Q4 24

Å ENERGI

KEY FIGURES

- In 2024, Å Energi reported an operating profit based on IFRS of NOK 7,750 million (2023: NOK 12,602 million). Net income under IFRS came to NOK 1,945 million (controlling interest's share), compared with NOK 5,373 million in 2023. The Group had NOK 31,260 (36,654) million in operating revenues.

- In 2024, Å Energi made an underlying[1] operating profit of NOK 5,431 (7,388) million. Underlying net income was NOK 1,518 million (controlling interest's share), down from NOK 2,506 million the year before.

- The tax expense on underlying profit was NOK 3,235 (4,522) million in 2024. This means that 69% of the Group's underlying pre-tax profit is returned to society through income tax and resource rent tax.

- After falling significantly in 2024, the average spot price (NO2) was 58 øre/kWh (91 øre/kWh), down 36% from the same period of the previous 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 11,806 GWh (10,755 GWh) of hydroelectric energy in 2024, an increase of 10%. Hydrological resources remained stable during the fourth quarter, and at the end of the year they were higher than normal.

HIGHLIGHTS IN Q4 2024

- At the end of November, Å Energi acquired Fredrikstad Municipality's 51% ownership interest in Fredrikstad Energi AS, including the municipality's share of the corporate hybrid bond issued by Fredrikstad Energi AS. The total value of the transaction was NOK 1.1 billion. The financial figures reported for 2024 include the figures for December for Fredrikstad Energi AS.

- In January 2025, Å Energi and Orkla ASA signed an agreement which will see Å Energi buy Trælandsfoss power station in Kvinesdal and Orkla's ownership interest (85%) in AS Saudefaldene. The transaction, which will raise the Group's typical annual power generation by 1.6 TWh to around 13 TWh, will make an important contribution to the Group's strategy of increasing the volume of electricity it manages and generates. Orkla's share of the electricity generated at Saudefaldene is 1,581 GWh. Saudefaldene operates seven power stations in Sauda under a lease from Statkraft that expires in 2030. When the lease expires, the power stations will revert to Statkraft. Trælandsfoss power station in Kvinesdal generates 26 GWh in a typical year. In addition, Trælandsfoss receives 35 GWh of compensation power from Sira-Kvina each year, which means the total volume it has available for sale is 61 GWh. The transaction, which is dependent on approval from the Norwegian Competition Authority and the Ministry of Energy, is due to be completed by the end of the third quarter of 2025.

- In November, the Board of Directors of Å Energi resolved to propose paying a special 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 in 2024. The proposal was approved at an extraordinary general meeting, and the special dividend was paid out in December.

- In December, Å Energi and Hydro signed a long-term power purchase agreement to supply electricity to Hydro's aluminium smelters in Norway. The contract involves supplying a total of 4.4 TWh to Hydro's aluminium plants in price area NO3, over the period 2025-2034.

- In December, Innovation Norway provided Morrow Batteries with a NOK 1.5 billion loan facility to give it access to the liquidity it needs to implement its business plan. The first tranche of the loan is for NOK 900 million. Å Energi has provided guarantees for NOK 250 million of the loan. The battery factory that Morrow is building near Arendal will have the capacity to produce 1 GWh of batteries per year when it is completed, which is due to be in the second quarter of 2025. On account of challenging market conditions, in the fourth quarter Å Energi wrote down the value of its 49.9% ownership interest in Morrow Batteries by NOK 297 million. After the impairment, the carrying amount of the investment is NOK 886 million.

- In November, Å Energi decided to build a pilot plant for green hydrogen production at Kongsberg, with construction due to start in 2025. The Group has signed purchase agreements for some of the hydrogen it will produce. The pilot plant will be co-located with Pikerfoss hydropower station, to minimise the impact on the landscape and reduce the environmental and carbon footprint.

- In December, Å Energi sold its subsidiary Flextools, which has 19 employees, to the Netherlands-based company Sympower. Flextools offers flexibility services to companies, and Sympower is one of Europe's leading flexibility services suppliers.

