

Interim Report Q3/2021

Statkraft AS



Key figures

NOK million	Third quarter			Year to date			Year
	2021	2020	Change	2021	2020	Change	2020
Income statement							
Gross operating revenues and other income underlying	16 830	8 571	8 259	50 553	26 761	23 792	38 060
Net operating revenues and other income underlying	8 111	4 466	3 645	27 935	15 191	12 744	20 776
EBITDA underlying	5 594	2 059	3 535	20 387	8 129	12 258	10 736
Operating profit/loss (EBIT) underlying	4 609	1 100	3 509	17 458	5 090	12 368	6 670
Operating profit/loss (EBIT) IFRS	8 468	2 643	5 825	20 616	5 393	15 224	5 749
Share of profit/loss in equity accounted investments	863	- 196	1 058	1 232	204	1 028	835
Net financial items	- 274	- 744	470	616	-4 367	4 982	-1 631
Profit/loss before tax	9 057	1 704	7 353	22 464	1 230	21 234	4 953
Net profit/loss	4 956	1 266	3 690	12 198	- 131	12 329	3 532
Key financial metrics							
Operating profit/loss (EBIT) margin underlying	27.4%	12.8%	14.5%	34.5%	19.0%	15.5%	17.5%
ROACE				16.1%	9.0%	7.0%	5.7%
ROAE				13.7%	5.8%	7.9%	6.3%
Balance sheet and investments							
Assets				271 963	177 816	94 147	181 257
Equity				105 463	96 965	8 498	98 028
Net interest-bearing debt				12 295	25 997	-13 701	22 710
Capital employed				121 701	118 834	2 867	118 653
Equity accounted investments				14 264	12 836	1 428	13 492
Total investments	2 676	2 323	353	6 599	5 985	614	9 901
Cash Flow							
From operating activities	9 887	8 652	1 236	19 800	6 497	13 303	11 632
Cash and cash equivalents (incl. restricted cash)				25 674	8 102	17 572	11 155
Currency rates							
NOK/EUR average rate	10.33	10.67	-0.34	10.23	10.71	-0.49	10.72
NOK/EUR closing rate				10.17	11.10	-0.94	10.47

Definitions

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

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

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STRONG OPERATING RESULT



The high Nordic power prices and a very high Norwegian hydropower generation led to a strong EBIT in the quarter and year to date.

Statkraft makes substantial reinvestments in the Nordic hydropower fleet to meet future demands and secure stable power generation.

Statkraft recorded a strong EBIT in the quarter. The solid results in the quarter and year to date strengthen Statkraft's financial capacity and ability to deliver on the company's growth strategy.

The underlying EBIT was NOK 4.6 billion in the quarter, an increase of NOK 3.5 billion compared with the third quarter last year. The increase was driven by substantially higher Nordic power prices and very high Norwegian hydropower generation. The EBIT was negatively influenced by losses from Market operations as a result of record-high volatility for power and other energy related commodities.

The average Nordic system price was 68.5 EUR/MWh compared with 9 EUR/MWh in the same quarter in 2020. Total power generation was 15.3 TWh, 0.7 TWh higher than the third quarter generation last year.

Changes in the market outlook led to a reversal of previous years' impairments for Nordic wind power assets and German gas-fired power plants. In total, the reversals amounted to NOK 3.1 billion.

Net profit was NOK 5 billion, an increase of NOK 3.7 billion from the same quarter in 2020.

Cash flow from operating activities in the quarter was solid at NOK 9.9 billion. The net interest-bearing debt was NOK 12.3 billion, giving room for significant new investments within renewable energy.

In September, Statkraft and Boliden signed a new extended power contract for Boliden's smelter in Odda, Norway. The contract increases the annual volume to 1.6 TWh per year from the expanded smelter starts operations in 2024. This contract confirms Statkraft's position as the main supplier of electricity to the power-intensive industry in Norway.

Reinvesting in the Nordic hydropower fleet is a key activity for Statkraft. Through upgrades and extensions, the annual average power generation of existing hydropower plants in Norway has increased about 1.4 TWh since 2005. The reinvestments optimise the assets for future demands and secures reliable and profitable power generation for many years to come.

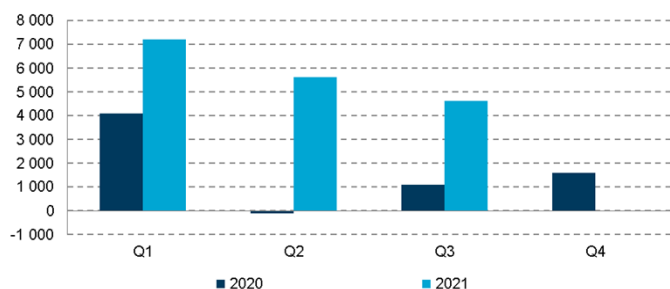
Statkraft has a business model where onshore wind and solar power plants are developed and constructed with the intention to divest some of the plants either before, at the time of, or shortly after completion. The proceeds from such divestments strengthen Statkraft's financial capacity, ability to deliver on the company's growth strategy and to reinvest in key markets with a strong focus on the energy transition.

During the quarter, Statkraft entered into an agreement to sell a portfolio of four co-located solar farms in Cadiz, Spain. Statkraft will retain responsibility for the construction. Statkraft also signed an agreement to divest the Adershaw wind farm in Scotland. Statkraft will maintain operation and maintenance responsibilities.

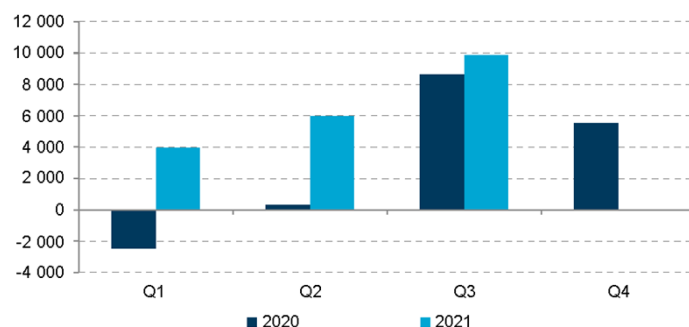
In October, Statkraft acquired 43 operating wind farms in Germany and France with a total installed capacity of 346 MW. The acquisition further strengthens Statkraft's role as a key renewable player in Europe.

In October, the Norwegian Supreme Court ruled that the concessions and expropriation permits for two of the wind farms at Fosen in Norway violated the Sami reindeer herders right to cultural practice and are therefore invalid. Fosen Vind and Roan Vind have initiated dialogues with the Ministry of Petroleum and Energy and with the Sami groups following the decision. The Ministry has confirmed that no immediate measures will be taken in relation to the concession. An application for a renewed concession and expropriation permit will be submitted, including updated impact assessments related to the reindeer husbandry and new measures ensuring that the human rights of the Sami groups are respected. The final implications of the Supreme Court decision are at this stage highly uncertain.

Operating profit/loss (EBIT) underlying
NOK million



Cash flow from operating activities
NOK million



Strategic targets

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

AMBITION	TARGET	STATUS
HSE and sustainability		
Prevent incidents and be committed to a workplace without injury or harm	Zero serious injuries	5
Prevent corruption and unethical practices in all activities	Zero serious compliance incidents	0
Deliver climate-friendly, renewable power and taking responsible environmental measures	Zero serious environmental incidents	0
Financial performance		
Deliver a solid return on capital	>7% ROACE	16.1%
Value creation in ongoing business		
Efficient management of energy resources in the Nordic hydropower fleet	>3.5% higher realised prices than the average spot price in the market	6.6%
Growth		
Grow capacity in renewable energy (hydro-, wind- and solar power)	9 GW growth by 2025	3.1 GW
Organisational enablers		
Improve diversity in background, competence and gender across the company	At least 35% women in top management positions by 2025 and at least 40% by 2030	30%

Caring for people is at the core of Statkraft's activities and Statkraft works continuously towards the goal of zero injuries. In the first nine months of 2021, there were five serious injuries, of which three in the third quarter. Strengthening the safety culture and performance – across the organisation and among subcontractors – is the top priority and has high attention throughout the organisation.

Statkraft has zero tolerance for corruption and unethical practices in all activities, and there were no serious compliance incidents in the first nine months of 2021.

Assessing environmental risks is part of Statkraft's daily risk management procedures and practices, and there were no serious environmental incidents in the first nine months of 2021.

Statkraft aims to deliver a solid return on capital employed. Measured on 12 months rolling basis, the ROACE was 16.1%, which is above the target. See section "Return on average capital employed (ROACE)" for more information.

With Europe's largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft can optimise Nordic hydropower generation over several years. Statkraft is therefore well positioned to achieve a higher average spot price for this generation than the average Nordic spot price. As of September 2021, Statkraft's realised prices (measured over the last 60 months) were 6.6% higher than the average spot price in the Nordics.

The target of developing 9 GW by 2025 remains. At the end of the third quarter, the status for this target is 3.1 GW, up 0.9 GW from the end of 2020. The increase of 0.5 GW in the third quarter was related to the acquisition of wind power assets in Germany and France (346 MW), the Nellai solar project in India (76 MW) and the South Meath solar project in Ireland (80 MW).

Statkraft aims for a diverse workforce and has a long-term ambition of having at least 40% women in top management positions. At the end of September 2021, the total share of women in all top management positions was 30%, up from 29% at the end of 2020. The 40% target was reached for the corporate management in 2020.

Corporate responsibility and HSE

	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Corporate responsibility and HSE					
Fatal accidents ¹⁾	0	1	0	3	3
Serious environmental incidents	0	0	0	0	0
Absence due to illness, Group	2.5%	2.2%	2.3%	2.3%	2.4%
TRI rate ^{1) 2)}			3.8	4.4	4.2
Full-time equivalents, Group			4 306	3 851	4 074

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

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

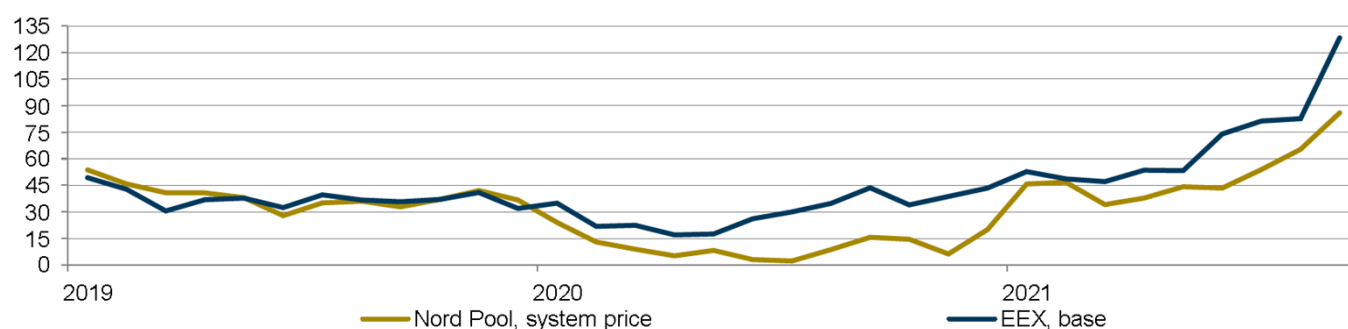
Three serious injuries occurred in the quarter, one in Chile, one in Spain and one in Germany. The incidents have been investigated according to Statkraft's procedures and all safety measures are followed up.

Market and production

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

POWER PRICES

Electricity, average monthly system price
EUR/MWh



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

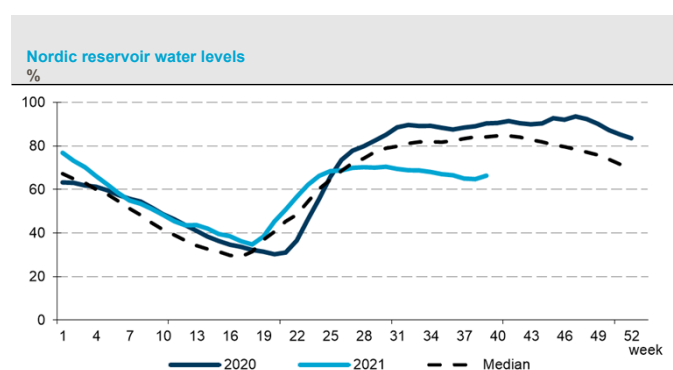
	Third quarter			Year to date			Year
	2021	2020	Change	2021	2020	Change	2020
Market prices (average)							
System price, Nord Pool (EUR/MWh)	68.5	9.0	59.5	50.9	10.0	40.9	10.9
Spot price (base), EEX (EUR/MWh)	97.5	36.2	61.3	69.1	27.7	41.5	30.4
Spot price (peak), EEX (EUR/MWh)	107.3	42.4	64.9	77.3	33.1	44.2	37.4
Spot price (base), N2EX UK (GBP/MWh)	129.8	36.5	93.3	88.9	31.2	57.8	35.2

The average system price in the Nordic region was 68.5 EUR/MWh in the quarter, an increase of 59.5 EUR/MWh. The increase was mainly due to high thermal prices. The system price was also affected by low levels of precipitation combined with lower generation from wind power driven by low wind speeds. In addition, there were significant price area differences in the quarter.

The average base price in the German market (EEX) was 97.5 EUR/MWh in the quarter, an increase of 61.3 EUR/MWh. The increase was mainly due to higher gas, coal and CO₂ prices in addition to low wind speeds.

