Q1 25

Å ENERGI

Key figures

- In the first quarter, Å Energi's reported operating profit under IFRS was NOK 2,981 million (Q1 2024: 3,738 million). Net income under IFRS came to NOK 940 million (controlling interest's share), compared with NOK 778 million in the first quarter of last year. The Group had NOK 11,712 (12,623) million in operating revenues.

- In the first quarter, Å Energi made an underlying operating profit of NOK 2,470 (1,956) million. Underlying net income was NOK 735 million (controlling interest's share), up from NOK 566 million in the first quarter of last year.

- The tax expense on underlying profit was NOK 1,557 (1,260) million in the first quarter. This means that 68% of the Group's underlying pre-tax profit is returned to society through income tax and resource rent tax.

- The average spot price (in the NO2 area) in the quarter was 78 øre/kWh (74 øre/kWh), up 7%. The prices achieved by the Hydroelectric Power segment rose more than spot prices due to a lower negative contribution from hedges than in the same period last year. The prices achieved were still below spot prices due to compensation power and concession power supplied at regulated prices, as well as hedging at levels below spot prices. The hedging includes long-term electricity contracts with industrial customers.

- The Group generated 3,544 GWh (3,466 GWh) of hydroelectric power in the first quarter, an increase of 2%. After starting the year significantly higher than normal, hydrological resources (water and snow) have fallen due to very little snow in the mountains, and at the end of the first quarter they were significantly below normal.

Highlights

- 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 percent) in AS Saudefaldene. The transaction took place on 30 April, after approval from the relevant competition authorities and the Ministry of Energy. For accounting purposes, the transaction was completed on 1 May 2025. 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.

- Å Energi has taken the decision to build a new power station at Skjeggedal in Åmli Municipality, at the top of the Uldal river system. The power station will generate around 21 GWh per year. The plan is for it to be commissioned in 2028.

- Å Energi has decided to build Kvernevatn power station in Åseral Municipality. The power station will generate around 5 GWh per year. The power station is due to be commissioned in 2027.

- Glitre Nett has chosen new, innovative solutions to meet the company's needs relating to customer information systems. The aim is to minimise manual operations and to ensure accurate and cost-efficient administration, while taking ownership of the company's own data. Glitre Nett is one of the first grid operators to split its customer information system into three modules.

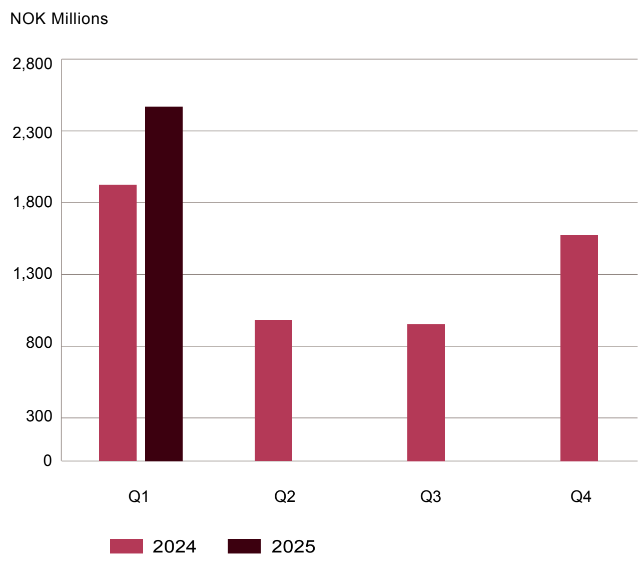
- In January, Å Energi AS renewed its Eco-Lighthouse certification for another three years. The certification is a confirmation of the company's commitment to continuing to minimise both its own and its suppliers' negative impacts on the climate and environment.

[1] The underlying figures take the Group's IFRS profit and adjust it for the items that are described in greater detail in Note 7.