- El-Tilsynet is a leading supplier of electrical safety services and mandatory electrical safety inspections. In December, the employees bought the shares in the company from Å Energi, which had owned it since 2015.

[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.

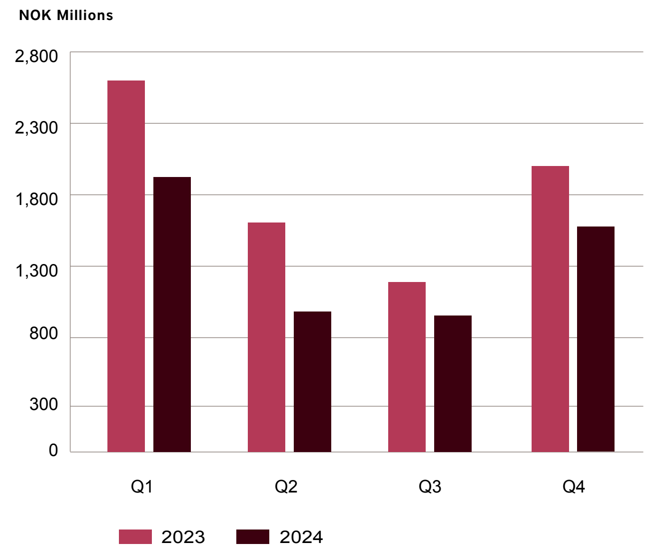
- In November, the Å fund handed out NOK 1 million to over 20 projects that are creating positive spaces for children and young people under the age of 20 in Agder and Buskerud. This was the second allocation round of the year, which the Å fund received almost 400 applications for.

- Å Energi is closely following the political debate about changes to the electric power sector. In January 2025, the government made several policy proposals for electricity markets which might have an impact on the Group, and particularly its retail businesses. The proposals of the government and main opposition parties suggest that overall there is a political majority within the Norwegian parliament for introducing new government support/financing schemes in the retail market in order to reduce the cost of electricity to domestic customers. In addition, the government is proposing phasing out VAT on network tariffs in order to reduce their cost, and a proposal is being made to put a moratorium on planning any new interconnectors until 2029.

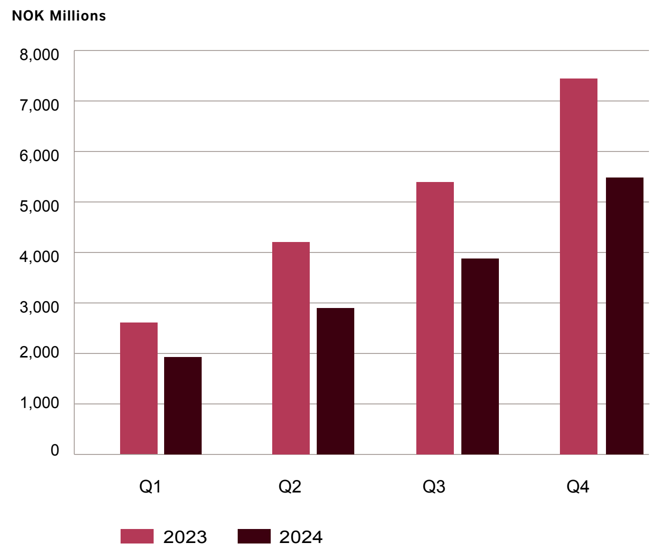
		Q4		Full year	
Key figures		**2024**	**2023**	**2024**	**2023**
From income statement					
Operating revenues	NOK millions	7,904	10,123	31,260	36,654
EBITDA	NOK millions	2,283	3,241	8,967	13,744
Operating profit	NOK millions	1,914	2,902	7,750	12,602
Profit before tax	NOK millions	1,299	2,618	6,591	12,041
Net income (controlling interest’s share)	NOK millions	27	2,568	1,945	5,373
Underlying performance 1)					
Underlying operating revenues	NOK millions	7,512	9,195	28,813	31,337
Underlying EBITDA	NOK millions	1,891	2,312	6,521	8,427
Underlying operating profit	NOK millions	1,573	1,999	5,431	7,388
Underlying profit before tax	NOK millions	1,336	1,821	4,702	7,003
Underlying net income (controlling interest’s share)	NOK millions	507	956	1,518	2,506
Cash flow					
Cash flow from operating activities	NOK millions	-193	-3,023	3,847	-1,952
Purchase of property, plant, equipment and intangible assets	NOK millions	749	562	2,244	1,596
Capital					
Capital employed 2)	NOK millions			42,200	37,644
Return on capital employed 3)	%			4.8	8,5
Equity ratio	%			36.9	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.