The average base price in the UK was 129.8 GBP/MWh in the quarter, an increase of 93.3 GBP/MWh. The increase was mainly driven by higher gas prices.

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



Source: Nord Pool.

The total reservoir level for all hydropower producers in the Nordic region was 79% of median level at the end of the quarter, corresponding to 66% of total capacity.

STATKRAFT'S POWER GENERATION

Statkraft's generation optimisation is determined by price expectations, water reservoir capacity and reservoir water levels, access to resources (inflow and wind), the margin between power prices and gas in addition to CO₂ prices (spark spread) and grid restrictions.

TWh	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Generation, technology					
Hydropower	13.9	11.2	46.2	40.7	55.7
Wind power	0.8	0.9	2.7	3.1	4.3
Gas-fired power	0.5	2.4	2.3	4.3	5.1
Biomass and solar power	0.1	0.1	0.2	0.2	0.3
Total generation	15.3	14.5	51.3	48.2	65.4

	Third quarter		Year to date		Year
TWh	2021	2020	2021	2020	2020
Consumption and output					
Nordic					
Nordic consumption	82.1	79.6	288.5	275.3	378.2
Nordic output	86.9	85.0	303.6	292.5	402.1
Net Nordic import(+)/export(-)	-4.8	-5.4	-15.1	-17.2	-23.9
Norway					
Norwegian consumption	27.5	27.3	100.6	96.3	132.9
Norwegian output	32.6	34.6	113.8	109.9	153.3
Net Norwegian import(+)/export(-)	-5.1	-7.3	-13.2	-13.6	-20.5

The Group generated a total of 15.3 TWh in the quarter, an increase of 5%. The increase was mainly related to a very high Norwegian hydropower generation, partly offset by lower generation from gas-fired power plants following outage due to revision and fewer hours with positive spark spread.

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

TWh	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Generation, geography					
Norway	12.1	9.2	39.9	34.2	47.5
Sweden	1.6	1.6	5.1	5.5	7.4
Europe ex. Nordic	0.8	2.8	3.5	5.3	6.4
Rest of the world	0.8	1.0	2.9	3.3	4.1
Total generation	15.3	14.5	51.3	48.2	65.4

Financial performance

NOK million	Third quarter			Year to date			Year 2020
	2021	2020	Change	2021	2020	Change	
Net operating revenues and other income underlying	8 111	4 466	3 645	27 935	15 191	12 744	20 776
Operating profit/loss (EBIT) underlying	4 609	1 100	3 509	17 458	5 090	12 368	6 670
Operating profit/loss (EBIT) IFRS	8 468	2 643	5 825	20 616	5 393	15 224	5 749
Share of profit/loss in equity accounted investments	863	- 196	1 058	1 232	204	1 028	835
Net financial items	- 274	- 744	470	616	-4 367	4 982	-1 631
Profit/loss before tax	9 057	1 704	7 353	22 464	1 230	21 234	4 953
Tax expense	-4 101	- 438	-3 663	-10 266	-1 361	-8 905	-1 421
Net profit/loss	4 956	1 266	3 690	12 198	- 131	12 329	3 532

FINANCIAL PERFORMANCE THIRD QUARTER

The increase in underlying EBIT compared with the same quarter last year was mainly driven by significantly higher Nordic power prices and a very high Norwegian hydropower generation. This led to improved results from the segments European flexible generation and Industrial ownership. Furthermore, gains from divestments of three solar farms in Spain contributed positively. This increase was partly offset by negative results from the Market operations segment due to record-high prices for power and other power related commodities and high volatility in the forward markets.

Underlying operating expenses increased four per cent compared with the third quarter last year, primarily related to a higher number of full-time equivalents and an increased activity level in line with the growth strategy.

The EBIT IFRS was positively affected by gains from the divestment of the Andershaw wind farm and reversal of impairments for Nordic wind power farms and German gas-fired power plants.

The improvement in share of profit/loss in equity accounted investments was primarily related to reversal of impairments in India in the segment International power. In the comparable period there were impairments in Chile.

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

FINANCIAL PERFORMANCE YEAR TO DATE

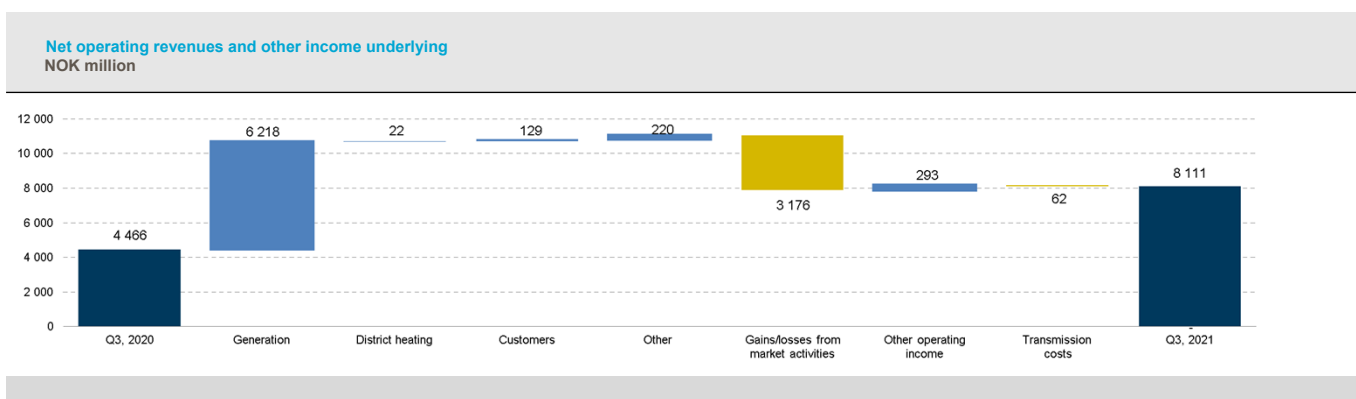
The increase in underlying EBIT compared with the first nine months of 2020 was primarily related to the segments European flexible generation and Industrial ownership and was driven by the high Nordic power prices and a very high Norwegian hydropower generation. The European wind and solar's gains from the divestments of solar farms in Spain also contributed to the improvement. The underlying EBIT for the Market operations segment was strong in the first half of 2021, but market developments in the third quarter more than offset this, leading to a negative underlying EBIT year to date.

The improvement in share of profit/loss in equity accounted investments was mainly related to the same factors as for the third quarter.

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

NET OPERATING REVENUES AND OTHER INCOME UNDERLYING

	Third quarter			Year to date			Year
NOK million	2021	2020	Change	2021	2020	Change	2020
Net operating revenues and other income							
Generation	10 204	3 940	6 264	26 537	11 916	14 621	16 367
District heating	138	104	34	748	529	218	773
Customers	7 267	2 836	4 431	18 106	9 019	9 087	13 579
Other	1 274	861	413	3 256	2 219	1 037	3 156
Sales revenues	18 883	7 741	11 142	48 647	23 683	24 963	33 875
Gains/losses from market activities	-2 433	743	-3 176	1 257	2 774	-1 518	3 619
Other operating income	380	87	293	650	303	347	566
Gross operating revenues and other income	16 830	8 571	8 259	50 553	26 761	23 792	38 060
Generation	- 777	- 730	- 46	-2 164	-1 307	- 857	-1 759
District heating	- 44	- 32	- 12	- 251	- 168	- 84	- 237
Customers	-7 191	-2 890	-4 301	-17 684	-8 701	-8 982	-13 175
Other	- 423	- 229	- 194	-1 322	- 673	- 649	-1 073
Energy purchase	-8 435	-3 882	-4 553	-21 421	-10 849	-10 572	-16 244
Transmission costs	- 285	- 223	- 62	-1 197	- 721	- 476	-1 040
Net operating revenues and other income	8 111	4 466	3 645	27 935	15 191	12 744	20 776



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

- Net operating revenues from Generation increased, mainly driven by significantly higher Nordic power prices and very high Norwegian hydropower generation.
- Net operating revenues from Other increased, mainly driven by the sale of three solar projects in Spain, partly offset by a termination fee related to a long-term power sales contract recognised in the comparable period.
- Gains/losses from market activities decreased, primarily due to negative results from the segment Market operations, partly offset by positive unrealised value changes from embedded derivatives linked to various commodities.
- Other operating income increased, mainly driven by recognition of a settlement for extended concessions in Brazil and income from sale of the three solar projects in Spain.

OPERATING EXPENSES UNDERLYING

	Third quarter			Year to date			Year
NOK million	2021	2020	Change	2021	2020	Change	2020
Operating expenses							
Salaries and payroll costs	-1 252	-1 142	- 110	-3 751	-3 329	- 422	-4 627
Depreciations and amortisations	- 984	- 958	- 26	-2 929	-3 038	110	-4 066
Property tax and licence fees	- 336	- 313	- 23	-1 011	- 945	- 66	-1 264
Other operating expenses	- 929	- 952	23	-2 786	-2 789	3	-4 150
Operating expenses	-3 501	-3 366	- 135	-10 477	-10 101	- 376	-14 106

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

ITEMS EXCLUDED FROM OPERATING PROFIT/LOSS (EBIT) UNDERLYING

The segment reporting is based on underlying figures, which is in accordance with how the corporate management makes, follows up and evaluates its decisions. Unrealised value changes from embedded EUR derivatives, gains/losses from divestments of business activities and impairments/reversal of impairments are excluded from operating profit/loss (EBIT) underlying. However, gains/losses from divestment of business from the Develop Sell (DS) and Develop Build Sell (DBS) portfolios are included in EBIT underlying. See section Segments in the quarterly financial statements as well as the Alternative Performance Measures section for further information.

NOK million	Third quarter			Year to date			Year
	2021	2020	Change	2021	2020	Change	2020
Items excluded from operating profit/loss (EBIT) underlying							
Unrealised value changes from embedded EUR derivatives	54	305	- 250	- 777	1 485	-2 262	339
Gains/losses from divestments of business activities	713	119	594	798	119	680	119
Impairments/reversal of impairments	3 092	1 120	1 972	3 137	-1 302	4 439	-1 379
Items excluded from operating profit/loss (EBIT) underlying	3 859	1 543	2 316	3 158	302	2 856	- 922

- Embedded EUR derivatives linked to long-term industry contracts had a slightly positive effect. This was mainly driven by a weakening of forward NOK against EUR.
- Gains/losses from divestments of business activities was related to divestment of the Andershaw wind farm in Scotland, see note 13.
- Impairments/reversal of impairments in the quarter was mainly related to gas-fired power plants in the segment European flexible generation and Nordic wind farms in the segment European wind and solar, see note 9.

NET FINANCIAL ITEMS

NOK million	Third quarter			Year to date			Year
	2021	2020	Change	2021	2020	Change	2020
Net financial items							
Net currency effects	- 154	- 617	462	662	-4 005	4 667	-1 520
Interest and other financial items	- 120	- 127	7	- 46	- 362	316	- 111
Net financial items	- 274	- 744	470	616	-4 367	4 982	-1 631

Net financial items third quarter

- Net currency losses in the quarter were related to a weakening of NOK against USD and were primarily related to external debt.

Net financial items year to date

- Net currency gains year to date of NOK 662 million were primarily related to a strengthening of NOK against EUR.
- Interest and other financial items increased mainly due to positive value changes on interest rate derivatives.

TAX EXPENSE

NOK million	Third quarter			Year to date			Year 2020
	2021	2020	Change	2021	2020	Change	
Tax expense							
Profit/loss before tax	9 057	1 704	7 353	22 464	1 230	21 234	4 953
Nominal tax rate in Norway	22%	22%	0%	22%	22%	0%	22%
Tax calculated at nominal Norwegian tax rate	1 993	375	1 618	4 942	271	4 672	1 090
Tax on share of profit/loss in equity accounted investments	- 190	43	- 233	- 271	- 45	- 226	- 184
Resource rent tax payable	1 978	219	1 759	4 405	968	3 436	1 282
Resource rent tax deferred	792	52	740	1 338	480	858	- 94
Other differences from the nominal Norwegian tax rate	- 472	- 251	- 221	- 147	- 313	165	- 673
Tax expense	4 101	438	3 663	10 266	1 361	8 905	1 421
Effective tax rate	45.3%	25.7%	19.6%	45.7%	110.6%	-64.9%	28.7%

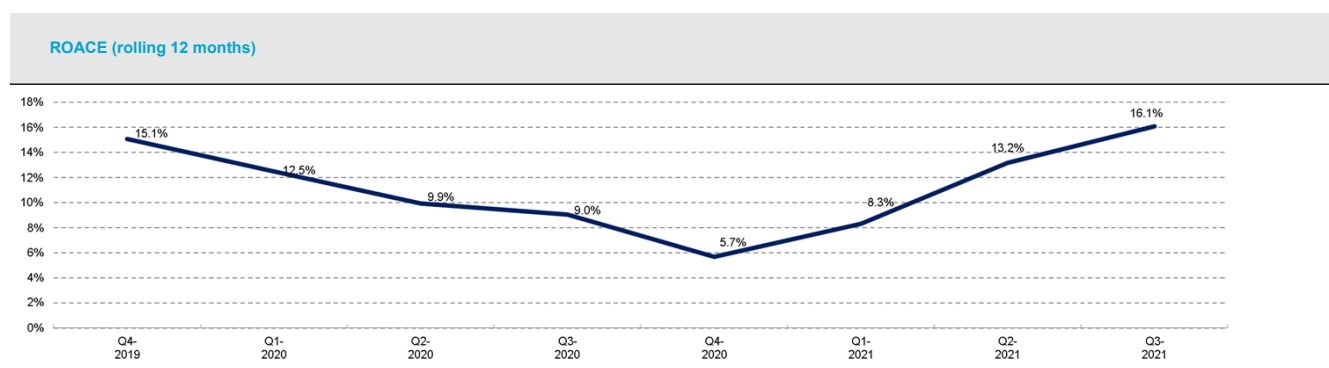
Tax expense third quarter

- Resource rent tax payable increased, mainly due to significantly higher Norwegian power prices and higher generation. This was partly offset by higher taxable deductions due to changes in resource rent tax regulations. From 2021 onwards, all new investments related to Norwegian hydropower generation can be deducted immediately for resource rent tax purposes.
- Resource rent tax deferred increased, mainly due to unrealised value changes related to embedded derivatives and higher utilisation of resource rent tax carryforwards.
- Other differences from the nominal Norwegian tax rate in the quarter were mainly due to changes in unrecognised deferred tax assets.