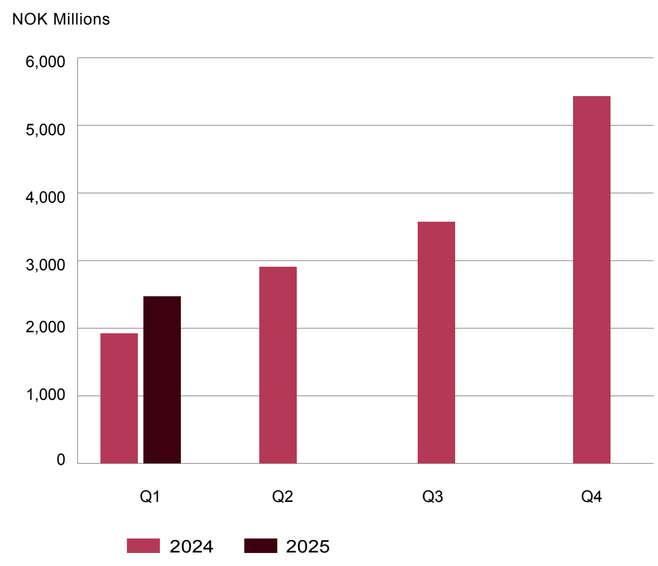
Key figures		01.01. - 31.03. 2025	2024	Full year 2024
From income statement				
Operating revenues	NOK million	11,712	12,623	31,260
EBITDA	NOK million	3,303	4,017	8,967
Operating profit	NOK million	2,981	3,738	7,750
Profit before tax	NOK million	2,784	3,464	6,591
Net income (controlling interest's share)	NOK million	940	778	1,945
Underlying performance 1)				
Underlying operating revenues	NOK million	11,172	10,815	28,855
Underlying EBITDA	NOK million	2,763	2,209	6,562
Underlying operating profit	NOK million	2,470	1,956	5,473
Underlying profit before tax	NOK million	2,279	1,822	4,744
Underlying net income (controlling interest's share)	NOK million	735	566	1,550
Cash flow				
Cash flow from operating activities	NOK million	2,220	2,195	3,847
Purchase of property, plant, equipment and intangible assets	NOK million	584	315	2,244
Capital				
Capital employed 2)	NOK million	43,932	39,276	42,200
Return on capital employed 3)	%	5.3	6.9	4.8
Equity ratio	%	37.7	40.9	36.9

1) Alternative performance measures are described in Note 7.
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.

