

QUARTERLY AND HALF
YEAR REPORT

Q2

2022

Key figures

NOK million	Second quarter			Year to date			Year
	2022	2021	Change	2022	2021	Change	2021
Income statement							
Gross operating revenues and other income underlying	25 360	15 576	9 784	67 234	33 723	33 511	83 440
Net operating revenues and other income underlying	8 356	9 151	- 795	30 443	19 825	10 618	41 749
EBITDA underlying	4 945	6 592	-1 647	24 018	14 793	9 225	30 906
Operating profit/loss (EBIT) underlying	3 817	5 632	-1 815	21 770	12 848	8 922	26 792
- of which unrealised effects	-8 660	2 763	-11 423	-1 365	825	-2 191	3 647
Operating profit/loss (EBIT) IFRS	4 687	5 830	-1 143	21 650	12 148	9 503	29 727
Share of profit/loss in equity accounted investments	- 513	- 74	- 438	157	370	- 213	1 686
Net financial items	-1 500	- 621	- 879	148	890	- 741	1 331
Profit/loss before tax	2 674	5 134	-2 460	21 956	13 407	8 549	32 744
Net profit/loss	-1 217	2 423	-3 640	10 224	7 243	2 982	16 081
Key financial metrics							
Operating profit/loss (EBIT) margin underlying	15.1%	36.2%	-21.1%	32.4%	38.1%	-5.7%	32.1%
ROACE				29.0%	13.2%	15.8%	22.4%
ROAE				10.0%	6.0%	4.0%	12.1%
Balance sheet and investments							
Assets				401 073	206 129	194 944	310 004
Equity				113 779	100 639	13 140	107 775
Net interest-bearing debt				-7 145	13 996	-21 141	14 439
Capital employed				129 372	118 073	11 298	123 598
Equity accounted investments				14 639	13 409	1 231	14 771
Total investments	2 390	2 404	- 14	4 889	3 923	966	11 868
Cash Flow							
From operating activities	16 551	5 963	10 588	19 137	9 914	9 223	26 243
Cash and cash equivalents (incl. restricted cash)				53 417	17 719	35 698	37 162
Currency rates							
NOK/EUR average rate	10.02	10.09	-0.07	9.98	10.18	-0.20	10.16
NOK/EUR closing rate				10.35	10.17	0.18	9.99

Definitions

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

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

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DEMANDING ENERGY MARKETS



There were strong revenues from spot sales in the quarter due to record-high prices. Negative unrealised effects from hedging of future generation revenues more than offset the effect of the high prices.

To meet the sharp increase in demand for energy Statkraft has updated the strategy and will accelerate the renewable growth.

The European energy crisis has accelerated throughout the second quarter due to a shortage of gas supplies from Russia. This has led to an unprecedented increase in the forward price of energy and energy-related commodities.

The underlying EBIT in the second quarter was NOK 3.8 billion, down NOK 1.8 billion compared with the second quarter last year. In the second quarter, revenues from spot sales increased significantly due to high power prices. Statkraft has over the years entered into hedging positions to stabilise the revenues from operations. The contracts have typically fixed prices that are lower than the current high forward prices. For some of these contracts the price difference is booked as unrealised gain or loss for the remaining contract period in each quarter. During the second quarter the forward power prices increased significantly leading to unrealised losses of NOK 8.7 billion mainly from such contracts.

The average Nordic system price was 121 EUR/MWh compared with 42 EUR/MWh in the same quarter in 2021. The spread in power prices between the Norwegian price areas was significant, with particularly high prices in Southern-Norway.

The combination of very dry weather and higher risk of gas rationing for the coming winter in Europe, particularly in Germany, has increased Statkraft's water values (value of future generation). This has led to lower hydropower generation in the quarter. Total power generation was 14.2 TWh, which was 1.3 TWh lower than the same period last year. The reduction was primarily related to Norwegian hydropower generation sold in the spot market.

Despite a solid EBIT, net profit ended at NOK -1.2 billion due to negative currency effects under financial items and high tax expenses due to high revenues from Norwegian hydropower generation subject to resource rent tax. Net profit was NOK 3.6 billion lower compared to the same quarter in 2021.

Cash flow from operating activities in the quarter was a solid NOK 16.6 billion, adding to an already strong financial platform.

The energy markets are changing faster than ever and there is a sharp increase in demand for renewable energy. To meet this increased need Statkraft has updated the growth strategy with new and more ambitious targets towards 2030.

A key element of the strategy is to upgrade and expand the Norwegian hydropower assets with a goal to start at least five major hydropower projects by 2030. In June, Statkraft sent a licence application for one such modernisation – the Folgefonn power scheme in Hardanger – to the Norwegian Water Resources and Energy Directorate (NVE). The application requests an increase in installed capacity from 250 MW to 880 MW and will also provide 70-80 GWh of new clean energy. It is 40 years since Statkraft last submitted a license application for such a large hydropower project. In May, Statkraft also opened two new small-scale hydropower plants in Norway – Vesle Kjela and Storlia.

Within offshore wind, Statkraft is pursuing an industrial role in Norway and Ireland. Furthermore, Statkraft aims to be a leading developer of green hydrogen in Norway and Sweden, and to broaden its geographical scope outside the Nordics. The target is to develop 2 GW of green hydrogen by 2030.

A significant part of the future growth will be linked to the development of onshore wind, solar and battery storage, across all Statkraft markets. In May, Statkraft won state contracts in Ireland for one wind and three solar projects with a total capacity of 360 MW and opened its first large-scale solar park in India – Nellai (76 MWp).

Statkraft will continue to offer long-term power contracts to maintain the position as a competitive supplier to the industry in Norway and Sweden. In the quarter, Statkraft signed several new industrial contracts – with Hutton Fiber, Omya Hustadmarmor, FREYR and H2 Green Steel.

In June, Statkraft successfully issued an inaugural green bond supporting the growth strategy.

In accordance with the updated strategy, Statkraft will change the organisational structure by establishing the three geographical regions Nordic, Europe and International as separate business areas. To strengthen the development of new business opportunities within the green energy transition New Energy Solutions will be established as a separate business area.

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	9
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 (ROACE)		29%
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	9.0%
Growth		
Grow capacity in renewable energy (hydro-, wind- and solar power)	9 GW growth by 2025	3.4 GW
Organisational enablers		
Improve diversity in background, competence and gender across the company	At least 35% women in top management positions by 2025 and at least 40% by 2030	31%

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

Statkraft has zero tolerance for corruption and unethical practices in all activities, and there were no serious compliance incidents in the first six months of 2022.

Assessing environmental risks is part of Statkraft's daily risk management procedures and practices, and there were no serious environmental incidents in the first half of 2022.

Statkraft aims to deliver a solid return on capital employed. Measured on 12 months rolling basis, the ROACE was 29 per cent. 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 June 2022, Statkraft's realised prices (measured over the last 60 months) were 9 per cent higher than the average spot price in the Nordics.

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

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

Corporate responsibility and HSE

	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Corporate responsibility and HSE					
Fatal accidents ¹⁾	2	0	2	0	0
Serious environmental incidents	0	0	0	0	0
Absence due to illness, Group	3.2%	2.2%	3.2%	2.2%	2.4%
TRI rate ^{1) 2)}			4.3	3.6	3.6
Full-time equivalents, Group			4 512	4 215	4 385

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.

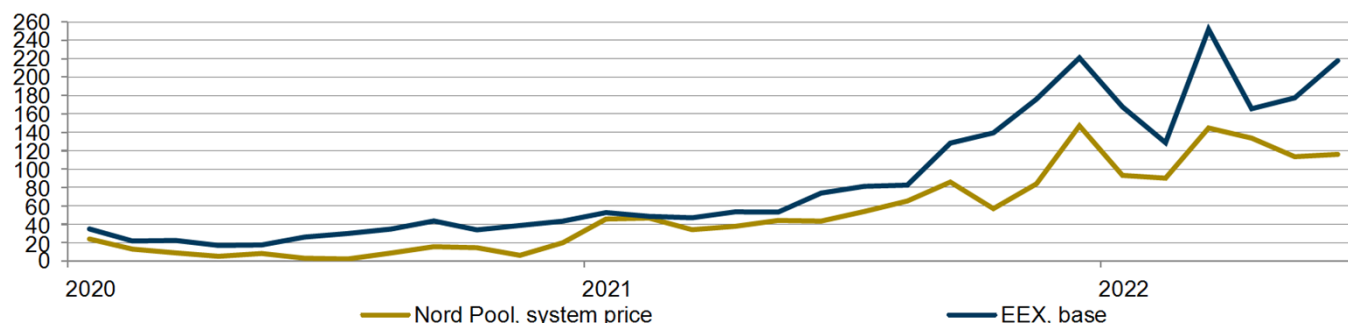
In May, a fatal accident occurred at the Tidong Hydropower project in India, where two employees of a local contractor lost their lives and two were seriously injured. In addition, there were two serious injuries in the quarter, one in Norway and one in Germany. Improving safety-performance and awareness across the organization and among subcontractors continues to be a top priority.

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).

	Second quarter			Year to date			Year
	2022	2021	Change	2022	2021	Change	2021
Market prices (average)							
System price, Nord Pool (EUR/MWh)	121.2	41.9	79.3	115.3	42.1	73.2	62.2
Spot price (base), EEX (EUR/MWh)	187.1	60.3	126.8	185.0	55.0	130.0	96.6
Spot price (peak), EEX (EUR/MWh)	197.7	65.2	132.6	206.1	62.3	143.7	114.5
Spot price (base), N2EX UK (GBP/MWh)	153.7	73.0	80.7	176.1	68.5	107.6	117.4

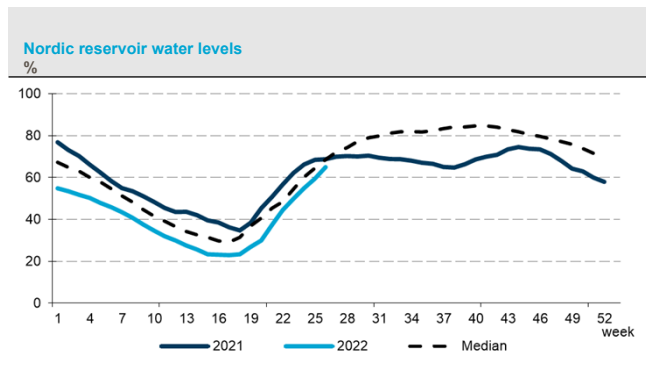
The European energy crisis following Russia's invasion of Ukraine has accelerated throughout the second quarter due to shortage of gas supplies from Russia. This has led to the price of energy and energy-related commodities to remain at a very high level in the quarter.

The average system price in the Nordic region was 121.2 EUR/MWh in the quarter, an increase of 79.3 EUR/MWh. The increase was mainly due to higher thermal prices and lower reservoir levels, as well as very low snow levels in parts of South Norway. There were significant price area differences in the quarter, with average Norwegian prices in the south around 167 EUR/MWh and prices in the mid- and north around 19 EUR/MWh.

The average base price in the German market (EEX) was 187.1 EUR/MWh in the quarter, an increase of 126.8 EUR/MWh. The increase was mainly due to significantly higher gas, coal and CO₂ prices.

The average base price in the UK was 153.7 GBP/MWh in the quarter, an increase of 80.7 GBP/MWh. The increase was mainly driven by substantially higher gas prices.

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



The total reservoir level for all hydropower producers in the Nordic region was 95 per cent of median level at the end of the quarter, corresponding to 64.9 per cent of total capacity. There were significant differences in the reservoir levels in Norway, with the levels in the south of Norway well below median.

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.

