Q2

Å ENERGI

Key figures

- In the first six months of the year, Å Energi's reported operating profit under IFRS was NOK 4,967 million (H1 2023: NOK 6,286 million). Net income under IFRS came to NOK 1,602 million (controlling interest's share), compared with NOK 1,291 million in the equivalent period of last year. The Group had NOK 18,824 (19,410) million in operating revenues.

- In the first six months of the year, Å Energi made an underlying[1] operating profit of NOK 2,906 (4,202) million. Underlying net income was NOK 700 million (controlling interest's share), down from NOK 1,111 million in the first half of last year.

- The tax expense on underlying profit was NOK 1,920 (2,967) million in the first half of the year. This means that 74% of the Group's underlying pre-tax profit is returned to society through income tax and resource rent tax.

- Having fallen significantly so far this year, the average spot price (NO2) was 63 øre/kWh (107 øre/kWh), down 41% from the same period of last year. The prices achieved by the Hydroelectric Power segment were lower than spot prices due to compensation power, concession power supplied at regulated prices and hedging at levels below spot prices. The low price level of the hedging is particularly due to an indirect impact of the special duty on high-priced electricity. The hedging includes long-term electricity contracts with industrial customers.

- The Group generated 6,361 GWh (5,612 GWh) of hydroelectric power during the first half of the year, an increase of 13% over the same period last year. At the start of the quarter, hydrological resources (water and snow) were significantly higher than normal, and they improved further over the course of the quarter.

Highlights in Q2 2024

- In April, the international investors X-Elio and Nature Infrastructure Capital became shareholders in Å Energi's German battery company Eco Stor. This was done through a private placement and a partial sale of Å Energi's ownership interest. The transaction meant that the company went from being a part-owned subsidiary to being an associated company, and it generated a gain for accounting purposes of NOK 678 million. At the end of June, Å Energi owned 27.5 % of the company.

- In June, the Norwegian Water Resources and Energy Directorate (NVE) granted a licence to build Birkeland solar park in Birkenes Municipality. This may become Å Energi's first solar power plant, and its anticipated installed capacity of 11 MWp would make it one of the biggest of its kind in Norway. Annual electricity generation is estimated at 11.6 GWh, equivalent to the energy consumption of around 550 households.

- In June, Corio and Å Energi signed a strategic agreement regarding future cooperation on offshore wind. The agreement builds on the partnership established by the two companies to develop floating offshore wind at Utsira Nord through the offshore wind consortium Nordvegen Vind.

- Å Energi has installed a new generator in the over 100-year-old building at Høgefoss power station in Nissedal Municipality. This has increased hydroelectric power generation from enough to cover the annual energy needs of 9,500 households to around 10,800 households. In order to mark this, Å Energi held an open day at the power station in June.

- Each year, Glitre Nett inspects its power grid using drones. This is part of its continuous efforts to ensure a reliable supply of electricity and takes place during the summer months. The drone inspections provide an overview of where there is a need to repair any damage to poles, power lines and other electrical installations, as well as to perform targeted line clearance.

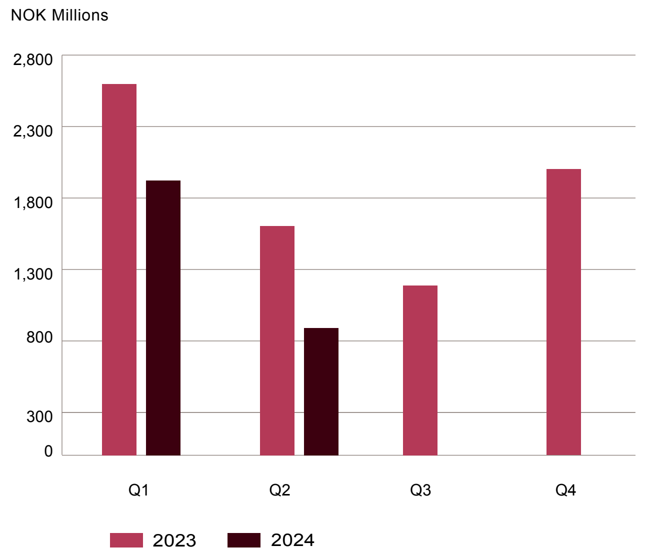
- Since it was begun in 2022, the DataArena research project, which is being led by Glitre Nett, has worked to draw up a capacity map for major connections to the power grid, such as charging stations, industrial facilities and solar power plants. This gives developers a faster and more reliable basis for decision-making, thereby simplifying the grid connection process. The project is now being extended by a further year, and the total budget is being raised to NOK 27 million.

[1] The underlying figures take the Group's IFRS profit and adjust it for the items that are described in greater detail in Note 6.

