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Styrelsen och verkställande direktören för

Statkraft Vindkraftnorr AB

Org nr 559267-3817

får härmed avge

Årsredovisning

för räkenskapsåret 2021-01-01 -- 2021-12-31

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Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 2022-06-30
Årsstämman beslutade att godkänna styrelsen förslag till hur resultatet ska fördelas.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överrens med originalen.

Stockholm den 2022-06-30

Mats Kristensson
Styrelseledamot

20220711167367

Styrelsen och verkställande direktören för

Vindkraftnorr AB

Org nr 559267-3817

får härmed avge

Årsredovisning

för räkenskapsåret 2020-08-18 -- 2021-12-31

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Förvaltningsberättelse

Verksamheten
Vindkraftnorr ABs, organisationsnummer 559267-3817 med säte i Stockholm, verksamhet är att utveckla, bygga och driva elkraftsproduktion i vindparker, äga och förvalta aktier och andelar i dotterbolag.

Viktiga förhållanden
Vindkraftnorr AB ägs till 100% av Statkraft vind AB, org nr 556903-4811 som i sin tur ägs till 100% av Statkraft Asset Holding AB, företagsnummer 998 639 018. Moderbolaget i Norge upprättar koncernredovisning som omfattar även de svenska bolagen. Någon separat koncernredovisning för de svenska bolagen upprättas därför inte. Årsredovisning för Statkraft AS finns att tillgå hos Enhetsregistret, Brännöysund, Norge.

Samtliga belopp är angivna i tkr om inte annat anges.

Väsentliga händelser under räkenskapsåret
Bolaget bildades 2020-08-18, bolagets första räkenskapsår är förlängt till 2021-12-31

I januari 2021 köpte Vindkraftnorr AB 4 stycken vindparker från Statkraft Sverige Vind AB, Statkraft Leasing AB och Statkraft Sverige Vind II AB. I maj 2021 upplöstes Statkraft Sverige Vind AB, Statkraft Leasing AB och Statkraft Sverige Vind II AB genom fusion med Statkraft Vind AB.

Väsentliga händelser efter räkenskapsårets slut
Rysslands innovation i Ukraina påverkar världens energipriser och också kraftpriserna i Sverige. Det är en stor osäkerhet som både på kort och långsikt kan komma att ha en stor påverkan på energibranschen.

Flerårsöversikt

	2021
Nettoomsättning	462 545
Rörelseresultat	204 528
Resultat efter finansiella poster	203 551
Balansomslutning	1 176 878
Eget kapital	905 790
Kassaflöde från den löpande verksamheten	227 455
Soliditet, %	90%
Avkastning på eget kapital, %	19%
Avkastning på totalt kapital, %	17%

Förändring i eget kapital

	Aktiekapital	Balanserat resultat	Årets resultat	Summa eget kapital
Belopp vid årets ingång	0	0	0	0
Nybildning	25			25
Beslut enligt årsstämma:				
Omföring		0	0	0
Erhållna aktieägartillskott		905 410		905 410
Årets resultat			355	355
Redovisat värde	25	905 410	355	905 790

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Resultatdisposition
Till årsstämmans förfogande står vinstmedel på sammanlagt 905 765 298 kr.

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras enligt nedan:

Utdelning (250 aktier x 1 000 000 kr per aktie)	250 000 000
Balanseras i ny räkning	655 765 298
Summa	905 765 298

Styrelsens yttrande över den föreslagna vinstutdelningen
Den föreslagna utdelningen reducerar bolagets soliditet till 69%. Soliditeten är mot bakgrund av att bolagets verksamhet fortsatt bedrivs med lönsamhet betryggande. Likviditeten i bolaget bedöms kunna upprätthållas på en likaledes betryggande nivå. Styrelsens uppfattning är att den föreslagna utdelningen ej hindrar bolaget från att fullgöra sina förpliktelser på kort och lång sikt, ej heller att fullgöra erforderliga investeringar. Den föreslagna utdelningen kan därmed försvaras med hänsyn till vad som anförs i ABL 17 kap 3 § 2-3 st. (försiktighetsregeln).

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RESULTATRÄKNING

	Not	2021
Rörelsens intäkter m.m.		
Nettoomsättning	3	462 545
		462 545
Rörelsens kostnader		
Eldriftskostnader		-47 169
Övriga externa kostnader	4	-152 417
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-58 431
		-258 017
Rörelseresultat		**204 528**
Resultat från finansiella poster		
Övriga ränteintäkter och liknande resultatposter	5	941
Räntekostnader och liknande resultatposter	6	-1 918
		-977
Resultat efter finansiella poster		**203 551**
Bokslutsdispositioner	7	-203 551
Skatt på årets resultat	8	355
Årets resultat		**355**

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BALANSRÄKNING

	Not	2021-12-31
TILLGÅNGAR		
Anläggningstillgångar		
Materiella anläggningstillgångar		
Maskiner och andra tekniska anläggningar	9	796 580
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	10	15 686
		812 266
Finansiella anläggningstillgångar		
Andelar i koncernföretag	11	450
Fordringar hos koncernföretag	12	38 748
Uppskjuten skattefordran	13	355
		39 553
Summa anläggningstillgångar		**851 819**
Omsättningstillgångar		
Kortfristiga fordringar		
Fordringar hos koncernföretag	12	309 024
Övriga fordringar		14 377
Förutbetalda kostnader och upplupna intäkter	14	1 658
		325 059
Summa omsättningstillgångar		**325 059**
SUMMA TILLGÅNGAR		**1 176 878**

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BALANSRÄKNING

	Not	2021-12-31
EGET KAPITAL OCH SKULDER		
Eget kapital		
Bundet eget kapital		
Aktiekapital	15	25
		25
Fritt eget kapital		
Balanserat resultat		905 410
Årets resultat		355
		905 765
Summa eget kapital		**905 790**
Obeskattade reserver	16	**198 072**
Avsättningar		
Övriga avsättningar	17	40 532
		40 532
Kortfristiga skulder		
Leverantörsskulder		3 786
Skulder till koncernföretag		11 053
Aktuell skatteskuld		6 447
Upplupna kostnader och förutbetalda intäkter	18	11 198
		32 484
SUMMA EGET KAPITAL OCH SKULDER		**1 176 878**

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KASSAFLÖDESANALYS

	Not	2021
Den löpande verksamheten		
Rörelseresultat		204 528
Justering för poster som inte ingår i kassaflödet		
- Avskrivningar	9	58 431
		262 959
Erhållen ränta		941
Erlagd ränta		-1 918
Betald inkomstskatt		6 447
Nettokassaflöde från den löpande verksamheten		**268 429**
Förändringar i rörelsekapital		
Ökning(-)/minskning(+) av rörelsefordringar		-107 543
Ökning(+)/minskning(-) av rörelseskulder		66 569
Kassaflöde från den löpande verksamheten		**227 455**
Investeringsverksamheten		
Förvärv av aktier i dotterföretag		-450
Förvärv av materiella anläggningstillgångar		-870 697
Kassaflöde från investeringsverksamheten		**-871 147**
Finansieringsverksamheten		
Nybildning		25
Erhållna aktieägartillskott		905 410
Lämnade koncernbidrag		-5 479
Kassaflöde från finansieringsverksamheten		**899 956**
Årets kassaflöde		**256 264**
Likvida medel vid årets början		**-**
Likvida medel vid årets slut	12	**256 264**

* Likvida medel avser del i koncernens koncernkonto och redovisas under rubriken *Fordringar hos koncernföretag*.

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Noter

Belopp i tkr om inte annat anges

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen har upprättats enligt årsredovisningslagen och Bokföringsnämndens allmänna råd 2012:1 Årsredovisning och koncernredovisning (K3). Tillämpade principer är oförändrade jämfört med föregående år.

Ingen koncernredovisning har upprättats med stöd av ÅRL 7 kap § 2.

De viktigaste redovisnings- och värderingsprinciperna som använts vid upprättande av de finansiella rapporterna sammanfattas nedan.

Resultaträkning

Intäktsredovisning

Nettoomsättningen omfattar försäljningsintäkter från kärnverksamheten, dvs. produktion, försäljning och distribution av el.

Samtliga intäkter värderas till det belopp som influtit eller beräknas inflyta, dvs. med hänsyn till rabatter och efter avdrag för moms och energiskatter, och redovisas i posten Nettoomsättning.

Försäljning och distribution av energi
Energiförsäljning intäktsredovisas vid leveranstidpunkten.

Elcertifikat
Intäkter av elcertifikat som tilldelats från Energimyndigheten genom egen produktion redovisas i den månad som produktion sker.
Elcertifikat värderas till elcertifikatets verkliga värde för produktionsmånaden och ingår i posten Nettoomsättning.

Ersättningar till anställda

Bolaget har under räkenskapsåret inte haft någon anställd personal. Bolagets ledning och administration har handlagts av personal i koncernbolag.

Låneutgifter

Låneutgifter som är direkt hänförliga till inköp, konstruktion eller produktion av en kvalificerad tillgång aktiveras under den tidsperiod som krävs för att färdigställa tillgången för dess avsedda användning eller försäljning. Övriga låneutgifter kostnadsförs i den period som de hänförs till och redovisas i posten *Räntekostnader och liknande resultatposter*.

Avskrivningar

Materiella anläggningstillgångar skrivs av linjärt över tillgångarnas och/eller komponenternas bedömda nyttjandeperiod. Avskrivningen beräknas på det avskrivningsbara beloppet vilket i de allra flesta fall utgörs av tillgångens anskaffningsvärde.

Följande nyttjandeperioden tillämpas:

Materiella anläggningstillgångar
Maskiner och andra tekniska anläggningar
Vindkraftanläggningar 25 år

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Nedskrivningar

Nedskrivningar av immateriella och materiella anläggningstillgångar

Allmänna principer

Per balansdagen bedöms om det föreligger en indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns beräknas tillgångens återvinningsvärde. Om återvinningsvärdet understiger redovisat värde görs en nedskrivning som kostnadsförs.

Nedskrivningsprövningen görs per varje enskild tillgång med ett oberoende flöde av inbetalningar. Vid behov behöver tillgångarna grupperas ihop till kassagenererande enheter för att identifiera inbetalningar som i allt väsentligt är oberoende av andra tillgångar eller grupper av tillgångar. Nedskrivningsprövning görs i dessa fall för hela den kassagenerande enheten. En nedskrivning redovisas när en tillgång eller en kassagenererande enhets redovisade värde överstiger återvinningsvärdet. Nedskrivningen belastar resultaträkningen.

Beräkning av återvinningsvärdet

Återvinningsvärdet utgörs av det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärdet. Vid beräkning av nyttjandevärdet diskonteras framtida kassaflöden med en diskonteringsfaktor före skatt som återspeglar aktuella, marknadsmässiga bedömningar av pengars tidsvärde och den risk som är förknippad med den specifika tillgången eller den kassagenerande enheten. Beräkningen gör per tillgång eller kassagenererande enhet.

Återföring av nedskrivningar

Nedskrivningar av materiella anläggningstillgångar återförs om skälen som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Koncernbidrag

Samtliga lämnade och erhållna koncernbidrag redovisas som bokslutsdispositioner.

Balansräkning

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas som tillgång i balansräkningen om det är sannolikt att framtida ekonomiska fördelar som är förknippade med tillgången sannolikt kommer att tillfalla företaget och anskaffningsvärdet kan mätas på ett tillförlitligt sätt. Materiella anläggningstillgångar värderas till anskaffningsvärde med avdrag för ackumulerade av- och nedskrivningar.

Korttidsinventerier och inventarier av mindre värde kostnadsförs löpande.

Anskaffningsvärde

I anskaffningsvärdet ingår inköpspriset och utgifter som är direkt hänförbara till inköpet och syftar till att bringa tillgången på plats och i skick för att utnyttjas i enlighet med företagsledningens avsikt med förvärvet. Som direkt hänförbara utgifter hänförs utgifter för leverans, hantering, installation och montering, lagfarter samt konsulttjänster. Låneutgifter som är direkt hänförliga till investeringar i anläggningstillgångar som tar betydande tid i anspråk att färdigställa inräknas i anskaffningsvärdet under uppförandeperioden. Anskaffningsvärdet reduceras med offentliga bidrag som erhållits för förvärv av anläggningstillgångar.

Anskaffningsvärdet inkluderar inte, till följd av kopplingen mellan redovisning och beskattning, beräknade utgifter för nedmontering, bortforsling och återställande av mark.

Tillkommande utgifter

Tillkommande utgifter aktiveras endast om det är sannolikt att de framtida ekonomiska fördelar som är förknippade med tillgången kommer att komma företaget till del och anskaffningsvärdet kan beräknas på ett tillförlitligt sätt. Utbyte av komponenter räknas in i tillgångens redovisade värde. Om inte kostnadsförs utgifter under det räkenskapsår som de uppkommer.

Reparationer och underhåll kostnadsförs löpande.

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Finansiella instrument

Allmänna principer

Finansiella instrument redovisas initialt till anskaffningsvärde vilket motsvarar instrumentets verkliga värde med tillägg för transaktionskostnader.

En finansiell tillgång eller finansiell skuld redovisas i balansräkningen när företaget blir part enligt instrumentets avtalsenliga villkor. Kundfordringar redovisas när faktura har skickats till kund. Skuld tas upp när motparten har utfört sin prestation och företaget därmed har en avtalenlig skyldighet att betala även om faktura inte har erhållits. Leverantörsskulder redovisas när faktura har mottagits.

En finansiell tillgång tas bort från balansräkningen när rättigheterna i avtalet realiseras, förfaller eller när företaget förlorar kontrollen över rättigheterna. Detsamma gäller för del av en finansiell tillgång. En finansiell skuld tas bort från balansräkningen när förpliktelsen i avtalet fullgörs eller på annat sätt utsläcks. Detsamma gäller för del av en finansiell skuld. Övervägande del av finansiella tillgångar och skulder tas bort från balansräkningen genom erhållande eller erläggande av betalning.

Kundfordringar och liknande fordringar

Kundfordringar och liknande fordringar är finansiella tillgångar med fasta betalningar eller betalningar som går att fastställa med belopp. Fordringar uppkommer då företaget tillhandahåller pengar, varor eller tjänster direkt till kredittagararen utan avsikt att bedriva handel med fordringsrätterna. Kundfordringar och liknande fordringar värderas till upplupet anskaffningsvärde. Med upplupet anskaffningsvärde menas det värde som framkommer när instrumentets förväntade kassaflöde diskonteras med den effektivränta som beräknades vid anskaffningstillfället. Kundfordringar värderas därmed till det värde som beräknas inflyta, dvs. med avdrag för osäkra fordringar. Nedskrivning av kundfordringar redovisas i posten Övriga externa kostnader.

Finansiella skulder

Samtliga finansiella skulder värderas till upplupet anskaffningsvärde, dvs. det förväntade kassaflödet diskonterat med den effektivränta som beräknades vid anskaffningstillfället. Det innebär att leverantörsskulder som har kort förväntad löptid värderas till nominellt belopp.

Fordringar och skulder i utländsk valuta

Monetära fordringar och skulder i utländsk valuta värderas till balansdagens kurs.
Valutakursvinster och -förluster som uppkommer redovisas i posterna *Övriga rörelseintäkter* och *Övriga rörelsekostnader*, Övriga valutakursvinster och -förluster redovisas under rubriken *Resultat från finansiella poster*.

Aktieägartillskott

Moderföretaget redovisar lämnade och återbetalda aktieägartillskott till och från dotterföretag som en ökning respektive minskning av värdet på andelarna i dotterföretaget.

Inkomstskatter

Inkomstskatter utgörs av aktuell skatt och uppkjuten skatt. Inkomstskatt redovisas i resultaträkningen utom då den underliggande transaktionen redovisas i eget kapital varvid även tillhörande skatteeffekt redovisas i eget kapital. Aktuella skattefordringar och skatteskulder samt uppskjutna skattefordringar och skatteskulder kvittas om det finns en legal rätt till kvittning.

Aktuell skatt

Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller per balansdagen och nuvärdesberäknas inte.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt för skattepliktiga resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatt beräknas på samtliga temporära skillnader, dvs. skillnaden mellan de redovisade värdena för tillgångar och skulder och deras skattemässiga värden samt skattemässiga underskott. Förändringar i uppskjuten skatteskuld eller uppskjuten skattefordran redovisas i resultaträkningen om inte förändringen är hänförlig till en post som redovisas i eget kapital.

Uppskjuten skatteskuld och uppskjuten skattefordran värderas enligt de skattesatser och skatteregler som är beslutade före balansdagen.

Uppskjuten skattefordran värderas till högst det belopp som sannolikt kommer att återvinnas baserat på innevarande och framtida skattepliktiga resultat. Värderingen omprövas per varje balansdag för att återspegla aktuell bedömning av framtida skattemässiga resultat.

Uppskjuten skatt ingår i obeskattade reserver med 20,6 %.

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Avsättningar

En avsättning redovisas i balansräkningen när företaget har en legal eller informell förpliktelse som en följd av en inträffad händelse och det är sannolikt att ett utflöde av resuser kommer att krävas för att reglera åtagandet och en tillförlitlig uppskattning av beloppet kan göras. Om effekten av när i tiden betalningen sker är väsentlig redovisas avsättningen till nuvärdet av de framtida betalningar som krävs för att reglera förpliktelsen. Diskonteringsräntan utgörs av den räntesats som före skatt avspeglar aktuell marknadsbedömning av det tidsberoende värdet av pengar och de risker som är förknippade med framtida betalningar till den del riskerna inte betaktas genom att justeringar gjorts vid bedömningen av de framtida betalningarna.

Avsättningen tas endast i anspråk för de utgifter som avsättningen ursprungligen var avsedd för.

Eventuell gottgörelse som företaget är så gott som säker på att kunna erhålla av en extern part avseende förpliktelsen redovisas som en separat tillgång. Denna tillgång kan dock inte överstiga beloppet för den hänförliga avsättningen.

Avsättningen prövas per varje balansdag och justeringar av avsättningen redovisas i resultaträkningen.

Avsättningen för återställande av mark avseende vindkraftverk byggs upp över tillgångens nyttjandeperiod. Därmed ingår inte heller dessa in anskaffningsvärdet för materiell anläggningstillgång.

Avsättning för avbrottsersättning görs i den period som avbrottet skett under förutsättning att avbrottet ger upphov till en förpliktelse och avsättningens storlek kan beräknas på ett tillförlitligt sätt. Gottgörelse från försäkringsföretag redovisas som tillgång.

Avsättning för deponi beräknas genom att beräknad utgift för sluttäckning och underhåll nuvärdesberäknas och fördelas linjärt över återstående nyttjandeperiod för deponin, dvs. tiden fram till sluttäckning görs.

Avsättning sker även för förlustkontrakt, dvs. när oundvikliga utgifter för att uppfylla företagets förpliktelser överstiger de förväntade ekonomiska fördelarna.

Skulder

Skulder för elcertifikat, utsläppsrätter och ursprungsgarantier

Skulder för elcertifikat, utsläppsrätter och ursprungsgarantier redovisas som en kortfristig skuld.

Övrigt

Likvida medel

Likvida medel utgörs av disponibla tillgodohavanden hos banker och andra kreditinstitut och kortfristiga, likvida placeringar som lätt kan omvandlas till ett känt belopp och som är utsatta för en obetydlig risk för värdefluktuationen. Sådana placeringar har en löptid på maximalt tre månader.

Företagets tillgodohavanden på koncernens koncernkonto redovisas under rubriken *Fordringar hos koncernföretag*.

Kassaflödesanalys

Kassaflödesanalys upprättas enligt direkt metod.

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Not 2 Väsentliga uppskattningar och bedömningar

Upprättande av årsredovisning enligt K3 kräver att företagsledning och styrelse gör antaganden om framtiden och andra viktiga källor till osäkerhet i uppskattningar på balansdagen som innebär en betydande risk för en väsentlig justering av de redovisade värdena för tillgångar och skulder i framtiden. Det görs också bedömningar som har betydande effekt på de redovisade beloppen i denna årsredovisning.

Uppskattningar och bedömningar baseras på historisk erfarenhet och andra faktorer som under rådande förhållanden anses vara rimliga. Resultatet av dessa uppskattningar och bedömningar används sedan för att fastställa redovisade värden på tillgångar och skulder som inte framgår tydligt från andra källor.

Uppskattningar och bedömningar ses över årligen.

Det slutliga utfallet av uppskattningar och bedömningar kan komma att avvika från nuvarande uppskattningar och bedömningar. Effekterna av ändringar i dessa redovisas i resultaträkningen under det räkenskapsår som ändringen görs samt under framtida räkenskapsår om ändringen påverkar både aktuellt och kommande räkenskapsår.

Viktiga uppskatningar och bedömningar beskrivs nedan.

Avsättning för återställande
Värdering av avsättning för återställande av mark avseende framförallt företagets vindkraftverk baseras på långfristiga kassaflödesprognoser av framtida utgifter. Dessa prognoser inkluderar uppskattning om utgifternas storlek och när i tiden dessa beräknas utfalla samt diskonteringsränta. Sådana beräkningar präglas av större osäkerhet eftersom utgiften ligger långt fram i tiden.

Prövning av nedskrivningsbehov för materiella anläggningstillgångar
Företaget har betydande värden redovisade i balansräkningen avseende materiella anläggningstillgångar. Dessa testas för nedskrivningsbehov i enlighet med de redovisningsprinciper som beskrivs i Not 1 Redovisnings- och värderingsprinciper. Återvinningsvärden för en tillgång/komponent eller kassagenererande enheter har fastställts genom beräkning av nyttjandevärden eller verkligt värde minus försäljningskostnader. För dessa beräkningar måste vissa uppskattningar göras avseende framtida kassaflöden och andra adekvata antaganden avseende exempelvis avkastningskrav. Beräkningarna baseras på nyttjandeperiodens längd över 25 år.

Inkomstskatter och uppskjutna skatter
Företaget redovisar i sin balansräkning uppskjutna skattefordringar och skulder vilka förväntas bli realiserade i framtida perioder. Vid beräkning av dessa uppskjutna skatter måste vissa antaganden och uppskattningar göras avseende framtida skattekonsekvenser som hänför sig till skillnaden mellan i balansräkningen redovisade tillgångar och skulder och motsvarande skattemässiga värden.

Uppskattningarna inkluderar även att skattelagar och skattesatser kommer att vara oförändrade samt att gällande regler för utnyttjande av förlustavdrag inte kommer att ändras.

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Not 3 Nettoomsättning

Nettoomsättning per verksamhetsgren

	2021
Elförsäljning	462 545
Nettoomsättning	**462 545**

	2021
Andel av försäljning som avser koncernföretag	98%
Andel av inköpen som avser koncernföretag	99%

Vid inköp och försäljning mellan koncernföretag tillämpas samma principer för prissättning som vid transaktioner med externa parter.

Not 4 Ersättning till revisorer

	2021
Deloitte AB	
Revisionsuppdraget	120
Summa	**120**

Med revisionsuppdrag avses revisorns ersättning för den lagstadgade revisionen. Arbetet innefattar granskning av årsredovisningen och bokföringen, styrelsens och verkställande direktörens förvaltning samt arvode för revisionsrådgivning som lämnas i samband med revisionsuppdraget.

Not 5 Övriga ränteintäkter och liknande resultatposter

	2021
Valutakursdifferenser på kortfristiga fordringar	941
Summa	**941**

Not 6 Räntekostnader och liknande resultatposter

	2021
Räntekostnader till koncernföretag	-99
Valutakursdifferenser på skulder	-1 819
Summa	**-1 918**

Not 7 Bokslutsdispositioner

	2021
Överavskrivningar	-198 072
Lämnade koncernbidrag	-5 479
Summa	**-203 551**

20220711167580

Not 8 Skatt på årets resultat

	2021
Aktuell skatt	–
Uppskjuten skatt	355
Summa	**355**
Redovisat resultat före skatt	0
Skatt enligt gällande skattesats (20,6%)	0
Uppskjuten skatt på investeringar av inventarier 2021	355
Redovisad skattekostnad	**355**

Not 9 Maskiner och andra tekniska anläggningar

	2021-12-31
Ingående ackumulerade anskaffningsvärden	–
Inköp	855 011
Utgående ackumulerade anskaffningsvärden	**855 011**
Ingående ackumulerade avskrivningar	–
Årets avskrivningar	-58 431
Utgående ackumulerade avskrivningar	**-58 431**
Redovisat värde	**796 580**

Not 10 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

	2021-12-31
Ingående ackumulerade anskaffningsvärden	–
Inköp	15 686
Utgående ackumulerade anskaffningsvärden	**15 686**
Redovisat värde	**15 686**

Not 11 Andelar i koncernföretag

	2021-12-31
Ingående ackumulerade anskaffningsvärden	–
Förvärv	450
Utgående ackumulerade anskaffningsvärden	**450**
Redovisat värde	**450**

Dotterföretag	Org nr	Säte	Andel, % kapital (röster)	Antal andelar	Redovisat värde 2021-12-31
Statkraft Sverige Vind Elnät AB	556796-8291	Stockholm	100,0 (100,0)	1 000	450
					450

Uppgifter om eget kapital och resultat	Eget kapital	Resultat
Statkraft Sverige Vind Elnät AB	444	0

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Not 12 Fordringar hos koncernföretag

	2021-12-31
Långfristiga fordringar på koncernföretag	38 748
Tillgodohavande på koncernens koncernkonto	256 264
Kortfristig fordran på koncernföretag	52 760
Redovisat värde	**347 772**

Not 13 Uppskjuten skattefordran

	2021-12-31	
	Temporär skillnad	Uppskjuten fordran
Investering maskiner och inventarier 2021	9 108	355
Redovisat värde		**355**

Uppskjuten skattefordran avser 3,9% av investeringar maskiner och inventarier 2021.