	Second quarter		Year to date		Year
TWh	2022	2021	2022	2021	2021
Generation, technology					
Hydropower	13.1	14.0	29.6	32.3	63.0
Wind power	0.8	0.7	2.4	1.9	3.9
Gas-fired power	0.3	0.8	0.6	1.8	2.7
Biomass and solar power	0.1	0.0	0.1	0.1	0.2
Total generation	14.2	15.5	32.7	36.1	69.9

	Second quarter		Year to date		Year
TWh	2022	2021	2022	2021	2021
Generation, geography					
Norway	10.9	11.9	25.2	27.8	54.5
Sweden	1.5	1.6	3.5	3.6	7.1
Europe ex. Nordic	0.7	1.2	1.7	2.7	4.3
Rest of the world	1.1	0.9	2.3	2.0	4.0
Total generation	14.2	15.5	32.7	36.1	69.9

The Group generated a total of 14.2 TWh in the quarter, a decrease of 8 per cent compared with the corresponding quarter last year. The combination of very dry weather and higher risk of gas rationing for the coming winter in Europe, particularly in Germany, has increased Statkraft's water values. This has led to lower Norwegian hydropower generation in the quarter. In addition, there was 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 0.2 TWh and were stable compared with the same quarter last year.

Financial performance

NOK million	Second quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Net operating revenues and other income underlying	8 356	9 151	- 795	30 443	19 825	10 618	41 749
Operating profit/loss (EBIT) underlying	3 817	5 632	-1 815	21 770	12 848	8 922	26 792
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Operating profit/loss (EBIT) IFRS	4 687	5 830	-1 143	21 650	12 148	9 503	29 727
Share of profit/loss in equity accounted investments	- 513	- 74	- 438	157	370	- 213	1 686
Net financial items	-1 500	- 621	- 879	148	890	- 741	1 331
Profit/loss before tax	2 674	5 134	-2 460	21 956	13 407	8 549	32 744
Tax expense	-3 891	-2 711	-1 180	-11 731	-6 164	-5 567	-16 663
Net profit/loss	-1 217	2 423	-3 640	10 224	7 243	2 982	16 081

FINANCIAL PERFORMANCE SECOND QUARTER

The underlying EBIT in the second quarter was lower compared with the second quarter last year. In the quarter, revenues from spot sales increased significantly due to very high power prices. Statkraft has over the years entered into hedging positions to stabilise the revenue from operations. The contracts have typically an agreed fixed price that is lower than the current high forward prices. For some of these contracts, the difference resulting in unrealised gain or loss for the remaining contract period is accounted for at the end of each quarter. During the second quarter the forward power prices have increased significantly leading to unrealised losses of NOK 8.7 billion mainly from such contracts.

Underlying operating expenses increased 29 per cent compared with the second quarter last year, primarily related to public pension scheme changes in Norway and increased activity level in line with the growth strategy.

The EBIT IFRS was positively affected by unrealised value changes from embedded EUR derivatives driven by a weaker NOK against EUR and reversal of impairments for hydropower assets in Albania and Germany, partly offset by impairments for hydropower assets in Chile.

The decrease in share of profit/loss in equity accounted investments was primarily related to Agder Energi and Eviny. For both companies the decrease was primarily driven by negative value changes from energy contracts. The decrease was partly offset by reversal of impairments of Statkraft's equity accounted investments in Chile and India.

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 six months of 2021 was primarily related to the very high Nordic power prices. This led to improved results from the segments European flexible generation and Industrial ownership. Furthermore, the results from the Market operations segment significantly improved, particularly related to origination activities.

Underlying operating expenses increased 24 per cent compared with the first half last year, mainly related to the same factors as for the second quarter.

The decrease in share of profit/loss in equity accounted investments was primarily related to negative results from Agder Energi and Eviny in the second quarter.

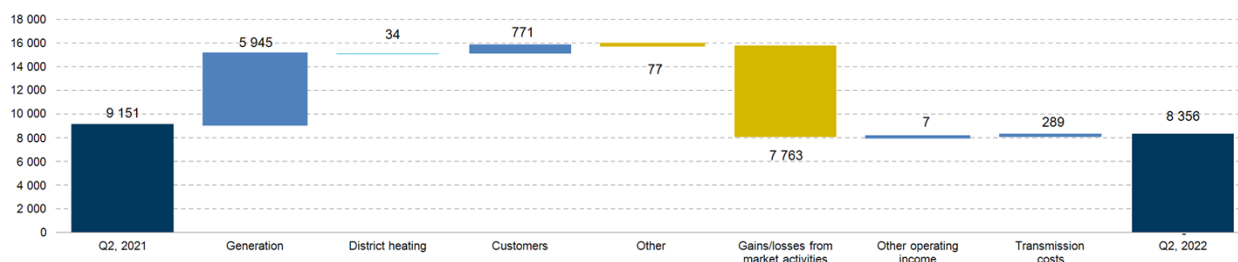
Net financial items and tax expense are commented in separate sections.

Statkraft's total assets have increased significantly since the corresponding quarter in 2021 and the book value is more than NOK 400 billion at quarter end. The significant increase in total assets is mainly explained by a surge in the price of energy and energy-related commodities, leading to a substantial increase in the value of the Group's derivatives.

NET OPERATING REVENUES AND OTHER INCOME UNDERLYING

	Second quarter			Year to date			Year
NOK million	2022	2021	Change	2022	2021	Change	2021
Net operating revenues and other income							
Generation	13 236	7 030	6 206	28 711	16 333	12 379	43 412
District heating	205	177	28	571	610	- 39	1 154
Customers	15 452	5 054	10 398	32 241	10 839	21 402	34 062
Other	1 846	937	910	5 428	2 018	3 410	6 028
Sales revenues	30 739	13 198	17 541	66 952	29 800	37 152	84 656
Gains/losses from market activities	-5 509	2 254	-7 763	- 73	3 690	-3 763	-1 950
Other operating income	131	124	7	355	234	122	734
Gross operating revenues and other income	25 360	15 576	9 784	67 234	33 723	33 511	83 440
Generation	- 958	- 698	- 260	-2 232	-1 387	- 845	-3 335
District heating	- 46	- 52	6	- 155	- 207	52	- 380
Customers	-14 572	-4 946	-9 627	-30 823	-10 493	-20 331	-33 536
Other	-1 392	- 405	- 987	-3 187	- 899	-2 288	-2 717
Energy purchase	-16 968	-6 100	-10 868	-36 397	-12 986	-23 411	-39 968
Transmission costs	- 36	- 325	289	- 394	- 913	519	-1 723
Net operating revenues and other income	8 356	9 151	- 795	30 443	19 825	10 618	41 749

Net operating revenues and other income underlying
NOK million



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

- Net operating revenues from Generation increased, mainly driven by significantly higher Nordic power prices, partly offset by lower Norwegian hydropower generation driven by lower reservoir fillings in Southern Norway.
- Net operating revenues from Customers increased, mainly driven by improved margins from market activities on the Continental Europe.
- Gains/losses from market activities decreased, mainly driven by large negative unrealised effects from financial hedging of generation revenues driven by a significant increase in the forward power prices in the quarter.
- Transmission costs have decreased, mainly driven by negative energy fees in the NO2 (Southern Norway) price area.

OPERATING EXPENSES UNDERLYING

	Second quarter			Year to date			Year
NOK million	2022	2021	Change	2022	2021	Change	2021
Operating expenses							
Salaries and payroll costs	-1 773	-1 189	- 584	-3 393	-2 499	- 894	-5 286
Depreciations and amortisations	-1 128	- 960	- 168	-2 247	-1 945	- 303	-4 113
Regulatory fees	- 335	- 327	- 8	- 703	- 675	- 28	-1 375
Other operating expenses	-1 304	-1 043	- 261	-2 329	-1 857	- 472	-4 183
Operating expenses	-4 539	-3 518	-1 021	-8 673	-6 976	-1 696	-14 957

- The increase in salaries and payroll costs was mainly due to public pension scheme changes in Norway (see note 12), a higher number of full-time equivalents following the increased activity level in line with the growth strategy and higher performance-related bonus costs in the segment Market operations.
- The increase in depreciations and amortisations was mainly related to newly acquired companies within German and French wind power and higher carrying value following previous reversal of impairments within Nordic wind power and German gas-fired power.
- Other operating expenses was higher mainly due to increased business development costs in the segments European wind and solar and International power related to the growth strategy and costs from newly acquired companies.

ITEMS EXCLUDED FROM OPERATING PROFIT/LOSS (EBIT) UNDERLYING

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

NOK million	Second quarter			Year to date			Year
	2022	2021	Change	2022	2021	Change	2021
Items excluded from operating profit/loss (EBIT) underlying							
Unrealised value changes from embedded EUR derivatives	546	118	428	- 155	- 831	677	-1 285
Gains/losses from divestments of business activities	- 0	85	- 85	- 0	85	- 86	817
Impairments/reversal of impairments	324	- 6	329	35	46	- 11	3 403
Items excluded from operating profit/loss (EBIT) underlying	870	198	672	- 120	- 700	581	2 934

- Embedded EUR derivatives linked to long-term industry contracts had a positive effect. This was mainly driven by a weakening of the forward NOK against EUR.
- Impairments/reversal of impairments in the quarter was net positive, see note 8.

NET FINANCIAL ITEMS

NOK million	Second quarter			Year to date			Year
	2022	2021	Change	2022	2021	Change	2021
Net financial items							
Net currency effects	-1 672	- 545	-1 127	- 457	816	-1 273	1 089
Interest and other financial items	172	- 77	249	605	74	531	242
Net financial items	-1 500	- 621	- 879	148	890	- 741	1 331

Net financial items second quarter

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

Net financial items year to date

- Net currency losses year to date of NOK 457 million were primarily related to a weakening of NOK against EUR.
- The increase in interest and other financial items were mainly driven by the same factors as for the quarter.

TAX EXPENSE

NOK million	Second quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Tax expense							
Profit/loss before tax	2 674	5 134	-2 460	21 956	13 407	8 549	32 744
Nominal tax rate in Norway	22%	22%	0%	22%	22%	0%	22%
Tax calculated at nominal Norwegian tax rate	588	1 130	- 541	4 830	2 950	1 881	7 204
Tax on share of profit/loss in equity accounted investments	113	16	96	- 35	- 81	47	- 371
Resource rent tax payable	2 836	928	1 908	6 236	2 427	3 810	7 749
Resource rent tax deferred	408	557	- 149	987	545	442	2 324
Other differences from the nominal Norwegian tax rate	- 53	80	- 133	- 288	324	- 612	- 244
Tax expense	3 891	2 711	1 180	11 731	6 164	5 567	16 663
Effective tax rate	145.5%	52.8%	92.7%	53.4%	46.0%	7.5%	50.9%

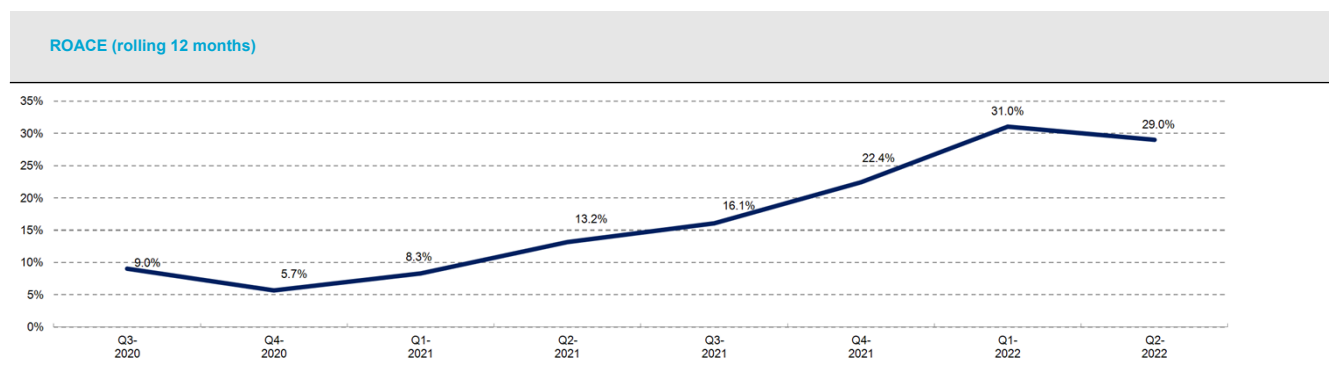
Tax expense second quarter

- Resource rent tax payable increased, mainly due to significantly higher Norwegian power prices. This was partly offset by lower generation.
- Resource rent tax deferred decreased, mainly due to unrealised value changes related to embedded derivatives.
- The high effective tax rate was mainly driven by significant contributions from Norwegian hydropower generation with a marginal tax rate of 59 per cent combined with negative contributions from financial hedging and currency effects subject only to ordinary income tax.