Tax expense year to date

- Resource rent tax payable increased, mainly due to significantly higher Norwegian power prices and higher generation.
- Resource rent tax deferred increased, mainly due to higher utilisation of resource rent tax carryforwards and effects from higher taxable deductions related to new investments from 2021.
- Other differences from the nominal Norwegian tax rate year to date were mainly due to changes in unrecognised deferred tax assets.
- On 11 May, a new proposal regarding changes in resource rent tax with effect from the financial year 2021 was published. Statkraft is in the process of evaluating financial effects of an enforcement of this proposal.

RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)



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

CASH FLOW

NOK million	Third quarter			Year to date			Year
	2021	2020	Change	2021	2020	Change	2020
Cash flow							
Operating activities	9 887	8 652	1 236	19 800	6 498	13 302	11 631
Investing activities	- 483	-3 001	2 518	-2 207	-4 857	2 650	-7 226
Financing activities	-1 387	-7 420	6 033	-3 083	-8 699	5 616	-8 279
Net change in cash and cash equivalents	8 017	-1 769	9 786	14 510	-7 058	21 568	-3 874
Cash and cash equivalents (incl. restricted cash) at period end				25 674	8 102	17 572	11 155

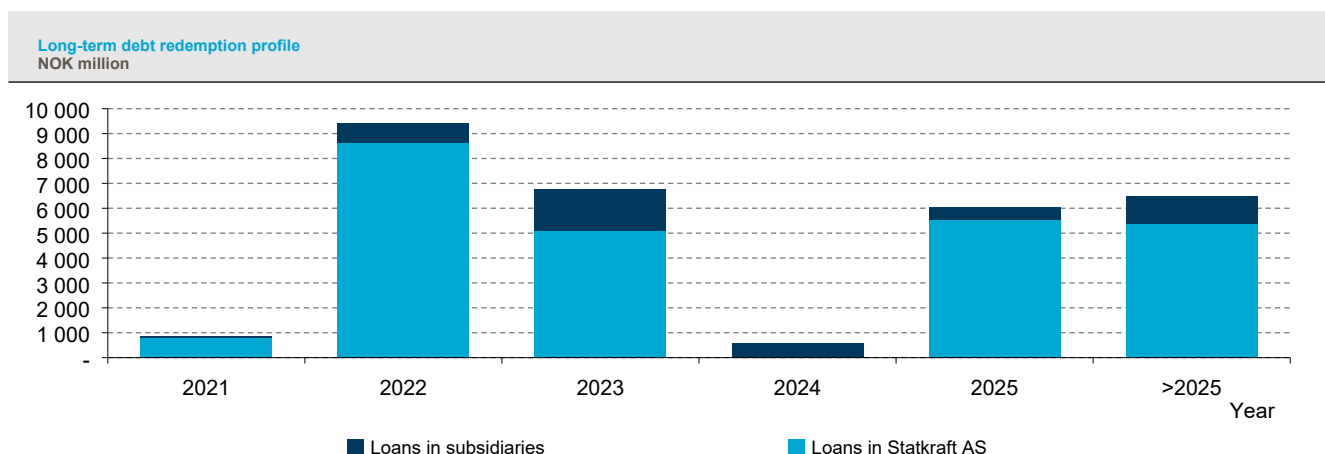
Cash flow third quarter

- The quarterly EBIT (IFRS) of NOK 8468 million and cash inflow from cash collaterals, margin calls and option premiums of NOK 892 million, somewhat offset by working capital changes of NOK -868 million contributed to a solid quarterly cash flow from operating activities of NOK 9887 million. Non-cash elements related to negative unrealised effects of NOK 4582 and positive net depreciations, amortisations, impairments and reversal of impairments of NOK 2107 million are included in EBIT (IFRS), and also contribute to the difference between EBIT (IFRS) and cash flow from operating activities.
- The negative cash flow from investing activities was mainly due to investments in property, plant and equipment of NOK 1936 million, partly offset by the divestment of the Andershaw wind farm in the UK with a net cash inflow of NOK 1252 million.
- The negative cash flow from financing activities was mainly due to dividend paid of NOK 3673 and repayment of debt of NOK 1193 million, partly offset by new debt of NOK 3436 million.

Cash flow year to date

- The year to date EBIT (IFRS) of NOK 20 616 million, which was partly offset by taxes paid of NOK 2937 million and changes in working capital of NOK -1853 million contributed to a solid cash flow from operating activities of NOK 19 800 million. Non-cash elements related to negative unrealised effects of NOK 4588 million are included in EBIT (IFRS), and also contributes to the difference between EBIT (IFRS) and cash flow from operating activities.
- The negative cash flow from investing activities was mainly due to investments in property, plant and equipment, partly offset by the divestments of Roan and Andershaw.
- The negative cash flow from financing activities was mainly due to dividend paid and repayment of debt, partly offset by new debt.

INTEREST-BEARING DEBT REPAYMENT PLAN ¹⁾



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

At the end of the quarter, Statkraft had the following financial structure:

- Net interest-bearing liabilities were NOK 12 295 million.
- Net interest-bearing liabilities - equity ratio was 10.4%.

INVESTMENTS

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

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

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

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

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

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

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

INVESTMENTS THIRD QUARTER

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

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

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities
Third quarter 2020								
New capacity	1 359	45	- 2	283	913	52	72	- 4
Maintenance	553	411	-	18	-	-	115	8
Other	249	6	6	18	151	-	35	34
Investments in PPE and intangible assets	2 161	462	4	319	1 064	52	222	38
New capacity for subsequent divestment (DS/DBS)								
	-	-	-	-	-	-	-	-
Shareholdings, consolidated	143	-	-	-	143	-	-	-
Shareholdings, equity accounted	-	-	-	-	-	-	-	-
Shareholdings, financial non-current	20	-	-	-	-	-	-	20
Investments in shareholdings	163	-	-	-	143	-	-	20
Total investments	2 323	462	3	320	1 207	52	222	57
Year to date 2020								
New capacity	3 333	135	-	860	1 927	133	278	-
Maintenance	1 496	1 109	-	39	-	-	331	16
Other	544	34	8	42	270	-	86	104
Investments in PPE and intangible assets	5 373	1 278	8	941	2 197	133	695	120
New capacity for subsequent divestment (DS/DBS)								
	-	-	-	-	-	-	-	-
Shareholdings, consolidated	459	-	-	-	459	-	-	-
Shareholdings, equity accounted	98	-	-	43	-	-	-	56
Shareholdings, financial non-current	56	-	-	-	-	-	-	56
Investments in shareholdings	613	-	-	43	459	-	-	112
Total investments	5 985	1 278	8	983	2 657	133	695	231

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities
The year 2020								
New capacity ¹⁾	4 103	185	-	1 064	2 263	203	388	-
Maintenance	2 275	1 646	-	118	3	13	494	1
Other	753	49	13	60	294	-	132	205
Investments in PPE and intangible assets	7 131	1 880	13	1 242	2 560	216	1 014	206
New capacity for subsequent divestment (DS/DBS) ¹⁾								
	413	-	-	-	413	-	-	-
Shareholdings, consolidated	1 923	-	-	-	1 850	-	-	73
Shareholdings, equity accounted	345	-	-	43	-	-	-	302
Shareholdings, financial non-current	89	-	-	-	-	-	-	89
Investments in shareholdings	2 357	-	-	43	1 850	-	-	464
Total investments	9 901	1 880	13	1 286	4 822	216	1 014	670

¹⁾ With the introduction of the new business model (DS/DBS) in the segment European wind and solar from the fourth quarter 2020, related investments are presented separately in this overview. The change was implemented prospectively. Thus, only investments for the fourth quarter 2020, previously reported as "investments in new capacity" are presented separately in the overview of investments for the full year 2020.

Projects in consolidated operations ¹⁾

Third quarter	Project	Business model ²⁾	Country	New capacity (MW) ³⁾	Statkraft's ownership share	Planned completion	
Committed investments in the period							
Solar power	Nellai	BOO	India	76	100%	2022	Q4
	South Meath	DBS	Ireland	80	100%	2023	Q2
Main construction projects							
Hydropower	Songa and Trolldalen Dams	n/a	Norway	-	100%	2021	Q4
	Tidong	BOO	India	150	100%	2022	Q4
	Los Lagos	BOO	Chile	52	100%	2023	Q4
	Straumsmo	n/a	Norway	-	100%	2024	Q1
	Tokke-Vinje	n/a	Norway	-	100%	2025	Q2
	Eringsdalen and Nordalen Dams	n/a	Norway	-	100%	2025	Q4
	Trollheim Dam	n/a	Norway	-	100%	2026	Q3
Wind power	Windy Rig	DBS	UK	43	100%	2021	Q4
	Twentyshilling	DBS	UK	38	100%	2022	Q1
	Cloghan	DBS	Ireland	34	100%	2022	Q4
	Taghart	DBS	Ireland	23	100%	2022	Q4
	Torsa	BOO	Chile	108	100%	2022	Q4
	Ventos de Santa Eugenia	BOO	Brazil	519	100%	2023	Q2
Solar power	Ballymacarney	DBS	Ireland	200	100%	2022	Q3
Other technologies	Lister Drive Greener Grid Park ⁴⁾	BOO	UK	-	100%	2022	Q1

¹⁾ Projects with an estimated CAPEX of at least NOK 300 million.

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

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

⁴⁾ Grid network rotating stabilisers.

Segments

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

The reportable segments are defined as:

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

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

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

European wind and solar includes development and construction of onshore wind and solar power plants with the intention to divest the power plants either before, at the time of, or shortly after completion (DS/DBS). The segment has development and construction activities in several countries in Europe. The segment also includes asset ownership and operation of wind farms in Norway, Sweden and Ireland, as well as development and construction of grid service assets in the UK and Ireland.

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

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

In addition:

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

Group items includes eliminations.

	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter									
Income statement									
Gross operating revenues and other income underlying	16 830	10 586	3 849	637	827	128	1 184	474	- 855
Net operating revenues and other income underlying	8 111	9 497	-3 657	293	775	87	1 141	427	- 452
EBITDA underlying	5 594	8 429	-3 989	39	453	7	836	- 135	- 46
Operating profit/loss (EBIT) underlying	4 609	7 956	-3 997	- 118	349	- 42	705	- 197	- 47
Operating profit/loss (EBIT) IFRS	8 468	9 030	-3 997	- 186	3 203	- 43	705	- 197	- 47
Key financial metrics									
Operating profit/loss (EBIT) margin underlying	27.4%	75.2%	-103.8%	-18.6%	42.2%	-32.5%	59.6%	n/a	n/a
ROACE	16.1%	29.9%	n/a	0.1%	-2.3%	3.3%	14.9%	n/a	n/a
ROAE	13.7%	n/a	n/a	32.7%	-7.7%	n/a	12.1%	n/a	n/a
Investments									
Total investments	2 676	603	4	591	1 064	49	224	142	-
Generation and district heating									
Generation, volume sold (TWh)	15.3	12.5	-	1.0	0.7	-	1.1	-	-
- hydropower (TWh)	13.9	11.9	-	0.9	-	-	1.1	-	-
- wind power (TWh)	0.8	-	-	0.1	0.7	-	-	-	-
- gas-fired power (TWh)	0.5	0.5	-	-	-	-	-	-	-
- biomass and solar power (TWh)	0.1	0.1	-	-	-	-	-	-	-
Delivered volume, district heating (TWh)	0.1	-	-	-	-	0.1	0.0	-	-

EUROPEAN FLEXIBLE GENERATION

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	10 586	3 886	25 588	10 941	14 342
Net operating revenues and other income	9 497	2 890	22 158	8 848	11 401
Operating expenses	-1 541	-1 596	-4 643	-4 591	-6 407
Operating profit/loss (EBIT) underlying	7 956	1 295	17 515	4 257	4 995
Unrealised value changes from embedded EUR derivatives	54	305	- 777	1 485	339
Impairments/reversal of impairments	1 020	1 570	1 020	1 708	1 708
Operating profit/loss (EBIT) IFRS	9 030	3 169	17 757	7 451	7 041
Share of profit/loss in equity accounted investments	-	-	-	3	16
ROACE (rolling 12 months)			29.9%	12.8%	8.3%
Total investments	603	462	1 643	1 278	1 880
Generation (TWh)	12.5	11.5	40.6	37.3	50.4

Key events

- Boliden has decided to invest in the expansion of Boliden Odda. The investment decision is the first of three conditions precedent for a new and extended contract between Statkraft and Boliden, extending both volume and duration. Current volume is 0.9 TWh/year to 2030. The new contract will increase the volume to 1.6 TWh/year from 2024 to 2038, given that the last two conditions are met.
- It has been decided to refurbish and upgrade the Hammarforsen power plant. This will increase the installed capacity from 78 MW to 92 MW.
- Reversal of impairments of NOK 1020 million related to gas-fired power plants in Germany, see note 9.