Not 14 Förutbetalda kostnader och upplupna intäkter

	2021
Förutbetalda försäkringar	1 658
Redovisat värde	**1 658**

Not 15 Aktiekapital

Aktiekapitalet består enbart av till fullo betalda stamaktier med ett kvotvärde om 10 kr.
Alla aktier har samma rätt till utdelning och återbetalning av insatt kapital samt motsvarar en röst på bolagsstämman.

Tecknade och betalda aktier:	2021-12-31
Vid årets början	–
Nybildning	250
Summa aktier vid årets slut	250

Not 16 Obeskattade reserver

	2021
Ackumulerade överavskrivningar	198 072
Redovisat värde	**198 072**

I obeskattade reserver ingår 20,6 % uppskjuten skatt.

Not 17 Övriga avsättningar

	Återställnings kostnader	Totalt
Ingående redovisat värde 2021	0	0
Tillkommande avsättningar	40 532	40 532
Återförda belopp	–	–
Redovisat värde 2021-12-31	**40 532**	**40 532**

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Not 18 Upplupna kostnader och förutbetalda intäkter

	2021-12-31
Upplupna transiteringskostnader	4 290
Upplupna kostnader arrende och andra ersättningar	5 521
Övriga upplupna driftskostnader	1 387
Redovisat värde	**11 198**

Not 19 Ställda säkerheter och eventualförpliktelser

Bolaget har inga ställda säkerheter och inga eventualförpliktelser.

Not 20 Koncernuppgifter

Vindkraftnorr AB ägs till 100% av Statkraft vind AB, org nr 556903-4811 som i sin tur ägs till 100% av Statkraft Asset Holding AB, företagsnummer 998 639 018. Moderbolaget i Norge upprättar koncernredovisning som omfattar även de svenska bolagen. Någon separat koncernredovisning för de svenska bolagen upprättas därför inte. Årsredovisning för Statkraft AS finns att tillgå hos Enhetsregistret, Brännöysund, Norge.

Not 21 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskapsårets utgång.

Not 22 Definiton av nyckeltal

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Avkastning på eget kapital
Resultat efter finansiella poster i förhållande till eget kapital och obeskattade reserver
(med avdrag för uppskjuten skatt)

Avkastning på total kapital
Resultat före avdrag för räntekostnader i förhållande till balansomslutning.

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Not 23 Resultatdisposition

Till årsstämmans förfogande står vinstmedel på sammanlagt 905 765 298 kr.

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras enligt nedan:

Utdelning (250 aktier x 1 000 000 kr per aktie)	250 000 000
Balanseras i ny räkning	655 765 298
Summa	905 765 298

Stockholm

Johan Heiskala Boström
Styrelsens ordförande

Johan Olof Boström Heiskala
Digitally signed by Johan Olof Boström Heiskala
Date: 2022-06-10 19:20:33+02:00

Mats Kristensson
Styrelseledamot

Mats Göran Kristensson
Digitally signed by Mats Göran Kristensson
Date: 2022-06-10 21:21:11+02:00

Qiong Nielsen
Styrelseledamot

Qiong Nielsen
Digitally signed by Qiong Nielsen
Date: 2022-06-10 21:35:28+02:00

Björn Mo Östgren
Styrelseledamot

BJØRN FREDRIK MO ØSTGREN
Digitally signed by BJØRN FREDRIK MO ØSTGREN
Date: 2022-06-12 15:46:13+02:00

Stian Andersen
Verkställande direktör

Digitally signed by Stian Langballe Andersen
Date: 2022-06-13 10:18:27+02:00

Vår revisionsberättelse har avgivits den

Deloitte AB

PERNILLA REHNBERG
Digitally signed by PERNILLA REHNBERG
Date: 2022-06-22 09:11:28+02:00

Pernilla Rehnberg
Auktoriserad revisor

20220711167584

Årsredovisning Vindkraftnorr AB 2021

Final Audit Report 2022-06-22

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Vindkraftnorr AB
organisationsnummer 559267-3817

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Vindkraftnorr AB för räkenskapsåret 2020-08-18 - 2021-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Vindkraftnorr ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Vindkraftnorr AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

MP

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Vindkraftnorr AB för räkenskapsåret 2020-08-18 - 2021-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Vindkraftnorr AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Jönköping 2022-06-22

Deloitte AB

Pernilla Rehnberg
Auktoriserad revisor

Fotokopians överensstämmelse med originalet intygas:

Group Financial Statements

Statement of Comprehensive Income

Statkraft AS Group

NOK million	Note	2021	2020
Profit and loss			
Sales revenues	4, 12	84 658	33 875
Gains/losses from market activities	13, 21	-3 235	3 958
Other operating income	14	1 556	685
Gross operating revenues and other income	4	82 979	**38 518**
Energy purchase	12	-39 968	-16 244
Transmission costs		-1 723	-1 040
Net operating revenues and other income	4	41 286	**21 234**
Salaries and payroll costs	16, 17	-5 256	-4 627
Depreciations and amortisations	23, 24, 25	-4 113	-4 066
Impairments/reversal of impairments	15, 23, 24	3 403	-1 379
Regulatory fees	18	-1 375	-1 264
Other operating expenses	19	-4 169	-4 150
Operating expenses		-11 559	**-15 485**
Operating profit/loss (EBIT)		29 727	**5 749**
Share of profit/loss in equity accounted investments	15, 26	1 686	**835**
Net currency effects	21	1 089	-1 520
Interest and other financial items	5, 20, 21	242	-111
Net financial items		1 331	**-1 631**
Profit/loss before tax		32 744	**4 953**
Income tax expense	22	-16 663	-1 421
Net profit/loss		16 081	**3 532**
Of which non-controlling interest		558	213
Of which owners of the parent		15 523	3 319
OTHER COMPREHENSIVE INCOME (OCI)			
Items in other comprehensive income that recycle over profit/loss:			
Items recorded in other comprehensive income in equity accounted investments		1	-13
Recycling of currency translation effects related to foreign operations disposed		-39	-132
Currency translation effects		-2 473	1 092
Total		-2 511	**947**
Items in other comprehensive income that will not recycle over profit/loss:			
Changes in fair value of financial instruments, net of tax		23	-4
Estimate deviation pension in equity accounted investments		28	-14
Estimate deviation pension, net of tax		-312	-475
Total		-257	**-492**
Other comprehensive income		-2 767	**456**
Total comprehensive income		13 315	**3 988**
Of which non-controlling interest		564	29
Of which owners of the parent		12 750	3 959

Statement of Financial Position
Statkraft AS Group

NOK million	Note	31.12.2021	31.12.2020
ASSETS			
Deferred tax assets	22	1 748	1 658
Intangible assets	23	4 112	4 113
Property, plant and equipment	24, 25	116 521	112 057
Equity accounted investments	4, 26	14 771	13 492
Derivatives	10	27 895	7 406
Other non-current assets	17, 27	6 488	6 338
Non-current assets		171 535	**145 064**
Inventories	28	5 514	6 363
Receivables	29	42 190	13 659
Financial investments	10	561	606
Derivatives	10	51 741	4 410
Cash and cash equivalents (incl. restricted cash)	30	37 162	11 155
Current assets		139 569	**36 193**
Assets		310 004	**181 257**
EQUITY AND LIABILITIES			
Paid-in capital		59 219	59 219
Other reserves		2 234	4 733
Retained earnings		41 428	29 888
Total equity attributable to owners of the parent		102 880	**93 840**
Non-controlling interest		4 896	4 188
Equity		107 776	**98 028**
Deferred tax	22	12 723	10 596
Pension liabilities	17	3 892	3 357
Bond and bank debt	33	19 632	26 756
Lease liabilities	25, 33	1 861	1 541
Contract liabilities	32	4 052	4 367
Derivatives	10	21 965	7 778
Other non-current liabilities	31	3 289	3 207
Non-current liabilities		67 427	**57 604**
Commercial papers, bond and bank debt	33	16 842	3 869
Lease liabilities	25, 33	303	269
Contract liabilities	32	316	316
Taxes payable	22	14 527	3 412
Derivatives	10	64 647	5 639
Other current liabilities	34	36 060	12 120
Current liabilities		134 802	**25 625**
Equity and liabilities		310 004	**181 257**

Statement of Changes in Equity
Statkraft AS Group

NOK million	Paid-in capital	Hedging reserves and profit and loss reserves other shares [1]	Currency translation effects	Total other reserves	Retained earnings	Attributable to owners of parent	Non-controlling interests	Total equity
Balance as of 31 Dec 2019	**59 219**	**-187**	**3 814**	**3 627**	**33 537**	**96 383**	**4 382**	**100 764**
Net profit/loss	-	-	-	-	**3 319**	3 319	**213**	3 532
Total other comprehensive income	-	-16	1 122	**1 106**	**-467**	639	**-184**	456
Total comprehensive income for the period	-	-16	1 122	**1 106**	**2 852**	3 958	**29**	3 988
Dividend	-	-	-	-	**-6 500**	-6 500	**-217**	-6 717
Business combinations/divestments	-	-	-	-	-	-	**-6**	-6
Balance as of 31 Dec 2020	**59 219**	**-203**	**4 936**	**4 733**	**29 888**	**93 840**	**4 188**	**98 028**
Net profit/loss	-	-	-	-	**15 523**	15 523	**558**	16 081
Total other comprehensive income	-	24	-2 523	**-2 499**	**-275**	-2 773	**6**	-2 767
Total comprehensive income for the period	-	24	-2 523	**-2 499**	**15 249**	12 750	**564**	13 315
Dividend	-	-	-	-	**-3 673**	-3 673	**-91**	-3 763
Transactions with non-controlling interests	-	-	-	-	**-38**	-38	**133**	96
Business combinations/divestments	-	-	-	-	-	-	**101**	101
Balance as of 31 Dec 2021	**59 219**	**-179**	**2 413**	**2 234**	**41 426**	**102 880**	**4 896**	**107 776**

[1] Mainly related to net investment hedges. See note 11.

GENERAL INFORMATION

The parent company has a share capital of NOK 33.6 billion, divided into 200 million shares, each with a par value of NOK 168. All shares have the same voting rights and are owned by Statkraft SF, which is a Norwegian state-owned company, established and domiciled in Norway. Statkraft SF is wholly owned by the Norwegian state, through the Ministry of Trade, Industry and Fisheries.

On 24 June 2021 Statkraft's General Assembly approved a disbursement of NOK 3673 million as dividend to Statkraft SF. For the current year the Board of Directors has proposed to pay a dividend of NOK 10 214 million.

SIGNIFICANT ACCOUTING POLICIES

Dividend proposed at the time of approval of the financial statements is classified as equity. Dividends are reclassified to current liabilities once they have been approved by the General Assembly.

Statement of Cash Flow
Statkraft AS Group

NOK million	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit/loss (EBIT)		29 727	5 749
Depreciations, amortisations and impairments	23, 24, 25	710	5 445
Gains/losses from divestments and disposal of assets		-740	-64
Unrealised effects included in operating profit (EBIT)	21	-2 362	1 431
Dividends from equity accounted investments	26	571	597
Changes in working capital		859	1 794
Investments in development and construction projects classified as inventories (DS/DBS) [1), 2)]		-1 892	-413
Cash collateral, margin calls and option prepayments		3 311	659
Cash effects from foreign exchange derivatives related to operations		-273	-49
Effects from prepayments from customers	12, 32	-316	4 733
Income taxes paid		-3 042	-8 421
Other changes		-311	170
Cash flow from operating activities (A)		26 242	11 631
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment and intangible assets [2)]		-7 477	-7 124
Business divestments, net liquidity inflow	5	2 442	7
Acquisition of shares in subsidiaries, net liquidity outflow	5	-1 780	-1 308
Loans and interest related to equity accounted investments		90	136
Sale of development and construction projects classified as inventories (DS/DBS)	5	822	-
Other investments		233	1 062
Cash flow from investing activities (B)		-8 618	**-7 226**
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	33	14 535	4 092
Repayment of debt	33	-5 842	-4 759
Cash collateral related to financing		393	-266
Interests paid		-567	-765
Interests received from cash and other assets		158	136
Dividend and group contribution paid to Statkraft SF [3)]		-3 873	-6 500
Transactions with non-controlling interests		73	-218
Cash flow from financing activities (C)		5 418	**-8 279**
Net change in cash and cash equivalents (A)+(B)+(C)		26 042	**-3 874**
Currency exchange rate effects on cash and cash equivalents		-34	-174
Cash and cash equivalents 01.01	30	11 155	15 203
Cash and cash equivalents 31.12	30	37 162	11 155
- Of which cash and cash equivalents in joint operations		291	194
Unused committed credit lines		9 167	9 194
Unused overdraft facilities		2 051	2 023
Restricted cash	30	342	31

[1)] Comparable figures include only figures from the fourth quarter, from when the develop-sell / develop-build-sell (DS/DBS) business model was introduced.

[2)] Comparable figures are restated by reclassifying the NOK 413 million in cash outflow from investments in property, plant and equipment and intangible assets under investing activities to investments in development and construction projects classified as inventories (DS/DBS) under operating activities. See also note 1.

[3)] For 2020, NOK 138 million in Group contribution paid to Statkraft SF is included. No Group contribition was paid in 2021.

Statement of Cash Flow continued

Reconciliation of investments in property, plant and equipment in the statement of cash flow against investments in note 4:

	2021	2020
Investments in property, plant and equipment and intangible assets in the statement of cash flow	7 477	**7 124**
Capitalised borrowing costs	136	113
Capitalised decommissioning provisions	139	42
Non-cash additions from right-of-use assets	1 083	78
Timing differences between capitalisation and payment date	-1 001	-225
Investments in maintenance, other and new capacity in note 4	7 833	**7 131**

Reconciliation of acquisition of shares in subsidiaries in the statement of cash flow against total acquisition cost in note 5:

	2021	2020
Acquisition of shares in subsidiaries in the statement of cash flow	1 730	**1 308**
Contingent consideration on current year acquisitions not paid	5	26
Contingent consideration paid from previous periods acquisitions	-32	-
Fair value uplift from existing ownership related to acquisitions (non-cash)	21	-
Shareholder loans paid in connection with acquisitions	-	-70
Participation in share issue without Group cash effect	191	-
Cash and cash equivalents in acquired companies	139	518
Acquisition of non-controlling interest not included in note 5 (no change of control)	-79	-
Total acquisition cost in note 5	1 973	**1 782**

SIGNIFICANT ACCOUNTING POLICIES

The cash flow statement has been prepared using the indirect method.

Operating activities Changes in working capital comprise of inventory, short-term interest-free receivables and short-term interest-free liabilities. Effects related to capital expenditures, unrealised changes or reclassifications are not included in changes in working capital.

Investing activities Acquisition/divestment of shares includes cash and cash equivalents in the investee that are recognised at the transaction date. Hence, this is presented net together with the cash consideration paid or received. Cash received from payment of loans as part of the share sales agreement following divestment of entities is presented together with the cash received from divestment of the shares as a part of business divestments under Investing activities.

Financing activities Interest payments from interest rate derivatives, which are used to manage the Group's debt portfolio, are presented as a part of interest paid. Cash effects from foreign exchange derivatives related to debt are presented as a part of repayment of debt. Both the principal portion and the interest portion of payments of lease liabilities are included in financing activities as repayment of debt and interest paid respectively.

Cash flows related to the DS/DBS model
From the DS/DBS model in the segment European Wind and solar, the main types of cash flows originate from either cash outflow from investments related to development and construction of projects and cash inflow from divestment of the projects. These are presented as follows:

- Cash outflow related to ongoing development and construction projects classified as inventories (DS/DBS) under Operating activities.
- Cash inflow following divestments of shares is presented as Sale of development and construction projects classified as Inventories (DS/DBS) under Investing activities.

See also note 1.

Notes

Statkraft AS Group

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Note 1 General information and summary of significant accounting policies

GENERAL INFORMATION

Statkraft AS is a Norwegian limited liability company, established and domiciled in Norway. Statkraft AS is wholly owned by Statkraft SF, which in turn is wholly owned by the Norwegian state, through the Ministry of Trade, Industry and Fisheries. The company's head office is located in Oslo and the company has debt instruments listed on the Oslo Stock Exchange and the London Stock Exchange.

Statkraft's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU and further requirements in Norwegian Accounting Law (Regnskapsloven).

The consolidated accounts have been prepared based on the historical cost principle, with the exception of certain financial instruments, derivatives, certain environmental certificates and certain elements of net pension assets measured at fair value at the reporting date.

Historical cost is generally based on fair value of the consideration transferred when acquiring assets and services.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement of fair value is contingent upon market prices being available at a certain date or whether other valuation techniques have been applied. When determining fair value, the management must apply assumptions that market participants would have been expected to use in a similar valuation. Measurement and presentation of assets and liabilities measured at fair value when presenting the consolidated accounts are based on these policies, except for when measuring fair value less cost to sell in accordance with IAS 2 Inventories and when measuring value in use in accordance with IAS 36 Impairment of Assets.

The accounting policies applied to the consolidated financial statements as a whole are described below while the remaining accounting policies are described in the notes to which they relate. The policies have been applied in the same manner in all presented periods, unless otherwise stated.

The descriptions of accounting policies in the statements and notes form part of the overall description of accounting policies:

• Statement of cash flow	
• Statement of changes in equity	
• Segment information	Note 4
• Business combinations and other transactions	Note 5
• Financial instruments	Note 10
• Hedge accounting	Note 11
• Sales revenues and energy purchase	Note 12
• Gains/losses from market activities	Note 13
• Impairments/reversal of impairments	Note 15
• Pensions	Note 17
• Income taxes	Note 22
• Intangible assets	Note 23
• Property, plant and equipment	Note 24
• Leases	Note 25
• Associates and joint arrangements	Note 26
• Other non-current financial assets	Note 27
• Inventories	Note 28
• Receivables	Note 29
• Cash and cash equivalents	Note 30
• Other non-current liabilities	Note 31

CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of the parent company Statkraft AS and its subsidiaries. A subsidiary is an entity in which Statkraft has control through the power to govern the financial and operating policies. Control is obtained when Statkraft has the ability to affect the variable returns through its power over the investee. Power is obtained either through ownership of more than 50% of the voting power or/and through agreements with other shareholders. Statkraft consolidates a subsidiary from the date the Group first obtains control, and ceases consolidating a subsidiary the date the Group loses control. If necessary, the subsidiaries' financial statements are adjusted to correlate with the Group's accounting policies. Inter-company transactions and inter-company balances, including internal gains and losses, are eliminated.

Investments in joint arrangements and associates
Statkraft classifies its investments based on an analysis of the degree of control and the underlying facts and circumstances. This includes an assessment of voting rights, ownership structure and the relative strength, purchase and sale rights controlled by Statkraft and other shareholders. Each individual investment is assessed. Upon changes in underlying facts and circumstances, a new assessment must be made on how to classify the investment.

Joint operations are joint arrangements where the participants who have joint control over a business activity have contractual rights to the assets and obligations for the liabilities, relating to the operation. In joint operations, decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group's share in joint operations is recognised in the consolidated financial statements in accordance with Statkraft's interest in the joint operation's assets, liabilities, revenues and expenses. The proportionate share of gains and losses arising from intragroup transactions between entities and joint operations are eliminated.

Note 1 continued

Joint ventures are companies where Statkraft has joint control together with one or several other investors. In a joint venture company, decisions related to relevant activities must be unanimous between participants which have joint control. The Group's share in joint ventures' net assets is recognised in the consolidated accounts using the equity method and presented as equity accounted investments under non-current assets. The Group's share of the companies' profit after tax, adjusted for amortisation of excess value and any deviations from accounting policies, is presented as share of profit/loss in equity accounted investments in the Statement of Comprehensive Income.

Associates are companies or entities where Statkraft has significant influence. The Group's share in associated companies is recognised in the consolidated accounts using the equity method and presented as equity accounted investments under non-current assets. The Group's share of the companies' profit after tax, adjusted for amortisation of excess value and any deviations from accounting policies, is presented as share of profit/loss in equity accounted investments in the Statement of Comprehensive Income.

PRINCIPLES RELATED TO THE DEVELOP-SELL (DS) AND DEVELOP-BUILD-SELL (DBS) BUSINESS MODEL

Statkraft's segment European wind and solar has a business model where the goal is to develop and construct onshore wind and solar power plants with the intention to divest the power plants either before, at the time of, or shortly after completion. The business model entails several new accounting policies affecting different notes. These policies are as follows:

Gains or losses from divestments of shares Most of development and construction are done in separate special purpose vehicles (SPVs). Gains are presented as Other operating income and losses as Other operating expenses. See note 14 and 19.

Classification of the main cash flows from the business model is described in the Significant accounting policies section in the Statement of Cash Flow.

Power plants Wind and solar plants that are constructed with the intention to divest are presented as Inventories. The individual SPVs are normally counterparties in leasing contracts related to land. The leasing liability and corresponding right-of-use asset are accounted for according to IFRS 16 Leases separately from Inventories. See note 28, 24 and 25.

Engineering, procurement and construction (EPC) Revenues from engineering, procurement and construction (EPC) contracts contain a single performance obligation satisfied over time. The revenues and expenses are recognised according to the project's progress rate. See note 12.

Asset management, operation and maintenance Revenues from operation and maintenance of third-party assets are normally related to performance obligations satisfied over time. See note 12.

Power generation before divestment If the construction of a power plant in the DS/DBS business model is completed before divestment, the power plants will generate power and these revenues are presented as Sales revenues. Expenses related to generation are presented as Other operating expenses. See note 12.

COMPARABLE FIGURES AND RECLASSIFICATIONS

The consolidated statements of comprehensive income, financial position, equity, cash flow and notes provide comparable information in respect of the previous period. The following changes in comparable figures have been made for 2021:

Presentation of cash flows related to the investments in projects intended to divest (DS/DBS) In 2020 Statkraft introduced the new business model related to development and construction of wind and solar projects classified as Inventories with the intention to divest (DS/DBS). Following this, cash outflow related to investments in these projects are in 2021 presented as Investments in development and construction projects classified as inventories (DS/DBS) under operating activities in the Statement of Cash Flow. Figures for 2020 are restated by reclassifying NOK 413 million from investments in property, plant and equipment and intangible assets under investing activities to operating activities.

Presentation of prepayments related to long-term power sales agreements Prepayments related to long-term power sales agreements have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From 2021 these are presented as Contract liabilities. Comparable figures have been restated with NOK 4367 million for non-current and NOK 316 million for current.

Presentation of lease liabilities Liabilities related to lease agreements have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From 2021 these are presented as Lease liabilities. Comparable figures have been restated with NOK 1541 million for non-current and NOK 269 million for current.

Presentation of bonds and bank debt Liabilities related to bonds and bank debt have previously been presented as interest-bearing liabilities in the Statement of Financial Position. From 2021 these are presented as Bond and bank debt for non-current liabilities and Commercial papers, bond and bank debt for current liabilities, respectively. Comparable figures have been restated with NOK 26 756 million for non-current and NOK 3869 million for current.

Presentation of liabilities related to cash collateral Liabilities related to cash collateral have previously been presented as current interest-bearing liabilities in the Statement of Financial Position. From 2021 these are presented as Bond and bank debt for non-current liabilities and Commercial papers, bond and bank debt for current liabilities, respectively. Comparable figures have been restated with NOK 1761 million.

Presentation of debt to Statkraft SF Debt to Statkraft SF has previously been presented as current interest-bearing liabilities in the Statement of Financial Position. From 2021 these are presented as Other current liabilities. Comparable figures have been restated with NOK 200 million.

Presentation of energy purchase within the EV charging business Purchase of electricity has previously been presented as other operating expenses in the Statement of Comprehensive Income. From 2021 these expenses are presented as Energy purchase. Comparable figures have been restated with NOK 184 million.

Presentation of district heating activities Sales revenues and energy purchase related to activities within district heating are presented separately from generation, see note 12. The changes have affected the segments District heating and Industrial ownership. NOK 773 million have been reclassified within sales revenues and NOK 237 million within energy purchase. The changes impact note 12, but not the Statement of Comprehensive Income.

Note 1 continued

FOREIGN CURRENCY

Subsidiaries prepare their accounts in the company's functional currency, normally the local currency in the country where the company operates.

Statkraft AS's functional currency is Norwegian kroner (NOK), and it is also the presentation currency for the consolidated financial statements. When preparing the consolidated financial statements, the local currency of the foreign subsidiaries, associated companies and joint ventures are translated into NOK in accordance with the current exchange rate method. This means that balance sheet items are translated to NOK at the exchange rate prevailing as of 31 December, whilst the profit and loss statement is translated using monthly weighted average exchange rates throughout the year. Currency translation effects are recognised as other comprehensive income and recycled to the profit and loss statement upon sale or loss of control of shareholdings in foreign companies.