Tax expense year to date

- Resource rent tax payable increased, mainly due to the same factors as for the second quarter.
- Resource rent tax deferred increased, mainly due to unrealised value changes related to embedded derivatives.
- Other differences from the nominal Norwegian tax rate were mainly driven by foreign tax rate differences.

RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)



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

CASH FLOW

NOK million	Second quarter			Year to date			Year 2021
	2022	2021	Change	2022	2021	Change	
Cash flow							
Operating activities	16 551	5 964	10 587	19 137	9 914	9 223	26 242
Investing activities	-1 844	- 650	-1 194	-3 347	-1 724	-1 623	-5 618
Financing activities	- 452	66	- 518	- 867	-1 695	828	5 418
Net change in cash and cash equivalents	14 256	5 380	8 875	14 923	6 495	8 428	26 042
Cash and cash equivalents (incl. restricted cash) at period end				53 417	17 719	35 698	37 162

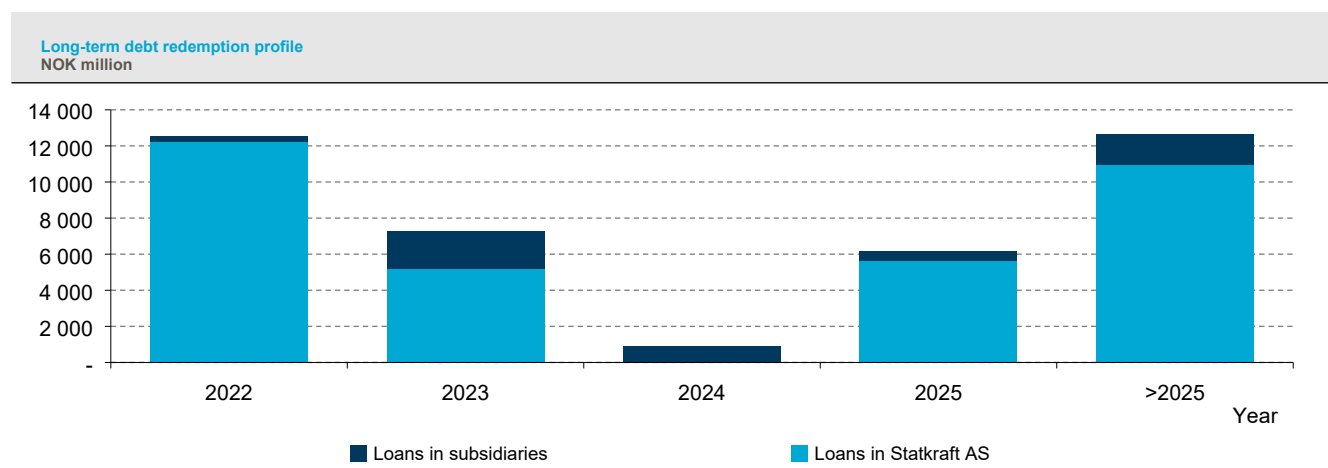
Cash flow in the quarter

- The EBIT (IFRS) of NOK 4687 million includes NOK 8114 million of non-cash negative unrealised effects, and in addition working capital changes of NOK 5248 million contributed positively. This was partly offset by cash outflow from cash collateral related to operations and margin calls of NOK -1005 million as well as taxes paid of NOK -1187 million, in total leading to the cash flow from operations of NOK 16 551 million.
- The negative cash flow from investing activities of NOK -1844 million was mainly due to cash outflow following investments of NOK -2253 million primarily related to construction projects within wind power in Chile and Brazil and maintenance investments in Norwegian hydropower. This was partly offset by net cash inflow of NOK 591 million from divestments within the DS/DBS business model, primarily from the Twentysalling wind farm in the UK.
- The cash flow from financing activities was NOK -452 million and mainly includes repayment of debt of NOK -5700 million and new debt of NOK 5798 million, as well as net cash outflows for cash collateral related to financing of NOK -508 million.

Cash flow year to date

- The EBIT (IFRS) of NOK 21 650 million was partly offset by working capital changes of NOK -3295 million and taxes paid of NOK -2500 million, leading to a cash flow from operations of NOK 19 137 million.
- The negative cash flow from investing activities was mainly driven by the same factors as for the quarter, with investments of NOK -4006 million, partly offset by net cash inflows from divestments of assets within the DS/DBS business model of NOK 1018 million.
- The cash flow from financing activities includes mainly repayment of debt of NOK -15 697 million and new debt of NOK 15 103 million.

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 -7145 million compared to NOK 14 439 at the end of 2021.
- Net interest-bearing liabilities - equity ratio was -6.7 per cent, an improvement from the ratio of 11.8 per cent at the end of 2021.

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

In the second quarter, Statkraft issued its first green bond with a total amount of NOK 5 500 million. The bond consists of three tranches with maturity of 5 and 10 years. Repayment of matured debt in the quarter amounted to NOK 5 700 million.

Furthermore, Statkraft also signed a 1.3 EUR billion 5-year sustainability-linked revolving credit facility with two 1-year extension options to support the ongoing operations and the Group's ambitious investment strategy.

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 SECOND QUARTER

Investments in new capacity were mainly related to construction of wind farms in Chile and Brazil and hydropower plants in Chile and India. The quarterly maintenance investments were primarily related to Nordic hydropower. Investments classified as “Other” were mainly related to grid in Norway and EV charging activities in the Nordics, whereas wind and solar projects in Ireland 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
Second quarter 2022								
New capacity	664	12	-	643	-	-	9	-
Maintenance	620	556	-	31	1	- 1	33	-
Other	419	39	10	- 126	137	40	204	115
Investments in PPE and intangible assets	1 703	607	10	548	138	39	246	115
New capacity for subsequent divestment (DS/DBS)								
	515	-	-	-	515	-	-	-
Shareholdings, consolidated	-	-	-	-	-	-	-	-
Shareholdings, equity accounted	13	-	-	-	-	-	13	-
Shareholdings, financial non-current	160	-	-	-	-	-	-	160
Investments in shareholdings	173	-	-	-	-	-	13	160
Total investments	2 390	607	10	548	653	39	259	275
Year to date 2022								
New capacity	1 617	12	-	1 591	-	-	14	-
Maintenance	1 060	915	-	57	19	-	69	-
Other	977	70	26	18	204	71	380	207
Investments in PPE and intangible assets	3 654	997	26	1 666	223	71	463	207
New capacity for subsequent divestment (DS/DBS)								
	860	-	-	-	860	-	-	-
Shareholdings, consolidated	160	-	-	-	16	-	-	144
Shareholdings, equity accounted	13	-	-	-	-	-	13	-
Shareholdings, financial non-current	204	-	-	-	-	-	-	204
Investments in shareholdings	377	-	-	-	16	-	13	348
Total investments	4 889	997	26	1 666	1 098	71	475	555

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities
Second quarter 2021								
New capacity	392	8	-	322	34	-	29	-
Maintenance	742	664	-	8	8	2	60	-
Other	513	15	3	43	24	36	192	200
Investments in PPE and intangible assets	1 647	687	3	373	66	38	281	200
New capacity for subsequent divestment (DS/DBS)								
	439	-	-	-	439	-	-	-
Shareholdings, consolidated	293	-	-	-	23	-	75	195
Shareholdings, equity accounted	-	-	-	-	-	-	-	-
Shareholdings, financial non-current	25	-	-	-	-	-	10	15
Investments in shareholdings	318	-	-	-	23	-	85	210
Total investments	2 404	687	3	373	527	38	365	411
Year to date 2021								
New capacity	571	24	-	469	34	-	44	-
Maintenance	1 148	989	-	39	8	6	106	-
Other	1 159	27	6	56	392	103	330	245
Investments in PPE and intangible assets	2 878	1 040	6	564	434	109	480	245
New capacity for subsequent divestment (DS/DBS)								
	710	-	-	-	710	-	-	-
Shareholdings, consolidated	293	-	-	-	23	-	75	196
Shareholdings, equity accounted	-	-	-	-	-	-	-	-
Shareholdings, financial non-current	42	-	-	-	-	-	10	32
Investments in shareholdings	335	-	-	-	23	-	85	228
Total investments	3 923	1 040	6	563	1 167	109	565	472

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

Projects in consolidated operations ¹⁾

Second quarter	Project	Business model ²⁾	Country	New capacity (MW) ³⁾	Statkraft's ownership share	Planned completion	
Committed investments in the period							
Wind power	Moanvane	DBS	Ireland	58	100%	2024	Q3
Main construction projects							
Hydropower	Tidong	BOO	India	150	100%	2022	Q4
	Straumsmo	n/a	Norway	-	100%	2024	Q1
	Tysso 2	n/a	Norway	-	100%	2024	Q1
	Tokke-Vinje	n/a	Norway	-	100%	2024	Q4
	Eringsdalen and Nordalen Dams	n/a	Norway	-	100%	2024	Q4
	Los Lagos	BOO	Chile	52	100%	2025	Q1
	Nesjødammen	n/a	Norway	-	100%	2026	Q1
	Hammarforsen	n/a	Norway	-	100%	2026	Q2
	Trollheim Dam	n/a	Norway	-	100%	2026	Q3
Wind power	Taghart	DBS	Ireland	23	100%	2022	Q4
	Cloghan	DBS	Ireland	34	100%	2023	Q1
	Torsa	BOO	Chile	108	100%	2023	Q2
	Ventos de Santa Eugenia	BOO	Brazil	519	81%	2023	Q2
	Morro do Cruzeiro	BOO	Brazil	80	81%	2024	Q1
Solar power	Cadiz ⁵⁾	DBS	Spain	234	100%	2023	Q1
	Talayuela 2	DBS	Spain	58	100%	2023	Q2
	Ballymacarney	DBS	Ireland	200	100%	2023	Q2
	South Meath	DBS	Ireland	80	100%	2023	Q3
Other technologies	Lister Drive Greener Grid Park ⁴⁾	BOO	UK	-	100%	2022	Q4
Completed projects in the period							
Solar power	Nellai	BOO	India	76	74%	2022	Q3

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.

⁵⁾ The project has been divested. Statkraft is conducting the construction, engineering and procurement (EPC) of the Cadiz projects. See note 14.

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.

Following Statkraft's updated strategy and corresponding changes to business areas and corporate management, an assessment of the operating and reportable segments is ongoing. It is expected that Statkraft will report on the new reportable segments in the fourth quarter 2022.

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

The current 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 (Baltic Cable).

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

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

District heating includes development, ownership and 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, Eviny and Agder Energi. Skagerak Energi is included in the consolidated financial statements, while Eviny and Agder Energi are reported as equity accounted investments.

In addition:

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

Group items includes eliminations.