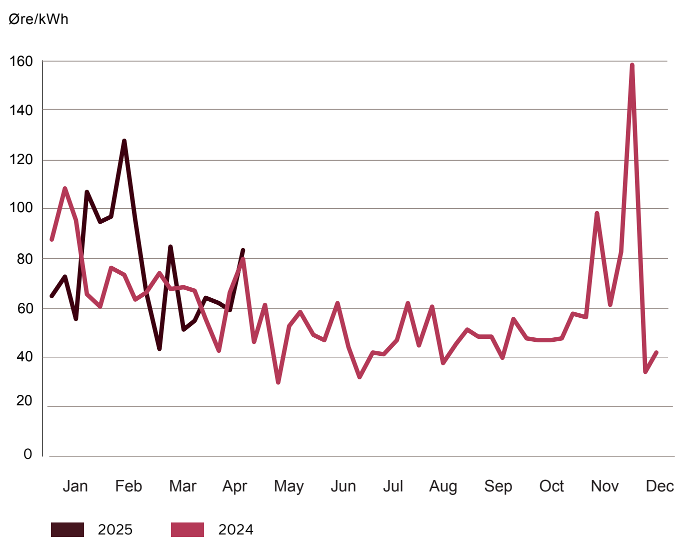
Underlying operating profits by quarter



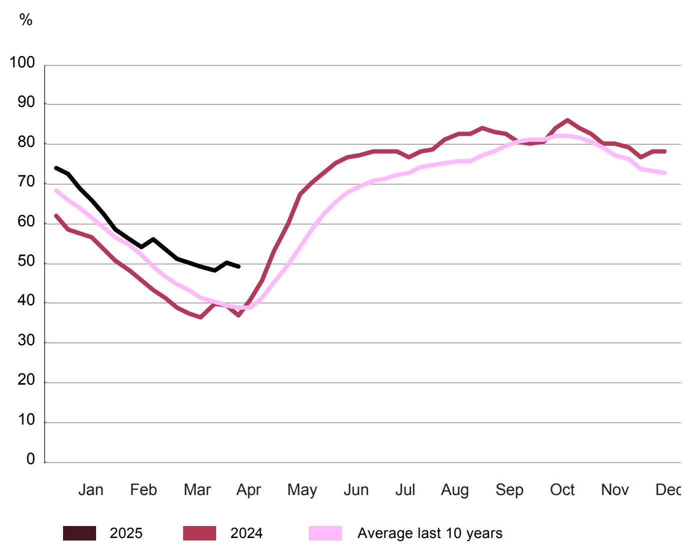
Cumulative underlying operating profit



Market prices in NO2



Reservoir levels in 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 also 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 3,955 (3,516) million of operating revenues in the first quarter, while its operating profit was NOK 2,195 (1,677) million. The NOK 517 million increase in operating profit was mainly due to higher achieved prices.

The average spot price (in the NO2 area) in the quarter was 78 øre/kWh (74 øre/kWh), up 7%. The average spot price in the NO1 price area was 75 øre/kWh (76 øre/kWh).

The prices achieved by the Hydroelectric Power segment rose more than spot prices due to a lower negative contribution from hedges than in the same period last year. The prices achieved were still below spot prices due to compensation power and concession power supplied at regulated prices, as well as hedging at levels below spot prices.

In the first quarter, electricity prices in continental Europe were significantly higher than in the same period last year. This is mainly due to low wind power generation, resulting in higher demand for thermal power generation. Gas supplies remain low after the loss of Russian gas exports to Europe. German electricity prices, which largely rose in tandem with gas prices, averaged 112 EUR/MWh.

Electricity prices in the NO1 and NO2 price areas were significantly lower than German prices. This is mainly due to a relatively mild winter in Southern Norway, which started with the utilities in Southern Norway having greater than normal hydrological resources (water and snow), but by the end of the quarter resources had fallen below normal due to very little snow falling in the mountains. This meant prices followed German prices more closely at the end of the quarter.

The segment generated 3,544 GWh (3,466 GWh) of hydroelectric power in the first quarter, an increase of 2%.

Pre-tax profit for the first quarter amounted to NOK 2,209 (1,689) million. As well as paying ordinary income tax, the Hydroelectric Power segment pays resource rent tax. The segment's tax expense was NOK 1,538 (1,209) million, an increase of NOK 329 million. The main reason for the increase was resource rent tax payable rising to NOK 921 (743) million, due to the higher spot value of the electricity generated. The effective tax rate was 70% (72%), which is higher than the marginal tax rate of 67% for the hydropower business. This is due to losses on cash-settled hedges which cannot be deducted for the purposes of resource rent tax. The decline in the effective tax rate was due to these losses being lower than in the same period last year.

As a result of the higher tax expense, net income in the first quarter came to NOK 671 (480) million, an increase of NOK 191 million.

The segment invested NOK 130 (94) million in the first quarter. 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 Nesper and Juvatn is well under way. Work on the emergency power supply system for Drammen hospital is in its final stages. 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, as well as the part-owned distribution system operators Norgesnett and Asker Nett. Glitre Nett is responsible for the development, operation and maintenance of the regional and local distribution systems in Agder, Buskerud and Hadeland. The Network segment constitutes a natural monopoly. The effective tax rate was 70% (72%), which is higher than the marginal tax rate of 67% for the hydropower business. This is due to losses on cash-settled hedges which cannot be deducted for the purposes of resource rent tax. The decline in the effective tax rate was due to these losses being lower than in the same period last year.