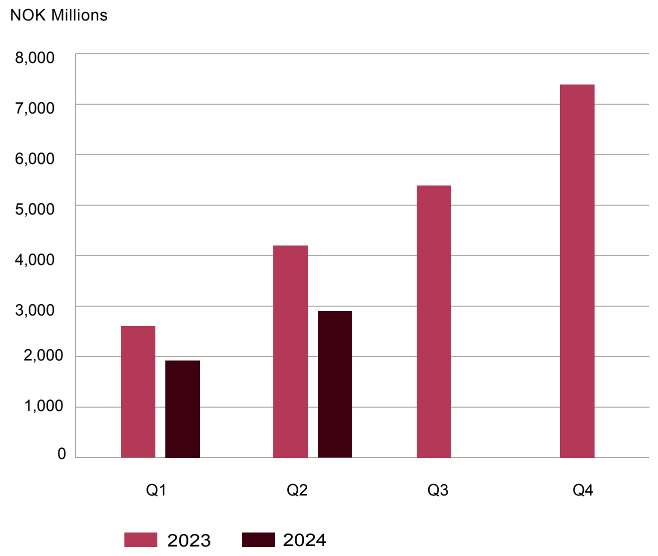
Key figures		Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
From income statement						
Operating revenues	NOK million	6,201	7,387	18,824	19,410	36,654
EBITDA	NOK million	1,529	2,103	5,546	6,830	13,744
Operating profit	NOK million	1,228	1,801	4,967	6,286	12,602
Profit before tax	NOK million	1,153	1,793	4,617	6,154	12,041
Net income (controlling interest's share)	NOK million	824	446	1,602	1,291	5,373
Underlying performance 1)						
Underlying operating revenues	NOK million	5,929	7,162	16,712	17,275	31,337
Underlying EBITDA	NOK million	1,257	1,877	3,434	4,694	8,427
Underlying operating profit	NOK million	982	1,604	2,906	4,202	7,388
Profit before tax	NOK million	798	1,526	2,587	4,081	7,003
Underlying net income (controlling interest's share)	NOK million	159	401	700	1,111	2,506
Cash flow						
Cash flow from operating activities	NOK million	667	1,925	2,862	1,891	-1,952
Purchase of property, plant, equipment and intangible assets	NOK million	591	376	907	717	1,596
Capital						
Capital employed 2)	NOK million			37,978	30,392	37,644
Return on capital employed 3)	%			7.3	6.8	9.1
Equity ratio	%			42.0	33.3	39.4

1) Alternative performance measures are described in Note 6.
2) At the end of the reporting period.
3) Based on profit/loss and capital employed for the past four quarters. Profit/loss is defined as underlying net income plus the interest expense after tax.

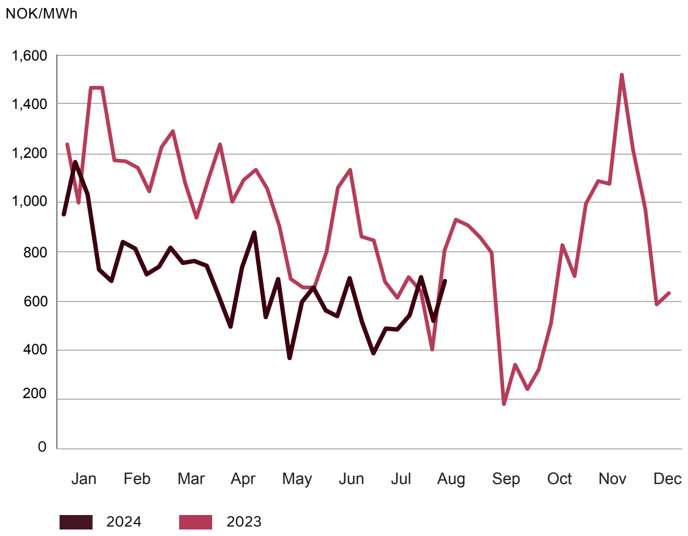
Underlying operating profit by quarter



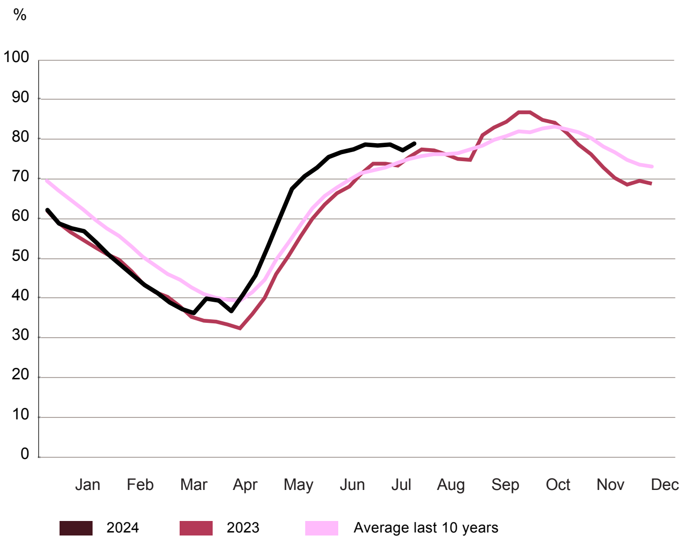
Cumulative underlying operating profit



Market prices in price zone NO2



Reservoir storage levels in price zone NO2



Segments

Å Energi is organised as a corporate group, with Å Energi AS as the parent company. The segments are presented in line with how the management team makes, reviews and evaluates its decisions. A more detailed description of the segments is given below.

The financial figures for the segments are reported on an underlying profit basis, since that is what is used in internal reporting to the management and Board. Note 1 provides a reconciliation of underlying profit and reported profit under IFRS.

Hydroelectric Power
This segment is responsible for developing, operating, maintaining and refurbishing the Group's hydroelectric power stations, and it is one of Norway's biggest producers of electricity, generating 11.3 TWh in a typical year. This comprises 8.7 TWh in the NO2 price area and 2.6 TWh in NO1.

The Hydroelectric Power segment owns, either directly or through joint arrangements, 73 hydroelectric power stations. Most of its power stations are in Agder and in Buskerud, but it also owns power stations in Rogaland and Telemark. The segment's operating revenues come from the sale of the power that it generates in the spot market, electricity contracts with industrial customers and Nordic power generators, the sale of concession power and financial trading.

The Hydroelectric Power segment had NOK 5,110 (5,386) million of operating revenues in the first six months of the year, while its operating profit was NOK 2,621 (3,412) million. The NOK 791 million decline in operating profit was due to electricity prices being significantly lower in the first half of the year. The price decline was partially offset by higher generation, as well as by the elimination of the duty on high-price electricity as of October 2023.