Second quarter	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Income statement									
Gross operating revenues and other income underlying	25 360	7 111	15 710	937	168	185	1 671	646	-1 068
Net operating revenues and other income underlying	8 356	5 605	935	543	- 242	147	1 569	553	- 754
EBITDA underlying	4 945	4 382	147	245	- 705	50	1 219	- 172	- 221
Operating profit/loss (EBIT) underlying	3 817	3 885	140	41	- 867	-	1 085	- 246	- 221
- of which unrealised effects	-8 660	-4 431	-2 941	- 414	- 660	-	- 15	-	- 199
Operating profit/loss (EBIT) IFRS	4 687	4 782	140	38	- 889	- 1	1 085	- 246	- 222
Key financial metrics									
Operating profit/loss (EBIT) margin underlying	15.1%	54.6%	0.9%	4.4%	-514.6%	-0.2%	64.9%	n/a	n/a
ROACE	29.0%	54.2%	n/a	0.7%	-5.5%	5.1%	33.9%	n/a	n/a
ROAE	10.0%	n/a	n/a	43.9%	26.1%	n/a	0.2%	n/a	n/a
Investments									
Total investments	2 390	605	10	547	654	39	259	275	-
Generation and district heating									
Generation, volume sold (TWh)	14.2	11.3	-	1.4	0.7	-	0.8	-	-
- hydropower (TWh)	13.1	11.0	-	1.3	-	-	0.8	-	-
- wind power (TWh)	0.8	-	-	0.1	0.7	-	-	-	-
- gas-fired power (TWh)	0.3	0.3	-	-	-	-	-	-	-
- biomass and solar power (TWh)	0.1	0.1	-	0.0	-	-	-	-	-
Delivered volume, district heating (TWh)	0.2	-	-	-	-	0.2	0.0	-	-

EUROPEAN FLEXIBLE GENERATION

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	7 111	6 985	22 138	15 001	39 727
Net operating revenues and other income	5 605	5 901	18 478	12 661	33 899
Operating expenses	-1 720	-1 543	-3 308	-3 102	-6 343
Operating profit/loss (EBIT) underlying	3 885	4 357	15 170	9 559	27 557
- of which unrealised effects	-4 431	909	-2 702	1 377	1 846
Unrealised value changes from embedded EUR derivatives	546	118	- 155	- 831	-1 285
Impairments/reversal of impairments	350	-	350	-	1 020
Operating profit/loss (EBIT) IFRS	4 782	4 475	15 365	8 728	27 291
Share of profit/loss in equity accounted investments	1	- 1	35	-	-
ROACE (rolling 12 months)			54.2%	19.0%	45.2%
Total investments	606	687	997	1 040	2 450
Generation (TWh)	11.3	12.3	25.4	28.2	55.0

Key events

- Licence application has been sent to NVE for a major modernisation of the Folgefonn hydropower scheme requesting the installed capacity to increase from 250 MW to 880 MW.
- Vesle Kjela and Storlia hydropower plants were officially opened in May, both generating 40 GWh/year.
- During the quarter revised licence terms for Røssåga and Tokke-Vinje regulation was received. For Tokke-Vinje the revised licence will lead to a yearly generation loss of approx. 53 GWh.
- Several new long-term power contracts have been signed in Norway and Sweden providing hedges for 17 TWh for the years 2023-2032. Some of the contracts are subject to conditions precedent.

Quarterly financial performance

- The high power prices continued during the second quarter compared with the same quarter last year contributing to an increase in spot sales revenues. This was offset by lower generation and large negative unrealised effects from financial hedging of generation revenues of NOK 5.2 billion following the significant increase in future power prices seen at the end of the quarter. The generation in South Norway (NO2) has been especially low at the end of the quarter as a consequence of dry weather and low reservoir levels.
- During the quarter a reversal of previous impairments related to a German hydropower pump storage was recognised of NOK 350 million, see note 8.
- Following the new regulation terms from the German and Swedish regulator related to Baltic cable, a reduction of NOK 504 million in the sales revenues has been recognised in the second quarter, see note 11.

Year to date financial performance

- Very high power prices have contributed to the increase in underlying EBIT of NOK 5.6 billion.
- The segment's embedded derivatives linked to various commodities also contributed to an increased underlying EBIT with NOK 1.5 billion.
- The increase was offset by lower Norwegian hydropower generation and a decreased contribution of NOK 5.5 billion from financial hedging of generation revenues.

Financial metrics

- ROACE remained high at 54.2 per cent following the strong underlying EBIT in the quarter.

Quarterly investments

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

MARKET OPERATIONS

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	15 710	6 648	37 860	13 936	32 383
Net operating revenues and other income	935	1 530	6 358	2 928	-2 343
Operating expenses	- 795	- 504	-1 531	- 926	-2 005
Operating profit/loss (EBIT) underlying	140	1 026	4 827	2 002	-4 348
- of which unrealised effects	-2 941	1 973	3 183	- 392	2 865
Gains/losses from divestments of business activities	-	-	-	-	-
Impairments/reversal of impairments	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	140	1 026	4 827	2 002	-4 348
Share of profit/loss in equity accounted investments	-	-	-	-	-
ROACE (rolling 12 months)			n/a	n/a	n/a
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	10	3	26	6	23
Generation (TWh)	n/a	n/a	n/a	n/a	n/a

Key events

- A 10-year power supply agreement has been signed in the United Kingdom, with an estimated total volume of 438 GWh.

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 a positive result from Trading & Origination in the quarter which was mainly offset by a negative result from Dynamic asset management portfolios.
- Dynamic asset management ended with a negative EBIT of NOK 1293 million in the quarter compared with a positive EBIT of NOK 113 million in the second quarter of 2021. The dynamic asset management portfolios in addition to optimise revenues, are risk-reducing portfolios for Statkraft's flexible assets in Europe.
- Trading & Origination had a positive EBIT of NOK 1433 million in the quarter compared with NOK 913 million in the second quarter of 2021.
- The operating expenses increased, primarily related to increased number of full-time equivalents, public pension scheme changes in Norway and higher performance related bonus accruals.

Year to date financial performance

- The increase in underlying EBIT was driven by higher contribution from Trading & Origination.

INTERNATIONAL POWER

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	937	593	2 069	1 338	2 588
Net operating revenues and other income	543	389	1 330	944	1 632
Operating expenses	- 502	- 388	- 942	- 789	-1 677
Operating profit/loss (EBIT) underlying	41	1	388	155	- 45
- of which unrealised effects	- 414	- 137	- 504	- 154	- 676
Gains/losses from divestments of business activities	-	-	-	-	- 4
Impairments/reversal of impairments	- 3	- 5	- 268	- 9	- 79
Operating profit/loss (EBIT) IFRS	38	- 3	120	146	- 128
Share of profit/loss in equity accounted investments	704	- 18	757	17	553
ROACE (rolling 12 months)			0.7%	1.1%	-0.2%
ROAE (rolling 12 months)			43.9%	-22.9%	22.1%
Total investments	547	373	1 666	563	2 307
Generation (TWh)	1.4	1.1	2.8	2.6	4.9

Key events

- On 7 May a fatal working accident occurred at the Tidong hydropower project in India, where two employees of a local contractor lost their lives, and two others were injured.
- Commercial operation for Nellai solar park in India.
- An impairment reversal of NOK 1243 million related to a hydropower plant in Albania, offset by an impairment of NOK 1239 million related to a hydropower project in Chile. See note 8.

Quarterly financial performance

- The underlying EBIT increased mainly as a result of higher contributions from Brazil, Peru and Chile due to higher generation and price levels, partly offset by increased unrealised hedging losses in Albania.
- Increase in share of profit in equity accounted investments was mainly driven by reversal of impairments in Chile and India. See note 8.

Year to date financial performance

- The underlying EBIT increased with positive contributions from Brazil, Turkey and Peru, mainly due to higher power prices.
- Increase in share of profit in equity accounted investments was mainly driven by the same factors as for the second quarter.

Financial metrics

- ROACE was 0.7 per cent, slightly up from previous quarter driven by a higher underlying EBIT.
- ROAE was 43.9 per cent, a significant increase from previous quarter, which was mainly driven by reversal of impairments in Chile and India in the second quarter of 2022.

Quarterly investments

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

EUROPEAN WIND AND SOLAR

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	168	269	1 366	796	2 240
Net operating revenues and other income	- 242	206	291	544	1 703
Operating expenses	- 625	- 469	- 1 176	- 844	- 1 867
Operating profit/loss (EBIT) underlying	- 867	- 263	- 885	- 299	- 164
- of which unrealised effects	- 660	1	- 944	3	- 82
Gains/losses from divestments of business activities	-	85	-	85	821
Impairments/reversal of impairments	- 23	-	- 46	57	2 466
Operating profit/loss (EBIT) IFRS	- 889	- 177	- 931	- 157	3 123
Share of profit/loss in equity accounted investments	34	- 85	130	- 79	3
Gains/losses from divestments of equity accounted investments ^{*)}	-	21	-	21	21
ROACE (rolling 12 months)			-5.5%	-8.0%	-1.3%
ROAE (rolling 12 months)			26.1%	-6.8%	0.4%
Total investments	653	527	1 098	1 167	4 976
Generation (TWh)	0.7	0.6	2.2	1.7	3.5

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

Key events

- The Twentyshilling wind farm in UK was divested. See note 14.
- Secured route to market for six solar parks and four wind farms in Ireland with a total capacity of 810 MW. The projects are currently under development or construction with expected completion during 2023-2025.

Quarterly financial performance

- The decrease in underlying EBIT was mainly driven by significant unrealised hedging losses and higher operating expenses following increased business development activities. This was partly offset by higher generation revenues, primarily following the acquisition of German and French wind farms in the fourth quarter of 2021.

Year to date financial performance

- Year to date underlying EBIT was mainly driven by the same factors as for the quarter.

Financial metrics

- ROACE was -5.5 per cent. The decrease from the previous quarter was primarily due to the decrease in underlying EBIT, mainly driven by unrealised hedging effects.
- ROAE was 26.1 per cent, a significant increase from previous quarters, following higher power prices in the UK, as well as a tax rate adjustment with negative effects in the second quarter last year.

Quarterly investments

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

DISTRICT HEATING

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	185	166	510	551	1 045
Net operating revenues and other income	147	124	380	372	716
Operating expenses	- 147	- 116	- 275	- 237	- 508
Operating profit/loss (EBIT) underlying	0	8	105	135	208
- of which unrealised effects	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-
Impairments/reversal of impairments	- 1	- 1	- 2	- 2	- 4
Operating profit/loss (EBIT) IFRS	- 1	7	103	133	204
Share of profit/loss in equity accounted investments	-	-	-	-	-
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	-	-	-
ROACE (rolling 12 months)			5.1%	3.3%	5.9%
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	39	38	71	109	190
Delivered volume (TWh)	0.2	0.2	0.6	0.6	1.1

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

Quarterly financial performance

- Underlying EBIT decreased compared with the second quarter in 2021 due to higher operating expenses, primarily related to changes in the Norwegian public pension scheme.
- Delivered heating volume was on par with the same quarter last year, while the heating prices were positively affected by high power prices in the southern parts of Norway.

Year to date financial performance

- Underlying EBIT decreased due to the same factors as for the second quarter.
- Delivered heating volume was lower due to relatively mild winter months, while the heating prices were negatively affected by lower regional power prices in the middle and northern parts of Norway.

Financial metrics

- ROACE was slightly down from 5.3 per cent in the first quarter due to the lower underlying EBIT. The average capital employed was stable.

Quarterly investments

- The investments were primarily related to pipelines and reinvestment in existing assets.

INDUSTRIAL OWNERSHIP

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	1 671	1 028	4 297	2 540	6 638
Net operating revenues and other income	1 569	967	3 983	2 341	6 053
Operating expenses	- 484	- 360	- 939	- 784	- 1 716
Operating profit/loss (EBIT) underlying	1 085	607	3 044	1 557	4 337
- of which unrealised effects	- 15	-	- 21	-	17
Operating profit/loss (EBIT) IFRS	1 085	607	3 044	1 557	4 337
Share of profit/loss in equity accounted investments	-1 240	50	- 734	474	1 227
ROACE (rolling 12 months)			33.9%	10.2%	25.6%
ROAE (rolling 12 months)			0.2%	14.9%	11.6%
Total investments	259	365	475	565	1 096
Generation (TWh)	0.8	1.5	2.3	3.6	6.5

Quarterly financial performance

- Underlying EBIT increased, mainly due to significantly higher Norwegian (NO2) power prices, partly offset by lower generation.
- Share of profit/loss in equity accounted investments significantly decreased, mainly due to negative value changes from energy contracts, driven by higher future power prices.

Year to date financial performance

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

Financial metrics

- ROACE was 33.9 per cent, an increase from the previous quarter, driven by a significantly higher underlying EBIT.
- ROAE was 0.2 per cent, a decrease from the previous quarter, mainly due to a lower share of profit from Agder Energi and Eviny.

Quarterly investments

- The investments were primarily related to grid activities.