Quarterly financial performance

- The increase in underlying EBIT was driven by significantly higher Nordic power prices and higher Norwegian hydropower generation, which led to a strong result for the quarter. In addition, favourable movements of the segment's embedded derivatives linked to various commodities contributed positively to the increased underlying EBIT.

Year to date financial performance

- The increase in underlying EBIT was driven by the same factors as for the third quarter.

Financial metrics

- ROACE was 29.9%, an increase from last quarter, driven by a significantly higher underlying EBIT.

Quarterly investments

- The investments were mainly related to maintenance.

MARKET OPERATIONS

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	3 849	3 499	17 785	11 816	17 980
Net operating revenues and other income	-3 657	513	- 729	2 735	4 304
Operating expenses	- 340	- 402	-1 266	-1 288	-1 777
Operating profit/loss (EBIT) underlying	-3 997	110	-1 995	1 447	2 527
Unrealised value changes from embedded EUR derivatives	-	-	-	-	-
Impairments/reversal of impairments	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	-3 997	110	-1 995	1 447	2 527
Share of profit/loss in equity accounted investments	-	-	-	1	1
ROACE (rolling 12 months)			n/a	n/a	n/a
Total investments	4	3	11	8	13
Generation (TWh)	-	-	-	-	-

Key events

- Statkraft has signed a 10-year power supply agreement with Neste in Finland, with an estimated volume of 215 GWh per year.

Quarterly financial performance

- The decrease in underlying EBIT was driven by record-high prices for power and other power-related commodities and high volatility in the forward markets. These price movements led to the negative underlying EBIT from the trading and dynamic asset management portfolios.

Year to date financial performance

- The decrease in underlying EBIT was mainly influenced by the market developments that started in mid-September.

INTERNATIONAL POWER

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	637	675	1 974	2 282	2 902
Net operating revenues and other income	293	577	1 237	1 883	2 314
Operating expenses	- 411	- 438	-1 200	-1 460	-1 909
Operating profit/loss (EBIT) underlying	- 118	140	37	423	405
Gains/losses from divestments of business activities	- 4	119	- 4	119	119
Impairments/reversal of impairments	- 64	110	- 73	105	45
Operating profit/loss (EBIT) IFRS	- 186	368	- 41	647	569
Share of profit/loss in equity accounted investments	680	- 640	697	- 617	- 539
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	-	-	-
ROACE (rolling 12 months)			0.1%	1.8%	1.6%
ROAE (rolling 12 months)			32.7%	32.7%	-19.8%
Total investments	591	320	1 154	983	1 286
Generation (TWh)	1.0	1.2	3.6	3.7	4.7

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

Key events

- Statkraft has made a final investment decision for Nellai solar project in India of 76 MWp, which is expected to commence operations in Q4 2022.
- Statkraft was awarded power sales agreements in an auction for the Morro do Cruzeiro wind project (79 MW) in Brazil, for 30% of the volume over 15 years.

Quarterly financial performance

- The underlying EBIT decreased mainly due to negative unrealised effects from energy contracts in Albania, dry hydrology in Turkey and higher energy purchase costs in Chile. This was partly offset by increased income from the recognition of a settlement for extended concessions in Brazil.
- The increase in share of profit/loss in equity accounted investments was due to reversal of impairments in India, driven by higher prices. See note 9.

Year to date financial performance

- The underlying EBIT decreased mainly due to the same factors as for the third quarter, in addition to effects from deconsolidation of Himal Power from the third quarter in 2020.

Financial metrics

- ROACE was 0.1%. The decrease from last quarter was mainly due to a lower underlying EBIT.
- ROAE was 32.7%, a significant increase from last quarter, which was mainly driven by reversal of impairments in India in the third quarter of 2021.

Quarterly investments

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

EUROPEAN WIND AND SOLAR

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	827	123	1 622	521	767
Net operating revenues and other income	775	107	1 320	470	659
Operating expenses	- 426	- 354	-1 270	- 944	-1 452
Operating profit/loss (EBIT) underlying	349	- 247	50	- 473	- 793
Gains/losses from divestments of business activities	717	-	802	-	0
Impairments/reversal of impairments	2 137	- 559	2 194	-3 110	-3 126
Operating profit/loss (EBIT) IFRS	3 203	- 806	3 046	-3 583	-3 919
Share of profit/loss in equity accounted investments	- 2	2	- 81	- 11	8
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	21	-	-
ROACE (rolling 12 months)			-2.3%	-5.2%	-8.3%
ROAE (rolling 12 months)			-7.7%	0.9%	0.9%
Total investments	1 064	1 207	2 231	2 657	4 822
Generation (TWh)	0.7	0.7	2.3	2.8	3.9

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

Key events

- An agreement to acquire a total of 43 operating wind farms (346 MW) in Germany and France was signed. See note 14.
- The Andershaw wind farm (36 MW) in Scotland was divested. See note 13.
- Agreements to sell four solar farms (234 MWp) in Spain were signed, of which three were closed in the quarter. See note 13.
- A put/call option agreement to sell four solar projects (200 MWp) in Ireland was signed.
- The Norwegian Supreme court ruled the concession and expropriation decision of 2013 for Storheia and Roan wind farms as invalid. See note 12.

Quarterly financial performance

- The increase in underlying EBIT was mainly driven by the sale of solar farms in Spain and higher revenues from power generation due to significantly higher power prices. This was partly offset by increased operating expenses, primarily due to newly acquired business and business development costs.

Year to date financial performance

- The increase in underlying EBIT was mainly driven by the same factors as for the third quarter.

Financial metrics

- ROACE was -2.3%. The increase from the previous quarter was primarily due to a higher underlying EBIT.
- ROAE was -7.7%, a slight decrease from the previous quarter.

Quarterly investments

- The investments were mainly related to development and construction of wind- and solar projects to be divested (DS/DBS), primarily in Ireland, Spain and the Netherlands, as well as grid service projects in Ireland and UK.

DISTRICT HEATING

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	128	102	679	471	686
Net operating revenues and other income	87	74	459	330	488
Operating expenses	- 129	- 117	- 366	- 339	- 471
Operating profit/loss (EBIT) underlying	- 42	- 43	93	- 9	17
Impairments/reversal of impairments	- 1	- 1	- 3	- 5	- 6
Operating profit/loss (EBIT) IFRS	- 43	- 44	90	- 14	10
Share of profit/loss in equity accounted investments	-	-	-	-	-
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	-	-	-
ROACE (rolling 12 months)			3.3%	2.8%	0.5%
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	49	52	157	133	215
Delivered volume (TWh)	0.1	0.1	0.7	0.6	0.9

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

Quarterly financial performance

- Underlying EBIT was on par with the third quarter in 2020. Higher heating prices due to significantly higher Norwegian power prices had a positive effect on the revenues, while operating expenses increased, mainly due to a higher number of full-time equivalents.

Year to date financial performance

- Underlying EBIT increased due to both higher heating prices and delivered volume. The prices increased due to significantly higher Norwegian power prices, while the volume increased due to lower temperatures during the winter season.

Financial metrics

- ROACE was stable compared with the previous quarter. The increase compared with last year was driven by a higher underlying EBIT. The average capital employed was on par.

Quarterly investments

- The investments were primarily related to pipelines and modifications of existing assets in Norway.

INDUSTRIAL OWNERSHIP

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	1 184	326	3 724	1 398	2 120
Net operating revenues and other income	1 141	315	3 483	1 309	1 975
Operating expenses	- 436	- 409	- 1 220	- 1 166	- 1 592
Operating profit/loss (EBIT) underlying	705	- 94	2 262	143	382
Impairments/reversal of impairments	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	705	- 94	2 262	143	382
Share of profit/loss in equity accounted investments	210	464	684	906	1 472
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	-	-	-
ROACE (rolling 12 months)			14.9%	4.1%	2.3%
ROAE (rolling 12 months)			12.1%	16.0%	15.4%
Total investments	224	222	789	695	1 014
Generation (TWh)	1.1	1.1	4.8	4.4	6.4

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

Quarterly financial performance

- Underlying EBIT increased, mainly due to significantly higher Norwegian (NO2) power prices.
- Share of profit/loss in equity accounted investments decreased, mainly due to positive one-off effects in the comparable period related to the sale of shares in Fjordkraft, partly offset by significantly higher Norwegian power prices.

Year to date financial performance

- The underlying EBIT increased mainly due to the same factors as for the third quarter.
- The decrease in share of profit/loss from equity accounted investments was mainly driven by the same factors as for the third quarter.

Financial metrics

- ROACE was 14.9%, an increase from the previous quarter, driven by a significantly higher underlying EBIT.
- ROAE was 12.1%, a decrease from the previous quarter, mainly due to a lower share of profit from BKK.

Quarterly investments

- The investments were primarily related to grid activities.

OTHER ACTIVITIES

NOK million	Third quarter		Year to date		Year
	2021	2020	2021	2020	2020
Gross operating revenues and other income	474	441	1 376	1 161	1 594
Net operating revenues and other income	427	400	1 241	1 037	1 390
Operating expenses	- 624	- 495	- 1 780	- 1 486	- 2 075
Operating profit/loss (EBIT) underlying	- 197	- 95	- 539	- 448	- 685
Operating profit/loss (EBIT) IFRS	- 197	- 95	- 539	- 448	- 685
Share of profit/loss in equity accounted investments	- 25	- 22	- 68	- 78	- 123
Gains/losses from divestments of equity accounted investments ¹⁾	-	-	-	-	-
Total investments	142	57	615	231	670

¹⁾ Included in Interest and other financial items.

Key events

- Statkraft has established the company HEGRA with 33% ownership as a collaborative project together with Yara and Aker to produce green ammonia in Norway.

Quarterly financial performance

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

Year to date financial performance

- The decrease in underlying EBIT was driven by the same factors as for the third quarter.

Quarterly investments

- The investments were primarily related to EV charging businesses and investments made by Statkraft Ventures.

Outlook

The Nordic power prices have increased significantly from the very low levels last year. Also in the other European markets where Statkraft has power generation there has been a substantial increase in power prices. The market expects this to continue in the short to medium term due to high forward prices for gas, coal and CO₂. In addition, reservoir levels in the Nordics are below normal.

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

Statkraft also has a large volume of long-term power contracts within the segments European flexible generation and International power. These contracts have a stabilising effect on revenues. Statkraft will continue to offer new contracts to maintain the position as a competitive supplier to the industry in Norway.

The strong recovery of the Nordic power prices and successful energy management have led to record-high results so far in 2021. This has had a positive effect on the investment capacity and Statkraft is planning net investments of more than NOK 13 billion annually in renewable energy in the coming years. The investment programme has a large degree of flexibility and will be financed by retained earnings, external financing and divestments. The strategic growth target of developing 9 GW by 2025 is likely to be met. Statkraft has a solid financial foundation to deliver on the growth strategy and aims to be a major wind- and solar developer with a development rate of 2.5–3 GW per year by 2025. Statkraft's ambition is to maintain the position as the largest generator of renewable energy in Europe and to be a significant player in South America and India through investments in renewable energy. This will contribute to lowering carbon emissions in the race to fight climate change.