The currency translation effects that are recycled are presented as part of the gain or loss of the sale or disposal in the profit and loss statement. The part of the currency translation effects related to non-controlling interest is not recycled to the profit and loss statement. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss statement.

CLASSIFICATION AS CURRENT/NON-CURRENT

Items in the statement of financial position are classified as current when they are expected to be realised or settled within 12 months after the reporting date. The first year's repayments relating to non-current liabilities are presented as current liabilities. Development projects, construction projects and projects in operation in scope of IAS 2 Inventories are always presented as current.

ADOPTION OF NEW AND REVISED STANDARDS

In 2021 new standards and amendments to existing standards have become effective. This is related to the following standards:

- COVID-19-Related rent concessions (amendment to IFRS 16)
- Interest rate benchmark reform – phase 2 (amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16)
- Amendments to IFRS 4 Insurance contracts

The adoption of these items did not have a significant impact on the financial statements of the Group.

THE FOLLOWING REVISED IFRSS HAVE BEEN ISSUED, BUT ARE NOT YET EFFECTIVE, AND IN SOME CASES HAVE NOT BEEN ADOPTED BY EU

- Annual improvements to IFRS Standards 2018-2020 cycle
- Reference to the conceptual framework (amendments to IFRS 3)
- Onerous contracts – costs of fulfilling a contract (amendments to IAS 37)
- Property, plant and equipment: proceeds before intended use (amendments to IAS 16)
- Classification of liabilities as current or non-current (amendments to IAS 1)
- Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2)
- IFRS 17 Insurance contracts
- Definition of accounting estimates (amendments to IAS 8)
- Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12)

Statkraft does not expect that the adoption of these Standards will have a material impact on the financial statements for the Group in future periods.

Note 2 Key accounting estimates and judgements

INTRODUCTION

The use of reasonable estimates and judgements is a critical element in preparing the financial statements. Due to the level of uncertainties inherent in Statkraft's business activities, management must make certain estimates and judgements that affect the application of accounting policies, results of operations, cash flows and financial position as reported in the financial statements.

Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances.

AREAS OF SIGNIFICANT JUDGEMENT

STATKRAFT'S LONG-TERM PRICE FORECAST FOR POWER

One of the key assumptions used by management in making business decisions is Statkraft's long-term price forecasts for power and the related market developments. In addition, these assumptions are critical input for management related to financial statement processes such as:

- Allocation of fair value in business combinations — Note 5
- Impairment testing of property, plant and equipment — Note 15, 24
- Impairment testing of intangible assets — Note 15, 23
- Impairment testing of equity accounted investments — Note 15, 26

Statkraft performs an annual update of its long-term price forecasts and the related expected market developments in the geographical areas where Statkraft operates. This update is the output from a continuous process of monitoring, interpreting and analysing global as well as local trends, which will affect future markets and revenues. The update provides basis for both strategic decisions as well as the management's expectation for future prices and revenue streams beyond 2030 associated with the assets.

A fundamental approach is applied when analysing the markets, considering elements such as:

- Cost levels of competing technologies and fuels
- Future energy balances
- Political regulations
- Technological developments to reduce emissions of greenhouse gases

The process is headed and run by a team of experts across the Group. The main results are benchmarked to external references and major deviations are explained. The process aims to ensure consistency and provides a balanced view of both the markets and expected future power prices.

The long-term energy sector analysis is based on a specific global climate scenario and in addition, regional climate ambitions are incorporated when developing the power market view. Also, climatic correction of weather and inflow is included in the assumptions used to develop the long-term price forecast.

The Corporate Management is forming its management view by being involved in the process. Corporate Management is invited to provide and challenge the input and scenarios applied in the analysis to be used in asset valuations and other strategic considerations. Based on the expert recommendations, the Corporate Management approves the annual long-term price forecasts for power and the view upon the related market development.

Various sensitivity analyses are disclosed in:

- Analysis of market risk — Note 8
- Financial instruments — Note 10
- Impairments — Note 15

FAIR VALUE MEASUREMENT OF ENERGY CONTRACTS

In addition to the above, significant judgement is applied in the valuation of the Group's long-term power purchase- and power sales contracts categorised within level 3 in the fair value hierarchy. The fair value estimate is based on the amounts for which the assets or liabilities could be exchanged at the relevant transaction date on the reporting period end. Where fair value measurement cannot be derived from publicly available information, they are estimated using models and other valuations methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty; particularly where comparable market-based transactions often do not exist. In such cases Statkraft's management is required to make market-based assumptions, see note 10.

NET REALISABLE VALUE OF INVENTORIES

Statkraft constructs power plants with the intention to divest before or at completion (DS/DBS business model). Such assets are presented as inventories and shall be measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Significant judgement is applied when assessing the selling price, as market price information on similar assets are not necessarily available. Statkraft uses a team of experts with local market knowledge to assess the selling price. If no external price information is available, the asset is valued by discounting future cash flows applying the long-term price forecast for power. See note 1

OTHER AREAS

In addition, significant judgement is applied in estimating the carrying amounts of:

- Pensions — Note 17
- Deferred tax assets — Note 22

The COVID-19 has caused increased market risk, increased uncertainty to future power prices and some supply chain disruptions impacting our construction projects. Statkraft's management are closely monitoring the development of the pandemic and are continuously evaluating the consequences for the Group. The effect for Statkraft has so far been limited and it is not expected that the pandemic will have a significant effect on the group's operations in the long term.

Note 2 continued

APPLICATION OF ACCOUNTING POLICY

Due to Statkraft's business activities, management must apply judgements in determining the appropriate accounting policy in areas where the choice of policies may have a material impact on the accounting treatment in the financial statements. Such areas include;

- Classification of energy contracts — Note 10
- Classification of sales revenues — Note 12
- Classification of investments made together with third parties — Note 26

Note 3 Subsequent events

In January 2022, Statkraft closed agreements to divest three solar farms in the Netherlands and one in Spain for a total of NOK 606 million. The solar farms have a total capacity of 98 MWp.

Note 4 Segment information

GENERAL INFORMATION

Statkraft is organised in four Business Areas (BAs) and two corporate Staff Areas (SAs). The BAs are: Production and Industrial ownership (P), International power (I), European wind and solar (E) and Markets and IT (M). The SAs are: Corporate staff (S) and Chief Financial Officer (CFO).

BAs in Statkraft shall, within their respective areas of responsibility, pursue Statkraft's strategic, financial and other targets and objectives, which are reported through the segment structure. Targets and objectives are defined by key performance indicators.

The following BAs are responsible for deliveries across the segments, except for the Industrial ownership segment, within their field of expertise:

- M is responsible for market activities and optimisation of revenues for power generation facilities, as well as IT.
- P is responsible for operation and maintenance of the production facilities and the district heating business.
- E is responsible for the execution of all large construction projects, development of new business as well as procurement.

Activities in the business areas are allocated and presented in the respective segments.

The Group's reportable segments are in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified based on internal management information that is periodically reviewed by the corporate management and used as a basis for resource allocation and key performance review.

The segment reporting is based on underlying figures. The table on the next page reconciles the Group IFRS figures with the Group underlying figures. The rationale for reporting underlying figures is described in the Alternative Performance Measures section.

See note 12 for revenues per category and geography.

Segment assets do not include deferred tax assets, prepaid income taxes, foreign exchange and interest rate derivatives, accrued interests, current interest-bearing receivables (except loans to equity accounted investments), current financial investments and cash and cash equivalents.

The reportable segments are defined as:

European flexible generation includes development, asset ownership and operations of most of the Group's hydropower business in Norway, Sweden, Germany and the United Kingdom, as well as the gas-fired and the biomass power plants in Germany and the subsea interconnector between Sweden and Germany.

Market operations includes proprietary trading, origination, market access for generators of renewable energy, as well as dynamic asset management to mitigate risk and optimise revenues related to the Nordic and Continental power generation. The segment has activities in several countries in Europe, and is also active in Brazil, India and USA. Market operations generates profit from changes in the market value of energy and energy-related products, and from buying and selling both standard and structured products, typically environmental certificates and power contracts.

International power includes development, asset ownership and operations of renewable assets in emerging markets. The segment operates in Albania, Brazil, Chile, India, Nepal, Peru and Turkey.

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

District heating includes development, asset ownership and operations of most district heating plants in Norway and Sweden.

Industrial ownership includes management and development of Norwegian shareholdings within the Group's core business and includes the shareholdings in Skagerak Energi, Eviny (formerly named BKK) and Agder Energi. Skagerak Energi is included in the consolidated financial statements, while Eviny and Agder Energi are reported as equity accounted investments.

In addition:

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

Group items includes elimination of transactions between segments.

Note 4 continued

Reconciliation of IFRS versus underlying figures

NOK million	2021 IFRS	Adjustments	2021 Underlying	2020 IFRS	Adjustments	2020 Underlying
Profit and loss						
Sales revenues	34 656		34 656	33 875		33 875
Gains/losses from market activities	-3 235	1 285	-1 950	3 958	-339	3 619
Other operating income	1 556	-822	734	685	-119	566
Gross operating revenues and other income	82 976	**463**	83 440	**38 518**	**-458**	**38 060**
Energy purchase [1)]	-39 968		-39 968	-16 244		-16 244
Transmission costs	-1 723		-1 723	-1 040		-1 040
Net operating revenues and other income	41 285	**463**	41 749	**21 234**	**-458**	**20 776**
Salaries and payroll costs	-5 286		-5 286	-4 627		-4 627
Depreciations and amortisations	-4 113		-4 113	-4 066		-4 066
Impairments/reversal of impairments	3 403	-3 403	-	-1 379	1 379	-
Regulatory fees	-1 376		-1 376	-1 264		-1 264
Other operating expenses [1)]	-4 186	5	-4 180	-4 150	-	-4 150
Operating expenses	-11 559	**-3 398**	-14 957	**-15 485**	**1 379**	**-14 106**
Operating profit/loss (EBIT)	29 727	**-2 935**	26 792	**5 749**	**922**	**6 670**

[1)] Comparable figures have been restated. See note 1.

The following adjustments are not included in the underlying figures:

- Gains/losses from market activities: unrealised value changes from embedded euro derivatives in power sales contracts.
- Other operating income/expenses: gains/losses from divestment of business activities that are not classified as DS/DBS.
- Impairments/reversal of impairments related to intangible assets and property, plant and equipment.

Note 4 continued

Accounting specification per segment

Segments

NOK million	Statkraft AS Group	European flexible generation	Market operations	Inter-national power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
2021									
Gross operating revenues and other income, external	83 440	39 194	32 849	2 453	840	1 041	6 543	532	-12
Gross operating revenues and other income, internal	-	532	-466	135	1 401	4	96	1 394	-3 096
Gross operating revenues and other income underlying	83 440	39 727	32 383	2 588	2 240	1 045	6 638	1 926	-3 108
Net operating revenues and other income underlying	41 749	33 899	-2 343	1 632	1 703	716	6 053	1 677	-1 587
Operating profit/loss (EBIT) underlying	26 792	27 557	-4 348	-45	-164	208	4 337	-825	72
Unrealised value changes from embedded euro derivatives	-1 285	-1 285	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	817	-	-	-4	821	-	-	-	-
Impairments/reversal of impairments	3 403	1 020	-	-79	2 466	-4	-	-	-
Operating profit/loss (EBIT) IFRS	29 727	27 291	-4 348	-128	3 123	204	4 337	-825	72
Share of profit/loss in equity accounted investments	1 686	-	-	553	3	-	1 227	-97	-
Assets and capital employed 31.12.21									
Property, plant and equipment and intangible assets	120 633	61 416	135	24 711	11 650	3 512	17 213	1 996	-
Equity accounted investments	14 771	-	-	2 828	818	-	11 066	84	-25
Loans to equity accounted investments	1 458	-	-	1 013	391	-	55	-	-
Inventories (DS/DBS)	2 965	-	-	-	2 965	-	-	-	-
Other assets	170 178	5 236	97 594	3 364	180	348	1 461	61 793	200
Total assets	310 004	66 653	97 728	31 916	16 003	3 860	29 796	63 873	175
Capital employed	123 598	61 416	135	24 711	14 615	3 512	17 213	1 996	-
Average capital employed (rolling 12 months)	119 422	60 949	n/a	23 685	12 325	3 542	16 959	n/a	n/a
Return on average capital employed (ROACE)	22.4%	45.2%	n/a	-0.2%	-1.3%	5.9%	25.6%	n/a	n/a
Return on average equity accounted investment (ROAE)	12.1%	n/a	n/a	22.1%	0.4%	n/a	11.6%	n/a	n/a
Depreciations, amortisations and impairments	-710	-954	-32	-733	1 990	-198	-531	-253	-
Investments in new capacity	2 271	228	-	1 925	38	-	80	-	-
Maintenance investments	2 834	2 117	1	149	25	10	233	-	-
Other investments	3 028	105	22	233	1 259	180	690	539	-
Investments in PPE and intangible assets	7 833	2 450	23	2 307	1 322	190	1 003	539	-
Investments in new capacity for subsequent divestment (DS/DBS)	1 892	-	-	-	1 892	-	-	-	-
Investments in shareholdings, consolidated	2 033	-	-	-	1 762	-	75	195	-
Investments in shareholdings, equity accounted	10	-	-	-	-	-	10	-	-
Investments in shareholdings, financial non-current	99	-	-	-	-	-	8	91	-
Investments in shareholdings	2 142	-	-	-	1 762	-	93	286	-
Total investments	11 867	2 450	23	2 307	4 976	190	1 096	825	-

Note 4 continued

Accounting specification per segment

Segments

NOK million	Statkraft AS Group	European flexible generation	Market operations	Inter-national power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
2020									
Gross operating revenues and other income, external	38 060	13 983	18 491	2 878	278	684	2 087	363	-704
Gross operating revenues and other income, internal	-	359	-511	24	489	2	33	1 231	-1 627
Gross operating revenues and other income underlying	38 060	14 342	17 980	2 902	767	686	2 120	1 594	-2 331
Net operating revenues and other income underlying	20 776	11 401	4 304	2 314	659	488	1 975	1 390	-1 754
Operating profit/loss (EBIT) underlying	6 670	4 995	2 527	405	-793	17	382	-685	-178
Unrealised value changes from embedded euro derivatives	339	339	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	119	-	-	119	-	-	-	-	-
Impairments/reversal of impairments	-1 379	1 708	-	45	-3 126	-6	-	-	-
Operating profit/loss (EBIT) IFRS	5 749	7 041	2 527	569	-3 919	10	382	-685	-178
Share of profit/loss in equity accounted investments	835	16	1	-539	8	-	1 472	-123	-
Assets and capital employed 31.12.20									
Property, plant and equipment and intangible assets	116 170	61 446	156	23 387	9 168	3 559	16 752	1 704	-
Equity accounted investments	13 492	-	-	2 247	839	-	10 297	135	-26
Loans to equity accounted investments	1 442	-	-	962	439	-	41	-	-
Inventories (DS/DBS)	2 483	-	-	-	2 483	-	-	-	-
Other assets	47 669	2 520	16 193	2 039	711	223	1 279	24 606	97
Total assets	181 257	63 966	16 349	28 635	13 641	3 782	28 369	26 445	71
Capital employed	118 653	61 446	156	23 387	11 651	3 559	16 752	1 704	-
Average capital employed (rolling 12 months)	117 531	60 495	n/a	25 649	9 505	3 524	16 477	n/a	n/a
Return on average capital employed (ROACE)	5.7%	8.3%	n/a	1.6%	-8.3%	0.5%	2.3%	n/a	n/a
Return on average equity accounted investment (ROAE)	6.3%	n/a	n/a	-19.8%	0.9%	n/a	15.4%	n/a	n/a
Depreciations, amortisations and impairments	-5 445	-235	-34	-794	-3 477	-193	-503	-207	-
Investments in new capacity	4 103	185	-	1 064	2 263	203	388	-	-
Maintenance investments	2 275	1 646	-	118	3	13	494	1	-
Other investments	753	49	13	60	294	-	132	205	-
Investments in PPE and intangible assets	7 131	1 880	13	1 243	2 559	215	1 014	206	-
Investments in new capacity for subsequent divestment (DS/DBS)	413	-	-	-	413	-	-	-	-
Investments in shareholdings, consolidated	1 923	-	-	-	1 850	-	-	73	-
Investments in shareholdings, equity accounted	345	-	-	43	-	-	-	302	-
Investments in shareholdings, financial non-current	89	-	-	-	-	-	-	89	-
Investments in shareholdings	2 357	-	-	43	1 850	-	-	465	-
Total investments	9 901	1 880	13	1 286	4 822	215	1 014	671	-

Note 4 continued

Selected financial figures from "Norwegian hydropower and related business"

In the white paper Prop. 40 S (2014-2015) related to revised national budget, it was stated that Statkraft should disclose information related to the Norwegian hydropower activities ("Norwegian hydropower").

The table below includes financial figures in accordance with IFRS for the Norwegian hydropower, which have been extracted from the relevant operating segments.

"Norwegian hydropower" includes the results from all activities related to the Norwegian hydropower assets in the subsidiaries Statkraft Energi AS and Skagerak Kraft Group. Activities which are related to hydropower assets include hydropower generation and the share of contract portfolios related to hydropower generation (Nordic dynamic asset management portfolio and other risk reducing portfolios).

"Related business" refers to all activities in the investments in the associated regional companies Eviny AS (formerly named BKK AS) and Agder Energi AS.

The column Sum "Norwegian hydropower, excluding related business" represents the totals for the two subsidiaries after elimination of intercompany transactions and balances. The figures for Statkraft Energi AS are extracted from the segments European flexible generation and Market operations, while the figures for Skagerak Kraft Group are extracted from the segment Industrial ownership. The line "Net profit/loss (of which owners of the parent)" from Skagerak Kraft Group is calculated based on Statkrafts ownership interest of 66.62%.

The lines Net financial items and Tax expense show the financial items and tax related to the activities in the definition of "Norwegian hydropower".

The figures from the equity accounted investments in the associated companies Eviny AS and Agder Energi AS have been extracted from the segment Industrial ownership. See note 26.

Norwegian hydropower

		"Norwegian hydropower" from:				
NOK million	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group	Sum "Norwegian hydropower, excluding related business"	Related business	Sum "Norwegian hydropower and related business"
2021						
Gross operating revenues and other income	82 976	25 373	5 267	30 658	-	30 658
Net operating revenues and other income	41 286	24 107	5 008	29 135	-	29 135
Operating profit/loss (EBIT)	29 727	19 977	4 266	24 244	-	24 244
Share of profit/loss in equity accounted investments	1 686	-	1	1	1 217 [1]	1 219
Net financial items	1 331	-330	-47	-377	-	-377
Income tax expense	-15 663	-12 842	-2 426	-15 267	-	-15 267
Net profit/loss	16 081	6 805	1 795	8 601	1 217	9 818
Net profit/loss (of which owners of the parent)	15 523	6 805	1 193	7 998	1 217	9 215
Paid dividend and group contribution to Statkraft		2 300 [2]	53 [3]	2 353	495 [3]	2 849
Assets 31.12.21						
Equity accounted investments	14 771	2	4	6	10 927 [1]	10 932
Other assets	295 293	38 571	10 173	48 745	-	48 745
Total assets	310 064	38 574	10 177	48 750	10 927	59 677
EBITDA	30 437	21 091	4 457	25 548	-	25 548
Depreciations, amortisations and impairments	-710	-1 114	-190	-1 304	-	-1 304
Maintenance and other investments	5 552	1 698	252	1 950	-	1 950
Investments in new capacity	2 271	44	80	124	-	124
New capacity for subsequent divestment (DS/DBS)	1 692	-	-	-	-	-
Investments in shareholdings	2 142	-	-	-	-	-
Total investments	11 857	1 742	332	2 074		2 074

[1] Statkraft's share.

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

[3] Dividend paid to Statkraft.

Note 4 continued

Norwegian hydropower

NOK million	Statkraft AS Group	"Norwegian hydropower" from: Statkraft Energi AS	Skagerak Kraft Group	Sum "Norwegian hydropower, excluding related business"	Related business	Sum "Norwegian hydropower and related business"
2020						
Gross operating revenues and other income	38 518	10 089	803	10 887	-	10 887
Net operating revenues and other income	21 234	9 271	709	9 979	-	9 979
Operating profit/loss (EBIT)	5 749	5 288	22	5 311	-	5 311
Share of profit/loss in equity accounted investments	835	16	-	16	1 469 [1]	1 485
Net financial items	-1 631	-44	-59	-103	-	-103
Income tax expense	-1 421	-2 424	29	-2 395	-	-2 395
Net profit/loss	3 532	2 837	-9	2 828	1 469	4 297
Net profit/loss (of which owners of the parent)	3 319	2 837	-5	2 832	1 469	4 301
Paid dividend and group contribution to Statkraft		5 000 [2]	185 [3]	5 185	539 [3]	5 724
Assets 31.12.20						
Equity accounted investments	13 492	2	2	4	10 177 [1]	10 181
Other assets	167 765	38 024	10 016	48 039	-	48 039
Total assets	181 257	38 026	10 018	48 044	10 177	58 220
EBITDA	11 194	6 321	207	6 528	-	6 528
Depreciations, amortisations and impairments	-5 445	-1 033	-185	-1 217	-	-1 217
Maintenance and other investments	3 027	1 298	209	1 507	-	1 507
Investments in new capacity	4 103	179	63	241	-	241
New capacity for subsequent divestment (DS/DBS)	413	-	-	-	-	-
Investments in shareholdings	2 357	-	-	-	-	-
Total investments	9 901	1 477	271	1 748	-	1 748

[1] Statkraft's share.
[2] Dividend and group contribution after tax paid from Statkraft Energi AS.
[3] Dividend paid to Statkraft.

Note 5 Business combinations and other transactions

SIGNIFICANT ACCOUNTING POLICIES

The acquisition method is applied in business combinations. The acquisition date is the date when the acquirer obtains control of the acquiree and transfers the consideration to the seller. In general, the acquisition date coincides with the closing date. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date. If the accounting of a business combination is incomplete at the end of the reporting period, in which the transaction occurred, the Group will report preliminary values for the assets and liabilities. Preliminary values are adjusted throughout the measuring period of maximum one year in order to reflect new information obtained about circumstances that existed as of the acquisition date, which if known, would have affected the valuation on that date. Correspondingly, new assets and liabilities can be recognised. Consideration transferred to the seller may include contingent consideration. Contingent consideration is measured at fair value at the time of closing of the transaction. In subsequent periods it is accounted for in accordance with the relevant IFRS.

When less than 100% of the interest in an entity is acquired, a non-controlling interest arises. Statkraft chooses to recognise and measure non-controlling interests at the proportionate share of the fair value of net identifiable assets.

Any differences between cost and fair value for acquired assets, liabilities and contingent liabilities are recognised as goodwill or recognised in the profit and loss statement when the cost is lower. No provisions are recognised for deferred tax on goodwill.

Transaction costs are recognised in the profit and loss statement when incurred.

If business combinations are achieved in stages, the existing ownership interests are recognised at fair value at the point in time when control is obtained by Statkraft. Any changes in the carrying value of the investment are recognised in the profit and loss statement.

On acquisition of an investment in a joint venture or an associated company any difference between the cost of the shares and Statkraft's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and excess values. Goodwill may arise as the surplus of the cost of the investment over Statkraft's share of the net fair value of the identifiable assets and liabilities of the joint venture or associate. Such goodwill is recognised within the corresponding investment, presented as Equity accounted investments applying the equity method.

Acquisition of an asset or a group of assets that are not within the scope of business combinations require all individual identifiable assets acquired and liabilities assumed to be identified. The identified assets and liabilities are assigned a carrying amount based on their relative fair value at the date of acquisition. Directly attributable transaction cost is generally capitalised as part of the cost of the assets. Goodwill and deferred taxes are not recognised in an asset acquisition.

ESTIMATES AND ASSUMPTIONS

Consideration transferred in acquisitions is allocated to acquired assets and liabilities and contingent liabilities based on their estimated fair values. Statkraft uses both external advisors and internal experts to assist in the determination of the fair value of acquired assets and liabilities, depending on the size and complexity of the acquisition. This type of valuation requires management to make judgements with regards to valuation method, estimates and assumptions. Management's estimates of fair value and useful life are based on assumptions supported by the Group's experts and involve inherent uncertainty. See also note 2 for critical assumptions used in estimating fair values of relevant assets and liabilities.

BUSINESS COMBINATIONS AND ASSET ACQUISITIONS IN 2021

Electrical vehicle charging Sweden On 7 April, Statkraft closed an agreement to participate in a share issue in the Swedish electrical vehicle charging company Bee Charging Solutions (Bee) - resulting in 51% ownership in the company. The cash contribution was NOK 191 million. As part of the agreement, a subsequent transfer of Statkraft's EV Charging operations in Sweden into Bee was completed. The remaining 49% of the shares in Bee are owned by EVereg AB, which is equally owned by Öresundkraft, Jämtkraft and Tekniska Verken. Bee was later re-named Mer Sweden AB and is part of the Mer group.