OTHER ACTIVITIES

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Gross operating revenues and other income	646	481	1 263	902	1 926
Net operating revenues and other income	553	431	1 061	814	1 677
Operating expenses	- 799	- 580	- 1 523	- 1 156	- 2 502
Operating profit/loss (EBIT) underlying	- 246	- 150	- 462	- 342	- 825
- of which unrealised effects	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	- 246	- 150	- 462	- 342	- 825
Share of profit/loss in equity accounted investments	- 12	- 20	- 31	- 43	- 97
ROACE (rolling 12 months)	-	-	n/a	n/a	n/a
ROAE (rolling 12 months)			n/a	n/a	n/a
Total investments	275	411	555	472	826
Generation (TWh)	n/a	n/a	n/a	n/a	n/a

Quarterly financial performance

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

Year to date financial performance

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

Quarterly investments

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

Outlook

After the significant increase in the power prices last year, the prices have continued at even higher levels and are very volatile. There is still an extraordinary situation in the energy markets. The shortage of gas supplies from Russia has increased the market uncertainty for the future, and there is a risk that there will be restrictions on export and rationing of gas and electricity in several European countries the coming winter. As a result, the market expects the high prices to continue in the short and medium term, and Statkraft's reservoir filling is increasing to prepare for the coming winter.

The need for flexibility in the energy market is accelerating. Statkraft has Europe's largest portfolio of flexible hydropower plants and reservoir capacity, and these assets are an important source of dispatchable power generation. The operations of the assets are continuously optimised according to the hydrological situation and expected power prices. To further strengthen this competitiveness, Statkraft continues to make significant reinvestments in the Nordic hydropower portfolio and the activity will be at a record-high level towards 2030. Statkraft will also seek new capacity additions in the Norwegian portfolio, aiming at initiating at least five projects by 2030. The first project is most likely Folgefonn, which Statkraft has submitted a license application for.

Statkraft has a substantial volume of long-term power contracts within the segments European flexible generation and International power. These contracts are supplemented with financial power contracts and other risk mitigating activities. This reduces the price risk for significant parts of Statkraft's generation and, in sum, have a stabilising effect on revenues over time. Statkraft will continue to offer new contracts to maintain the position as a competitive supplier to the industry in Norway.

The continuous high Nordic power prices have had a positive effect on the investment capacity. Statkraft is planning substantial net investments in renewable energy, and a significant amount will be invested in Norwegian flexible hydropower and new renewable technologies. The pace and total amount of investments in the strategic period will depend on market opportunities and market development. The investment programme has a large degree of flexibility and will be financed through retained earnings, external financing and divestments.

In the spring of 2022, Statkraft updated its strategy and has extended the strategic horizon from 2025 to 2030. The updated strategy is a continuation of the strategic direction set in 2018, but with significantly higher growth ambitions across our geographies and technologies. Specifically, Statkraft is accelerating the growth rate in renewable energy and will also pursue an industrial role in offshore wind. We want to become a leading developer of green hydrogen in Norway and Sweden and raise the business development level across technologies in Norway.

Statkraft has a solid financial foundation to deliver on the updated growth strategy and aims to be a major solar, onshore wind and battery storage developer with an annual delivery rate of 2.5–3 GW per year by 2025 and 4 GW per year by 2030. In total, Statkraft aims to develop 30 GW new renewable capacity within 2030, which will be partly kept and partly divested. That could increase Statkraft's annual power generation by up to 50 percent from today, to around 100 TWh per year by the end of the decade.

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

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

Oslo, 20 July 2022
The Board of Directors of Statkraft AS

Declaration from the Board of Directors and President and CEO

We hereby declare to the best of our knowledge that the six-month interim financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with IAS 34, Interim Reporting, and the accounting information provides a true and fair view of the Group's assets, liabilities, financial position and performance as a whole, and that the six-month interim report provides a true and fair view of important events in the accounting period and their influence on the six-month interim financial statements, associated material transactions and the key risk and uncertainty factors facing the business in the next accounting period.

Oslo, 20 July 2022
The Board of Directors of Statkraft AS



Thorhild Widvey
Chair of the Board



Peter Mellbye
Deputy chair



Marit Salte
Director



Mikael Lundin
Director



Ingelise Arntsen
Director



Pål Erik Sjøtøl
Director



Lars Mathisen
Director



Thorbjørn Holøs
Director



Marte Lind
Director



Christian Rynning-Tønnesen
President and CEO

Statkraft AS Group Interim Financial Statements

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
STATEMENT OF COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	30 739	13 198	66 952	29 800	84 656
Gains/losses from market activities	-4 963	2 372	- 228	2 859	-3 235
Other operating income	131	210	355	319	1 556
Gross operating revenues and other income	25 907	15 779	67 079	32 977	82 976
Energy purchase	-16 968	-6 100	-36 397	-12 986	-39 968
Transmission costs	- 36	- 325	- 394	- 913	-1 723
Net operating revenues and other income	8 902	9 354	30 288	19 079	41 286
Salaries and payroll costs	-1 773	-1 189	-3 393	-2 499	-5 286
Depreciations and amortisations	-1 128	- 960	-2 247	-1 945	-4 113
Impairments/reversal of impairments	324	- 6	35	46	3 403
Regulatory fees	- 335	- 327	- 703	- 675	-1 375
Other operating expenses	-1 304	-1 043	-2 329	-1 857	-4 188
Operating expenses	-4 216	-3 524	-8 638	-6 931	-11 559
Operating profit/loss (EBIT)	4 687	5 830	21 650	12 148	29 727
Share of profit/loss in equity accounted investments	- 513	- 74	157	370	1 686
Net currency effects	-1 672	- 545	- 457	816	1 089
Interest and other financial items	172	- 76	604	73	243
Net financial items	-1 500	- 621	148	889	1 331
Profit/loss before tax	2 674	5 134	21 956	13 407	32 744
Income tax expense	-3 891	-2 711	-11 731	-6 164	-16 663
Net profit/loss	-1 217	2 423	10 224	7 243	16 081
Of which non-controlling interest	142	96	475	252	558
Of which owners of the parent	-1 359	2 327	9 750	6 991	15 523
OTHER COMPREHENSIVE INCOME (OCI)					
Items in other comprehensive income that recycle over profit/loss:					
Items recorded in other comprehensive income in equity accounted investments	42	25	46	25	1
Recycling of currency translation effects related to foreign operations disposed	- 12	-	- 12	-	- 39
Currency translation effects	6 248	1 566	4 869	-1 194	-2 473
Total	6 278	1 591	4 903	-1 168	-2 511
Items in other comprehensive income that will not recycle over profit/loss:					
Changes in fair value of financial instruments, net of tax	- 62	8	- 91	- 4	28
Estimate deviation pension in equity accounted investments	- 171	- 19	131	52	28
Estimate deviation pension, net of tax	- 6	- 220	1 053	110	- 312
Total	- 239	- 231	1 093	158	- 257
Other comprehensive income	6 039	1 360	5 996	-1 011	-2 767
Total comprehensive income	4 821	3 783	16 220	6 232	13 315
Of which non-controlling interest	270	163	737	299	564
Of which owners of the parent	4 551	3 622	15 484	5 933	12 750

NOK million	Year to date 2022	2021	Year 2021
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Deferred tax assets	1 843	802	1 748
Intangible assets	4 197	4 236	4 112
Property, plant and equipment	122 148	110 931	116 521
Equity accounted investments	14 639	13 409	14 771
Derivatives	56 674	11 374	27 995
Other non-current assets	7 082	6 448	6 488
Non-current assets	206 583	147 199	171 635
Inventories	9 835	8 217	6 614
Receivables	53 373	16 403	42 190
Financial investments	586	631	661
Derivatives	77 279	15 960	51 741
Cash and cash equivalents (incl. restricted cash)	53 417	17 719	37 162
Current assets	194 491	58 930	138 369
Assets	401 073	206 129	310 004
EQUITY AND LIABILITIES			
Paid-in capital	59 219	59 219	59 219
Other reserves	6 880	3 523	2 234
Retained earnings	42 050	33 321	41 426
Total equity attributable to owners of the parent	108 149	96 063	102 880
Non-controlling interest	5 630	4 577	4 896
Equity	113 779	100 639	107 775
Deferred tax	14 618	10 583	12 723
Pension liabilities	3 042	3 253	3 892
Bond and bank debt	25 761	24 704	19 632
Lease liabilities	1 729	1 687	1 861
Contract liabilities	3 892	4 207	4 052
Derivatives	55 897	11 965	21 985
Other non-current liabilities	3 313	3 074	3 283
Non-current liabilities	108 251	59 473	67 427
Commercial papers, bond and bank debt	13 602	3 548	18 942
Lease liabilities	370	237	303
Contract liabilities	316	316	316
Taxes payable	22 870	5 738	14 527
Derivatives	106 621	20 854	64 647
Other current liabilities	35 265	15 324	36 068
Current liabilities	179 043	46 017	134 802
Equity and liabilities	401 073	206 129	310 004

NOK million	Paid-in capital	Hedging reserves and profit and loss reserves other shares	Accumulated translation differences ¹⁾	Total other reserves	Retained earnings	Total equity attributable to owner of parent	Non-controlling interests	Total equity
STATEMENT OF CHANGES IN EQUITY								
Balance as of 31 Dec 2020	59 219	- 203	4 936	4 733	29 889	93 840	4 188	98 028
Net profit/loss	-	-	-	-	6 991	6 991	251	7 243
Total other comprehensive income	-	23	-1 232	-1 209	151	-1 058	47	-1 011
Total comprehensive income for the period	-	23	-1 232	-1 209	7 142	5 933	299	6 231
Dividend	-	-	-	-	-3 673	-3 673	- 91	-3 764
Business combinations/divestments	-	-	-	-	-	-	97	97
Transactions with non-controlling interests	-	-	-	-	- 38	- 38	83	45
Balance as of 30 June 2021	59 219	- 180	3 704	3 524	33 320	96 063	4 577	100 639
Balance as of 31 Dec 2020	59 219	- 203	4 936	4 733	29 888	93 840	4 188	98 028
Net profit/loss	-	-	-	-	15 523	15 523	558	16 081
Total other comprehensive income	-	24	-2 523	-2 499	- 275	-2 773	7	-2 766
Total comprehensive income for the period	-	24	-2 523	-2 499	15 249	12 750	564	13 315
Dividend	-	-	-	-	-3 673	-3 673	- 91	-3 764
Business combinations/divestments	-	-	-	-	-	-	101	101
Transactions with non-controlling interests	-	-	-	-	- 38	- 38	133	95
Balance as of 31 Dec 2021	59 219	- 179	2 413	2 234	41 426	102 880	4 896	107 775
Net profit/loss	-	-	-	-	9 750	9 750	475	10 224
Total other comprehensive income	-	- 28	4 674	4 646	1 088	5 734	262	5 996
Total comprehensive income for the period	-	- 28	4 674	4 646	10 838	15 484	737	16 220
Dividend	-	-	-	-	-10 214	-10 214	- 312	-10 526
Transactions with non-controlling interests	-	-	-	-	-	-	310	310
Balance as of 30 June 2022	59 219	- 207	7 087	6 880	42 050	108 149	5 630	113 779

¹⁾ Includes NOK 1210 million in inflation adjustment of Turkish entities due to hyperinflation as of 30 June 2022. Comparable figures have not been restated. See note 8 for more information.