Over the course of the second quarter, reservoir levels in Southern Norway improved significantly, and by the end of the quarter they were well above normal. Although the average electricity price in Germany rose during the second quarter, in large part due to higher gas prices as a result of unrest in the Middle East, rising resource reserves in Southern Norway created greater competition to generate hydroelectric power. This meant that the value of our reserves fell, and electricity prices in the NO1 and NO2 areas approached half the price level in Germany.

There were large price fluctuations during the second quarter. The highest hourly prices on the continent reflected the ever-increasing marginal cost of gas-fired power generation, while on days with low demand and high solar power generation on the continent, minimum prices were zero or negative. During these hours, imports to Southern Norway have been high, and on days with low consumption combined with snowmelt creating large quantities of non-dispatchable hydroelectric power, prices in Southern Norway have also reached zero or turned negative. This has also helped to push down the value of dispatchable hydroelectric power, since competition increases when there is more water that needs to be converted into electricity during fewer hours.

The average spot price (in the NO2 region) in the first half of the year was 63 øre/kWh (107 øre/kWh), down 41%. In the second quarter, the average spot price was 52 øre/kWh (96 øre/kWh), down 46%. Whereas the average spot prices in the NO2 and NO1 price areas were almost identical in the first quarter, the price in NO1 was 7 øre/kWh lower during the second quarter. This was mainly due to more non-dispatchable hydroelectric power generation during the snowmelt period in NO1, lower reservoir capacity in NO1 and more interconnector capacity out of NO2 than out of NO1. However, the price differential is lower this year than last year. The reasons for this include general price levels being lower this year than last year.

The prices achieved by the Hydroelectric Power segment fell less than spot prices, but they remained lower due to the provision of compensation power, concession power supplied at regulated prices and hedging at levels below spot prices. The low price level of the hedging is particularly due to an indirect impact of the special duty on high-priced electricity. The introduction of the duty increased the level of hedging for a given volume of hedges. After its introduction, the volume of hedges was therefore reduced through buybacks, in order to maintain the desired level of hedging. At this point, prices were high and the buybacks involved locking in a loss, since they were executed at prices significantly above the original price of the hedges. This impact is the most important factor behind achieved prices being lower than spot prices.

The segment generated 6,361 GWh (5,612 GWh) of hydroelectric power in the first half of the year, an increase of 13%. In the second quarter, 2,895 GWh (2,552 GWh) of hydroelectric power was generated, an increase of 13%. At the start of the quarter, hydrological resources (water and snow) were significantly better than normal. Over the course of the quarter, they improved further. Assuming normal precipitation levels over the coming period, electricity generation is expected to remain high in the second half of the year.

At the end of the second quarter, the average reservoir level for all of the electric utilities in Southern Norway (in the NO1, NO2 and NO5 price areas) was 75% (67%). This means that reservoir levels in Southern Norway are eight percentage points higher than at the same time last year, and thus nine percentage points higher than the median level at the end of the second quarter over the past 20 years. In the north of the country, the situation is the opposite. At the end of the second quarter, the combined reservoir level for utilities in the two northernmost price areas (NO3 and NO4) was 58% (63%), five percentage points lower than last year and nine percentage points lower than the median level.

In the first half of the year, the segment made a pre-tax profit of NOK 2,630 (3,378) million. As well as paying ordinary income tax, the Hydroelectric Power segment pays resource rent tax. The segment's tax expense was NOK 1,859 (2,824) million, down NOK 965. The main reason for the reduction was resource rent tax payable falling to NOK 1,104 (1,928) million, due to the lower spot value of the electricity generated. The effective tax rate was 71% (84%). The decline was due to a lower negative contribution from hedges, which do not form part of the calculation basis for resource rent tax. As a result of the lower tax expense, net income for the first six months of the year rose by NOK 217 million to NOK 772 (555) million.

The segment invested NOK 317 (240) million in the first half of the year. Several major refurbishment projects are progressing well, including those at Steinsfoss power station, Iveland power station, Holen power station and Tjønnefoss power station, while work on refurbishing the dams at Nesper and Juvatn has started. We expect a high level of investment in new projects as well as in refurbishments and government-imposed projects over the coming years.

Network

The Network segment comprises Glitre Nett and Asker Nett, in which the Group holds a 51% ownership interest. Glitre Nett is responsible for the development, operation and maintenance of the regional transmission and distribution systems in Agder, Buskerud and Hadeland. The Network segment constitutes a natural monopoly, so the Norwegian Water Resources and Energy Directorate (NVE) regulates the companies' revenues.

The Network segment's operating revenues in the first half of the year came to NOK 1,723 million, up from NOK 1,356 million in the year-earlier period. The increase in revenues compensates for transmission expenses paid to the national grid being NOK 365 million higher than in the first half of last year. In spite of the increase in revenues, annual revenues are expected to be lower than the revenue cap set by the NVE for 2024.

The segment made an operating profit of NOK 358 million, up from NOK 261 million last year. The change was mainly due to a NOK 78 million reduction in the cost of network losses, on account of lower electricity prices.

The cost of resolving faults in the grid totalled NOK 65 (33) million in the first half of the year, and KILE came to NOK 46 (33) million. NOK 19 million and NOK 14 million of these costs, respectively, were due to the bad weather in January. KILE is a reduction applied to the company's revenue cap in the event of power outages.

The segment invested NOK 529 (364) million in the first half of the year. This was around 20% lower than planned. This is due to projects in the regional network being delayed or deferred, as well as fewer customer-initiated projects being requested in the distribution network. We expect the discrepancy between actual and planned investments to reduce somewhat over the course of the year.