The acquired company is considered to constitute a business where Statkraft obtained control over Bee and the transaction is accounted for according to IFRS 3. The company is reported under Other activities.

From the Build-Own-Operate (BOO) business model:

German and French wind On 1 October, Statkraft closed an agreement with Breeze Three GmbH to acquire SK Wind Gmbh & Co.KG and Energie Eolienne Derval SNC, consisting of 39 operating wind farms in Germany and four in France. The total consideration was NOK 1740 million, consisting of both purchase of shares and assuming debt. The total installed capacity of the German wind farms is 311 MW and 35 MW for the French wind farms. The companies have no employees.

As no substantive processes are identified and taken over, the acquisition is considered to not constitute a business and is accounted for as an asset acquisition. The majority of values acquired is allocated to Property, plant and equipment in the statement of financial position and the estimated remaining useful lives of the various assets are up to 16 years. Excess values of NOK 1325 million from the acquisition are allocated to Property, plant and equipment, both to existing operational turbines (NOK 656 million) as well as right-of use assets (NOK 538 million) and land (NOK 130 million) following opportunities to prolong the operations of the wind farms (repower). All assets are reported under the segment European wind and solar.

Other In addition, Statkraft acquired the remaining 50% of the shares in a grid service company in Ireland, leading to Statkraft owning all 100% of the shares. The transaction resulted in Statkraft recognising a non-cash gain of NOK 21 million as Interest and other financial items, following the change of control from equity accounted investment to subsidiary. The assets are reported under the segment European wind and solar.

Note 5 continued

DIVESTMENTS AND RESTRUCTURING OF BUSINESS IN 2021

From the Build-Own-Operate (BOO) business model:

Wind Roan, Norway On 30 April, Statkraft closed an agreement to divest 100% of the shares in Roan Vind Holding AS which owns 52.1% of Roan wind farm. Roan wind farm has an installed capacity of 256 MW and is part of the Fosen portfolio in Norway. Before the divestment, Roan was part of the segment European wind and solar. The shares were acquired by TrønderEnergi AS and Stadtwerke München GmbH for a cash consideration of NOK 1133 million. A gain of NOK 85 million was recognised following the divestment, presented as Other operating income. See also note 35 for information regarding the Supreme Court case related to the wind farm.

Wind Andershaw, UK On 27 September, Statkraft closed an agreement with Greencoat UK Wind Holdco Limited to divest 100% of the shares in Andershaw Wind Power Limited. Andershaw wind farm consists of 11 turbines located in Scotland in the UK with a total installed capacity of 36 MW and was part of the segment European Wind and Solar. The consideration for the shares was NOK 1045 million and led to a gain of NOK 735 million, recognised as Other operating income. Furthermore, Statkraft received NOK 385 million for a loan provided to Andershaw.

Statkraft also signed an agreement to provide asset management services and operation & maintenance services for the Andershaw wind farm subsequent of the divestment. Furthermore, Statkraft entered into a power purchase agreement to provide market access services for the wind farm until 2037. Statkraft has an option to take over ownership of the project at the end of its operating life in order to develop a repowered project at the site.

From the Develop-Sell / Develop-Build-Sell (DS/DBS) business model within the segment European wind and solar:

Solar Cadiz, Spain On 24 September, Statkraft signed agreements with The Renewables Infrastructure Group (TRIG) to divest 100% of the shares in four solar projects under construction located in Cadiz in Spain. The divestment of three of the four projects was closed in 2021 and the total consideration received was NOK 612 million, including cash and cash equivalents in the divested entities. In the statement of profit and loss NOK 338 million was recognised as Sales revenues and NOK 52 million was recognised as Other operating income following the sales. The divestment of the fourth project under construction was closed in 2022, see note 3. The total capacity from the three closed projects is 175 MWp, whereas the fourth is 58 MWp.

Statkraft has also entered into engineering, procurement and construction contracts for the four solar projects. Furthermore, Statkraft has signed agreements to provide asset management services as well as operation & maintenance services subsequent to the divestment.

Solar Netherlands On 9 December, Statkraft signed agreements with Encavis to sell 100% of the shares in five newly constructed solar farms in the Netherlands. The divestment of two of the five solar farms were closed in 2021 with a total consideration of NOK 102 million, including repayment of loan. In the statement of profit and loss a gain of NOK 22 million was recognised as Other operating income following the divestments. The divestment of the three remaining solar farms were closed in 2022, see note 3. The total capacity from the two projects closed in 2021 is 34 MWp, whereas the total capacity from the last three is 40 MWp.

Statkraft also signed agreements to provide asset management services as well as operation & maintenance services subsequent to the divestments.

Wind Windy Rig, UK On 14 December, Statkraft closed an agreement with Greencoat to sell 100% of the shares in the Windy Rig wind farm in the UK (43 MW) for NOK 629 million including loan repayment. In the statement of profit and loss a gain of NOK 30 million was recognised as Other operating income following the divestment.

Statkraft also signed agreements to provide asset management services subsequent to the divestment.

Note 5 continued

Allocation of cost price for acquisitions in 2021 [1]	German and French wind	EV charging Sweden	Other [2]	Total
Acquisition date	01.10.2021	07.04.2021		
Voting rights/shareholding acquired through the acquisition	100%	51%	100%	
Total voting rights/shareholding following acquisition	100%	51%	100%	
Measurement of non-controlling interests	n/a	Proportionate share of net identifiable assets	n/a	
Consideration				
NOK million				
Cash paid at acquisition date	1 740	-	5	**1 745**
Contingent consideration	-	-	16	**16**
Other	-	191	21	**212**
Total acquisition cost	1 740	191	42	**1 973**
Book value of net acquired assets (see table below)	413	192	115	**720**
Identification of excess value, attributable to:				
Intangible assets	-	13	-	**13**
Inventories	-	-	70	**70**
Property, plant and equipment	1 325	-	-	**1 325**
Provisions	-	-	29	**29**
Gross excess value	1 325	13	99	**1 437**
Deferred tax on excess value	n/a	-3	-19	**-22**
Net excess value	1 325	10	80	**1 415**
Fair value of net acquired assets, excluding goodwill	1 740	202	195	**2 137**
Of which:				
Controlling interests	1 740	103	195	**2 038**
Non-controlling interests	-	99	-	**99**
Total	1 740	202	195	**2 137**
Total acquisition cost	1 740	191	42	**1 973**
Fair value of net acquired assets, excluding goodwill (controlling interest)	1 740	103	195	**2 038**
Goodwill	n/a	88	-153	**-65**

[1] Cost price allocations for business combinations are based on preliminary assessments and could be subject to changes within 12 months of each transaction.

[2] Includes acquisition of the remaining 50% of the shares in a grid service company in Ireland. In addition, changes to purchase price allocations from acquisitions made in 2020, which led to negative goodwill adjustment in 2021 are also included.

Note 5 continued

NOK million	German and French wind	Ev charging Sweden	Other [1]	Total
Book value of net acquired assets in 2021				
Intangible assets	10	8	6	**24**
Property, plant and equipment	471	19	-	**490**
Non-current assets	482	27	6	**515**
Cash and cash equivalents	125	204	2	**331**
Inventories	-	7	116	**123**
Receivables	69	12	-	**81**
Current assets	194	223	118	**535**
Acquired assets	676	250	124	**1 050**
Non-current lease liabilities	98	13	-	**111**
Other non-current liabilities	130	23	7	**160**
Non-current liabilities	228	36	7	**271**
Current lease liabilities	6	2	-	**8**
Other current liabilities	29	20	-	**49**
Current liabilities	35	22	-	**57**
Net value of acquired assets	413	192	115	**720**
Total acquisition cost	1 740	191	42	**1 973**
Non-cash elements of acquisition cost [2]	-	191	37	**228**
Consideration and cost in cash and cash equivalents	1 740	-	5	**1 745**
Cash and cash equivalents in acquired companies	125	13	2	**140**
Net cash payments in connection with the acquisitions	1 615	-13	3	**1 605**
Contribution to gross operating revenues and other income since acquisition date	128	59	-	**187**
Contribution to net profit/loss since acquisition date	28	-56	22	**-6**

1) Includes acquisition of the remaining 50% of the shares in a grid service company in Ireland, in addition to adjustments from acquisitions made in 2020.

2) Statkraft obtained control of the subsidiary Bee by a cash contribution of NOK 191 million in a share issue. By consolidating Bee, the effect of the cash contribution for the shares was zero for the Group

BUSINESS COMBINATIONS AND TRANSACTIONS IN 2020

Solarcentury On 27 November 2020, Statkraft acquired 100% of the shares in the global solar developer Solarcentury Holdings Limited and its subsidiaries. The purchase price was NOK 1390 million including cash and cash equivalents of NOK 518 million in the acquired companies. The shares were acquired from a broad group of shareholders. This included institutional shareholders (Cleantech Europe, Environmental Energies Fund, VantagePoint Venture Partners and Fourvision Fund) and several private shareholders (including current and previous employees).

Solarcentury is a global developer of solar farms and is engaged in the design, development, supply, installation, maintenance and ownership of solar energy products and systems. The headquarter is in London, UK with around 180 employees across 12 countries. Solarcentury holds a portfolio of solar projects mainly located in Europe and some in Chile, Mexico and Colombia. The total portfolio equals 6.5 GW, with 4.2 GW being in the development phase, 2 GW being future pipeline and 0.4 GW currently in construction.

The purchase price of the acquisition was allocated to assets and liabilities based on their fair values, with significant amount of goodwill recognised, mainly following Solarcentury's organisation and workforce ability to identify, develop and sell profitable solar projects.

The acquisition is considered to constitute a business.

European Wind Statkraft acquired 100% of several minor onshore wind projects located in Europe. The total purchase price for the shares was NOK 226 million. In addition, loans to former shareholders of a total of NOK 70 million were repaid in connection with the transactions. The acquisitions are considered not to constitute businesses and are accounted for as asset acquisitions.

Other In addition, Statkraft has closed minor acquisitions of solar and battery projects in Ireland and electrical vehicle charging in UK.

DIVESTMENTS AND RESTRUCTURING OF BUSINESS IN 2020

Fjordkraft On 19 May 2020, Statkraft's subsidiary Skagerak Energi AS sold its remaining 15.5 million shares in Fjordkraft Holding ASA, representing 14.86% of the share capital in the company. The selling price was NOK 77 per share. The net cash inflow from the sale was NOK 1190 million, and a gain of NOK 134 million was recognised. The total gain in 2020 related to Skagerak's shareholding in Fjordkraft was NOK 289 million, recognised as Interest and other financial items.

Himal On 11 July 2020, the Power Purchase Agreement between Himal Power Ltd (HPL) and Nepal Electricity Authority (NEA) expired. Following this expiry, HPL has transferred equal ownership rights in the Khimti hydropower plant in Nepal via a contractual arrangement jointly controlled by HPL and NEA. Subsequent to the transfer Statkraft ceased to control the Khimti hydropower plant on its own, and the investment was classified as a joint venture, recognised according to the equity method. The deconsolidation led to a gain, mainly related to recycling of accumulated currency translation effects, of NOK 119 million, which is presented as Other operating income.

Note 5 continued

Allocation of cost price for acquisitions in 2020 [1]	Solarcentury	European wind	Other [2]	Total
Acquisition date	27.11.2020	Second quarter		
Voting rights/shareholding acquired through the acquisition	100%	100%	100%	
Total voting rights/shareholding following acquisition	100%	100%	100%	
Measurement of non-controlling interests	n/a	n/a	n/a	
Consideration				
NOK million				
Cash paid at acquisition date	1 390	204	106	**1 700**
Contingent consideration	-	22	59	**81**
Other	-	-	-	**-**
Total acquisition cost	1 390	226	166	**1 782**
Book value of net acquired assets (see table below)	729	-51	131	**809**
Identification of excess value, attributable to:				
Intangible assets [3]	-	277	64	**341**
Inventory	171	-	-	**171**
Other non-current financial assets	35	-	-	**35**
Provisions	-48	-	-	**-48**
Taxes payable	-42	-	-	**-42**
Gross excess value	115	277	64	**457**
Deferred tax on excess value	-23	n/a	-7	**-30**
Net excess value	92	277	58	**427**
Fair value of net acquired assets, excluding goodwill	821	226	189	**1 236**
Of which:				
Controlling interests	821	226	189	**1 236**
Non-controlling interests	-	-	1	**1**
Total	821	226	190	**1 237**
Total acquisition cost	1 390	226	166	**1 782**
Fair value of net acquired assets, excluding goodwill (controlling interest)	821	226	189	**1 236**
Goodwill	569	n/a	-23	**546**

[1] Cost price allocations for business combinations are based on preliminary assessments and could be subject to changes within 12 months of each transaction.

[2] Includes acquisitions of solar and battery projects in Ireland and electrical vehicle charging in UK, in addition to an adjustment from an acquisition in 2019.

[3] NOK 313 million was reclassified to Inventories in the balance sheet as of 31 December 2020, see note 28.

NOK million	Solarcentury	European wind	Other [1]	Total
Book value of net acquired assets in 2020				
Intangible assets [2]	1	20	109	**130**
Property, plant and equipment	280	-	-	**280**
Deferred tax assets	28	-	-	**28**
Non-current financial assets	282	-	-	**282**
Non-current assets	591	20	109	**720**
Cash and cash equivalents	518	-	-	**518**
Inventories	305	-	-	**305**
Receivables	363	2	28	**392**
Current assets	1 185	2	28	**1 215**
Acquired assets	1 776	22	137	**1 935**
Deferred tax liability	1	-	-	**1**
Non-current bond and bank debt	219	-	-	**219**
Non-current lease liabilities	259	-	-	**259**
Other non-current liabilities	114	1	-	**114**
Non-current liabilities [3]	593	1	-	**594**
Current bond and bank debt	294	-	-	**294**
Current lease liabilities	5	-	-	**5**
Other current liabilities	155	71	6	**232**
Current liabilities [3]	454	71	6	**531**
Net value of acquired assets	729	-50	131	**809**
Total acquisition cost	1 390	226	166	**1 782**
Non-cash elements of acquisition cost	-	22	59	**81**
Consideration and cost in cash and cash equivalents	1 390	204	106	**1 700**
Cash and cash equivalents in acquired companies	518	0	-	**518**
Net cash payments in connection with the acquisitions	872	204	106	**1 182**
Contribution to gross operating revenues and other income since acquisition date	32	-	1	**33**
Contribution to net profit/loss since acquisition date	-25	-	-13	**-38**

[1] Includes acquisitions of solar and battery projects in Ireland and electrical vehicle charging in UK.

[2] NOK 129 million was reclassified to Inventories in the statement of financial position as of 31 December 2020, see note 28.

[3] The presentation of liabilities has changed in line with the changes in the statement of financial position. See also note 1.

Note 6 Management of capital structure

The target for the Group's management of its capital structure is related to long-term credit rating. Statkraft AS has a long-term credit rating of A- (stable outlook) from Standard & Poor's and BBB+ (stable outlook) from Fitch Ratings. Statkraft's target is to maintain its current ratings.

The tools for long-term management of the capital structure consist primarily of the draw-down and repayment of long-term liabilities and payments of share capital from/to the owner. In addition, the Group may also adjust the level of investments to manage its capital structure. The Group endeavours to obtain external financing from various capital markets. The Group is not subject to any external requirements with regards to the management of capital structure other than those relating to the market's expectations and the owner's dividend expectations.

There were no changes in the Group's targets and guidelines governing the management of capital structure in 2021.

Overview of capital included in the management of capital structure

NOK million	Note	2021	2020
Interest-bearing liabilities, non-current [1]	33	21 493	28 297
Interest-bearing liabilities, current [1]	33	30 429	6 144
Financial investments, current	10	-661	-606
Cash and cash equivalents, excluding restricted cash	30	-36 819	-11 125
Net interest-bearing liabilities		14 439	22 710

[1] Comparable figures have been restated. See note 1.

Note 7 Market risk in the Group

RISK AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS GENERALLY

Statkraft is engaged in activities that entail risk in many areas and has a unified approach to the Group's market risks. The Group's risk management policy is based upon assuming taking the right risk based on the Group's ability and willingness to take risks, expertise, financial strength and development plans. The purpose of risk management is to identify threats and opportunities for the Group, and to manage the overall risk level to provide reasonable assurance that the Group's objectives will be met.

In Statkraft, market risk will primarily relate to prices of energy and commodities, interest rates and foreign currencies. The following section contains a more detailed description of the various types of market risk, and how these are managed.

MARKET RISK RELATED TO PRICES ON ENERGY AND COMMODITIES

Statkraft is exposed to significant market risk in relation to the generation and trading of power. Revenues from power generation are exposed to volume and power price risk. The Nordic power price is the dominant market exposure and the Nordic hydropower portfolio represents the largest part of Statkraft's asset base. The energy risk that Statkraft's Nordic hydropower portfolio faces therefore differs from other generation technologies because low price periods often coincide with high precipitation so that the effect of lower prices is partially offset by higher production volumes. On the other hand, high price periods often coincide with low production volumes due to limited precipitation. However, Statkraft has flexibility to manage its water resources with a focus on long-term value creation. This means that Statkraft can store water in periods when the expected value of the water is higher at some stage in the future than the value of producing power immediately. The company has an advanced energy management process that aims to maximise the value over time. Statkraft manages market risk in the energy markets by trading physical and financial instruments in multiple markets.

Statkraft is also exposed to energy and commodity price risk affecting its wind and solar assets under the DS/DBS business model (see note 1). Energy prices can affect the value of assets in development and commodity prices can affect the construction costs.

COVID-19 The pandemic has caused increased market risk, increased uncertainty to future power prices and some supply chain disruptions impacting our construction projects. Statkraft's management are closely monitoring the development of the pandemic and are continuously evaluating the consequences for the Group. The effect for Statkraft has so far been limited and it is not expected that the pandemic will have a significant effect on the group's operations or financial statements in the long term.

Climate risk Statkraft is directly exposed to climate change, as changes in precipitation will change the average output from hydropower plants, as well as the increased fluctuations. In addition, the transition to a low-carbon economy will entail extensive policy, legal, technology, and market changes, with a potential to have significant impact on Statkraft's revenues. More information on climate risks and how these are managed can be found in the Sustainability Report.

Risk management in energy trading in Statkraft focuses on total portfolios rather than individual contracts. Internal guidelines controlling the level of market exposure have been established for all portfolios. Responsibility for the continuous monitoring of granted mandates and frameworks is located in independent organisational units. The frameworks for trading in both financial and physical contracts are continuously monitored. The Group has trading and sales offices located in Oslo, Trondheim, Stockholm, London, Amsterdam, Düsseldorf, Istanbul, Tirana, Rio de Janeiro, San Francisco, New Delhi, Lima, Madrid, Santiago and Lyon.

A further description of the risks within the relevant line items in the profit and loss statement can be found below:

Sales revenues

Generation Statkraft has entered into bilateral physical power sales agreements with industrial customers and other customers. The most significant part is related to contracts in Norway, but there are also contracts in other countries in Europe and South America. These contracts stabilise Statkraft's revenues as they normally have fixed prices and volume, although with different durations. A substantial part of the contracted volume in Norway is settled in euro and is therefore subject to a foreign exchange risk. Some of the contracts are indexed to industry indices.

Customers This revenue category mainly consists of market access activities within the scope of IFRS 15 (see note 12). Statkraft purchases power from smaller energy generators and sells the power to power exchanges and end-customers, which includes handling volume and imbalance risk.

Gains and losses from market activities

Risk reducing activities In addition to bilateral physical contracts, Statkraft has financial risk reduction portfolios of financial contracts, normally futures, in order to hedge revenues from future generation.

Statkraft also has one Nordic and one Continental dynamic asset management portfolio, managed in Oslo and in Düsseldorf, respectively. The objective of these dynamic hedging portfolios is to reduce risk and optimise revenues. Mandates to enter into financial contracts are based on volume thresholds related to available production. The risk is quantified using simulations of various scenarios for relevant risk factors. The Nordic and Continental dynamic asset management portfolios consist of financial contracts mainly for power, CO_2, coal, and gas products. The contracts are traded on energy exchanges. In general, the time horizon for these contracts is less than five years.

Trading and origination activities In addition to risk reducing activities, Statkraft has various trading and origination portfolios that are managed independently of the Group's power generation. Statkraft has allocated risk capital to these activities. Clear guidelines have been established limiting the types of products that can be traded. The mandates are adhered to by applying specified limits for value-at-risk and profit-at-risk. Both methods calculate the maximum potential loss a portfolio can incur, with a given probability factor over a given period. The credit risk and operational risk are also quantified in relation to the allocated risk capital.

Trading activities involve buying and selling standardised and liquid products, such as power, gas, oil, CO_2 products and energy-related metals. The activities also include trading of transportation capacity across borders. The contracts in the trading portfolio have maturities ranging from zero to five years. The aim is to realise profit on changes in the market value of energy and energy-related products. The market risk in these contracts is mainly related to future commodity prices.

Note 7 continued

Origination activities include buying and selling both standard and structured products. Structured products are typically environmental certificates or power contracts with tailor made profiles entered into in different currencies. Further, Statkraft has market access activities, within the scope of IFRS 9, that enters into long term power purchase and power sales agreements with the aim to provide route to market for renewable energy producers and long-term renewable energy supply to corporate consumers. Depending of the price mechanisms in the power purchase and sales agreements Statkraft may be exposed to a price risk. The price risk is mitigated by entering into financial contracts, mainly forwards and futures, with third parties. Quoted, liquid contracts pertaining to system price, area prices and foreign currency are primarily used to reduce the risk involved in trading structured products and contracts. Most of the contracts in the portfolio have duration of up to five years, though some contracts run until 2040.

Embedded derivatives are related to long-term power sales agreements with industrial customers in Norway and other customers, where the contracts are nominated in euro and/or where the pricing is indexed to certain commodity prices. Embedded derivatives are exposed to both foreign exchange risk and commodity price risk.

FOREIGN EXCHANGE AND INTEREST RATE RISK

Statkraft is exposed to foreign exchange and interest rate risk. Statkraft uses interest rate and foreign currency derivatives in addition to debt in foreign currency to mitigate these risks. Funding, forwards and swaps in foreign currency in combination with interest rate swaps are used to achieve the desired currency and interest structure of the Group's debt portfolio.

Statkraft's methods for managing these risks are described below:

Foreign exchange risk Statkraft incurs currency risk in the form of transaction risk, mainly in connection with sale of power, investments and divestments in foreign currencies. Currency translation risk is related to shareholdings in foreign subsidiaries, joint operations and equity accounted investments.

Statkraft's settlement currency at the Nordic power exchange Nord Pool is mainly euro and the power contracts traded in the Nordic power exchange Nasdaq are denominated in euro. In addition, most of Statkraft's bilateral power sales agreements in Norway and all power purchase and sales abroad are denominated in foreign currency. The objective of Statkraft's currency hedging is to secure the values of the future cash flows in Norwegian kroner exposed to exchange risk. Hedging of foreign currency risk is primarily done by allocating appropriate volumes of currency debt to the relevant cash flows. The foreign exchange risk is subject to continuous assessment and treated in accordance with the Group Treasury strategy.

Interest rate risk Statkraft's interest rate exposure is mainly related to the Group's debt portfolio. The Group's debt portfolio includes all external interest-bearing bonds and loans, commercial papers and external interest rate derivatives in Statkraft AS and its subsidiaries.

The management of interest rate risk is based on the balance between keeping interest cost low over time and contributing to stabilise the Group's cash flows with regards to interest rate changes. The interest rate risk is monitored by having duration as measure. Statkraft shall always keep the average duration of its debt portfolio within the range of two to five years.

Compliance with the limit for currency and interest rate risk is followed up continuously by the middle office function. Responsibility for entering into and following up the various positions has been separated and is allocated to separate organisational units.

Statkraft is also exposed to interest rate risk affecting its assets under the DS/DBS business model (see note 1). Changes in interest rates affect the discounted value of assets and investors' cost of funding.

Interest rate benchmark reform It is established a project in Statkraft that follows the development and prepares for the transition from Interbank offered rates (IBORs) to alternative risk-free reference rates (RFRs). During the year changes required to systems, processes and contracts have been identified and implemented.

The transition will take place at different points in time for different reference rates. GBP LIBOR ceased at the end of 2021 and is replaced by Sterling Overnight Index Average (SONIA). One-week and two-month settings for USD LIBOR ceased at year end 2021 and the remaining settings will end 30 June 2023. USD LIBOR will be replaced by Secured Overnight Financing Rate (SOFR). The key difference between the rates is that IBORs are forward looking rates published at the beginning of a borrowing period, while RFRs are backward looking rates published each day in the borrowing period with final settlement of the rate two to five days before the end of the relevant borrowing period.

At year end Statkraft had NOK 391 million in loans to associates and joint ventures referencing GBP LIBOR, NOK 1013 million in loans to joint ventures and NOK -165 million in interest rate swaps in joint ventures referencing USD 6M LIBOR, as well as, cash balances in GBP and USD.

Statkraft's main exposure is interest rate swaps and cross-currency interest rate swaps referencing EURIBOR and NIBOR. There is no indication that EURIBOR and NIBOR will cease in the near future.