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
STATEMENT OF CASH FLOW					
CASH FLOW FROM OPERATING ACTIVITIES					
Operating profit/loss (EBIT)	4 687	5 830	21 650	12 148	29 727
Depreciations, amortisations and impairments	804	965	2 212	1 899	710
Gains/losses from divestments and disposals of assets	- 55	- 81	- 147	- 79	- 740
Unrealised effects included in operating profit/loss (EBIT)	8 114	-2 881	1 520	6	-2 362
Dividends from equity accounted investments	790	513	813	546	571
Changes in working capital	5 248	187	-3 295	- 276	859
Investments in development and construction projects classified as inventories (DS/DBS)	- 515	- 439	- 860	- 710	-1 892
Cash collateral, margin calls and option prepayments	-1 005	2 903	97	- 574	3 311
Cash effects from foreign exchange derivatives related to operations	- 260	14	- 21	- 17	- 273
Effects from prepayments from customers	- 62	- 62	- 160	- 160	- 316
Taxes paid	-1 187	-1 239	-2 500	-2 794	-3 042
Other changes	- 8	254	- 174	- 75	- 311
Cash flow from operating activities	A	16 551	5 964	19 137	26 242
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in property, plant and equipment and intangible assets	-2 253	-1 720	-4 006	-2 845	-7 477
Divestment of shares in subsidiaries, net liquidity inflow	-	1 137	-	1 137	2 442
Acquisitions of shares in subsidiaries, net liquidity outflow	- 65	- 88	- 222	- 96	-1 730
Loans and interest related to equity accounted investments	33	33	54	55	90
Sale of development and construction projects classified as inventories (DS/DBS)	591	14	1 018	27	822
Other investments	- 150	- 27	- 191	- 2	233
Cash flow from investing activities	B	-1 844	- 650	-3 347	-5 618
CASH FLOW FROM FINANCING ACTIVITIES					
New debt	5 798	342	15 103	380	14 935
Repayment of debt	-5 700	- 198	-15 679	-2 164	-5 842
Cash collateral related to financing	- 508	- 59	- 196	182	333
Interests paid	- 94	- 64	- 329	- 233	- 567
Interests received from cash and other assets	143	14	237	53	158
Dividend and group contribution paid to Statkraft SF	-	-	-	-	-3 673
Transactions with non-controlling interests	- 91	31	- 2	87	73
Cash flow from financing activities	C	- 452	66	-1 695	5 418
Net change in cash and cash equivalents	A+B+C	14 256	5 379	14 923	26 042
Currency exchange rate effects on cash and cash equivalents	1 456	137	1 332	68	- 34
Cash and cash equivalents 01.04 / 01.01	37 705	12 203	37 162	11 155	11 155
Cash and cash equivalents 30.06 / 31.12 ¹⁾	53 417	17 719	53 417	17 719	37 162
Of which are cash and cash equivalents in joint operations	205	239	205	239	281
Unused committed credit lines			13 453	9 335	9 167
Unused overdraft facilities			2 044	2 017	2 051
Restricted cash			230	34	342

¹⁾ As of 30 June 2022, NOK 1.5 billion from Baltic Cable is included, see note 11 for further information.

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
Reconciliation of investments in property, plant and equipment and intangible assets					
Investments in property, plant and equipment and intangible assets in the cash flow	2 253	1 720	4 006	2 845	7 477
Capitalised borrowing costs	78	22	149	41	136
Capitalised decommissioning provisions	3	-	14	23	138
Non-cash additions from right-of-use assets, other non-cash additions and other adjustments	- 37	54	145	322	1 083
Timing differences between capitalisation and payment date	- 593	- 149	- 661	- 353	-1 001
Investments in property, plant and equipment and intangible assets in the Investments overview	1 704	1 647	3 654	2 878	7 833

Segments

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

Following Statkraft's updated strategy and corresponding changes to business areas and corporate management, an assessment of the operating and reportable segments is ongoing. It is expected that Statkraft will report on the new reportable segments in the fourth quarter 2022.

SECOND QUARTER 2022

The items below are excluded from the underlying figures:

1. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK -546 million)
2. **Other operating income:** Gains from divestments of business activities that are not included in the DS/DBS business model.
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK -324 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS.

YEAR TO DATE 2022

The items below are excluded from the underlying figures:

5. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK 155 million)
6. **Other operating income:** Gains from divestments of business activities that are not included in the DS/DBS business model.
7. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK -35 million)
8. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS.

THE YEAR 2021

The items below are excluded from the underlying figures:

1. **Gains/losses from market activities:** Unrealised value changes from embedded EUR derivatives related to long-term industry contracts. (NOK 1285 million)
2. **Other operating income:** Gains from divestments of business activities that are not included in the DS/DBS business model. (NOK -822 million)
3. **Impairments/reversal of impairments:** Related to intangible assets, property, plant and equipment. (NOK -3403 million)
4. **Other operating expenses:** Losses from divestments of business activities that are not classified as DS/DBS. (NOK 5 million)

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Second quarter 2022			Second quarter 2021		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues ¹⁾	30 739		30 739	13 198		13 198
Gains/losses from market activities	-4 963	- 546	-5 509	2 372	- 118	2 254
Other operating income ¹⁾	131	0	131	210	- 85	124
Gross operating revenues and other income	25 906	- 546	25 360	15 779	- 203	15 576
Energy purchase	-16 968		-16 968	-6 100		-6 100
Transmission costs	- 36		- 36	- 325		- 325
Net operating revenues and other income	8 902	- 546	8 356	9 354	- 203	9 151
Salaries and payroll costs	-1 773		-1 773	-1 189		-1 189
Depreciations and amortisations	-1 128		-1 128	- 960		- 960
Impairments/reversal of impairments	324	- 324	-	- 6	6	-
Regulatory fees	- 335		- 335	- 327		- 327
Other operating expenses	-1 304	0	-1 304	-1 043	-	-1 043
Operating expenses	-4 216	- 324	-4 539	-3 524	6	-3 518
Operating profit/loss (EBIT)	4 687	- 870	3 817	5 830	- 198	5 632

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

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Year to date 2022			Year to date 2021		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues ¹⁾	66 952		66 952	29 800		29 800
Gains/losses from market activities	- 228	155	- 73	2 859	831	3 690
Other operating income ¹⁾	355	0	355	319	- 85	234
Gross operating revenues and other income	67 079	155	67 234	32 977	746	33 723
Energy purchase	-36 397		-36 397	-12 986		-12 986
Transmission costs	- 394		- 394	- 913		- 913
Net operating revenues and other income	30 288	155	30 443	19 079	746	19 825
Salaries and payroll costs	-3 393		-3 393	-2 499		-2 499
Depreciations and amortisations	-2 247		-2 247	-1 945		-1 945
Impairments/reversal of impairments	35	- 35	-	46	- 46	-
Regulatory fees	- 703		- 703	- 675		- 675
Other operating expenses	-2 329	0	-2 329	-1 857	-	-1 857
Operating expenses	-8 638	- 35	-8 673	-6 931	- 46	-6 976
Operating profit/loss (EBIT)	21 650	120	21 770	12 148	700	12 848

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

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

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

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Second quarter 2022									
Gross operating revenues and other income, external	25 360	6 877	15 671	808	18	184	1 668	191	- 57
Gross operating revenues and other income, internal	-	234	39	129	150	1	3	455	-1 011
Gross operating revenues and other income underlying	25 360	7 111	15 710	937	168	185	1 671	646	-1 068
Net operating revenues and other income underlying	8 356	5 605	935	543	- 242	147	1 569	553	- 754
Operating profit/loss (EBIT) underlying	3 817	3 885	140	41	- 867	- 0	1 085	- 246	- 221
Unrealised value changes from embedded EUR derivatives	546	546	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	- 0	-	-	- 0	-	-	-	-	-
Impairments/reversal of impairments	324	350	-	- 3	- 23	- 1	-	-	-
Operating profit/loss (EBIT) IFRS	4 687	4 782	140	38	- 889	- 1	1 085	- 246	- 221
Share of profit/loss in equity accounted investments	- 513	1	-	704	34	-	-1 240	- 12	-
Year to date 2022									
Gross operating revenues and other income, external	67 234	21 663	37 844	1 866	819	502	4 265	399	- 124
Gross operating revenues and other income, internal	-	474	16	203	548	8	33	864	-2 146
Gross operating revenues and other income underlying	67 234	22 138	37 860	2 069	1 366	510	4 297	1 263	-2 270
Net operating revenues and other income underlying	30 443	18 478	6 358	1 330	291	380	3 983	1 061	-1 438
Operating profit/loss (EBIT) underlying	21 770	15 170	4 827	388	- 885	105	3 044	- 462	- 417
Unrealised value changes from embedded EUR derivatives	- 155	- 155	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	- 0	-	-	- 0	- 0	-	-	-	-
Impairments/reversal of impairments	35	350	-	- 268	- 46	- 2	-	-	-
Operating profit/loss (EBIT) IFRS	21 650	15 365	4 827	120	- 931	103	3 044	- 462	- 417
Share of profit/loss in equity accounted investments	157	35	-	757	130	-	- 734	- 31	-
Assets and capital employed 30.06.2022									
Property, plant and equipment and intangible assets	126 345	61 797	150	29 869	11 348	3 475	17 417	2 288	-
Equity accounted investments	14 639	3	-	3 943	927	-	9 735	57	- 29
Loans to equity accounted investments	1 610	-	-	1 189	368	-	53	-	-
Inventories (DS/DBS)	3 027	-	-	-	3 027	-	-	-	-
Other assets	255 452	258	156 244	3 860	-1 266	146	1 814	93 714	682
Total assets	401 073	62 058	156 394	38 862	14 403	3 622	29 020	96 061	653
Capital employed	129 372	61 797	150	29 869	14 375	3 475	17 417	2 288	-
Average capital employed (rolling 12 months)	123 114	61 233	n/a	25 316	13 680	3 510	17 193	n/a	n/a
Return on average capital employed (ROACE)	29.0%	54.2%	n/a	0.7%	-5.5%	5.1%	33.9%	n/a	n/a
Return on average equity accounted investments (ROAE)	10.0%	n/a	n/a	43.9%	26.1%	n/a	0.2%	n/a	n/a
Depreciations, amortisations and impairments	-2 212	- 641	- 15	- 645	- 398	- 101	- 268	- 144	-
Total investments	4 889	997	26	1 666	1 098	71	475	555	-

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									
Second quarter 2021									
Gross operating revenues and other income, external	15 576	6 902	6 779	566	81	163	1 012	119	- 45
Gross operating revenues and other income, internal	-	83	- 131	27	188	3	16	362	- 548
Gross operating revenues and other income underlying	15 576	6 985	6 648	593	269	166	1 028	481	- 593
Net operating revenues and other income underlying	9 151	5 901	1 530	389	206	124	967	431	- 397
Operating profit/loss (EBIT) underlying	5 632	4 357	1 026	1	- 263	8	607	- 150	46
Unrealised value changes from embedded EUR derivatives	118	118	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	85	-	-	-	85	-	-	-	-
Impairments/reversal of impairments	- 6	-	-	- 5	-	- 1	-	-	-
Operating profit/loss (EBIT) IFRS	5 830	4 475	1 026	- 3	- 177	7	607	- 150	45
Share of profit/loss in equity accounted investments	- 74	- 1	-	- 18	- 85	-	50	- 20	-
Year to date 2021									
Gross operating revenues and other income, external	33 723	14 781	14 234	1 297	220	548	2 498	225	- 80
Gross operating revenues and other income, internal	-	220	- 298	41	576	3	42	677	- 1 261
Gross operating revenues and other income underlying	33 723	15 001	13 936	1 338	796	551	2 540	902	- 1 341
Net operating revenues and other income underlying	19 825	12 661	2 928	944	544	372	2 341	814	- 781
Operating profit/loss (EBIT) underlying	12 848	9 559	2 002	155	- 299	135	1 557	- 342	82
Unrealised value changes from embedded EUR derivatives	- 831	- 831	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	85	-	-	-	85	-	-	-	-
Impairments/reversal of impairments	46	-	-	- 9	57	- 2	-	-	-
Operating profit/loss (EBIT) IFRS	12 148	8 728	2 002	146	- 157	133	1 557	- 342	82
Share of profit/loss in equity accounted investments	370	-	-	17	- 79	-	474	- 43	-
Assets and capital employed 30.06.2021									
Property, plant and equipment and intangible assets	115 167	60 709	137	23 747	8 205	3 548	16 972	1 850	-
Equity accounted investments	13 409	1	-	2 258	753	-	10 332	91	- 26
Loans to equity accounted investments	1 436	-	-	977	418	-	41	-	-
Inventories (DS/DBS)	2 906	-	-	-	2 906	-	-	-	-
Other assets	73 212	2 023	33 652	2 416	1 827	138	1 260	32 742	- 844
Total assets	206 129	62 732	33 788	29 398	14 109	3 686	28 604	34 682	- 870
Capital employed	118 073	60 709	137	23 747	11 111	3 548	16 972	1 850	-
Average capital employed (rolling 12 months)	117 944	60 919	n/a	24 036	10 853	3 542	16 716	n/a	n/a
Return on average capital employed (ROACE)	13.2%	19.0%	n/a	1.1%	-8.0%	3.3%	10.2%	n/a	n/a
Return on average equity accounted investments (ROAE)	6.0%	n/a	n/a	-22.9%	-6.8%	n/a	14.9%	n/a	n/a
Depreciations, amortisations and impairments	- 1 899	- 956	- 16	- 331	- 133	- 98	- 256	- 109	-
Total investments	3 923	1 040	6	563	1 167	109	565	472	1

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

Selected notes to the accounts

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The consolidated financial statements for the second quarter of 2022, ended 30 June 2022, have been prepared in accordance with International Financial Reporting Standards (IFRS) and consist of Statkraft AS and its subsidiaries and equity accounted investments. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual report for 2021. The accounting policies applied are the same as those applied in the annual consolidated financial statements for 2021, except IAS 29 – Financial reporting in Hyperinflationary Economies that was applied in the second quarter as the Turkish economy was defined as hyperinflationary. For the period beginning 1 January 2022, Turkish entities' non-monetary assets, liabilities and equity measured at historical cost have been remeasured since acquisition date. See note 8 for further information.

