Q3 24

Å ENERGI

Key figures

- In the first nine months of the year, Å Energi's reported operating profit under IFRS was NOK 5,836 million (Q1-Q3 last year: 9,700 million). Net income under IFRS came to NOK 1,918 million (controlling interest's share), compared with NOK 2,805 million in the equivalent period of last year. The Group had NOK 23,356 (26,531) million in operating revenues.

- In the first nine months of the year, Å Energi made an underlying[1] operating profit of NOK 3,858 (5,389) million. Underlying net income was NOK 1,011 million (controlling interest's share), down from NOK 1,551 million in the first nine months of last year.

- The tax expense on underlying profit was NOK 2,390 (3,632) million for the first nine months of the year. This means that 71% 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 57 øre/kWh (94 øre/kWh), down 39% 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, as a result of the Group's price hedging strategy. The hedging includes long-term electricity contracts with industrial customers.

- The segment generated 9,024 GWh (8,025 GWh) of hydroelectric power during the first nine months of the year, an increase of 13% over the year-earlier period. Hydrological resources declined slightly during the quarter, but at the end of the third quarter they remained well above normal.

Highlights in Q3 2024

- Å Energi has signed an agreement to acquire Fredrikstad Municipality's 51% shareholding in Fredrikstad Energi AS ("FEAS"), including the municipality's share of the FEAS corporate hybrid bond. The transaction, which has a value of NOK 1.1 billion, is due to be completed in December 2024. Implementation of the agreement is subject to market terms and conditions, including approval of the transaction by Fredrikstad town council and the Norwegian Competition Authority.

- The Board of Directors of Å Energi has resolved to propose paying an extraordinary dividend of NOK 1,000 million to the Group's shareholders. This is in addition to the ordinary dividend of NOK 1,449 million that was adopted earlier this year. The proposal will be formally made at an Extraordinary General Meeting in December.

- Å Energi was created by the merger of Glitre Energi and Agder Energi in December 2022. The Group has so far delivered better than the goals set at the time of the merger. In October, the Group streamlined its organisation structure in order to meet the goals in the Group strategy. The adjustments aimed to complete the process of combining the two former groups into one, at the same time as focusing heavily on achieving the synergies and ambitions for growth set out in the Group strategy.

- Å Energi is investing around NOK 70 million in improving the reliability of Mykstufoss power station, which lies on Numedalslågen in Buskerud. The upgrades include installing new turbine gates with hydraulic rams which use environmentally friendly biodegradable lubricant instead of fossil fuel-based oil and fitting new stainless steel gates.

- At the top of Numedalslågen in Buskerud, Godfarfoss power station is under construction. When it enters operation, which is due in 2025, it will be capable of generating enough renewable energy to meet the needs of over 2,000 homes. The company Godfarfoss Kraft has been established to build the power station. The municipalities of Nore and Uvdal and Hol own 66 percent of the company, while Å Energi Vannkraft owns the remaining 34 percent and is responsible for planning and constructing the power station.

- On the River Fedaelva in Kvinesdal, the company is making good progress with building Frøytlandsfoss power station. When it enters operation in 2025, it will be capable of producing clean, renewable energy for around 600 households.

- In order to get an accurate picture of the age and condition of the over 70,000 utility poles in Glitre Nett's high-voltage network, the company is currently testing sensors on the regional transmission system between Evje and Iveland. The sensors are designed to give a better idea of which poles need replacing and they are an important step towards improving reliability of supply. Artificial intelligence analyses the data and alerts the company as to which poles need replacing.