The Network segment's operating revenues in the first quarter of the year came to NOK 1,128 million, up from NOK 969 million in the same quarter last year. Revenues mainly rose due to the inclusion of Norgesnett after the acquisition of Fredrikstad Energi in the fourth quarter of last year.

The segment made an operating profit of NOK 340 million, up from NOK 303 million in the year-earlier quarter. Of the NOK 37 million increase, NOK 9 million was due to the acquisition of Norgesnett.

The cost of resolving faults in the grid totalled NOK 25 (33) million in the first quarter, and KILE came to NOK 30 (27) million. NOK 15 million and NOK 14 million of these costs, respectively, were due to the bad weather in January 2025. KILE is a reduction applied to the company's revenue cap in the event of power outages.

The segment invested NOK 368 million in the first quarter, double the NOK 185 million invested in the first quarter of last year. Last year, investment in the first quarter was significantly lower than expected. This was primarily due projects in the regional distribution network being delayed or deferred, as well as fewer customer-initiated projects in the local 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. In the first quarter, Nordic Electricity Retailing's turnover was NOK 5,849 (6,316) million, while its operating profit was NOK 65 (89) million.

Entelios Nordic is responsible for the majority of the turnover, and its operating revenues came to NOK 4,742 (5,124) million. Its operating profit in the first quarter was NOK 63 (98) million.

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 constitute Å Energi's product offering in the domestic electricity market. Å Strøm is Norway's fourth largest electricity supplier to 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. In order to make us more competitive, in April the decision was taken to combine our offering to the domestic market into one company with a single brand name, Vibb, from 1 January 2026.

Other Activities
This segment comprises the parent company Å Energi, which is responsible for corporate governance, shared functions and financing. Other Activities also includes a number of other companies in the Group including companies involved in district heating, local heating, biofuels, contracting, 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.

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 70 (71) million in the first quarter, while its operating profit was NOK 25 (23) million. The volume of billable energy supplied was 59 GWh (65 GWh). The reduction in volume was due to milder weather in the first quarter than in the same period last year. A growing focus on energy optimisation, as well as lower power demand, meant energy costs were NOK 4 million lower than last year. Investment in the period amounted to NOK 3 (2) million.

Cash flows and capital adequacy
Cash flow from operating activities came to NOK 2,220 in the first quarter, compared with NOK 2,195 million in the same quarter last year. The cash flow is the result of strong underlying operations and lower working capital. Working capital normally falls in the first quarter. The opposite is the case for tax paid, since income tax and resource rent tax are mainly paid in the first and second quarters of the subsequent year.

Investment in property, plant and equipment and intangible assets amounted to NOK 584 (315) 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 -198 (-274) million. Of the NOK 216 (157) million financial expense, NOK 195 (125) 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 quarter amounted to NOK 16 (177) million. This mainly comprises a NOK 38 million share of losses at Morrow Batteries recognised in the income statement and a NOK 20 million gain on our investment in Viken Fiber. The difference between this year and last year is mainly because there was a NOK 150 impairment loss on our investment in Otovo in the first quarter of last year. The Group's gross interest-bearing liabilities at the end of the quarter amounted to NOK 18.1 (14.1) billion. It had NOK 15.0 (11.5) billion of net interest-bearing liabilities. The average interest rate on the Group's long-term debt portfolio was 4.4%, up from 4.0% the previous year. The Group's liquidity buffer at the end of the quarter comprised NOK 5.0 (5.0) billion of unused credit facilities and NOK 3.1 (2.6) billion of bank deposits and short-term interest-bearing securities. In the first quarter, the Group established a new NOK 1 billion credit facility with a bank in order to provide greater financial flexibility. In addition, in April it established a NOK 2 billion syndicated credit facility with a total of six banks. Both of the credit facilities have a 3-year term with the option of two one-year extensions.