Nordic Electricity Retailing

This segment comprises the Group's electricity sales to end users in the Nordic region. It consists of Entelios Nordic, Å Strøm and Vibb. Nordic Electricity Retailing's turnover was NOK 9,778 (10,716) million in the first six months of the year. It made an operating profit of NOK 183 (701) million.

Entelios Nordic is responsible for the majority of the turnover, and its operating revenues came to NOK 8,149 (8,780) million. The business is continuing to deliver strong results, and it made an operating profit of NOK 205 million in the first half of the year. Nevertheless, its operating profit fell from NOK 715 million in the first half of last year, which is because there was an unusually strong contribution from trading activities in 2023.

Entelios is one of the leading energy retailers in the Nordic region. In Norway, the company is the leading supplier of electricity to the commercial market. Entelios Nordic also has significant turnover in Sweden, Finland and Denmark.

Å Strøm and Vibb, with their distinct profiles and business models, constitute Å Energi's product offering in the domestic electricity market. Å Strøm is Norway's fourth largest electricity company in the domestic market, and it has customers throughout Norway, with the bulk of them being in Agder, Buskerud and Hadeland. Vibb is a digital electricity supplier to domestic customers all over Norway.

Other Activities

This segment comprises the parent company Å Energi, which is responsible for management, various shared functions and financing. Other Activities also includes a number of other companies in the Group including those involved in district heating, local heating, biofuels, flexibility services, venture capital activities, business development and new ventures. In addition, it comprises the Group's ownership interests in Viken Fiber, Morrow Batteries and Nettpartner, as well as some small companies.

Å Energi Varme develops, builds and supplies district heating and cooling services for homes and commercial buildings, mainly in Kristiansand, Arendal and Grimstad. The company's turnover was NOK 96 (98) million in the first six months of the year, while its operating profit was NOK 23 (35) million. The volume of billable energy supplied was 89 GWh (79 GWh). The increase was due to the winter being cold, particularly in January, and customer growth. The company invested NOK 8 (13) million.

In April, the international investors X-Elio and Nature Infrastructure Capital became shareholders of the German battery company Eco Stor. This was done through a private placement and a partial sale of Å Energi's ownership interest. The transaction meant that the company went from being a part-owned subsidiary to being an associated company, and it generated a gain for accounting purposes of NOK 678 million, recognised as other operating revenues. Of this, NOK 361 million related to a valuation gain on our remaining shareholding after remeasuring it to fair value on the completion date. At the end of June, Å Energi owned 27.5 % of the company.

Cash flows and capital adequacy
Cash flow from operating activities came to NOK 2,862 million in the first six months of the year, compared with NOK 1,891 million in the first half of last year. This year's cash flow is the result of strong underlying operations and lower working capital. Working capital normally falls in the first half of the year. The opposite is the case for tax paid, since income tax and resource rent tax is mainly paid in the first and second quarters of the subsequent year.

One important reason for the low cash flow in the first six months of last year was the timing difference between Entelios Norden's contracts with its customers and its exchange-traded hedging instruments. Over the duration of the contracts, the exchanged traded instruments and the customer contracts will have roughly the same cash flows, but this will vary greatly between periods. In the first half of last year, there was a particularly big negative impact on cash flow.

Investment in property, plant and equipment and intangible assets amounted to NOK 907 (717) million. The Hydroelectric Power and Network segments were responsible for 94% of the investments in property, plant and equipment.

Net financial items came to NOK -349 (132) million. Of the NOK 296 (210) million financial expense, NOK 259 (169) million was interest payable on the debt portfolio. The increase in interest on the debt portfolio was due to an increase in both market interest rates and interest-bearing liabilities.

The Group's share of losses of associated companies in the first half of the year amounted to NOK 142 (24) million. This includes a NOK 205 million loss on the Group's investment in Otovo, with a NOK 150 million impairment in the first quarter. The Group's share of losses at Morrow Batteries came to NOK 104 million, half of which is due to a difference between its estimated share of the annual loss for 2023 and the final amount based on the actual loss for the year. In addition, a NOK 42 million gain was recognised on the Group's investment in Viken Fiber. For other companies, a net gain of NOK 5 million was recognised.

There was an unrealised NOK 7 (78) million gain on our interest rate swaps.

The Group's gross interest-bearing liabilities at the end of June amounted to NOK 13.4 (10.1) billion. It had NOK 12.7 (8.0) billion of net interest-bearing liabilities. The average interest rate on the long-term debt portfolio was 4.0% (3.3%). The Group's liquidity buffer at the end of June comprised NOK 5 (4.5) billion of unused credit facilities and NOK 0.7 (2.1) billion of bank deposits and short-term interest-bearing securities.

Operations and working environment
At the close of the first half of the year, the Group had 1,514 (1,446) full-time and temporary employees, representing 1,458 (1,393) full-time equivalents. There has been a general increase in the number of employees at the Group due to factors such as hiring for new ventures, and new hires at the Group's Hydroelectric Power and Network segments, as well as at the parent company. This was partly offset by the disposal of part of the Group's ownership interest in the German battery company Eco Stor, which meant that the company went from being a subsidiary to an associated company.

In the second quarter, the Group's sickness absence rate fell to 2.8% (3.4%). The sickness absence rate for the past 12 months was 3.6% (3.5%). In the first six months of the year, 7 (9) occupational accidents involving our own workforce and contract staff were recorded. The accident figures are equivalent to a total injury frequency (number of injuries, whether or not they resulted in lost time, per million work hours over the past 12 months) of 1.9 (3.4).

Outlook
Forward prices for the current year indicate that the average electricity price in 2024 will be significantly lower than the average price in 2023. At the start of the second quarter, hydrological resources were significantly above normal, and they improved further over the course of the quarter. Assuming normal precipitation levels going forward, we expect high electricity generation and the Hydroelectric Power segment to continue delivering strong profit after tax.