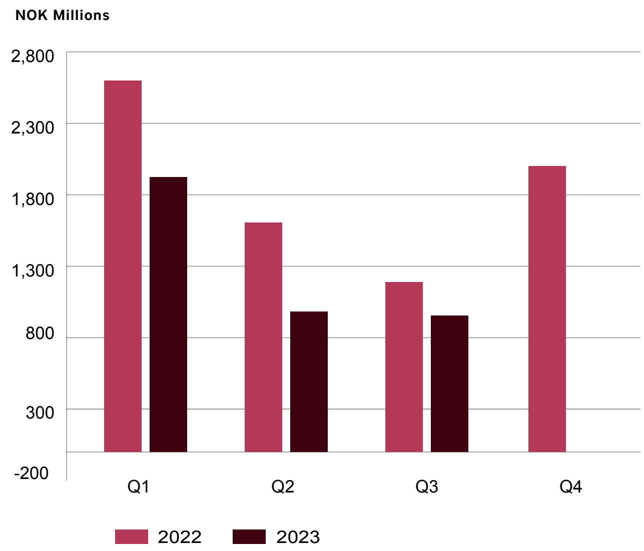
- In collaboration with the ten other biggest distribution system operators in Norway, Glitre Nett has established joint principles for calculating land use. Over the coming ten years, Glitre Nett will invest almost NOK 20 billion in the power grid, which will involve using more land. The company's goal is to be nature positive from 2030 onwards, so it is important to minimise damage to nature when upgrading the power grid and to measure to what extent mitigations reduce negative impacts.

[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.

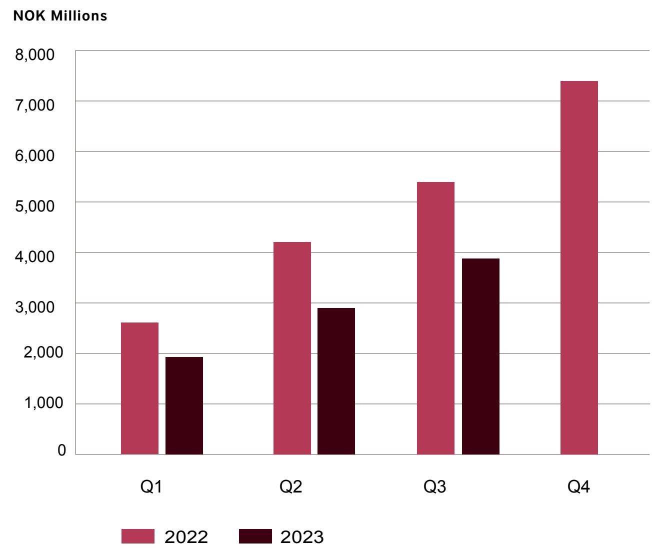
Key figures		Q3 2024	Q3 2023	01/01 - 30/09 2024	01/01 - 30/09 2023	Full-year 2023
From income statement						
Operating revenues	NOK million	4,532	7,121	23,356	26,531	36,654
EBITDA	NOK million	1,139	3,673	6,684	10,503	13,743
Operating profit	NOK million	870	3,414	5,836	9,700	12,602
Profit before tax	NOK million	675	3,268	5,292	9,422	12,041
Net income (controlling interest's share)	NOK million	316	1,514	1,918	2,805	5,373
Underlying performance 1)						
Underlying operating revenues	NOK million	4,589	4,868	21,301	22,143	31,337
Underlying EBITDA	NOK million	1,196	1,421	4,629	6,115	8,427
Underlying operating profit	NOK million	952	1,187	3,858	5,389	7,388
Underlying profit before tax	NOK million	779	1,101	3,366	5,182	7,003
Underlying net income (controlling interest's share)	NOK million	310	440	1,011	1,551	2,506
Cash flow						
Cash flow from operating activities	NOK million	1,178	-821	4,040	1,070	-1,952
Purchase of property, plant, equipment and intangible assets	NOK million	588	316	1,495	1,033	1,596
Capital						
Capital employed 2)	NOK million			38,823	31,738	37,644
Return on capital employed 3)	%			6.7	7.5	9.1
Equity ratio	%			41.2	37.9	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.