The interim consolidated financial statements have not been audited.

2. PRESENTATION OF FINANCIAL STATEMENTS

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

3. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting principles to the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the statement of profit and loss and the statement of financial position. The most important assumptions regarding future events and other significant sources of uncertainty in relation to the estimates, and which may involve a significant risk of material changes to the amounts recognised in future financial periods, are discussed in the annual report for 2021. In preparing the consolidated financial statements for the current quarter, the Group's management has exercised its judgment in relation to the same areas where such judgment has had material significance in relation to the figures included in the Group's statement of profit and loss and statement of financial position, as discussed in the annual report for 2021.

Uncertain energy markets

Since the annual report for 2021 was published, Russia invaded Ukraine on 24 February. The invasion has brought increased geopolitical risks to the global energy markets. The Group's liquidity risk as well as the counterparty risk have been reviewed in light of the situation. Statkraft ensures on an ongoing basis that no operations are in breach with the relevant sanctions set out by the EU or other authorities.

Continued high volatility and uncertainty in the power market in the operative horizon have continued in the second quarter and imply high estimate uncertainty. This could lead to adjustments of carrying amounts of non-financial assets and long-term energy contracts in subsequent periods.

Specific counterparties that could be significantly affected by the invasion have been monitored regarding default risk.

The direct effect from the Ukrainian conflict on the financial statements has so far been limited. Management will continue to monitor the situation and adapt to market conditions going forward.

4. CHANGES IN THE FINANCIAL STATEMENTS AND COMPARABLE FIGURES

Presentation of revenues related to DS/DBS business model in Europe Until the fourth quarter 2021, revenues from power generation from a completed wind or solar farm until divestment, as well as asset management, operation and maintenance revenues related to the DS/DBS business model in Europe were presented as Other operating income in the Statement of Comprehensive Income. From the fourth quarter 2021, these revenues are presented as Sales revenues in the sub-category Other. Comparable figures have been restated. In the financial statements for the second quarter and year to date, NOK 36 million have been reclassified from Other operating income to Sales revenues in the sub-category Other.

Presentation of prepayments related to long-term power sales agreements In the second quarter 2021, prepayments related to long-term power sales agreements were presented as Other liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Contract liabilities. Comparable figures for the second quarter have been restated by NOK 4207 million for Other non-current liabilities and NOK 316 million for Other current liabilities.

Presentation of lease liabilities Liabilities related to lease agreements have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Lease liabilities. Comparable figures for the second quarter have been restated by NOK 1687 million for non-current liabilities and NOK 237 million for current liabilities.

Presentation of bonds and bank debt Liabilities related to bonds and bank debt have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented separately as Bond and bank debt for non-current liabilities and Commercial papers, bond and bank debt for current liabilities. Comparable figures for the second quarter have been restated by NOK 24 704 million for non-current liabilities and NOK 3548 million for current liabilities.

Presentation of liabilities related to cash collateral Liabilities related to cash collateral have previously been presented as current interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Other current liabilities. Comparable figures for the second quarter have been restated by NOK 1907 million.

Presentation of debt to Statkraft SF Debt to Statkraft SF has previously been presented as current interest-bearing liabilities in the Statement of Financial Position. From the fourth quarter 2021, these are presented as Other current liabilities. Comparable figures for the second quarter have been restated by NOK 201 million.

5. REVENUE SPECIFICATION PER SEGMENT

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

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

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

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

Other mainly consists of:

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

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Second quarter 2022									
Generation - sales revenues	13 236	10 321	- 7	1 261	327	-	1 364	-	- 30
Generation - energy purchase	- 958	- 726	4	- 286	-	-	-	-	50
Generation - net	12 278	9 595	- 3	975	327	-	1 364	-	20
District heating - sales revenues	205	-	-	-	-	184	23	-	- 2
District heating - energy purchase	- 46	-	-	-	-	- 37	- 10	-	1
District heating - net	159	-	-	-	-	147	13	-	- 1
Customers - sales revenues	15 452	-	15 658	25	-	-	46	-	- 277
Customers - energy purchase	-14 572	-	-14 779	- 27	-	-	- 46	-	280
Customers - net	879	-	879	- 2	-	-	-	-	2
Other - sales revenues	1 846	1 102	- 104	64	445	-	221	133	- 15
Other - energy purchase	-1 392	- 852	-	- 56	- 390	-	-	- 93	- 1
Other - net	455	250	- 104	8	55	-	221	40	- 15
Sales revenues - total	30 739	11 423	15 547	1 350	772	184	1 654	133	- 324
Energy purchase - total	-16 968	-1 578	-14 775	- 369	- 390	- 37	- 56	- 93	330
Sales revenues adjusted for energy purchase	13 770	9 845	772	981	382	147	1 598	40	5
Year to date 2022									
Generation - sales revenues	28 711	21 821	- 1	2 582	788	-	3 554	-	- 33
Generation - energy purchase	-2 232	-1 745	2	- 546	-	-	-	-	57
Generation - net	26 479	20 076	1	2 036	788	-	3 554	-	24
District heating - sales revenues	571	-	-	-	-	501	73	-	- 3
District heating - energy purchase	- 155	-	-	-	-	- 131	- 28	-	4
District heating - net	416	-	-	-	-	370	45	-	1
Customers - sales revenues	32 241	-	32 922	25	-	-	87	-	- 793
Customers - energy purchase	-30 823	-	-31 505	- 27	-	-	- 87	-	796
Customers - net	1 418	-	1 417	- 2	-	-	-	-	3
Other - sales revenues	5 428	3 191	- 104	130	1 387	7	538	292	- 13
Other - energy purchase	-3 187	-1 854	-	- 111	-1 020	-	-	- 202	0
Other - net	2 242	1 337	- 104	19	367	7	538	90	- 12
Sales revenues - total	66 952	25 012	32 817	2 737	2 175	508	4 252	292	- 841
Energy purchase - total	-36 397	-3 599	-31 503	- 684	-1 020	- 131	- 115	- 202	857
Sales revenues adjusted for energy purchase	30 554	21 413	1 314	2 053	1 155	377	4 137	90	15

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Second quarter 2021									
Generation - sales revenues	7 030	5 507	4	655	178	-	712	-	- 26
Generation - energy purchase	- 698	- 613	-	- 106	-	-	-	-	21
Generation - net	6 332	4 894	4	549	178	-	712	-	- 5
District heating - sales revenues	177	-	-	-	-	156	21	-	0
District heating - energy purchase	- 52	-	-	-	-	- 42	- 10	-	0
District heating - net	125	-	-	-	-	114	11	-	0
Customers - sales revenues	5 054	-	5 217	-	-	-	-	-	- 163
Customers - energy purchase	- 946	- 1	- 5 108	-	-	-	-	-	163
Customers - net	108	- 1	109	-	-	-	-	-	0
Other - sales revenues ¹⁾	937	461	12	62	78	2	258	77	- 13
Other - energy purchase	- 405	- 260	- 12	- 47	- 43	-	-	- 50	7
Other - net	532	201	-	15	35	2	258	27	- 6
Sales revenues - total	13 198	5 968	5 233	717	256	158	991	77	- 202
Energy purchase - total	- 6 100	- 874	- 5 120	- 153	- 43	- 42	- 10	- 50	192
Sales revenues adjusted for energy purchase	7 098	5 094	113	564	213	116	981	27	- 10
Year to date 2021									
Generation - sales revenues	16 333	12 728	5	1 325	564	-	1 748	-	- 37
Generation - energy purchase	- 1 387	- 1 205	-	- 206	-	-	-	-	24
Generation - net	14 945	11 523	5	1 119	564	-	1 748	-	- 14
District heating - sales revenues	610	-	-	-	-	540	70	-	- 0
District heating - energy purchase	- 207	-	-	-	-	- 179	- 29	-	1
District heating - net	403	-	-	-	-	361	41	-	1
Customers - sales revenues	10 839	-	11 333	-	-	-	2	-	- 496
Customers - energy purchase	- 10 493	- 1	- 10 986	-	-	-	-	-	494
Customers - net	347	- 1	347	-	-	-	2	-	- 1
Other - sales revenues ¹⁾	2 018	885	23	126	221	2	662	132	- 33
Other - energy purchase	- 899	- 511	- 23	- 100	- 204	-	-	- 87	26
Other - net	1 119	374	-	26	17	2	662	45	- 7
Sales revenues - total	29 800	13 613	11 361	1 451	785	542	2 482	132	- 566
Energy purchase - total	- 12 986	- 1 717	- 11 009	- 306	- 204	- 179	- 29	- 87	545
Sales revenues adjusted for energy purchase	16 814	11 896	352	1 145	581	363	2 453	45	- 21

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

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

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

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

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

NOK million	Second quarter 2022			Year to date 2022		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS						
Gains/losses from market activities ¹⁾	-8 114	3 151	-4 963	-1 520	1 292	-228
Unrealised effects included in Operating profit/loss (EBIT)	-8 114			-1 520		
Net currency effects ²⁾	-2 540	868	-1 672	-1 432	975	-457
Interest and other financial items	294	- 122	172	639	- 34	605
Unrealised effects included in Net financial items	-2 246			- 793		
Total unrealised effects	-10 360			-2 312		

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

²⁾ Currency losses year to date from internal loans were NOK 249 million, of which a gain of NOK 22 million was realised.

NOK million	Second quarter 2021			Year to date 2021			Year 2021		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN PROFIT AND LOSS									
Gains/losses from market activities ¹⁾	2 881	- 509	2 372	- 6	2 865	2 859	2 362	-5 597	-3 235
Unrealised effects included in operating profit/loss (EBIT)	2 881			- 6			2 362		
Net currency effects ²⁾	- 730	185	- 545	83	733	816	770	319	1 089
Interest and other financial items	48	- 124	- 77	235	- 161	74	655	- 412	242
Unrealised effects included in Net financial items	- 682			318			1 424		
Total unrealised effects	2 199			312			3 786		

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

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

7. NORWEGIAN HYDROPOWER AND RELATED BUSINESS

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

NOK million	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group	Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
"Norwegian hydropower" from:						
Year to date 2022						
Gross operating revenues and other income	67 079	15 749	3 684	19 463		19 463
Net operating revenues and other income	30 288	15 594	3 636	19 255		19 255
Operating profit/loss (EBIT)	21 650	13 378	3 240	16 618		16 618
Share of profit/loss in equity accounted investments	157	32	0	33	-739 ¹⁾	- 706
Net financial items	148	1 177	22	1 200		1 200
Tax expense	-11 731	-9 351	-1 862	-11 213		-11 213
Net profit/loss	10 224	5 236	1 401	6 638	-739	5 899
Net profit/loss (of which owners of the parent)	9 750	5 236	885	6 121	-739	5 382
Paid dividend and group contribution to Statkraft		7 543 ²⁾	662 ³⁾	8 205	742 ³⁾	8 947
Assets 31.06.22						
Equity accounted investments	14 639	2	4	6	9 577 ¹⁾	9 583
Other assets	386 434	38 754	10 149	48 903		48 903
Total assets	401 073	38 756	10 153	48 909	9 577	58 486
EBITDA	23 862	13 935	3 336	17 271		17 271
Depreciations, amortisations and impairments	-2 212	- 558	- 95	- 653		- 653
Maintenance and other investments	2 037	681	68	749		749
Investments in new capacity	1 617	0	14	14		14
New capacity for subsequent divestment (DS/DBS)	860	-	-	-		-
Investments in shareholdings	377	-	-	-		-
Total investments	4 889	682	82	764		764

¹⁾ Statkraft's share.