Entelios Nordic continues to deliver strong results, but it expects profit to be significantly lower this year, since last year's profit was unusually high.

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We confirm that, to the best of our knowledge, the financial statements for the six months from 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting, and that the information contained therein provides a true picture of the assets, liabilities, financial position and overall results of the parent company and of the Group. We also confirm that, to the best of our knowledge, the information contained in the interim report provides a true picture of important events that occurred during the financial period and their impact on the interim financial statements, as well as describing the most important areas of risk and uncertainty facing the Group over the coming financial period.

Kristiansand, 29 August 2024

Maria Moræus Hanssen *Chair*	Ann Christin Andersen *Deputy Chair*	Tove E. Pettersen *Board member*	Morten A. Yttreeide *Board member*
Lars Petter Maltby *Board member*	Lars Erik Torjussen *Board member*	Asbjørn Grundt *Board member*	Kristin Steenfeldt-Foss *Board member*
Oddvar Emil Berli *Board member*	Asbjørn Hoveland *Board member*	Rune Bæver *Board member*	Kristine Gjøsæter *Board member*
Steffen Syvertsen *CEO*			

Income statement

(Amounts in millions of NOK)	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2024
Energy sales	4,930	6,755	14,500	15,443	27,669
Transmission revenues	727	521	1,579	1,208	2,532
Other operating revenues	1,068	445	1,402	697	1,475
Gains and losses on electricity and currency contracts	-525	-334	1,343	2,062	4,978
Total operating revenues	**6,201**	**7,387**	**18,824**	**19,410**	**36,654**
Energy purchases	-3,358	-4,103	-10,755	-10,264	-18,280
Transmission expenses	-286	-28	-444	-57	-125
Other raw materials and consumables used	-145	-171	-223	-222	-500
Employee benefits	-396	-399	-810	-759	-1,651
Depreciation and impairment losses	-300	-302	-579	-543	-1,141
Property taxes and licence fees	-85	-82	-190	-164	-312
Duty on high-priced electricity	0	-73	0	-246	-246
Other operating expenses	-402	-428	-856	-869	-1,797
Total operating expenses	**-4,972**	**-5,587**	**-13,857**	**-13,124**	**-24,052**
Operating profit	**1,228**	**1,801**	**4,967**	**6,286**	**12,602**
Share of profit of associated companies and joint ventures	35	-21	-142	-24	-132
Financial income	36	28	82	105	137
Unrealised gains and losses on interest rate contracts and shares	-8	74	7	-3	-100
Financial expenses	-139	-89	-296	-210	-465
Net financial income/expenses	**-75**	**-8**	**-349**	**-132**	**-561**
Profit before tax	**1,153**	**1,793**	**4,617**	**6,154**	**12,041**
Income tax	-121	-386	-946	-1,418	-2,731
Resource rent tax	-229	-964	-2,102	-3,443	-3,964
Tax expense	**-351**	**-1,350**	**-3,048**	**-4,861**	**-6,695**
Net income	**802**	**443**	**1,569**	**1,293**	**5,346**
Of which attributable to non-controlling interests	-22	-2	-33	2	-27
Of which attributable to controlling interest	**824**	**446**	**1,602**	**1,291**	**5,373**

Comprehensive income

(Amounts in millions of NOK)	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2024
Net income	**802**	**443**	**1,569**	**1,293**	**5,346**
Other comprehensive income					
Cash flow hedges	0	0	6	0	-20
Translation differences	-5	4	1	30	27
Tax impact	0	0	-1	0	4
Total items that may be reclassified to income statement	**-5**	**4**	**6**	**30**	**11**
Remeasurements of pensions	-19	249	250	286	144
Tax impact	6	-78	-78	-89	-22
Total items that will not be reclassified to income statement	**-13**	**171**	**173**	**197**	**122**
Total other comprehensive income	**-18**	**175**	**178**	**228**	**133**
Comprehensive income	**785**	**618**	**1,747**	**1,521**	**5,479**
Of which attributable to non-controlling interests	-22	-2	-32	6	-24
Of which attributable to controlling interest	**806**	**620**	**1,780**	**1,515**	**5,503**

Statement of Financial Position

(Amounts in millions of NOK)	**30/06/2024**	**30/06/2023**	**31/12/2023**
Intangible assets	6,393	6,449	6,429
Property, plant and equipment	33,567	33,342	33,226
Investments in associated companies and joint ventures	6,269	4,882	5,876
Derivatives	4,446	5,278	4,504
Other non-current financial assets	1,401	1,593	1,128
Total non-current assets	**52,076**	**51,544**	**51,163**
Inventories	68	137	831
Receivables	3,427	3,904	7,908
Derivatives	2,325	3,259	1,514
Cash and cash equivalents	686	2,082	104
Total current assets	**6,505**	**9,382**	**10,358**
TOTAL ASSETS	**58,581**	**60,926**	**61,521**
Paid-in capital	16,014	14,870	16,014
Retained earnings	8,407	4,471	8,060
Non-controlling interests	178	957	181
Total equity	**24,598**	**20,298**	**24,255**
Deferred tax	8,897	6,472	7,495
Provisions	1,497	1,691	1,599
Derivatives	3,784	7,788	4,471
Interest-bearing non-current liabilities	11,236	6,794	7,599
Total non-current liabilities	**25,414**	**22,745**	**21,165**
Interest-bearing current liabilities	2,144	3,300	5,790
Tax payable	1,894	5,044	3,467
Derivatives	1,933	6,114	2,368
Other non-interest-bearing current liabilities	2,597	3,426	4,477
Total current liabilities	**8,569**	**17,883**	**16,102**
TOTAL EQUITY AND LIABILITIES	**58,581**	**60,926**	**61,521**