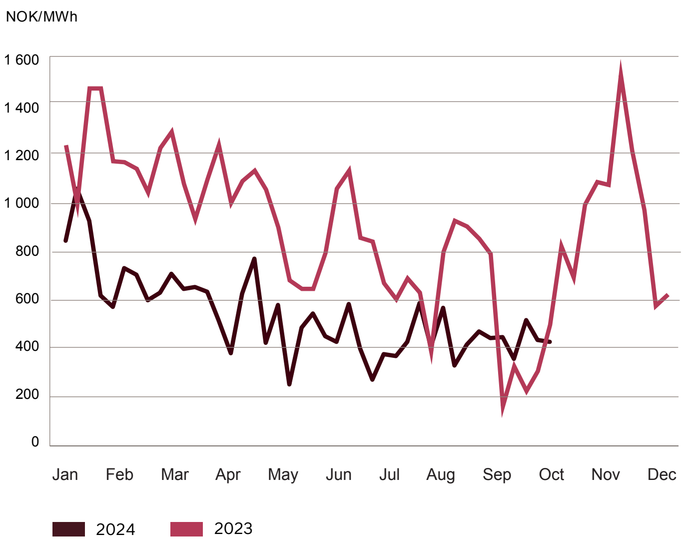
Underlying operating profit by quarter



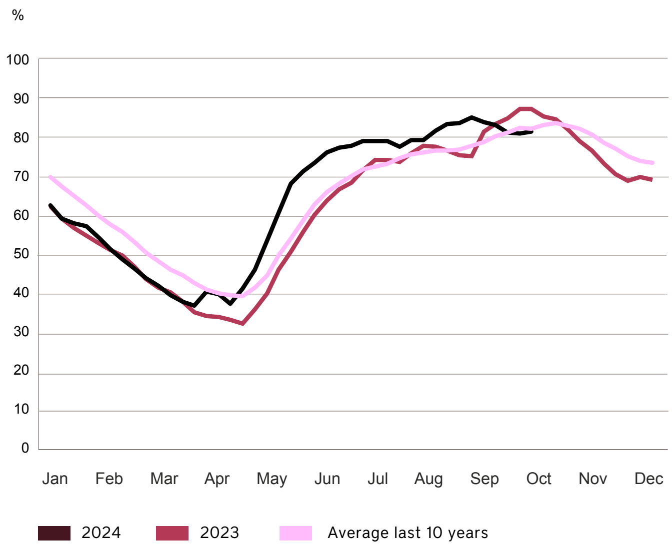
Cumulative underlying operating profit



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 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 Buskerud, but it also owns power stations in the counties of 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 6,700 (6,866) million of operating revenues in the first nine months of the year, while its operating profit was NOK 3,511 (4,204) million. The NOK 693 million decline in operating profit was due to electricity prices being significantly lower so far this year. The price decline was partially offset by higher generation, as well as a NOK 244 million gain from the discontinuation of the duty on high-priced electricity in October 2023.

Reservoir levels in Southern Norway remained higher than normal in the third quarter of 2024. They were slightly above their level in the third quarter of 2023, and significantly higher than in 2022 and 2021. German electricity prices rose during the third quarter on account of a period of higher coal, gas and CO2 prices due to ongoing unrest in the Middle East, the war in Ukraine and high Chinese demand for coal and gas. In spite of higher German electricity prices, the healthy resource reserves in Southern Norway meant that electricity prices in the NO2 area were around half those of Germany. Prices in the NO1 and NO5 areas have been even lower due to high levels of precipitation, large amounts of non-dispatchable electricity generation and transmission bottlenecks out of these areas. Almost every weekend during the quarter, Southern Norway had several hours of electricity prices being close to zero or negative. This has occurred during periods of low consumption in Southern Norway, combined with high imports from continental Europe on account of high renewable energy generation, particularly solar, in the Netherlands and Germany.

The average spot price (NO2) in the first nine months of the year was 57 øre/kWh (93 øre/kWh), down 39%. In the third quarter, the average spot price (NO2) was 44 øre/kWh (66 øre/kWh), down 33%. While the average spot prices in the NO2 and NO1 areas were almost identical in the first quarter, spot prices in NO1 were 7 øre/kWh and 23 øre/kWh lower than in NO2 in the second and third quarters respectively.