Operations and working environment
At the close of the quarter, the Group had 2,015 (1,502) full-time and temporary employees, representing 1,959 (1,447) full-time equivalents.

The increase in the number of employees was mainly due to the acquisition of a 51% ownership share in Fredrikstad Energi. Over the quarter, the number of employees remained flat, but compared with the same period of last year, organic headcount growth was around 8%. 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 the partial disposal of the German battery company Eco Stor, which saw the company go from being a subsidiary to an associated company.

The Group's sickness absence rate has remained steady at low levels in recent years. The sickness absence rate for the past 12 months has been 3.1% (3.7%). Of that, 1.1% (1.1%) was short-term absence and 2.0% (2.7%) 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 the first quarter, 2 (3) occupational accidents were recorded involving our own employees, and 2 (1) involving our contract staff. 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 3.1 (3.7).

Outlook

These are turbulent times, and big changes are taking place in our markets. That is challenging but also creates new opportunities. Forward prices for the current year indicate that average electricity prices will be slightly higher than the average price in 2024.

Hydrological resources (water and snow) declined over the course of the quarter and at the end of the first quarter they were significantly below normal, so we expect to generate less hydroelectric power than last year. Assuming normal precipitation levels over the coming period, net income from hydroelectric power sales is expected to remain high.

Hydroelectric power and grid operation provide the foundations for Å Energi's business. This year, the Group is planning record investment in these two areas, which will make the electric power system more robust, increase local and regional value creation and add value for our shareholders.

Kristiansand, 15 May 2025

The Board of Directors of Å Energi AS

Income statement

(Amounts in millions of NOK)	Q1 2025	Q1 2024	Full year 2024
Energy sales	9,725	9,570	24,006
Distribution revenues	1,051	851	2,867
Other operating revenues	416	334	2,443
Gains and losses on electricity and currency contracts	521	1,868	1,944
Total operating revenues	**11,712**	**12,623**	**31,260**
Energy purchases	-7,045	-7,397	-17,342
Transmission expenses	-156	-158	-582
Other raw materials and consumables used	-96	-78	-549
Employee benefits	-518	-415	-1,744
Depreciation and impairment losses	-322	-279	-1,218
Property taxes and licence fees	-90	-104	-363
Duty on high-priced electricity	0	0	79
Other operating expenses	-503	-454	-1,790
Total operating expenses	**-8,731**	**-8,885**	**-23,510**
Operating profit	**2,981**	**3,738**	**7,750**
Share of profit of associated companies and joint ventures	-16	-177	-647
Financial income	37	46	138
Unrealised gains and losses on interest rate contracts and shares	-3	15	-29
Financial expenses	-216	-157	-620
Net financial income/expenses	**-198**	**-274**	**-1,159**
Profit before tax	**2,784**	**3,464**	**6,591**
Income tax	-619	-825	-1,502
Resource rent tax	-1,237	-1,873	-3,195
Tax expense	**-1,856**	**-2,698**	**-4,697**
Net income	**928**	**767**	**1,894**
Of which attributable to non-controlling interests	-12	-11	-50
Of which attributable to controlling interest	**940**	**778**	**1,945**

Comprehensive income

(Amounts in millions of NOK)	Q1 2025	Q1 2024	Full year 2024
Net income	**928**	**767**	**1,894**
Other comprehensive income			
Cash flow hedges	-1	6	-12
Translation differences	0	5	16
Tax impact	0	-1	3
Total items that may be reclassified to income statement	**-1**	**10**	**7**
Remeasurements of pensions	-112	269	454
Tax impact	35	-83	-127
Total items that will not be reclassified to income statement	**-77**	**186**	**327**
Total other comprehensive income	**-78**	**196**	**334**
Comprehensive income	**849**	**963**	**2,228**
Of which attributable to non-controlling interests	-14	-10	-50
Of which attributable to controlling interest	**863**	**973**	**2,279**

