statkraft will contribute to a moderate, but competitive development of executive pay in Statkraft and principles and guidelines for executive salary and other remunerations are formed accordingly.

A separate remuneration report will be published by Statkraft. The report will encompass detailed information on executive remuneration and be published prior to the 2024 annual general meeting.

Salaries and other remuneration to senior executives as of 31 December 2023 are presented in the table "Salary and other benefits – executive management". Allocation and payment of remuneration to members of the executive management has been conducted according to the Statkraft guidelines for executive remuneration, as decided on the 2023 annual general meeting. Complete guidelines are available at statkraft.no.

Variable salary

For the CEO and corporate management, targets are defined for strategic objectives as well as financial and operational performance. The CEO's variable pay has a combined weighting of approximately 80% of these targets and 20% weighting of individual targets on strategic leadership and organisational development. Assessment of variable remuneration level for the executive vice presidents is conducted by the CEO in consultation with the compensation committee of the Statkraft board. The assessment of variable remuneration level for the CEO is conducted by the compensation committee and decided by the board.

For 2023 the main targets and related KPI's for the CEO were as described below. All targets were supported by comprehensive plans and measures. The targets are independent of the power price level.

Note 38 continued

Strategic targets	Weight	Evaluation
Safety • Targets and measures comprise safety, the duty to prevent incidents and being a workplace with no injuries. • In the case of fatalities or severe permanent disabilities an achievement score of 0% is concluded for the target in full. • Threshold for bonus is at TRI-rate better than 4.0 and full bonus is achieved on TRI-rate 3.0 or below.	15%	TRI-rate 2023 was 3,4 and represent a positive development towards the goal of no serious injuries or fatalities. The company also had good results on the employee and management engagement index for 2023. *The Board evaluated the target achievement to be at 60% for 2023.*
Market operations • Added value from energy management and other market activities compared to the market. • Target achievement is measured towards predefined profitability criteria.	14%	Market operations delivered very strong results for 2023. *The Board evaluated the target achievement to be at 100% for 2023.*
Norwegian hydropower • Added value from the Norwegian hydro power portfolio. • Target achievement is measured as the added value in percent created relative to all other hydropower producers in Norway, hence the achievement is independent of the price level itself. Threshold for bonus is at realised price margin better than 3.5%.	9%	Added value from the energy management of the Norwegian hydro power portfolio, in terms of percentage realised added value relative to all other hydropower producers in Norway, was at a very good level for 2023. The results further underline the company's ability to sustainably manage the hydropower portfolio. *The Board evaluated the target achievement to be at 100% for 2023.*
Total cost of operations Nordic hydropower • Targets and measures comprise cost effective operations of the Nordic hydropower. • Target achievement is measured towards predefined cost values per kWh.	5%	Total cost of operations Nordic hydropower did not meet the target in terms of cost per kWh for 2023. *The Board evaluated the target achievement to be at 0% for 2023.*
Total cost of operations International hydropower • Targets and measures comprise cost effective operations of the International hydropower. • Target achievement is measured towards predefined cost values per kWh.	4%	Total cost of operations International hydropower did not meet the target in terms of cost per kWh for 2023. *The Board evaluated the target achievement to be at 0% for 2023.*
Construction run rate solar, wind and battery • Targets and measures comprise the construction run rate of solar, wind and battery power. • Target achievement is measured towards strategic growth targets and related targets in GW. • Full bonus is achieved at construction run rate above a predefined level.	9%	The construction run rate for solar, wind and batteries were at a very good level for 2023, exceeding the predefined threshold for 100% achievement. *The Board evaluated the target achievement to be at 100% for 2023.*
Pipeline additions solar, wind and battery (gross) • Targets and measures comprise gross pipeline additions for solar, wind and battery power. • Target achievement is measured towards strategic growth targets and related targets in GW. • Full bonus is achieved at gross pipeline additions above a predefined level.	9%	Growth in pipeline additions for solar, wind and batteries were at a very high level and exceeded the predefined thresholds for 100% achievement for 2023. *The Board evaluated the target achievement to be at 100% for 2023.*
Offshore wind • Targets and measures comprise development rights secured for offshore wind power. • Target achievement is measured towards strategic targets for development rights. • Full bonus is achieved at secured development rights above a predefined level.	10%	The level of secured offshore wind development rights was at very good level in 2023, including securing new rights in Ireland and Sweden. *The Board evaluated the target achievement to be at 100% for 2023.*
Realised value creation at COD for completed European projects • Targets and measures comprise realised value creation for completed European projects when construction is completed and commercial operations starts. • Target achievement is measured towards predefined profitability criteria.	8%	Realised value creation for completed European projects was at a satisfactory level, however with total achievement 2023 being affected by a delay in one of the solar projects. *The Board evaluated the target achievement to be at 25% for 2023.*
Growth strategy • Targets and measures comprise the Group growth opportunities. • Target achievement is related to predefined goals and a discretionary evaluation.	10%	Solid delivery on the Group growth strategy, including value increasing organic growth and acquisitions. *The Board evaluated the target achievement to be at 80% for 2023.*
External reputation • Targets and measures to maintain the strong external reputation of the company throughout the power price crisis. • Target achievement is subject to a discretionary evaluation and the board emphasize the CEO's engagement to strengthen company external reputation.	7%	In a year where Statkraft's position was challenged by extreme power prices and polarised energy policy discussions, record company profits with high remuneration effects, as well as political conflicts relating to the company's wind power portfolio in Norway, the CEO has positioned and branded the company in a solid manner through his active participation both in the public debate. *The Board evaluated the target achievement to be at 75% for 2023.*
Total target weight and achievement 2023	100%	***Total, weighted 2023 target achievement: 75%***

Note 38 continued

The Board of Directors 2023 performance assessment of the CEO

The Board made note of the positive development from 2022 to 2023 in terms of reaching the safety targets. The Board has in their assessment emphasised that the company has delivered at a very good level on crucial areas throughout a year, that started off with a highly volatile market, global uncertainty and high public attention on the electricity market. Furthermore, solid results from market operations and the Norwegian hydropower portfolio, together with strong growth in project pipeline and construction run rate for solar, wind and batteries has been noted by the Board. Finally, the Board noted that proactive steps have been taken to communicate more broadly to ensure a fuller understanding in the general public of the company's business model and significance in terms of value creation and contribution to the renewable transition.

Main targets and related KPI's for the CEO for 2024 are decided by the Board of Directors as described below. All targets are independent of the power price level.

2024 targets for the CEO's variable pay	
Strategic targets	**Weight**
Safety	
• Targets and measures comprise safety, the duty to prevent incidents and being a workplace with no injuries. • In the case of fatalities or severe permanent disabilities an achievement score of 0% is concluded for the target in full. • Threshold for bonus is at TRI-rate better than 4.0 and full bonus is achieved on TRI-rate 3.0 or below.	15%
Market operations	
• Added value from energy management and other market activities compared to the market. • Target achievement is measured towards predefined profitability criteria.	15%
Norwegian hydropower	
• Added value from the Norwegian hydro power portfolio. • Target achievement is measured as the added value in percent created relative to all other hydropower producers in Norway, hence the achievement is independent of the price level itself. Threshold for bonus is at realised price margin better than 3.5%.	10%
Total cost of operations Nordic hydropower	
• Targets and measures comprise cost effective operations of the Nordic hydropower. • Target achievement is measured towards predefined cost values per kWh.	5%
Total cost of operations International hydropower	
• Targets and measures comprise cost effective operations of the International hydropower. • Target achievement is measured towards predefined cost values per kWh.	5%
Final investments decisions 2024 for solar-, wind- and battery- projects	
• Targets and measures comprise the final investment decisions for solar farms, wind farms and battery storage. • Target achievement is measured towards predefined strategic growth targets measured in GW.	10%
Offshore wind	
• Target achievement is measured towards strategic targets for offshore wind. • Full bonus is achieved at extensive value added for offshore wind pipeline development.	5%
Value increase of project pipeline, Nordic, Europe and International	
• Targets and measures comprise portfolio value increase for Nordic, European and International projects • Target achievement is measured towards predefined criteria's in BNOK.	10%
Strategy development	
• Targets and measures comprise the development of the Group strategy. • Target achievement is evaluated by the Board of Directors.	15%
External reputation	
• Targets and measures to maintain a strong external reputation of the company. • Target achievement is subject to an overall evaluation.	10%

Position change agreements

The CEO has an agreement regarding change of position after the age of 62. This is an agreement where, at any time after the employee has reached 62 years of age, the executive or the company has a mutual right to request to resign, or be requested to resign, from his executive position without further justification. If any of the parties exercise this right, the executive should be offered another position with a salary of 75% of the executive's pay – and working hours may be agreed of up to 50% until the agreed-upon retirement age. The policy regarding executive remuneration has been amended and the arrangement is closed to new employees.

In October 2023, the CEO informed the board that he will step down as CEO of Statkraft AS. A recruitment process to find his successor has been initated.

Terms for the CEO's fixed salary

Fixed salary paid to the CEO for 2024 is NOK 6 300 000, with other terms as set out in the Statkraft guidelines on executive remuneration.

Note 39 Related parties

GENERAL INFORMATION

All subsidiaries, associates and joint arrangements stated in note 26 and note 40 are related parties of Statkraft. Intercompany balances and transactions between consolidated companies are eliminated in Statkraft's consolidated financial statements and are not presented in this note.

The individuals stated in note 38 are members of the executive management or the Board of Directors and are also related parties of Statkraft.

The table below shows transactions with related parties classified as associates or joint ventures.

NOK million	2023	2022
Revenues	256	299
Expenses	435	303
Receivables at the end of the period	1 866	1 615
Liabilities at the end of the period	32	33

Significant transactions with the owner and companies controlled by the owner

The shares in Statkraft AS are all owned by Statkraft SF, which is a company wholly owned by the Norwegian State.

NOK million	2023	2022
Gross operating revenues and other income includes:		
Concessionary sales at statutory prices	451	411
Net operating revenues and other income includes:		
Energy purchases from Equinor	2 717	3 686
Transmission costs to Statnett	3	5
Operating expenses includes:		
Regulatory fees to Norwegian authorities	2 352	2 860
Financial expenses includes:		
Interest expenses to Statkraft SF	9	4
Income tax expenses includes:		
Payable income tax expense to Norwegian authorities	15 688	23 985
Proposed dividend to Statkraft SF	13 029	17 213

Transmission costs to Statnett are mainly grid tariff. The prices in this market are stipulated by the Norwegian Water Resources and Energy Directorate. Other transactions with related parties are conducted at commercial terms and conditions.

Except for interest-bearing debt and other current liabilities covered in notes 33 and 34, there are no other significant items between Statkraft AS and Statkraft SF in the statement of financial position.

Statkraft also has transactions and balances with other enterprises controlled by the Norwegian state, but their size, neither individually nor combined, have significance for Statkraft's financial statements.

Note 40 Consolidated companies

Name	Segment [1]	Country	Registered office	Parent company	Shareholding and voting share[2]
Statkraft Varme AS	DHI	Norway	Trondheim	Statkraft Energi AS	100.00%
Stjørdal Fjernvarme AS	DHI	Norway	Trondheim	Statkraft Varme AS	85.00%
Statkraft Värme AB	DHI	Sweden	Kungsbacka	Statkraft Asset Holding AS	100.00%
Devoll Hydropower Sh.A.	EUR	Albania	Tirana	Statkraft Markets B.V.	100.00%
Statkraft Renewables Albania Sh.p.k.	EUR	Albania	Tirana	Statkraft Markets B.V.	100.00%
Fotovoltaico Dulima S.A.S	EUR	Columbia	Ibagué	Solar Century Holdings Ltd.	100.00%
Fotovoltaico Flandes S.A.S.	EUR	Columbia	Ibagué	Solar Century Holdings Ltd.	100.00%
Fotovoltaico Yuma S.A.S	EUR	Columbia	Ibagué	Solar Century Holdings Ltd.	100.00%
Solar Century Alpha d.o.o.	EUR	Croatia	Zagreb	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft OIE d.o.o.	EUR	Croatia	Zagreb	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Renouvelables SAS	EUR	France	Lyon	Statkraft Asset Holding AS	100.00%
Helioceres IV SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 2 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 3 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 4 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 5 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 06 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 07 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 08 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 09 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 10 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 11 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 12 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 13 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SK Renouvelables 14 SAS	EUR	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
Eoliennes Suroit SNC	EUR	France	Lyon	Statkraft Renouvelables SAS	100.00%
Knapsack Power Verwaltungs GmbH	EUR	Germany	Düsseldorf	Knapsack Power GmbH & Co KG	100.00%
Statkraft Germany GmbH	EUR	Germany	Düsseldorf	Statkraft AS	100.00%
Statkraft Erneuerbare 1 GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Erneuerbare 1 Verwaltungs GmbH	99.00%
Statkraft Erneuerbare 2 GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Erneuerbare 2 Verwaltungs GmbH	99.00%
SK Wind GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	99.90%
Solar Banzendorf GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Solar Grünlichtenberg GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Solar Hohenfelde GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Solar Schmarsau GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Solar Zerbst GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare 1 Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare 2 Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Holding Wind & Solar Deutschland	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Solar 1 GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Solar 2 GmbH & Co.KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Solar Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windenergie GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	99.90%
Statkraft Windpark Alte Schlag Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Rappenhagen Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Titz Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Zinse Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Zinser Rücken Verwaltungs GmbH	EUR	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Knapsack Power GmbH & Co KG	EUR	Germany	Düsseldorf	Statkraft Holding Knapsack GmbH	100.00%
Statkraft Windenergie Treuhand GmbH	EUR	Germany	Düsseldorf	Statkraft Holding Wind and Solar Deutschland GmbH	100.00%
Knapsack Power Admin GmbH	EUR	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Holding Herdecke GmbH	EUR	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Holding Knapsack GmbH	EUR	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Windpark Alte Schlag GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Windpark Alte Schlag Verwaltungs GmbH	99.00%
Statkraft Windpark Rappenhagen GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Windpark Rappenhagen Verwaltungs GmbH	99.00%
Statkraft Windpark Titz GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Windpark Titz Verwaltungs GmbH	99.00%
Statkraft Windpark Zinse GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Windpark Zinse Verwaltungs GmbH	99.00%
Statkraft Windpark Zinser Rücken GmbH & Co. KG	EUR	Germany	Düsseldorf	Statkraft Windpark Zinser Rücken Verwaltungs GmbH	99.00%
MHB Wind Farms Ltd	EUR	Ireland	Cork	MHB Wind Farms (Holdings) Ltd	100.00%
Statkraft Ireland Ltd.	EUR	Ireland	Cork	Statkraft Asset Holding AS	100.00%
Annagh Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Ballymacarney Renewable Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Ballynagare Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Ballyvatta Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Behy Renewables Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%

Boolyvannanan Renewable Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Cloghan Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Cloncant Renewable Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Clonfad Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Coole Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Coolglass Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Coumnagappul Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Cullenagh Stability Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Dernacart Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Dungeeha Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Dyrick Hill Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
East Laois Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
EMP Energy Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Featherbed Lane Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
GGE Ireland Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Glencloosagh Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Greenwire Transmission South Wales Limited	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Greenwire Transmission Pentir Limited	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Gorman Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Gortloughra Wind Shronowen Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Harristown Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
HC Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Irishtown Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Kilcush Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Killeena Stability Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Kilpaddoge Green Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Knockanarragh Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Kilsallaghan Solar Limited	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Carney Stability Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Mayne Stability Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Meath Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
MHB Wind Farms (Holdings) Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Mill Farm Solar Project Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Milltownpass Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Moanvane Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Monaraha Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
North Kildare Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
North Meath Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Jupiter Energy Supply Limited	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Pinewood Wind Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Quarry Lane Stability Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Rathleague Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Shronowen Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
South Meath Solar Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Sronagh Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Asset Management Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Development Projects Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Ireland Project Company Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Solar Construction Ireland Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Taghadoe Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Taurbeg Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Tomsallagh Solar Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Tullaghmore Wind Farm Ltd	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Ummeras Wind Farm Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
WXD Energy Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Winter Winds Ltd.	EUR	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Italia S.R.L.	EUR	Italy	Milan	Statkraft European Wind and Solar Holding AS	100.00%
Cisterna di Latina Fotovoltaico S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Cupello Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Gobetto Solare S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Latina B Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Latina C Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Latina D Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Latina Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Melfi Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Montenero Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Pontinia B Fotovoaltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Sessa Aurunca Fotovoltaico S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 01 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 02 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 03 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 04 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 05 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%

SKI 06 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 07 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 08 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 09 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 10 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 11 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 12 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 13 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 14 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 15 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 16 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 17 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 18 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 19 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 20 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 21 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 22 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 23 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 24 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 25 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 26 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 27 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 28 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 29 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 30 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 31 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 32 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 33 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 34 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 35 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 36 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 37 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 38 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 39 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 40 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 41 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 42 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A0 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A1 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A2 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A3 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A4 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A5 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A6 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A7 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A8 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B A9 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B0 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B1 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B2 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B3 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B4 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B5 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B6 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI B7 Srl	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI S A0 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI S A1 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI S A2 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI S A3 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI S A4 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI S A5 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A0 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A1 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A2 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A3 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A4 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A5 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A6 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A7 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A8 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W A9 S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W AA S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W AB S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%

SKI W AC S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W AD S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI W AE S.R.L.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 1 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 2 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 3 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 4 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 5 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 6 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 7 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 8 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 9 S.r.l.	EUR	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solarcentury Mexico	EUR	Mexico	Mexico City	Solar Century Holdings Ltd.	100.00%
Statkraft European Wind and Solar Holding AS	EUR	Norway	Oslo	Statkraft AS	100.00%
Solarcentury Projects Panama S.A.	EUR	Panama	Panama City	SCH Projects Ltd.	100.00%
Solarcentury Panama S.A.	EUR	Panama	Panama City	Solar Century Holdings Ltd.	100.00%
Statkraft Poland sp. z o.o.	EUR	Poland	Warsaw	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Poland Invest 1 sp. z o.o.	EUR	Poland	Warsaw	Statkraft Poland sp. z o.o.	100.00%
Statkraft Poland Invest 2 sp. z o.o.	EUR	Poland	Warsaw	Statkraft Poland sp. z o.o.	100.00%
Statkraft Poland Invest 3 sp. z o.o.	EUR	Poland	Warsaw	Statkraft Poland sp. z o.o.	100.00%
Statkraft Portugal U.LDA.	EUR	Portugal	Lisbon	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Spain S.L.	EUR	Spain	Madrid	Statkraft European Wind and Solar Holding AS	100.00%
Proyecto Fotovoltaico Pinea, S.L.U	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Alpha S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Beta S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Delta S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Dzeta S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Epsilon S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Gain S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Gamma S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Kappa S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Lota S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Mem S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia My S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Ny S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Omega S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Omicron S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Pi S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Psi S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Rasha S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Rho S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Sade S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Sigma S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Taana S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Tau S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Theta S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Des. Ren. Iberia Xi S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Development Spain S.L.	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Iberia Cinco SL	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Iberia Cuatro SL	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Iberia Dos SL	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Iberia Tres SL	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Iberia Uno SL	EUR	Spain	Madrid	Statkraft Spain S.L.	100.00%
Statkraft Holding España S.L.U	EUR	Spain	Valencia	SCH Projects Ltd.	100.00%
Arada Solar S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
El Refugio Fotovoltaico, S.L.U (PFV El Refugio)	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Fotovoltaica El Casar S.L.	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Guadalsolar Cuatro, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Guadalsolar Dos, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Guadalsolar Tres, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Guadalsolar Uno, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Maragato Solar Cinco S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Maragato Solar Cuatro S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Maragato Solar Tres S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Maragato Solar Uno S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Oroneta Solar S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Oropesa Solar S.L.	EUR	Spain	Valencia	Statkraft Holding España S.L.U	51.00%
PFV Albufera S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
PFV La Barraca S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
PFV Los Hierros S.L.	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
PFV Los Predios S.L.	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
PFV Pla de LLum S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
PFV Prado Gris S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%

Proyecto Fotovoltaico Ahigal-Cerezo, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Proyecto Fotovoltaico Calzadilla, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Proyecto Fotovoltaico Guijo, S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Proyecto Fotovoltaico Tendetes S.L.U	EUR	Spain	Valencia	Statkraft Holding España S.L.U	100.00%
Statkraft Iberia Diez SL	EUR	Spain	Valencia	Statkraft Spain S.L.	100.00%
Statkraft Iberia Nueve SL	EUR	Spain	Valencia	Statkraft Spain S.L.	100.00%
Statkraft Iberia Ocho SL	EUR	Spain	Valencia	Statkraft Spain S.L.	100.00%
Statkraft Iberia Once SL	EUR	Spain	Valencia	Statkraft Spain S.L.	100.00%
Statkraft Iberia Seis SL	EUR	Spain	Valencia	Statkraft Spain S.L.	100.00%
Statkraft Iberia Siete SL	EUR	Spain	Valencia	Statkraft Spain S.L.	100.00%
Zonnepark Voerendaal Karstraat BV	EUR	The Netherlands	s-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Bollendonk B.V.	EUR	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Budel Dorplein II B.V.	EUR	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Wilbertoord Noordstraat B.V.	EUR	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Winterswijk Arresveldweg B.V	EUR	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Winterswijk Masterveldweg B.V.	EUR	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
SC Benelux HoldCo B.V.	EUR	The Netherlands	's-Hertogenbosch	SCH Projects Ltd.	100.00%
Ons Zonnepark A50 B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Renewables Benelux B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Strorage Bollendonk BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonneakker Schootseweide B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and solar holding AS	100.00%
Zonnepark A50 B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Blaakweg Harskamp B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark de Horst B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Het Bossenbroek B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and solar holding AS	100.00%
Zonnepark Kekerdom BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Roerdalen Hobertsveldweg BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Wamel Dalenstraat BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Wenumseveld Holdco BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Winterswijk Masterveldweg Holdco BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Winterswijk Poolserweg BV	EUR	The Netherlands	's-Hertogenbosch	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Wenumse Veld B.V.	EUR	The Netherlands	's-Hertogenbosch	Statkraft Germany GmbH	100.00%
Zonnepark Wenumseveld Land BV	EUR	The Netherlands	's-Hertogenbosch	Zonnepark Wenumseveld Holdco B.V.	100.00%
Zonnepark Winterswijk Masterveldweg Land BV	EUR	The Netherlands	's-Hertogenbosch	Zonnepark Winterswijk Masterveldweg Holdco B.V.	100.00%
SCH Projects Ltd.	EUR	United Kingdom	London	Solar Century Holdings Ltd.	100.00%
Statkraft UK Ltd.	EUR	United Kingdom	London	Statkraft AS	100.00%
Rheidol 2008 Trustees Ltd.	EUR	United Kingdom	London	Statkraft Energy Ltd.	100.00%
Solar Century Holdings Ltd.	EUR	United Kingdom	London	Statkraft European Wind and Solar Holding AS	100.00%
Ackron Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Alleston Solar Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Appin Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Artfield Forrest Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Balwen Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
BB2 Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Beaw Field Shetland Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Brake Shetland Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Bush Hill Stability Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Car Duibh Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Carn Fearna Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
CB Wind Farm Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Coylton Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Craig Watch Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Elwy Clean Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Energy Isles Shetland Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Faughan Stability Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
GB Wind farm Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Goshall Clean Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Greybarn Clean Energy	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Keith Storage Solutions Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Kitland Solar Farm Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Knockronal Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Learanaich Wind Farm Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Lister Drive Solutions Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
LLuest Y Gwent Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	79.00%
Loch Liath Wind Farm Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Logi Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Mossy Hill Shetland Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Mylen Leah Solar Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Necton Grid Solutions Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Neilston Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Oliver forest Wind Farm	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Sheepwash Clean Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Slickly Wind Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%