So far this year, the prices achieved by the Hydroelectric Power segment have fallen less than spot prices, and this trend strengthened further in the third quarter. The prices achieved were still below 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 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 Group generated 9,024 GWh (8,025 GWh) of hydroelectric power in the first nine months of the year, an increase of 12%. In the third quarter, it generated 2,663 GWh (2,412 GWh), an increase of 10%. At the start of the quarter, hydrological resources were significantly better than normal. They declined slightly over the course of the quarter, but they remain well above normal. Assuming normal precipitation levels over the coming period, electricity generation is expected to be high in 2024.

At the end of the third quarter, the average reservoir level for all of the electric utilities in Southern Norway (in the NO1, NO2 and NO5 price areas) was 86% (87%). This means that reservoir levels in Southern Norway are one percentage point lower than at the same time last year, and thus two percentage points higher than the median level at the end of the third quarter over the past 20 years. In Northern Norway, reservoir levels are lower than normal. At the end of the third quarter, the combined reservoir level for utilities in the two northernmost price areas (NO3 and NO4) was 76% (79%), three percentage points lower than last year and five percentage points lower than the median level.

Pre-tax profit for the first nine months of the year amounted to NOK 3,505 (4,169) million. As well as paying ordinary income tax, the Hydroelectric Power segment pays resource rent tax. The segment's tax expense was NOK 2,337 (3,421) million, down NOK 1,084. The main reason for the reduction was resource rent tax payable falling to NOK 1,338 (2,279) million, due to the lower spot value of the electricity generated. The effective tax rate was 67% (82%). The decline in the effective tax rate 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 nine months of the year rose by NOK 420 million to NOK 1,168 (748) million.

The segment invested NOK 515 (352) million in the first nine months 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 nine months of the year came to NOK 2,375 million, up from NOK 1,906 million in the year-earlier period. The increase in revenues compensates for transmission expenses paid to the national grid being NOK 532 million higher than in the first nine months 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 412 million, up from NOK 351 million last year. The change was mainly due to a NOK 84 million reduction in the cost of network losses, on account of lower electricity prices.

The cost of resolving faults in the grid totalled NOK 93 (49) million in the first nine months, and KILE came to NOK 46 (54) million. NOK 38 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 827 million in the first nine years of the year, 53% more than the NOK 541 million invested in the year-earlier period. This was still around 15% lower than planned. This is due to projects in the regional transmission network being delayed or deferred, as well as fewer customer-initiated projects being requested in the distribution network.

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 12,034 (13,339) in the first nine months of the year. Its operating profit was NOK 270 (1,100) million.

Entelios Nordic is responsible for the majority of the turnover, and its operating revenues came to NOK 10,159 (11,159) million. The business is continuing to deliver strong results, and it made an operating profit of NOK 300 million in the first nine months of the year. Nevertheless, its operating profit fell from NOK 1,143 million in the same period 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. In the first nine months of the year, the company made an operating profit of NOK 16 (30) million on turnover of NOK 114 (116) million. The volume of billable energy supplied was 103 GWh (92 GWh). The increase was due to the winter being cold, particularly in January, and customer growth. The company invested NOK 15 (14) 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 September, Å Energi owned 22.2% of the company.

Cash flows and capital adequacy
Cash flow from operating activities came to NOK 4,040 million in the first nine months of the year, compared with NOK 1,070 million in the year-earlier period. This year's cash flow is the result of strong underlying operations and lower working capital. Working capital normally falls during the first three quarters of the year, before rising back up again in the fourth quarter. 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. Cash flow in the third quarter of last year

was negative, reflecting 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. Last year, this timing effect made a particularly big negative contribution.

Investment in property, plant and equipment and intangible assets amounted to NOK 1,495 (1,033) million. The Hydroelectric Power and Network segments were responsible for 89% of the investments in property, plant and equipment.