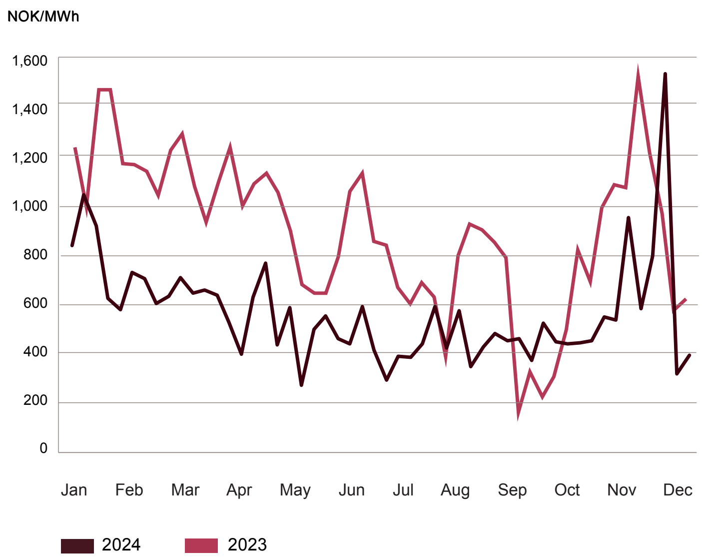
Underlying operating profits by quarter



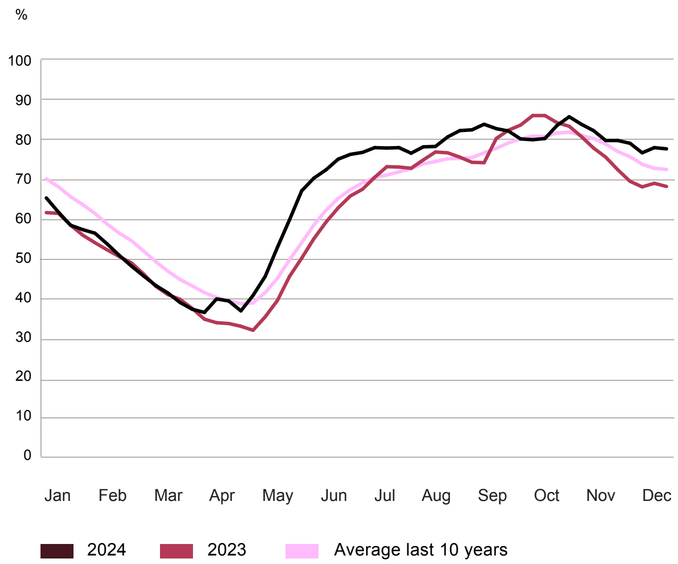
Underlying accumulated operating profit



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, directly and through joint arrangements, 73 wholly-owned and part-owned 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 8,484 (8,518) million of operating revenues in 2024, while its operating profit was NOK 4,750 (5,594) million. The NOK 844 million decline in operating profit was due to electricity prices being significantly lower in 2024. The price decline was partially offset by higher generation, as well as by a NOK 325 million positive contribution related to the duty on high-priced electricity. In 2023, this duty resulted in a NOK 246 million expense, whereas in 2024 there was a NOK 79 million gain on account of revisions to estimates of the duty on high-priced electricity in past periods.