Statement of cash flows

(Amounts in millions of NOK)	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
Cash flow from operating activities					
Profit before tax	1,153	1,793	4,617	6,154	12,041
Depreciation and impairment losses	300	302	579	543	1,141
Non-cash gains and losses	528	-662	-1,826	-4,957	-9,616
Share of profit of associated companies and joint ventures	-35	21	142	24	132
Gain/loss on sale of businesses	-678	0	-678	0	0
Tax paid	-1,643	-1,828	-3,303	-3,652	-5,779
Change in net working capital, etc.	1,041	2,299	3,331	3,779	129
Net cash provided by operating activities	**667**	**1,925**	**2,862**	**1,891**	**-1,952**
Investing activities					
Purchase of property, plant, equipment and intangible assets	-591	-376	-907	-717	-1,596
Purchase of businesses/financial assets	-307	-259	-309	-278	-1,045
Net change in loans	13	-341	7	-341	-321
Dividends received from associated companies	0	79	0	79	79
Sale of property, plant, equipment and intangible assets	1	0	2	8	18
Sale of businesses/financial assets	386	0	386	0	108
Net cash used in investing activities	**-498**	**-898**	**-821**	**-1,250**	**-2,757**
Financing activities					
New long-term borrowings	1,100	0	3,708	0	1,000
Repayment of long-term borrowings	-964	-967	-1,213	-1,042	-3,155
Net change in current liabilities	-800	0	-2,541	0	4,491
Transactions with non-controlling interests	38	-9	38	-9	9
Dividends paid	-1,451	-1,938	-1,451	-1,938	-1,961
Net cash used in financing activities	**-2,077**	**-2,914**	**-1,460**	**-2,989**	**383**
Net change in cash and cash equivalents	**-1,908**	**-1,887**	**582**	**-2,348**	**-4,326**
Cash and cash equivalents at start of period	2,594	3,969	104	4,430	4,430
Cash and cash equivalents at end of period	686	2,082	686	2,082	104

Statement of changes in equity

(Amounts in millions of NOK)	Paid-in capital	Cash flow hedges	Translation differences	Retained earnings	Total for controlling interest	Non-con-trolling interests	Total equity
Equity at 01/01/2023	**14,870**	**10**	**3**	**4,782**	**19,665**	**939**	**20,604**
Net income	0	0	0	5,373	**5,373**	-27	**5,346**
Other comprehensive income	0	-16	24	122	**130**	3	**133**
Dividends paid	0	0	0	-1,938	**-1,938**	-24	**-1,961**
Share issue	1,144	0	0	-400	**744**	-744	**0**
Other changes in equity	0	0	0	99	**99**	34	**133**
Equity at 31/12/2023	**16,014**	**-6**	**27**	**8,039**	**24,074**	**181**	**24,255**
Equity at 01/01/2024	**16,014**	**-6**	**27**	**8,039**	**24,074**	**181**	**24,255**
Net income	0	0	0	1,602	**1,602**	-33	**1,569**
Other comprehensive income	0	5	0	173	**178**	1	**178**
Dividends paid	0	0	0	-1,449	**-1,449**	-1	**-1,451**
Other changes in equity	0	0	0	17	**17**	31	**47**
Equity at 30/06/2024	**16,014**	**-1**	**28**	**8,380**	**24,421**	**178**	**24,598**

Segments

Operating revenues

(Amounts in millions of NOK)	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
Hydroelectric Power	1,593	2,079	5,110	5,386	8,518
Network	787	581	1,723	1,356	2,896
Nordic Electricity Retailing	3,462	4,309	9,778	10,716	19,560
Other activities and consolidations	522	566	985	929	2,031
Eliminations	-435	-372	-884	-1,112	-1,669
Total	**5,929**	**7,162**	**16,712**	**17,275**	**31,337**
Adjustments to IFRS, see Note 1	272	226	2,112	2,136	5,317
IFRS revenues	**6,201**	**7,387**	**18,824**	**19,410**	**36,654**

Operating profit

(Amounts in millions of NOK)	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
Hydroelectric Power	943	1,258	2,621	3,412	5,594
Network	88	86	358	261	652
Nordic Electricity Retailing	94	351	183	701	1,525
Other activities and consolidations	-143	-91	-256	-172	-383
Total	**982**	**1,604**	**2,906**	**4,202**	**7,388**
Adjustments to IFRS, see Note 1	246	196	2,061	2,085	5,214
IFRS operating profit	**1,228**	**1,801**	**4,967**	**6,286**	**12,602**

Net income

(Amounts in millions of NOK)	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
Hydroelectric Power	292	151	772	555	1,310
Network	16	67	182	198	473
Nordic Electricity Retailing	77	279	117	548	1,221
Other activities and consolidations	-247	-99	-404	-186	-523
Total	138	399	667	1,114	2,481
Adjustments to IFRS, see Note 1	665	44	902	179	2,865
IFRS net income	**802**	**443**	**1,569**	**1,293**	**5,346**
Of which attributable to non-controlling interests	-22	-2	-33	2	-27
Of which attributable to controlling interest	824	446	1,602	1,291	5,373

Notes to the interim financial statements

The figures in this interim report have not been audited.

Note 1 Accounting principles

Å Energi's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The same accounting principles and calculation methods have been applied as for the annual financial statements for 2023.

Accounting principles of the segments

The underlying performance of the segments is reported in accordance with internal reporting to the management team. Underlying performance is based on IFRS figures and adjusted as described in Note 6. The table below shows the impact of the differences between the accounting principles used for segment reporting and IFRS.