The benchmark reform is not expected to have material effects on the market value of the affected instruments. See note 11 Hedge accounting for more information about the impact of the IBOR reform on hedge accounting.

Note 8 Analysis of market risk

GENERAL INFORMATION

Statkraft is exposed to market risk within trading and origination activities, from power prices, and from currency and interest rate positions.

Trading and origination Trading and origination activities are performed under specific mandates and are allocated risk capital. Statkraft differentiates between the risk capital that is committed short-term, typically proprietary trading where the risk is measured with a Value at Risk (VaR) approach, and the risk capital that is committed long-term, typically long-term power contracts where the risk is measured with a Profit at Risk (PaR) approach. For each activity, the mandate specifies a risk limit (VaR or PaR), which is dynamically adjusted to ensure that the losses do not exceed the allocated risk capital. At the end of 2021, the diversified allocated risk capital covering market risk for trading and origination activities in Europe was EUR 298 million for short-term commitments and EUR 147 million for long-term commitments. In 2020, the corresponding amounts were EUR 69 million and EUR 79 million, respectively. Limited risk capital is also allocated to cover trading and origination activities outside Europe.

Price risk sensitivity analysis Statkraft quantifies price risk by looking at the effect of a change in the Nordic system price on Statkraft's expected Net profit. The expected change in net profit with a change of 1 EUR/MWh is estimated at NOK 237 million in 2021 and NOK 193 million in 2020, respectively (The comparable figure has been restated). Both power prices and production volume are affected by temperature and precipitation. Furthermore, changes in power prices are driven by production, consumption and transmission conditions in the power market. These relationships are not reflected in these estimates. A major part of the production outside the Nordics is hedged against price risk.

Interest rate risk sensitivity analysis The interest rate sensitivity analysis shows how changes in interest rates affect Statkraft's Net financial items (before tax) within a 12-month period given the Group's structure at year-end. For each simulation, the same shifts in interest rates are used for all currencies. The sensitivity analysis is run only for assets and liabilities that represent significant interest-bearing positions. The sensitivity has been calculated by including interest effects from cash and cash equivalents, loans to equity accounted investments, interest-bearing debt and interest rate derivatives. Since hedge accounting is applied, the effect of derivatives designed as hedging instruments is partly offset in Net financial items. With an assumption that interest rates would rise by 100 basis points, the impact on Statkraft's Net financial items would be NOK 665 million in 2021. The corresponding figure for 2020 was NOK 258 million. If interest rates fall by 100 basis points, we would have had the opposite effect of the amounts shown above.

Currency risk sensitivity analysis Statkraft is exposed to changes in the value of NOK relative to other currencies. The currency risk sensitivity has been calculated by assuming a 10% weakening of NOK relative to other currencies based on balances as of 31 December. The sensitivity analysis is run only for assets and liabilities that affect Net financial items and for the revaluation of net assets in foreign subsidiaries (currency translation effects). The calculations do not take into consideration any currency effects that affect other line items than Net financial items in the Statement of comprehensive income, such as the effect of a change in a foreign exchange rate on power prices, energy derivatives and inventories. This analysis does not consider correlation between currencies.

Specification of currency risk sensitivity [1]

NOK million	2021 Effect on Net financial items before tax	2021 Effect on Currency translation effects	2020 Effect on Net financial items before tax	2020 Effect on currency translation effects
EUR/NOK	-2 107	1 630	-3 274	1 604
GBP/NOK	-696	663	-377	582
USD/NOK	-560	1 532	-381	1 467
SEK/NOK	-305	2 115	-204	2 079
Other	6	1 222	4	1 137
Total	-3 662	7 363	-4 232	6 869

[1] The table shows the effect on Net financial items and Currency translation effects with a 10% depreciation of NOK against all other currencies. An appreciation of NOK with 10% would have had the opposite effect of the amounts shown in the table.

Specification of debt by currency [3]

NOK million	2021 Debt by currency before the effect of derivatives [1]	2021 Debt by currency adjusted for the effect of derivatives [2]	2020 Debt by currency before the effect of derivatives [1]	2020 Debt by currency adjusted for the effect of derivatives [2]
Debt in NOK [4]	7 250	401	3 231	-3 376
Debt in EUR [5]	26 796	30 391	25 443	27 117
Debt in USD	1 894	4 602	-	3 808
Debt in GBP [5]	-	-	-	547
Debt in BRL	1 506	1 506	1 043	1 043
Debt in INR	1 130	1 130	909	909
Total	38 575	38 030	30 626	30 048

[1] Includes commercial papers, bond and bank debt.

[2] Includes commercial papers, bond and bank debt, the currency effect of allocated forward exchange rate contracts and the currency effect of combined interest rate and currency swaps. Specifications of debt by currency includes effects from allocated forward exchange rate contracts and combined interest rate and currency swaps since Statkraft uses these derivatives to achieve the desired currency structure for the Group's debt portfolio.

[3] Management of foreign exchange risk and interest rate risk are presented in note 7.

[4] The negative figure in NOK reflects the effects from the use of allocated forward exchange rate contracts and combined interest rate and currency swaps.

[5] Comparable figures have been restated. NOK 1867 million of current debt has been added to debt in EUR. In addition, NOK 240 million has been moved from debt in GBP to debt in EUR.

Note 8 continued

Specification of interest by currency [3]	2021 Interest by currency before the effect of derivatives [1]	2021 Interest by currency adjusted for the effect of derivatives [2]	2020 Interest by currency before the effect of derivatives [1]	2020 Interest by currency adjusted for the effect of derivatives [2]
Nominal average interest rate NOK [4]	4.00%	n/a	4.00%	n/a
Nominal average interest rate EUR	1.80%	0.70%	1.70%	0.80%
Nominal average interest rate USD	2.83%	2.40%	n/a	2.40%
Nominal average interest rate GBP [5]	n/a	1.00%	n/a	1.40%
Nominal average interest rate BRL	6.90%	6.90%	5.20%	5.20%
Nominal average interest rate INR	6.60%	6.60%	7.90%	7.90%

[1] Includes commercial papers, bond and bank debt.

[2] Includes commercial papers, bond and bank debt, allocated forward exchange rate contracts, interest rate swaps and combined interest rate and currency swaps.

[3] Management of foreign exchange risk and interest rate risk is presented in note 7.

[4] Nominal average interest rate in NOK is not applicable to specify because the figure is negative in the table Specification of debt by currency, see above.

[5] Comparable figures have been restated. NOK 240 million has been moved from debt in GBP to debt in EUR affecting the interest in GBP before the effect of derivatives.

Note 9 Credit risk and liquidity risk

GENERAL INFORMATION ON CREDIT RISK

Credit risk is the risk that Statkraft incurs losses due to the failure of counterparties to honour their financial obligations. Statkraft is facing credit risk when entering into transactions with financial institutions, corporates and providers of clearing services. Credit risk against financial institutions arises from cash or current accounts, deposits, investment of interest-bearing securities, derivative transactions and incoming guarantees. Credit risk against providers of clearing services arises from margin requirements settled as cash payments. Statkraft also assumes credit risk when providing loans to associates and joint ventures. In addition, Statkraft assumes credit risk in connection with energy trading and physical sales contracts. Historically, Statkraft's credit losses have been limited.

Statkraft has entered into agreements under which collateral is transferred or received based on the mark-to-market value of interest rate and foreign exchange derivatives with counterparties. Collateral is transferred or received on a weekly basis. Counterparty credit risk is significantly mitigated by collateral under these agreements. Similar agreements have been established for individual counterparties for financial and physical energy contracts.

The credit risk for financial energy contracts which are settled through an energy exchange is considered to be very low. For all other bilateral energy contracts entered into, the counterparty is assigned an internal credit rating and limits are stipulated for the individual counterparty based on the internal credit rating.

Statkraft has netting agreements with several of its energy trading counterparties. In the event of default, the netting agreements give a right to a final settlement where all future contract positions are netted and settled. See note 10 for more information.

Excess liquidity is defined as Cash and cash equivalents and is managed in a conservative manner with regard to credit risk, diversification and duration. Management of excess liquidity is handled at Group level. Statkraft's excess liquidity is mainly held in NOK and invested across various short-term financial instruments such as commercial papers, time deposits and bank deposits. Credit and duration limits are stipulated for each counterparty based on credit ratings and total assets. As of 31 December 2021, approximately 23% of the Group's excess liquidity were held in time deposits, 1% in commercial papers and 76% in overnight bank deposits.

In order to reduce credit risk in connection with energy trading and physical sales contracts, bank or parent company guarantees are sometimes requested when entering into such contracts. The bank which issues the guarantee must be an internationally rated commercial bank which meets minimum rating requirements. When parent company guarantees are received, the parent company is assessed by using ordinary internal credit assessments.

The individual counterparty exposure and limit are monitored continuously and reported regularly to the CFO. An overall counterparty exposure is reported for all relevant legal entities, in addition to being consolidated at Group level and included in the Group risk management.

In accordance with the expected credit loss model, Statkraft records lifetime expected credit losses on receivables. The loss provision is based on the Group's assessment of the expected credit losses, and Statkraft does not expect to incur material losses on its receivables.

Statkraft's gross credit exposure corresponds to the recognised value of financial assets, which are found in the various notes to the statement of financial position. To the extent that relevant and significant collaterals have been provided, this is presented below.

NOK million	Note	2021	2020
Gross exposure credit risk:			
Other financial assets, non-current	27	6 468	6 338
Derivatives	10	79 736	11 816
Receivables	29	42 190	13 659
Financial investments, current		881	606
Cash and cash equivalents	30	37 162	11 155
Gross exposure credit risk		166 237	43 574
Exposure reduced by cash collateral:			
Cash collateral	33	-10 967	-1 761
Net exposure credit risk		155 270	41 813

Note 9 continued

GENERAL INFORMATION ON LIQUIDITY RISK

The Group's liquidity risk is the risk that the Group has insufficient funds to meet its payment obligations. The purpose of Statkraft's liquidity management is to always secure fulfilment of payment obligations. Statkraft has incorporated a separate target figure for short-term liquidity to ensure that Statkraft has a satisfactory level of liquidity sources, consisting of cash and cash equivalents, short-term financial investments and unused committed credit facilities.

The liquidity risk is further mitigated through liquidity forecasts and access to different borrowing sources and markets. The Group plans for an evenly distributed debt redemption profile to keep refinancing risk low.

Statkraft issues debt primarily under its EUR 6.0 billion Euro Medium Term Note Programme listed on the Irish Stock Exchange. In addition, Statkraft has a backup facility of NOK 9.2 billion supported by the Group's core banks. The backup facility is maturing in 2023.

The main cash outflows include the annual dividend payment, tax payments in addition to planned investments and margin requirements related to commodity trading and hedging and foreign exchange and interest rate hedging.

Maturity schedule, bonds, commercial papers and bank debt

NOK million	0-1 year	1–2 years	2–3 years	3–4 years	4–5 years	5 years and later
Instalments on bank debt	5 455	1 788	551	479	404	591
Instalments on bonds and commercial papers	13 487	5 070	-	5 492	-	5 259
Interest payments	632	354	186	167	86	307
Total maturity schedule 2021	19 574	7 211	737	6 137	490	6 157
Total maturity schedule 2020 [1]	4 510	9 799	5 971	362	6 059	6 171

[1] Comparable figures have been restated. Loans with maturity in 0-1 year has been increased by NOK 1887 million in current debt.

Allocation of derivatives with negative market values

The Group has a significant number of financial derivatives, which are presented as derivatives in the statement of financial position. In the table below, derivatives with negative market value are included. The non-discounted values are allocated to the time intervals based on the contractual due dates. The contractual due dates decide the maturity date and timing of the cash flow for the derivatives.

NOK million	0-1 year	1–2 years	2–3 years	3–4 years	4–5 years	5 years and later
Energy derivatives	64 398	16 519	2 325	1 337	368	888
Interest rate- and foreign currency derivatives	217	56	52	43	29	119
Total derivatives 2021	64 615	16 575	2 377	1 380	397	1 007
Total derivatives 2020	5 815	2 147	967	744	771	1 193

Note 10 Financial instruments

GENERAL INFORMATION

Financial instruments account for a significant part of Statkraft's statement of financial position and are significant for the Group's results. Most of the financial instruments can be classified into three main categories; energy trading, risk reducing and optimisation of future revenues from generation and financial activities. In addition, Statkraft has other financial instruments such as accounts receivable, accounts payable, cash, short-term financial investments and equity investments.

Financial instruments in energy trading Financial instruments are used within the trading and origination activities. The trading and origination activities are managed independently of the Group's energy generation. Their main objectives are to achieve profit from changes in the market value of energy and energy-related financial products, as well as profit from non-standard contracts. Financial instruments in energy trading mainly consist of financial and physical agreements relating to purchase and sale of power, gas, oil, coal, carbon quotas and environmental certificates.

Financial instruments in risk reducing and optimisation activities Financial instruments are also used as part of the Group's financial hedging strategy for continuous optimisation of future revenues from the expected generation from own assets. Derivatives recognised in the statement of financial position are shown as separate items and are measured at fair value with changes in value recognised in the statement of profit and loss. As the Group's future own generation of power does not qualify for recognition in the statement of financial position, the effect of changes in value on derivatives may have major effects on the profit and loss statement without necessarily reflecting the underlying business activities.

Financial instruments in financial activities Financial instruments used in financial activities primarily consist of bonds, commercial papers, loans, interest rate swaps, combined interest rate and currency swaps and forward exchange contracts. To mitigate currency and interest rate risks, Statkraft applies interest rate and foreign currency derivatives in addition to debt in foreign currency. Hedge accounting is reflected in the financial statements for selected loan arrangements where the interest rate has been changed from fixed to floating (fair value hedging). Changes in the value of financial instruments that are not a part of hedge accounting may result in volatility in the profit and loss statement without necessarily reflecting the underlying business activities.

SIGNIFICANT ACCOUNTING POLICIES

Financial instruments are recognised when Statkraft becomes a party to the contractual terms of the instrument. Financial assets and liabilities are classified based on the nature and purpose of the instruments into the categories "financial instruments at fair value through profit and loss", "financial assets at fair value through other comprehensive income" and "financial instruments at amortised cost". Initial measurement is at fair value for all categories. The content of the categories and subsequent measurement are described below.

Financial instruments measured at fair value through profit and loss

- Physical power sales contracts which are considered as readily convertible to cash and are not entered into for own use.
- Financial contracts to purchase and sell energy-related products classified as derivatives.
- Embedded derivatives are separated and treated as derivatives when the risks and characteristics of the derivative are not closely related to the host contract, and the host contract is not measured at fair value.
- Currency and interest rate derivatives.
- Long-term investments in shares, where Statkraft does not have control or significant influence, are measured at fair value through profit and loss, unless Statkraft applies the option to recognise changes in fair value through other comprehensive income.
- Other short-term financial assets held for trading.

Financial assets at fair value through other comprehensive income
Long-term investments in shares, were Statkraft does not have control or significant influence, are measured at fair value through other comprehensive income when this option is applied. The changes in fair value will not be recycled to profit and loss. Dividends are recognised in the profit and loss statement as part of Interest and other financial items.

Financial instruments at amortised cost
Asset debt instruments are classified in this category when the cash flows are solely payments of principal and interest and Statkraft intends to hold the asset to the maturity date. Liability debt instruments are classified in this category unless they are held for trading. The instruments, both assets and liabilities, are measured at amortised cost using the effective interest rate method, where the effective interest remains the same over the entire term of the instrument. Financial assets at amortised cost are adjusted for provision for impairment in accordance with the expected credit loss model. Credit losses are deducted from the carrying value and recognised in the profit and loss statement.

ACCOUNTING JUDGEMENTS

Statkraft has a significant volume of energy contracts. A characteristic with energy contracts is that they can be accounted for as financial instruments or as contracts with customers, depending on the terms and conditions.

"Own use" contracts Energy contracts that are entered into and continue to be held for the purpose of the receipt or delivery of the power in accordance with Statkraft's expected purchase, sale or usage requirements are accounted for as own use contracts. These contracts do not qualify for recognition in the statement of financial position in accordance with IFRS 9 but are accounted for as revenue from contracts with customers in accordance with IFRS 15 and energy purchase. "Own use" contracts will typically have a stable customer base e.g. bilateral industry contracts and are always settled by physical delivery.

Energy contracts that can be settled net and that are not within the own use exemption, shall be accounted for as derivatives (financial instruments). Management has applied their best judgement when determining the classification of energy contacts as financial instruments or own use contracts.

Note 10 continued

ESTIMATES AND ASSUMPTIONS

Fair value hierarchy Financial assets and financial liabilities measured and held at fair value are classified into one of three categories, known as hierarchy levels which are defined according to the inputs used to determine fair value:

Level 1: Fair value is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities.

Level 2: Fair value is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data.

Level 3: Fair value is determined using significant unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Level 3 consists of investments in energy derivatives and shares where observable data is not available or does not cover the whole contract period. Observable data (quoted futures) for energy derivatives will normally be available for two to five years ahead of time. If the duration of the contract is longer than the period where observable data exists, the entire contract is a level 3 contract. Energy contracts within the level 3 category mainly consists of physical and financial energy contracts and embedded derivatives from bilateral power sales contracts. A significant part of the embedded derivatives consists of foreign exchange derivatives. These are not affected by estimated future power prices. The discounted cash flow method is used.

Valuation of energy derivatives within level 3 is based on observable market data or estimated with reference to published quotations for the short-term where this is available. For periods where observable market data is not available, fair value is based on valuation techniques which include data that is not based on or derived from observable market data. For certain contracts, a rebate is included in fair value due to factors such as area prices, contract length, volume, quality factor or other contract specific risks. Where the calculated fair value at initial recognition differs from the transaction price, a day one gain or loss arises. Such gains and losses are deferred, not recognised, and amortised through the statement of profit and loss based on the purchased or delivered volumes over the contractual period until observable market data becomes available. Any gains and losses arising from subsequent changes in the fair value are taken directly to the profit and loss and are presented on a net basis if these are entered into for trading purposes.

Exchange traded contracts are normally discounted with a risk-free interest rate. For most bilateral contracts, a credit spread is included in the discount rate.

Valuation of investments in shares within level 3 is based on management's best knowledge of market conditions within the relevant industry. Changes in fair value of these investments are not considered to have any material effects on the Group's financial statements.

DESCRIPTION OF CONTRACTS AND ASSUMPTIONS

Energy contracts Energy exchange contracts are valued at official closing rates on the reporting date.

Cash-settled futures are normally accounted for as settled-to-market. This means that the variation margins paid or received are accounted for as recurring settlements of the derivative contract as these payments reflect the fair value of the contract. The variation margins are not viewed as separate unit of accounts in relation to the underlying derivative. Hence, the recognised value of the contracts in the Statement of financial position is zero.

For other bilateral energy contracts, the expected cash flow is stipulated based on available market closing rates at the reporting date.

Several energy contracts refer to area prices. These contracts are valued using the official closing rates on energy exchanges, where such exist. Internal models are used for area prices where official closing prices are unavailable.

Statkraft has energy contracts where the contract price is indexed against commodities such as metal, paper, gas, petroleum products and coal. These are valued using forward prices from relevant commodity exchanges and major financial institutions.

Several energy contracts have prices in different currencies. Quoted foreign exchange rates from The European Central Bank (ECB) are used in the valuation of contracts denominated in foreign currency. If there are no quotes for the entire period, then the interest parity is used to calculate exchange rates.

The market interest rate curve e.g. swap interest rate, is used as the basis for discounting derivatives. The market interest rate curve is stipulated based on the publicised swap interest rates. A credit surcharge is added to the market interest rate curve in cases where the credit risk is relevant. This applies to all external bilateral contracts classified as assets and liabilities.

Environmental certificate derivatives

- CO_2 contracts are valued based on the forward prices of European Union Allowance (EUA) quotas and Certified Emission Reduction (CER) quotas.
- Green certificate derivatives are valued at forward prices.

Currency and interest rate derivatives The fair value of interest rate swaps and combined interest rate and currency swaps is determined by discounting expected future cash flows through the use of observed market interest rates and quoted exchange rates from ECB. The valuation of forward currency exchange contracts is based on quoted exchange rates from which the forward exchange rates are extrapolated. Estimated net present value is subject to a test of reasonableness against calculations made by the counterparties.

Commercial papers and bonds held for trading are valued at listed prices.

Shares and shareholdings are valued at quoted prices when available. Other securities are valued by discounting expected future cash flows.

Note 10 continued

Fair value hierarchy

2021	Fair value measurement at period-end using:			
NOK million	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit and loss				
Energy derivatives, non-current assets	128	16 797	10 860	27 785
Energy derivatives, current assets	118	49 165	1 438	50 722
Energy derivatives, non-current liabilities	-1 429	-10 827	-9 623	-21 879
Energy derivatives, current liabilities	-998	-61 961	-1 505	-64 463
Energy derivatives, net	-2 181	-6 825	1 170	-7 836
Currency and interest rate derivatives, non-current assets	-	210	-	210
Currency and interest rate derivatives, current assets	-	1 020	-	1 020
Currency and interest rate derivatives, non-current liabilities	-	-106	-	-106
Currency and interest rate derivatives, current liabilities	-	-184	-	-184
Currency and interest rate derivatives, net	-	940	-	940
Other financial assets at fair value through profit and loss				
Shares	-	-	832	832
Financial investments, current	275	386	-	661
Other long-term receivables	-	-	309	309
Total	275	386	1 142	1 803
Financial assets at fair value through other comprehensive income				
Shares	-	-	134	134

2020	Fair value measurement at period-end using:			
NOK million	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit and loss [1]				
Energy derivatives, non-current assets	394	3 794	1 697	5 885
Energy derivatives, current assets	558	3 291	299	4 148
Energy derivatives, non-current liabilities	-190	-1 466	-5 657	-7 312
Energy derivatives, current liabilities	-652	-4 310	-477	-5 439
Energy derivatives, net	110	1 309	-4 137	-2 718
Currency and interest rate derivatives, non-current assets	-	1 522	-	1 522
Currency and interest rate derivatives, current assets	-	262	-	262
Currency and interest rate derivatives, non-current liabilities	-	-466	-	-466
Currency and interest rate derivatives, current liabilities	-	-200	-	-200
Currency and interest rate derivatives, net	-	1 117	-	1 117
Other financial assets at fair value through profit and loss				
Shares	-	-	393	393
Financial investments, current	181	424	-	606
Commercial papers and short-term bonds	-	-	335	335
Total	181	424	728	1 334
Financial assets at fair value through other comprehensive income				
Shares	-	66	94	161

Note 10 continued

Assets and liabilities measured at fair value based on Level 3

NOK million	Assets	Liabilities	Total
Opening balance 01.01.2021	2 818	-6 134	-3 316
Unrealised changes in value recognised in profit and loss	10 406	-5 389	5 017
Unrealised changes in value recognised in other comprehensive income	43	-	43
Additions or derecognitions	37	-	37
Transfers to or from Level 3	460	231	691
Currency translation effects	-190	163	-27
Closing balance 31.12.2021	13 574	-11 128	2 446
Net realised gain (+)/loss (-) recognised in profit and loss 2021			-

Opening balance 01.01.2020	2 590	-3 073	-484
Unrealised changes in value recognised in profit and loss	-108	-3 106	-3 214
Unrealised changes in value recognised in other comprehensive income	-6	-	-6
Additions or derecognitions	396	-	396
Transfers to or from Level 3	-52	5	-47
Currency translation effects	-2	40	38
Closing balance 31.12.2020	2 818	-6 134	-3 316

Net realised gain (+)/loss (-) recognised in profit and loss 2020 46

Sensitivity analysis of factors classified to Level 3

NOK million	10% reduction	10% increase
Net effect from power prices	-463	378

The effects are not symmetrical due to volume flexibility in the contracts.

Assets and liabilities recognised at amortised cost		**Amortised cost**	**Fair value [1]**	**Amortised cost**	**Fair value [1]**
NOK million	Note	2021	2021	2020	2020
Financial assets at amortised cost					
Loans to equity accounted investments, non-current	27	1 402		1 387	
Bonds and other long-term receivables	27	1 091		1 430	
Accounts receivable	29	20 669		7 344	
Cash collateral and margin calls	29	17 081		3 917	
Other receivables [2]	29	1 411		587	
Cash and cash deposits	30	36 862		11 155	
Total		78 415		25 821	
Financial liabilities at amortised cost [3]					
Bank debt (non-current)	33	-3 811	-3 860	-1 264	-1 293
Bond debt (non-current)	33	-15 821	-16 666	-25 492	-27 403
Bank debt (current)	33	-5 455	-5 455	-3 069	-3 069
Commercial papers and bond debt (current)	33	-13 497	-13 675	-800	-810
Debt to Statkraft SF	33, 34	-200		-200	
Cash collateral	33, 34	-10 967		-1 761	
Accounts payable	34	-5 918		-1 580	
Accrued interest-free liabilities	34	-13 012		-5 795	
Other	34	-2 627		-1 981	
Total		-72 297		-41 942	

[1] Fair value is not disclosed when the carrying amount is a reasonable approximation of fair value. Issued bonds and debt are classified in level 2, since the valuation is based on observable market data in the form of interest rate curves, exchange rates and credit margins.