Net financial items came to NOK -544 (-278) million. Of the NOK 438 (317) million financial expense, NOK 417 (252) 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 nine months of the year amounted to NOK 205 (18) million. This includes a NOK 243 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 141 million. In addition, a NOK 64 million gain was recognised on the Group's investment in Viken Fiber.

There was an unrealised NOK 1 million loss (NOK 77 million gain) on our interest rate swaps.

The Group's gross interest-bearing liabilities at the end of September amounted to NOK 13.9 (9.9) billion. It had NOK 12.1 (9.3) billion of net interest-bearing liabilities. The average interest rate on the long-term debt portfolio was 4.3% (3.3%). The Group's liquidity buffer at the end of the quarter comprised NOK 5 (3.5) billion of unused credit facilities and NOK 1.8 (0.6) billion of bank deposits and short-term interest-bearing securities.

Operations and working environment

At the close of the third quarter the Group had 1,575 (1,474) full-time and temporary employees, representing 1,519 (1,438) 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 2.7% (3.4%). The sickness absence rate for the past 12 months was 3.4% (3.8%). In the first nine months of the year, 9 (10) 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 third quarter, hydrological resources were significantly better than normal. Although they declined slightly over the quarter, they remain considerably above normal. 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.

Kristiansand, 6 november 2024
The Board of Directors of Å Energi AS

Income statement

(Amounts in millions of NOK)	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Energy sales	3,508	4,235	18,007	19,678	27,669
Transmission revenues	582	454	2,161	1,662	2,532
Other operating revenues	339	315	1,741	1,012	1,475
Gains and losses on electricity and currency contracts	104	2,117	1,447	4,179	4,978
Total operating revenues	**4,532**	**7,121**	**23,356**	**26,531**	**36,654**
Energy purchases	-2,223	-2,486	-12,979	-12,751	-18,280
Transmission expenses	-194	-26	-638	-83	-125
Other raw materials and consumables used	-126	-70	-349	-292	-500
Employee benefits	-365	-365	-1,176	-1,124	-1,651
Depreciation and impairment losses	-269	-259	-848	-803	-1,141
Property taxes and licence fees	-84	-70	-273	-234	-312
Duty on high-priced electricity	0	2	0	-244	-246
Other operating expenses	-402	-431	-1,258	-1,300	-1,797
Total operating expenses	**-3,663**	**-3,707**	**-17,520**	**-16,831**	**-24,052**
Operating profit	**870**	**3,414**	**5,836**	**9,700**	**12,602**
Share of profit of associated companies and joint ventures	-63	7	-205	-18	-132
Financial income	18	11	100	116	137
Unrealised gains and losses on interest rate contracts and shares	-8	-56	-1	-59	-100
Financial expenses	-142	-107	-438	-317	-465
Net financial income/expenses	**-195**	**-145**	**-544**	**-278**	**-561**
Profit before tax	**675**	**3,268**	**5,292**	**9,422**	**12,041**
Income tax	-147	-731	-1,093	-2,149	-2,731
Resource rent tax	-214	-1,028	-2,317	-4,471	-3,964
Tax expense	**-361**	**-1,759**	**-3,409**	**-6,620**	**-6,695**
Net income	**314**	**1,510**	**1,883**	**2,803**	**5,346**
Of which attributable to non-controlling interests	-2	-4	-35	-2	-27
Of which attributable to controlling interest	**316**	**1,514**	**1,918**	**2,805**	**5,373**

Comprehensive income

(Amounts in millions of NOK)	3. kvartal 2024	3. kvartal 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Net income	**314**	**1,510**	**1,883**	**2,803**	**5,346**
Other comprehensive income					
Cash flow hedges	-16	3	-10	3	-20
Translation differences	21	-10	22	20	27
Tax impact	4	-1	2	-1	4
Total items that may be reclassified to income statement	**8**	**-8**	**14**	**22**	**11**
Remeasurements of pensions	26	-17	276	269	144
Tax impact	-8	5	-86	-83	-22
Total items that will not be reclassified to income statement	**18**	**-12**	**190**	**186**	**122**
Total other comprehensive income	**26**	**-20**	**205**	**208**	**133**
Comprehensive income	**340**	**1,490**	**2,088**	**3,011**	**5,479**
Of which attributable to non-controlling interests	-2	-5	-35	0	-24
Of which attributable to controlling interest	**343**	**1,495**	**2,122**	**3,011**	**5,503**