The average spot price (in the NO2 area) in 2024 was 58 øre/kWh (91 øre/kWh), down 36%. In the fourth quarter, the average spot price (NO2) was 63 øre/kWh (80 øre/kWh), down 21%. Except in the first quarter, sport prices in NO1 were lower than in NO2, and for the year as a whole they were 9 øre/kWh (15 øre/kWh) lower.

In 2024, the electricity prices achieved by the Hydroelectric Power segment fell less than spot prices. This was particularly true in the second half of the year. 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 11,806 GWh (10,755 GWh) of hydroelectric power in 2024, an increase of 10%. Power generation in the fourth quarter amounted to 2,782 GWh (2,821 GWh). Hydrological resources remained stable during the fourth quarter, and at the end of the year they were above normal.

At the end of the year, the average reservoir level for all of the electric utilities in Southern Norway (in the NO1, NO2 and NO5 price areas) was 78% (67%). This means that reservoir levels in Southern Norway are eleven percentage points higher than last year, and thus eight percentage points higher than the end-of-year median level for the past 20 years. In Northern Norway, reservoir levels went from being lower than normal in the previous quarter to being significantly higher than normal in the fourth quarter. At the end of the year, the combined reservoir level for utilities in the two northernmost price areas (NO3 and NO4) was 82% (55%), 27 percentage points higher than last year and 17 percentage points higher than the median.

In 2024 the segment made a pre-tax profit of NOK 4,748 (5,529) million. As well as paying ordinary income tax, the Hydroelectric Power segment pays resource rent tax. The segment's tax expense was NOK 3,115 (4,219) million, down NOK 1,104. The main reason for the reduction was resource rent tax payable falling to NOK 1,750 (2,729) million, due to the lower spot value of the electricity generated. The effective tax rate was 66% (76%). 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 2024 rose by NOK 323 million to NOK 1,633 (1,310) million.

NOK 775 (538) million was invested by the segment in 2024. Several major refurbishment projects are ongoing, including those at Steinsfoss power station, Iveland power station, Holen power station and Tjønnefoss power station, while work on refurbishing the dams at Nespervatn and Juvatn is well under way. An emergency power supply system is also being built for the new hospital in Drammen. We expect a relatively high level of investment 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.

In 2024, Network's operating revenues amounted to NOK 3,155 million, up from NOK 2,896 million the previous year. The increase in revenues compensated for transmission expenses paid to the national grid being NOK 547 million higher than in 2023. In spite of the increase in revenues, they remained NOK 54 million below the cap imposed by the Norwegian Water Resources and Energy Directorate (NVE) for 2024. Operating revenues include NOK 102 (300) million of congestion revenues from Statnett.

The segment made an operating profit of NOK 712 million, up from NOK 652 million in 2023. The improvement was mainly due to lower operating expenses and employee benefits, partly due to a higher proportion of employee benefits being capitalised to projects.

The cost of resolving faults in the grid totalled NOK 97 (94) million in 2024, and KILE came to NOK 81 (96) million. NOK 33 million and NOK 14 million of these costs, respectively, were due to the bad weather in January 2024. KILE is a reduction applied to the company's revenue cap in the event of power outages.

The segment invested NOK 1,253 million in 2024, 52% more than the NOK 823 million it invested in 2023. Investment in the grid is expected to remain high over the coming years.

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 16,582 (19,560) million in 2024. It made an operating profit of NOK 414 (1,525) million.

Entelios Nordic is responsible for the majority of the turnover, and its operating revenues came to NOK 13,944 (16,220) million. The business continues to deliver strong results, and in 2024 it made an operating profit of NOK 452 million. Nevertheless, its operating profit fell from NOK 1,589 million in 2023, 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 includes the Group's ownership interests in Viken Fiber, Morrow Batteries and Otovo, as well as some smaller companies.

Other activities also includes figures for December for the Fredrikstad Energi Group (51% ownership interest). The Fredrikstad Energi Group, which comprises the grid operator Norgesnett and the contracting business Nettpartner, made an operating profit of NOK 13 million in December. From 2025 onwards, Fredrikstad Energi will be included in the normal segment reporting.