Statement of Financial Position

(Amounts in millions of NOK)	31/03/2025	31/03/2024	31/12/2024
Deferred tax assets	66	0	54
Intangible assets	6,590	6,418	6,589
Property, plant and equipment	38,671	33,274	38,420
Investments in associated companies and joint ventures	5,585	5,699	5,602
Derivatives	4,401	5,046	4,050
Other non-current financial assets	1,725	1,426	1,845
Total non-current assets	**57,038**	**51,864**	**56,560**
Inventories	97	147	200
Receivables	5,533	4,788	6,588
Derivatives	2,822	2,250	3,918
Cash and cash equivalents	3,067	2,594	357
Total current assets	**11,519**	**9,779**	**11,063**
TOTAL ASSETS	**68,557**	**61,643**	**67,623**
Paid-in capital	16,014	16,014	16,014
Retained earnings	8,734	9,033	7,899
Non-controlling interests	1,129	170	1,063
Total equity	**25,877**	**25,217**	**24,976**
Deferred tax	10,405	9,122	10,003
Provisions	1,635	1,504	1,741
Derivatives	3,125	3,525	3,706
Interest-bearing non-current liabilities	14,556	10,203	13,268
Total non-current liabilities	**29,720**	**24,355**	**28,718**
Interest-bearing current liabilities	3,549	3,856	3,956
Tax payable	1,953	1,336	2,949
Derivatives	1,930	2,167	2,265
Other non-interest-bearing current liabilities	5,528	4,712	4,758
Total current liabilities	**12,960**	**12,071**	**13,929**
TOTAL EQUITY AND LIABILITIES	**68,557**	**61,643**	**67,623**

Statement of cash flows

(Amounts in millions of NOK)	Q1 2025	Q1 2024	Full year 2024
Cash flow from operating activities			
Profit before tax	2,784	3,464	6,591
Depreciation and impairment losses	322	279	1,223
Non-cash gains and losses	-967	-2,354	-1,904
Share of profit of associated companies and joint ventures	16	177	647
Gain/loss on sale of businesses	0	0	-660
Tax paid	-1,213	-1,660	-3,271
Change in net working capital, etc.	1,279	2,290	1,221
Net cash provided by operating activities	**2,220**	**2,195**	**3,847**
Investing activities			
Purchase of property, plant, equipment and intangible assets	-584	-315	-2,244
Purchase of businesses/financial assets	0	-3	-1,342
Net change in loans	3	-6	21
Dividends received from associated companies	0	0	78
Sale of property, plant, equipment and intangible assets	3	2	6
Sale of businesses/financial assets	0	0	396
Net cash used in investing activities	**-579**	**-322**	**-3,085**
Financing activities			
New long-term borrowings	1,500	2,608	5,911
Repayment of long-term borrowings	-654	-250	-1,313
Net change in current liabilities	198	-1,741	-2,689
Transactions with non-controlling interests	24	0	34
Dividends paid	0	0	-2,451
Net cash used in financing activities	**1,068**	**617**	**-508**
Net change in cash and cash equivalents	**2,710**	**2,490**	**253**
Cash and cash equivalents at start of period	357	104	104
Cash and cash equivalents at end of period	3,067	2,594	357

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 01/01/2024	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**
Equity at 01/01/2025	16,014	-15	44	7,870	**23,912**	1,063	**24,976**
Net income	0	0	0	940	**940**	-12	**928**
Other comprehensive income	0	-1	2	-77	**-76**	-2	**-78**
Dividends paid	0	**0**	**0**	**0**	**0**	**0**	**0**
Other changes in equity	0	0	0	-28	**-28**	80	**4**
Equity at 31/03/2025	**16,014**	**-16**	**45**	**8,705**	**24,748**	**1,129**	**25,827**