Statement of Financial Position

(Amounts in millions of NOK)	30/09/2024	30/09/2023	31/12/23
Intangible assets	6,377	6,443	6,429
Property, plant and equipment	33,906	33,391	33,226
Investments in associated companies and joint ventures	6,128	5,099	5,876
Derivatives	5,035	4,266	4,504
Other non-current financial assets	1,426	1,498	1,128
Total non-current assets	**52,872**	**50,698**	**51,163**
Inventories	147	72	831
Receivables	2,928	3,337	7,908
Derivatives	2,751	2,702	1,514
Cash and cash equivalents	1,780	628	104
Total current assets	**7,606**	**6,738**	**10,358**
TOTAL ASSETS	**60,477**	**57,436**	**61,521**
Paid-in capital	16,014	16,014	16,014
Retained earnings	8,742	5,570	8,060
Non-controlling interests	184	208	181
Total equity	**24,940**	**21,791**	**24,255**
Deferred tax	8,886	7,631	7,495
Provisions	1,475	1,595	1,599
Derivatives	4,635	4,590	4,471
Interest-bearing non-current liabilities	11,939	7,650	7,599
Total non-current liabilities	**26,936**	**21,466**	**21,165**
Interest-bearing current liabilities	1,944	2,297	5,790
Tax payable	2,268	4,952	3,467
Derivatives	2,106	3,406	2,368
Other non-interest-bearing current liabilities	2,284	3,523	4,477
Total current liabilities	**8,601**	**14,179**	**16,102**
TOTAL EQUITY AND LIABILITIES	**60,477**	**57,436**	**61,521**

Statement of cash flows

(Amounts in millions of NOK)	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Cash flow from operating activities					
Profit before tax	675	3,268	5,292	9,422	12,041
Depreciation and impairment losses	269	259	848	803	1,141
Non-cash gains and losses	108	-4,431	-1,718	-9,388	-9,616
Share of profit of associated companies and joint ventures	63	-7	205	18	132
Gain/loss on sale of businesses	0	0	-677	0	0
Tax paid	-18	-5	-3,321	-3,657	-5,779
Change in net working capital, etc.	80	94	3,411	3,873	129
Net cash provided by operating activities	**1,178**	**-821**	**4,040**	**1,070**	**-1,952**
Investing activities					
Purchase of property, plant, equipment and intangible assets	-588	-316	-1,495	-1,033	-1,596
Purchase of businesses/financial assets	0	-229	-309	-508	-1,045
Net change in loans	1	-12	8	-353	-321
Dividends received from associated companies	78	0	78	79	79
Sale of property, plant, equipment and intangible assets	0	3	2	11	18
Sale of businesses/financial assets	0	0	386	0	108
Net cash used in investing activities	**-509**	**-555**	**-1,330**	**-1,804**	**-2,757**
Financing activities					
New long-term borrowings	1,000	1,000	4,708	1,000	1,000
Repayment of long-term borrowings	-75	-2,078	-1,288	-3,120	-3,155
Net change in current liabilities	-500	1,000	-3,041	1,000	4,491
Transactions with non-controlling interests	0	-1	38	-10	9
Dividends paid	0	0	-1,451	-1,938	-1,961
Net cash used in financing activities	**426**	**-79**	**-1,034**	**-3,068**	**383**
Net change in cash and cash equivalents	**1,095**	**-1,455**	**1,676**	**-3,803**	**-4,326**
Cash and cash equivalents at start of period	686	2,082	104	4,430	4,430
Cash and cash equivalents at end of period	1,780	628	1,780	628	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-controlling 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	1,918	**1,918**	-35	**1,883**
Other comprehensive income	0	-8	22	190	**204**	0	**205**
Dividends paid	0	0	0	-1,449	**-1,449**	-1	**-1,451**
Other changes in equity	0	0	0	8	**8**	40	**48**
Equity at 30/09/2024	**16,014**	**-14**	**49**	**8,706**	**24,755**	**184**	**24,940**