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

³⁾ Dividend paid to Statkraft.

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

¹⁾ Statkraft's share.

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

³⁾ Dividend paid to Statkraft.

8. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

NOK million	Year to date 2022	2021	Year 2021
INTANGIBLE ASSETS			
Balance as of 01.01.	4 112	4 113	4 113
Additions	77	223	298
Additions from acquisition of companies	180	-	- 35
Reclassifications	- 29	5	29
Amortisations	- 113	- 84	- 234
Impairments	- 328	- 10	- 61
Reversal of impairments	4	-	26
Derecognition from divestments	-	-	- 32
Disposals	- 0	- 10	- 44
Currency translation effects	295	- 2	51
Balance as of end of period	4 197	4 236	4 112
PROPERTY, PLANT AND EQUIPMENT			
	2022	2021	2021
Balance as of 01.01.	116 521	112 057	112 057
Additions	3 280	2 369	6 316
Additions due to IFRS 16 (new contracts)	145	315	1 083
Remeasurements and other changes (IFRS 16)	35	1	- 154
Additions from acquisition of companies	15	21	1 815
Capitalised borrowing costs	151	41	137
Reclassifications	29	- 5	- 29
Depreciations	-2 134	-1 861	-3 879
Impairments	-1 234	- 23	- 21
Reversal of impairments	1 592	79	3 460
Derecognition from divestments	- 197	-1 141	-2 128
Disposals	- 18	- 190	- 254
Currency translation effects ¹⁾	3 963	- 734	-1 882
Balance as of end of period	122 148	110 931	116 521

¹⁾ Includes NOK 1235 million in inflation adjustment of Turkish entities due to hyperinflation as of 30 June 2022. Comparative figures have not been restated.

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

Hyperinflation in Turkey The Turkish economy was defined as hyperinflationary in second quarter 2022. For the period beginning 1 January 2022, Turkish entities' non-monetary assets and liabilities measured at historical cost have been remeasured since acquisition date. The application of IAS 29 results in an adjustment for the loss of purchasing power of the Turkish Lira. The consumer price index published by the Turkish Statistical Institute has been used when applying IAS 29. The CPI index was 686.95 in December 2021 and 977.90 in June 2022. The main effect from the remeasurement is an increase of Property, Plant and Equipment of NOK 1.2 billion, with a corresponding effect under Other Comprehensive Income.

Impairments/reversal of impairments

Hydropower in Albania In the second quarter a reversal of NOK 1243 million related to hydropower plants in Albania was recognised in the statement of profit and loss under the segment International power. The reversal is explained by higher future power prices.

Hydropower in Germany In the second quarter a reversal of NOK 350 million related to a hydropower pump storage in Germany was recognised in the statement of profit and loss under the segment European flexible generation. The reversal is explained by increased volatility in market prices, especially in the front years.

Hydropower in Chile In the first quarter an impairment of NOK 258 million related to a hydropower project was recognised in the statement of profit and loss under the segment International power. The impairment is explained by increased estimated future costs and decreased revenues. Furthermore, in the second quarter an impairment of NOK 1239 million related to the same project was recognised, mainly as a result of expected lower power prices in the long-term horizon.

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

NOK million			Second quarter	Year-to-date
Technology	Segment	Country		
Hydropower	European flexible generation	Germany	350	350
Hydropower	International power	Albania	1 243	1 243
Hydropower	International power	Chile	-1 239	-1 497
Other			- 30	- 61
Total impairments (-)/reversal of impairments (+)			324	35
			<i>Intangibles</i>	<i>- 262</i>
			<i>Property, plant and equipment</i>	<i>586</i>
				<i>- 324</i>
				<i>359</i>

Equity accounted investments

Hydropower in India In the second quarter an impairment reversal of NOK 202 million related to a hydropower plant was recognised in the statement of profit and loss, mainly as a result of expected higher future power prices. The reversal is presented as share of profit/loss in equity accounted investments under the segment International power.

Hydropower in Chile In the second quarter an impairment reversal of NOK 362 million related to two hydropower plants was recognized in the statement of profit and loss. The reversal is explained by expected higher future power prices in the short-term horizon. The reversal is presented as share of profit/loss in equity accounted investments under the segment International power.

9. INVENTORIES

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

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:

Inventories in Statkraft comprise costs of solar and wind power development or construction projects that Statkraft intends to divest to third parties. In some cases, an agreement has been entered with third parties to divest the projects when the project reaches agreed conditions. In other cases, no agreements with third parties are entered prior to construction being finalised, however the intention is always to divest the project and a selling process will be ongoing.

Statkraft has defined three categories of inventory within the DS/DBS model:

- **Development projects:** include early-stage wind- and solar projects which have not yet reached the construction phase.
- **Construction projects:** If management has decided to start construction of a wind farm or a solar park based on the developed project, the development project will be transferred to Construction projects.
- **In operation:** After the construction is completed and the project has reached commercial operation date, the wind- or solar park is either sold to a customer or the project will be moved to the category In operation while a process to sell the completed project will be ongoing.

Statkraft currently has 10 ongoing construction projects within the business model, as well as one project where construction is completed. For three of these projects, a put/call option agreement (PCOA) for future sale have been signed. These agreements will be closed when the projects reach the agreed conditions.

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

NOK million	Year to date 2022	2021	Year 2021
Inventories measured at fair value less costs to sell			
Environmental certificates	6 432	5 019	3 372
Inventories measured at the lower of cost price and net realisable value			
Environmental certificates	33	20	20
Spare parts	200	166	153
Other	143	105	105
Total	376	292	277
Wind and solar projects (DS/DBS) measured at the lower of cost price and net realisable value			
Development projects ¹⁾	1 142	1 160	1 006
Construction projects ¹⁾	1 836	1 746	1 807
In operation	49	-	152
Total	3 027	2 906	2 965
Total inventories	9 835	8 217	6 614

¹⁾ PCOA has been signed for NOK 1.5 billion of the total value within development projects and construction projects.

10. INTEREST-BEARING LIABILITIES

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

NOK million	Second quarter 2022	2021	Year 2021
INTEREST-BEARING LIABILITIES, CURRENT			
Commercial papers, bond and bank debt	13 602	3 548	18 942
Lease liabilities	370	237	303
Cash collateral	4 945	1 907	10 967
Debt to Statkraft SF	200	201	200
Other current liabilities	23	28	14
Total	19 140	5 921	30 426
INTEREST-BEARING LIABILITIES, NON-CURRENT			
Bond and bank debt	25 761	24 704	19 632
Lease liabilities	1 729	1 687	1 861
Total	27 489	26 391	21 493
Total interest-bearing liabilities	46 629	32 312	51 919

11. BALTIC CABLE – REGULATIONS OF REVENUES

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

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

BnetzA orders BC, with respect to 50 per cent of its revenues, to transfer cash from revenues exceeding a defined level of operation costs, depreciation and return on capital, to a neighboring German TSO for 2022. BC is of the clear view that there is no legal basis for such an order and will appeal this to the Higher Regional Court in Düsseldorf. BC will also request that the decision is suspended pending the appeal. Since such suspensive effect is not certain, a provision has been recognized in the Q2 accounts. It is expected that BnetzA also will regulate 50% of the revenues for the period 1 July 2013 to 31 December 2021 by requiring revenues above the allowed level dedicated to the purposes set out in EU Regulation.

As of 30 June 2022, cash and cash equivalents in BC amounted to NOK 1.5 billion, of which NOK 460 million is regulated for futures investments, is presented under the line item Cash and cash equivalents in Statkraft's statement of financial position. As a consequence of the decision made by BNetzA, NOK 504 million is recognised as a provision under short term liabilities in the statement of financial position and as a reduction of revenues in the statement of profit or loss.

12. PENSION SCHEME CHANGES IN NORWAY

On 1 April, a regulatory change in the public pension benefit schemes in Norway was enforced. The change was related to the method for annual regulation of pension payments. Prior to the regulatory change, the annual regulation of pension payments was based on the national insurance scheme's basic amount (G) minus a fixed factor of 0.75 per cent. Going forward, the adjustment will be based on the average of salary adjustment and inflation. The regulatory change is assessed to be a plan amendment which has increased Statkraft's consolidated pension liabilities and pension costs with estimated NOK 322 million in the second quarter of 2022.

13. DISPUTES, CONTINGENCIES AND UNCERTAIN TAX POSITIONS

There are no material changes to the facts and circumstances of the significant legal proceedings and uncertain tax positions disclosed in the annual report for 2021.

14. MERGERS, ACQUISITIONS AND DIVESTMENTS

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

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

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

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

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

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

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

15. SUBSEQUENT EVENTS

There are no significant subsequent events.

Alternative Performance Measures

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

Statkraft uses the following APMs:

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

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

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

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

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

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

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

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

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

Net interest-bearing liabilities is used to measure indebtedness.

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

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

NOK million	Second quarter		Year to date		Year
	2022	2021	2022	2021	2021
ALTERNATIVE PERFORMANCE MEASURES					
OPERATING PROFIT/LOSS (EBIT) MARGIN UNDERLYING					
Operating profit/loss (EBIT) underlying	3 817	5 632	21 770	12 848	26 792
Gross operating revenues and other income underlying	25 360	15 576	67 234	33 723	83 440
Operating profit/loss (EBIT) margin underlying	15.1%	36.2%	32.4%	38.1%	32.1%
RECONCILIATION OF OPERATING PROFIT/LOSS (EBIT) UNDERLYING TO EBITDA UNDERLYING					
Operating profit/loss (EBIT) underlying	3 817	5 632	21 770	12 848	26 792
Depreciations and amortisations	1 128	960	2 247	1 945	4 113
EBITDA underlying	4 945	6 592	24 018	14 793	30 906
FINANCIAL STATEMENT LINE ITEMS INCLUDED IN CAPITAL EMPLOYED					
Intangible assets			4 197	4 236	4 112
Property, plant and equipment			122 148	110 931	116 521
Inventories (DS/DBS)			3 027	2 906	2 965
Capital employed			129 372	118 073	123 598
Average capital employed ¹⁾			123 114	117 944	119 422
RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)					
Operating profit/loss (EBIT) underlying, rolling 12 months			35 714	15 529	26 792
Average capital employed ¹⁾			123 114	117 944	119 422
ROACE			29.0%	13.2%	22.4%
RETURN ON AVERAGE EQUITY ACCOUNTED INVESTMENTS (ROAE)					
Share of profit/loss in equity accounted investments, rolling 12 months			1 473	805	1 686
Average equity accounted investments ¹⁾			14 673	13 354	13 941
ROAE			10.0%	6.0%	12.1%
NET INTEREST-BEARING LIABILITIES					
Non-current interest-bearing liabilities			27 489	26 391	21 493
Current interest-bearing liabilities			19 140	5 921	30 426
Cash and cash equivalents incl. restricted cash (A)			-53 417	-17 719	-37 162
Restricted cash (B)			230	34	342
Cash and cash equivalents included in net interest-bearing liabilities (A+B)			-53 187	-17 685	-36 819
Current financial investments			- 586	- 631	- 661
Net interest-bearing liabilities			-7 145	13 996	14 439
NET INTEREST-BEARING LIABILITIES-EQUITY RATIO					
Net interest-bearing liabilities			-7 145	13 996	14 439
Equity			113 779	100 639	107 775
Sum of net interest-bearing liabilities and equity			106 634	114 635	122 214
Net interest-bearing liabilities - equity ratio			-6.7%	12.2%	11.8%

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

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