Reconciliation of figures for segments with reported IFRS figures

	Q2		H1		Full-year
(Amounts in millions of NOK)	**2024**	**2023**	**2024**	**2023**	**2023**
Electricity and currency contracts	-406	226	1,434	2,136	5,317
Material gains on disposals	678	0	678	0	0
Adjustments to revenues	**272**	**226**	**2,112**	**2,136**	**5,317**
Amortization of acquisition adjustment	-26	-29	-51	-51	-103
Adjustments to operating profit	**246**	**196**	**2,061**	**2,085**	**5,214**
Amortization of acquisition adjustment, associated companies	-4	-4	-8	-8	-16
Impairment loss at associated companies	0	0	-150	0	-60
Unrealised gains and losses on interest rate swaps	-8	83	7	78	62
Unrealised gains and losses on shareholdings	0	-9	0	-81	-162
Material gains on disposals, associated companies	121	0	121	0	0
Tax impact of negative resource rent carryforwards	-10	-28	-28	-67	-60
Tax impact of other corrections	320	-195	-1,100	-1,827	-2,113
Adjustment to net income	**665**	**44**	**902**	**179**	**2,865**

Note 2 Segments

The operating segments presented are the same as the ones used in reporting to the Group management team. Segment reporting is used by Å Energi's management to assess the performance of the various business areas, and to allocate resources to them. See page 14 for tables showing their financial performance.

Note 3 Breakdown of unrealised gains and losses

The table below gives details of how unrealised gains and losses affect the financial results reported by the Group:

	H1 2024			H1 2023		
	Unrealised	**Realised**	**Total**	**Unrealised**	**Realised**	**Total**
Gains and losses on electricity and currency contracts	1,434	-92	1,343	2,136	-74	2,062
Unrealised gains and losses on interest rate contracts and shares	7			-3		
Impact of unrealised gains and losses on pre-tax profit	**1,441**			**2,133**		
Tax effect of unrealised gains and losses						
Income tax	-317			-487		
Resource rent tax	-810			-1,366		
Total tax	**-1,127**			**-1,853**		
Impact of unrealised gains and losses on net income	**315**			**279**		

Å Energi uses cash-settled contracts to secure a guaranteed price of some of its future electricity generation. Prices are fixed for a number of years in advance. The aim is to ensure stability in the Group's revenues and its ability to pay dividends.

In the first six months of the year, unrealised gains and losses on electricity and currency contracts rose by NOK 1,434 million. Over that period, forward electricity prices (system prices) fell by 19% for the remainder of 2024 and by 2-5% for the years 2025-27. This has led to a reduction in unrealised losses on contracts for subsequent financial periods. The same applies to contracts for guarantees of origin.

In the first half of the year, the value of our interest rate swaps rose by NOK 7 (78) million. In the first half of last year, Otovo was not an associated company, and changes in its market value were recognised in income. That comprised a NOK 81 million loss, which meant that there was a net NOK 3 million revaluation loss on interest rates swaps and shareholdings in the first six months of last year.

The net revaluation gain resulted in a tax expense of NOK 1,127 million. Income tax is calculated on all gains. Resource rent tax is only calculated on revaluations of contracts that are covered by the rules on resource rent tax.

H1 net income under IFRS includes a NOK 315 million gain after tax on financial contracts.

Note 4 Tax expense

(Amounts in millions of NOK)	H1 2024 Amount in NOK millions	H1 2024 % profit of pre-tax	H1 2023 Amount in NOK millions	H1 2023 % pre-tax profit
Expected income tax rate 22%	1,016	22%	1,354	22%
Impact of non-capitalised deferred tax assets	28	1%	11	0%
Permanent differences and changes in tax rates	-98	-2%	53	1%
Income tax expense	**946**	**20%**	**1,418**	**23%**
Resource rent tax expense	**2,102**	**46%**	**3,443**	**56%**
Total tax expense	**3,048**	**66%**	**4,861**	**79%**

The resource rent tax expense amounted to NOK 2,102 (3,443) million. This comprises NOK 1,104 (1,928) million of resource rent tax payable, and a NOK 998 (1,515) million change in deferred resource rent tax. The expense for changes in deferred tax almost entirely relates to an increase in the value of contracts measured at fair value subject to resource rent tax (see Note 3).

Note 5 Change in interest-bearing liabilities

The table below gives details of changes in the Group's interest-bearing liabilities so far this year:

Change in interest-bearing liabilities broken down by cash and non-cash items.

(Amounts in millions of NOK)	2024	2023
Interest-bearing liabilities at 1 Jan.	13,389	10,912
New long-term borrowings (cash item)	3,708	0
Repayment of long-term borrowings (cash item)	-1,213	-1,042
Net change in overdraft and other current liabilities (cash item)	-2,541	0
Exchange rate fluctuations (non-cash item)	37	177
New lease liabilities (non-cash item)	0	47
Interest-bearing liabilities at 30 June	**13,380**	**10,094**

Interest-bearing liabilities include NOK 324 (401) million of lease liabilities.

Note 6 Alternative performance measures (APM)

Å Energi's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Alternative performance measures are used to provide relevant supplementary information to the IFRS financial statements by adjusting for impacts that are not considered relevant to the underlying profit for the period. Using alternative performance measures that better reflect the underlying value added by the Group will make it easier to compare results and cash flows over time. The alternative performance measures are defined, calculated and used consistently and transparently over time.

The alternative performance measures are used for internal management and governance purposes, and the municipal majority shareholders in Å Energi have decided that the dividend policy should be based on the previous year's underlying profit under IFRS.