Segments

Operating revenues

(Amounts in millions of NOK)	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Hydroelectric Power	1,591	1,480	6,700	6,866	8,518
Network	652	550	2,375	1,906	2,896
Nordic Electricity Retailing	2,256	2,623	12,034	13,339	19,560
Other activities and consolidations	474	399	1,458	1,327	2,039
Eliminations	-383	-183	-1,267	-1,295	-1,677
Total	**4,589**	**4,868**	**21,301**	**22,143**	**31,337**
Adjustments to IFRS, see Note 1	-57	2,253	2,055	4,388	5,317
IFRS revenues	**4,532**	**7,121**	**23,356**	**26,531**	**36,654**

Operating profit

(Amounts in millions of NOK)	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Hydroelectric Power	890	793	3,511	4,204	5,594
Network	53	90	412	351	652
Nordic Electricity Retailing	87	410	270	1,110	1,525
Other activities and consolidations	-78	-105	-334	-277	-383
Eliminations	0	0	0	0	0
Total	**952**	**1,187**	**3,858**	**5,389**	**7,388**
Adjustments to IFRS, see Note 1	-83	2,227	1,978	4,311	5,214
IFRS operating profit	**870**	**3,414**	**5,836**	**9,700**	**12,602**

Net income

(Amounts in millions of NOK)	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Hydroelectric Power	396	193	1,168	748	1,310
Network	-12	59	170	257	473
Nordic Electricity Retailing	71	316	189	863	1,221
Other activities and consolidations	-146	-132	-550	-318	-523
Total	**308**	**436**	**976**	**1,550**	**2,481**
Adjustments to IFRS, see Note 1	6	1,073	907	1,253	2,865
IFRS net income	**314**	**1,510**	**1,883**	**2,803**	**5,346**
Of which attributable to non-controlling interests	-2	-4	-35	-2	-27
Of which attributable to controlling interest	316	1,514	1,918	2,805	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

	Q3		Q1-Q3		Full-year
(Amounts in millions of NOK)	**2024**	**2023**	**2024**	**2023**	**2023**
Electricity and currency contracts	-57	2,253	1,378	4,388	5,317
Material gains on disposals	0	0	678	0	0
Adjustments to revenues	**-57**	**2,253**	**2,055**	**4,388**	**5,317**
Amortization of acquisition adjustment	-26	-26	-77	-77	-103
Adjustments to operating profit	**-83**	**2,227**	**1,978**	**4,311**	**5,214**
Amortization of acquisition adjustment, associated companies	-4	-4	-12	-12	-16
Impairment loss at associated companies	0	0	-150	0	-60
Unrealised gains and losses on interest rate swaps	-8	-1	-1	77	62
Unrealised gains and losses on shareholdings	0	-55	0	-136	-162
Material gains on disposals, associated companies	0	0	121	0	0
Tax impact of negative resource rent carryforwards	-12	9	-40	-58	-60
Tax impact of other corrections	112	-1,103	-988	-2,930	-2,113
Adjustment to net income	**6**	**1,073**	**907**	**1,253**	**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 13 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:

	Q1-Q3 2024			Q1-Q3 2023		
(Amounts in millions of NOK)	**Unrealised**	**Realised**	**Total**	**Unrealised**	**Realised**	**Total**
Gains and losses on electricity and currency contracts	1,378	69	1,447	4,388	-209	4,179
Unrealised gains and losses on interest rate contracts and shares	-1			-59		
Impact of unrealised gains and losses on pre-tax profit	**1,376**			**4,329**		
Tax effect of unrealised gains and losses						
Income tax	-303			-982		
Resource rent tax	-727			-1,987		
Total tax	**-1,029**			**-2,969**		
Impact of unrealised gains and losses on net income	**347**			**1,360**		