Soay Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Speedwell Solar Farm Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Spennymoor Grid Solutions Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Stargoose Clean Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Statkraft Energy Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Statkraft WindCo 1 Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Swansea Grid Solutions Ltd	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
Thornton Grid Solutions Ltd.	EUR	United Kingdom	London	Statkraft UK Ltd.	100.00%
West Andershaw Wind Farm Ltd.	EUR	United Kingdom	South Lanarkshire	Statkraft UK Ltd.	100.00%
Statkraft Investimentos Ltda.	INT	Brazil	Florianópolis	Statkraft Brasil AS	100.00%
Energen Energias Renováveis S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Esmeralda S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Macaúbas Energética S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Moinho S.A.	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Morro Do Cruzeiro I S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Morro Do Cruzeiro II S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Novo Horizonte Energética S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo I S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo II S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo III S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo IV S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo IX S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo V S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo VI S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo VIII S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo X S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Santa Fé Energia S.A.	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Santa Laura S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Santa Rosa S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Seabra Energética S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Serra da Mangabeira S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 1 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 2 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 3 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 4 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 5 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 6 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Sol de Brotas 7 S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Statkraft Comercialização de Energia S/A	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Ventos de São Vitorino S.A.	INT	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Statkraft Energias Renováveis S/A	INT	Brazil	Florianópolis	Statkraft Investimentos Ltd.a.	100.00%
Central Eolica Jerusalem I S/A	INT	Brazil	São Paulo	Jerusalem Holding S/A	100.00%
Central Eolica Jerusalem II S/A	INT	Brazil	São Paulo	Jerusalem Holding S/A	100.00%
Central Eolica Jerusalem III S/A	INT	Brazil	São Paulo	Jerusalem Holding S/A	100.00%
Central Eolica Jerusalem IV S/A	INT	Brazil	São Paulo	Jerusalem Holding S/A	100.00%
Central Eolica Jerusalem V S/A	INT	Brazil	São Paulo	Jerusalem Holding S/A	100.00%
Central Eolica Jerusalem VI S/A	INT	Brazil	São Paulo	Jerusalem Holding S/A	100.00%
Central Eolica Boqueirao I S/A	INT	Brazil	São Paulo	Statkraft Energias Renováveis S.A.	100.00%
Central Eolica Boqueirao II S/A	INT	Brazil	São Paulo	Statkraft Energias Renováveis S.A.	100.00%
Jerusalem Holding S/A	INT	Brazil	São Paulo	Statkraft Energias Renováveis S.A.	100.00%
Chacabuco 18 Solar SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A	100.00%
Parina Solar SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Parque Eolico Litueche SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Pauna Solar SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Tamarugo Solar SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Eólica Cauquenes Dos SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Eólica Cauquenes Uno SpA	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Empresa Eléctrica Rucatayo S/A	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Vientos del Desierto SpA.	INT	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Transrucatayo S.A.	INT	Chile	Santiago	Empresa Eléctrica Rucatayo S.A.	100.00%
Solarcentury Projects SpA	INT	Chile	Santiago	SCH Projects Ltd.	100.00%
Solarcentury Chile SpA	INT	Chile	Santiago	Solar Century Holdings Ltd.	100.00%
Empresa Eléctrica Pilmaiquén S/A	INT	Chile	Santiago	Statkraft Chile Inversiones Eléctricas Ltd.a.	99.72%
Statkraft Chile Tinguiririca SCC	INT	Chile	Santiago	Statkraft Chile Inversiones Eléctricas Ltd.a.	100.00%
Statkraft Eólico S.A.	INT	Chile	Santiago	Statkraft Chile Inversiones Eléctricas Ltd.a.	100.00%
Statkraft Chile Inversiones Eléctricas Ltd.a.	INT	Chile	Santiago	Statkraft Holding Chile Pte. Ltd.	100.00%
Statkraft India Pvt. Ltd.	INT	India	New Delhi	Statkraft Holding Singapore Pte Ltd. NUF	100.00%
Cannice Renewables Energy Pvt Ltd.	INT	India	New Delhi	Statkraft IH Holding AS	100.00%
Foxtrot Solar Renewables Energy Pvt. Ltd.	INT	India	New Delhi	Statkraft IH Holding AS	100.00%
Mullai Renewables Pvt. Ltd.	INT	India	New Delhi	Statkraft IH Holding AS	100.00%
Nellai Renewables Pvt. Ltd.	INT	India	New Delhi	Statkraft IH Holding AS	74.00%
Sourya Manthan Renewable Energy Pvt Ltd.	INT	India	New Delhi	Statkraft IH Holding AS	100.00%
Vishnupriya Farms Pvt. Ltd.	INT	India	New Delhi	Statkraft IH Holding AS	100.00%

Khidrat Renewable Energy Pvt. Ltd.	INT	India	Rajasthan	Sourya Manthan Renewable Energy Pvt Ltd.	100.00%
Tidong Power Generation Pvt. Ltd.	INT	India	Shimla	Statkraft IH Holding AS	100.00%
Lanco Mandakini Hydro Energy Pvt. Ltd	INT	India	Uttarakhand	Statkraft IH Holding AS	100.00%
Himal Power Ltd.	INT	Nepal	Kathmandu	Statkraft Holding Singapore Pte Ltd. NUF	57.07%
Statkraft IH Invest AS	INT	Norway	Oslo	Statkraft AS	100.00%
Statkraft Holding Chile Pte Ltd. NUF	INT	Norway	Oslo	Statkraft Holding Singapore Pte Ltd. NUF	100.00%
Statkraft Holding Peru Pte Ltd. NUF	INT	Norway	Oslo	Statkraft Holding Singapore Pte Ltd. NUF	100.00%
Statkraft Holding Singapore Pte Ltd. NUF	INT	Norway	Oslo	Statkraft IH Holding AS	100.00%
Statkraft IH Holding AS	INT	Norway	Oslo	Statkraft IH Invest AS	100.00%
Statkraft Brasil AS	INT	Norway	Oslo	Statkraft IH Invest AS	100.00%
Statkraft Peru Holding S.A.C.	INT	Peru	Lima	Statkraft Holding Peru Pte Ltd. NUF	100.00%
Statkraft Peru S.A.	INT	Peru	Lima	Statkraft Peru Holding S.A.C.	100.00%
Inversiones Shaqsa S.A.C.	INT	Peru	Lima	Statkraft Peru S.A.	100.00%
GR Bayovar S.A.C.	INT	Peru	San Isidro	Statkraft Peru S.A.	100.00%
GR Vale S.A.C.	INT	Peru	San Isidro	Statkraft Peru S.A.	100.00%
Statkraft Enerji A.S.	INT	Türkiye	Istanbul	Statkraft AS	100.00%
Çakıt Enerji A.S.	INT	Türkiye	Istanbul	Statkraft Enerij A.S.	100.00%
Kargi Kizirlmak Enerji A.S.	INT	Türkiye	Istanbul	Statkraft Enerij A.S.	100.00%
Statkraft Energia do Brasil Ltda.	MKT	Brazil	Florianópolis	Statkraft Investimentos Ltd.a.	100.00%
Statkraft (China) Energy Ltd.	MKT	China	Beijing	Statkraft Markets B.V.	100.00%
Statkraft Markets GmbH	MKT	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Trading GmbH	MKT	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Markets Pvt. Ltd.	MKT	India	New Delhi	Statkraft Holding Singapore Pte Ltd. NUF	100.00%
Statkraft US Holding AS	MKT	Norway	Oslo	Statkraft Asset Holding AS	100.00%
Statkraft Financial Energy AB	MKT	Sweden	Stockholm	Statkraft AS	100.00%
Statkraft Markets B.V.	MKT	The Netherlands	Amsterdam	Statkraft Asset Holding AS	100.00%
Statkraft Elektrik Enerjisi Toptan Satis Ltd. Sti.	MKT	Türkiye	Istanbul	Statkraft AS	100.00%
Bryt Energy Ltd.	MKT	United Kingdom	Birmingham	Statkraft Pure Energy	100.00%
Bryt Energy Storage Ltd.	MKT	United Kingdom	Birmingham	Statkraft Pure Energy	100.00%
Statkraft Pure Energy Ltd.	MKT	United Kingdom	Birmingham	Statkraft UK Ltd.	100.00%
Statkraft US LLC	MKT	United States	San Francisco	Statkraft US Holding AS	100.00%
Sauland Kraftverk AS	NOD	Norway	Hjartdal	Skagerak Kraft AS	67.00%
Statkraft Vind Utvikling DA	NOD	Norway	Kristiansand	Statkraft AS	100.00%
Hitra Vind AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Kjøllefjord Vind AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Smøla Vind 2 AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Statkraft Asset Holding AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Statkraft Energi AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Statkraft Industrial Holding AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Statkraft Vind Holding AS	NOD	Norway	Oslo	Statkraft AS	100.00%
Statkraft Offshore Wind AS	NOD	Norway	Oslo	Statkraft Asset Holding AS	100.00%
Statkraft Offshore Wind Norway as	NOD	Norway	Oslo	Statkraft Asset Holding AS	100.00%
Statkraft UN Holding	NOD	Norway	Oslo	Statkraft Offshore Wind Norway as	100.00%
Statkraft SN2 Holding AS	NOD	Norway	Oslo	Statkraft Offshore Wind Norway as	100.00%
Lede AS	NOD	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Skagerak Energipartner AS	NOD	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Skagerak Kraft AS	NOD	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Skagerak Varme AS	NOD	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Gjuvåa Kraftverk AS	NOD	Norway	Porsgrunn	Skagerak Kraft AS	100.00%
Grunnåi Kraftverk AS	NOD	Norway	Porsgrunn	Skagerak Kraft AS	55.00%
Skagerak Energi AS	NOD	Norway	Porsgrunn	Statkraft Industrial Holding AS	66.62%
Baltic Cable AB	NOD	Sweden	Malmö	Statkraft Asset Holding AS	100.00%
Statkraft Sverige AB	NOD	Sweden	Stockholm	Statkraft Asset Holding AS	100.00%
Statkraft Vind AB	NOD	Sweden	Stockholm	Statkraft Asset Holding AS	100.00%
Beta Offshore Transmission AB	NOD	Sweden	Stockholm	Statkraft Offshore Wind AB	100.00%
Beta Offshore Wind AB	NOD	Sweden	Stockholm	Statkraft Offshore Wind AB	100.00%
Statkraft Offshore Wind AB	NOD	Sweden	Stockholm	Statkraft Offshore Wind AS	100.00%
Gidekraft AB	NOD	Sweden	Stockholm	Statkraft Sverige AB	90.10%
Vindkraftnorr AB	NOD	Sweden	Stockholm	Statkraft Vind AB	100.00%
Statkraft Sverige Vind Elnät AB	NOD	Sweden	Stockholm	Vindkraftnorr AB	100.00%
Hästliden Nordic Vind AB	NOD	Sweden	Piteå	Statkraft Piteå AB	100.00%
Statkraft Piteå AB	NOD	Sweden	Piteå	Statkraft Sverige AB	100.00%
Statkraft Brussels Sprl	OTH	Belgium	Brussels	Statkraft AS	100.00%
Statkraft Treasury Centre SA	OTH	Belgium	Brussels	Statkraft AS	100.00%
Statkraft Forsikring AS	OTH	Norway	Oslo	Statkraft AS	100.00%
Mer Austria GmbH	XEW	Austria	Wien	Mer Germany Holding GmbH	100.00%
Mer Germany Holding GmbH	XEW	Germany	Düsseldorf	Mer AS	100.00%
Statkraft Ventures GmbH	XEW	Germany	Düsseldorf	Statkraft Ventures AS	100.00%
Mer Germany Gmbh	XEW	Germany	München	Mer Germany Holding GmbH	100.00%
Mer Norway AS	XEW	Norway	Kristiansand	Mer AS	100.00%
Mer AS	XEW	Norway	Oslo	Statkraft AS	100.00%
Statkraft Biofuel Holding AS	XEW	Norway	Oslo	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Biofuel Holding II AS	XEW	Norway	Oslo	Statkraft Biofuel Holding AS	100.00%

Statkraft Green Ammonia Holding 1 AS	XEW	Norway	Oslo	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Hydrogen Holding AS	XEW	Norway	Oslo	Statkraft Hydrogen Norway Holding AS	100.00%
Statkraft Hydrogen Mo AS	XEW	Norway	Oslo	Statkraft Hydrogen Norway Holding AS	100.00%
Statkraft Hydrogen Norway Holding AS	XEW	Norway	Oslo	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Tofte AS	XEW	Norway	Oslo	Statkraft Energi AS	100.00%
Statkraft Ventures AS	XEW	Norway	Oslo	Statkraft Asset Holding AS	100.00%
Mer Sweden AB	XEW	Sweden	Stockholm	Mer Sweden Holding AB	51.00%
Mer Sweden Holding AB	XEW	Sweden	Stockholm	Mer AS	100.00%
Statkraft Heavy Charging Sweden AB	XEW	Sweden	Stockholm	Statkraft Hydrogen Sweden AB	100.00%
Statkraft Hydrogen Sweden AB	XEW	Sweden	Stockholm	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Hydrogen Sweden Holding AB	XEW	Sweden	Stockholm	Statkraft Hydrogen Holding AS	100.00%
Mer Charging UK Ltd.	XEW	United Kingdom	London	Mer UK Holding Ltd.	100.00%
Mer fleet services Ltd.	XEW	United Kingdom	London	Mer UK Holding Ltd.	100.00%
Mer UK Holding Ltd.	XEW	United Kingdom	London	Mer AS	100.00%
Statkraft Hydrogen UK Holding Limited	XEW	United Kingdom	London	Statkraft Hydrogen Holding AS	100.00%

[1] EU: Europe, MK: Markets, IN: International, NO: Nordics, DI: District heating, XE: New Technologies, OT: Other.
[2] Shareholding share applies for the parent company listed here.

Statkraft AS Financial Statements

Statement of profit or loss

Statkraft AS parent company

NOK million	Note	2023	2022
Operating revenues and other income	26	2 795	**2 191**
Energy purchase		-13	**-36**
Salaries and payroll costs	6, 7	-1 466	-1 278
Depreciations and amortisations	11, 12	-161	-144
Other operating expenses	8, 24, 25	-2 251	-1 540
Operating expenses		-3 890	**-2 998**
Operating profit/loss (EBIT)		-1 095	**-807**
Income from investments in subsidiaries	9, 26	15 777	15 279
Financial income	9, 26	2 701	1 309
Financial costs	9, 26	-3 495	-1 413
Net realised and unrealised securities	9, 26	623	-388
Net realised and unrealised currency and derivatives	9	-4 049	-2 882
Net financial items		11 558	**11 905**
Profit/loss before tax		10 463	**11 098**
Tax expense	10	-1 127	-135
Net profit/loss		9 337	**10 963**

Statement of comprehensive income

Statkraft AS parent company

Items in other comprehensive income that will not recycle over profit/loss:			
Estimate deviation pension, net of tax		-111	232
Total		-111	**232**
Total comprehensive income		9 225	**11 195**
Appropriation of net profit/loss and equity transfers			
Dividends payable	18	13 029	17 213
Transfer to/from retained earnings	18	-3 804	-6 018

Statement of financial position
Statkraft AS parent company

NOK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Deferred tax asset	10	14	354
Intangible assets	11	70	84
Property, plant and equipment	12	679	751
Investments in subsidiaries	13	120 161	106 688
Derivatives	14, 26	1 029	786
Other non-current assets	15, 26	15 573	15 932
Non-current assets		137 526	**124 595**
Receivables	16, 26	21 060	18 912
Derivatives	14, 26	954	524
Cash and cash equivalents	17	37 234	51 197
Current assets		59 248	**70 633**
Assets		196 774	**195 228**
EQUITY AND LIABILITIES			
Paid-in capital	18	56 402	56 402
Retained earnings	18	12 709	16 513
Equity		69 111	**72 915**
Pension liabilities	7	1 308	1 259
Bond and bank debt	4, 20, 26	39 755	21 918
Lease liabilities	20, 21	342	455
Derivatives	14, 26	313	617
Other non-current liabilities	19	3 507	3 811
Non-current liabilities		45 225	**28 061**
Commercial papers, bond and bank debt	4, 20, 26	63 060	38 447
Lease liabilities	20, 21	152	136
Taxes payable	10	752	402
Derivatives	14, 26	287	927
Other current liabilities	21, 26	18 186	54 339
Current liabilities		82 437	**94 251**
Equity and liabilities		196 774	**195 228**

Statement of cash flow
Statkraft AS parent company

NOK million	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/loss before tax		10 463	11 098
Depreciations and amortisations	11, 12	161	144
Adjustment for financial items		883	141
Write-downs/reversal of write-downs from previous years	9	-623	388
Unrealised changes in value		-1 592	3 246
Changes in non-current items		-462	338
Changes in other current items		1 249	244
Booked income from dividend and group contribution with no cash effects		-16 510	-14 842
Group contribution and dividend received		14 840	9 707
Income taxes paid	11, 23	-402	-344
Cash flow from operating activities (A)		8 007	10 121
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment and intangible assets		-73	-41
Proceeds from sale of property, plant and equipment and intangible assets		-	1
Loans to subsidiaries		-814	-116
Repayment of loans from subsidiaries		550	780
Interest received from cash and other assets		2 044	866
Investments in subsidiaries		-13 735	-3 125
Capital reduction in subsidiaries		885	770
Cash flow from investing activities (B)		-11 143	-865
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in cash pool debt		-9 168	24 823
New debt		23 635	17 242
Repayment of debt		-5 155	-18 931
Interests paid		-2 926	-1 007
Dividend paid		-17 213	-10 214
Cash flow from financing activities (C)		-10 827	11 913
Net change in cash and cash equivalents (A)+(B)+(C)		-13 963	21 169
Cash and cash equivalents 01 Jan	18	51 197	30 028
Cash and cash equivalents 31 Dec	18	37 234	51 197
Unused commited credit lines		14 613	13 668
Unused overdraft facilities		2 000	2 000

MATERIAL ACCOUNTING POLICIES

The cash flow statement has been prepared using the indirect method. The statement starts with the company's result for the year in order to show cash flow generated by regular operating, investing and financing activities respectively.

Notes

Statkraft AS parent company

Index of notes to Statkraft AS parent company financial statements

Note 1 Accounting policies

GENERAL INFORMATION

The financial statements of Statkraft AS has been prepared in accordance with the Norwegian accounting act and regulation on simplified application of international financial reporting standards (IFRS) ("forskrift om forenklet anvendelse av internasjonale regnskapsstandarder").

The descriptions of accounting policies in the statements and notes form part of the overall description of accounting policies:

• Statement of cash flow	
• Pensions	Note 7
• Income taxes	Note 10
• Intangible assets	Note 11
• Property, plant and equipment	Note 12
• Shares in subsidiaries and associates	Note 13
• Derivatives	Note 14
• Other non-current assets	Note 15
• Receivables	Note 16
• Cash and cash equivalents	Note 17
• Interest-bearing liabilities	Note 20
• Leases	Note 21

MEASUREMENT, RECOGNITION AND CLASSIFICATION PRINCIPLES

Principles for recognition of revenues The main principle of IFRS 15 is to measure revenues at an amount equal to the amount that Statkraft AS expect to receive in exchange for transfer of goods or providing services to a customer. Statkraft AS use the five-step model in IFRS 15 to recognise revenues from contracts with customers. The main part of Statkraft AS' operating revenues consists of intragroup IT services, general management services and HR services where revenue is recognized over time.

Classification and valuation of assets and debt Assets intended for lasting ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that will be repaid within 12 months are classified as current assets. Corresponding criteria are used to classify current and non-current liabilities.

Provisions are recognised when a present obligation because of a past event is identified and it is more likely than not that Statkraft AS will be required to settle the obligation and that the provision can be measured in a reliable way. Provisions are measured at the present value of estimated future cash flows required to settle the obligation.

Foreign currency Statkraft AS's functional currency is Norwegian kroner (NOK). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Realised and unrealised currency effects are presented in the line item net realised and unrealised currency and derivatives in the income statement.

JUDGEMENT AND ESTIMATION UNCERTAINTY

Financial statement preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses as well as disclosures. Actual results may differ from estimates. In Statkraft AS' financial statements, significant judgement is applied in estimating need for impairment/reversal of impairment related to investment in subsidiaries and to measure the net pensions liability. We refer to note 2 in the group financial statements for a more thorough description of key accounting estimates and judgements that affects the value of Statkraft AS' investments.

Note 2 Subsequent events

There have been no significant subsequent events.

Note 3 Transactions and other significant agreements

2023: Statkraft AS has continued as a debtor of the loan from a financial institution to cover security to Nasdaq and the back-to-back agreement with Statkraft Energi AS made in 2022. At the end of 2023, total EUR 212 million in securities was posted as initial margin in Nasdaq.

2022: Statkraft AS is debtor of a loan from a financial institution to cover security to Nasdaq. Statkraft AS has a back-to-back agreement with Statkraft Energi AS transferring the rights and obligations of the loan, and Statkraft AS therefore has no net exposure due to the loan. At the end of 2022, total EUR 277 million in securities was posted as initial margin at Nasdaq. Because the financial institution finances the margin requirements and retains substantially all risks and rewards to the securities, the arrangement is not included in the statement of financial position.

Note 4 Market risk

RISK AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS GENERALLY

The risk management policy is based upon assuming taking the right risk based on the Group's ability and willingness to take risks, expertise, financial strength and development plans. The purpose of risk management policy is to identify threats and opportunities for the Group, and to manage the risk within an acceptable level. The central Treasury function in Statkraft AS coordinates and manages the financial risks relating to currency, interest rates, credit and liquidity of the Group. A more detailed explanation of how these are managed will be provided in the following.

FOREIGN EXCHANGE AND INTEREST RATE RISK

Statkraft is exposed to foreign exchange and interest rate risk. Statkraft uses interest rate and foreign currency derivatives in addition to debt in foreign currency to mitigate these risks. Funding, forwards and swaps in foreign currency in combination with interest rate swaps are used to achieve the desired currency and interest structure of the company's debt portfolio.

Statkraft's methods for managing these risks are described below:

Foreign exchange risk Statkraft AS manages the Group's currency risk. Statkraft incurs currency risk in the form of transaction risk, mainly in connection with sale of power, investments and divestments.

Statkraft's settlement currency at the Nordic power exchange Nord Pool is mainly euro, and the power contracts traded in the Nordic power exchange Nasdaq are denominated in euro. In addition, most of Statkraft's bilateral power sales agreements in Norway and all power purchase and sales abroad are denominated in foreign currency. The objective of Statkraft's currency hedging is to secure the values of the future cash flow in Norwegian kroner exposed to foreign exchange risk. Hedging of foreign exchange risk is primarily done by allocating appropriate volumes of currency debt to the relevant cash flows. The foreign exchange risk is subject to continuous assessment and treated in accordance with the Group Treasury strategy.

Interest rate risk Statkraft's interest rate exposure is mainly related to its debt portfolio. The management of interest rate risk is based on a balance of keeping interest cost low over time and contributing to stabilise the Group's cash flows with regards to interest rate changes. The interest rate risk is monitored by having duration as the measure. Statkraft shall at all times keep the average duration of its debt portfolio within the range of two to five years. This means having an appropriate mix of floating and fixed interest rate that reduces the interest risk in the Group.

Compliance with the limit for currency and interest rate risk is followed up continuously by the middle-office function. Responsibility for entering into and following up the various positions has been delegated and allocated to separate organisational units.

Interest rate benchmark reform In 2023 the USD LIBOR ceased at 30 June and was replaced with USD Secured Overnight Financing Rate (SOFR) for relevant loans and swaps in the Group. The benchmark reform did not have material effects on the market value of the affected instruments.

LIQUIDITY RISK

The purpose of Statkraft' s liquidity management is to always secure fulfilment of payment obligations at all times. Statkraft has incorporated a separate target figure for short term liquidity to ensure that Statkraft has a satisfactory level of liquidity sources, consisting of cash and cash equivalents, short-term financial investments and unused committed credit facilities.

The liquidity risk is further mitigated through liquidity forecasts and access to different borrowing sources and markets. Statkraft plans for an evenly distributed debt redemption profile to keep refinancing risk low.

Statkraft issues debt primarily under its EUR 6.0 billion Euro Medium Term Note Programme listed on the Irish Stock Exchange. In addition, Statkraft has a backup facility of EUR 1.3 billion supported by the Group's core banks. The backup facility is maturing in 2028. Statkraft has an unused overdraft facility of NOK 2.0 billion which is also renewed on an annual basis.

The main cash outflows include the annual dividend payment, debt redemption, tax payments in addition to planned investments and margin requirements related to commodity trading and hedging and foreign exchange and interest rate hedging.

Note 4 continued

CREDIT RISK

Credit risk is the risk that Statkraft incurs losses due to the failure of counterparties to honour their financial obligations. Statkraft is facing credit risk when entering into transactions with financial institutions, corporates and providers of clearing services. Credit risk against financial institutions arises from cash or current account, deposits, investment of interest-bearing securities, derivative transactions and incoming guarantees.

Credit risk against providers of clearing services arises from margin requirements settled as cash payments. Statkraft also assumes credit risk when providing loans to associates and joint ventures. In addition, Statkraft assumes credit risk in connection with energy trading and physical sales contracts. The credit exposure is mainly towards solid Nordic banks. These core relationship banks have very solid credit ratings and are monitored continuously regarding default risk. Historically, Statkraft's credit losses have been limited and Statkraft does not expect to have material losses in the future.

Excess liquidity is defined as Cash and cash equivalents and is managed in a conservative manner with regard to credit risk, diversification and duration. Statkraft's excess liquidity is mainly held in Norwegian kroner and invested across various short-term financial instruments such as commercial papers, time deposits and bank deposits. Credit and duration limits are stipulated for each counterparty based on credit ratings and total assets.

As of 31 December 2023, approximately 14% of Statkraft's excess liquidity (including cash in subsidiaries participating in the cash pool) were held in time deposits, 22% in commercial paper and 64% in overnight bank deposits.

Statkraft AS has entered into agreements under which collateral is transferred or received based on the mark-to-market value of interest rate and foreign exchange derivatives between counterparties. Collateral is transferred or received on a weekly basis. Counterparty credit risk is significantly mitigated by collateral under these agreements.

CLIMATE RISK

Statkraft AS is directly exposed to climate change through its investments in subsidiaries, as changes in precipitation will change the average output from hydropower plants, as well as the increased fluctuations. In addition, the transition to a low-carbon economy will entail extensive policy, legal, technology, and market changes, with a potential to have significant impact on the value and income from Statkraft AS' investments in subsidiaries. More information on climate risks and how these are managed can be found in the sustainability report.

Note 5 Analysis of market risk

Specification of debt by currency [1]	2023	2023	2022	2022
NOK million	Debt by currency before the effect of derivatives [2]	Debt by currency adjusted for the effect of derivatives [3]	Debt by currency before the effect of derivatives [2]	Debt by currency adjusted for the effect of derivatives [3]
Debt in NOK	**12 049**	**1 535**	11 250	1 388
Debt in EUR	**33 505**	**38 087**	20 920	26 380
Debt in USD	**-**	**3 935**	-	3 558
Total	**45 554**	**43 557**	32 170	31 326

[1] Management of foreign exchange risk and interest rate risk are presented in note 4.

[2] Includes bond debt, commercial papers and bank debt.

[3] Includes bond debt, commercial papers, bank debt and effects from allocated forward exchange rate contracts since Statkraft AS uses these derivatives to achieve the desired currency structure for the debt portfolio.