[2] Amount differs from note 29 since prepaid expenses and indirect taxes are not included in note 10.

[3] The presentation of the figures have been restated. See note 1.

Note 10 continued

NETTING AGREEMENTS

2021

Financial assets

NOK million	Gross amount	Offseting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral received	Net value
Energy derivatives	152 720	74 213	78 507	-	10 008	68 499
Currency and interest rate derivatives	1 229	-	1 229	-	957	272
Total derivatives (current and non-current)	153 949	74 213	79 736	-	10 965	68 771
Receivables	48 038	5 848	42 190	42	-	42 148

Financial liabilities

NOK million	Gross amount	Offseting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral pledged	Net value
Energy derivatives	-160 555	-74 213	-86 342	-	-1 995	-84 347
Currency and interest rate derivatives	-290	-	-290	-	-39	-251
Total derivatives (current and non-current)	-160 844	-74 213	-86 631	-	-2 034	-84 597
Other current liabilities	-41 916	-5 848	-36 068	-42	-	-36 026

2020

Financial assets

NOK million	Gross amount	Offseting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral received	Net value
Energy derivatives	20 181	10 148	10 033	-	515	9 518
Currency and interest rate derivatives	1 783	-	1 783	-	1 246	537
Total derivatives (current and non-current)	21 964	10 148	11 816	-	1 761	10 055
Receivables	19 654	5 995	13 659	26	-	13 633

Financial liabilities

NOK million	Gross amount	Offseting amount	Booked amount	Netting agreements not offset in balance sheet	Financial collateral pledged [1]	Net value
Energy derivatives	-22 899	-10 148	-12 751	-	-186	-12 565
Currency and interest rate derivatives	-666	-	-666	-	-125	-541
Total derivatives (current and non-current)	-23 565	-10 148	-13 417	-	-311	-13 106
Other current liabilities	-16 110	-5 995	-12 120	-26	-	-12 094

[1] Financial collateral pledged have been restated, where initial margin has been removed to reflect that the value of underlying derivative is netted against associated variation margin in the Statement of financial position.

The tables show a reconciliation of gross amounts, booked amounts and net value (net exposure) of financial instruments where there are netting agreements or similar agreements.

A financial asset and a financial liability are presented net in the statement of financial position when Statkraft has a legally enforceable right to offset the asset and the liability and intends to settle on a net basis or realise the asset and the liability simultaneously.

For energy derivatives, futures and spot transactions, Statkraft has agreements with counterparties based on various types of master agreements setting the standard terms and conditions between the two parties. In general, the master netting agreements permit netting of payments and involve offsetting cash flows between the two parties when certain conditions are met, such as same currency and maturity.

The master agreements further serve to mitigate exposure to credit loss by allowing offsetting when an agreement is terminated, provided that such offsetting is permitted within the jurisdiction of the counterparty.

Termination can occur for instance if one of the parties is bankrupt or has defaulted on the agreement. Such close-out netting does not in itself meet the criteria of offsetting in the statement of the financial position.

Currency and interest rate derivatives are booked net for each contract in the statement of financial position.

Financial collateral is typically cash collateral and margin payments to/from counterparty, usually a bank or a clearing house. Financial collateral can also be cash set a side on a restricted bank account to cover forthcoming interest payments and instalments on a loan.

In the tables, the energy, currency and interest rate derivatives are separated in assets and liabilities. Cash collaterals received or pledged are booked net per counterpart and presented as current assets/liabilities, regardless of the maturity of the corresponding derivative. The derivatives, both current and non-current, are therefore presented on the same line item in the table above.

Note 11 Hedge accounting

GENERAL INFORMATION

Statkraft is exposed to foreign exchange and interest rate risks and uses financial instruments to mitigate these risks. For information on how Statkraft manages interest rate and foreign exchange risks, see note 7. Statkraft often manages the risk on a net basis, where few of the hedging relationships fulfil the requirement for hedge accounting. The main objective of the hedge accounting strategy is to reduce the volatility in the profit and loss statement.

Fair value hedging Two loan arrangements are treated as fair value hedges. Issued bonds have been designated as hedged items in the hedging relationships, and the associated interest rate swaps have been designated as hedging instruments. The hedged items are fixed-interest rate bonds with a total nominal value of EUR 750 million. The hedging instruments are interest rate swaps with a nominal value of EUR 750 million, entered into with major banks as the counterparties. The agreements swap interest rate from fixed to floating 3-month EURIBOR. The objective of the economic hedging arrangements is to hedge the exposure to changes in the fair value of the borrowings, which are issued at a fixed rate. Only the interest rate component, determined as the interbank swap interest rate, is hedged.

The hedge ratio is 1:1 as the critical terms of the hedged items and the hedging instruments are deemed to be approximately the same. The fair value hedges are expected to be highly effective and there was no significant impact on the statement of profit and loss resulting from hedge ineffectiveness during the year. Hedge ineffectiveness may arise if the terms of the hedged item and the hedging instrument are not fully aligned.

SIGNIFICANT ACCOUNTING POLICIES

Financial instruments designated as hedging instruments Financial instruments that are designated as hedging instruments or hedged items in hedge accounting are identified based on the intention with entering into a financial instrument. In a fair value hedge the value change will meet the corresponding change in value of the hedged item and presented in the same line item in the profit and loss and statement of financial position.

The value changes from hedges of net investments in foreign operations have been recognised in other comprehensive income. Gains and losses resulting from changes in exchange rates on debt entered into to hedge net investments in a foreign entity are recognised directly in other comprehensive income and recycled to profit and loss upon disposal of the foreign entity.

The ineffectiveness from the hedges is recognised in profit and loss.

The hedging relationships are expected to remain effective at a future transition from EURIBOR to an alternative risk-free reference rate. The uncertainty related to the transition is limited, since the hedged items have fixed interest. Any accounting effects at transition are expected to be insignificant.

Hedging instruments

	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument [1]		Line item in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness during the period
NOK million		Assets	Liabilities		
2021					
Fair value hedges					
Interest rate risk:					
Interest rate swaps	MEUR 750	-	143	Derivatives	-150
2020					
Fair value hedges					
Interest rate risk:					
Interest rate swaps	MEUR 750	-	293	Derivatives	26

[1] Accrued interest is not a part of the carrying amount.

Hedging instruments - timing profile

NOK million	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years and later
2021						
Fair value hedges						
Interest rate risk:						
Interest rate swaps	-	MEUR 500	-	MEUR 250	-	-
2020						
Fair value hedges						
Interest rate risk:						
Interest rate swaps	-	-	MEUR 500	-	MEUR 250	-

Note 11 continued

Hedged items

NOK million	Nominal amount of the hedged item	Carrying amount of the hedged item[1]		Accumulated amount of fair value hedge adjustment on the hedged item, included in the carrying amount of the hedged item[1]		Line item in the statement of financial position in which the hedged item is included	Changes in fair value used for calculating hedge ineffectiveness for the period
		Assets	Liabilities	Assets	Liabilities		
2021							
Fair value hedges							
Interest rate risk:							
Fixed rate borrowing	MEUR 750	-	-7 619	-	-143	Bond and bank debt	148
2020							
Fair value hedges							
Interest rate risk:							
Fixed rate borrowing	MEUR 750	-	-8 119	-	-291	Bond and bank debt	-24

[1] Accrued interest is not a part of the carrying amount.

Hedging effectiveness

NOK million	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Line item in profit and loss (that includes hedge ineffectiveness)
2021			
Fair value hedges			
Interest rate risk:			
Fixed rate borrowing	-	-2	Interest and other financial items
2020			
Fair value hedges			
Interest rate risk			
Fixed rate borrowing	-	1	Interest and other financial items

Hedging reserves

NOK million	Foreign exchange risk
2021	
Net investment hedge reserve	
Balance as of 01.01	-321
Hedging gain or loss	-
Balance as of 31.12	-321
2020	
Net investment hedge reserve	
Balance as of 01.01	-321
Hedging gain or loss	-
Balance as of 31.12	-321

Note 12 Sales revenues and energy purchase

GENERAL INFORMATION

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

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

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

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

Other mainly consists of:

- Revenues related to DS/DBS business model in Europe. See note 1.
- A subsea interconnector between Sweden and Germany.
- Rental of power plants in Norway.
- Grid activities in Norway and Peru.
- EV charging activities in Europe.

The revenues from District heating activities have been reclassified from the Generation category and are presented as a separate category in the following tables. In addition, some costs related to EV charging businesses have been reclassified from the financial statement line item Other operating expenses to Energy purchase and sub-category Other. Comparable figures have been restated. See note 1.

SIGNIFICANT ACCOUNTING POLICIES

The main principle under IFRS 15 is to recognise revenue at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Generation and District heating

The revenues from Generation and District heating bear the characteristic of delivering power or district heating at a certain price. The performance obligation is to deliver a series of disfinct goods (power or district heating) and the transaction price is the consideration Statkraft expects to receive, at either spot price, regulated price or contract price. The performance obligation is satisfied over time which entails that revenue should be recognised for each unit delivered at the transaction price. Statkraft applies a practical expedient under IFRS 15 whereby the revenue from power for most of the contracts is recognised at the amount of which the entity has a right to invoice. The right to invoice power arises when power is produced and delivered and the right to invoice the consideration will normally correspond directly with the value to the customer.

In arrangements where Statkraft sells power on an exchange (e.g. Nord Pool), the exchange is determined to be the customer. This is the enforceable contracts Statkraft has with the exchanges.

In certain jurisdictions, Statkraft is required by law to cede a share of the power generation to counties and municipalities where the power is generated. Statkraft has concluded that income from delivery of concessionary power does not arise from a contract with a customer under IFRS 15. However, Statkraft applies the principles and policies in IFRS 15 by analogy and presents income from sale of concessionary power as revenues.

Government grants are conditional to own generation of power from certain technologies. The right to receive the grants are obtained at the time of generation, and at the point of generation there is a reasonable assurance that Statkraft complies with the conditions related to the government grants and that the grants will be received. The grants are closely connected to the generation and the income is therefore presented as sales revenues and revenue category generation. The recognised amount from government grants was NOK 322 million for 2021 (NOK 368 million in 2020).

For power sales contracts where Statkraft receives a fixed prepayment and where the delivery profile is not agreed, revenues are recognised on a straight-line basis over the contract period (years). Within the respective years, the revenues are recognised based on the expected production profile for the relevant power plants. See note 33.

Customers

This category includes sales revenues and energy purchase from market access activities which are in accordance with IFRS 15 (own use exemption). Other market access activities which are in accordance with IFRS 9 are presented net in the line item "Gains and losses from market activities" in the statement of profit and loss.

When other parties are involved in providing goods or services to Statkraft's customers, Statkraft has to determine whether its performance obligation is to provide the good or service itself (i.e. Statkraft is a principal) or to arrange for those goods or services to be provided by another party (i.e. Statkraft is an agent). In assessing whether Statkraft is agent or principal, Statkraft considers its contractual rights to direct the use of the electricity, balancing risk, discretion prices of the deliveries and whether Statkraft acts as the primary obligor of the deliveries. If Statkraft is a principal, the remuneration received from the customer is presented gross as sales revenues. The corresponding energy purchase is presented gross on a separate line item in the profit and loss statement. If Statkraft is an agent, the compensation for the service delivered is presented net as sales revenues.

Statkraft sells power to end-users (power consumers) in the UK. The contracts are considered as "own use" contracts and within scope of IFRS 15. Statkraft applies the same principles for end-user deliveries as for generation described above.

Note 12 continued

Other

Revenues from grid activities have the same characteristics as those described under Generation. Statkraft applies a practical expedient under IFRS 15 whereby the revenues from transportation of power is recognised at the amount to which the entity has a right to invoice.

The Group receives monetary contributions from customers in different jurisdictions in aid of construction of infrastructure connecting the customers to the grid for electricity or to district heating. Contributions to infrastructure assets represent payments which are to be evaluated together with pricing of future deliveries by Statkraft to the customer (one performance obligation) and revenue is therefore recognised over time. Statkraft has considered that it is appropriate to recognise these revenues over the expected useful life of the infrastructure assets.

Revenues related to DS/DBS business model in Europe (see note1):

Engineering, procurement and construction (EPC) For some projects, Statkraft will construct a power plant subsequent of divesting it to a third party. An EPC contract contains a single performance obligation satisfied over time and the revenues will be recognised by measuring the progress towards completion. The revenues and costs from the EPC contracts are presented gross. These revenues are presented as Sales revenues.

Asset management, operation and maintenance For some of the divested power plants, Statkraft will deliver asset management, operation and maintenance services to the asset owner. Revenues are generally recognised over time but will depend on the facts and circumstances of the contract. Revenues from these services are presented as Sales revenues.

Power generation before divestment If the construction of a power plant in the DS/DBS business model is completed before divestment, the power plants will generate power and these revenues are presented as Sales revenues.

Note 12 Continued

Specification per revenue category

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
2021									
Generation - sales revenues	43 412	34 113	13	3 058	1 357	-	5 029	-	-158
Generation - energy purchase	-3 335	-2 912	-1	-568	-1	-	-	-	146
Generation - net	40 076	31 201	12	2 490	1 357	-	5 029	-	-12
District heating - sales revenues	1 154	-	-	-	-	1 031	128	-	-5
District heating - energy purchase	-380	-	-	-	-	-330	-56	-	6
District heating - net	774	-	-	-	-	701	73	-	-
Customers - sales revenues	34 062	-	35 227	-	1	-	167	-	-1 332
Customers - energy purchase	-33 536	-1	-34 702	-	-	-	-163	-	1 331
Customers - net	527	-1	525	-	1	-	4	-	-1
Other - sales revenues	6 028	3 274	38	264	921	2	1 184	351	-8
Other - energy purchase	-2 717	-1 832	-23	-205	-435	-	-	-249	26
Other - net	3 311	1 442	16	60	485	2	1 184	102	19
Sales revenues - total	84 656	37 387	35 278	3 322	2 279	1 033	6 509	351	-1 503
Energy purchase - total	-39 953	-4 744	-34 726	-773	-436	-330	-219	-250	1 509
Sales revenues adjusted for energy purchase	44 703	32 642	553	2 550	1 843	704	6 290	101	6
2020									
Generation - sales revenues [1]	**16 367**	12 508	27	2 582	607	-	735	-	-92
Generation - energy purchase [1]	**-1 759**	-1 554	-6	-251	-	-	-	-	52
Generation - net	**14 607**	10 954	21	2 331	607	-	735	-	-41
District heating - sales revenues [1]	**773**	-	-	-	-	681	92	-	-
District heating - energy purchase [1]	**-237**	-	-	-	-	-199	-38	-	-
District heating - net	**536**	-	-	-	-	482	54	-	-
Customers - sales revenues	**13 579**	-	13 985	46	-	-	4	-1	-455
Customers - energy purchase	**-13 175**	-	-13 632	-	-	-	-	-	457
Customers - net	**404**	-	353	46	-	-	4	-1	3
Other - sales revenues	**3 156**	1 543	117	258	39	-	1 164	194	-159
Other - energy purchase [1]	**-1 073**	-636	-37	-216	-31	-	-	-204	51
Other - net	**2 083**	907	80	42	8	-	1 164	-9	-108
Sales revenues - total	**33 875**	14 051	14 130	2 886	646	681	1 995	193	-706
Energy purchase - total	**-16 244**	-2 190	-13 675	-468	-31	-199	-38	-204	560
Sales revenues adjusted for energy purchase	**17 631**	11 862	454	2 418	615	482	1 957	-11	-146

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

Specification per geographical area

External sales revenues are allocated based on the geographical origin of generating assets or activities.

Geographical areas

NOK million	Statkraft AS Group	Norway	Germany	Sweden	UK	Albania	Brazil	Peru	Other
2021									
Sales revenues external	84 656	42 483	22 211	6 357	7 207	766	757	1 201	3 674
Generation	43 412	32 658	4 160	3 451	196	766	757	927	498
District heating	1 154	1 004	-	150	-	-	-	-	-
Customers	34 062	6 910	17 956	-	6 913	-	-	-	2 284
Other	6 028	1 911	95	2 757	98	-	-	275	892
2020									
Sales revenues external	**33 875**	14 520	10 099	2 304	3 325	101	817	1 093	1 616
Generation	**16 367**	9 397	2 760	1 365	211	101	817	856	860
District heating	**773**	648	-	125	-	-	-	-	-
Customers	**13 579**	2 654	7 099	-	3 115	-	-	-	712
Other	**3 156**	1 822	239	814	-	-	-	237	44

Note 12 Continued

Further specification of sales revenues for revenue category **Generation:**

Generation - sales revenues

NOK million	2021	2020
Spot sales	37 681	7 988
Long-term contracts	4 990	7 609
Concessionary power	418	402
Environmental certificates	322	368
Generation - sales revenues	43 412	**16 367**

The **District heating** category includes district heating deliveries and waste handling in Norway and Sweden.

The **Customers** category mainly relates to market access activities in Europe. Statkraft offers market access services to small producers of renewable energy. These services include wind forecasting, nomination, balancing, settlement and necessary IT systems in order to market the power. The main objective is to achieve low imbalance costs. The market access business is a low margin activity combined with large scale, where the power is sold through the power exchanges. The most significant revenues are in Germany, UK and Norway, see specification per geographical area on previous page. In addition there are revenues from end-user activities in UK, which are related to the supply of zero carbon, 100% renewable electricity to British businesses, along with optimisation of flexible assets (such as batteries, fridges or air conditioning) owned by the customers.

Further specification of sales revenues for revenue category **Customers:**

Customers - sales revenues

NOK million	2021	2020
Market access	29 733	10 874
End-user	4 330	2 705
Customers - sales revenues	34 062	**13 579**

Further specification of sales revenues for revenue category **Other:**

Other - sales revenues

NOK million	2021	2020
Distribution grid	1 449	1 422
Subsea cable	2 899	997
Revenues related to DS/DBS business model in Europe	904	29
Rental of power plants [1]	596	303
EV charging	313	115
Miscellaneous	76	290
Other - sales revenues	6 029	**3 156**

[1] Revenues from power plants that are leased to third parties are presented as sales revenues, while expenses related to the operation of the power plants are recognised under operating expenses.

Note 13 Gains/losses from market activities

GENERAL INFORMATION

Risk reducing activities consist of financial power contracts that mitigate price risk related to power generation in the segments European flexible generation and International power. The activities also include the dynamic asset management portfolios in the segment Market operations.

Trading and origination activities

Trading activities include buying and selling standardised and liquid products, such as power, oil and gas contracts.

Origination activities include buying and selling both standardised and structured energy-related products and services. It also includes market access activities which are in accordance with IFRS 9.

Embedded derivatives are related to long-term power sales agreements with industrial customers in Norway, where the contracts are nominated in euro and/or where the pricing is linked to certain commodity prices.

For more information on the categories above, see note 7.

SIGNIFICANT ACCOUNTING POLICIES

Derivatives Risk reducing derivatives and most of the contracts within trading and origination are recognised at fair value through profit and loss (see note 10). The gains and losses consist of both realised and unrealised items and are presented net.

Embedded derivatives The foreign exchange exposure Statkraft takes on by nominating power sale contracts with Norwegian industrial customers in euro is considered to be an embedded derivative. In addition, some of these contracts are linked to the development of commodity prices. These derivatives are separated from its host contract and recognised at fair value in the statement of financial position. See note 10.

Gains/losses from market activities

NOK million	2021	2020
Risk reducing activities [1)]	-7 529	2 057
Trading and origination activities	2 013	3 010
Embedded derivatives in energy contracts	2 280	-1 109
Total	-3 236	3 958

[1)] Includes dynamic asset management portfolios of NOK -5429 million in the segment Market operations.

Note 14 Other operating income

GENERAL INFORMATION

Other operating income includes gains from disposals of property, plant and equipment and insurance settlements. It also includes gains from divestment of shares, including sale of shares within the Development-Sell (DS)/Development-Build-Sell (DBS) business model.

SIGNIFICANT ACCOUNTING POLICIES

Divestments of SPVs related to the DS/DBS model are treated as loss of control in a subsidiary in accordance with IFRS 10 Consolidated Financial Statements (see note 1). A gain or loss is recognised in the profit and loss statement as either Other operating income or Other operating expenses (see note 19).

Other operating income

NOK million	Note	2021	2020
Gains from divestments of business activities	5	822	119
Gains from sale of shares in SPVs related to DS/DBS model	5	110	-
Miscellaneous other operating income [1)]		624	566
Total		1 556	685

[1)] Includes recognition related to extended concessions in Brazil.

Note 15 Impairments/reversal of impairments

SIGNIFICANT ACCOUNTING POLICIES

Property, plant, equipment and intangible assets are reviewed for impairment at the end of every quarter. When there are indicators that future earnings cannot justify the carrying value, the recoverable amount is calculated to consider whether an allowance for impairment must be made. The recoverable amount is the higher of the asset's fair value less costs of disposal (FVLCOD) and its value in use (VIU). Intangible assets with indefinite useful life are not amortised but are considered for impairment once every year and when there are circumstances or indicators implying that an impairment test should be performed. Previously impaired non-financial assets, except goodwill, are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of assessing impairments, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units (CGUs)). CGUs in Statkraft are identified as follows:

Hydropower Power plants sharing the same water flow and/or being subject to the same infrastructure limitations are managed together to optimise power generation.

Wind farms The individual wind farm.

Gas-fired power plants A gas-fired power plant normally constitutes a CGU unless two or more plants are controlled and optimised together so that revenues are not independent of each other.

District heating Each plant together with associated infrastructure including distribution networks.

Biomass power plants The individual biomass power plant.

Goodwill Segment is the lowest CGU level used when testing goodwill for impairment.

Equity accounted investments are tested for impairment when there are indicators of possible impairment. An impairment loss is recognised if the recoverable amount, estimated as the higher of fair value less cost to sell or value in use, is below the carrying value and a reversal of impairment is recognised in the opposite case. Impairments in equity accounted investments are presented as a part of share of profit/loss in equity accounted investments in the profit and loss statement.

ACCOUNTING JUDGEMENTS

Indicator assessment In accordance with the ordinary reporting procedures, impairment of the carrying value of an asset is reviewed on a quarterly basis. Indicators that might give rise to an impairment loss are analysed and discussed by the segments and the Group's specialists. If indicators are identified, calculations will be made and if the carrying value is higher than the recoverable amount, an impairment loss is recognised in the financial statement. Analogue procedures are performed regarding reversal of earlier impairment. The Audit committee is informed of any impairment issues on a quarterly basis.

Special attention is given to assets where one or more of the following situations are present:

- The difference between carrying value and recoverable amount is marginal.
- Regulatory environment is unclear, or project execution is uncertain.
- Structural changes in market conditions that lead to changes in the expected long-term power prices.
- Impairment loss has been assessed in earlier periods.

ESTIMATES AND ASSUMPTIONS

Value in use is calculated as future expected cash flows discounted by using a required rate of return equal to the market's required rate of return for corresponding assets in the same industry. The operating expenses are derived from the current year's expenses and next year's budget. Restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance in the CGU being tested, are not included. Expected maintenance investments are included for commissioned power plants. Provision for decommissioning is not usually included in the value in use calculation.

When determining the value in use for property, plant and equipment under construction, remaining investments approved by Statkraft's management are included.

Assumptions applied when assessing value in use The recoverable amount is sensitive to the long-term price forecast for power, expected production volumes and the discount rate.

Power prices:

- For the short-term period, typically the first 3-5 years, observable market prices are applied as a basis for estimating future revenues.
- For the long-term period, typically 6-10 years subsequent of the balance sheet date, estimated revenues are based on Statkraft's long-term price forecast for power, as described in note 2.
- For the period between short-term and long-term period the prices are interpolated.

Production volumes The production volume used in the discounted cash flow analyses is the long-term expected production volume for any given site, taking into account all expected technical, hydrological and wake losses. The volume estimate is a combination of information from turbine suppliers, third-party consultants and Statkraft's internal estimates.

Note 15 continued

Discount rate The discount rate applied when calculating value in use is based on a discount rate after tax and with differentiation between generation technologies and countries in Europe. Estimated future cash flows are discounted using a nominal post-tax discount rate which is based on Statkraft's post-tax weighted average cost of capital (WACC). The use of post-tax discount rates in determining value in use will not significantly affect the amount of impairment/reversal of impairment compared with applying a pre-tax discount rate.

Assumptions applied when assessing fair value less cost to sell A fair value less cost to sell approach is applied for assets operating in a market where observable transactions for comparable assets exist. This is applied for certain onshore wind assets in Europe, where the fair value of the CGUs is derived from comparable onshore wind transactions. The valuation model applied is based on observable market prices.

Impairments/reversal of impairments recognised in the profit and loss statement

NOK million	2021	2020
Impairment of property, plant, equipment and intangible assets	83	3 203
Reversal of impairments on property, plant and equipment and intangible assets	-3 486	-1 824
Total impairments/reversal of impairments in consolidated business	-3 403	1 379
Equity accounted investments	-393	627
Total impairments/reversal of impairments	-3 796	2 006

IMPAIRMENTS/REVERSAL OF IMPAIRMENTS IN 2021

Intangible assets, property, plant and equipment:

Gas-fired power in Germany A net impairment reversal of NOK 1020 million related to gas-fired power plants in Germany was recognised in the statement of profit and loss under the segment European flexible generation. The reversal is explained by improved outlook for future gas to power margin (spark spread).