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 169 (178) million in 2024, while its operating profit was NOK 32 (53) million. The decline was mainly due to lower electricity prices. The volume of billable energy supplied was 148 GWh (149 GWh). 2024 was slightly milder than the previous year, and the underlying growth in volume was 4 GWh. NOK 14 (18) million was invested by the segment in 2024.

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 the year, Å Energi owned 17.8% of the company.

Cash flows and capital adequacy

Cash flow from operating activities came to NOK 3,847 million in 2024, compared with NOK -1,952 million the previous year. The cash flow for 2024 reflects a strong underlying performance. The big contrast with 2023 is due to both a NOK 2.5 billion reduction in tax paid and cash flow in 2023 being negatively impacted by the difference in the cash flow profiles of 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 2,244 (1,596) million. The Hydroelectric Power and Network segments were responsible for 90% of the investments in property, plant and equipment.

Net financial items came to NOK -1,159 (-561) million. Of the NOK 620 (465) million financial expense, NOK 568 (350) 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 loss of associates in 2024 amounted to NOK 647 (132) million. This includes a NOK 283 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 504 million. This includes a NOK 297 million impairment in the fourth quarter due to challenging market conditions. After the impairment, the carrying amount of the investment is NOK 886 million. In addition, a NOK 77 million gain was recognised on the Group's investment in Viken Fiber. The Group's gross interest-bearing liabilities at the end of the year amounted to NOK 17.2 (13.4) billion. It had NOK 16.9 (13.3) billion of net interest-bearing liabilities. The average interest rate on the Group's long-term debt portfolio was 4.3%, up from 3.4% the previous year. The Group's liquidity buffer at the end of the year comprised NOK 3.5 (3.8) billion of unused credit facilities and NOK 0.2 (0.1) billion of bank deposits and short-term interest-bearing securities.

Operations and working environment
At the close of the year, the Group had 2,025 (1,515) permanent and temporary employees, representing 1,958 (1,469) full-time equivalents. The increase in the number of employees was mainly due to the acquisition of Fredrikstad Energi (51% ownership share). There was also a general increase in the number of employees at the Group of around 7%. This was 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 the subsidiaries Flextools and El-Tilsynet, as well as 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.

The Group's sickness absence rate has remained steady at low levels in recent years, and in 2024 it was 3.1% (3.9%). Of that, 1.0% (1.1%) was short-term absence and 2.1% (2.8%) was long-term absence (more than 16 days). The Group aims to have a sickness absence rate below 3%, and for some time we have been working to provide an early, tailored response to absences and to implement policies to promote good health.

In 2024, 5 (7) occupational accidents were recorded involving our own employees, and 7 (4) involving contractors. 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) of 2.9 (3.3).

Outlook
Forward prices for the current year indicate that average electricity prices will be slightly higher than the average price in 2024. Our hydrological resources, which started 2025 significantly higher than normal, have fallen slightly and are now close to normal. Assuming normal precipitation levels over the coming period, net income from hydroelectric power sales is expected to remain high.