Å Energi uses cash-settled contracts to secure a guaranteed price for 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 nine months of the year, unrealised gains and losses on electricity and currency contracts rose by NOK 1,378 million. Over that period, forward electricity prices (system prices) fell by 6-10% for the years 2025-27. This has led to an increase in the value of contracts for subsequent financial periods. The same applies to contracts for guarantees of origin.

In the first nine months of the year, the value of our interest rate swaps fell marginally by NOK 1 million (gain of NOK 77 million). In the third quarter of last year, Otovo was not an associated company, and changes in its market value were recognised in income. That comprised a NOK 136 million loss, which meant that there was a net NOK 59 million revaluation loss on interest rates swaps and shareholdings in the first nine months of last year.

The net revaluation gain resulted in a tax expense of NOK 1,029 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.

Net income for the first nine months of the year under IFRS includes a NOK 347 million gain after tax on financial contracts.

Note 4 Tax expense

	01/01 - 30/09/2024		01/01 - 30/09/2023	
	Amounts in NOK millions	% of pre-tax profit	Amounts in NOK millions	% of pre-tax profit
Expected income tax rate 22%	1,164	22%	2,073	22%
Impact of non-capitalised deferred tax assets	32	1%	16	0%
Permanent differences and changes in tax rates	-104	-2%	59	1%
Income tax expense	**1,093**	**21%**	**2,149**	**23%**
Resource rent tax expense	**2,317**	**44%**	**4,471**	**47%**
Total tax expense	**3,409**	**64%**	**6,620**	**70%**

The resource rent tax expense amounted to NOK 2,317 (4,471) million. This comprises NOK 1,338 (2,278) million of resource rent tax payable, and a NOK 979 (2,192) million change in deferred resource rent tax. The expense for changes in deferred tax mainly 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)	4,708	1,000
Repayment of long-term borrowings (cash item)	-1,288	-3,120
Net change in overdraft and other current liabilities (cash item)	-3,041	1,000
Exchange rate fluctuations (non-cash item)	115	108
New lease liabilities (non-cash item)	0	47
Interest-bearing liabilities at 30 September	**13,883**	**9,947**

Interest-bearing liabilities include NOK 316 (389) 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.

	Q1-Q3		Full-year
(Amounts in millions of NOK)	**2024**	**2023**	**2023**
IFRS operating revenues	23,356	26,531	36,654
Unrealised gains and losses, electricity and currency	-1,378	-4,388	-5,317
Material gains on disposals	-678	0	0
Underlying operating revenues	**21,301**	**22,143**	**31,337**
IFRS operating profit	5,836	9,700	12,602
Depreciation and impairment losses	848	803	1,141
IFRS EBITDA	**6,684**	**10,503**	**13,744**
Unrealised gains and losses, electricity and currency	-1,378	-4,388	-5,317
Material gains on the disposal of businesses or ownership interests in businesses	-678	0	0
Underlying EBITDA	**4,629**	**6,115**	**8,427**
IFRS operating profit	5,836	9,700	12,602
Unrealised gains and losses, electricity and currency	-1,378	-4,388	-5,317
Material gains on disposals	-678	0	0
Amortization of acquisition adjustment	77	77	103
Underlying operating profit	**3,858**	**5,389**	**7,388**
IFRS net income (controlling interest's share)	1,918	2,805	5,373
Changes in unrealised gains and losses after tax (see Note 3)	-347	-1,360	-3,051
Material gains on disposals or impairment losses	-648	0	60
Amortization of acquisition adjustment	48	48	64
Changes in deferred tax assets from neg. resource rent carryforwards	40	58	60
Underlying net income (controlling interest's share)	**1,011**	**1,551**	**2,506**

English translation: Språkverkstaden

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