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

Oslo, 3 November 2021
The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

NOK million	Third quarter		Year to date		The year
	2021	2020	2021	2020	2020
STATEMENT OF COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	18 883	7 741	48 647	23 683	33 875
Gains/losses from market activities	-2 379	1 047	479	4 260	3 958
Other operating income	1 098	206	1 453	422	685
Gross operating revenues and other income	17 602	8 994	50 579	28 365	38 518
Energy purchase	-8 435	-3 882	-21 421	-10 849	-16 244
Transmission costs	-285	-223	-1 197	-721	-1 040
Net operating revenues and other income	8 883	4 889	27 961	16 795	21 234
Salaries and payroll costs	-1 252	-1 142	-3 751	-3 329	-4 627
Depreciations and amortisations	-984	-958	-2 929	-3 038	-4 066
Impairments/reversal of impairments	3 092	1 120	3 137	-1 302	-1 379
Property tax and licence fees	-336	-313	-1 011	-945	-1 264
Other operating expenses	-934	-952	-2 791	-2 789	-4 150
Operating expenses	-414	-2 246	-7 345	-11 403	-15 485
Operating profit/loss (EBIT)	8 468	2 643	20 616	5 393	5 749
Share of profit/loss in equity accounted investments	863	-196	1 232	204	835
Net currency effects	-154	-617	662	-4 005	-1 520
Interest and other financial items	-120	-128	-46	-362	-111
Net financial items	-274	-745	616	-4 367	-1 631
Profit/loss before tax	9 057	1 704	22 464	1 230	4 953
Tax expense	-4 101	-438	-10 266	-1 361	-1 421
Net profit/loss	4 956	1 266	12 198	-131	3 532
Of which non-controlling interest	104	-20	354	163	213
Of which owners of the parent	4 852	1 286	11 844	-295	3 319
OTHER COMPREHENSIVE INCOME (OCI)					
Items in other comprehensive income that recycle over profit/loss:					
Items recorded in other comprehensive income in equity accounted investments	-	1	25	-45	-13
Recycling of currency translation effects related to foreign operations disposed	-32	-132	-32	-132	-132
Currency translation effects	76	-203	-1 118	4 420	1 092
Total	44	-334	-1 125	4 243	947
Items in other comprehensive income that will not recycle over profit/loss:					
Changes in fair value of financial instruments, net of tax	42	-4	38	-4	-4
Estimate deviation pension in equity accounted investments	-47	27	5	-153	-14
Estimate deviation pension, net of tax	-219	-305	-109	-1 032	-475
Total	-225	-282	-67	-1 188	-492
Other comprehensive income	-181	-616	-1 191	3 055	456
Total comprehensive income	4 775	650	11 007	2 924	3 988
Of which non-controlling interest	55	-60	354	33	29
Of which owners of the parent	4 720	709	10 653	2 891	3 959

NOK million	30.09.2021	30.09.2020	31.12.2020
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Deferred tax assets	1 124	2 034	1 658
Intangible assets	4 225	4 701	4 113
Property, plant and equipment	114 205	114 132	112 057
Equity accounted investments	14 264	12 836	13 492
Derivatives	28 282	9 945	7 406
Other non-current assets	6 444	5 455	6 338
Non-current assets	168 543	149 103	145 064
Inventories	6 626	2 174	6 363
Receivables	26 974	14 236	13 659
Financial investments	655	584	606
Derivatives	43 490	3 617	4 410
Cash and cash equivalents (incl. restricted cash)	25 674	8 102	11 155
Current assets	103 419	28 713	36 193
Assets	271 963	177 816	181 257
EQUITY AND LIABILITIES			
Paid-in capital	59 219	59 219	59 219
Other reserves	3 636	7 997	4 733
Retained earnings	37 927	25 557	29 888
Total equity attributable to owners of the parent	100 782	92 773	93 840
Non-controlling interest	4 681	4 192	4 189
Equity	105 463	96 965	98 028
Deferred tax	11 306	11 648	10 596
Pension liabilities	3 516	3 808	3 357
Interest-bearing liabilities	29 060	31 235	28 297
Derivatives	34 092	7 183	7 778
Other non-current liabilities	7 111	5 282	7 575
Non-current liabilities	85 085	59 156	57 604
Interest-bearing liabilities	9 502	3 418	6 144
Taxes payable	9 172	3 067	3 412
Derivatives	50 040	6 648	5 639
Other current liabilities	12 701	8 562	10 431
Current liabilities	81 415	21 695	25 625
Equity and liabilities	271 963	177 816	181 257

NOK million	Paid-in capital	Hedging reserves and profit and loss reserves shares	Accumulated translation differences	Other reserves	Retained earnings	Total equity attributable to owner of parent	Non-controlling interests	Total equity
STATEMENT OF CHANGES IN EQUITY								
Balance as of 31.12.2019	59 219	- 187	3 814	3 627	33 537	96 383	4 382	100 764
Net profit/loss	-	-	-	-	- 295	- 295	164	- 131
Total other comprehensive income	-	- 48	4 418	4 370	-1 185	3 186	- 131	3 055
Total comprehensive income for the period	-	- 48	4 418	4 370	-1 479	2 891	33	2 924
Dividend	-	-	-	-	-6 500	-6 500	- 217	-6 717
Business combinations/divestments	-	-	-	-	-	-	- 6	- 6
Balance as of 30.09.2020	59 219	- 235	8 232	7 997	25 557	92 773	4 192	96 965
Balance as of 31.12.2019	59 219	- 187	3 814	3 627	33 537	96 383	4 382	100 764
Net profit/loss	-	-	-	-	3 319	3 319	213	3 532
Total other comprehensive income	-	- 16	1 122	1 107	- 467	640	- 184	456
Total comprehensive income for the period	-	- 16	1 122	1 107	2 852	3 958	29	3 988
Dividend	-	-	-	-	-6 500	-6 500	- 217	-6 718
Business combinations/divestments	-	-	-	-	-	-	- 6	- 6
Balance as of 31.12.2020	59 219	- 203	4 936	4 733	29 888	93 840	4 188	98 028
Net profit/loss	-	-	-	-	11 844	11 844	355	12 198
Total other comprehensive income	-	56	-1 153	-1 097	- 94	-1 191	- 1	-1 191
Total comprehensive income for the period	-	56	-1 153	-1 097	11 750	10 653	354	11 008
Dividend	-	-	-	-	-3 673	-3 673	- 91	-3 763
Transactions with non-controlling interests	-	-	-	-	- 38	- 38	133	95
Business combinations/divestments	-	-	-	-	-	-	97	97
Balance as of 30.09.2021	59 219	- 147	3 783	3 636	37 928	100 782	4 681	105 463

NOK million	Third quarter		Year to date		The year
	2021	2020	2021	2020	2020
STATEMENT OF CASH FLOW					
CASH FLOW FROM OPERATING ACTIVITIES					
Operating profit/loss (EBIT)	8 468	2 643	20 616	5 393	5 749
Depreciations, amortisations and impairments	-2 107	- 161	- 208	4 340	5 445
Gains/losses from divestments and disposals of assets	- 736	- 114	- 815	- 110	- 64
Unrealised effects included in operating profit/loss (EBIT)	4 582	140	4 588	- 911	1 431
Dividends from equity accounted investments	15	-	561	554	597
Changes in working capital ¹⁾	- 868	3 054	-1 853	1 370	1 381
Cash collateral, margin calls and option prepayments	892	602	318	1 437	659
Cash effects from foreign exchange derivatives related to operations	- 118	126	- 135	94	- 49
Effects from prepayments from customers	- 65	2 407	- 225	2 407	4 733
Taxes paid	- 143	- 190	-2 937	-8 000	-8 421
Other changes	- 34	145	- 110	- 77	170
Cash flow from operating activities	A	9 887	8 652	19 800	6 497
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in property, plant and equipment and intangible assets	-1 936	-2 933	-4 781	-5 684	-7 124
Divestment of shares in subsidiaries, net liquidity inflow	1 288	-	2 424	7	7
Acquisitions of shares in subsidiaries, net liquidity outflow	- 11	- 98	-108	- 418	-1 308
Loans and interest related to equity accounted investments	10	33	66	94	136
Sale of development and construction projects classified as inventories (DS/DBS)	181	-	208	-	-
Other investments	- 15	- 3	- 17	1 143	1 062
Cash flow from investing activities	B	-483	-3 001	-4 857	-7 226
CASH FLOW FROM FINANCING ACTIVITIES					
New debt	3 436	288	3 816	3 756	4 092
Repayment of debt	-1 193	- 939	-3 358	-4 593	-4 759
Cash collateral related to financing	146	- 212	328	- 641	- 266
Interests paid	- 117	- 51	- 350	- 615	- 765
Interests received from cash and other assets	29	- 20	81	112	136
Dividend and group contribution paid to Statkraft SF	-3 673	-6 362	-3 673	-6 500	-6 500
Transactions with non-controlling interests	- 14	- 124	73	- 218	- 218
Cash flow from financing activities	C	-1 387	-7 420	-8 699	-8 279
Net change in cash and cash equivalents	A+B+C	8 017	-1 769	14 510	-3 874
Currency exchange rate effects on cash and cash equivalents	- 61	- 69	8	- 43	- 174
Cash and cash equivalents 01.07 / 01.01	17 719	9 940	11 155	15 203	15 203
Cash and cash equivalents 30.09 / 31.12	25 674	8 102	25 674	8 102	11 155
Of which are cash and cash equivalents in joint operations	286	411	286	411	194
Unused committed credit lines			9 167	11 167	9 194
Unused overdraft facilities			2 051	1 085	2 023
Restricted cash			62	29	31

¹⁾ Includes NOK -514 million and NOK -1225 million in cash outflow from investments in development and construction projects intended to divest (DS/DBS) for the quarter and year to date 2021, respectively. Comparable figures for the year 2020 are restated by reclassifying NOK 413 million in cash outflow from investments in property, plant and equipment and intangible assets under investing activities to changes in working capital under operating activities. See also note 5.

NOK million	Third quarter		Year to date		The year
	2021	2020	2021	2020	2020
Reconciliation of investments in property, plant and equipment and intangible assets					
Investments in property, plant and equipment and intangible assets in the cash flow	1 936	2 933	4 781	5 684	7 124
Capitalised borrowing costs	23	26	64	86	113
Capitalised decommissioning provisions	-	14	23	21	42
Non-cash additions from right-of-use assets	477	17	799	45	78
Timing differences between capitalisation and payment date	- 310	- 827	- 664	- 462	- 225
Investments in property, plant and equipment and intangible assets in the Investments overview	2 126	2 163	5 003	5 373	7 131

Segments

The segment reporting is based on underlying figures, which is in accordance with how the corporate management makes, follows up and evaluates its decisions. The tables on the next page show the reconciliation of the IFRS figures versus the underlying figures.

THIRD QUARTER 2021

The items below are excluded from the underlying figures:

1. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK -54 million)
2. **Other operating income:** Gains from divestments of business activities that are not classified as DS/DBS. (NOK -718 million)
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK -3092 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS. (NOK 5 million)

YEAR TO DATE 2021

The items below are excluded from the underlying figures:

1. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK 777 million)
2. **Other operating income:** Gains from divestments of business activities that are not classified as DS/DBS. (NOK -803 million)
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK -3137 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS. (NOK 5 million)

THE YEAR 2020

The items below were excluded from the underlying figures:

1. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK -339 million)
2. **Other operating income:** Gains from divestments of business activities that are not classified as DS/DBS. (NOK -119 million)
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK 1379 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS.

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Third quarter 2021			Third quarter 2020		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues	18 883		18 883	7 741		7 741
Gains/losses from market activities	-2 379	- 54	-2 433	1 047	- 305	743
Other operating income	1 098	- 718	380	206	- 119	87
Gross operating revenues and other income	17 602	- 772	16 830	8 994	- 423	8 571
Energy purchase ¹⁾	-8 435		-8 435	-3 882		-3 882
Transmission costs	- 285		- 285	- 223		- 223
Net operating revenues and other income	8 883	- 772	8 111	4 889	- 423	4 466
Salaries and payroll costs	-1 252		-1 252	-1 142		-1 142
Depreciations and amortisations	- 984		- 984	- 958		- 958
Impairments/reversal of impairments	3 092	-3 092	-	1 120	-1 120	-
Property tax and licence fees	- 336		- 336	- 313		- 313
Other operating expenses ¹⁾	- 934	5	- 929	- 952	-	- 952
Operating expenses	- 414	-3 087	-3 501	-2 246	-1 120	-3 366
Operating profit/loss (EBIT)	8 468	-3 859	4 609	2 643	-1 543	1 100

¹⁾ Comparable figures have been restated, see note 5.

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Year to date 2021			Year to date 2020		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues	48 647		48 647	23 683		23 683
Gains/losses from market activities	479	777	1 257	4 260	-1 485	2 774
Other operating income	1 453	- 803	650	422	- 119	303
Gross operating revenues and other income	50 579	- 26	50 553	28 365	-1 604	26 761
Energy purchase ¹⁾	-21 421		-21 421	-10 849		-10 849
Transmission costs	-1 197		-1 197	- 721		- 721
Net operating revenues and other income	27 961	- 26	27 935	16 795	-1 604	15 191
Salaries and payroll costs	-3 751		-3 751	-3 329		-3 329
Depreciations and amortisations	-2 929		-2 929	-3 038		-3 038
Impairments/reversal of impairments	3 137	-3 137	-	-1 302	1 302	-
Property tax and licence fees	-1 011		-1 011	- 945		- 945
Other operating expenses ¹⁾	-2 791	5	-2 786	-2 789	-	-2 789
Operating expenses	-7 345	-3 132	-10 477	-11 403	1 302	-10 101
Operating profit/loss (EBIT)	20 616	-3 158	17 458	5 393	- 302	5 090

¹⁾ Comparable figures have been restated, see note 5.