Kristiansand, 27 February 2025
The Board of Directors of Å Energi AS

Income statement

(Amounts in millions of NOK)	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Energy sales	5,999	7,992	24,006	27,669
Transmission revenues	706	870	2,867	2,532
Other operating revenues	702	463	2,443	1,475
Gains and losses on electricity and currency contracts	498	799	1,944	4,978
Total operating revenues	**7,904**	**10,123**	**31,260**	**36,654**
Energy purchases	-4,363	-5,529	-17,342	-18,280
Transmission expenses	55	-42	-582	-125
Other raw materials and consumables used	-200	-207	-549	-500
Employee benefits	-569	-527	-1,744	-1,651
Depreciation and impairment losses	-369	-339	-1,218	-1,141
Property taxes and licence fees	-90	-78	-363	-312
Duty on high-priced electricity	79	-2	79	-246
Other operating expenses	-532	-497	-1,790	-1,797
Total operating expenses	**-5,990**	**-7,221**	**-23,510**	**-24,052**
Operating profit	**1,914**	**2,902**	**7,750**	**12,602**
Share of profit of associated companies and joint ventures	-443	-115	-647	-132
Financial income	37	21	138	137
Unrealised gains and losses on interest rate contracts and shares	-28	-41	-29	-100
Financial expenses	-182	-148	-620	-465
Net financial income/expenses	**-615**	**-284**	**-1,159**	**-561**
Profit before tax	**1,299**	**2,618**	**6,591**	**12,041**
Income tax	-409	-583	-1,502	-2,731
Resource rent tax	-879	507	-3,195	-3,964
Tax expense	**-1,288**	**-76**	**-4,697**	**-6,695**
Net income	**11**	**2,543**	**1,894**	**5,346**
Of which attributable to non-controlling interests	-16	-25	-50	-27
Of which attributable to controlling interest	**27**	**2,568**	**1,945**	**5,373**

Comprehensive income

(Amounts in millions of NOK)	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net income	**11**	**2,543**	**1,894**	**5,346**
Other comprehensive income				
Cash flow hedges	-2	-23	-12	-20
Translation differences	-5	7	16	27
Tax impact	0	5	3	4
Total items that may be reclassified to income statement	**-7**	**-11**	**7**	**11**
Remeasurements of pensions	178	-125	454	144
Tax impact	-41	62	-127	-22
Total items that will not be reclassified to income statement	**137**	**-63**	**327**	**122**
Total other comprehensive income	**129**	**-74**	**334**	**133**
Comprehensive income	**140**	**2,468**	**2,228**	**5,479**
Of which attributable to non-controlling interests	-16	-25	-50	-24
Of which attributable to controlling interest	**156**	**2,493**	**2,279**	**5,503**

Statement of Financial Position

(Amounts in millions of NOK)	31/12/2024	31/12/2023
Deferred tax assets	54	0
Intangible assets	6,589	6,429
Property, plant and equipment	38,420	33,226
Investments in associated companies and joint ventures	5,602	5,876
Derivatives	4,050	4,504
Other non-current financial assets	1,845	1,128
Total non-current assets	**56,560**	**51,163**
Inventories	200	831
Receivables	6,588	7,908
Derivatives	3,918	1,514
Cash and cash equivalents	357	104
Total current assets	**11,063**	**10,358**
TOTAL ASSETS	**67,623**	**61,521**
Paid-in capital	16,014	16,014
Retained earnings	7,899	8,060
Non-controlling interests	1,063	181
Total equity	**24,976**	**24,255**
Deferred tax	10,003	7,495
Provisions	1,741	1,599
Derivatives	3,706	4,471
Interest-bearing non-current liabilities	13,268	7,599
Total non-current liabilities	**28,718**	**21,165**
Interest-bearing current liabilities	3,956	5,790
Tax payable	2,949	3,467
Derivatives	2,265	2,368
Other non-interest-bearing current liabilities	4,758	4,477
Total current liabilities	**13,929**	**16,102**
TOTAL EQUITY AND LIABILITIES	**67,623**	**61,521**