Å Energi uses the following alternative performance measures:
- *Underlying operating revenues:* Operating revenues +/- the adjustments described below
- *EBITDA:* Operating profit before depreciation and impairment losses
- *Underlying EBITDA:* EBITDA +/- the adjustments described below
- *Underlying operating profit:* Operating profit +/- the adjustments described below
- *Underlying net income:* Net income +/- the adjustments described below

The following adjustments are made to calculate the Group's underlying operating revenues, EBITDA, operating profit and net income:

1. +/- Unrealised gains and losses on electricity and currency contracts, interest rate contracts and shareholdings at fair value and currency loans.

Å Energi has a significant volume of contracts that are measured at fair value under IFRS. These are mainly financial contracts whose aim is to hedge the value of future electricity generation. Future electricity generation is only recognised when it occurs. Fluctuations in the value of the financial contracts are excluded from the underlying results and are only included when they are settled. This ensures consistency in the timing of when the hedging instruments and hedged items are included in the underlying results. It also reduces fluctuations in the results and gives a more accurate idea of how Å Energi has performed in the reporting period. Changes in the fair value of compensation power agreements and other contracts measured at fair value are also excluded from the underlying results. However, changes in the market value of the Group's trading portfolios are included in the underlying results.

The underlying operating revenues, EBITDA and operating profit are adjusted for the pre-tax effect of unrealised gains and losses on electricity and currency contracts and of currency loans.

Underlying net income is adjusted for the post-tax effect of unrealised gains and losses on electricity and currency contracts and of currency loans. In addition, it includes the post-tax effect of unrealised gains and losses on interest rate swaps and shareholdings.

2. +/- Material impairments and material gains and losses on the disposal of businesses or ownership interests in businesses

An adjustment is made for material impairments and material gains and losses on the disposal of businesses or ownership interests in businesses, since these are not considered to be part of the underlying performance in the reporting period. An item is considered material if its impact on net income is NOK 25 million or more within a single financial year. Even if several items individually have a smaller impact than NOK 25 million, they are considered material if their total impact is greater than NOK 50 million in a financial year. When several items are analysed together, impairments and material gains/losses are considered separately. Any reversal of past impairments is treated in the same way as impairments. In conjunction with disposals, gains and losses are presented as other operating revenues and other operating expenses, respectively. Gains and losses on the disposal of ownership interests in businesses that are not controlled by Å Energi are presented under financial items.

Underlying operating revenues, EBITDA and operating profit include the pre-tax effect of gains and losses on disposals.

Underlying net income includes the post-tax effect of gains and losses on disposals of businesses or ownership interests in businesses that are not controlled by Å Energi.

3. +/- Depreciation and impairment losses and reversal of impairment losses relating to the acquisition adjustment from the merger with Glitre Energi

When Glitre Energi and Agder Energi merged, Glitre's assets and liabilities were measured at fair value. Any acquisition adjustment relating to depreciable assets is depreciated over the remaining useful life of the assets. Measurement at fair value results in a significantly higher depreciation expense than if the two businesses had remained separate. However, the two groups had relatively similarly business operations and the owners remain the same. We do not consider the higher depreciation expense to be the result of a decline in underlying value creation.

The underlying operating profit and net income include the pre-tax effect of depreciation and impairments and the reversal of impairments relating to the acquisition adjustment.

The underlying net income includes the post-tax effect of depreciation and impairments and the reversal of impairments relating to the acquisition adjustment from the merger with Glitre Energi.

4. +/- Effect of changes to tax rates

Changes in tax rates alter the carrying amount of deferred tax liabilities and assets. The recognition of changes to deferred tax liabilities as a result of changes in tax rates is not considered part of the underlying performance. An adjustment is therefore made for material effects on profit arising from changes in tax rates. Effects are considered material if they exceed NOK 25 million for the Group.

This adjustment is reflected in the underlying net income.

5. +/- Changes in deferred tax assets arising from negative resource rent carryforwards at power stations

The accounting rules require future tax savings from negative resource rent carryforwards to be included on the balance sheet as an asset. Å Energi has implemented this requirement by including the estimated value of tax savings over the coming ten years on its balance sheet. This calculation is highly sensitive to changes in parameters like electricity prices in euros and the EUR/NOK exchange rate. The carrying amount of this accounting estimate is almost entirely governed by external factors such as electricity prices and the EUR/NOK exchange rate, so changes in the estimate recognised in the income statement tell us nothing about the underlying performance during the reporting period.

This adjustment is reflected in the underlying net income.

(Amounts in millions of NOK)	H1 **2024**	 **2023**	**Full-year** **2023**
IFRS operating revenues	18,824	19,410	36,654
Unrealised gains and losses, electricity and currency	-1,434	-2,136	-5,317
Material gains on disposals	-678	0	0
Underlying operating revenues	**16,712**	**17,275**	**31,337**
IFRS operating profit	4,967	6,286	12,602
Depreciation and impairment losses	579	543	1,141
IFRS EBITDA	**5,546**	**6,830**	**13,744**
Unrealised gains and losses, electricity and currency	-1,434	-2,136	-5,317
Material gains on the disposal of businesses or ownership interests in businesses	-678	0	0
Underlying EBITDA	**3,434**	**4,694**	**8,427**
IFRS operating profit	4,967	6,286	12,602
Unrealised gains and losses, electricity and currency	-1,434	-2,136	-5,317
Material gains on disposals	-678	0	0
Amortization of acquisition adjustment	51	51	103
Underlying operating profit	**2,906**	**4,202**	**7,388**
IFRS net income (controlling interest’s share)	1,602	1,291	5,373
Changes in unrealised gains and losses after tax (see Note 3)	-315	-279	-3,051
Material gains on disposals or impairment losses	-648	0	60
Amortization of acquisition adjustment	33	32	64
Changes in deferred tax assets from neg. resource rent carryforwards	28	67	60
Underlying net income (controlling interest’s share)	**700**	**1,111**	**2,506**

English translation: Språkverkstaden

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