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	The year 2020		
	IFRS	Adjustments	Underlying
Sales revenues	33 875		33 875
Gains/losses from market activities	3 958	- 339	3 619
Other operating income	685	- 119	566
Gross operating revenues and other income	38 518	- 458	38 060
Energy purchase ¹⁾	-16 244		-16 244
Transmission costs	-1 040		-1 040
Net operating revenues and other income	21 234	- 458	20 776
Salaries and payroll costs	-4 627		-4 627
Depreciations and amortisations	-4 066		-4 066
Impairments/reversal of impairments	-1 379	1 379	-
Property tax and licence fees	-1 264		-1 264
Other operating expenses ¹⁾	-4 150	-	-4 150
Operating expenses	-15 485	1 379	-14 106
Operating profit/loss (EBIT)	5 749	922	6 670

¹⁾ Comparable figures have been restated, see note 5.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Third quarter 2021									
Gross operating revenues and other income, external	16 830	10 464	3 927	575	463	128	1 166	131	- 24
Gross operating revenues and other income, internal	-	122	- 78	62	364	-	18	343	- 831
Gross operating revenues and other income underlying	16 830	10 586	3 849	637	827	128	1 184	474	- 855
Net operating revenues and other income underlying	8 111	9 497	-3 657	293	775	87	1 141	427	- 453
Operating profit/loss (EBIT) underlying	4 609	7 956	-3 997	- 118	349	- 42	705	- 197	- 47
Unrealised value changes from embedded EUR derivatives	54	54	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	713	-	-	- 4	717	-	-	-	-
Impairments/reversal of impairments	3 092	1 020	-	- 64	2 137	- 1	-	-	-
Operating profit/loss (EBIT) IFRS	8 468	9 030	-3 997	- 186	3 203	- 43	705	- 197	- 47
Share of profit/loss in equity accounted investments	863	-	-	680	- 2	-	210	- 25	-
Year to date 2021									
Gross operating revenues and other income, external	50 553	25 247	18 162	1 869	683	675	3 663	356	- 103
Gross operating revenues and other income, internal	-	341	- 377	105	939	4	61	1 020	-2 093
Gross operating revenues and other income underlying	50 553	25 588	17 785	1 974	1 622	679	3 724	1 376	-2 196
Net operating revenues and other income underlying	27 935	22 158	- 729	1 237	1 320	459	3 483	1 241	-1 233
Operating profit/loss (EBIT) underlying	17 458	17 515	-1 995	37	50	93	2 262	- 539	35
Unrealised value changes from embedded EUR derivatives	- 777	- 777	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	798	-	-	- 4	802	-	-	-	-
Impairments/reversal of impairments	3 137	1 020	-	- 73	2 194	- 3	-	-	-
Operating profit/loss (EBIT) IFRS	20 616	17 757	-1 995	- 41	3 046	90	2 262	- 539	35
Share of profit/loss in equity accounted investments	1 232	-	-	697	- 81	-	684	- 68	-
Assets and capital employed 30.09.2021									
Property, plant and equipment and intangible assets	118 430	61 739	133	24 068	9 996	3 544	17 061	1 890	-
Equity accounted investments	14 264	1	-	2 985	735	-	10 502	66	- 26
Loans to equity accounted investments	1 465	-	-	993	416	-	55	-	-
Inventories (DS/DBS)	3 270	-	-	0	3 270	-	-	-	-
Other assets	134 533	3 944	78 758	2 619	1 375	147	1 258	46 212	219
Total assets	271 963	65 684	78 891	30 666	15 792	3 690	28 877	48 170	193
Capital employed	121 701	61 739	133	24 068	13 266	3 544	17 061	1 890	-
Average capital employed (rolling 12 months)	118 446	60 975	146	23 651	11 524	3 547	16 840	1 763	n/a
Return on average capital employed (ROACE)	16.1%	29.9%	n/a	0.1%	-2.3%	3.3%	14.9%	n/a	n/a
Return on average equity accounted investments (ROAE)	13.7%	n/a	n/a	32.7%	-7.7%	n/a	12.1%	n/a	n/a
Depreciations, amortisations and impairments	208	- 411	- 24	- 552	1 900	- 147	- 387	- 171	-
Total investments	6 599	1 643	11	1 154	2 231	157	789	615	-

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Third quarter 2020									
Gross operating revenues and other income, external	8 571	3 851	3 467	709	42	102	320	84	- 4
Gross operating revenues and other income, internal	-	35	32	- 34	81	-	6	357	- 477
Gross operating revenues and other income underlying	8 571	3 886	3 499	675	123	102	326	441	- 481
Net operating revenues and other income underlying	4 466	2 890	513	577	107	74	315	400	- 411
Operating profit/loss (EBIT) underlying	1 100	1 295	110	140	- 247	- 43	- 94	- 95	35
Unrealised value changes from embedded EUR derivatives	305	305	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	119	-	-	119	-	-	-	-	-
Impairments/reversal of impairments	1 120	1 570	-	110	- 559	- 1	-	-	-
Operating profit/loss (EBIT) IFRS	2 644	3 169	110	368	- 806	- 44	- 94	- 95	35
Share of profit/loss in equity accounted investments	- 196	- 0	-	- 640	2	-	464	- 22	-
Year to date 2020									
Gross operating revenues and other income, external	26 761	10 745	11 774	2 270	183	470	1 377	252	- 310
Gross operating revenues and other income, internal	-	196	42	12	338	1	21	909	- 1 519
Gross operating revenues and other income underlying	26 761	10 941	11 816	2 282	521	471	1 398	1 161	- 1 829
Net operating revenues and other income underlying	15 191	8 848	2 735	1 883	470	330	1 309	1 037	- 1 421
Operating profit/loss (EBIT) underlying	5 090	4 257	1 447	423	- 473	- 9	143	- 448	- 249
Unrealised value changes from embedded EUR derivatives	1 485	1 485	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	119	-	-	119	0	-	-	-	-
Impairments/reversal of impairments	- 1 302	1 708	-	105	- 3 110	- 5	-	-	-
Operating profit/loss (EBIT) IFRS	5 393	7 451	1 447	647	- 3 583	- 14	143	- 448	- 249
Share of profit/loss in equity accounted investments	204	3	1	- 617	- 11	-	906	- 78	-
Assets and capital employed 30.09.2020									
Property, plant and equipment and intangible assets	118 834	61 917	167	25 119	9 821	3 533	16 570	1 708	-
Equity accounted investments	12 836	4	-	2 460	886	-	9 594	- 83	- 25
Loans to equity accounted investments	1 587	-	-	1 050	495	-	41	-	-
Inventories (DS/DBS)	-	-	-	-	-	-	-	-	-
Other assets	44 560	3 008	15 061	1 736	338	138	1 311	24 839	- 1 871
Total assets	177 816	64 929	15 228	30 364	11 541	3 671	27 516	26 464	- 1 896
Capital employed	118 834	61 917	167	25 119	9 821	3 533	16 570	1 708	-
Average capital employed (rolling 12 months)	116 286	59 526	n/a	25 842	9 227	3 504	16 352	n/a	n/a
Return on average capital employed (ROACE)	9.0%	12.8%	n/a	1.8%	- 5.2%	2.8%	4.1%	n/a	n/a
Return on average equity accounted investments (ROAE)	5.8%	n/a	n/a	- 22.5%	0.9%	n/a	16.0%	n/a	n/a
Depreciations, amortisations and impairments	- 4 340	298	- 25	- 569	- 3 381	- 141	- 373	- 149	-
Total investments	5 985	1 278	8	983	2 657	133	695	231	-

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
The year 2020									
Gross operating revenues and other income, external	38 060	13 983	18 491	2 878	278	684	2 087	363	- 704
Gross operating revenues and other income, internal	-	359	- 511	24	489	2	33	1 231	-1 627
Gross operating revenues and other income underlying	38 060	14 342	17 980	2 902	767	686	2 120	1 594	-2 331
Net operating revenues and other income underlying	20 776	11 401	4 304	2 314	659	488	1 975	1 390	-1 754
Operating profit/loss (EBIT) underlying	6 670	4 995	2 527	405	- 793	17	382	- 685	- 178
Unrealised value changes embedded EUR derivatives	339	339	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	119	-	-	119	-	-	-	-	-
Impairments/reversal of impairments	-1 379	1 708	-	45	-3 126	- 6	-	-	-
Operating profit/loss (EBIT) IFRS	5 749	7 041	2 527	569	-3 919	10	382	- 685	- 178
Share of profit/loss in equity accounted investments	835	16	1	- 539	8	-	1 472	- 123	-
Assets and capital employed 31.12.2020									
Property, plant and equipment and intangible assets	116 170	61 446	156	23 387	9 168	3 559	16 752	1 704	-
Equity accounted investments	13 492	-	-	2 247	839	-	10 297	135	- 26
Loans to equity accounted investments	1 442	-	-	962	439	-	41	-	-
Inventories (DS/DBS)	2 483	-	-	-	2 483	-	-	-	-
Other assets	47 669	2 520	16 193	2 039	711	223	1 279	24 606	97
Total assets	181 257	63 966	16 349	28 635	13 641	3 782	28 369	26 445	71
Capital employed	118 653	61 446	156	23 387	11 651	3 559	16 752	1 704	-
Average capital employed (last four quarters)	117 531	60 495	n/a	25 872	9 505	3 524	16 477	n/a	n/a
Return on average capital employed (ROACE)	5.7%	8.3%	n/a	1.6%	-8.3%	0.5%	2.3%	n/a	n/a
Return on average equity accounted investments (ROAE)	6.3%	n/a	n/a	-19.8%	0.9%	n/a	15.4%	n/a	n/a
Depreciations, amortisations and impairments	-5 445	- 235	- 34	- 794	-3 477	- 193	- 503	- 207	-
Total investments	9 901	1 880	13	1 286	4 822	215	1 014	670	-

Selected notes to the accounts

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The consolidated financial statements for the third quarter of 2021, ended 30 September 2021, have been prepared in accordance with International Financial Reporting Standards (IFRS) and consist of Statkraft AS and its subsidiaries and equity accounted investments. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual report for 2020.

The interim consolidated financial statements have not been audited.

2. PRESENTATION OF FINANCIAL STATEMENTS

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

3. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting principles to the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the statement of profit and loss and the statement of financial position. The most important assumptions regarding future events and other significant sources of uncertainty in relation to the estimates, and which may involve a significant risk of material changes to the amounts recognised in future financial periods, are discussed in the annual report for 2020. In preparing the consolidated financial statements for the current quarter, the Group's management has exercised its judgment in relation to the same areas where such judgment has had material significance in relation to the figures included in the Group's statement of profit and loss and statement of financial position, as discussed in the annual report for 2020.

4. SEGMENT REPORTING

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

5. CHANGES IN THE FINANCIAL STATEMENTS AND COMPARABLE FIGURES

Presentation of district heating activities. From 2021, sales revenues and energy purchase related to activities within district heating are presented in a new separate category, District heating. Previously, these items have been presented as part of the category Generation. The changes will affect the segments District heating and Industrial ownership. Comparable figures have been restated. In the financial statements for the third quarter of 2020, sales revenues of NOK 104 million have been reclassified from Generation to District heating and energy purchase of NOK 32 million has been reclassified from Generation to District heating. In the financial statements for year to date 2020, sales revenues of NOK 529 million have been reclassified from Generation to District heating and energy purchase of NOK 168 million has been reclassified from Generation to District heating. In the financial statements for the full year 2020, sales revenues of NOK 773 million have been reclassified from Generation to District heating and energy purchase of NOK 237 million has been reclassified from Generation to District heating.

Presentation of cash flow related to the investments in projects intended to divest (DS/DBS). In the fourth quarter of 2020 Statkraft introduced the new business model related to development and construction of wind- and solar projects classified as inventories with the intention to divest (DS/DBS). Following this, cash outflow related to investments in these projects are from 2021 presented as changes in working capital under operating activities in the cash flow statement. Figures for the year 2020 are restated by reclassifying cash outflow of NOK 413 million from investments in property, plant and equipment and intangible assets under investing activities to changes in working capital under operating activities.

Presentation of energy derivatives in the statement of financial position. Comparable figures for the third quarter have been restated as follows: NOK 5039 million have been reclassified from current assets to non-current assets, whereas NOK 4551 million have been reclassified from current liabilities to non-current liabilities. For more information, see note 1 in the annual report 2020.

Presentation of prepayments related to long-term power sales agreements. Up until the second quarter of 2021 the prepayments related to long-term power sales agreements have been presented as interest-bearing liability. From the second quarter the prepayments are presented as other liabilities. Comparable figures for the third quarter 2020 and full year of 2020 have been restated from Interest-bearing liabilities (current) to Other current liabilities with NOK 160 million and NOK 316 million, respectively, and from Interest-bearing liabilities (non-current) to Other non-current liabilities with NOK 2243 million and NOK 4367 million, respectively.

Presentation of energy purchase within the EV charging business. From the second quarter of 2021, costs related to the EV charging business are presented as energy purchase. Previously, these costs have been presented as other operating expenses. Comparable figures have been restated from other operating expenses to energy purchase with NOK 34 million for the third quarter, NOK 109 million year to date and NOK 184 million for the year 2020.

6. REVENUE SPECIFICATION PER SEGMENT

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

Generation includes sales revenues and energy purchase related to Statkraft's physical power generating assets. The category includes spot sales, bilateral long-term industry contracts, prepaid long-term power sales agreements, concessionary sales contracts and green certificates.

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

Customers includes sales revenues and energy purchase related to market access activities which are in scope of IFRS 15, and is mainly related to activities in Germany, UK and Norway.