Statement of cash flows

	Q4		Full year	
(Amounts in millions of NOK)	**2024**	**2023**	**2024**	**2023**
Cash flow from operating activities				
Profit before tax	1,299	2,618	6,591	12,041
Depreciation and impairment losses	374	339	1,223	1,141
Non-cash gains and losses	-186	-228	-1,904	-9,616
Share of profit of associated companies and joint ventures	443	115	647	132
Gain/loss on sale of businesses	17	0	-660	0
Tax paid	50	-2,122	-3,271	-5,779
Change in net working capital, etc.	-2,190	-3,744	1,221	129
Net cash provided by operating activities	**-193**	**-3,023**	**3,847**	**-1,952**
Investing activities				
Purchase of property, plant, equipment and intangible assets	-749	-562	-2,244	-1,596
Purchase of businesses/financial assets	-1,033	-537	-1,342	-1,045
Net change in loans	13	32	21	-321
Dividends received from associated companies	0	0	78	79
Sale of property, plant, equipment and intangible assets	4	7	6	18
Sale of businesses/financial assets	10	108	396	108
Net cash used in investing activities	**-1,755**	**-952**	**-3,085**	**-2,757**
Financing activities				
New long-term borrowings	1,203	0	5,911	1,000
Repayment of long-term borrowings	-25	-35	-1,313	-3,155
Net change in current liabilities	352	3,491	-2,689	4,491
Transactions with non-controlling interests	-4	19	34	9
Dividends paid	-1,000	-24	-2,451	-1,961
Net cash used in financing activities	**526**	**3,451**	**-508**	**383**
Net change in cash and cash equivalents	**-1,423**	**-524**	**253**	**-4,326**
Cash and cash equivalents at start of period	1,780	628	104	4,430
Cash and cash equivalents at end of period	357	104	357	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	1,945	**1,945**	-50	**1,894**
Other comprehensive income	0	-9	16	327	**334**	0	**334**
Dividends paid	0	0	0	-2,449	**-2,449**	-1	**-2,451**
Other changes in equity	0	0	0	9	**9**	934	**944**
Equity at 31/12/2024	**16,014**	**-15**	**44**	**7,870**	**23,912**	**1,063**	**24,976**

Segments

Operating revenues

(Amounts in millions of NOK)	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Hydroelectric Power	1,783	1,653	8,484	8,518
Network	779	990	3,155	2,896
Nordic Electricity Retailing	4,547	6,221	16,582	19,560
Other activities and consolidations	945	712	2,403	2,039
Eliminations	-543	-381	-1,810	-1,677
Total	**7,512**	**9,195**	**28,813**	**31,337**
Adjustments to IFRS, see Note 1	392	929	2,447	5,317
IFRS revenues	**7,904**	**10,123**	**31,260**	**36,654**

Operating profit

(Amounts in millions of NOK)	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Hydroelectric Power	1,239	1,389	4,750	5,594
Network	300	301	712	652
Nordic Electricity Retailing	144	414	414	1,525
Other activities and consolidations	-110	-106	-444	-383
Eliminations	0	0	0	0
Total	**1,573**	**1,999**	**5,431**	**7,388**
Adjustments to IFRS, see Note 1	341	903	2,319	5,214
IFRS operating profit	**1,914**	**2,902**	**7,750**	**12,602**

Net income

(Amounts in millions of NOK)	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Hydroelectric Power	465	562	1,633	1,310
Network	174	215	344	473
Nordic Electricity Retailing	108	358	297	1,221
Other activities and consolidations	-256	-205	-806	-523
Total	**491**	**930**	**1,467**	**2,481**
Adjustments to IFRS, see Note 1	-480	1,612	427	2,865
IFRS net income	**11**	**2,543**	**1,894**	**5,346**
Of which attributable to non-controlling interests	-16	-25	-50	-27
Of which attributable to controlling interest	27	2,568	1,945	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.

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.

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

	Q4		**Full year**	
(Amounts in millions of NOK)	**2024**	**2023**	**2024**	**2023**
Electricity and currency contracts	392	929	1,769	5,317
Material gains on disposals	0	0	678	0
Adjustments to revenues	**392**	**929**	**2,447**	**5,317**
Amortization of acquisition adjustment	-51	-26	-128	-103
Adjustments to operating profit	**341**	**903**	**2,319**	**5,214**
Amortization of acquisition adjustment, associated companies	-4	-4	-16	-16
Impairment loss at associated companies	-297	-60	-447	-60
Unrealised gains and losses on interest rate swaps	-28	-15	-29	62
Unrealised gains and losses on shareholdings	0	-26	0	-162
Material gains on disposals, associated companies	-58	0	62	0
Tax impact of negative resource rent carryforwards	-6	-2	-46	-60
Tax impact of other corrections	-428	816	-1,416	-2,113
Adjustment to net income	**-480**	**1,612**	**427**	**2,865**