Wind power in Norway A net impairment reversal of NOK 1187 million related to wind assets in Norway was recognised in the statement of profit and loss under the segment European wind and Solar. The reversal is explained by expected higher future power prices in Norway.

Wind power in Sweden A net impairment reversal of NOK 1279 million related to wind assets in Sweden was recognised in the statement of profit and loss under the segment European wind and Solar. The reversal is explained by expected higher future power prices for price area SE2.

Hydropower in Brazil An impairment of NOK 48 million related to hydropower plants in Brazil was recognised in the statement of profit and loss under the segment International power.

Equity accounted investments:

Hydropower in Asia A net impairment reversal of NOK 617 million related to two hydropower plants was recognised in the statement of profit and loss. The reversal is due to expected higher power prices in future years. The reversal is presented as share of profit/loss in equity accounted investments under the segment International power.

Furthermore, an impairment of NOK 224 million was recognised in the statement of profit and loss. The impairment was a result of an uncertain outcome of negotiations related to future revenues and operations of a hydropower plant. The impairment is presented as share of profit/loss in equity accounted investments under the segment International power.

Estimated recoverable amounts are particularly sensitive to changes in cost of capital and future power prices or other relevant prices, such as spark spread for gas-fired power plants. See below.

NOK million

Segment	European wind and solar		European flexible generation		Total consolidated business
Geography	Sweden	Norway	Germany	Other [1]	
Technology	Wind	Wind	Gas-fired	Other [1]	
Recoverable amount relevant assets/CGUs	2 828	5 051	6 243		
Recoverable amount applied	VIU	VIU	VIU		
Impairments/reversal of impairments (-)	-1 279	-1 187	-1 020	83	**-3 403**
Discount rate after tax %	5.7	5.7	6.1		
Discount rate before tax %	7.2	7.3	8.8		
Sensitivity analysis:					
Power prices / spark spread +10%	479	801	839		
Power prices / spark spread -10%	-479	-804	-859		
Discount rate -1%-point	300	617	330		
Discount rate +1%-point	-263	-529	-320		

[1] Mainly related to hydropower in Brazil and techinical goodwill from previous acquisitions in Brazil and Sweden.

Note 15 continued

IMPAIRMENTS/REVERSAL OF IMPAIRMENTS IN 2020

Intangible assets, property, plant and equipment:

Wind power in the Nordics Expected lower power prices in the coming years in the Nordic area are considered to lead to reduced revenues for wind assets in Norway and Sweden. As a result, impairments amounting to NOK 1279 million and NOK 1847 million, respectively, have been recognised.

Gas-fired power plants in Germany Improved outlook for future gas to power margin (spark spread) has led to a reversal of previous impairment of gas-fired power plants of NOK 1559 million.

Hydropower in Peru A reversal of previous impairment of NOK 116 million was recognised related to a hydropower asset, mainly as a result of increased long-term price expectations.

Biomass power in Germany A reversal of previous impairment of NOK 110 million was recognised related to biomass assets, mainly as a result of expected improved market conditions.

Hydropower in Germany A reversal of previous impairment of NOK 39 million was recognised related to a pumped-storage asset, mainly as a result of expected improved market conditions.

Equity accounted investments:

Hydropower in Chile An impairment of NOK 627 million presented as share of profit/loss in equity accounted investments was recognised in two joint ventures, mainly as a result of an expected reduction in future generation.

Estimated recoverable amounts are particularly sensitive to changes in cost of capital and future power prices or other relevant prices, such as spark spread for gas-fired power plants, see below.

NOK million

Segment	European wind and solar		European flexible generation			International power		Total consolidated business
Geography	Sweden	Norway	Germany	Germany	Germany	Peru	Other [1]	
Technology	Wind	Wind	Gas-fired	Hydro	Biomass	Hydro	Other [1]	
Recoverable amount relevant assets/CGUs	1 731	2 941	3 748			6 460		
Recoverable amount applied	VIU	VIU	VIU	VIU	VIU	VIU		
Impairments/reversal of impairments (-)	1 847	1 279	-1 559	-39	-110	-116	77	**1 379**
Discount rate after tax %	5.9	5.9	5.9					
Discount rate before tax %	7.6	7.6	8.4					
Sensitivity analysis:								
Power prices / spark spread +10%	299	525	592					
Power prices / spark spread -10%	-300	-525	-603					
Discount rate -1%-point	177	143	335					
Discount rate +1%-point	-154	-121	-300					

[1] Mainly related to a tunnel collapse in Brazil, in addition to technical goodwill from previous acquisitions in Brazil and Sweden.

Note 16 Salaries and number of full-time equivalents

NOK million	2021	2020
Salaries	3 339	3 000
Employers' national insurance contribution	584	512
Pension costs [1]	443	400
Other benefits	920	715
Total	5 286	4 627

[1] Pension costs are described in further detail in note 17.

	2021	2020
Average number of full-time equivalents Group	4 230	3 764
Number of full-time equivalents as of 31.12.	4 385	4 074

Note 17 Pensions

GENERAL INFORMATION

Statkraft's pension benefit schemes have been established in accordance with local statutes and cover both defined contribution schemes and defined benefit schemes.

Defined contribution schemes A defined contribution scheme is a retirement benefit scheme where the Group pays fixed contributions to a separate entity without incurring further obligations once the payment has been made. The main contribution scheme in the Group is described in more detail below.

Defined contribution scheme in Norway Statkraft's pension scheme for new employees in Norway is a defined contribution scheme. The contributions are 6% of the pensionable salary up to 7.1 of the National Insurance Scheme's basic amount (G), and 18% of the pensionable salary between 7.1G and 12G. In addition to retirement pensions, the contribution schemes also entail risk coverage and private early retirement pension (AFP).

Defined benefit schemes Defined benefit schemes are post-employment benefit plans other than defined contribution plans. These plans create obligations to provide agreed benefits to current and past employees and effectively places actuarial risk on the Group. The main defined benefit schemes in the Group are closed and are described in more detail below.

Funded defined benefit scheme in the National Pension Fund (SPK) and Skagerak Energi Pension Fund (SEPK) in Norway The schemes cover retirement, disability and survivor pensions. The schemes also offer early retirement from the age of 62 under the Norwegian early retirement pension scheme. Employees in the schemes participate in public service occupational pension schemes in accordance with the Norwegian Public Service Pension Fund Act, the Norwegian Public Pension Service Pension Fund Transfer Agreement and the regulatory framework governing public service pensions.

The retirement benefit for employees born before 1963 is set as a percentage of the employee's salary. At maximum accrual, the retirement schemes provide pension benefits amounting to 66% of pensionable salary, up to 12G. The scheme benefits are coordinated with the benefits provided by the Norwegian National Insurance Scheme. From 1 January 2020 employees born in 1963 or later earn retirement benefits as a supplement to pensions in the National Insurance System.

Companies in Norway with schemes in the SPK pay an annual premium and are responsible for the financing of the scheme. Pension benefits from the SPK are guaranteed by the Norwegian state. The SPK scheme is not asset-based, but management of the pension fund assets is simulated as though the assets were invested in government bonds with 1, 3, 5 or 10-year duration, in addition to a small share in the Government Pension Fund Global. The pension benefit scheme in SPK was closed for new employees 1 January 2014.

Companies in Norway with schemes in the SEPK pay an annual premium and are responsible for financing the scheme. Pension assets are placed in a diversified portfolio of Norwegian and foreign interest-bearing securities, Norwegian and foreign shares, secured loans to members, hedge funds and properties through external asset managers. The pension benefit scheme in SEPK was closed for new employees 1 January 2016.

Unfunded defined benefit schemes in Norway Some Group companies in Norway have entered into an additional pension agreement that provides all employees whose pensionable incomes exceed 12G with a retirement and disability pension equivalent to 66% of that portion of their pensionable income exceeding 12G. This agreement was closed for new employees 30 April 2012.

SIGNIFICANT ACCOUNTING POLICIES

The liability recognised in the balance sheet which relates to the defined benefit scheme is the present value of the future retirement benefits that are reduced by the fair value of the plan assets. Net pension fund assets for overfunded schemes are classified as non-current assets and recognised in the balance sheet at fair value. Net retirement benefit liabilities for underfunded schemes and non-funded schemes that are covered by operations are classified as non-current liabilities.

The pension costs for the period are included under salaries and other payroll costs. The pension costs related to defined benefit schemes comprise the total of the retirement benefits accrued during the period, the interest on the estimated liability and the projected yield on pension fund assets. Gains and losses attributable to changes in actuarial assumptions or base data are recognised in other comprehensive income.

ESTIMATES AND ASSUMPTIONS

The calculation of pension liabilities involves the use of judgement and estimates across a range of parameters. Present value of accrued pension entitlements for defined benefit schemes and present value of accrued pension entitlements for the year are calculated using the accrued benefits method. Net pension liabilities in the balance sheet are adjusted for expected future salary increases until retirement age. Calculations are based on staff numbers and salary data at the end of the year.

The discount rate The discount rate is based on high-quality corporate bonds (covered bonds - OMF). Statkraft is of the opinion that the market for covered bonds represents a deep and liquid market with relevant durations that qualify as a reference interest rate in accordance with IAS 19.

Actuarial gains/losses Actuarial losses recognised in other comprehensive income in 2021 are mainly due to increase in the assumption for salary adjustment and increase in the assumption for adjustment of the National Insurance Scheme's basic amount (G).

The following assumptions are used [1]	31.12.2021	31.12.2020
Discount rate and expected return	1.90%	1.70%
Salary adjustment	2.75%	2.25%
Adjustment of current pensions in public schemes	1.75%	1.25%
Adjustment of the National Insurance Scheme's basic amount (G)	2.50%	2.00%
Demographic factors for mortality and disability	K2013/IR73	K2013/IR73

[1] The assumptions apply for Norwegian entities. Defined benefit schemes outside of Norway are not material for the Group.

Note 17 continued

Members of defined benefit schemes	2021	2020
Employees	1 345	1 420
Pensioners and people with deferred entitlements	2 891	2 837

Breakdown of net defined benefit pension liability

NOK million	2021	2020
Present value of accrued pension entitlements for funded defined benefit schemes	8 715	7 914
Fair value of pension assets	7 224	6 677
Net pension liability for funded defined benefit schemes	1 491	1 237
Present value of accrued pension entitlements for unfunded defined benefit schemes	1 003	913
Employers' national insurance contribution	448	369
Net pension liabilities in the balance sheet	2 942	2 519
Of which net pension assets - see note 27	950	838
Of which net pension liabilities	3 892	3 357

Movement in defined benefit pension liability

NOK million	2021	2020
Defined gross benefit pension liabilities 01.01	8 827	7 744
Net change in liabilities due to additions/disposals	-	-13
Present value of accrued pension entitlements for the year	208	208
Interest expenses	128	157
Scheme changes	-	-2
Actuarial gains/losses	815	904
Paid benefits	-229	-209
Currency translation effects	-31	40
Gross defined benefit pension liabilities 31.12	9 718	8 827

Movement in the fair value of pension assets for defined benefit pension schemes

NOK million	2021	2020
Fair value of pension assets 01.01	6 677	6 232
Expected return on pension assets	101	127
Actuarial gains/losses	377	246
Total contributions	262	210
Paid benefits	-176	-160
Currency translation effects	-17	21
Fair value of pension assets 31.12	7 224	6 677

Pension assets comprise	2021	2020
Equity instruments	2 055	1 755
Interest-bearing instruments	4 558	4 354
Other	631	568
Fair value of pension assets 31.12	7 224	6 677

Actuarial gains and losses recognised in other comprehensive income

NOK million	2021	2020
Accumulated actuarial gains and losses recognised in other comprehensive income before tax 31.12	3 730	3 207

Pension cost recognised in the income statement

Defined benefit schemes

NOK million	2021	2020
Present value of accrued pension entitlements for the year	208	208
Interest expenses	128	157
Expected return on pension assets	-101	-127
Scheme changes	-	-2
Employee contributions	-17	-17
Employers' national insurance contribution	37	37
Net pension cost defined benefit schemes	255	255

Defined contribution schemes

Employer payments	188	145
Total pension cost - see note 16	443	400

	Discount rate		Salary adjustment		Adjustment of G	
Sensitivity analysis upon changes in assumptions	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) in net pension cost defined benefit schemes for the period	-19%	18%	10%	-11%	18%	-16%
Increase (+)/decrease (-) in gross defined pension liability as of 31.12.	-16%	20%	2%	-3%	17%	-14%

Note 18 Regulatory fees

GENERAL INFORMATION

Regulatory fees are operating expenses which are paid to Governments. Property tax is mainly related to hydropower plants in Norway. Owners of large hydropower plants in Norway are also required to pay licence fees to the state and to the municipalities. Other regulatory fees include withholding taxes on services, stamp taxes and import taxes.

NOK million	2021	2020
Property tax	885	881
Licence fees [1]	380	382
Other regulatory fees [2]	41	-
Total	1 375	1 264

[1] Owners of large hydropower plants in Norway are required to pay licence fees to the state and the municipalities.

[2] Comparable figures have not been restated.

Note 19 Other operating expenses

GENERAL INFORMATION

The major part of other operating expenses is related to operation of power plants. Purchase of third-party services consists of costs related to buildings, plants, transportation, mechanical and other construction work. Compensation payments consist of concession costs, grants to construction and periodic compensations. The rest are IT expenses, external consultants and general administrative expenses.

NOK million	2021	2020
Purchase of third-party services	2 509	2 554
Materials	498	516
Power plants operated by third parties [1]	242	221
Compensation payments	148	149
IT licenses and equipment	483	392
Miscellaneous [2]	324	319
Total	4 188	**4 150**

[1] See also note 12 and section which specifies 'Other - sales revenues'.

[2] Miscellaneous includes marketing, travel expenses, insurance, rental costs, losses on divestments and losses on sale of property, plant and equipment.

Note 20 Financial items

NOK million	2021	2020
Net currency effects (A) [1]	**1 069**	**-1 520**
Interest income	289	197
Interest expenses		
Interest expenses external debt [2]	-439	-446
Other interest expenses	-184	-76
Interest expenses from lease liabilities	-56	-56
Capitalised borrowing costs	136	113
Total	-523	-465
Other financial items		
Unrealised gains/losses on interest rate derivatives and securities [3]	685	-658
Gains/losses from divestments of equity accounted investments	21	-
Other	-200	815
Total	476	157
Interests and other financial items (B)	**242**	**-111**
Net financial items (A+B)	**1 311**	**-1 631**

[1] See note 21 for specification of realised and unrealised.
[2] Includes NOK 204 million and NOK 207 million from interest derivatives for 2021 and 2020, respectively.
[3] Fair value changes on investments made by Statkraft Ventures GmbH of NOK 347 million in 2021 and NOK -29 million in 2020.

Note 21 Unrealised effects recognised in the statement of profit and loss

GENERAL INFORMATION

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

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

	2021			2020		
NOK million	Unrealised	Realised	Total	Unrealised	Realised	Total
Gains/losses from market activities	2 362	-5 597	-3 235	-1 431	5 389	3 958
Unrealised effects included in Operating profit/loss (EBIT) [1]	**2 362**			**-1 431**		
Net currency effects [2]	770	319	1 089	-1 018	-502	-1 520
Interest and other financial items	655	-412	242	-658	547	-111
Unrealised effects included in Net financial items	1 424			-1 676		
Total unrealised effects	**3 786**			**-3 108**		

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

[2] Currency gains for 2021 from internal loans were NOK 27 million, of which NOK 406 million was realised. The corresponding currency losses for 2020 were NOK -353 million and NOK -332 million, respectively.

Note 22 Income taxes

GENERAL INFORMATION

Group companies that are engaged in hydropower generation in Norway are subject to certain surtaxes. The Group's tax expense therefore includes, in addition to ordinary income tax, natural resource tax and resource rent tax.

Income tax is calculated in accordance with ordinary tax rules and by applying the adopted tax rate. The tax expense in the income statement comprises taxes payable and changes in deferred tax liabilities/assets. Taxes payable are calculated on the basis of the taxable income for the year. Deferred tax liabilities/assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward.

Natural resource tax (NRT) is a profit-independent tax that is calculated on the basis of the individual power plant's average output over the past seven years. The tax rate is NOK 13/MWh. Income tax can be offset against the natural resource tax paid.

Resource rent tax (RRT) is a profit-dependent tax levied on the net resource rent revenue generated by each power plant. Resource rent revenue is calculated on the basis of the individual power plant's production hour by hour, multiplied by the spot price for the corresponding hour. The actual contract price is applied for deliveries of concessionary power and power subject to physical contracts with a term exceeding seven years. Income from green certificates is included in gross resource rent revenue. Actual operating expenses, depreciation and a tax-free allowance are deductible. The tax-free allowance is set each year on the basis of the taxable value of the power plant's operating assets, multiplied by a normative interest rate. Negative resource rent revenues per power plant from the 2006 fiscal year or earlier years can only be carried forward with interest offset against future positive resource rent revenues from the same power plant. From 2007 onwards negative resource rent revenues per power plant can be pooled with positive resource rent revenues for other power plants.

From 2021 onwards all new investments related to hydropower production can be deducted immediately for resource rent tax purposes. In addition, the tax rate has increased to 47.4% and a calculated ordinary income tax is introduced as a new deduction. The marginal effective resource rent tax rate is unchanged at 37%.

SIGNIFICANT ACCOUNTING POLICIES

Deferred tax liabilities and deferred tax assets are recognised net provided that these are expected to reverse in the same period. The same applies to deferred tax liabilities and deferred tax assets connected with resource rent tax. Deferred tax positions connected with income tax payable cannot be offset against tax positions connected with resource rent tax. Any natural resource tax that exceeds income tax can be carried forward with interest to subsequent years and is recognised as a receivable. The tax-free allowance deductible for resource rent tax is treated as a permanent difference in the year it is calculated for, and therefore does not affect the calculation of deferred tax connected with resource rent.

Tax related to items recognised in other comprehensive income is also recognised in other comprehensive income.

ESTIMATES AND ASSUMPTIONS

Deferred tax assets are recognised to the extent that it is probable that they will be utilised. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The key assumptions for projected future taxable income are future expectations related to price, production and deductible expenses.

Deferred taxes initially not recognised are related to tax effect of temporary differences originating from acquisitions not being assessed as business combinations.

Uncertain tax positions are further described in note 35.

Note 22 continued

2021: TAX EXPENSE AND CURRENT TAX

NOK million

Nominal tax rates in the statement of comprehensive income	Norway
Income tax rate	22%
Resource rent tax rate	37%

Nominal tax rates in the statement of financial position	Norway
Income tax rate	22%
Resource rent tax rate	37-47.4%

The tax expense in the income statement	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable (including natural resource tax payable)	5 550	509	209	96	6 364
Resource rent tax payable	7 749	-	-	-	7 749
Withholding tax payable	7	-	91	-	98
Previous years payable tax expense	8	3	24	24	59
Change in deferred tax net of group contributions	2 587	466	-774	112	2 392
Tax expense in the income statement	15 901	978	-449	232	16 663

Reconciliation of effective tax rate	Norway	Sweden	Europe Rest	World Rest	Group
Profit before tax	27 843	4 361	-447	987	32 744
Tax expense at a nominal Norwegian rate	6 126	959	-98	217	7 204
Effect on taxes of					
Resource rent tax	10 074	-	-	-	10 074
Foreign tax rate differences	-	-61	-40	27	-75
Change in tax rates	-	-	46	-	46
Share of profit/loss in equity accounted investments	-248	-	-1	-122	-371
Tax-free income	-14	-0	-271	-1	-286
Changes relating to previous years	-79	30	20	70	41
Change in unrecognised deferred tax assets [1]	-1	-	-176	-35	-212
Other permanent differences [2]	44	50	71	76	241
Tax expense	15 901	978	-449	232	16 663
Effective tax rate	57.1%	22.4%	100.4%	23.5%	50.9%

Taxes payable in the balance sheet	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable	4 847	428	98	59	6 432
Natural resource tax payable	636	-	-	-	636
Resource rent tax payable	7 749	-	-	-	7 749
Previous years taxes payable	364	64	278	3	709
Taxes payable in the balance sheet	13 596	492	376	62	14 527

Tax included in non-current assets and receivables	Norway	Sweden	Europe Rest	World Rest	Group
Tax included in other non-current financial assets - see note 27	2 079				2 079
Tax included in receivables - see note 29	-	1	91	93	185
Tax included in non-current assets and receivables	2 079	1	91	93	2 264

Note 22 continued

2020: TAX EXPENSE AND CURRENT TAX

NOK million

Nominal tax rates in the statement of comprehensive income	Norway
Income tax rate	22%
Resource rent tax rate	37%

Nominal tax rates in the statement of financial position	Norway
Income tax rate	22%
Resource rent tax rate	37%

The tax expense in the income statement	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable (including natural resource tax payable)	671	72	288	111	**1 142**
Resource rent tax payable	1 282	-	-	-	**1 282**
Withholding tax payable	13	-	11	-	**24**
Previous years payable tax expense	65	-17	-14	-23	**12**
Change in deferred tax net of group contributions	-421	-329	-299	10	**-1039**
Tax expense in the income statement	1 610	-273	-14	98	**1 421**

Reconciliation of effective tax rate	Norway	Sweden	Europe Rest	World Rest	Group
Profit before tax	3 329	-1 607	3 424	-193	**4 953**
Tax expense at a nominal Norwegian rate	732	-353	753	-42	**1 090**
Effect on taxes of					
Resource rent tax	1 188	-	-	-	**1 188**
Foreign tax rate differences	-	11	221	-46	**186**
Change in tax rates	-	-	-	-	**-**
Share of profit/loss in equity accounted investments	-300	-	-2	119	**-184**
Tax-free income	-77	-	-75	-15	**-167**
Changes relating to previous years	64	-	-2	-29	**33**
Change in unrecognised deferred tax assets	1	-	-950	-9	**-958**
Other permanent differences	1	69	40	121	**232**
Tax expense	1 610	-273	-14	98	**1 421**
Effective tax rate	48.4%	17.0%	-0.4%	-50.8%	**28.7%**

Taxes payable in the balance sheet	Norway	Sweden	Europe Rest	World Rest	Group
Income tax payable	172	73	45	6	**296**
Natural resource tax payable	626	-	-	-	**626**
Resource rent tax payable	1 282	-	-	-	**1 282**
Previous years taxes payable	301	4	903	-	**1 208**
Taxes payable in the balance sheet	2 381	77	948	6	**3 412**

Tax included in non-current assets and receivables	Norway	Sweden	Europe Rest	World Rest	Group
Tax included in other non-current financial assets - see note 27	2 079	-	-	-	**2 079**
Tax included in receivables - see note 29	121	1	31	62	**216**
Tax included in non-current assets and receivables	2 201	1	31	62	**2 295**

Note 22 continued

2021: DEFERRED TAX
NOK million

Norway	01.01.2021	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2021
Property, plant and equipment outside RRT regime	294	402	-	-117	580
Property, plant and equipment within RRT regime	8 218	865	-	-	9 083
Tax loss carryforwards outside RRT regime	-10	-2	-	11	-0
Tax loss carryforwards within RRT regime	-1 744	788	-	-	-956
Pensions	-917	30	-219	-	-1 106
Derivatives	188	767	-	-	956
Other items	-126	-263	-	6	-383
Sum	5 905	2 587	-219	-99	8 174

Sweden	01.01.2021	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2021
Property, plant and equipment outside RRT regime	1 491	152	-79	-	1 565
Property, plant and equipment within RRT regime	-	-	-	-	-
Tax loss carryforwards outside RRT regime	-	-9	0	-	-9
Tax loss carryforwards within RRT regime	-	-	-	-	-
Pensions	-	-	-	-	-
Derivatives	-	-	-	-	-
Other items	-45	323	-1	2	280
Sum	1 447	466	-80	2	1 838

Europe Rest	01.01.2021	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2021
Property, plant and equipment outside RRT regime	203	-188	3	-106	-87
Property, plant and equipment within RRT regime	-	-	-	-	-
Tax loss carryforwards outside RRT regime	-365	-505	33	2	-835
Tax loss carryforwards within RRT regime	-	-	-	-	-
Pensions	-	1	7	-	8
Derivatives	-0	-93	1	-	-92
Other items	15	11	1	28	55
Sum	-147	-774	45	-76	-951

World rest	01.01.2021	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2021
Property, plant and equipment outside RRT regime	2 104	262	64	-	2 430
Property, plant and equipment within RRT regime	-	-	-	-	-
Tax loss carryforwards outside RRT regime	-301	-129	-5	-5	-439
Tax loss carryforwards within RRT regime	-	-	-	-	-
Pensions	-	-	-	-	-
Derivatives	-150	-9	5	-	-153
Other items	80	-12	10	1	79
Sum	1 735	112	75	-4	1 917