Specification of interest by currency [1]	2023	2023	2022	2022
	Interest by currency before the effect of derivatives [2]	Interest by currency adjusted for the effect of derivatives [3]	Interest by currency before the effect of derivatives [2]	Interest by currency adjusted for the effect of derivatives [3]
Nominal average interest rate, NOK [4]	**4.20%**	**n.a**	2.80%	n.a
Nominal average interest rate, EUR	**2.20%**	**3.00%**	1.80%	1.00%
Nominal average interest rate, USD	**n.a.**	**6.20%**	n.a.	3.20%

[1] Management of foreign exchange risk and interest rate risk are presented in note 4.

[2] Includes bond debt, commercial papers and bank debt.

[3] Includes bond debt, commercial papers and bank debt, allocated forward exchange rate contracts and interest rate swaps.

[4] Nominal average interest rate in NOK is not applicable because the figure was negative in parts of 2022 and 2023.

Fixed interest rate debt portfolio [1]	Future interest rate adjustments				
NOK million	0-1 year	1–3 years	3–5 years	5 years and later	Total
Debt in NOK	-8 215	950	3 550	5 250	**1 535**
Debt in EUR	15 823	8 407	3 934	9 923	**38 087**
Debt in USD	3 935	-	-	-	**3 935**
Total fixed interest 2023	11 543	9 357	7 484	15 173	**43 557**
Total fixed interest 2022	7 948	4 160	7 108	12 110	31 326

[1] Includes bond debt, commercial papers and bank debt and the currency effect of allocated forward exchange rate contracts. The split between years also take into account maturity of allocated forward exchange rate contracts, interest rate adjustments in interest rate swaps. Negative figures reflects that Statkraft AS receives fixed interest from interest rate swaps.

Repayment schedule

NOK million	0-1 year	1–2 years	2–3 years	3–4 years	4–5 years	5 years and later	Total
Instalments on bond debt	5 799	6 067	5 600	2 800	-	25 288	**45 554**
Currency effect of allocated forward exchange rate contracts	-1 997	-	-	-	-	-	**-1 997**
Total repayment schedule 2023	3 802	6 067	5 600	2 800	-	25 288	**43 557**
Total repayment schedule 2022	9 407	-	5 701	-	2 800	13 418	31 326

Note 6 Salaries and payroll costs

NOK million	2023	2022
Salaries	948	768
Employers' national insurance contribution	198	146
Pension costs [1]	181	263
Other benefits	140	101
Total	1 466	1 278

[1] Pension costs are described in further detail in note 7.

See note 38 to the consolidated financial statements for further information on remuneration to the chairman and the board of directors.

	2023	2022
Average number of full-time equivalents	748	635
Number of full-time equivalents as of 31 Dec	828	668

Note 7 Pensions

GENERAL INFORMATION

Statkraft AS is obligated to and fulfils the requirements of the act regarding mandatory occupational pension scheme ("Lov om obligatorisk tjenestepensjon").

Defined contribution schemes A defined contribution scheme is a retirement benefit scheme where Statkraft AS pays fixed contributions to a fund manager without incurring further obligations for the company once the payment has been made.

Statkraft AS' pension scheme for new employees from 1 January 2014 is a defined contribution scheme. The contributions are 6% of the pensionable income up to 7.1 of the National Insurance Scheme's basic amount (G), and 18% of the pensionable income between 7.1G and 12G. In addition to retirement pensions, the contribution scheme also include risk cover in the event of disability and death. Members of the defined contribution scheme are also covered by the early retirement pension scheme (AFP) in the private sector.

Defined benefit schemes Defined benefit schemes are post-employment benefit plans other than defined contribution plans. These plans create obligations to provide agreed benefits to current and past employees and effectively places actuarial and investment risk on the company.

Funded defined benefit schemes in the National Pension Fund (SPK) Statkraft AS has organised their defined benefit scheme in the National Pension Fund (SPK). The scheme covers retirement, disability and dependants pensions. The scheme also offers contractual AFP from the age of 62 for those born in 1962 or earlier. Employees in the scheme participate in public service occupational schemes in accordance with the Norwegian Public Service Pension Fund Act, the Norwegian Public Pension Service Pension Fund Transfer Agreement and the regulatory framework governing public service pensions.

The retirement benefit for employees born before 1963 is set as a percentage of the employee's salary. At maximum accrual, the retirement scheme provides pension benefits amounting to 66% of pensionable salary, up to 12G.The scheme benefits are coordinated with the benefits provided by the Norwegian National Insurance Scheme. From 1 January 2020 employees born in 1963 or later earn retirement benefits as a supplement to pensions in the National Insurance System.

Statkraft AS pays an annual premium and is responsible for the financing of the scheme in the National Pension Fund (SPK). Pension benefits from the SPK are guaranteed by the Norwegian state (Section 1 of the Pension Act). The SPK scheme is not asset based, but management of the pension fund assets is simulated as though the assets were invested in Norwegian government bonds with 1, 3, 5 or 10-year duration, in addition to a share in the Government Pension Fund Global. The pension benefit scheme in SPK was closed for new employees 1 March 2016.

Unfunded defined benefit schemes In addition to the above, Statkraft AS has entered into an additional pension agreement that provides all employees whose pensionable incomes exceed 12G with a retirement and disability pension equivalent to 66% at maximum accrual of that portion of their pensionable income exceeding 12G. The agreement was closed 30 April 2012.

MATERIAL ACCOUNTING POLICIES

The liability recognised in the balance sheet which relates to the defined benefit scheme is the present value of the future retirement benefits that are reduced by the fair value of the plan assets. Net pension fund assets for overfunded schemes are classified as non-current assets and recognised in the balance sheet at fair value. Net retirement benefit liabilities for underfunded schemes and non-funded schemes that are covered by operations are classified as long-term liabilities.

The net retirement benefit cost for the period is included under salaries and payroll costs and comprises the total of the retirement benefits accrued during the period, the interest on the estimated liability and the projected yield on pension fund assets. Gains and losses attributable to changes in actuarial assumptions or base data are recognised in other comprehensive income.

ESTIMATES AND ASSUMPTIONS

The calculation of pension liabilities involves the use of judgement and estimates across a range of parameters. Present value of accrued pension entitlements for defined benefit schemes and present value of accrued pension entitlements for the year are calculated using the accrued benefits method. Net pension liabilities in the balance sheet are adjusted for expected future salary increases until retirement age. Calculations are based on staff numbers and salary data at the end of the year.

The discount rate The discount rate is based on high-quality corporate bonds (covered bonds – OMF). Statkraft AS of the opinion that the markets for covered bonds represent a deep and liquid market with relevant durations that qualify as a reference interest rate in accordance with IAS 19.

Scheme changes Scheme changes in 2022 were mainly related to change in the method for annual adjustment of pensions payments in Norway. 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.

Actuarial gains Actuarial gains recognised in other comprehensive income in 2023 were mainly driven by increased discount rates.

Note 7 continued

The following assumptions are used	31.12.2023	31.12.2022
Discount rate and expected return on pension assets	3.20%	3.10%
Salary adjustment	3.50%	3.50%
Adjustment of current pensions	2.80%	2.60%
Adjustment of the National Insurance Scheme's basic amount (G)	3.25%	3.25%
Demographic factors for mortality and disability	K2013/IR73	K2013/IR73

Members of defined benefit schemes	2023	2022
Employees	209	233
Pensioners and people with deferred entitlements	504	482

Pension cost recognised in the income statement

Defined benefit schemes

NOK million	2023	2022
Present value of accrued pension entitlements for the year	58	63
Interest costs	70	42
Expected return on pension assets	-36	-19
Scheme changes	-	83
Employee contributions	-5	-5
Employer's national insurance contribution	12	23
Net pension cost defined benefit schemes	100	188

Defined contribution schemes

Employer's payments	80	76
Total pension costs	181	263

Breakdown of net defined benefit pension liability

NOK million	2023	2022
Present value of accrued pension entitlements for funded defined benefit schemes	1 760	1667
Fair value of pension assets	1 159	1079
Net pension liability for funded defined benefit schemes	601	588
Present value of accrued pension entitlements for unfunded defined benefit schemes	545	515
Employer's national insurance contribution	162	156
Net pension liabilities	1 308	1259

Actuarial gains and losses recognised through other comprehensive income

NOK million	2023	2022
Accumulated actuarial gains and losses recognised through other comperehensive income 31 Dec	670	528

Note 8 Other operating expenses

NOK million	2023	2022
Purchase of third-party services [1]	1 257	804
Materials	50	38
IT licenses and equipment	429	286
Miscellaneous [2]	516	411
Total	2 251	1 540

[1] Purchase of third-party services mainly includes consultants and other services.

[2] Miscellaneous includes marketing, travel expenses, insurance, rental, regulatory fees, intercompany and freight.

Note 9 Financial items

Income from investments in subsidiaries

NOK million	2023	2022
Dividend from group companies	15 777	10 979
Group contribution	-	4 300
Total	15 777	15 279

Financial income

NOK million	2023	2022
Interest income from group companies	760	512
Interest income	1 500	520
Other financial income from group companies	441	276
Total	2 701	1 309

Financial costs

NOK million	2023	2022
Interest expenses to group companies	-2 407	-803
Interest expenses external debt	-1 046	-568
Other financial costs	-41	-42
Total	-3 495	-1 413

Net realised and unrealised securities

NOK million	2023	2022
Impairments/reversal of impairments from previous years	623	-388
Total	623	-388

Net realised and unrealised currency and interest rates derivatives

NOK million	2023	2022
Currency gains and losses, realised	-2 769	-443
Currency gains and losses, unrealised	-1 685	-2 510
Gains and losses interest rate derivatives, realised	-	-142
Gains and losses interest rate derivatives, unrealised	406	213
Total	-4 049	-2 882

Net financial items	11 558	11 905

In 2023 previous years impairments of the shares in Statkraft Vind Holding AS have been reversed by NOK 623 million

In 2022, impairments/reversal of impairments from previous years are related to shares in Statkraft Vind Holding AS and Statkraft Enerji A.S.

An updated valuation of Statkraft Vind Holding AS' ownership in Fosen Vind DA, impacted by introduction of resource rent tax on onshore wind in Norway, has lead to an impairment in 2022 of NOK 623 million.

In 2022 previous years impairments of the shares in Statkraft Enerji A.S. have been reversed by NOK 235 million, mainly due to higher expected power prices.

Note 10 Income taxes

MATERIAL ACCOUNTING POLICIES

Statkraft AS is subject to tax on profits that is calculated in accordance with ordinary tax rules. The tax charge in the income statement comprises taxes payable and changes in deferred tax liabilities/assets. Taxes payable are calculated on the basis of the taxable income for the year. Deferred tax liabilities/assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward. Deferred tax assets are only recognised in the balance sheet to the extent it is probable that the assets will be realised in the future. Tax related to equity transactions is recognised in other comprehensive income.

The tax expense in the income statement

NOK million	2023	2022
Income tax payable	752	401
Withholding tax	5	1
Previous years payable tax expense	-1	-
Change in deferred tax	371	-266
Tax expense in the income statement	1 127	135

Taxes payable in the balance sheet

NOK million	2023	2022
Income tax payable	752	402
Taxes payable	752	402

Reconciliation of nominal tax rate and effective tax rate

NOK million	2023	2022
Profit before tax	10 463	11 098
Expected tax expense at a nominal rate of 22%	2 302	2 442
Effect on taxes of		
Tax-free income	-1 067	-2 418
Changes relating to previous years	-1	-
Withholding tax	5	-
Impairment/reversal of impairment previous years	-137	85
Other permanent differences, net	26	26
Tax expense	1 127	135
Effective tax rate	11%	1%

Breakdown of deferred tax

NOK million	2023	2022
Current assets/current liabilities	-111	-85
Derivatives	1 291	-271
Other long-term items	135	104
Property, plant and equipment	420	495
Lease liabilities	-494	-592
Pension liabilities	-1 308	-1 259
Total temporary differences and tax loss carry forward	-66	-1 608
Total deferred tax (+)/deferred tax asset (-)	-14	-354
Applied tax rate	22%	22%
Deferred tax (+)/deferred tax asset (-) as of 1 Jan	-354	-153
Recognised in profit or loss	371	-266
Recognised in other comprehensive income [1)]	-31	65
Deferred tax (+)/deferred tax asset (-) as of 31 Dec	-14	-354

[1)] Tax effect of estimate deviation, see note 7.

Note 11 Intangible assets

MATERIAL ACCOUNTING POLICIES

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Costs relating to intangible assets are recognised in the balance sheet when it is probable that the asset will generate future economic benefits and the costs can be measured reliably. Intangible assets are assessed to have a definite useful life and are amortised.

Research expenditures are expensed as incurred. Development costs are capitalised to the extent that a future economic benefit can be identified from the development of an identifiable intangible asset.

NOK million	Software and licenses	Assets under development[1)]	Total
2023			
Balance as of 01 Jan 2023	51	33	84
Additions	0	1	1
Transfer between asset classes	33	-33	-
Amortisations	-15	-	-15
Balance at 31 Dec 2023	69	1	70
Cost 31 Dec 2023	94	1	95
Accumulated amortisations as of 31 Dec 2023	-24	-	-24
Balance as of 31 Dec 2023	69	1	70
Period of amortisation	3-10 years	n/a	

[1)] Intangible assets under development are related to IT systems.

NOK million	Software and licenses	Assets under development[1)]	Total
2022			
Balance as of 01 Jan 2022	8	54	62
Additions	25	4	29
Transfer between asset classes	25	-25	-
Amortisations	-6	-	-6
Balance at 31 Dec 2022	51	33	84
Cost 31 Dec 2022	61	33	94
Accumulated amortisations as of 31 Dec 2022	-9	-	-9
Balance as of 31 Dec 2022	51	33	84
Period of amortisation	3-10 years	n/a	

[1)] Intangible assets under development are related to IT systems.

Note 12 Property, plant and equipment

MATERIAL ACCOUNTING POLICIES

Property, plant and equipment are recognised in the balance sheet and depreciated on a straight-line basis over the expected useful life from the time the property, plant or equipment starts regular operations. The acquisition cost consists solely of directly attributable costs. Gains/losses from sale of property, plant and equipment are treated as operating revenues or expenses.

NOK million	Buildings, office equipment and other	Assets under construction	**Sum**	Right-of-use assets	**Total**
2023					
Balance as of 01 Jan 2023	175	15	**190**	561	**751**
Additions	16	20	**36**	37	**73**
Transfer between asset classes	13	-13	**-**		**-**
Depreciations	-30		**-30**	-116	**-146**
Balance as of 31 Dec 2023	174	22	**196**	483	**679**
Cost 31 Dec 2023	689	22	**711**	653	**1 364**
Accumulated depreciations as of 31 Dec 2023	-515		**-515**	-170	**-685**
Balance as of 31 Dec 2023	174	22	**196**	483	**679**
Period of depreciation	3–75 years	n/a		9-11 years	

NOK million	Buildings, office equipment and other	Assets under construction	**Sum**	Right-of-use assets	Total
2022					
Balance as of 01 Jan 2022	199	3	**202**	643	845
Additions	7	12	**19**	-	19
Remeasurement and other changes	-	-	**-**	25	25
Depreciations	-30	-	**-30**	-107	-137
Disposals	-1	-	**-1**	-	-1
Balance as of 31 Dec 2022	175	15	**190**	561	751
Cost 31 Dec 2022	660	15	**675**	616	1 291
Accumulated depreciations as of 31 Dec 2022	-486	-	**-486**	-54	-540
Balance as of 31 Dec 2022	175	15	**190**	561	751
Period of depreciation	3–75 years	n/a		9-11 years	

Note 13 Shares in subsidiaries and associates

MATERIAL ACCOUNTING POLICIES

Investment in subsidiaries and associated companies The degree of control over the investee is one of the key elements in the assessment to whether the investment should be accounted for as subsidiary, joint operation, joint venture or associate. The assessment of control is judgmental and entails that all facts and circumstances are evaluated.

The decisions about relevant activities that significantly affect the return of the investments are the elements that require the highest degree of judgement. In order to conclude on the degree of control, Statkraft has systematically defined the relevant activities and value drivers for each of its main type of technologies, in addition to an individual assessment per investment to reflect other facts and circumstances.

Judgement is required in assessing whether a joint arrangement is a joint operation or a joint venture. Matters to be addressed include facts and circumstances and evaluation of rights and obligations arising from the arrangement, agreements between shareholders and agreements between shareholders and the investee. Entities established to produce power and where the owners are committed to purchase all the power produced, as well as being responsible for settling of shortterm and long-term financing of the company, are normally classified as joint operations.

The investment is valued at cost for the shares unless impairment has been recognised. Impairment is done when the reduction in value is due to reasons that cannot be considered transitory. Impairment is reversed when the basis for the impairment no longer exists.

Dividends and group contributions received are recognised as income in the same year as allocated by the subsidiary, while dividends from other companies are recognised in accordance with the cash principle. If the dividend exceeds the share of retained profits after the purchase, the excess part represents repayment of invested capital and the disbursements received are deducted from the value of the investment in the balance sheet. Statkraft AS has decided to utilise the option in the regulations of simplified application of international financial reporting standards ("regulations") which allows Statkraft to continue accounting for dividends and group contributions according to NGAAP.

NOK million	Country	Registered office	Shareholding and voting share	Equity 31 Dec 2023 [1]	Net profit 2023 [1]	Carrying value
Shares in subsidiaries						
Statkraft Brussels SPRL	Belgium	Brussels	99.90%	1	-	1
Statkraft Treasury Centre SA	Belgium	Brussels	100.00%	2	-	1
Statkraft Germany GmbH	Germany	Düsseldorf	100.00%	877	-156	13 314
Mer AS	Norway	Oslo	100.00%	3 191	-152	3 321
Hitra Vind AS	Norway	Oslo	100.00%	126	17	95
Kjøllefjord Vind AS	Norway	Oslo	100.00%	129	34	102
Smøla Vind 2 AS	Norway	Oslo	100.00%	284	18	150
Statkraft Asset Holding AS	Norway	Oslo	100.00%	39 708	-9	31 871
Statkraft Energi AS	Norway	Oslo	100.00%	35 944	12 330	14 295
Statkraft European Wind and Solar Holding AS	Norway	Oslo	100.00%	5 940	-92	6 179
Statkraft Forsikring AS	Norway	Oslo	100.00%	593	129	80
Statkraft IH Invest AS	Norway	Oslo	100.00%	24 940	1	26 687
Statkraft Industrial Holding AS	Norway	Oslo	100.00%	14 869	1 459	16 286
Statkraft Vind Holding AS	Norway	Oslo	100.00%	3 743	-323	3 437
Statkraft Vind Utvikling DA [2]	Norway	Oslo	62.00%	-2	-9	8
Statkraft Financial Energy AB	Sweden	Stockholm	100.00%	40	7	1
Statkraft Elektrik Enerjisi Toptan Satış¸ Ltd. Sirketi	Türkiye	Istanbul	100.00%	58	-18	53
Statkraft Enerji A.S.	Türkiye	Istanbul	100.00%	7 562	-67	2 277
Statkraft UK Ltd.	United Kingdom	London	100.00%	336	8	2 005
Total subsidiaries						120 161

[1] Based on preliminary unaudited financial statements 2023.

[2] Statkraft Asset Holding AS owns the remaining 38% of Statkraft Vind Utvikling DA.

Note 14 Derivatives

GENERAL INFORMATION

Statkraft AS trades in financial derivatives for different purposes, and the accounting treatment is based on the fair value principle as described below.

MATERIAL ACCOUNTING POLICIES

Interest rate derivatives Statkraft AS uses interest rate derivatives to balance interest rate exposure to the Group's debt portfolio. Interest rate derivatives are recognised at fair value including accrued interests. Interest rate derivatives are classified as non-current assets or non-current liabilities if the remaining duration is longer than one year.

Currency derivatives In order to hedge against fluctuations in the foreign currency rates, Statkraft AS uses currency derivatives in line with approved treasury strategy. Forward exchange rate contracts are valued at fair value. Changes in value are recorded in the income statement as net realised and unrealised currency and derivatives.

ESTIMATES AND ASSUMPTIONS

The fair value of interest rate swaps is determined by discounting expected future cash flows to present value through use of observed market interest rates and quoted exchange rates from European Central Bank (ECB). The valuation of forward currency exchange contracts is based on quoted exchange rates, from which the forward exchange rate is extrapolated. Estimated present value is subject to a test of reasonableness against calculations made by the counterparties to the contracts.

The interest rate swaps are part of risk management and are accounted for according to the fair value principle including accrued interests.

ACCUMULATED GAINS DUE TO CHANGES IN FAIR VALUE

Accumulated gains due to changes in fair value recognised in the statement of financial position as of 31 December 2023 was NOK 201 million including accrued interest and as of 31 December 2022 NOK -234 million including accrued interests. For gains and losses due to changes in fair value recognised in statement of profit or loss specified per accounting line, see note 9.

Note 14 Continued

Currency and interest rate agreements

Fair value of currency and interest rate derivatives:

	31 Dec 2023	31 Dec 2022
Derivatives – non-current assets	Fair	Fair
NOK million	value [1]	value [1]
Currency and interest rate derivatives		
Interest rate swaps	963	769
Forward exchange rate contracts	65	17
Total	1 029	786
Derivatives – current assets		
NOK million		
Currency and interest rate derivatives		
Interest rate swaps	7	-
Forward exchange rate contracts	947	524
Total	954	524
Derivatives – non-current liabilities		
NOK million		
Currency and interest rate derivatives		
Interest rate swaps	269	534
Forward exchange rate contracts	44	83
Total	313	617
Derivatives – current liabilities		
NOK million		
Currency and interest rate derivatives		
Interest rate swaps	-	73
Forward exchange rate contracts	287	854
Total	287	927

[1] Fair value includes accrued interests.

Note 15 Other non-current assets

MATERIAL ACCOUNTING POLICIES

Loan to group companies and other shares and securities. Loans to group companies are measured at amortised cost. All loans are subject to potential impairment losses in accordance with IFRS 9 Financial Instruments. Other shares and securities are measured at fair value.

NOK million	2023	2022
Loans to group companies [1]	9 715	9 821
Non-current receivables related to long-term power sales agreements [2]	3 421	3 736
Other shares and securities	5	6
Uncertain income tax deposit [3]	2 079	2 079
Other non-current assets [4]	353	289
Total	15 573	15 932

[1] See note 26.
[2] Back-to-back agreements with Statkraft Energi AS related to prepayments of long term power sales. See note 19.
[3] See note 23.
[4] Mainly consists of uncertain interest deposit. See note 23.

Note 16 Receivables

MATERIAL ACCOUNTING POLICIES

Receivables are carried at amortised cost. Statkraft records lifetime expected credit losses on receivables, which is the expected credit loss that result from all possible default events over the expected life of a financial instrument.

NOK million	2023	2022
Dividend and Group contribution from subsidiaries	16 508	14 842
Short-term receivables from group companies [1]	1 322	1 171
Group cash receivables	2 477	1 830
Short-term receivables related to long-term power sales agreements [2]	316	316
Receivables related to cash collateral	-	438
Accounts receivable	39	18
Other receivables	399	297
Total	21 060	18 912

[1] Consists mainly of short-term loans. See note 26.
[2] Back-to-back agreements with Statkraft Energi AS related to prepayments of long term power sales. See note 22.

As of 31 December 2023 Statkraft AS has not recognised any expected credit loss.

Note 17 Cash and cash equivalents

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents includes commercial papers and other interest-bearing securities which normally are due within a period of three months from acquisition date, highly liquid, readily convertible and subject to an insignificant risk of changes in value. The item also includes restricted cash. Cash pool deposits and loans to subsidiaries are reported as net values, and the corresponding items are classified gross either as cash pool receivable or cash pool debt (note 16 and 21).

NOK million	2023	2022
Cash and cash deposits	**23 654**	39 502
Time deposits	**5 272**	1 100
Commercial papers and other interest-bearing securities	**8 307**	10 595
Total	**37 234**	51 197

Statkraft AS has unused committed credit lines of EUR 1300 million and unused overdraft facilities of NOK 2000 million.

Note 18 Equity

	Paid-in capital			
NOK million	Share capital	Share premium account	Retained earnings	**Total equity**
Equity as of 1 Jan 2022	33 600	22 802	22 531	**78 933**
Total comprehensive income 2022	-	-	11 195	**11 195**
Dividends 2022	-	-	-17 213	**-17 213**
Equity as of 31 Dec 2022	33 600	22 802	16 513	**72 915**
Total comprehensive income 2023	-	-	9 225	**9 225**
Dividends 2023	-	-	-13 029	**-13 029**
Equity as of 31 Dec 2023	33 600	22 802	12 709	**69 111**

Share capital

The parent company has a share capital of NOK 33.6 billion, divided into 200 million shares, each with a par value of NOK 168. All shares have the same voting rights and are owned by Statkraft SF, which is a Norwegian state-owned company, established and domiciled in Norway. Statkraft SF is wholly owned by the Norwegian state, through the Ministry of Trade, Industry and Fisheries.

Fund for unrealised gains

The restricted share of retained earnings (fund for unrealised gains) in Statkraft AS represented NOK 970 million as of 31 December 2023 and NOK 769 million as of 31 December 2022.