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:

	Full year 2024			Full year 2023		
	Unrealised	**Realised**	**Total**	**Unrealised**	**Realised**	**Total**
Gains and losses on electricity and currency contracts	1,769	175	1,944	5,317	-339	4,978
Unrealised gains and losses on interest rate contracts and shares	-29			-100		
Impact of unrealised gains and losses on pre-tax profit	**1,740**			**5,217**		
Tax effect of unrealised gains and losses						
Income tax	-383			-1,183		
Resource rent tax	-1,091			-983		
Total tax	**-1,474**			**-2,166**		
Impact of unrealised gains and losses on net income	**266**			**3,051**		

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 2024 unrealised gains and losses on electricity and currency contracts rose by NOK 1,769 million. Over that period, forward electricity prices (system prices) fell by 14-27% for the years 2025-2027. 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 2024, the value of our interest rate swaps fell by NOK 29 million (rose by NOK 62 million). Until the fourth quarter of last year, Otovo was not an associated company, and changes in its market value were recognised in income. That comprised a NOK 162 million loss, which meant that there was a net NOK 100 million revaluation loss on interest rates swaps and shareholdings in 2023.

The net revaluation gain resulted in a tax expense of NOK 1,474 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.

In total, 2024 net income under IFRS includes a NOK 266 million gain after tax on financial contracts.

Note 4 Tax expense

(Amounts in millions of NOK)	Full year 2024 Amount in NOK millions	Full year 2024 % of pre-tax profit	Full year 2023 Amount in NOK millions	Full year 2023 % of pre-tax profit
Expected income tax rate 22%	1,450	22%	2,649	22%
Impact of non-capitalised deferred tax assets	41	1%	9	0%
Permanent differences and changes in tax rates	10	0%	74	1%
Income tax expense	**1,502**	**23%**	**2,731**	**23%**
Resource rent tax expense	**3,195**	**48%**	**3,964**	**33%**
Total tax expense	**4,697**	**71%**	**6,695**	**56%**

The resource rent tax expense amounted to NOK 3,195 (3,964) million. This comprises NOK 1,750 (2,729) million of resource rent tax payable, and a NOK 1,445 (1,235) 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)	5,911	1,000
Repayment of long-term borrowings (cash item)	-1,313	-3,155
Net change in overdraft and other current liabilities (cash item)	-2,689	4,491
Exchange rate fluctuations (non-cash item)	111	66
New lease liabilities (non-cash item)	96	76
Interest-bearing liabilities assumed in acquisitions (non-cash item)	1,720	0
Interest-bearing liabilities at 31 Dec.	**17,224**	**13,389**

Interest-bearing liabilities include NOK 469 (379) 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 Energi'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.

	Full year	
(Amounts in millions of NOK)	**2024**	**2023**
IFRS operating revenues	31,260	36,654
Unrealised gains and losses, electricity and currency	-1,769	-5,317
Material gains on disposals	-678	0
Underlying operating revenues	**28,813**	**31,337**
IFRS operating profit	**7,750**	**12,602**
Depreciation and impairment losses	1,218	1,141
IFRS EBITDA	**8,967**	**13,744**
Unrealised gains and losses, electricity and currency	-1,769	-5,317
Material gains on the disposal of businesses or ownership interests in businesses	-678	0
Underlying EBITDA	**6,521**	**8,427**
IFRS operating profit	7,750	12,602
Unrealised gains and losses, electricity and currency	-1,769	-5,317
Material gains on disposals	-678	0
Amortization of acquisition adjustment	128	103
Underlying operating profit	**5,431**	**7,388**
IFRS net income (controlling interest's share)	1,945	5,373
Changes in unrealised gains and losses after tax (see Note 3)	-266	-3,051
Material gains on disposals or impairment losses	-293	60
Amortization of acquisition adjustment	86	64
Changes in deferred tax assets from neg. resource rent carryforwards	46	60
Underlying net income (controlling interest's share)	**1,518**	**2,506**

English translation: Språkverkstaden

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