Other mainly consists of grid activities in Norway and Peru, a subsea interconnector between Sweden and Germany and rental of power plants in Norway. The category Other also includes revenues from development service agreements (DSA) related to divestments of projects in the DS/DBS business model.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter 2021									
Generation - sales revenues	10 204	8 219	6	814	328	-	925	-	- 88
Generation - energy purchase	- 777	- 624	- 2	- 242	-	-	-	-	91
Generation - net	9 428	7 595	4	572	328	-	925	-	4
District heating - sales revenues	138	-	-	-	-	127	13	-	- 2
District heating - energy purchase	- 44	-	-	-	-	- 41	- 4	-	1
District heating - net	94	-	-	-	-	86	9	-	- 1
Customers - sales revenues	7 267	-	7 579	-	1	-	-	-	- 313
Customers - energy purchase	-7 191	-	-7 504	-	-	-	-	-	313
Customers - net	76	-	75	-	1	-	-	-	- 0
Other - sales revenues	1 274	514	-	65	390	-	215	84	6
Other - energy purchase	- 423	- 297	-	- 50	- 29	-	-	- 46	- 1
Other - net	851	217	-	15	361	-	215	38	5
Sales revenues - total	18 883	8 733	7 585	879	719	127	1 153	84	- 397
Energy purchase - total	-8 435	- 921	-7 506	- 292	- 29	- 41	- 4	- 46	404
Sales revenues adjusted for energy purchase	10 448	7 812	79	587	690	86	1 149	38	7
Year to date 2021									
Generation - sales revenues	26 537	20 947	11	2 139	892	-	2 673	-	- 125
Generation - energy purchase	-2 164	-1 829	- 2	- 447	-	-	-	-	114
Generation - net	24 373	19 118	9	1 692	892	-	2 673	-	- 11
District heating - sales revenues	748	-	-	-	-	667	83	-	- 2
District heating - energy purchase	- 251	-	-	-	-	- 220	- 34	-	3
District heating - net	496	-	-	-	-	447	49	-	0
Customers - sales revenues	18 106	-	18 912	-	1	-	2	-	- 809
Customers - energy purchase	-17 684	- 1	-18 490	-	-	-	-	- 1	808
Customers - net	422	- 1	422	-	1	-	2	- 1	- 1
Other - sales revenues	3 256	1 399	23	191	575	2	877	217	- 28
Other - energy purchase	-1 322	- 809	- 23	- 151	- 233	-	-	- 134	28
Other - net	1 934	590	-	40	342	2	877	83	0
Sales revenues - total	48 647	22 346	18 946	2 330	1 468	669	3 635	217	- 964
Energy purchase - total	-21 421	-2 639	-18 515	- 598	- 233	- 220	- 34	- 135	953
Sales revenues adjusted for energy purchase	27 226	19 707	431	1 732	1 235	449	3 601	82	- 11

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter 2020									
Generation - sales revenues ¹⁾	3 940	3 155	2	589	103	-	69	-	22
Generation - energy purchase ¹⁾	- 730	- 684	-	- 17	-	-	-	-	- 29
Generation - net	3 210	2 471	2	572	103	-	69	-	- 7
District heating - sales revenues ¹⁾	104	-	-	-	-	92	12	-	- 0
District heating - energy purchase ¹⁾	- 32	-	-	-	-	- 28	- 4	-	- 0
District heating - net	72	-	-	-	-	64	8	-	- 0
Customers - sales revenues	2 836	-	2 900	21	-	-	-	- 1	- 84
Customers - energy purchase	- 2 890	1	- 2 976	-	-	-	-	-	85
Customers - net	- 54	1	- 76	21	-	-	-	- 1	1
Other - sales revenues	861	526	10	63	3	9	222	42	- 14
Other - energy purchase ¹⁾	- 229	- 138	- 10	- 50	-	-	-	- 41	10
Other - net	632	388	-	13	3	9	222	1	- 4
Sales revenues - total	7 741	3 681	2 912	673	106	101	303	41	- 76
Energy purchase - total	- 3 882	- 821	- 2 986	- 67	-	- 28	- 4	- 41	65
Sales revenues adjusted for energy purchase	3 859	2 860	- 74	606	106	73	299	-	- 11
Year to date 2020									
Generation - sales revenues ¹⁾	11 916	9 058	19	2 024	452	-	420	-	- 57
Generation - energy purchase ¹⁾	- 1 307	- 1 171	1	- 153	-	-	-	-	16
Generation - net	10 609	7 887	20	1 871	452	-	420	-	- 41
District heating - sales revenues ¹⁾	529	-	-	-	-	468	61	-	0
District heating - energy purchase ¹⁾	- 168	-	-	-	-	- 141	- 26	-	- 1
District heating - net	362	-	-	-	-	327	35	-	- 0
Customers - sales revenues	9 019	-	9 324	43	-	-	2	- 1	- 349
Customers - energy purchase	- 8 701	-	- 9 053	-	-	-	-	-	352
Customers - net	318	-	271	43	-	-	2	- 1	3
Other - sales revenues	2 219	1 088	28	194	6	-	820	129	- 46
Other - energy purchase ¹⁾	- 673	- 385	- 28	- 164	-	-	-	- 124	28
Other - net	1 546	703	-	30	6	-	820	5	- 18
Sales revenues - total	23 683	10 146	9 371	2 261	458	468	1 303	128	- 452
Energy purchase - total	- 10 849	- 1 556	- 9 080	- 317	-	- 141	- 26	- 124	395
Sales revenues adjusted for energy purchase	12 835	8 590	291	1 944	458	327	1 277	4	- 56

¹⁾ Comparable figures have been restated. See note 5.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
The year 2020									
Generation - sales revenues ¹⁾	16 367	12 508	27	2 582	607	-	735	-	- 92
Generation - energy purchase ¹⁾	-1 759	-1 554	- 6	- 251	-	-	-	-	52
Generation - net	14 607	10 954	21	2 331	607	-	735	-	- 41
District heating - sales revenues ¹⁾	773	-	-	-	-	681	92	-	-
District heating - energy purchase ¹⁾	- 237	-	-	-	-	- 199	- 38	-	-
District heating - net	536	-	-	-	-	482	54	-	-
Customers - sales revenues	13 579	-	13 985	46	-	-	4	- 1	- 455
Customers - energy purchase	-13 175	-	-13 632	-	-	-	0	-	457
Customers - net	404	-	353	46	-	-	4	- 1	2
Other - sales revenues	3 156	1 543	117	258	39	- 0	1 164	194	- 159
Other - energy purchase ¹⁾	-1 073	- 636	- 37	- 216	- 31	-	-	- 204	51
Other - net	2 083	907	80	42	8	- 0	1 164	- 9	- 108
Sales revenues - total	33 875	14 051	14 130	2 886	646	681	1 995	193	- 707
Energy purchase - total	-16 244	-2 190	-13 675	- 468	- 31	- 199	- 38	- 204	560
Sales revenues adjusted for energy purchase	17 631	11 862	454	2 418	615	482	1 957	- 10	- 147

¹⁾ Comparable figures have been restated. See note 5.

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

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

- Inventories and financial instruments measured at fair value.
- Currency gains and losses on financial instruments measured at amortised cost.

NOK million	Third quarter 2021			Year to date 2021		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS						
Gains/losses from market activities ¹⁾	-4 582	2 203	-2 379	-4 588	5 067	479
Unrealised effects included in Operating profit/loss (EBIT)	-4 582			-4 588		
Net currency effects ²⁾	- 98	- 56	- 154	- 15	676	662
Interest and other financial items	39	- 159	- 120	274	- 320	- 46
Unrealised effects included in Net financial items	- 59			260		
Total unrealised effects	-4 641			-4 328		

¹⁾ All other financial statement line items included in Operating profit/loss (EBIT) have no unrealised effects.

²⁾ Gains year to date from internal loans were NOK 206 million, of which NOK 406 million was realised.

NOK million	Third quarter 2020			Year to date 2020			The year 2020		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS									
Gains/losses from market activities ¹⁾	- 140	1 187	1 047	911	3 349	4 260	-1 431	5 389	3 958
Unrealised effects included in operating profit/loss (EBIT)	- 140			911			-1 431		
Net currency effects ²⁾	- 520	- 97	- 617	-3 202	- 803	-4 005	-1 018	- 502	-1 520
Interest and other financial items	- 372	245	- 127	-1 072	710	- 362	- 658	547	- 111
Unrealised effects included in Net financial items	- 892			-4 274			-1 676		
Total unrealised effects	-1 031			-3 363			-3 108		

¹⁾ All other financial statement line items included in Operating profit/loss (EBIT) have no unrealised effects.

²⁾ Losses for the year 2020 from internal loans were NOK -353 million, of which NOK -332 million was realised.

8. NORWEGIAN HYDROPOWER AND RELATED BUSINESS

This note discloses selected financial figures from Norwegian hydropower and related business. See note 4 in the annual report 2020.

	"Norwegian hydropower" from:			Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
NOK million	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group			
Year to date 2021						
Gross operating revenues and other income	50 579	16 311	2 719	19 031		19 031
Net operating revenues and other income	27 961	15 401	2 654	18 058		18 058
Operating profit/loss (EBIT)	20 616	12 390	2 137	14 528		14 528
Share of profit/loss in equity accounted investments	1 232	-	1	1	678 ¹⁾	679
Net financial items	616	- 268	- 30	- 299		- 299
Tax expense	-10 266	-7 572	-1 213	-8 784		-8 784
Net profit/loss	12 198	4 550	895	5 445	678	6 123
Net profit/loss (of which owners of the parent)	11 844	4 550	594	5 145	678	5 823
Paid dividend and group contribution to Statkraft		2 296 ²⁾	53 ³⁾	2 349	495 ³⁾	2 845
Assets 30.09.21						
Equity accounted investments	14 264	2	3	5	10 376 ¹⁾	10 381
Other assets	257 699	38 376	10 109	48 486		48 486
Total assets	271 963	38 379	10 112	48 491	10 376	58 867
EBITDA	20 408	13 217	2 276	15 493		15 493
Depreciations, amortisations and impairments	208	- 827	- 139	- 966		- 966
Maintenance and other investments	4 035	1 209	174	1 382		1 382
Investments in new capacity	968	32	57	89		89
New capacity for subsequent divestment (DS/DBS)	1 225	-	-	-		-
Investments in shareholdings	372	-	-	-		-
Total investments	6 599	1 241	230	1 471		1 471

¹⁾ Statkraft's share.

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

³⁾ Dividend paid to Statkraft.

	"Norwegian hydropower" from:			Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
NOK million	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group			
The year 2020						
Gross operating revenues and other income	38 518	10 089	803	10 887		10 887
Net operating revenues and other income	21 418	9 271	709	9 979		9 979
Operating profit/loss (EBIT)	5 749	5 288	22	5 311		5 311
Share of profit/loss in equity accounted investments	835	16	-	16	1 469 ¹⁾	1 485
Net financial items	-1 631	- 44	- 59	- 103		- 103
Tax expense	-1 421	-2 424	29	-2 395		-2 395
Net profit/loss	3 532	2 837	- 9	2 828	1 469	4 297
Net profit/loss (of which owners of the parent)	3 319	2 837	- 5	2 832	1 469	4 301
Paid dividend and group contribution to Statkraft		5 000 ²⁾	185 ³⁾	5 185	539 ³⁾	5 724
Assets 31.12.20						
Equity accounted investments	13 492	2	2	4	10 177 ¹⁾	10 181
Other assets	167 765	38 024	10 016 ⁴⁾	48 039		48 039
Total assets	181 257	38 026	10 018	48 044	10 177	58 220
EBITDA	11 194	6 321	207	6 528		6 528
Depreciations, amortisations and impairments	-5 445	-1 033	- 185	-1 217		-1 217
Maintenance investments and other investments	3 028	1 298	209	1 507		1 507
Investments in new capacity	4 103	179	63	241		241
New capacity for subsequent divestment DS/DBS	413	-	-	-		-
Investments in shareholdings	2 357	-	-	-		-
Total investments	9 901	1 477	271	1 748		1 748

¹⁾ Statkraft's share.

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

³⁾ Dividend paid to Statkraft.

9. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

NOK million	30.09.2021	30.09.2020	31.12.2020
INTANGIBLE ASSETS			
Balance as of 01.01.	4 113	4 633	4 633
Additions	488	599	1 308
Reclassifications	7	- 230	-1 290
Disposals	- 75	-	-
Amortisations	- 124	- 126	- 168
Impairments/reversal of impairments	- 51	25	14
Currency translation effects	- 134	- 201	- 384
Balance as of end of period	4 225	4 701	4 113
PROPERTY, PLANT AND EQUIPMENT			
Balance as of 01.01.	112 057	109 852	109 852
Additions	4 582	5 096	7 347
Remeasurements and other changes (IFRS 16)	- 155	51	44
Reclassifications	- 7	230	- 666
Depreciations	-2 805	-2 912	-3 899
Impairments/reversal of impairments	3 188	-1 326	-1 393
Disposals	-2 101	- 273	- 173
Currency translation effects	- 557	3 284	990
Balance as of end of period	114 205	114 132	112 057

Accounting policies, judgment and assumptions for impairments are described in note 15 in the annual report 2020.

Gas-fired power in Germany In the third quarter a net impairment reversal of NOK 1020 million related to gas-fired power plants in Germany was recognised in the statement of profit and loss. The reversal is explained by improved outlook for future gas to power margin (spark spread).

Wind power in Norway In the third quarter a net impairment reversal of NOK 858 million related to wind assets in Norway was recognised in the statement of profit and loss. The reversal is explained by expected higher future power prices in Norway.

Wind power in Sweden In the third quarter an adjustment of the value in use of the wind farms in Norrland was made. This led to a net impairment reversal of NOK 1279 million, recognised in the statement of profit and loss. The reversal is explained by expected higher power prices in the near and longer term for price area SE2.

Hydropower in Brazil In the third quarter an impairment of NOK 48 million related to hydropower plants in Brazil was recognised in the statement of profit and loss.

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

Storheia wind farm at Fosen was partly impaired in 2020. The impaired amount has not been reversed in the third quarter following the Supreme Court decision and uncertainties related to future operations. See note 12.

NOK million				
Technology	Segment	Country	Third quarter	Year-to-date
Gas-fired power	European flexible generation	Germany	1 020	1 020
Wind power	European wind and solar	Norway	858	914
Wind power	European wind and solar	Sweden	1 279	1 279
Hydropower	International power	Brazil	- 48	- 48
Other			- 17	- 28
Total impairments (-)/reversal of impairments (+)			3 092	3 137
			Intangibles	- 51
			Property, plant and equipment	3 188

Equity accounted investments

Hydropower in India In the third quarter a net impairment reversal of NOK 617 million related to two hydropower plants in India was recognised in the statement of profit and loss. The reversal is explained by expected higher power prices in future years. The reversal is presented as share of profit/loss in equity accounted investments.