Note 19 Other non-current liabilities

NOK million	2023	2022
Prepayments related to long-term power sales agreements	**3 421**	3 736
Other non-current liabilities	**86**	75
Total	**3 507**	3 811

Note 20 Interest-bearing liabilities

MATERIAL ACCOUNTING POLICIES

Non-current liabilities Funding costs and premiums or discount are recognised in accordance with the effective interest rate method (amortised cost). The first year's repayments relating to long-term debt are presented as current liabilities.

Current liabilities Market settlements for derivatives connected with financial activities (Cash collateral) are recognised in the balance sheet as receivable or current liabilities. Cash collateral is a transfer to/from counterparties as security for the net unrealised gains and losses that Statkraft AS has on interest rate swaps and forward exchange contracts (see also note 16 and note 22).

Repurchase of debt Repurchase of issued bonds are recognised as repayment of debt and any gain or loss is recognised up front in the net financial items.

NOK million	2023	2022
Current interest-bearing liabilities		
Commercial papers and bond debt	5 799	10 252
Lease liabilities	152	136
Group cash debt	57 260	63 107
Cash collateral	1 445	775
Debt to Statkraft SF	200	200
Total	64 857	74 469
Non-current interest-bearing liabilities		
Bond debt	39 755	21 918
Lease liabilities	342	455
Total	40 096	22 374
Total interest-bearing liabilities	104 953	96 843

Note 21 Leases

GENERAL INFORMATION

The contracts that have largely affected the recognition of the lease debt and right-of-use asset are contracts for renting of office premises.

MATERIAL ACCOUNTING POLICIES

The definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period in exchange for consideration. At the commencement date of a lease, Statkraft as the lessee recognises a liability at the present value of future lease payments with a corresponding asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). Statkraft AS measures the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate.

Depreciation of right-of-use assets and interest on lease liabilities are recognised separately in the statement of profit or loss. The total amount of cash paid is separated into a principal portion and an interest portion in the statement of cash flow (both presented within financing- and operational activities).

The following practical expedients and recognition exemptions to leases are applied:

- Recognition exemption for short-term leases (defined as 12 months or less) and for low value assets (defined as less than NOK 50 thousand). These expenses are presented within Other operating expenses.
- Excluded any initial direct costs from the measurement of the right-of-use asset.
- Intangible assets have also been chosen to be excluded from IFRS 16.

Measurement

A lease liability is remeasured upon the occurrence of certain events e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments. Generally, the amount of the remeasurement of the lease liability will be recognised as an adjustment to the right-of-use asset.

Right-of-use assets are not presented separately in the statement of financial position but are disclosed separately in note 12.

ESTIMATES AND ASSUMPTIONS

The incremental borrowing rates are calculated as a sum of currency dependent market rates and Statkraft AS credit spreads for each relevant year on an asset-by-asset basis. The incremental borrowing rate applied as discount rate is an average of these yearly borrowing rates for each individual leased asset, depending on the length of each contract.

Statkraft evaluates whether Statkraft AS is reasonably certain to exercise an option to renew a lease, not terminate a lease or to purchase the underlying asset. All relevant factors that can create an economic incentive for Statkraft to exercise options e.g. contract-, asset-, entity- and market-based factors are evaluated. Contracts to rent office premises are in most occasions not considered to be customised to Statkraft's use and options to renew leases are normally not included in the estimated lease liability, as it is not considered reasonably certain that the option will be exercised.

Note 21 continued

STATKRAFT AS A LESSEE

Right-of-use assets

NOK million	Office buildings	Total
2023		
Balance as of 01 Jan 2023	562	562
Depreciations	-116	-116
Remeasurements and other changes	37	37
Balance as of 31 Dec 2023	483	483

Right-of-use assets

NOK million	Office buildings	Total
2022		
Balance as of 01 Jan 2022	643	**643**
Depreciations	-107	**-107**
Remeasurements and other changes	26	**26**
Balance as of 31 Dec 2022	562	**562**

Amounts recognised in the statement of profit or loss

NOK million	2023	2022
Income from sub-leasing right-of-use assets [1]	17	14
Variable lease payments not included in the measurement of lease liabilities	-2	-
Expenses relating to short-term leases, leases of low-value assets and other [2]	-9	-5
Depreciations from right-of-use assets [3]	-116	-107
Interest expenses from lease liabilities [4]	-20	-15
Total	-130	-113

[1] Presented as Operating revenues and other income.
[2] Presented as Other operating expenses.
[3] Presented as Depreciations.
[4] Presented as Financial costs.

Amounts recognised in the statement of cash flow

NOK million	2023	2022
Principal portion of lease payments on lease liabilities [1]	-135	-77
Interest portion of lease payments on lease liabilities [1]	-20	-15
Total payments on lease liabilities	-155	-92

[1] Presented as Cash flow from financing activities.

Note 21 continued

Lease liabilities

NOK million	2023	2022
Lease liabilities, current	152	136
Lease liabilities, non-current	342	455
Total lease liabilities	494	591

Maturity schedule lease liabilities - contractual undiscounted cash flows

NOK million	2023	2022
0-1 year	128	120
1-5 years	393	488
5 years and later	2	11
Total undiscounted lease liabilities as of 31 Dec	523	619

Future cash flows not reflected in the measurement of lease liabilities

Extension options:

Several leases of office buildings contain extension options that can be exercised by Statkraft, where the lease of the head-quarter in Oslo is the most significant one. This lease agreement expires in 2028, with options to prolong for ten plus ten years, and the annual lease payment is NOK 111 million. The buildings included in this lease agreement are considered to be standardised office buildings, not particularly customised to Statkraft or Statkraft's business. With several years left of this contract, it is not considered reasonably certain that these extensions option will be exercised, and thus no period after 2028 has been included in the measurement of the lease liability. Statkraft also leases offices in Trondheim. This lease agreement expires in 2030, with options to prolong for five plus years, and the annual lease payment is NOK 9 million.

Note 22 Other current liabilities

NOK million	[1] 2023	2022
Accounts payable	395	282
Accounts payable group companies	5	3
Indirect taxes payable	105	85
Debt to Statkraft SF	200	200
Dividends payable	13 029	17 213
Prepayments related to long-term power sales agreements	316	316
Group cash debt [2]	1 930	34 911
Accrued interest-free liabilities	294	209
Accrued interest related to long-term debt	468	345
Cash collateral	1 445	775
Total	18 186	54 339
Of which interest-bearing liabilities	3 575	35 886

1) See note 26.
2) In-house bank Liabilities has been reclassified to "Commercial papers, bond and bank debt.

Note 23 Disputes, contingencies and uncertain tax positions

On 3rd and 12th of March 2020, Statkraft AS received decisions of tax reassessment from the Norwegian tax authorities. The decisions regard the income tax return for the fiscal years 2010-2016 related to the investment in the Statkraft Treasury Centre SA (STC) in Belgium. The main issue relates to STC's capital structure and its compliance with the arm's length principle. Statkraft strongly disagrees that there is a legal basis for any reassessment and has made no provisions related to this case in the financial statements. Although no provision has been made according to IFRS, Statkraft AS has paid NOK 2335 million to the Norwegian tax authorities in 2020 related to this case and the period 2010-2016. The paid tax amount of NOK 2079 million and paid interest of NOK 256 million has been recognised in the balance sheet as an uncertain tax deposit and uncertain interest deposit and presented as part of the line-item other non-current assets in the statement of financial position. In 2023, NOK 64 million in interest income on the uncertain tax positions was recognised.

Note 24 Obligations and guarantees

Statkraft AS has the following guarantees and other off-balance-sheet obligations:

NOK million	2023	2022
Parent company guarantees on behalf of subsidiaries [1]	50 419	58 950
Parent company guarantees on behalf of associates and joint arrangements	114	-
Other [2]	4 656	3 892
Total guarantees in Statkraft AS	55 188	62 843

[1] The guarantees are mainly related to energy trading of NOK 34 673 million in 2023 and NOK 48 351 million in 2022, and liabilities to suppliers of NOK 3442 million in 2023 and NOK 3049 million in 2022.
[2] Figures for 2023 include NOK 1045 million in grid bonds related to the development and construction of wind- and solar farms. Such bonds can be called if Statkraft does not develop and construct the respective wind- and solar farms according to the terms.

Note 25 Fees paid to external auditors

Deloitte AS is the Statkraft Group's auditor. The total fees paid for auditing and other services for Statkraft AS (excluding VAT) were as follows:

NOK thousand	2023	2022
Statutory auditing	5 550	5 051
Other attestation services	381	322
Other services [1]	3 041	527
Total	8 972	5 900

1) The main items in fees for other services in 2022 relates to the attestation of the sustainability report and 2023 relates to attestation of the sustainability report and technical support funding applications.

Note 26 Related parties

The Company's related parties are considered to be:

- Directly owned subsidiaries, see specification in note 13
- Other group companies, see specification in note 26 and 39 to the Consolidated Financial Statements
- The parent company of the Group, Statkraft SF
- Group management and the board of directors, see specification in note 38 to the Consolidated Financial Statements

Transactions with subsidiaries, associated companies and joint arrangements mainly relate to the following:

- Statkraft AS sells intra-group services from centralised service centers.
- Dividends and group contributions are accrued through Statkraft AS' own shareholdings.
- Statkraft AS is also the borrower for the majority of the Group's external debts and is the owner of the cash pooling facilities. The central treasury function in Statkraft AS coordinates and manages the financial risks relating to currency, interest rates and liquidity of the Group.
- Statkraft AS finances subsidiaries through loans.

All intra-group transactions are conducted at market terms.

Guarantees related to group companies are listed in note 24.

2023:

Statkraft AS booked dividends of 770 MNOK from Statkraft Industrial Holding AS as reduced cost price of the shares in the company.

Statkraft Enerji A. S has reduced its share capital by TRY 300 million and the amount has reduced Statkraft AS' cost price of the shares in the company.

Statkraft Enerji A. S has reduced its share capital by TRY 290 million and the amount has reduced Statkraft AS' cost price of the shares in the company.

2022:

Statkraft UK Ltd. has reduced its share capital by GBP 135 million. Of the share capital reduction, GBP 84 million has been recognised as income from investments in subsidiaries while GBP 51 million has reduced the cost price of the shares in the company.

Statkraft AS booked dividends of 577 MNOK from Statkraft Industrial Holding AS as reduced cost price of the shares in the company.

Note 26 continued

Transactions and balances within the Group are presented below:

Income statement - NOK million	2023	2022
Operating revenues		
Statkraft Energi AS	1 320	878
Statkraft Markets GmbH	277	263
Fosen Vind DA	123	87
Statkraft Peru S.A.	98	96
Statkraft Sverige AB	71	62
Statkraft Varme AS	57	41
Other	773	657
Total	2 719	2 084
Other operating expenses		
Statkraft Energi AS	160	141
Statkraft Markets GmbH	2	24
Other	135	113
Total	297	278
Dividend and group contribution from group companies (recognised as financial income)		
Statkraft Energi AS	14 139	10 699
Statkraft Industrial Holding AS	2 226	1 584
Statkraft Asset Holding AS	-	2 000
Other	143	996
Total	16 508	15 279
Financial income from group companies		
Statkraft Energi AS	663	371
Statkraft Markets GmbH	237	175
Skagerak Energi AS	48	68
Other	394	174
Total	1 342	788
Financial costs to group companies		
Statkraft Energi AS	1 114	467
Statkraft Asset Holding AS	46	14
Statkraft Industrial Holding AS	29	8
Statkraft SF	9	4
Statkraft UK Ltd.	42	14
Other	1 309	296
Total	2 549	803

Balance sheet - NOK million	2023	2022
Non-current assets		
Loan to Statkraft Energi AS	8 000	8 000
Loan to Skagerak Energi AS	1 100	1 700
Loan to other	614	121
Other non-current financial assets	9 714	9 821
Statkraft Energi AS	3 421	3 736
Other long-term receivables	3 421	3 736
Statkraft Markets GmbH	-	1
Statkraft Energi AS	65	4
Derivatives	65	5

Note 26 continued

Current assets		
Knapsack Power GmbH & CO. KG	-	1
Statkraft Energi AS	-	1 110
Other	2 477	719
Group cash receivables	2 477	1 830
Statkraft Energi AS	14 139	10 831
Statkraft Industrial Holding AS	2 226	2 141
Skagerak Energi AS	-	265
Statkraft Asset Holding AS	-	2 000
Statkraft Varme AS	-	3
Other	143	577
Short-term receivables group companies	16 508	15 817
Statkraft Markets GmbH	105	74
Statkraft Energi AS	100	58
Other	8	-
Derivatives	213	132
Non-current liabilities		
Statkraft Energi AS	-	9
Statkraft Markets GmbH	44	5
Derivatives	44	14
Current liabilities		
Statkraft Energi AS	20 608	32 024
Statkraft Markets GmbH	12 621	4 823
Skagerak Energi AS	1 932	5 610
Statkraft Sverige AB	3 015	3 295
Statkraft Holding Singapore Pte Ltd	129	-125
Statkraft UK Ltd	160	1 048
Statkraft Ireland Ltd.	373	508
Statkraft Germany GmbH	1 079	880
Statkraft Asset Holding AS	1 205	350
Other	16 138	14 694
Group cash debt	57 260	63 107
Debt to Statkraft SF	200	200
Current interest-bearing liabilities to group companies	200	200
Statkraft Markets GmbH	113	5
Statkraft Energi AS	105	36
Derivatives	218	41
Statkraft SF	13 029	17 213
Other	-52	-124
Current interest-free liabilities to group companies	12 977	17 089

Auditor's report

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To the General Meeting of Statkraft AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Statkraft AS, which comprise:

- The financial statements of the parent company Statkraft AS (the Company), which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of Statkraft AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Statkraft AS for 20 years from the election by the general meeting of the shareholders on 25 June 2004 for the accounting year 2004 (with renewed elections on 30 June 2010 and on 27 June 2017).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Impairments and reversal of prior years' impairments

Key audit matter	How the matter was addressed in the audit
Refer to note 15 to the group financial statements for description of Statkraft's impairment process and key assessments. Refer also to note 2 for a description of Statkraft's process to determine its long-term forecasts for energy prices in the markets in which they operate and the judgements and estimates that are involved in this process. The total carrying value of intangible assets, property, plant and equipment and investments in associates and joint ventures amounted to NOK 175 billion as at 31 December 2023. The recoverability of these non-current assets are assessed for impairment or reversal of impairment at the end of each reporting period if indicators are identified. Impairment recognized in the year amounts to NOK 0.2 billion and reversal of prior years' impairment amounts to NOK 2.9 billion. To calculate and assess recoverability of these non-current assets, management must make assumptions about future energy prices, discount rates as well as future production levels, future capital expenditures and operating costs. The recoverable amount is in particular sensitive to changes in future energy prices and discount rates. Due to the level of complexity in assessing the appropriate accounting for impairment and the level of management judgement involved, this has been identified as a key audit matter.	We assessed Statkraft's impairment process and tested the design and implementation of internal controls established. We challenged management's assessment as to whether indicators of impairment or impairment reversal exist for these assets. For assets where indicators were identified we obtained the valuation models used to determine the recoverable amount. We evaluated and challenged management's judgements applied to the inputs in the models, in particular: • the models used by management to establish its forecasts for energy prices, • the significant assumptions on which the price forecasts are built, and • the discount rate applied. To assess estimated future energy prices, we compared inputs to relevant information from third party documentation where available, made use of Deloitte valuation specialists and considered sensitivity analyses in order to challenge management's estimates. To assess discount rates, we utilized Deloitte valuation specialists, obtained and assessed underlying calculations and compared inputs to relevant information from third part documentation where available. We utilized Deloitte valuation specialist to perform audit procedures on the mathematical integrity of the models used to determine the value in use. We assessed the adequacy of the related disclosures in the financial statements.

Deloitte.

Valuation of energy contracts

Key audit matter	How the matter was addressed in the audit
Refer to note 10 to the group financial statements for description of Statkraft's portfolio of energy contracts, the process and judgments to estimate fair values, presentation in the financial statements and how judgements related to the use of Statkraft's business models affect the accounting treatment. The carrying value of energy derivative assets measured at fair value amounted to NOK 35.8 billion at 31 December 2023, and the carrying value of energy derivative liabilities measured at fair value amounted to NOK -30.2 billion at 31 December 2023. Refer to note 10 to the group financial statements for a breakdown of the derivative position as of 31 December 2023. The nature and risk of the energy contracts vary. The main area of audit focus is on long-term industry contracts, long-term energy purchase contracts and origination contracts, with high degree of estimation uncertainty and judgments, involving management assessments. Key risks relate to; • valuation of embedded derivatives, • judgments applied to assess whether the physical long-term contracts are for own use, and • valuation of long term power contracts. Due to the level of complexity in assessing the appropriate accounting for energy contracts and the level of management judgement involved, this has been identified as a key audit matter.	We assessed Statkraft's processes for identification, classification and valuation of energy contracts and tested the design and implementation of internal controls. We utilized Deloitte energy valuation specialists to assess the appropriateness of management's valuation models, and tested the mathematical integrity of the models used. We tested a sample of contracts regarding whether classification as own use comply with relevant accounting standard. We tested a sample of contracts and embedded derivatives measured at fair value, where we specifically tested and challenged the evidence supporting unobservable inputs utilised in Level 2 and 3 measurements in the fair value hierarchy as outlined in note 10 to the financial statements. We also assessed the adequacy of the related disclosures in the financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 29 February 2024
Deloitte AS

Trond E. Hov

Trond Edvin Hov
State Authorised Public Accountant

Sustainable Finance Statement

EU Taxonomy

Turnover

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

Financial year 2023		2023		SUBSTANTIAL CONTRIBUTION CRITERIA		Do No Significant Harm (DNSH) CRITERIA									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Social Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		MNOK	%	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Electricity generation using solar photovoltaic technology	CCM 4.1	100	0	Y	N	Y	Y	N/A	N/A	Y	Y	Y			
Electricity generation from wind power	CCM 4.3	3 327	3	Y	N	Y	Y	Y	N/A	Y	Y	Y			
Electricity generation from hydropower	CCM 4.5	40 633	40	Y	N	Y	Y	Y	N/A	N/A	Y	Y			
Transmission and distribution of electricity	CCM 4.9	1 341	1	Y	N	Y	Y	N/A	Y	Y	Y	Y		E	
Storage of Electricity	CCM 4.10	704	1	Y	N	Y	Y	Y	N/A	Y	Y	Y			
District heating/cooling distribution	CCM 4.15	1 077	1	Y	N	Y	Y	Y	Y	N/A	Y	Y			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	918	1	Y	N	Y	Y	Y	Y	Y	Y	Y			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**48 101**	**47**												
Of which enabling			**1**											E	
Of which transitional			**0**												T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Electricity generation using solar photovoltaic technology	CCM 4.1	147	0	EL	EL										
Electricity generation from wind power	CCM 4.3	0	0	EL	EL										
Electricity generation from hydropower	CCM 4.5	1 570	2	EL	EL										
Transmission and distribution of electricity	CCM 4.9	88	0	EL	EL									E	
Storage of Electricity	CCM 4.10	0	0	EL	EL										
District heating/cooling distribution	CCM 4.15	0	0	EL	EL										
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	352	0	EL	EL										
Electricity generation from fossil gaseous fuels	CCM 4.29	3 314	3	EL	EL										T
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0	0	EL	EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**5 472**	**5**												
A. Turnover of Taxonomy-eligible activities (A.1. + A.2.)		**53 573**	**52**												

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
B. Turnover of Taxonomy-non-eligible activities	**49 084**	**48**
Total (A + B)	**102 657**	**100**

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	47%	52%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CapEx

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

Financial year 2023		2023		SUBSTANTIAL CONTRIBUTION CRITERIA		Do No Significant Harm (DNSH) CRITERIA									
Economic activities (1)	**Code(s) (2)**	**CapEx (3)**	**Proportion of CapEx, year 2023 (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Social Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
		MNOK	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Electricity generation using solar photovoltaic technology	CCM 4.1	659	3	Y	N	Y	Y	N/A	N/A	Y	Y	Y			
Electricity generation from wind power	CCM 4.3	14 201	57	Y	N	Y	Y	Y	N/A	Y	Y	Y			
Electricity generation from hydropower	CCM 4.5	3 832	15	Y	N	Y	Y	Y	N/A	N/A	Y	Y			
Transmission and distribution of electricity	CCM 4.9	1 145	5	Y	N	Y	Y	N/A	Y	Y	Y	Y		E	
Storage of Electricity	CCM 4.10	628	3	Y	N	Y	Y	Y	N/A	Y	Y	Y			
District heating/cooling distribution	CCM 4.15	254	1	Y	N	Y	Y	Y	Y	N/A	Y	Y			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	662	3	Y	N	Y	Y	Y	Y	Y	Y	Y			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**21 383**	**86**												
Of which enabling			**5**											E	
Of which transitional			**0**												T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Electricity generation using solar photovoltaic technology	CCM 4.1	75	0	EL	EL										
Electricity generation from wind power	CCM 4.3	477	2	EL	EL										
Electricity generation from hydropower	CCM 4.5	382	2	EL	EL										
Transmission and distribution of electricity	CCM 4.9	15	0	EL	EL									E	
Storage of Electricity	CCM 4.10	0	0	EL	EL										
District heating/cooling distribution	CCM 4.15	0	0	EL	EL										
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	32	0	EL	EL										
Electricity generation from fossil gaseous fuels	CCM 4.29	17	0	EL	EL										T
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0	0	EL	EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**997**	**4**												
A. CapEx of Taxonomy-eligible activities (A.1. + A.2.)		**22 379**	**90**												

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
B. CapEx of Taxonomy-non-eligible activities	**2 381**	**10**
Total (A + B)	**24 760**	**100**

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	86%	90%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

OpEx

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

Financial year 2023		2023		SUBSTANTIAL CONTRIBUTION CRITERIA		Do No Significant Harm (DNSH) CRITERIA									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Social Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		MNOK	%	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Electricity generation using solar photovoltaic technology	CCM 4.1	1	0	Y	N	Y	Y	N/A	N/A	Y	Y	Y			
Electricity generation from wind power	CCM 4.3	290	17	Y	N	Y	Y	Y	N/A	Y	Y	Y			
Electricity generation from hydropower	CCM 4.5	648	39	Y	N	Y	Y	Y	N/A	N/A	Y	Y			
Transmission and distribution of electricity	CCM 4.9	69	4	Y	N	Y	Y	N/A	Y	Y	Y	Y		E	
Storage of Electricity	CCM 4.10	36	2	Y	N	Y	Y	Y	N/A	Y	Y	Y			
District heating/cooling distribution	CCM 4.15	64	4	Y	N	Y	Y	Y	Y	N/A	Y	Y			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	40	2	Y	N	Y	Y	Y	Y	Y	Y	Y			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**1 148**	**69**												
Of which enabling			**4**											E	
Of which transitional			**0**												T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0	EL	EL										
Electricity generation from wind power	CCM 4.3	0	0	EL	EL										
Electricity generation from hydropower	CCM 4.5	46	3	EL	EL										
Transmission and distribution of electricity	CCM 4.9	9	1	EL	EL									E	
Storage of Electricity	CCM 4.10	0	0	EL	EL										
District heating/cooling distribution	CCM 4.15	0	0	EL	EL										
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	115	7	EL	EL										
Electricity generation from fossil gaseous fuels	CCM 4.29	104	6	EL	EL										T
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0	0	EL	EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**274**	**16**												
A. OpEx of Taxonomy-eligible activities (A.1. + A.2.)		**1 422**	**85**												

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
B. OpEx of Taxonomy-non-eligible activities	**247**	**15**
Total (A + B)	**1 669**	**100**

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	69%	85%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Auditor's Statement, Green Finance

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To the Board of Directors of Statkraft AS

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT ON STATKRAFT'S GREEN FINANCE IMPACT REPORT

We have performed a limited assurance engagement for the Board of Directors of Statkraft AS on information set out in table "Impact and allocation of green financing proceeds per Eligible Project" in the section "Green Finance Impact Report" (the "Selected Information") within the Annual Report for the reporting period ended 31 December 2023.

Our limited assurance conclusion
Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work
Statkraft AS has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Annual Report for the year ended 31 December 2023 is as follows:

Selected Information	Applicable Criteria
Table *Impact and allocation of green financing proceeds per Eligible Project*, limited to; Column *Proceeds allocated 2023 (NOK million)*	Whether the proceeds have been allocated to the Eligible Projects as communicated in the table *Impact and allocation of green financing proceeds per Eligible Project.*
Table Impact and allocation of green financing proceeds per Eligible Project, limited to; Column *Project*	Whether the Eligible Projects comply with the criteria in Statkraft Green Finance Framework, "Use of Proceeds".

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information
We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Board of Directors' responsibilities
The Board of Directors are responsible for:

- ensuring that the Use of Proceeds follows the Statkraft Green Finance Framework
- ensuring that the project evaluation and selection, management of proceeds and reporting described in the Green Finance Impact Report are in accordance with the purpose defined within the Statkraft's Green Finance Framework.

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- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and quality management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel obtain an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Perform procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 29 February 2024
Deloitte AS

Trond E. Hov

Trond Edvin Hov
State Authorised Public Accountant

Sustainability statement

Reporting principles
Statkraft's sustainability reporting follows the same key principles as the company's financial reporting for subsidiaries, partly-owned power plants and associated companies. This implies that quantitative data include consolidated companies and projects, and these data are included 100%. There are some minor deviations between the financial and the sustainability statement related to joint ventures and joint operations.