Segments

Operating revenues

(Amounts in millions of NOK)	Q1 2025	Q1 2024	Full year 2024
Hydroelectric Power	3,955	3,516	8,484
Network	1,128	969	3,196
Nordic Electricity Retailing	5,849	6,316	16,582
Other activities and consolidations	596	463	2,403
Eliminations	-356	-449	-1,810
Total	**11,172**	**10,815**	**28,855**
Adjustments to IFRS, see Note 1	540	1 808	2,405
IFRS revenues	**11,712**	**12,623**	**31,260**

Operating profit

(Amounts in millions of NOK	Q1 2025	Q1 2024	Full year 2024
Hydroelectric Power	2,195	1,677	4,750
Network	340	303	753
Nordic Electricity Retailing	65	89	414
Other activities and consolidations	-130	-114	-444
Eliminations	0	0	0
Total	**2,470**	**1,956**	**5,473**
Adjustments to IFRS, see Note 1	511	1,782	2,277
IFRS operating profit	**2,981**	**3,738**	**7,750**

Net income

(Amounts in millions of NOK)	Q1 2025	Q1 2024	Full year 2024
Hydroelectric Power	671	480	1,633
Network	197	191	376
Nordic Electricity Retailing	36	40	297
Other activities and consolidations	-182	-156	-806
Total	**723**	**555**	**1,500**
Adjustments to IFRS, see Note 1	205	212	394
IFRS net income	**928**	**767**	**1,894**
Of which attributable to non-controlling interests	-12	-11	-50
Of which attributable to controlling interest	940	778	1,945

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 2024.

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 7. 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

	Q1		Full year
(Amounts in millions of NOK)	**2025**	**2024**	**2024**
Electricity and currency contracts	540	1,840	1,769
Surplus/shortfall in Network segment	0	-32	-42
Material gains on disposals	0	0	678
Adjustments to revenues	**540**	**1,808**	**2,405**
Amortization of acquisition adjustment	-29	-26	-128
Adjustments to operating profit	**511**	**1,782**	**2,277**
Amortization of acquisition adjustment, associated companies	-4	-4	-16
Impairment loss at associated companies	0	-150	-447
Unrealised gains and losses on interest rate swaps	-3	15	-29
Material gains on disposals, associated companies	0	0	62
Tax impact of negative resource rent carryforwards	-14	-18	-46
Tax impact of other corrections	-285	-1,413	-1,407
Adjustment to net income	**205**	**212**	**394**

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 2025			Q1 2024		
	Unrealised	**Realised**	**Total**	**Unrealised**	**Realised**	**Total**
Gains and losses on electricity and currency contracts	540	-19	521	1,840	28	1,868
Unrealised gains and losses on interest rate contracts and shares	-3			15		
Impact of unrealised gains and losses on pre-tax profit	**537**			**1,855**		
Tax effect of unrealised gains and losses						
Income tax	-118			-408		
Resource rent tax	-181			-1,025		
Total tax	**-299**			**-1,433**		
Impact of unrealised gains and losses on net income	**238**			**421**		

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 quarter, unrealised gains and losses on electricity and currency contracts rose in value by NOK 540 million. Over that period, forward electricity prices (system prices) fell by 2-4% for the remaining part of 2025 and the three subsequent years. This has led to an increase in the value of contracts for subsequent financial periods. The same applies to contracts for guarantees of origin.

The net revaluation gain resulted in a tax expense of NOK 299 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 238 million gain after tax on financial contracts.