10. INVENTORIES

Statkraft's inventories consist of environmental certificates and wind- and solar projects that Statkraft intends to develop and/or construct and divest to third parties (DS/DBS). In addition, Statkraft also has some inventories which are directly related to the tangible assets, whereof spare parts are the most significant part.

Environmental certificates:

Statkraft's environmental certificates consist of green certificates in the Nordics, Renewable Obligation Certificates (ROCs) in the UK, 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:

Wind and solar projects consist of development projects and construction projects that Statkraft intends to develop, construct and divest either before, at the time of, or shortly after completion (DS/DBS). Development projects include early-stage solar- and wind projects which have not yet reached the construction phase. If it is 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. Furthermore, if construction of a project is completed and the the operation phase has started, the construction project will be transferred to in operation.

Statkraft currently has 15 ongoing construction projects and two which are completed. Of these projects, a put/call option agreement (PCOA) or similar forward sales agreements with agreed sales price and divestment of the project at completed construction have been signed for five of the projects.

In the quarter, Statkraft signed a PCOA related to the Ballymacarney solar project in Ireland, with expected completion in the fourth quarter of 2022.

NOK million	30.09.2021	30.09.2020	31.12.2020
Inventories measured at fair value less costs to sell			
Environmental certificates	3 068	1 902	3 138
Inventories measured at the lower of cost price and net realisable value			
Environmental certificates	20	11	480
Spare parts	165	158	155
Other	102	103	107
Total	287	272	742
Wind and solar projects (DS/DBS) measured at the lower of cost price and net realisable value ¹⁾			
Development projects	978	-	1 344
Construction projects ²⁾	2 051	-	1 139
In operation	241	-	-
Total	3 270	-	2 483
Total inventories	6 626	2 174	6 363

¹⁾ As the DS/DBS business model was not introduced until the fourth quarter 2020, and was only done prospectively, there are no comparable figures for the quarter.

²⁾ Of which NOK 1816 million is from projects where PCOA or similar forward sales agreements have been signed at the end of the quarter.

11. INTEREST-BEARING LIABILITIES

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

NOK million	30.09.2021	30.09.2020 ¹⁾	31.12.2020 ¹⁾
INTEREST-BEARING LIABILITIES, CURRENT			
First year's instalment on non-current debt	3 097	164	2 002
Cash collateral	5 911	1 338	1 761
Debt to Statkraft SF	200	-	200
Lease liabilities	256	229	269
Other short-term debt	39	1 687	1 912
Total	9 502	3 418	6 144
INTEREST-BEARING LIABILITIES, NON-CURRENT			
Bonds issued by Statkraft AS	23 045	27 377	25 211
Lease liabilities	1 820	1 402	1 541
External debt in subsidiaries and other debt	4 194	2 456	1 545
Total	29 060	31 235	28 297
Total interest-bearing liabilities	38 562	34 653	34 441

¹⁾ Comparable figures have been restated. See note 5.

12. DISPUTES, CONTINGENCIES AND UNCERTAIN TAX POSITIONS

Brazil

On 13 July 2015, Statkraft acquired a controlling interest in the Brazilian company Desenvix Energias Renováveis S.A., which subsequently changed name to Statkraft Energias Renováveis (SKER). Over the past years, Brazil has experienced several severe corruption cases. On this background, Statkraft initiated an internal investigation related to the subsidiary acquired in 2015. Based on the investigation, the company has contacted Brazilian authorities. On 15 October 2021, SKER executed a Leniency Agreement with the federal authorities for one of the cases reported and has agreed to pay NOK 28 million in fines and redress of improper advantages obtained prior to Statkraft's acquisition of the controlling interest. It is not possible at this stage to predict the outcome for the other cases reported.

SKER is still part of a civil lawsuit related to historical investments made by the four main pension funds in Brazil including FUNCEF, see note 34 in the annual report 2020.

Reporting to authorities

An investigation has been carried out following reported concerns that corruption may have taken place related to two development projects in Greece prior to Statkraft's acquisition in 2020. Direct evidence of corruption has not been found, but Statkraft has reported facts and circumstances to relevant authorities and exited the relevant projects. Any financial exposure for Statkraft is not expected to be material.

Supreme Court ruling of reindeer herding court case at Fosen wind farms

On 11 October, 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 Convention on Civil and Political Rights and are therefore invalid.

Statkraft owns 52.1% of Storheia through Fosen Vind DA, whereas Roan was divested in the second quarter of 2021.

Fosen Vind and Roan Vind have initiated dialogues with the Ministry of Petroleum and Energy and with the Sami groups following the decision. The Ministry has confirmed that no immediate measures will be taken in relation to the concession. An application for a renewed concession and expropriation permit will be submitted, including updated impact assessments related to the reindeer husbandry and new measures ensuring that the human rights of the Sami groups are respected. The final implications of the Supreme Court decision are at this stage not possible to predict and no effects have been recognised in the financial statements for the third quarter.

Uncertain tax positions in Norway

On 3 and 12 March 2020, Statkraft AS received decisions of tax reassessment from the Norwegian tax authorities.

The decisions regard the income tax returns 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 Consolidated financial

statements. In the parent company financial statements, prepared under N-GAAP, the impact from the decisions was expensed in 2020. Statkraft has filed complaints against the tax reassessment decisions.

If all arguments from the Norwegian tax authorities would prevail, the financial exposure for the period 2010-2017 is estimated to NOK 2400 million as additional payable tax and interest expenses.

Although no provision has been made according to IFRS, Statkraft paid NOK 2335 million to the Norwegian tax authorities in the second quarter of 2020 related to this case and 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 part of the line item "Other non-current assets" in the statement of the financial position.

On 24 April 2017, the major business activities in STC were transferred to Statkraft AS. All business activities in STC have been closed down.

Uncertain tax positions in Nepal

On 4 January 2021, The Department of Revenue Investigation (DRI) of Nepal opened an investigation against a Statkraft subsidiary in Nepal, Himal Power Ltd (HPL). DRI is investigating if HPL has a capital gains tax liability related to share transfers in the period of 2006-2017 which it may then pursue by criminal proceedings.

Statkraft is of the opinion that the relevant transactions are not subject to capital gains tax, and hence that no criminal offences have been committed. Statkraft has made no provisions related to these cases and it is at this stage not possible to quantify a potential exposure for the financial statements.

13. MERGERS, ACQUISITIONS AND OTHER SIGNIFICANT AGREEMENTS

On 7 April, Statkraft closed an agreement to participate in a share issue in the Swedish electrical vehicle charging company Bee Charging Solutions - resulting in 51% ownership in the company. The cash contribution was NOK 191 million. As part of the agreement, a subsequent transfer of Statkraft's EV Charging operations in Sweden into Bee was completed. The transaction is considered a business combination and led to Statkraft obtaining control over Bee. The remaining 49% of the shares in Bee are owned by EVereg AB, which is equally owned by Öresundskraft, Jämtkraft and Tekniska Verken. Bee has later been re-named Mer Sweden AB and is part of the Mer group.

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

On 30 April, Statkraft closed the agreement to divest 100% of the shares in Roan Vind Holding AS which owns 52.1% of Roan wind farm. Roan wind farm has an installed capacity of 256 MW and is part of the Fosen portfolio in Norway. The shares were acquired by TrønderEnergi AS and Stadtwerke München GmbH for a cash consideration of NOK 1133 million. A gain of NOK 85 million was recognised following the divestment, presented as Other operating income.

On 27 September, Statkraft closed an agreement with Greencoat UK Wind Holdco Limited to divest 100% of the shares in Andershaw Wind Power Limited. Andershaw wind farm consists of 11 turbines located in Scotland in the UK with a total capacity of 36 MW. The consideration for the shares was NOK 1027 million and led to a gain of NOK 717 million, recognised as Other operating income. Furthermore, Statkraft received NOK 385 million for a loan provided to Andershaw.

Statkraft has also signed an agreement to provide asset management services and operation & maintenance services for the Andershaw wind farm subsequent of the divestment. Furthermore, Statkraft has entered into a power purchase agreement to provide market access services for the wind farm until 2037.

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

On 24 September, Statkraft closed agreements with The Renewables Infrastructure Group (TRIG) to sell three solar projects under construction located in Cadiz in Spain for a total consideration of NOK 612 million, including cash and cash equivalents in the divested entities. In the statement of profit and loss NOK 338 million was recognised as Other sales revenues and NOK 52 million was recognised as Other operating income following the sales. In addition, an agreement was signed to sell a fourth project when under construction, with expected closing in the fourth quarter. The total capacity from the three closed projects is 175 MWp, whereas the fourth is 58 MWp.

Statkraft has entered into Engineering, Procurement and Construction contracts for the four solar projects. Furthermore, Statkraft has signed agreements to provide asset management services and operation & maintenance services subsequent to the divestment.

14. SUBSEQUENT EVENTS

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

On 1 October, Statkraft signed an agreement with Breeze Three GmbH to acquire 39 operating wind farms in Germany and four in France. The total consideration was NOK 1740 million. The total capacity of the German wind farms is 311 MW and 35 MW for the French wind farms. The agreement was closed early October, and the financial effects will be recognised in the fourth quarter.

Alternative Performance Measures

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

Changes to operating profit/loss (EBIT) underlying

From first quarter 2021, gains/losses from divestments related to assets in the DS/DBS portfolio, reported under the segment European wind and solar, are included as part of operating profit/loss (EBIT) underlying. The business model with the intention to develop, construct and divest projects within wind and solar are part of Statkraft's ordinary activities going forward. By including gains/losses from divestments of DS/DBS projects in the operating profit/loss (EBIT) underlying, the APM would better reflect how the management makes, follows up and evaluates the ordinary activities in segment European wind and solar.

Statkraft uses the following APMs:

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

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

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

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

1. **Unrealised value changes from embedded EUR derivatives**, since they do not reflect how the segment is following up on the results. The EUR exposure in the power sales agreements with the power intensive industry are hedged by entering into currency derivatives or EUR bonds. Hence, the unrealised value changes from the energy (EUR) derivatives are partly offset in Net financial items in the Profit and loss statement.
2. **Gains/losses from divestments of business activities that are not classified as DS/DBS**, since the gains or losses do not give an indication of future performance or periodic performance from operating activities. Such gains or losses are related to the cumulative value creation from the time the asset is acquired until it is sold.
3. **Impairments/reversal of impairments**, since they affect the economics of an asset for the useful life of that asset; not only the period in which it is impaired, or the impairment is reversed.

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

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

ROAE is defined as share of profit/loss in equity accounted investments, divided by the 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. Property, plant and equipment, intangible assets and solar- and wind projects presented under inventories in the statement of financial position (DS/DBS) are defined as Statkraft's capital employed.

Net interest-bearing liabilities is used to measure indebtedness.

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

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

NOK million	Third quarter		Year to date		The year
	2021	2020	2021	2020	2020
ALTERNATIVE PERFORMANCE MEASURES					
OPERATING PROFIT/LOSS (EBIT) MARGIN UNDERLYING					
Operating profit/loss (EBIT) underlying	4 609	1 100	17 458	5 090	6 670
Gross operating revenues and other income underlying	16 830	8 571	50 553	26 761	38 060
Operating profit/loss (EBIT) margin underlying	27.4%	12.8%	34.5%	19.0%	17.5%
RECONCILIATION OF OPERATING PROFIT/LOSS (EBIT) UNDERLYING TO EBITDA UNDERLYING					
Operating profit/loss (EBIT) underlying	4 609	1 100	17 458	5 090	6 670
Depreciations and amortisations	984	958	2 929	3 038	4 066
EBITDA underlying	5 594	2 059	20 387	8 129	10 736
FINANCIAL STATEMENT LINE ITEMS INCLUDED IN CAPITAL EMPLOYED					
Intangible assets			4 225	4 701	4 113
Property, plant and equipment			114 205	114 132	112 057
Inventories (DS/DBS)			3 270	-	2 483
Capital employed			121 701	118 834	118 653
Average capital employed ¹⁾			118 446	116 286	117 531
RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)					
Operating profit/loss (EBIT) underlying, rolling 12 months			19 038	10 515	6 670
Average capital employed ¹⁾			118 446	116 286	117 531
ROACE			16.1%	9.0%	5.7%
RETURN ON AVERAGE EQUITY ACCOUNTED INVESTMENTS (ROAE)					
Share of profit/loss in equity accounted investments, rolling 12 months			1 864	755	835
Average equity accounted investments ¹⁾			13 602	13 130	13 202
ROAE			13.7%	5.8%	6.3%
NET INTEREST-BEARING LIABILITIES					
Non-current interest-bearing liabilities			29 060	31 235	28 297
Current interest-bearing liabilities			9 502	3 418	6 144
Cash and cash equivalents incl. restricted cash (A)			-25 674	-8 102	-11 155
Restricted cash (B)			62	29	31
Cash and cash equivalents included in net interest-bearing liabilities (A+B)			-25 611	-8 073	-11 125
Current financial investments			- 655	- 584	- 606
Net interest-bearing liabilities			12 295	25 997	22 710
NET INTEREST-BEARING LIABILITIES-EQUITY RATIO					
Net interest-bearing liabilities			12 295	25 997	22 710
Equity			105 463	96 965	98 028
Sum of net interest-bearing liabilities and equity			117 759	122 962	120 739
Net interest-bearing liabilities - equity ratio			10.4%	21.1%	18.8%

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

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