- Joint ventures: Silva Green Fuel AS and Wind UK Invest Ltd (all 51%) are fully included in the sustainability statement. In the consolidated financial statements, the companies are recognised according to the equity method meaning that the Group's share of the companies' profit after tax, adjusted for amortisation of excess value and any deviations from Statkrafts's accounting policies, is presented as share of profit/loss in equity accounted investments.

- Joint operations: Aktieselskabet Tyssefaldene (60.17%), Fosen Vind DA (52.1%), Harrsele AB (50.57%), Gäddede (70%), Vikfalli (88%) and Volgsjöfors (73.1%) are fully included in the sustainability statement, but only proportionately consolidated in the financial statement.

Health and safety data are included for companies and projects with >20% ownership.

Promoting responsible business practice

Health and safety

Fatal accidents	Unit of measurement	2023	2022	2021
Consolidated operations [1]				
Employees	Number	0	0	0
Contractor employees	Number	0	2 [3]	0
Third party	Number	0	0	0
Associates [2]				
Employees	Number	0	0	0
Contractor employees	Number	0	0	0
Third party	Number	1 [4]	0	0

[1] Activities where Statkraft has > 50% ownership.
[2] Activities where Statkraft has 20 - 50% ownership.
[3] In 2022 there was one fatal accident. The accident occurred at the Tidong Hydropower project in India, where two contractor employees lost their lives.
[4] 3rd party fatality does not count into TRI nor SI.

Serious incidents	Unit of measurement	2023	2022	2021
Serious injuries (SI) [1]	Number	5	12	7
Of which employees	Number	2	3	3
Of which contractor employees	Number	3	9	4
Of which in Norway	Number	2	5	3
Of which in other Nordic countries	Number	0	0	0
Of which in other European countries	Number	0	1	3
Of which in the rest of the world	Number	3	6	1
Serious injuries per million hours worked [2]	SI rate	0.2	0.4	0.3
Employees	SI rate	0.2	0.2	0.2
Contractor employees	SI rate	0.2	0.4	0.3
Incidents and observations with high potential for serious consequences [3]	Number	115	94	43
Employees	Number	67	28	-
Contractor employees	Number	48	66	-

[1] Employee and contractor fatalities are included in serious injuries.
[2] Hours worked is based on actual hours worked, overtime included.
[3] Serious injuries not included. High potential observations are included from 2021.

Injuries	Unit of measurement	2023	2022	2021
Statkraft employees				
Lost-time injuries (LTI) [1]	Number	27	31	31
Lost-time injuries per million hours worked [2]	LTI rate	1.4	2.2	2.0
Total recordable injuries (TRI) [3]	Number	60	55	56
Total recordable injuries per million hours worked [2]	TRI rate	3.6	3.9	3.7
Contractor's employees				
Lost-time injuries (LTI) [1]	Number	24	41	25
Lost-time injuries per million hours worked [2]	LTI rate	2.3	2.4	2.3
Total recordable injuries (TRI) [3]	Number	43	71	40
Total recordable injuries per million hours worked [2]	TRI rate	3.2	4.3	3.6

Statkraft, total				
Lost-time injuries per million hours worked [2]	LTI rate	1.7	2.3	2.1
Total recordable injuries per million hours worked [2]	TRI rate	3.4	4.1	3.6

[1] Work-related injuries which have resulted in absence extending beyond the day of the injury.
[2] Hours worked is based on actual hours worked, overtime included.
[3] Includes work-related injuries which resulted in absence, medical treatment or need for alternative work assignments.

Sick leave [1]	Unit of measurement	2023	2022	2021
Sick leave, total	%	2.8	3.1	2.4
Of which short-term absence (16 days or less)	%	1.3	1.6	1.0
Of which long-term absence (more than 16 days)	%	1.5	1.5	1.4

[1] Sick leave due to illness or injuries, as percentage of normal working hours.

Judicial sanctions and fines, health and safety	Unit of measurement	2023	2022	2021
Cases where judicial or administrative sanctions have been applied due to material non-compliance with health and safety legislation	Number	0 [1]	0 [1]	0 [1]
Judicial fines applied due to material non-compliance with health and safety legislation	NOK million	0	0	0
Administrative fines applied due to material non-compliance with health and safety legislation	NOK million	0	0	0

[1] A civil case related to fatal accident in Devoll Hydropower Moglicë (Albania) in 2018 is pending in the court.

Labour practices

Employees as of 31.12	Unit of measurement	2023	2022	2021
Employees	Headcount	6 199	5 312	4 782
Of which in Norway	%	47	48	50
Of which in other Nordic countries	%	5	5	5
Of which in other European countries	%	32	30	26
Of which in the rest of the world	%	16	17	18
Of which < 30 years old [2]	%	12	12	-
Of which 30-50 years old [2]	%	59	59	-
Of which > 50 years old [2]	%	29	28	-
Share of full-time employees	%	96	96	95
In Norway	%	97	96	-
In other Nordic countries	%	98	98	-
In other European countries	%	93	92	-
In the rest of the world	%	100	100	-
Full-time employees, age <30 years [1]	%	95	-	-
Full-time employees, age 30-50 years [1]	%	97	-	-
Full-time employees, age >50 years [1]	%	95	-	-
Share of part-time employees	%	4	-	-
Part-time employees, in Norway	%	3	-	-
Part-time employees, in other Nordic countries	%	2	-	-
Part-time employees, in other European countries	%	7	-	-
Part-time employees, in the rest of the world	%	0	-	-
Part-time employees, age <30 years [1]	%	2	-	-
Part-time employees, age 30-50 years [1]	%	3	-	-
Part-time employees, age >50 years [1]	%	5	-	-
Share of permanent employees	%	94	92	-
Of which in Norway	%	97	97	-
Of which in other Nordic countries	%	99	99	-
Of which in other European countries	%	97	93	-
Of which in the rest of the world	%	74	75	-
Permanent employees, age <30 years [1]	%	80	-	-
Permanent employees, age 30-50 years [1]	%	94	-	-
Permanen employees, age >50 years [1]	%	97	-	-
Share of temporary employees	%	6	-	-
Temporary employees, in Norway	%	2	-	-
Temporary employees, in other Nordic countries	%	1	-	-
Temporary employees, in other European countries	%	4	-	-
Temporary employees, in the rest of the world	%	23	-	-
Temporary employees, age <30 years [1]	%	17	-	-
Temporary employees, age 30-50 years [1]	%	6	-	-
Temporary employees, age >50 years [1]	%	3	-	-
Apprentices employed	Headcount	108	104	101
Trainees employed	Headcount	32	20	23
Service time for all employees	Years	8.1	9.1[2]	9.8
Service time for employees resigned or dismissed [3]	Years	3.0	3.9	4.0
Nationalities represented among Statkraft's employees	Number	90	73	66

[1] Mer is not included.
[2] Correction of previously reported figure.
[3] Retirements are not included.

Employees in management positions as of 31.12	Unit of measurement	2023	2022	2021
Employees in management positions [1]	Headcount	1 260	1 034	885
Of which in Norway	%	41	43	-
Of which in other Nordic countries	%	4	4	-
Of which in other European countries	%	36	34	-
Of which in the rest of the world	%	17	19	-
Of which < 30 years old [2]	%	1	3	-
Of which 30-50 years old [2]	%	64	67	-
Of which > 50 years old [2]	%	34	30	-
Employees in top management positions [3]	Headcount	59	60	53
Of which in Norway	%	83	82	-
Of which in other Nordic countries	%	2	2	-
Of which in other European countries	%	14	13	-
Of which in the rest of the world	%	2	3	-
Of which < 30 years old	%	0	0	-
Of which 30-50 years old	%	37	42	-
Of which > 50 years old	%	63	58	-
Employees in Corporate Management positions	Headcount	8	8	7
Of which < 30 years old	%	0	0	-
Of which 30-50 years old	%	38	38	-
Of which > 50 years old	%	63	63	-
Persons in Statkraft's Board of Directors	Headcount	9	9	9
Of which < 30 years old	%	0	0	-
Of which 30-50 years old	%	33	22	-
Of which > 50 years old	%	67	78	-

[1] Management positions include all positions with a manager role.

[2] Mer is not included.

[3] Top management includes CEO, EVPs and SVPs in parent and subsidaries except Mer, Skagerak, Baltic Cable, Bryt and Himal Power Ltd.

New hires and turnover	Unit of measurement	2023	2022	2021
Total new hires	Headcount	1 321	895	-
Of which in Norway	%	36	35	-
Of which in other Nordic countries	%	4	3	-
Of which in other European countries	%	41	42	-
Of which in the rest of the world	%	18	20	-
Of which < 30 years old [1]	%	25	27	-
Of which 30-50 years old [1]	%	59	67	-
Of which > 50 years old [1]	%	9	6	-
Total employee turnover rate [2]	%	6.2	6.7	5.9
In Norway	%	4.8	4	-
In other Nordic countries	%	5.0	5.6	-
In other European countries	%	9.2	11	-
In the rest of the world	%	10.6	7.3	-
Of which < 30 years old [1]	%	11.5	10.6	-
Of which 30-50 years old [1]	%	6.7	6.7	-
Of which > 50 years old [1]	%	2.3	2.1	-

[1] Mer is not included in the reported figures.

[2] Employee turnover (headcount) divided by average number of employees over the reporting period.

Gender equality	Unit of measurement	2023	2022	2021
Percentage of women	%	30	28 [4]	27 [4]
In Norway	%	30	29	28
In other Nordic countries	%	22	21	20
In other European countries	%	35	31 [4]	30
In the rest of the world	%	23	23 [4]	22 [4]
In management positions [1]	%	29	26 [4]	26 [4]
In Norway	%	31	29	29
In other Nordic countries	%	21	20	16
In other European countries	%	32	24	25
In the rest of the world	%	25	22 [4]	22 [4]
In top management positions [2]	%	32	33	30
In Corporate Management	%	38	50	43
In Statkraft's Board of Directors	%	44	44	44
Among employees recruited in the reporting year	%	36	41	40
Among managers recruited in the reporting year [3]	%	39	57 [4]	46
Among employee turnover rate [3]	%	44	33 [4]	-
Among permanent employees [3]	%	30	30 [4]	-
Among temporary employees [3]	%	28	34 [4]	-
Among full-time employees [3]	%	29	30 [4]	28
Among part-time employees [3]	%	59	58 [4]	48

[1] Management positions include all positions with a manager role.

[2] Top management includes CEO, EVPs and SVPs in parent and subsidaries except Mer, Skagerak, Baltic Cable, Bryt and Himal Power Ltd.

[3] Mer is not included in the reported figures.

[4] Correction of previously reported figures.

Equal salary [1]	Unit of measurement	2023	2022	2021
Salary ratio among employees	Ratio	0.90	0.89	0.95
In Norway	Ratio	0.99	0.98	1.01
In other Nordic countries	Ratio	0.86	0.90	1.03
In other European countries	Ratio	0.74	0.71	0.84
In the rest of the world	Ratio	1.02	1.01	0.96
Salary ratio among managers [2]	Ratio	0.88	0.97	0.94
In Norway	Ratio	1.02	1.03	1.03
In other Nordic countries	Ratio	0.80	0.86	0.91
In other European countries	Ratio	0.85	0.91	0.88
In the rest of the world	Ratio	0.93	0.94	-
Salary ratio among top management positions [3]	Ratio	1.19	0.94	-
Salary ratio among Corporate Management	Ratio	1.11	0.91	-
Remuneration ratio among Statkraft's Board of Directors [4]	Ratio	1.00	1.16	-

[1] Average fixed salary for women in relation to average fixed salary for men. Mer is not included in the figures.
[2] Managers include positions with a manager role.
[3] Top management includes CEO, EVPs and SVPs in parent and subsidaries except Mer, Skagerak, Baltic Cable, Bryt and Himal Power Ltd.
[4] Not including Board members being members for only part of the year.

Compensation and salary increase ratio	Unit of measurement	2023	2022 [1]	2021
Annual total compensation CEO / Average annual total compensation for employees, excluding CEO	Ratio	8.56	6.77	-
Percentage increase in annual total salary CEO / Average percentage increase in total compensation for employees, excluding CEO	Ratio	2.89	0.13	-

[1] Earlier the compensation ratio did not include pension in total compensation definition and used median total compensation for the Norwegian employees in the denominator. The salary increase ratio used percentage increase CEO fixed compensation in numerator and the median percentage increase in fixed compensation for the Norwegian employees in denominator. Now the average total compensation for all employees is included in both denominators (median for total compensation for group not available).

Statkraft as employer [1]	Unit of measurement	2023	2022
Employee engagement survey			
Employee engagement	Scale 0-10	8.7	8.6
Response rate	%	87	88
Goal and development process			
Employees with a documented development plan	%	72	90 [2]
Employees with documented performance and behavior goals	%	70	83 [2]

[1] Includes employees from subsidiaries except Skagerak, Baltic cable, Mer, Himal Power Ltd, and Bryt.
[2] Amended due to change in methodology.

Gender equality results, Norway [1]	Unit of measurement	Women	Men
2023			
Total employees, headcount (2074 people)	%	31	69
Part-time employees, headcount (17 people)	%	53	47
Temporary employees, headcount (29 people)	%	38	62
Average parental leave	Days	153	72
Top management positions [2] (49 people)	%	39	61
All management positions [3] (408 people)	%	32	68
2022			
Total employees, headcount (1782 people)	%	30	70
Part-time employees, headcount (18 people)	%	50	50
Temporary employees, headcount (21 people)	%	29	71
Average parental leave	Days	170	66
Top management positions [2] (49 people)	%	41	59
All management positions [3] (340 people)	%	31	69

[1] Mer and Skagerak are not included.
[2] Top management positions include CEO, EVPs, and SVPs.
[3] All management positions include all positions with a manager role.

Gender equality per Hay Grade, Norway [1]	Unit of measurement	Women	Men	Ratio [2]
2023				
Hay Grade 11	Headcount, ratio	N/A [3]	N/A [3]	N/A [3]
Hay Grade 12	Headcount, ratio	21	82	0.87
Hay Grade 13	Headcount, ratio	26	160	0.83
Hay Grade 14	Headcount, ratio	22	67	0.80
Hay Grade 15	Headcount, ratio	44	84	0.83
Hay Grade 16	Headcount, ratio	58	116	0.94
Hay Grade 17	Headcount, ratio	84	195	0.87
Hay Grade 18	Headcount, ratio	116	204	0.86
Hay Grade 19	Headcount, ratio	51	149	0.62
Hay Grade 20	Headcount, ratio	39	55	0.65
Hay Grade 21	Headcount, ratio	20	34	0.62
Hay Grade 22	Headcount, ratio	N/A [3]	N/A [3]	N/A [3]
Hay Grade 23	Headcount, ratio	11	17	0.94
All levels	Headcount, ratio	492	1163	0.81
2022				
Hay Grade 11	Headcount, ratio	5	7	0.84
Hay Grade 12	Headcount, ratio	24	132	0.89
Hay Grade 13	Headcount, ratio	26	138	0.93
Hay Grade 14	Headcount, ratio	30	74	0.79
Hay Grade 15	Headcount, ratio	46	76	0.84
Hay Grade 16	Headcount, ratio	64	129	0.88
Hay Grade 17	Headcount, ratio	84	199	0.87
Hay Grade 18	Headcount, ratio	125	220	0.86
Hay Grade 19	Headcount, ratio	52	134	0.78
Hay Grade 20	Headcount, ratio	36	58	0.90
Hay Grade 21	Headcount, ratio	9	33	0.78
Hay Grade 22	Headcount, ratio	7	7	0.93
Hay Grade 23	Headcount, ratio	11	19	1.03
All levels	Headcount, ratio	519	1226	0.93

[1] Mer and Skagerak are not included.
[2] Ratio average total compensation for women to average total compensation for men.
[3] Omitted due to data privacy reasons.

Human rights

Training on human rights [1]	Unit of measurement	2023	2022	2021
Employees that have received training on human rights issues in the reporting year	%	10	11 [2]	20
Employees in management positions that have received training on human rights issues in the reporting year	%	13	18 [2]	40
Statkraft's Board members have received training on human rights issues in the last two years	Yes/No	Yes	Yes	Yes

[1] Training is mandatory for Board members and members of Corporate Management, and strongly encouraged for all employees.

[2] The scope of this indicator has in 2022 been adjusted to include human rights-specific trainings. Other related trainings such as on diversity & inclusion, privacy, etc. have not been included. Therefore, 2022 numbers and the previous years are not comparable.

Consultations with indigenous peoples [1]	Unit of measurement	2023 [2]	2022	2021
Projects or assets that impact or may have a potential impact on indigenous peoples	%	13	-	-
Projects that impact or may have a potential impact on indigenous peoples and in which ongoing consultations are held	%	51 [3]	-	-

[1] Includes projects under construction and assets in operation.

[2] Business area New Energy Solutions and Sweden are not included in the figures.

[3] Only includes formal engagements held during 2023, and not every informal interaction. There are several non-dialoguing communities with whom Statkraft is making efforts to engage.

Incidents of violations involving rights of indigenous peoples	Unit of measurement	2023	2022	2021
New confirmed incidents of violations involving the rights of indigenous peoples	Number	0	0	1 [1]

[1] In October 2021, the Norwegian Supreme Court found that the licences awarded for the Roan and Storheia wind farms as part of the Fosen development were in violation of international human rights. The Supreme Court established that the wind power development would have a significant adverse effect on the reindeer herders' possibility to practice their culture on Fosen, which was deemed by the court to be the relevant threshold under Article 27 of the ICCPR. Against that background, the Supreme Court found that the herders' rights would ultimately be violated if satisfactory remedial actions are not implemented. See the 'Human Rights' section in the 'Sustainability' chapter for more information.

Breaches of internationally recognised human rights	Unit of measurement	2023	2022	2021
New confirmed instances in the fiscal year where we are causing, contributing, or directly linked to breaches of human rights as per the UN Guiding Principles	Number	3 [1]	9 [2]	1

[1] During 2023, three serious incidents have been confirmed where Statkraft is directly linked to serious adverse human rights incidents on our sites. The incidents all relate to working conditions and have been identified through targeted labour rights controls of specific Statkraft sites. The incidents include non-payment of overtime work, excessive working hours and insufficient resting time. Statkraft takes these issues very seriously and will be redoubling efforts to identify and address such issues and engaging with our contractors to ensure that remedy is provided where necessary.

[2] The term “directly linked to” is of the purposes of this indicator limited to instances connected to our construction sites, power plants, and operations. We have increased monitoring of working conditions at our sites, particularly in Norway. As a consequence, we have seen an increase in confirmed instances of breaches of internationally recognised human rights that Statkraft is directly linked to. Based on this adjusted approach, the numbers from one year to the next are not comparable. The instances reported for 2022 are mainly linked to wages and working hours breaches caused by our contractors or sub-contractors at Statkraft sites.

Local communities	Unit of measurement	2023	2022	2021
Projects with implemented local community engagement, impact assessments, and/or development programs	%	59 [1]	76 [2]	-

[1] Includes projects under construction and assets in operation. Business area New Energy Solutions is not included in the figures.

[2] Includes assets under construction.

Judicial sanctions and fines, human rights [1]	Unit of measurement	2023	2022	2021
Cases where judicial or administrative sanctions have been applied due to material non-compliance with human rights legislation	Number	0	0	1 [2]
Judicial fines applied due to material non-compliance with human rights legislation	NOK million	0	0	0
Administrative fines applied due to material non-compliance with human rights legislation	NOK million	0	0	0

[1] Material judicial sanctions for discrimination, forced labour, child labour or violations of the freedom of association, indigenous peoples rights or labour rights.

[2] Ruling by Supreme Court in Chile to halt archaeological investigations due to lack of indigenous peoples' consultations for Los Lagos. This case has been closed in 2022, and the Chilean authorities will carry out indigenous consultations related to the characterization and rescue of the archaeological findings.

Business ethics and anti-corruption

Training on anti-corruption	Unit of measurement	2023 [1]	2022	2021
Employees that have received training on anti-corruption in the last two years	%	95	89	95
Of which in Norway	%	89	88	-
Of which in other Nordic countries	%	98	90	-
Of which in other European countries	%	98	85	-
Of which in the rest of the world	%	99	96	-
Employees in top management positions that have received training on anti-corruption in the last two years	%	100	98 [2]	100
Statkraft's Board members have received training on anti-corruption in the last two years	Yes/No	Yes	Yes	Yes

[1] Affiliated entities Skagerak Energi, MER, Bryt, HPL and Silva Green Fuel have received equivalent e-learning, but statistics for those employees are not included in the data. The percentage reflects the number of employees that have completed three e-learning modules within 2023, adjusted for employees being on leave/long-term sick leave and employees leaving the company.

[2] The results include the new management organisation in 2022.

Confirmed incidents of corruption	Unit of measurement	2023	2022	2021
Confirmed breaches of Statkraft's Code of Conduct related to corruption	Number	0	0	0
Confirmed incidents in which employees were dismissed or disciplined for corruption	Number	0	-	-
Public legal cases regarding corruption [1]	Number	0	0	0

[1] Cases brought against the organisation or its employees.

Confirmed incidents of discrimination and harassment	Unit of measurement	2023	2022	2021
Confirmed incidents of discrimination	Number	0	-	-
Confirmed incidents of harassment	Number	0	-	-

Judicial sanctions and fines, business ethics [1]	Unit of measurement	2023	2022	2021
Cases where judicial or administrative sanctions have been applied due to material non-compliance with business ethics legislation	Number	1 [2]	0	1 [3]
Judicial fines applied due to material non-compliance with business ethics legislation	NOK million	0	0	28 [3]
Administrative fines applied due to material non-compliance with business ethics legislation	NOK million	39 [2]	0	0

[1] Material judicial sanctions for fraud, corruption or anti-competitive behaviour.

[2] For further information see Note 35 in Statkraft's Annual Report 2022.

[3] In 2021, Statkraft signed an agreement with the Federal Comptroller General (CGU) and the Federal Attorney General (AGU). As part of the agreement, Statkraft admitted that prior to Statkraft taking over control of Desenvix Energias Renováveis S.A. in 2015, Desenvix made illegal payments to speed up public entity approvals in 2011-2014.

Reported concerns covering the scope of the Code of Conduct

Reported concerns (whistleblowing) [1]	Unit of measurement	2023	2022	2021
Total number of reported concerns	Number	90	84	57
Allegations related to business ethics and corruption	Number	21	29	13
Allegations related to discrimination [2]	Number	5	7	3
Allegations related to harassment [2]	Number	18	-	-
Investigations and inquiries initiated by Corporate Audit in the reporting year	Number	6	5	5

[1] The scope of the whistleblowing procedures relates to the full scope of Statkraft's Code of Conduct, e.g. human rights, environment, health and safety, business ethics and anti-corruption.

[2] While discrimination or harassment might not have been established, undesired behaviours were in some cases observed. In those cases, actions taken included a wide range of measures according to the circumstances of the case, such as courses, coaching, mediation, follow-up, warnings or suspension.

According to Statkraft's procedures for handling of reported concerns, the decision on how to follow up a reported concern shall be made by the Head of Corporate Audit. When a reported concern is received, a risk assessment is performed. Low risk cases are generally referred to the respective business areas for handling. For medium-high risk cases a broader clarification of facts is often necessary. There are two main categories for further clarification of facts according to Statkraft's procedures for handling of reported concerns: investigations and inquiries, depending on the nature of the case and the risk categorisation. Corporate Audit is responsible for inquiries and investigations.

Contribution to society

Value creation	Unit of measurement	2023	2022	2021
Gross operating revenues and other income	NOK million	123 559	167 474	82 976
Paid to suppliers for goods and services [1]	NOK million	-61 332	-98 814	-45 874
Gross value added	NOK million	62 227	68 660	37 102
Depreciations, amortisations and impairments	NOK million	-3 038	-5 567	-710
Net value added	NOK million	59 189	63 093	36 392
Financial income	NOK million	2 801	6 896	1 855
Share of profit from equity accounted investments	NOK million	3 444	531	1 686
Non-controlling interest	NOK million	-616	-623	-558
Deferred tax	NOK million	-7 235	-4 409 [2]	-2 391
Values for distribution	NOK million	57 584	65 490 [2]	36 984

[1] Includes energy purchases, transmission costs and operating expenses.
[2] Corrections of previously reported figures.

Distribution of value created	Unit of measurement	2023	2022	2021
Employees				
Gross salaries and benefits	NOK million	6 998	6 804	4 702
Lenders/owners				
Financial costs	NOK million	3 778	786	523
Dividend [1]	NOK million	13 029	17 213	10 214
Taxes [2]	NOK million	21 369	29 932 [3]	16 231
Change in equity	NOK million	12 410	10 755	5 309
Total wealth distributed	NOK million	57 584	65 490 [3]	36 979

[1] Includes dividend and Group contribution from Statkraft AS to Statkraft SF.
[2] Includes employer's national insurance contribution, regulatory fees and payable income tax expense.
[3] Corrections of previously reported figures.

Taxes [1]	Unit of measurement	2023	2022	2021
Total	NOK million	18 336	26 365	14 527
Of which in Norway	NOK million	15 966	24 419	13 597
Of which in other Nordic countries	NOK million	733	1 002	492
Of which in other European countries	NOK million	1 596	912	376
Of which in the rest of the world	NOK million	42	32	62

[1] Taxes payable in the statement of financial position.

Statkraft's country-by-country tax reporting for 2023 and 2022 is disclosed in the table 'Country-by-country tax reporting'.