Note 4 Tax expense

(Amounts in millions of NOK)	Q1 2025 Amounts in NOK millions	Q1 2025 % of pre-tax profit	Q1 2024 Amounts in NOK millions	Q1 2024 % of pre-tax profit
Expected income tax rate 22%	612	22%	762	22%
Impact of non-capitalised deferred tax assets	3	0%	5	0%
Permanent differences and changes in tax rates	3	0%	57	2%
Income tax expense	**619**	**22%**	**825**	**24%**
Resource rent tax expense	**1,237**	**44%**	**1,873**	**54%**
Total tax expense	**1,856**	**67%**	**2,698**	**78%**

The resource rent tax expense amounted to NOK 1,237 (1,873) million. This comprises NOK 921 (743) million of resource rent tax payable, and a NOK 316 (1,130) 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)	2025	2024
Interest-bearing liabilities at 1 Jan.	17,224	13,389
New long-term borrowings (cash item)	1,500	2,608
Repayment of long-term borrowings (cash item)	-654	-250
Net change in overdraft and other current liabilities (cash item)	198	-1,741
Exchange rate fluctuations (non-cash item)	-163	53
Interest-bearing liabilities at 31 March	**18,105**	**14,059**

Interest-bearing liabilities include NOK 343 (350) million of lease liabilities.

Note 6 Events after the end of the reporting period

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 percent) in AS Saudefaldene. The transaction took place on 30 April, after approval from the relevant competition authorities and the Ministry of Energy. The transaction has not had any impact on the first quarter financial statements. When we publish our financial statements for the second quarter, the acquired assets and liabilities will be recognised on the balance sheet and income statement effects will be recognised from 1 May onwards. 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, Å Energi will return the power stations 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.

Note 7 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. +/- Change in surplus/shortfall

The Norwegian Energy Regulatory Authority (RME) regulates the revenues of distribution system operators by setting an annual revenue cap. Based on the permitted revenues established and the volumes of electricity they expect to distribute, distribution system operators set the network tariffs payable by customers. If there is a difference between the actual and permitted revenue, the surplus or shortfall is calculated. Under IFRS, payments for distribution services are recognised as sales revenues on delivery, and the accumulated surplus or shortfall is not recognised on the statement of financial position. Using the permitted revenues as the revenue metric, rather than actual revenues as invoiced to customers, gives a better picture of the underlying performance. Actual revenues are therefore adjusted in line with changes in the accumulated surplus/shortfall, meaning that revenues for the period are equivalent to the permitted revenues established by the Norwegian Energy Regulatory Authority (RME). This is a new adjustment in 2025 compared to previous years. To ensure consistency, the comparison figures have been changed.

3. +/- 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.

4. +/- 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.

5. +/- 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.

6. +/- 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)	Q1 2025	Q1 2024	Full year 2024
IFRS operating revenues	11,712	12,623	31,260
Unrealised gains and losses, electricity and currency	-540	-1,840	-1,769
Surplus/shortfall in Network segment	0	32	42
Significant gains on disposals	0	0	-678
Underlying operating revenues	**11,172**	**10,815**	**28,855**
IFRS operating profit	2,981	3,738	7,750
Depreciation and impairment losses	322	279	1,218
IFRS EBITDA	**3,303**	**4,017**	**8,967**
Unrealised gains and losses, electricity and currency	-540	-1,840	-1,769
Surplus/shortfall in Network segment	0	32	42
Material gains on the disposal of businesses or ownership interests in businesses	0	0	-678
Underlying EBITDA	**2,763**	**2,209**	**6,562**
IFRS operating profit	2,981	3,738	7,750
Unrealised gains and losses, electricity and currency	-540	-1,840	-1,769
Surplus/shortfall in Network segment	0	32	42
Significant gains on disposals	0	0	-678
Amortization of acquisition adjustment	29	26	128
Underlying operating profit	**2,470**	**1,956**	**5,473**
IFRS net income (controlling interest's share)	940	778	1,945
Changes in unrealised gains and losses after tax (see Note 3)	-238	-421	-266
Surplus/shortfall in Network segment	0	25	33
Material gains on disposals or impairment losses	0	150	-293
Amortization of acquisition adjustment	19	17	86
Changes in deferred tax assets from neg. resource rent carryfor-wards	14	18	46
Underlying net income (controlling interest's share)	**735**	**566**	**1,550**

English translation: Språkverkstaden

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