Country-by-country tax reporting

Country-by-country general information 2023

Country	Consolidated entities[1)]	Eq acc entities [1)]	Number of employees	Tangible assets other than cash	Gross operating income	Third party sales	Intra-group transactions within own country	Intra-group transactions with other jurisdictions
Norway	**38**	**5**	**2 896**	**113 955**	**61 946**	**55 328**	**3 425**	**3 193**
Sweden	**18**	**1**	**319**	**32 484**	**8 221**	**3 461**	**261**	**4 499**
Albania	2	-	37	10 254	1 444	580	-	864
Austria	1	-	3	12	-	-	-	-
Belgium	2	-	2	24	8	-	-	8
Croatia	2	-	3	1	-	-	-	-
France	17	-	39	538	188	17	11	160
Germany	41	-	843	84 794	58 196	45 668	2 638	9 891
Ireland	63	2	127	11 966	1 583	363	987	233
Italy	102	-	78	943	84	11	70	3
Poland	4	-	13	32	1	-	-	1
Portugal	1	-	4	2	-	-	-	-
Spain	62	-	164	2 060	353	147	135	72
The Netherlands	24	-	105	2 023	971	48	618	305
Türkiye	4	-	43	2 180	354	184	170	-
United Kingdom	54	2	536	10 283	13 891	13 060	154	677
Switzerland [2)]	-	-	2	-	-	-	-	-
Finland [2)]	-	-	2	-	-	-	-	-
Europe Rest	**379**	**4**	**2 001**	**125 113**	**77 073**	**60 077**	**4 783**	**12 213**
Brazil	40	2	279	15 620	2 696	2 269	425	2
Chile	9	3	164	13 748	955	762	187	6
China	1	-	-	0	-	-	-	-
India	11	3	217	4 758	251	112	101	37
Peru	5	-	264	10 769	1 623	1 594	28	1
United States	1	-	22	2 759	405	402	-	3
Nepal	-	-	37	62	-	-	-	-
Other [3)]	5	-	-	-	0	0	-	-
World Rest	**72**	**8**	**983**	**47 716**	**5 929**	**5 141**	**740**	**49**
Group adj	-	-	-	-52 450	-29 610	-448	-9 208	-19 954
Total Group	**507**	**18**	**6 199**	**266 817**	**123 559**	**123 559**	**-**	**-**

[1)] Note 40 lists subsidaries; Note 26 lists joint ventures, joint operations and associates.
[2)] Branches of Statkraft Energi AS.
[3)] Colombia, Mexico and Panama.

Country-by-country tax reporting 2023

Country [1]	Profit/loss before tax	Income tax expense	Payable income tax expense	Income taxes paid	Effective tax rate	Taxes payable
Norway	**32 011**	**20 217**	**15 688**	**24 142**	**63.2%** [2]	**15 966**
Sweden	**5 593**	**1 213**	**527**	**423**	**21.7%** [3]	**733**
Albania	705	128	68	71	18.2% [4]	-
Austria	-1	-	-	-	0.0%	-
Belgium	0	0	0	0	-55.3%	0
Croatia	-20	-4	-	-	17.9%	-
France	-31	18	1	0	-57.8%	-
Germany	9 693	2 765	1 007	358	28.5% [5]	1 511
Ireland	1 664	69	37	27	4.1% [6]	17
Italy	-171	-38	1	-1	22.4%	2
Poland	-23	-	-	-	0.0%	-
Portugal	-8	-	-	-	0.0%	-
Spain	-372	-24	3	0	6.6% [7]	4
The Netherlands	-179	59	59	36	-32.9% [8]	2
Türkiye	245	43	52	59	17.7% [9]	2
United Kingdom	120	99	43	108	82.2% [10]	57
Europe Rest	**11 623**	**3 115**	**1 272**	**658**	**26.8%**	**1 596**
Brazil	837	244	194	187	29.2% [11]	18
Chile	311	-27	4	0	-8.6% [12]	0
China	-1	-	-	-	0.0%	-
India	-108	1	0	5	-0.8% [13]	-
Nepal	-27	-	-	0	0.0%	-
Peru	474	159	2	2	33.6% [14]	0
United States	271	5	5	5	1.7% [15]	-
Other	-3	-	-	-	0.0%	23
World Rest	**1 755**	**382**	**205**	**199**	**21.7%**	**42**
Total Group	**50 982**	**24 927**	**17 692**	**25 422**	**48.9%**	**18 336**

[1] Financial effects from branches are reported as part of the parent company and dividends from subsidiaries are eliminated.
[2] Deviation from the nominal tax rate (22 per cent) mainly due to resoucre rent tax on hydropower generation.
[3] Deviation from the nominal tax rate (20.6 per cent) mainly due to depreciations subject to the IAS 12 intitial recogntion exemption.
[4] Deviation from the nominal tax rate (15 per cent) mainly due to previous year's taxes.
[5] Deviation from the nominal tax rate (31.2 per cent) mainly due to depreciations subject to the IAS 12 initial recognition exemption.
[6] Deviation from the nominal tax rate (12.5 per cent) mainly due to tax-free income.
[7] Deviation from the nominal tax rate (25 per cent) mainly due to changes in unrecognised deferred tax assets.
[8] Deviation from the nominal tax rate (25.8 per cent) mainly due to changes in unrecognised deferred tax assets.
[9] Deviation from the nominal tax rate (25 per cent) mainly due to changes in unrecognised deferred tax assets.
[10] Deviation from the nominal tax rate (25 per cent) mainly due to non-deductible costs and changes in unrecognised deferred tax assets.
[11] Deviation from the nominal tax rate (34 per cent) mainly due to companies different tax regimes.
[12] Deviation from the nominal tax rate (27 per cent) mainly due to changes in unrecognised deferred tax assets.
[13] Deviation from the nominal tax rate (25 per cent) mainly due to share of profit from equity accounted investments.
[14] Deviation from the nominal tax rate (29.5 per cent) mainly due to different currency for tax purposes.
[15] Deviation from the nominal tax rate (21 per cent) due to the "Commodities Trading Safe Harbor".

Country-by-country general information 2022[1]

Country	Consolidated entities	Eq acc entities	Number of employees	Tangible assets other than cash	Gross operating income	Third party sales	Intra-group transactions within own country	Intra-group transactions with other jurisdictions
Norway	**35**	**6**	**2 553**	**144 753**	**73 818**	**68 868**	**2 625**	**2 325**
Sweden	**13**	**1**	**270**	**27 632**	**12 228**	**6 429**	**206**	**5 593**
Albania	2	-	38	9	1	375	-	970
Belgium	2	-	1	0	0	-1	-	5
France	12	-	34	0	0	55	11	49
Germany	37	-	700	101	88	77 295	3 015	7 428
Greece	5	-	-	-	-	-	-	-
Ireland	50	-	98	7	1	226	1 046	147
Italy	117	-	39	0	0	-	24	1
Spain	57	-	114	1	0	63	73	14
The Netherlands	23	-	84	1	0	95	86	255
Türkiye	4	-	42	2	1	261	355	-
United Kingdom	49	1	453	10	11	10 110	132	1 117
Poland	1	-	-	-	-	-	-	-
Portugal	1	-	-	0	-	-	-	-
Croatia	2	-	-	-	-	-	-	-
Europe Rest	**362**	**1**	**1 608**	**131 891**	**103 207**	**88 479**	**4 740**	**9 987**
Brazil	33	2	308	9	2	1 790	161	0
Chile	13	3	139	11	1	654	95	3
China	1	-	-	-	-	-	-	-
India	9	3	167	4	0	159	22	25
Nepal	1	1	38	0	-	-	-	-
Peru	3	-	215	11	1	1 377	11	5
United States	1	-	14	2	0	352	-	1
Other	7	-	5	-	-	-	-	-
World Rest	**68**	**9**	**881**	**37 113**	**4 655**	**4 333**	**289**	**34**
Group adj	-	-	-	-64 649	-26 434	-635	-7 861	-17 939
Total Group	**478**	**17**	**5 312**	**276 740**	**167 474**	**167 474**	**-**	**-**

[1] Table restated for 2022 due to errors in the calculation of the internal transactions and group adjustments.

Country-by-country tax reporting 2022

Country [1]	Profit/loss before tax	Income tax expense	Payable income tax expense	Income taxes paid	Effective tax rate	Taxes payable
Norway	**42 260**	**27 282**	**23 985**	**13 162**	**64,6%[2]**	**24 419**
Sweden	**5 705**	**1 302**	**773**	**664**	**22.8%**	**1 002**
Albania	1 836	251	66	119	13.6%	-
Belgium	0	0	0	-	7.5%	0
Croatia	-13	-	-	-	0.0%	-
France	-93	-14	0	0	15.0%	0
Germany	7 784	1 480	928	329	19%[3]	835
Greece	0	-	-	-	-	-
Ireland	133	-1	0	0	-0,4%[4]	-
Italy	-111	-27	-	-	24.3%	-
Poland	-3	-	-	-	0.0%	-
Portugal	-2	-	-	-	0.0%	-
Spain	-125	-29	2	3	23.5%	-
The Netherlands	-9	20	16	12	-231.3%	-
Türkiye	355	53	41	91	15.0%	0
United Kingdom	586	71	78	65	12,2%[5]	76
Europe Rest	**10 337**	**1 805**	**1 133**	**619**	**17.5%**	**912**
Brazil	644	206	86	82	32.0%	10
Chile	-1 173	-338	0	0	28.8%	1
China	-1	0	0	-	-0.1%	-
India	279	0	0	0	0,1%[6]	-
Nepal	-12	-3	0	2	28.0%	-
Peru	463	129	2	-2	27.8%	2
United States	267	-162	-162	-9	-60,6%[7]	-
Other	49	7	1	1	13.1%	19
World Rest	**517**	**-161**	**-72**	**74**	**-31.1%**	**32**
Total Group	**58 819**	**30 228**	**25 819**	**14 519**	**51.4%**	**26 365**

[1] Financial effects from branches are reported as part of the parent company.
[2] Deviation from the nominal tax rate (22%) mainly due to resource rent tax on hydropower generation.
[3] Deviation from the nominal tax rate (31,2%) mainly due to changes in unrecognised deferred tax assets.
[4] Deviation from the nominal tax rate (12,5%) mainly due to changes in unrecognised deferred tax assets.
[5] Deviation from the nominal tax rate (19%) mainly due to share of profits from equity accounted investments.
[6] Deviation from the nominal tax rate (25%) mainly due to share of profits from equity accounted investments.
[7] Deviation from the nominal tax rate (21%) mainly due to adjustment of previous years taxes.

Supporting the Green Transition

Climate

Scope 1 greenhouse gas emissions	Unit of measurement	2023 [1]	2022 [2] [3]	2021 [3]
Scope 1: Direct emissions	Tonnes CO_2e	685 600	660 300	1 044 500
Of which from consolidated gas-fired power plants	Tonnes CO_2e	650 500	463 500	805 700
Of which from affiliated gas-fired power plants [4]	Tonnes CO_2e	-	171 200	196 600
Of which from district heating plants [5]	Tonnes CO_2e	27 000	14 800	26 200
Of which from SF_6 emissions	Tonnes CO_2e	2 400	1 000	1 500
Of which halon emissions	Tonnes CO_2e	0	0	0
Of which from fuel consumption [6]	Tonnes CO_2e	5 700	9 800	14 500
Of which in Norway	%	4.4	3.8	-
Of which in other Nordic countries	%	0.1	0.1	-
Of which in other European countries	%	95.3	95.7	-
Of which in the rest of the world	%	0.3	0.4	-
Emissions from Heimdal incineration plant [5]	Tonnes CO_2e	111 800	125 800	77 400
Emissions of biogenic CO_2 from district heating plants	Tonnes CO_2e	302 900	291 300	333 100

[1] Emission figures reported for 2023 from gas-fired power plants in Germany are yet not finally approved by the EU ETS authorities. Reported figures for 2022 have been adjusted to be fully aligned with emissions approved by the EU ETS authorities.

[2] The scope 1 emissions decreased significantly in 2022 due to the reduction of power generation based on gas.

[3] Includes Statkraft's share of production and emissions of CO_2e in the jointly controlled gas-fired power plant Herdecke (Germany).

[4] CO_2 emissions from Statkraft's jointly contolled gas-fired power plant Herdecke (Germany) has previously been reported as Scope 1. From 2023, these are included as Scope 3.

[5] Emissions of CO_2 from Heimdal incineration plant is not included in Statkraft's total CO_2e statement, according to established reporting practice for the district heating industry, (outlined by SSB, Statistisk Sentralbyrå). According to the reporting practice, waste incineration with heat recovery is considered to have zero GHG emissions.

[6] CO_2 from fuel consumption from the Group's machinery and vehicles. From 2023, GHG emissions from fuel consumption on project sites are no longer included. Therefore, there is a reduction in Scope 1 GHG emissions from fuel consumption from 2022 to 2023, and the figures are not comparable.

CO_2e emission calculations are based on the principles of the GHG Protocol Corporate Standard. Global Warming Potential (GWP) values for SF_6 and halon are based on the IPCC Fourth Assessment Report (AR4) for a 100-year horizon. GHG emissions covered by the EU Emissions Trading Scheme (EU ETS) are measured and calculated in accordance with the EU ETS Regulations. Where site specific GHG emissions factors are not available or GHG emissions are not directly reported from energy or service providers, conversion factors from Department for Energy Security and Net Zero, UK (revised January 2022) have been used.

Scope 2 greenhouse gas emissions	Unit of measurement	2023	2022	2021
Scope 2, market-based: Indirect emissions, related to electricity consumption [1]	Tonnes CO_2e	0	0	0
Scope 2, location-based: Indirect emissions, related to electricity consumption [2]	Tonnes CO_2e	155 300	117 800	212 400
Of which in Norway	%	4.7	6.9	-
Of which in other Nordic countries	%	0.5	0.4	-
Of which in other European countries	%	93.6	87.1	-
Of which in the rest of the world	%	1.3	5.6	-

[1] 100% of Statkraft's electricity consumption is certified renewable.

[2] Scope 2 location-based emissions for 2023 is calculated using country-specific CO_2 emission factors from electricity generation from International Energy Agency (IEA); IEA's Emissions Factors database from September 2023. From 2023, Scope 2 emissions related to electricity consumption in construction projects are no longer included.

Scope 3 greenhouse gas emissions	Unit of measurement	2023	2022	2021
Scope 3: Other indirect emissions [1]	Tonnes CO_2e	841 700	786 300	619 100
Of which Category 1: Purchased goods and services [2]	Tonnes CO_2e	100 000	100 000	100 000
Of which Category 2: Capital goods [3]	Tonnes CO_2e	409 000	480 000	200 000
Of which Category 3: Fuel and energy related activities [4]	Tonnes CO_2e	205 500	200 000	316 500
Of which Category 6: Business travel [5]	Tonnes CO_2e	5 400	6 300	2 600
Of which Category 15: Investments [6]	Tonnes CO_2e	121 800	-	-

[1] A screening of all 15 scope 3 categories has resulted in the following assessment: categories 1-3 and 15 are assessed as relevant and significant, category 5-6 are assessed as relevant but not significant. Category 5 (Waste generated in operations) will be included in the statement from FY 2024.

[2] High level estimate of emissions from purchased goods and services, and that is not covered by category capital goods. Estimation is based on company-wide spend reports from our SAP system. The emissions were estimated in 2020 using company-wide spend data from 2019.

[3] High level estimate of emissions related to 526 MW of new production capacity from wind and solar projects that was set into operations in 2023. Assessment is based on Life Cycle Assessment (LCA) data from relevant supplier-based studies and technology specific LCA assessment tools.

[4] High level estimate of emissions from upstream production and transport of gas to our gas-fired power plants in Germany. The estimation is based on our reported Scope 1 emissions and German average natural gas value chain data, whereby assumed 24% of total gas power Combined-Cycle Gas Turbine (CCGT) emissions are upstream (source: ERM, *Comparing value chain GHG emissions in the power and transport sectors for selected technologies*, May 2019).

[5] Figures include travels by air and car. For the 2022-2023 reporting travel emissions includes most of our activities, whilst for 2021 only travelling in Norwegian operations was included.

[6] Includes CO_2e emissions from Statkraft's jointly controlled gas-fired power plant Herdecke (Germany), including upstream emissions assuming 24% of total gas power CCGT emissions are upstream (source: ERM, *Comparing value chain GHG emissions in the power and transport sectors for selected technologies*, May 2019). Emissions from Herdecke has previously been reported as Scope 1 emissions. From 2023, these are included as Scope 3 emissions.

Total GHG emissions	Unit of measurement	2023 [1]	2022	2021
Total GHG emissions (market-based)	Tonnes CO_2e	**1 527 300**	1 446 600	1 663 600
Total GHG emissions (location-based)	Tonnes CO_2e	**1 682 600**	786 300	619 100

[1] Emission figures reported for 2023 from gas-fired power plants in Germany are yet not finally approved by the EU ETS authorities. Reported figures for 2022 have been adjusted to be fully aligned with emissions approved by the EU ETS authorities.

Relative greenhouse gas (GHG) emissions [1]	Unit of measurement	2023 [2]	2022	2021
GHG emissions per power generation, total [3]	g CO_2e/kWh	**12**	11	14
GHG emissions per power generation, gas-fired power [3]	g CO_2e/kWh	**376**	369	371
GHG emissions per district heating production [4]	g CO_2e/kWh	**21**	13	21

[1] The relative GHG emissions take into account emissions of CO_2 and SF_6. The relative GHG emissions include scope 1 and scope 2 (market-based) emissions. For 2023 business travel is not icluded in the relative figures.
[2] Emission figures reported for 2023 from gas-fired power plants in Germany are yet not finally approved by the EU ETS authorities. Reported figures for 2022 have been adjusted to be fully aligned with emissions approved by the EU ETS authorities.
[3] Includes Statkraft's share of production and emissions of CO_2 in the jointly controlled gas-fired power plant Herdecke (Germany).
[4] Emissions of CO_2e from Heimdal incineration plant is not included in Statkraft's total CO_2e statement, according to established reporting practice for the district heating industry, (outlined by SSB, Statistisk Sentralbyrå). According to the reporting practice, waste incineration with heat recovery is considered to have zero GHG emissions.

Biodiversity and impact on nature

Impact on watercourses [1]	Unit of measurement	2023 [2]	2022	2021
Impacted river courses with:				
Anadromous fish	Number	49	49	49
Catadromous fish	Number	11	11	10
Impacted Norwegian national salmon rivers	Number	13	13	13
Impacted protected rivers	Number	14	14	14

[1] Impact entails change of waterflow, water levels or other living conditions for fish.
[2] Includes rivers in Norway, Sweden, Germany, UK and Albania. More detailed information related to impact on watercourses is presented in the table "Protected rivers and rivers with migrating fish impacted by Statkraft's activities".

Fish cultivation [1]	Unit of measurement	2023	2022	2021
Restocking of fish and smolt [2]	Number	463 600	517 000	573 100
Of which in Norway	Number	151 900	224 100	207 400
Of which in other Nordic countries	Number	311 700	292 900	365 700
Of which in other European countries	kg	0	242	300
Of which rest of the world	Number	0	0	0
Restocking of juveniles [3]	Number	1 117 700	939 900	1 125 100
Of which in Norway	Number	903 900	814 500	969 100
Of which in other Nordic countries	Number	213 800	125 400	156 000
Of which in other European countries	kg	0	0	600
Of which rest of the world	Number	0	0	0
Stocking of fish roe [4]	Number	331 800	326 100	339 200

[1] Statkraft also provides fish cultivation services for other operators. The numbers of fish related to these services are reported by the respective operator.
[2] Includes salmon, inland trout, sea trout, grayling, eel and river lamprey. The total number of restocked fish and smolt includes only Norway and other Nordics countries.
[3] Includes salmon, inland trout, sea trout, grayling and eel. Juveniles is defined as startfed fry, one-year old fry and two-summer old fry.
[4] Includes salmon, sea trout and char in Norway.

Operational sites in, or adjacent to, protected areas [1]	Unit of measurement	2023	2022	2021
Operational sites in protected areas	Number	18	18	-
Of which in Norway	Number	11	11	-
Of which in other Nordic countries	Number	4	4	-
Of which in other European countries	Number	3	3	-
Of which rest of the world	Number	0	0	-
Operational sites adjacent to protected areas	Number	28	24	-
Of which in Norway	Number	11	11	-
Of which in other Nordic countries	Number	7	7	-
Of which other European countries	Number	10	6	-
Of which rest of the world	Number	0	0	-

[1] Limited to natural parks and nature or wildlife reserves. A site can be both in a protected area and adjacent to another protected area.

Land use (leased/owned) [1]	Unit of measurement	2023	2022	2021
Solar farms				
Land use solar farms, construction projects	Ha	801	-	-
Capacity solar farms, construction projects	MW	642	-	-
Ratio land use to capacity under construction	Ha/MW	1.2	-	-
Land use solar farms, assets in operation	Ha	314	-	-
Installed capacity solar farms, assets in operation	MW	139	-	-
Ratio land use to installed capacity	Ha/MW	2.3	-	-
Wind farms				
Land use wind farms, construction projects	Ha	1 378	-	-
Capacity wind farms, construction projects	MW	817	-	-
Ratio land use to capacity under construction	Ha/MW	1.7	-	-
Land use wind farms, assets in operation	Ha	23 903	-	-
Installed capacity wind farms, assets in operation	MW	2 520	-	-
Ratio land use to installed capacity	Ha/MW	9.5	-	-

[1] Land use includes land leased or owned by Statkraft, and it is based on concession area. Therefore land use is not the equivalent to built-up area.

Red list species [1]	Unit of measurement	2023	2022	2021
Red list species with habitat in areas impacted by Statkraft's operations in:				
Norway	Number	39	40	37
Other Nordic countries	Number	12	12	12
Other European countries	Number	80	80	14
Rest of the world	Number	72	72	83

[1] Includes species defined as red list species by either International Union for Conservation of Nature (IUCN) or national authorities. The environmental and social impact assessments (ESIA), revisions of concession terms or surveys done during the operational life-time are the main sources for listing the red-listed species. Business area New Energy Solutions is not included in the figures.

Red list species (fauna, insects not included) with habitat in areas affected by Statkraft's activitities [1)]

		Vulnerability not known	Level of vulnerability: IUCN list					Level of vulnerability: National list				
			Critically endangered	Endangered	Vulnerable	Near threatened	Least concern	Critically endangered	Endangered	Vulnerable	Near threatened	Least concern
NORWAY												
	2023	**0**	**5**	**7**	**10**	**7**	**10**	**4**	**10**	**14**	**7**	**4**
	2022	0	5	6	10	5	14	4	10	14	8	4
SWEDEN												
	2023	**0**	**1**	**1**	**3**	**1**	**6**	**2**	**2**	**1**	**7**	**0**
	2022	0	1	1	1	1	0	2	2	1	7	0
SPAIN [2)]												
	2023	**6**	**0**	**1**	**5**	**5**	**30**	**0**	**2**	**10**	**5**	**0**
	2022	6	0	1	5	5	30	0	2	10	5	0
THE NETHERLANDS												
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**0**
	2022	0	0	0	0	0	0	0	0	2	0	0
FRANCE												
	2023	**0**	**0**	**0**	**1**	**0**	**5**	**0**	**0**	**2**	**2**	**2**
	2022	0	0	0	1	0	5	0	0	2	2	2
GERMANY												
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	0	0	0	0	0	0	0	0	0	0	0
UK												
	2023	**0**	**0**	**1**	**0**	**1**	**11**	**0**	**0**	**1**	**1**	**2**
	2022	0	0	1	0	1	11	0	0	1	1	2
IRELAND												
	2023	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**
	2022	0	0	0	0	0	0	0	0	0	0	0
TÜRKIYE												
	2023	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	0	1	3	3	2	1	0	0	0	0	0
NEPAL												
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	0	1	2	1	1	0	0	0	0	0	0
PERU												
	2023	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	0	0	0	0	1	0	0	0	0	0	0
BRAZIL												
	2023	**5**	**0**	**3**	**13**	**23**	**2**	**0**	**0**	**0**	**0**	**0**
	2022	5	0	3	13	23	2	0	0	0	0	0
CHILE												
	2023	**4**	**0**	**1**	**1**	**1**	**13**	**0**	**0**	**0**	**0**	**0**
	2022	4	0	1	1	1	13	0	0	0	0	0

[1)] Business area New Energy Solutions is not included in the figures. No red list species in Albania. Therefore, it has been removed from the list.

[2)] The species have not been detected during the construction phase.

Consumption

Electricity and district heating consumption	Unit of measurement	2023	2022	2021
Electricity and district heating consumption	GWh	1 766	1 334	1 014
Of which pumped-storage power	GWh	1 129	940	547
Of which electric boilers for district heating	GWh	152	165	175
Of which other operations	GWh	485	229	292
Total electricity and district heating consumption from renewable sources [1]	GWh	1 766	1 334	1 014

[1] Statkraft's electricity consumption is 100% based on renewable sources, since consumtion is compensated with purchase of Guarantees of Origin.

Fuel consumption	Unit of measurement	2023	2022	2021
Fossil fuel consumption, total	GWh	3 505	2 644	5 198
Natural gas, gas-fired power plants	GWh	3 391	2 506	5 027
Fuel gas, district heating plants	GWh	75	25	82
Fuel oil, district heating plants	GWh	39	25	27
Engine fuel [1]	GWh	83	88	62
Other fuel consumption, total	GWh	1 870	1 090	1 832
Waste for district heating plants	GWh	469	507	498
Bio fuel (district heating and bio power plants)	GWh	1 375	567	1 307
Bio oil	GWh	26	16	27
Total fuel consumption from non-renewable sources	GWh	3 740	2 644	5 198
Total fuel consumption from renewable sources	GWh	1 635	1 090	1 832

[1] Includes consumption of fuel for vehicles and machinery (for example generators).

Water withdrawal	Unit of measurement	2023 [1]	2022	2021
Total water withdrawal	m^3	3 386 738	3 866 000	-
Gas-fired power plants	m^3	3 188 876	3 714 200	-
From surface water	%	41	15	-
From groundwater	%	0	0	-
From seawater	%	0	0	-
From third-party water	%	59	85	-
Bio power plants	m^3	57 805	17 200	-
From surface water	%	39	0	-
From groundwater	%	0	0	-
From seawater	%	0	0	-
From third-party water	%	61	100	-
District heating plants	m^3	125 274	123 700	-
From surface water	%	1	1	-
From groundwater	%	0	0	-
From seawater	%	0	0	-
From third-party water	%	99	99	-
Solar	m^3	14 783	10 900	-
From surface water	%	0	0	-
From groundwater	%	38	94	-
From seawater	%	0	0	-
From third-party water	%	62	6	-

[1] The figures for 2023 and 2022 are not comparable due to a revision of the methodology to improve the process of obtaining the data.

Water discharge	Unit of measurement	2023 [1]	2022	2021
Total water discharge	m^3	2 176 543	1 052 770	-
Gas-fired power plants	m^3	2 029 670	926 400	-
To surface water	%	100	100	-
To groundwater	%	0	0	-
To seawater	%	0	0	-
To third-party water	%	0	0	-
Bio power plants	m^3	0	0	-
To surface water	%	0	0	-
To groundwater	%	0	0	-
To seawater	%	0	0	-
To third-party water	%	0	0	-
District heating plants	m^3	137 674	125 800	-
To surface water	%	27	29	-
To groundwater	%	23 [2]	0	-
To seawater	%	0	0	-
To third-party water	%	50	71	-
Solar [3]	m^3	9 200	570	-
To surface water	%	0	0	-
To groundwater	%	1	0	-
To seawater	%	0	0	-
To third-party water	%	99	0	-
To non-point-source discharge	%	0	100	-

[1] The figures for 2023 and 2022 are not comparable due to a revision of the methodology to improve the process of obtaining the data.

[2] Includes leakage from the district heating distribution net.

[3] Not all water that is discharged is measured.

Water consumption	Unit of measurement	2023 [1]	2022	2021
Total water consumption	m^3	1 210 195	2 813 230	-
Gas-fired power plants	m^3	1 159 206	2 787 800	-
Bio power plants	m^3	57 805	17 200	-
District heating plants [2]	m^3	-12 400	-2 100	-
Solar	m^3	5 583	10 330	-

[1] The figures for 2023 and 2022 are not comparable due to a revision of the methodology to improve the process of obtaining the data.

[2] The water consumption is negative because the burned wood-chips contains a lot water. The water evaporates during the combustion and ends up as steam in the flue gas. When taking out additional heat from the flue gas, the steam will condensate to water. Therefore, the water discharge is higher than the water withdrawal.

Waste

Waste generated	Unit of measurement	2023	2022 [2]	2021
Total waste generated	Tonnes	74 200	56 100	74 100
Hazardous waste [1]	%	37	33	30
Non-hazardous waste	%	63	67	70

[1] All hazardous waste is handled according to national and international regulations.

[2] For 2022, waste from biopower plants is based on estimates. The total waste generated decreased significantly due to a reduced power generation.

Waste diverted from disposal	Unit of measurement	2023 [1]	2022	2021
Hazardous waste diverted from disposal	Tonnes	252	-	-
Reuse	%	0	-	-
Recycling	%	1	-	-
Other recovery options	%	0	-	-
Non-hazardous waste diverted from disposal	Tonnes	8 800	3 400	3 108
Reuse	%	1	0	0
Recycling	%	12	9	4
Other recovery options	%	5	0	2

[1] The disposal destination of the waste is based on estimates for some figures.

Waste directed to disposal	Unit of measurement	2023 [1]	2022 [2]	2021
Hazardous waste directed to disposal	Tonnes	27 000	-	-
Incineration	%	1	-	-
Landfill	%	98 [3]	-	-
Other disposal operations	%	0	-	-
Non-hazardous waste directed to disposal	Tonnes	38 100	34 400	48 500
Incineration	%	3	1	2
Landfill	%	77 [3]	90	75
Other disposal operations	%	1	0	17

[1] The disposal destination of the waste is based on estimates for some figures.

[2] Since waste from bio-power plants is based on estimates, it has been registered as landfill.

[3] Includes ashes from our bio-power plants and district heating plants that must be sent to landfill in accordance with national regulations.

Environmental incidents

Environmental incidents	Unit of measurement	2023	2022	2021
Serious environmental incidents	Number	0	1 [1]	0

[1] The duration of negative effects on Surna River has been longer than foreseen in 2022 and we have therefore recategorised the incident occurred in September 2022 to a serious incident.

Judicial sanctions and fines, environment	Unit of measurement	2023	2022	2021
Cases where judicial or administrative sanctions have been applied due to material non-compliance with environmental legislation	Number	0	1 [1]	3
Judicial fines applied due to material non-compliance with environmental legislation	NOK million	0	0	0
Administrative fines applied due to material non-compliance with environmental legislation	NOK million	0	0.1	2.63

[1] In 2022, Statkraft received a fine of NOK 100 000 for an incident that occurred in 2019. During major maintenance work, a bagger accidentally entered into the outskirts of a national park in Norway. The procedures for work nearby protected areas have been reviewed to avoid future incidents.

Power generation and district heating production

Installed capacity per technology and geography	2023		2022		2021	
	MW	%	MW	%	MW	%
Installed capacity per technology, power generation	19 421		19 105		18 659	
Of which hydropower	14 561	75.0	14 409	75.4	14 447	77.4
Of which wind power	2 236	11.5	2 115	11.1	1 773	9.5
Of which gas-fired power [1]	2 468	12.7	2 459	12.9	2 390	12.8
Of which other technologies [2]	157	0.8	122	0.6	49	0.3
Installed capacity, district heating	863		872		869	
Installed capacity per geography, power generation						
Norway	12 114	62.4	12 581	65.9	12 354	66.2
Other Nordic countries	1 813	9.3	1 932	10.1	1 813	9.7
Other European countries	4 009	20.6	3 572	18.7	3 571	19.1
Rest of the world	1 485	7.6	1 020	5.3	921	4.9
Installed capacity per geography, district heating						
Norway	717	83.1	713	81.8	710	81.7
Other Nordic countries	146	16.9	159	18.2	159	18.3

[1] Includes Statkraft's share of the jointly controlled Herdecke (Germany) power plant.

[2] Includes bio power and solar power.

Capacity under construction per technology and geography [1]	2023		2022 [2]		2021	
	MW	%	MW	%	MW	%
Capacity under construction per technology, power generation	2 095		1 567		1 357	
Of which hydropower	199	9.5	199	12.7	198	14.6
Of which wind power	618	29.5	797	50.8	726	53.5
Of which solar power	1 029	49.1	572	36.5	433	31.9
Of which other technologies[3]	250	11.9	0	0	0	0
Capacity under construction per geography, power generation	2 095		1 567		1 357	
Norway	0	0	0	0	0	0
Other European countries	947	45.2	664	42.4	532	39.2
Rest of the world	1 148	54.8	903	57.6	826	60.9

[1] Includes projects where an investment decision has been taken. In 2022, all projects with an estimated CAPEX above NOK 300 million was included. From 2023, all projects with an estimated CAPEX of more than NOK 500 million is included (NOK 600 million from July 2023).

[2] Minor adjustments made to 2022 figures.

[3] Includes Grid services and Battery Energy Storage Systems.

Power generation and district heating production per technology and geography	2023		2022		2021	
	TWh	%	TWh	%	TWh	%
Power generation per technology, total	61.9		60.2		69.9	
Of which hydropower	55.0	88.9	53.9	89.5	63.0	90.1
Of which wind power	4.5	7.3	4.3	7.1	3.9	5.6
Of which gas-fired power [1]	2.0	3.2	1.7	2.8	2.7	3.9
Of which other technologies [2]	0.4	0.7	0.3	0.5	0.2	0.3
Renewable power generation [3]		96.8		97.2		96.1
District heating	1.3		1.1		1.2	
Of which renewable [3]		92.9		96.0		93.1
Power generation per geography						
Norway	46.7	75.5	46.0	76.4	54.5	78.0
Other Nordic countries	6.5	10.5	6.5	10.8	7.1	10.2
Other European countries	4.1	6.6	3.4	5.6	4.3	6.2
Rest of the world	4.6	7.4	4.3	7.1	4.0	5.7
District heating per geography						
Norway	1.1	84.5	0.9	83.2	1.0	83.6
Other Nordic countries	0.2	15.5	0.2	16.8	0.2	16.4

[1] Includes Statkraft's share of the jointly controlled Herdecke (Germany) gas-fired power plant.

[2] Includes bio power and solar power.

[3] Non-renewable production consists of gas-fired power and share of district heating based on fossil fuel. Production at Heimdal, the incineration plant in Trondheim, is counted as 100% renewable district heating production (alligned with SSB, Statistics Norway, reporting practice).

Impact on watercourses

Protected rivers and rivers with migrating fish impacted by Statkraft's activities

	River with anadromous fish	River with eel population (catadromous fish)	National salmon river	Protected river
NORWAY				
Altaelva	X		X	
Beiarelva	X		X	
Bjerkaelva	X			
Engabrevassdraget	X			
Kobbelvvassdraget	X			
Målselvvassdraget	X		X	X
Ranaelva	X		X	
Røssåga	X			
Skjoma	X			
Vefsna	X		X	
Glomdalselva				X
Auravassdraget	X			
Bævra	X			
Daleelva	X			
Dalselva	X			
Hopra	X			
Indredalselva	X			
Glutra/Henselva	X			
Jostedalselva	X			
Litledalselva	X			
Nærøydalselva	X		X	
Rauma	X		X	X
Surna	X		X	
Vikja	X		X	
Ytredalselva	X			
Nidelva	X	X	X	
Austdøla/Norddøla	X			
Austrepollelva	X			
Bondhuselva	X			
Førreåna	X			
Eio/Bjoreio	X			
Jondalselva	X			
Sima	X			
Suldalslågen	X		X	X
Ulla	X			
Øyreselva	X			
Årdalselva	X			
Klebastølåi				X
Gaularvassdraget			X	
Eidselva		X		
Numedalslågen	X	X	X	
Austbygdåi				X
Dagali				X
Skagerak Energi				
Siljanvassdraget				X
Kragerøvassdraget		X		
Skiensvassdraget	X	X		
SWEDEN				
Skellefteåälven	X			
Gideälven	X			X
Moälven	X			X
Nätraälven	X			
Lagan	X	X		X
Nissan	X	X		
Ångermanälven				X
Indalsälven				X
Ljungan	X			X
GERMANY				
Fulda	X	X		
Werra	X	X		
Weser	X	X		
UK				
Rheidol	X			
ALBANIA				
Devoll		X		

Global Reporting Initiative (GRI) Index

The GRI Standards represent the global best practice for sustainability reporting. The standards comprise both general disclosures, as well as economic, environmental and social disclosures. Regarding the GRI Topic Standards, we have included the relevant disclosures in relation to Statkraft's material topics in the GRI Index.

Statkraft has engaged Deloitte AS to conduct a review to provide a limited level of assurance on the company's sustainability information, excluding the 'EU Taxonomy' section, in Statkraft's Annual Report 2023. The review is based on the assurance standard ISAE 3000, and the auditor's conclusion is presented in the Auditor's statement, Sustainability.

STATEMENT OF USE	Statkraft has reported in accordance with the GRI Standards for the period 01.01.2023 – 31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not applicable - Sector Standard is still under development

DISCLOSURES		LOCATION	OMISSION
GRI 2: GENERAL DISCLOSURES 2021			
2-1	Organizational details	Statkraft AS, Stated-owned limited company, Oslo, Norway Statkraft at a glance	
2-2	Entities included in the organization's sustainability reporting	Note 40: Consolidated companies Sustainability statement: Reporting principles	
2-3	Reporting period, frequency and contact point	2023, Annual, March 2024, info@statkraft.com	
2-4	Restatements of information	Restatements are specified within the Sustainability statement where relevant.	
2-5	External assurance	Sustainability chapter: How we manage sustainability Auditor's statement	
2-6	Activities, value chain and other business relationships	Statkraft at a glance Report from the Board of Directors Note 4: Segment information	
2-7	Employees	Sustainability statement: Labour practices	
2-8	Workers who are not employees	Sustainability statement: Labour practices	
2-9	Governance structure and composition	The Board of Directors Corporate Governance	
2-10	Nomination and selection of the highest governance body	Corporate Governance	
2-11	Chair of the highest governance body	The Chair of the Board is not a senior executive	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability chapter: How we manage sustainability	
2-13	Delegation of responsibility for managing impacts	Sustainability chapter: How we manage sustainability	
2-14	Role of the highest governance body in sustainability reporting	Sustainability chapter: How we manage sustainability	
2-15	Conflicts of interest	Sustainability chapter: How we manage sustainability Sustainability chapter: Business ethics	
2-16	Communication of critical concerns	Sustainability chapter: How we manage sustainability	
2-17	Collective knowledge of the highest governance body	Sustainability chapter: How we manage sustainability	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance	
2-19	Remuneration policies	Corporate Governance Note 38: Benefits paid to executive management and the Board of Directors	
2-20	Process to determine remuneration	Corporate Governance Note 38: Benefits paid to executive management and the Board of Directors	
2-21	Annual total compensation ratio	Sustainability statement: Labour practices	For the annual compensation ratio, Statkraft uses the CEO, being the individual with the highest fixed salary, as the numerator.
2-22	Statement on sustainable development strategy	Letter from the CEO Report from the Board of Directors	
2-23	Policy commitments	Sustainability chapter: How we manage sustainability Sustainability chapter: Human rights Sustainability chapter: Business ethics Link to our policy commitments: https://www.statkraft.com/	
2-24	Embedding policy commitments	Sustainability chapter: Human rights Sustainability chapter: Business ethics Sustainability statement: Human rights Sustainability statement: Business ethics and anti-corruption	
2-25	Processes to remediate negative impacts	Sustainability chapter: Human rights	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability chapter: How we manage sustainability Sustainability statement: Reported concerns covering the scope of the Code of Conduct	
2-27	Compliance with laws and regulations	Sustainability statement: Health and Safety Sustainability statement: Human rights Sustainability statement: Business ethics and anti-corruption Sustainability statement: Environmental incidents	

2-28	Membership associations	Norges Røde Kors WWF Norge Klimahuset ZERO Klimastiftelsen Eurelectric SKIFT Norwegian Energy Partners Norsk Polyteknisk Forening UN Global Compact EV 100 Climate Neutral Now Nordic Business Network for Human Rights BSR SHub Solar Stewardship Initiative	
2-29	Approach to stakeholder engagement	Sustainability chapter: How we manage sustainability	
2-30	Collective bargaining agreements	Sustainability chapter: Labour practices	The percentage of total employees covered by collective bargaining agreements is currently unavailable.
GRI 3: MATERIAL TOPICS 2021			
3-1	Process to determine material topics	Sustainability chapter: How we manage sustainability	
3-2	List of material topics	Sustainability chapter: How we manage sustainability	
3-3	Management of material topics	Sustainability chapter: How we manage sustainability Sustainability chapter: Health and Safety Sustainability chapter: Security and emergency response Sustainability chapter: Human rights Sustainability chapter: Labour practices Sustainability chapter: Supply chain management Sustainability chapter: Business ethics Sustainability chapter: Biodiversity Sustainability chapter: Climate action Sustainability chapter: Water management Sustainability chapter: Circular economy	
GRI 201: ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated and distributed	Sustainability statement: Contribution to society	
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability chapter: Climate action	
201-3	Defined benefit plan obligations and other retirement plans	Note 17: Pensions	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
203-2	Significant indirect economic impacts	Sustainability chapter: Statkraft's contribution Sustainability chapter: Climate action	
GRI 205: ANTI-CORRUPTION 2016			
205-1	Operations assessed for risks related to corruption	Sustainability chapter: Business ethics	
205-2	Communication and training about anti-corruption policies and procedures	Sustainability statement: Business ethics and anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	Sustainability statement: Business ethics and anti-corruption	
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Information unavailable
GRI 207: TAX 2019			
207-1	Approach to tax	Sustainability chapter: Statkraft's contribution	
207-2	Tax governance, control, and risk management	Sustainability chapter: Statkraft's contribution	
207-3	Stakeholder engagement and management of concerns related to tax	Sustainability chapter: Statkraft's contribution	
207-4	Country-by-country reporting	Sustainability statement: Contribution to society Sustainability statement: Country-by-country tax reporting	
GRI 302: ENERGY 2016			
302-1	Energy consumption within the organisation	Sustainability statement: Consumption	
GRI 303: WATER AND EFFLUENTS 2018			
303-1	Interactions with water as a shared resource	Sustainability chapter: Water management Sustainability statement: Biodiversity and impact on nature	GRI requirements are partly disclosed.
303-2	Management of water discharge-related impacts	For the quality of effluent discharge, we follow the regulatory requirements of the different countries where we operate.	
303-3	Water withdrawal	Sustainability statement: Consumption	Water withdrawal from all areas with water stress and dissolved solids are not disclosed.
303-4	Water discharge	Sustainability statement: Consumption	Water discharge from all areas with water stress, dissolved solids, and priority of substances of concern are not disclosed.
303-5	Water consumption	Sustainability statement: Consumption	Water consumption from all areas with water stress and changes in water storage are not disclosed.
GRI 304: BIODIVERSITY 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability statement: Biodiversity and impact on nature	Only disclosing the number of operational sites in or adjected to protected areas.

304-2	Significant impacts of activities, products, and services on biodiversity	Sustainability chapter: Biodiversity	GRI requirements are partly disclosed.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability statement: Biodiversity and impact on nature Sustainability statement: Biodiversity and impact on nature	
GRI 305: EMISSIONS 2016			
305-1	Direct GHG emissions (scope 1)	Sustainability statement: Climate	
305-2	Energy indirect GHG emissions (scope 2)	Sustainability statement: Climate	
305-3	Other indirect GHG emissions (scope 3)	Sustainability statement: Climate	
305-4	GHG emissions intensity	Sustainability statement: Climate	
GRI 306: WASTE 2020			
306-1	Waste generation and significant waste-related impacts	Sustainability chapter: Circular economy	
306-2	Management of significant waste-related impacts	Sustainability chapter: Circular economy	GRI requirements are partly disclosed.
306-3	Waste generated	Sustainability statement: Waste	
306-4	Waste diverted from disposal	Sustainability statement: Waste	
306-5	Waste directed to disposal	Sustainability statement: Waste	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1	New suppliers that were screened using environmental criteria	Sustainability chapter: Supply chain management	The percentage of new suppliers screened using environmental criteria is currently unavailable.
GRI 401: EMPLOYMENT 2016			
401-1	New employee hires and employee turnover	Sustainability statement: Labour practices	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	Sustainability chapter: Health and Safety	
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability chapter: Health and Safety	
403-3	Occupational health services	Sustainability chapter: Health and Safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability chapter: Health and Safety	
403-5	Worker training on occupational health and safety	Sustainability chapter: Health and Safety	
403-6	Promotion of worker health	A range of benefits are offered to Statkraft employees, including health insurance, gym facilities or fitness programs. Employee benefits differ from one country to another.	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability chapter: Health and Safety	
403-8	Workers covered by an occupational health and safety management system	Sustainability chapter: Health and Safety	The percentage of employees and workers covered by a health and safety management system is currently unavailable.
403-9	Work related injuries	Sustainability chapter: Health and Safety Sustainability statement: Health and Safety	
GRI 404: TRAINING AND EDUCATION 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability chapter: Labour practices	Transition assistance programs is not covered.
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability statement: Labour practices	Breakdown by gender and employee category is currently unavailable.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	Sustainability statement: Labour practices	
405-2	Ratio of basic salary and remuneration of women to men	Sustainability statement: Labour practices	
GRI 406: NON-DISCRIMINATION 2016			
406-1	Incidents of discrimination and corrective actions taken	Sustainability statement: Business ethics and anti-corruption	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability chapter: Human rights Sustainability chapter: Labour practices Sustainability chapter: Supply chain management	
GRI 409: FORCED OR COMPULSORY LABOR 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainability chapter: Human rights Sustainability chapter: Supply chain management	
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016			
411-1	Incidents of violations involving rights of indigenous peoples	Sustainability chapter: Human rights Sustainability statement: Human rights	
GRI 413: LOCAL COMMUNITIES 2016			
413-1	Operations with local community engagement, impact assessments and development programs	Sustainability statement: Human rights	
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability chapter: Human rights	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
414-1	New suppliers that were screened using social criteria	Sustainability chapter: Supply chain management	The percentage of new suppliers screened using social criteria is currently unavailable.

Statkraft's Global Compact index

Global Compact comprises ten fundamental principles relating to human rights, labour rights, protection of the environment and combating corruption. Companies that endorse Global Compact commit to support and respect the principles and report their performance in the various areas annually.

HUMAN RIGHTS

PRINCIPLE	DESCRIPTION	REFERENCE
1	Business should support and respect the protection of internationally proclaimed human rights, and	Report from the Board of Directors Sustainability chapter: How we manage sustainability Sustainability chapter: Human rights
2	make sure that they are not complicit in human rights abuses.	Sustainability chapter: How we manage sustainability Sustainability chapter: Human rights

LABOUR

PRINCIPLE	DESCRIPTION	REFERENCE
3	Business should uphold the freedom association and the effective recognition of the right to collective bargaining,	Sustainability chapter: How we manage sustainability Sustainability chapter: Labour practices
4	the elimination of all forms of forced and compulsory labour,	Sustainability chapter: How we manage sustainability Sustainability chapter: Labour practices
5	the effective abolition of child labour, and	Sustainability chapter: How we manage sustainability Sustainability chapter: Labour practices
6	the elimination of discrimination in respect of employment and occupation.	Sustainability chapter: How we manage sustainability Sustainability chapter: Labour practices

ENVIRONMENT

PRINCIPLE	DESCRIPTION	REFERENCE
7	Business should support a precautionary approach to environmental challenges,	Report from the Board of Directors Sustainability chapter: How we manage sustainability Sustainability chapter: Biodiversity Sustainability chapter: Climate action Sustainability chapter: Water management
8	undertake initiatives to promote greater environmental responsibility, and	Sustainability chapter: Biodiversity Sustainability chapter: Climate action Sustainability chapter: Water management
9	encourage the development and diffusion of environmentally friendly technologies.	Sustainability chapter: Statkraft's contribution Sustainability chapter: Biodiversity Sustainability chapter: Climate action Sustainability chapter: Water management

ANTI-CORRUPTION

PRINCIPLE	DESCRIPTION	REFERENCE
10	Business should work against corruption in all its forms, including extortion and bribery.	Report from the Board of Directors Sustainability chapter: How we manage sustainability Sustainability chapter: Business ethics

Task Force on Climate-Related Financial Disclosures (TCFD) index

The TCFD provides a more effective, transparent, and standardised way to help stakeholders understand a company's climate-related risks and opportunities. Statkraft's disclosure is aligned with the TCFD's eleven core recommendations, which are divided into categories of governance, strategy, risk management, and metrics and targets. The TCFD also provides supplemental guidance for energy companies, which Statkraft adheres to.

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities

AREA	REFERENCE, STATKRAFT'S CDP RESPONSE 2023	REFERENCE, ANNUAL REPORT 2023
a) Describe the board's oversight of climate-related risks and opportunities	C1.1b	Report from the Board of Directors Corporate governance
b) Describe management's role in assessing and managing climate-related risks and opportunities	C1.2	Report from the Board of Directors Corporate governance Sustainability chapter: How we manage sustainability

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

AREA	REFERENCE, STATKRAFT'S CDP RESPONSE 2023	REFERENCE, ANNUAL REPORT 2023
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	C2.1a, C2.1b, C2.2a, C2.3, C2.3a, C2.4, C2.4a	Report from the Board of Directors Corporate governance Sustainability chapter: Climate action
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	C2.3a, C2.4a, C3.3, C3.2a, C3.2b, C3.3, C3.4, C3.4a, C3.5, C3.5a, C3.5b, C3.5c	Report from the Board of Directors Corporate governance Sustainability chapter: Climate action
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	C3.2, C3.2a, C3.2b	Sustainability chapter: Climate action

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks

AREA	REFERENCE, STATKRAFT'S CDP RESPONSE 2023	REFERENCE, ANNUAL REPORT 2023
a) Describe the organization's processes for identifying and assessing climate-related risks	C2.1, C2.2, C2.2a	Sustainability chapter: How we manage sustainability Sustainability chapter: Climate action
b) Describe the organization's processes for managing climate-related risks	C2.1, C2.2	Sustainability chapter: How we manage sustainability Sustainability chapter: Climate action
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	C2.1, C2.2	Corporate governance Sustainability chapter: Climate action

METRICS AND TARGETS

Disclose metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

AREA	REFERENCE, STATKRAFT'S CDP RESPONSE 2023	REFERENCE, ANNUAL REPORT 2023
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	C4.2, C4.2a, C4.2b, C9.1	Sustainability chapter: Climate action Sustainability statement: Climate
b) Disclose Scope 1, Scope2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	C6.1, C6.2, C6.3, C6.5, C6.5a	Sustainability chapter: Climate action Sustainability statement: Climate
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b, C4.2c	Sustainability chapter: Climate action Sustainability statement: Climate

SUPPLEMENTAL GUIDANCE FOR THE ENERGY GROUP

AREA	REFERENCE, STATKRAFT'S CDP RESPONSE 2023	REFERENCE, ANNUAL REPORT 2023
Disclose changes in compliance and operating costs, risks, or opportunities	C2.3a, C2.4a, C3.3, C3.4, C3.4a	Report from the Board of Directors Sustainability chapter: Climate action
Disclose exposure to regulatory changes or changing consumer and investor expectations	C2.2a	Report from the Board of Directors Sustainability chapter: Climate action
Disclose changes in investment strategies	C2.4a, C3.3, C3.4, C3.4a	Report from the Board of Directors Sustainability chapter: Climate action

Auditor's Statement, Sustainability

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To the Board of Directors of Statkraft AS

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON STATKRAFT AS' SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Board of Directors of Statkraft AS (the Company) on the sustainability reporting as defined in GRI Index 2023 (the "Selected Information") within the Annual Report for the reporting period ended 31 December 2023.

Our limited assurance conclusion
Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work
Statkraft AS has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Annual Report for the year ended 31 December 2023 is as follows:

Selected Information	Applicable Criteria
GRI Index 2023	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative (globalreporting.org).

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information
We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Board of Directors' responsibilities
The Board of Directors are responsible for:

- Selecting and establishing the Applicable Criteria
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Deloitte.

Our responsibilities
We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and quality management
We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures
We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel obtain an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Perform procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

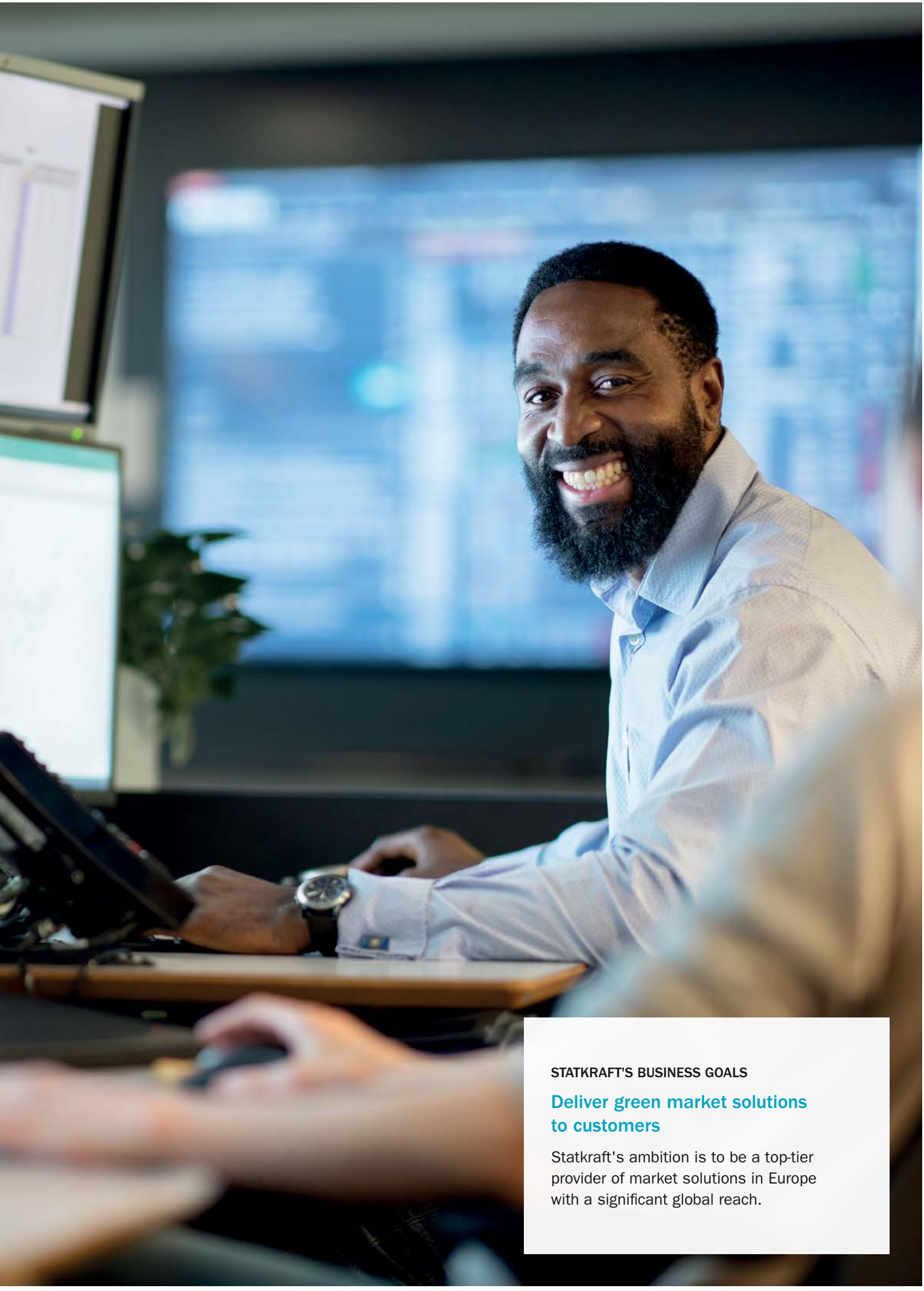
Oslo, 29 February 2024
Deloitte AS

Trond E. Hov

Trond Edvin Hov
State Authorised Public Accountant


Statkraft
Statkraft

Declaration



STATKRAFT'S BUSINESS GOALS

Deliver green market solutions to customers

Statkraft's ambition is to be a top-tier provider of market solutions in Europe with a significant global reach.

Declaration from the Board of Directors and the President and CEO

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2023 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act,
- the financial statements for the parent company for 2023 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway,
- the information presented in the financial statements gives a true and fair view of the company's and group's assets, liabilities, financial position and result for the period viewed in their entirety,
- the board of directors report, the chapters on corporate governance, taxonomy and sustainability, including sustainability statement, give a true and fair view of the development, performance and financial position of the company and group, and includes a description of the key risks and uncertainties the companies are faced with.

The Board of Directors of Statkraft AS

Oslo, 29 February 2024

Alexandra Bech Gjørv

Chair of the Board

Ingelise Arntsen

Deputy chair

Marit Salte

Director

Mikael Lundin

Director

Lars Røsæg

Director

Pål Erik Sjåtil

Director

Marte Lind

Director

Thorbjørn Holøs

Director

Lars Mathisen

Director

Christian Rynning-Tønnesen

President and CEO

Key figures and alternative performance measures

STATKRAFT'S BUSINESS GOALS

Accelerate solar, onshore and offshore wind, and battery storage.

Statkraft aims to become a major developer of solar, onshore wind, and battery storage with an annual delivery rate of 2.5-3 GW by 2025 and 4 GW by 2030. The company will be an industrial offshore wind player in the North Sea and Ireland.

Key Figures

FINANCIAL KEY FIGURES

	Unit	2023	2022	2021	2020	2019
Profit or loss statement						
Gross operating revenues and other income underlying	NOK mill	118 776	168 814	83 440	38 060	47 836
Net operating revenues and other income underlying	NOK mill	65 339	75 280	41 749	20 776	29 318
EBITDA, underlying	NOK mill	46 769	59 082	30 906	10 736	20 569
Operating profit/loss (EBIT) underlying	NOK mill	41 378	54 424	26 792	6 670	16 744
Operating profit/loss (EBIT) IFRS	NOK mill	48 515	52 178	29 727	5 749	16 978
Share of profit/loss in equity accounted investments	NOK mill	3 444	531	1 686	835	1 249
Net financial items	NOK mill	-977	6 111	1 331	-1 631	733
Profit/loss before tax	NOK mill	50 982	58 819	32 744	4 953	18 959
Net profit/loss	NOK mill	26 055	28 592	16 081	3 532	11 327
Items excluded from underlying business						
Unrealised value changes from embedded EUR derivatives	NOK mill	3 181	-1 338	-1 285	339	42
Gains/losses from divestments of business activities	NOK mill	1 603	-1	817	119	55
Impairments/reversal of impairments	NOK mill	2 354	-907	3 403	-1 379	136
Balance sheet						
Property, plant & equipment and intangible assets	NOK mill	153 345	127 129	120 633	116 170	114 485
Equity accounted investments	NOK mill	21 679	18 645	14 771	13 492	12 917
Inventories (DS/DBS)	NOK mill	7 274	4 493	2 965	2 483	-
Other assets	NOK mill	135 951	190 909	171 635	49 112	50 413
Total assets	NOK mill	318 250	341 176	310 004	181 257	177 815
Equity	NOK mill	144 578	131 691	107 775	98 028	100 764
Cash flow						
Cash flow from operating activities	NOK mill	7 913	40 242	26 242	11 631	11 861
Dividend paid to owners (incl. non-controlling interests)	NOK mill	17 213	10 214	3 673	6 718	8 593
Cash and cash equivalents (incl. restricted cash)	NOK mill	44 582	58 902	37 162	11 155	15 203
Investments						
Maintenance investments [1]	NOK mill	3 145	2 851	2 534	2 275	1 972
Other investments [2]	NOK mill	4 204	2 600	3 028	753	740
Investments in new capacity [3]	NOK mill	6 879	2 448	2 271	4 103	3 738
Investments in new capacity for subsequent divestment (DS/DBS) [4]	NOK mill	3 558	2 827	1 892	413	-
Investments in shareholdings [5]	NOK mill	10 929	725	2 143	2 357	972
Financial metrics						
ROACE [6]	%	28.3	42.4	22.4	5.7	15.1
ROAE [7]	%	16.5	3.4	12.1	6.3	9.5
Ratio/Rating						
Net interest-bearing liabilities - equity ratio [8]	%	10.3	-13.9	11.8	18.8	13.9
Equity ratio [9]	%	45.4	38.6	34.8	54.1	56.7
Long-term rating - Standard & Poor's		A / Stable	A / Stable	A- / Stable	A- / Stable	A- / Stable
Long-term rating - Fitch Ratings		A- / Stable	A- / Stable	BBB+ / Stable	BBB+ / Stable	BBB+ / Stable

[1] Book value of maintenance investments to sustain current generating capacity.
[2] Book value of investments which are not related to power generating capacity.
[3] Book value of investments to expand generating capacity.
[4] Book value of investments to expand generating capacity, but with planned subsequent divestment.
[5] Purchase of shares as well as equity increase in other companies.
[6] Operating profit (EBIT) underlying (rolling 12 months) * 100
Average capital employed (rolling 12 months)
[7] Share of profit/loss in equity accounted investments (rolling 12 months) * 100
Average equity accounted investments (rolling 12 months)
[8] Net interest-bearing liabilities * 100
Net interest-bearing liabilities + equity
[9] Total equity * 100
Total assets

POWER GENERATION AND DISTRICT HEATING PRODUCTION

	Unit	2023	2022	2021	2020	2019
Installed capacity, power generation	MW	19 421	19 105	18 659	18 878	18 445
Of which hydropower	MW	14 561	14 409	14 447	14 402	14 399
Of which wind power	MW	2 236	2 115	1 773	2 037	1 607
Of which gas-fired power [1]	MW	2 468	2 459	2 390	2 390	2 390
Of which biomass and solar power	MW	157	122	49	49	49
Installed capacity, district heating	MW	863	872	869	853	828
Capacity under construction, power generation [2]	MW	2 095	1 593	1 357	1 284	750
Of which hydropower	MW	199	199	198	202	386
Of which wind power	MW	618	822	726	882	364
Of which solar power	MW	1 029	572	433	200	-
Capacity under construction, district heating [2]	MW	-	-	-	-	-
Total production capacity, potential [3]	TWh	66.5	65.3	64.7	60.7	60.7
Power generation, actual	TWh	61.9	60.2	69.9	65.4	61.1
Of which hydropower	TWh	55.0	53.9	63.0	55.7	53.4
Of which wind power	TWh	4.5	4.3	3.9	4.3	3.0
Of which gas-fired power [1]	TWh	2.0	1.7	2.7	5.1	4.5
Of which biomass and solar power	TWh	0.4	0.3	0.2	0.3	0.3
District heating production	TWh	1.3	1.1	1.2	1.0	1.1
Renewable power generation [4]	%	96.8	97.2	96.1	92.2	92.6
Renewable district heating [4]	%	92.9	96.0	93.1	95.2	89.5

[1] Includes Statkraft's share of the jointly controlled Herdecke (Germany) gas-fired power plant.

[2] Includes projects where an investment decision has been taken. In 2022, all projects with an estimated CAPEX above NOK 300 million was included. From 2023, all projects with an estimated CAPEX of more than NOK 500 million is included (NOK 600 million from July 2023).

[3] Excluding gas-fired power and district heating. Annual mean generation.

[4] Non-renewable production consists of gas-fired power and share of district heating based on fossil fuel. Production at Heimdal, the incineration plant in Trondheim, is counted as 100% renewable district heating production (alligned with SSB, Statistics Norway, reporting practice).

EMISSIONS AND ENVIRONMENTAL INCIDENTS

	Unit	2023	2022	2021	2020	2019
Greenhouse gas emissions per scope [1]						
Scope 1: Direct emissions [2] [3] [4] [5]	Tonnes	685 600	660 300	1 044 500	1 860 000	1 645 500
Scope 2, market based: Indirect emissions, related to electricity consumption [6]	Tonnes	-	-	-	-	-
Scope 2, location based: Indirect emissions, related to electricity consumption	Tonnes	155 300	117 800	212 400	175 800	-
Scope 3: Other indirect emissions, related to business travel [8]	Tonnes	5 400	6 300	2 600	1 700	3 700
Relative greenhouse gas emissions						
CO_2-equivalent emissions per MWh power generation, total [9]	kg/ MWh	12	11	14	28	26
CO_2-equivalent emissions per MWh district heating production [3]	kg/ MWh	21	13	21	11	26
Environmental incidents						
Serious environmental incidents	Number	-	1[10]	-	-	-

[1] Emission figures reported for 2023 from gas-fired power plants in Germany are yet not finally approved by the EU ETS authorities. Reported figures for 2022 have been adjusted to be fully aligned with emissions approved by the EU ETS authorities.

[2] CO_2e emissions from Statkraft's jointly contolled gas-fired power plant Herdecke (Germany) has previously been reported as Scope 1. From 2023, these are included as Scope 3.

[3] Emissions of CO_2e from Heimdal incineration plant is not included in Statkraft's total CO2e statement, according to established reporting practice for the district heating industry, (outlined by SSB, Statistisk Sentralbyrå). According to the reporting practice, waste incineration with heat recovery is considered to have zero GHG emissions.

[4] The scope 1 emissions decreased significantly in 2022 due to the reduction of power generation based on gas-fired power.

[5] CO_2e from fuel consumption from the Group's machinery and vehicles. From 2023, GHG emissions from fuel consumption on project sites are no longer included. Therefore, there is a reduction in Scope 1 GHG emissions from fuel consumption from 2022 to 2023 and the figures are not comparable.

[6] 100% of Statkraft's electricity consumption is certified renewable.

[7] Scope 2 location based emissions for 2023 is calculated using country-specific CO_2 emission factors from electricity generation from International Energy Agency (IEA); IEA's Emissions Factors database from September 2023. From 2023, Scope 2 emissions related to electricity consumption in construction projects are no longer included.

[8] Figures include travels by air and car. For the 2023-2022 reporting travel emissions includes most of our activities, whilst for 2021 only travelling in Norwegian operations was included.

[9] Includes Statkraft's share of production and emissions of CO_2e in the jointly controlled gas-fired power plant Herdecke (Germany).

[10] The duration of negative effects on Surna River has been longer than foreseen in 2022 and we have therefore recategorised the incident occurred in September 2022 to a serious incident.

CONTRIBUTION TO SOCIETY

	Unit	2023	2022	2021	2020	2019
Distribution of value created						
Dividend [1]	NOK mill	13 029	17 213	10 214	3 673	6 500
Taxes [2]	NOK mill	21 369	29,932[3]	16 231	4 236	8 263
Financial costs	NOK mill	3 778	786	523	1 984	669
Employees	NOK mill	6 998	6 804	4 702	4 115	3 503
The company	NOK mill	12 410	10 755	5 309	-354	4 411

[1] Includes dividend and Group contribution from Statkraft AS to Statkraft SF.

[2] Includes employer's national insurance contribution, regulatory fees and payable income tax expense.

[3] Correction of previously reported figures.

REPORTED CONCERNS COVERING THE SCOPE OF THE CODE OF CONDUCT

	Unit	2023	2022	2021	2020	2019
Total number of reported concerns (whistleblowing) [1]	Number	90	84	57	46	60
Of which related to business ethics and anti-corruption	Number	21	29	13	11	28
Of which related to discrimination	Number	5	7	3	5	8

[1] The scope of the whistleblowing procedures relates to the full scope of Statkraft's Code of Conduct, e.g. human rights, environment, health and safety, business ethics and anti-corruption.

EMPLOYEES AND GENDER EQUALITY

	Unit	2023	2022	2021	2020	2019
Employees per 31 Dec	Number	6 199	5 312	4 782	4 467	3 973
Percentage of women						
Total	%	30	28[3]	27[3]	28	26
In management positions	%	29	26[3]	26[3]	26	23
In Group top management positions [1]	%	32	33	30	29	28
Among new employees	%	36	41	40	36	38
Equal salary [2]						
Salary ratio among employees	Ratio	0.90	0.89	0.95	0.94	0.93
Salary ratio among managers	Ratio	0.88	0.97	0.94	0.95	0.92

[1] Top management positions include CEO, EVPs, and SVPs in the parent company.
[2] Average salary for women related to average salary for men.
[3] Correction of previously reported figures.

HEALTH AND SAFETY

	Unit	2023	2022	2021	2020	2019
Fatal accidents, consolidated operations [1]						
Employees	Number	0	0	0	0	0
Contractors	Number	0	2 [2]	0	2	0
Third parties	Number	0	0	0	0	0
Fatal accidents, associated activities [3]						
Employees	Number	0	0	0	0	0
Contractors	Number	0	0	0	1	0
Third parties	Number	1[7]	0	0	0	0
Serious incidents						
Serious injuries [4]	Number	5	12	7	7	7
Incidents and observations with high potential for serious consequences [5]	Number	115	94	43	14	46
Serious injuries per million hours worked [6]	SI Rate	0.2	0.4	0.3	0.4	0.3
Total recordable injuries per million hours worked [5]	TRI rate	3.4	4.1	3.6	4.2	4.8
Sick leave, total	%	2.8	3.1	2.4	2.4	2.7

[1] Activities where Statkraft has > 50% ownership.
[2] In 2022 there was one fatal accident. The accident occurred at the Tidong Hydropower project in India, where two contractor employees lost their lives.
[3] Activities where Statkraft has 20-50% ownership.
[4] Fatalities are included in serious injuries.
[5] Serious injuries not included. High potential observations are included from 2021.
[6] Hours worked are based on actual hours worked, overtime included.
[7] 3rd party fatality does not count into Statkraft internal KPIs such as TRI or SI.

MARKET VARIABLES

	Unit	2023	2022	2021	2020	2019
System price, Nord Pool	EUR/MWh	57.0	135.6	62.2	10.9	39.0
Spot price, European Energy Exchange	EUR/MWh	95.0	233.8	96.6	30.4	37.7
Electricity consumption in the Nordic market	TWh	379	377	398	378	387
Electricity generated in the Nordic market, actual	TWh	414	410	420	402	388
Statkraft's share of Nordic electricity generation	%	12.8	15.0	14.6	13.7	13.2

POWER PLANTS

	Pro-rata[1]		Consolidated plants	
	No. of plants	Capacity (MW)	No. of plants	Capacity (MW)
Hydropower	**365**	**15 741**	**267**	**14 561**
Norway	256	12 631	158	11 452
Sweden	59	1 268	59	1 268
Germany	10	262	10	262
UK	3	49	3	49
Albania	2	269	2	269
Türkiye	2	122	2	122
Brazil	18	319	18	319
Peru	9	448	9	448
Chile	3	209	3	209
Nepal	1	17	1	17
India	2	148	2	148
Wind power	**96**	**2 303**	**93**	**2 236**
Norway	8	662	8	662
Sweden	4	546	4	546
Brazil	7	289	7	289
Germany	62	618	62	618
France	8	62	8	62
UK	3	67	-	-
Ireland	4	58	4	58
Solar	**5**	**114**	**5**	**114**
India	1	56	1	56
Spain	1	55	1	55
Albania	1	2	1	2
Germany	2	1	2	1
Gas-fired power	**5**	**2 468**	**5**	**2 468**
Germany	5	2 468	5	2 468
Biomass	**2**	**43**	**2**	**43**
Germany	2	43	2	43
Total, power generation	**473**	**20 668**	**372**	**19 421**

DISTRICT HEATING PLANTS

	Pro-rata[1]		Consolidated plants	
	No. of locations	Capacity (MW)	No. of locations	Capacity (MW)
Norway	22	717	22	717
Sweden	4	97	4	146
Total, district heating	**26**	**814**	**26**	**863**

[1] Statkraft equity share in all power plants (pro-rata share of direct and indirect ownership), including those in partly-owned companies.

Alternative Performance Measures

As defined in ESMAs 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/loss 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 statement of profit or loss.
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 the asset is impaired, or previous period's impairments are reversed.

The above items are also excluded from **Gross operating revenues and other income underlying** and **Net operating revenues and other income underlying**. See note 4 in the Group financial statements.

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 average 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.

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

Cost of operations, Nordic hydropower generation (øre/kWh) is an APM that is used to measure the cost of operations per kWh for Nordic hydropower assets in the segment Nordics. Skagerak Energi is not included in this APM, and high-price contribution is also not included. Total operating expenses for these assets measured on a 12 month rolling basis are divided by the seven-year average output from Nordic hydropower plants under own management in the segment. Total operating expenses include salaries and payroll costs, depreciations and amortisations, property tax and licence fees and other operating expenses. Net financial items and taxes related to these assets are not included. In addition, the costs related to other technologies in the segment are not included in this APM.

ALTERNATIVE PERFORMANCE MEASURES

NOK million	2023	2022
OPERATING PROFIT/LOSS (EBIT) MARGIN UNDERLYING		
Operating profit/loss (EBIT) underlying, see note 4 in the Group Financial Statements	41 378	54 424
Gross operating revenues and other income underlying	118 776	168 813
Operating profit/loss (EBIT) margin underlying	34.8 %	**32.2%**
RECONCILIATION OF OPERATING PROFIT/LOSS (EBIT) UNDERLYING TO EBITDA UNDERLYING		
Operating profit/loss (EBIT) underlying	41 378	54 424
Depreciations and amortisations	5 392	4 657
EBITDA underlying	46 769	**59 082**
FINANCIAL STATEMENT LINE ITEMS INCLUDED IN CAPITAL EMPLOYED		
Intangible assets	6 034	4 322
Property, plant and equipment	147 311	122 808
Inventories (DS/DBS)	7 274	4 493
Capital employed	160 619	**131 622**
Average capital employed [1)]	145 980	**128 453**
RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)		
Operating profit/loss (EBIT) underlying, rolling 12 months	41 378	54 424
Average capital employed [1)]	145 980	128 453
ROACE	28.3 %	**42.4%**
RETURN ON AVERAGE EQUITY ACCOUNTED INVESTMENTS (ROAE)		
Share of profit/loss in equity accounted investments, rolling 12 months	3 444	531
Average equity accounted investments [1)]	20 914	15 428
ROAE	16.5 %	**3.4%**
NET INTEREST-BEARING LIABILITIES		
Interest-bearing liabilities, non-current	48 789	26 770
Interest-bearing liabilities, current	12 935	16 365
Cash and cash equivalents incl. restricted cash **(A)**	-44 582	-58 902
Restricted cash **(B)**	254	332
Cash and cash equivalents included in net interest-bearing liabilities **(A+B)**	-44 329	-58 569
Financial investments, current	-762	-629
Net interest-bearing liabilities	16 633	**-16 063**
NET INTEREST-BEARING LIABILITIES-EQUITY RATIO		
Net interest-bearing liabilities	16 633	-16 063
Equity	144 578	131 691
Sum of net-interest bearing liabilities and equity	161 211	**115 628**
Net interest-bearing liabilities - equity ratio	10.3 %	**-13.9 %**
COST OF OPERATIONS, NORDIC HYDROPOWER GENERATION IN SEGMENT NORDICS (NO)		
Net operating revenues and other income underlying	42 226	53 375
- operating profit/loss (EBIT) underlying	31 369	43 042
Operating expenses, underlying	10 857	10 333
- items in NO not related to Nordic hydropower generation [2)]	4 604	4 865
= Cost of operations, Nordic hydropower generation [3)]	6 253	5 468
7-year average generation, Nordic hydropower (GWh)	49 338	48 945
= Cost of operations, Nordic hydropower generation in NO (øre/kWh)	12.7	**11.2**

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

[2)] Includes all operating expenses related to other technologies than hydropower. It also includes operating expenses related to Skagerak Energi and high-price contribution in Norway.

[3)] The total cost of operations for Nordic hydropower reported in the Alternative performance measures excludes the leasing cost associated with AS Tyssefaldene of approximately NOK 300 million per annum. There is no production volume associated to this specific cost. The strategic target and the KPI values for 2023 in the report from the Board of Directors includes this cost.

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