Group	01.01.2021	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2021
Property, plant and equipment outside RRT regime	4 093	628	-11	-223	4 488
Property, plant and equipment within RRT regime	8 218	865	-	-	9 084
Tax loss carryforwards outside RRT regime	-675	-644	29	8	-1 284
Tax loss carryforwards within RRT regime	-1 744	788	-	-	-956
Pensions	-917	31	-213	-	-1 099
Derivatives	39	665	7	-	711
Other items	-75	60	10	37	31
Sum	8 939	2 392	-179	-177	10 975
Of which deferred tax assets	1 658				1 748
Of which deferred tax liabilities	10 596				12 723

Note 22 continued

2020: DEFERRED TAX
NOK million

Norway	01.01.2020	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2020
Property, plant and equipment outside RRT regime	418	-123	-	-	**294**
Property, plant and equipment within RRT regime	8 016	203	-	-	**8 218**
Tax loss carryforwards outside RRT regime	21	-29	-	-2	**-10**
Tax loss carryforwards within RRT regime	-1 904	161	-	-	**-1 744**
Pensions	-648	-9	-259	-	**-917**
Derivatives	873	-685	-	-	**188**
Other items	-194	62	-	7	**-126**
Sum	6 580	-421	-259	5	**5 905**

Sweden	01.01.2020	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2020
Property, plant and equipment outside RRT regime	1 649	-344	186	-	**1 491**
Property, plant and equipment within RRT regime	-	-	-	-	**-**
Tax loss carryforwards outside RRT regime	-16	17	-2	-	**-**
Tax loss carryforwards within RRT regime	-	-	-	-	**-**
Pensions	-	-	-	-	**-**
Derivatives	-	-	-	-	**-**
Other items	-38	-2	-4	-	**-45**
Sum	1 595	-329	181	-	**1 447**

Europe Rest	01.01.2020	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2020
Property, plant and equipment outside RRT regime	166	25	12	-	**203**
Property, plant and equipment within RRT regime	-	-	-	-	**-**
Tax loss carryforwards outside RRT regime	-62	-311	14	-6	**-365**
Tax loss carryforwards within RRT regime	-	-	-	-	**-**
Pensions	2	1	-3	-	**-**
Derivatives	3	-4	-	-	**-0**
Other items	21	-10	1	3	**15**
Sum	131	-299	24	-3	**-147**

World rest	01.01.2020	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2020
Property, plant and equipment outside RRT regime	2 262	14	-172	-	**2 104**
Property, plant and equipment within RRT regime	-	-	-	-	**-**
Tax loss carryforwards outside RRT regime	-172	-136	8	-	**-301**
Tax loss carryforwards within RRT regime	-	-	-	-	**-**
Pensions	-	-	-	-	**-**
Derivatives	-38	-124	13	-	**-150**
Other items	-179	256	3	-	**80**
Sum	1 872	10	-148	-	**1 735**

Group	01.01.2020	Profit and loss	Other comprehensive income	Additions/ disposals	31.12.2020
Property, plant and equipment outside RRT regime	4 494	-428	26	-	**4 093**
Property, plant and equipment within RRT regime	8 016	203	-	-	**8 218**
Tax loss carryforwards outside RRT regime	-228	-460	21	-8	**-675**
Tax loss carryforwards within RRT regime	-1 904	161	-	-	**-1 744**
Pensions	-645	-8	-262	-	**-917**
Derivatives	838	-813	13	-	**39**
Other items	-391	306	0	10	**-75**
Sum	10 178	-1 039	-203	2	**8 939**
Of which deferred tax assets	614				**1 658**
Of which deferred tax liabilities	10 792				**10 596**

DEFERRED TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

NOK million

2021	Norway	Sweden	Europe Rest	World Rest	Group
Remeasurement of net pension liabilities	-219	-	7	-	-213
Changes in fair value of financial instruments	-	-	-	15	15
Currency translation effects	-	-80	39	60	19
Sum	-219	-80	45	75	-179

2020	Norway	Sweden	Europe Rest	World Rest	Group
Remeasurement of net pension liabilities	-259	-	-3	-	**-262**
Changes in fair value of financial instruments	-	-	-	-2	**-2**
Currency translation effects	-	181	27	-146	**62**
Sum	-259	181	24	-148	**-203**

DEFERRED TAX ASSETS NOT RECOGNISED

NOK million	Norway	Sweden	Europe Rest	World Rest	Group
2021	336	-	1 378	557	2 271
2020	585	-	1 292	589	**2 466**

DEFERRED TAX INITIALLY NOT RECOGNISED

NOK million	Norway	Sweden	Europe Rest	World Rest	Group
2021 [3]	1 167	2 005	-584	75	2 664
2020	1 188	2 324	48	78	**3 638**

UNCERTAIN TAX POSITIONS

NOK million

2021	Norway	Sweden	Europe Rest	World Rest	Group
Included in taxes payable [4]	214	-	302	-	516
Included in accumulated taxes paid [4]	2 203	-	594	-	2 797
Not included in taxes payable [4]	596	-	51	237	884

2020	Norway	Sweden	Europe Rest	World Rest	Group
Included in taxes payable [4]	216	-	604	-	**820**
Included in accumulated taxes paid [4]	2 203	-	327	-	**2 530**
Not included in taxes payable [4]	428	-	51	246	**725**

1) The change in unrecognised deferred tax assets is mainly related to Albania and Germany.
2) Other permanent differences are mainly related to non-deductible expenses and withholding tax.
3) Deferred tax initially not recognised in Europe is mainly related to deferred tax assets in Germany.
4) See note 35 for further details.

Note 23 Intangible assets

SIGNIFICANT ACCOUNTING POLICIES

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Costs relating to intangible assets, including goodwill, are recognised in the balance sheet when it is probable that the asset will generate future economic benefits and the costs can be measured reliably. Goodwill and intangible assets with an indefinite useful life are not amortised and are tested annually for impairment.

Research expenditures are expensed as incurred. Development costs are capitalised to the extent that a future economic benefit can be identified from the development of an identifiable intangible asset.

GROUP

NOK million	Goodwill	Other [1]	Total
2021			
Balance as of 01.01	1 993	2 120	4 113
Additions	4	293	298
Additions from acquisition of companies [2]	-72	37	-35
Reclassifications	-	29	29
Transfer between asset classes	5	-5	-
Amortisations	-3	-231	-234
Impairments	-34	-27	-61
Reversal of impairments	5	21	26
Derecognition from divestments	-32	-	-32
Disposals	-5	-39	-44
Currency translation effects	1	50	51
Balance as of 31.12	1 863	2 249	4 112
Cost 31.12	2 939	3 653	6 592
Accumulated amortisations and impairments as of 31.12	-1 077	-1 403	-2 480
Balance as of 31.12	1 863	2 249	4 112

[1] Mainly related to power sales agreements from acquisitions in the segment International power. In addition to rights in connection with leasehold improvements for power plants in Norway.
[2] Includes changes in purchase price allocations for acquisitions from 2020.

NOK million	Goodwill	Other [1]	Total
2020			
Balance as of 01.01	1 561	3 072	4 633
Additions	6	284	290
Additions from acquisition of companies [2]	548	470	1 018
Reclassifications [3]	-	-1 290	-1 290
Transfer between asset classes	-	-	-
Amortisations	-	-168	-168
Impairments	-32	-	-32
Reversal of impairments	-	46	46
Derecognition from divestments	-	-	-
Disposals	-	-	0
Currency translation effects	-90	-294	-384
Balance as of 31.12	1 993	2 120	4 113
Cost 31.12	3 026	3 275	6 301
Accumulated amortisations and impairments as of 31.12	-1 033	-1 154	-2 187
Balance as of 31.12	1 993	2 120	4 113

[1] Mainly related to power sales agreements from acquisitions in the segment International power. In addition to rights in connection with leasehold improvements for power plants in Norway.
[2] Mainly related to the acquisition of Solarcentury. See note 5.
[3] Mainly due to NOK 1058 million which is reclassified to inventories. See note 28.

Expected useful life	10–22 years

RESEARCH AND DEVELOPMENT

The Group's research and development activities are focused on investigating potential new energy sources and developing existing plants and technologies. Research activities relating to new energy sources include general research projects. These projects are intended to provide further knowledge on technologies or other areas that could provide a basis for future activities/projects.

In order to gain new knowledge and develop new methods within the fields of energy optimisation and preservation, the Group also performs research and development activities in connection with existing plants/energy sources. Research and development activities carried out in 2021 and 2020 are expensed with NOK 56 million and NOK 54 million, respectively. Capitalised development costs in 2021 and 2020 were NOK 13 million and NOK 2 million respectively.

Note 24 Property, plant and equipment

GENERAL INFORMATION

Property, plant and equipment comprise mainly power and heat producing facilities, buildings and machinery, waterfall rights, right-of-use assets, district heating network and buildings and machinery as well as landfill sites and treatment areas used in waste treatment operations.

SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment are reported as assets in the balance sheet if it is likely that there will be future financial benefit for the company and the cost of the asset can be calculated in a reliable manner. Property, plant and equipment are recognised at cost, including borrowing cost, less accumulated depreciation and impairment.

The cost includes directly attributable expenditure incurred in bringing the assets into the location and condition to be capable of operating in the manner intended by management, such as employee benefits, site preparation, delivery and handling, installation and assembly cost, landside protection, land registration and legal and consulting fees.

Statkraft may receive revenue from sale of output generated in the period where an equipment, facility or plant is tested whether it is functioning as intended. Revenue earned from the sale of output manufactured in these periods is accounted for as revenue according to IFRS 15, as the output is seen as a result of Statkraft's ordinary activities. The cost related to the sale of output in the testing period is capitalised as a part of property, plant and equipment, as it is directly attributable to the construction of the asset. Capitalisation ceases after the testing is completed, as the asset is then ready for its intended use.

Borrowing costs directly attributable to the acquisition, construction or production of the relevant assets are added to the cost of those assets, until the asset is ready for its intended use or sale.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent expenditures related to ordinary repair and maintenances are recognised in the statement of profit and loss when incurred. Expenditures that involve replacing parts of the assets or expansions are capitalised as part of the carrying amount of the asset.

The estimated decommissioning obligation, estimated as present value for estimated costs for dismantling and removing the plant and restoring the site where the plant is located, is included in the carrying value of the relevant assets. A provision is recognised at the time when an obligation to dismantle, remove and restore the item incurs. Decommissioning cost is estimated and recognised as part of the cost at initial recognition, assuming such costs can be recovered over the asset's life, even if the payments will incur at the end of the item's life. The equivalent estimated decommissioning obligation is presented as Other non-current liabilities.

Depreciation commences when the asset is available for its intended use and is calculated on a straight-line basis over the asset's expected useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately, which means that the components' estimated useful life provides the basis for the straight-line depreciation. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), and the date that the asset is derecognised. Expected useful life, depreciation methods and residual values are assessed annually. Estimated useful life is further disclosed below in this note.

Waterfall rights that are considered to have perpetual life and with no obligation of reversion to the authorities, are presented as property, plant and equipment and are not depreciated.

Acquired assets on the acquisition of a new subsidiary are stated at their fair values at the date of acquisition.

ESTIMATES AND ASSUMPTIONS

Property, plant and equipment are tested for impairment in accordance with the accounting policies described in Note 15 to the consolidated accounts, Impairment losses/reversal of impairment losses.

Property, plant and equipment are depreciated over its expected useful life. Expected useful life is estimated based on the Group's technical expertise and is adjusted in the event of any changes to the expectations. Useful life is normally adapted to the licence period related to the relevant asset. Residual values are estimated and included in the carrying value when applicable and depreciated over the asset's useful life.

Estimates of decommissioning obligations, which are included as part of the plant's carrying amount, are subject to annual review. The decommissioning obligation is Statkraft's best estimate of the present value of the cost of dismantling and removing an item of property, plant and equipment as well as restoring the site at the date when the operation ceases.

Note 24 continued

NOK million	Regulation plants	Turbines, generators etc.	Waterfall rights	Properties, mountain halls, buildings, roads, bridges and quay facilities	Plants under construction	Other	Sum	Right-of-use assets	Total
2021									
Balance as of 01.01	31 496	28 821	23 483	9 614	5 366	11 440	**110 220**	1 838	112 057
Additions	166	546	13	85	4 850	655	**6 316**	1 083	7 399
Remeasurements and other changes (IFRS 16)	-	-	-	-	-	-	**-**	-154	-154
Additions from acquisition of companies	-	981	-	142	-	50	**1 174**	641	1 815
Capitalised borrowing costs [1]	-	-	-	-	137	-	**137**	-	137
Reclassifications [2]	1	-3	-	-0	-16	-10	**-29**	-	-29
Transfer between asset classes	753	728	-1	408	-2 612	725	**-**	-	-
Depreciations	-821	-1 686	-0	-331	-0	-784	**-3 623**	-256	-3 879
Impairments	-25	-10	34	-20	-	-0	**-21**	-	-21
Reversal of impairments	57	3 209	-	194	-	-	**3 460**	-	3 460
Derecognition from divestments	-	-1 627	-	-153	0	-0	**-1 780**	-347	-2 128
Disposals	0	-97	-	-2	-37	-11	**-147**	-107	-254
Currency translation effects	-514	-638	-442	-206	28	-70	**-1 841**	-41	-1 882
Balance as of 31.12	31 112	30 224	23 087	9 731	7 715	11 994	**113 865**	2 657	116 521
Carrying value 31.12 of assets with infinite useful life	n/a	n/a	23 087	158	n/a	5	**23 249**	n/a	23 249
Cost 31.12	48 620	62 543	23 550	22 055	7 677	24 404	**188 849**	3 396	192 245
Accumulated depreciations and impairments as of 31.12	-17 508	-32 318	-463	-12 324	39	-12 410	**-74 985**	-739	-75 724
Balance as of 31.12	31 112	30 224	23 087	9 731	7 715	11 994	**113 865**	2 657	116 521

[1] The average interest rate applied during the year was 1.08%.

NOK million	Regulation plants	Turbines, generators etc.	Waterfall rights	Properties, mountain halls, buildings, roads, bridges and quay facilities	Plants under construction	Other	Sum	Right-of-use assets	Total
2020									
Balance as of 01.01	28 281	27 797	22 780	8 922	8 336	12 056	**108 172**	1 680	**109 852**
Additions	328	1 921		274	4 116	425	**7 064**	78	**7 142**
Remeasurements and other changes (IFRS 16)	-	-	-	-	-	-	**-**	44	**44**
Additions from acquisition of companies	-	3	-	-	-	4	**7**	276	**283**
Capitalised borrowing costs [1]	-	-	-	-	113	-	**113**	-	**113**
Reclassifications [2]	4	100	-	-14	-608	-148	**-666**	-	**-666**
Transfer between asset classes	3 776	2 435	-12	769	-6 793	-175	**-**	-	**-**
Depreciations	-820	-1 670	-	-430	-	-739	**-3 659**	-240	**-3 899**
Impairments	-60	-3 112	-	-	-	-2	**-3 174**	-	**-3 174**
Reversal of impairments	130	1 351	-	263	36	1	**1 781**	-	**1 781**
Derecognition from divestments	-	-71	-	-143	-20	-1	**-235**	-	**-235**
Disposals	-12	-104	-	-13	-	-44	**-173**	-	**-173**
Currency translation effects	-131	171	715	-14	186	63	**990**	-	**990**
Balance as of 31.12	31 496	28 821	23 483	9 614	5 366	11 440	**110 220**	1 838	**112 057**
Carrying value 31.12 of assets with infinite useful life	n/a	n/a	23 483	101	n/a	n/a	**23 584**	n/a	**23 584**
Cost 31.12	48 424	60 087	23 984	22 396	5 462	23 170	**183 523**	2 280	**185 803**
Accumulated depreciations and impairments as of 31.12	-16 928	-31 266	-501	-12 782	-96	-11 730	**-73 303**	-442	**-73 745**
Balance as of 31.12	31 496	28 821	23 483	9 614	5 366	11 440	**110 220**	1 838	**112 057**

[1] The average interest rate applied during the year was 1.04%.

[2] Mainly due to NOK 897 million which is reclassified to inventories. See note 28.

Note 24 continued

INVESTMENTS IN 2021

The additions in 2021 of NOK 7399 million in property, plant and equipment (excluding capitalised borrowing costs of NOK 137 million) and of NOK 298 million in intangible assets, consisted of investments in new generating capacity, maintenance investments and other investments. Maintenance and other investments amounted to NOK 5562 million (NOK 3027 million). The investments were primarily related to hydropower plants in Norway. Investments in new capacity amounted to NOK 2271 million (NOK 4516 million). The largest projects were hydropower plants in Chile and India as well as onshore wind farms in Brazil and Chile.

ASSETS PLEDGED AS SECURITY TO COUNTERPARTIES

Statkraft has pledged property, plant and equipment as security to counterparties. For more information, see note 36.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT PER COUNTRY

			2021			2020
NOK million	Intangibles	PP&E	Total	Intangibles	PP&E	Total
Norway	1 350	65 336	66 686	1 245	62 683	63 928
Sweden	162	20 062	20 224	70	20 348	20 418
Germany	203	5 803	6 006	192	5 054	5 246
UK	488	1 395	1 883	716	1 736	2 452
Albania	-	5 727	5 727	1	5 961	5 962
Peru	108	9 117	9 225	104	8 951	9 055
Brazil	1 082	3 062	4 144	1 144	2 599	3 743
Chile	472	3 233	3 705	483	2 110	2 593
Other	246	2 787	3 033	158	2 615	2 773
Total	4 112	116 521	120 632	4 113	112 057	116 170

EXPECTED USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT

A more detailed specification of the expected useful life of the various assets is provided below.

Depreciation of right-of-use assets follows contractual agreements. See note 25.

	Depreciation period (years)		Depreciation period (years)
Regulation plants		Properties, mountain halls, buildings, roads, bridges etc.	
- riprap dams, concrete dams	75	- land	perpetual
- other dams	30	- underground facilities	90
- tunnel systems	90	- roads, bridges and quays	75
		- control equipment	20
Turbines, generators etc.		- operating centre	20
- pipe trenches	75	- communication equipment	10
- generators (turbine, valve)	40		
- other mechanical installations	15	Other	
- transformer/generator	40	- transformer (grid)	25-50
- wind turbines	20-35	- switchgear, high voltage (grid)	35-40
- gas and steam generators	20-28	- buildings	25-50
- gas power plant transformers	20-28	- other fixed installations	10-20
		- miscellaneous fixtures	5
Waterfall rights	perpetual	- office and computer equipment	3
		- furnishings and equipment	5
		- vehicles	8
		- construction equipment	12
		- small watercraft	10
		- water cooling systems	20-25

Note 25 Leases

GENERAL INFORMATION

The contracts that have largely affected the recognition of the lease debt and right-of-use asset are contracts for renting of office premises and contracts for lease of land. In addition, contracts for lease of cars and equipment are identified.

SIGNIFICANT ACCOUNTING POLICIES

The definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period in exchange for consideration. At the commencement date of a lease, Statkraft as the lessee recognises a liability at the present value of future lease payments with a corresponding asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate.

Depreciation of right-of-use assets and interest on lease liabilities are recognised separately in the statement of profit or loss. The total amount of cash paid is separated into a principal portion and an interest portion in the statement of cash flow (both presented within financing activities).

The following practical expedients and recognition exemptions to leases are applied:

- Recognition exemption for short-term leases (defined as 12 months or less) and for low value assets (defined as less than NOK 50 thousand). These expenses are presented within Other operating expenses.
- Excluded any initial direct costs from the measurement of the right-of-use asset.
- Relied on previous assessment of whether a lease is onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and not performed an impairment review. For such leases, the right-of-use assets have been adjusted by the amount of such provisions recognised in the statement of financial position.
- Intangible assets have also been chosen to be excluded from IFRS 16, hence leased concessions or payments for power production licenses, for instance, are not treated within IFRS 16.

Measurement

A lease liability is remeasured upon the occurrence of certain events e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments. Generally, the amount of the remeasurement of the lease liability will be recognised as an adjustment to the right-of-use asset.

Right-of-use assets are not presented separately in the statement of financial position but are disclosed separately in the notes (see note 24).

ESTIMATES AND ASSUMPTIONS

The incremental borrowing rates are calculated as a sum of currency dependant market rates and entity specific credit spreads for each relevant year on an asset-by-asset basis. The incremental borrowing rate applied as discount rate is an average of these yearly borrowing rates for each individual leased asset, depending on the length of each contract.

Statkraft evaluates whether the Group is reasonably certain to exercise an option to renew a lease, not terminate a lease or to purchase the underlying asset. All relevant factors that can create an economic incentive for Statkraft to exercise options e.g. contract-, asset-, entity- and market-based factors are evaluated. Contracts to rent office premises are in most occasions not considered to be customised to Statkraft's use and options to renew leases are normally not included in the estimated lease liability, as it is not considered reasonably certain that the option will be exercised.

Note 25 continued

STATKRAFT AS A LESSEE

Right-of-use assets

NOK million	Office buildings	Land and other property	Vehicles, equipment and other	Total
2021				
Balance as of 01.01	1 059	586	193	1 838
Additions	253	808	22	1 083
Additions from acquisition of companies	14	627	-	641
Depreciations	-190	-24	-42	-256
Derecognition from divestments	-	-346	-1	-347
Disposals	-	-2	-105	-107
Remeasurements and other changes	-10	-189	3	-196
Balance as of 31.12	1 126	1 460	70	2 657

Right-of-use assets

NOK million	Office buildings	Land and other property	Vehicles, equipment and other	Total
2020				
Balance as of 01.01	1 187	308	185	**1 680**
Additions	24	2	51	**78**
Additions from acquisition of companies	-	272	4	**276**
Depreciations	-170	-20	-50	**-240**
Remeasurements and other changes	18	24	2	**44**
Balance as of 31.12	1 059	586	193	**1 838**

Amounts recognised in the profit and loss statement

NOK million	2021	2020
Income from sub-leasing right-of-use assets [1]	22	27
Variable lease payments not included in the measurement of lease liabilities [2]	-4	-6
Expenses relating to short-term leases, leases of low-value assets and other [2]	-62	-55
Depreciations from right-of-use assets [3]	-258	-240
Interest expenses from lease liabilities [4]	-58	-56
Total	-345	-330

[1] Presented as Other operating income.
[2] Presented as Other operating expenses.
[3] Presented as Depreciations and amortisations.
[4] Presented as Interest and other financial items.

Amounts recognised in the statement of cash flow

NOK million	2021	2020
Principal portion of lease payments on lease liabilities [1]	-261	-219
Interest portion of lease payments on lease liabilities [1]	-58	-56
Total payments on lease liabilities	-317	-275

[1] Presented as cash flow from financing activities.

Note 25 continued

Lease liabilities

NOK million	2021	2020
Lease liabilities, current	303	269
Lease liabilities, non-current	1 861	1 541
Total lease liabilities	2 164	1 810

Short- and long-term lease liability include leasing agreements entered into within the DS/DBS model with NOK 18 million and NOK 271 million, respectively. At the time of disposal of related solar and wind farms RoU asset and lease liabilities will be derecognised and reported as part of gain or loss. See also note 1.

Maturity schedule lease liabilities - contractual undiscounted cash flows

NOK million	2021	2020
0-1 year	321	285
1-5 years	1 091	948
5 years and later	1 227	1 213
Total undiscounted lease liabilities as of 31.12	2 639	2 446

Future cash flows not reflected in the measurement of lease liabilities

Extension options:

Several leases of office buildings contain extension options that can be exercised by Statkraft, where the lease of the head-quarter in Oslo is the most significant one. This lease agreement expires in 2028, with options to prolong for ten plus ten years, and the annual lease payment is NOK 113 million. The buildings included in this lease agreement are considered to be standardised office buildings, not particularly customised to Statkraft or Statkraft's business. With several years left of this contract, it is not considered reasonably certain that these extensions option will be exercised, and thus no period after 2028 has been included in the measurement of the lease liability. Similar assessment is applied to other leases as well.

Termination options:

Some early phase development projects within wind and solar, particularly in South America include land lease agreements already from early development stages. To provide operational flexibility in case projects are not deemed viable, these agreements can have termination options where Statkraft can terminate the lease agreement at any point or at several stages during the lease period, often up to 40 years. As these projects are in the development phase and no investment decision to construct the power plant has been made, it is normally not considered reasonably certain that these termination options will not be exercised. Thus, normally only the non-cancellable period or the period until investment decision is planned is included in the measurement of the lease liability.

STATKRAFT AS A LESSOR

Operating lease

Statkraft has sub-leases office buildings which are classified as operating leases. Statkraft leases out power plants to third parties, also classified as operating leases. The revenues from rental of power plants are based on a fixed and a variable part, and the income are presented as sales revenues (see note 12).

Maturity schedule lease payments - contractual undiscounted cash flows

NOK million	2021	2020
0-1 year	16	15
1-5 years	28	26
5 years and later	22	21
Total undiscounted lease payments as of 31.12	68	62

Note 26 Associates and joint arrangements

SIGNIFICANT ACCOUNTING POLICIES

The gain/loss from a transaction where the investment changes from being classified as a joint operation to be classified as a joint venture or associated company is recognised in the Group's consolidated financial statements only to the extent of other parties' interest in the joint operation. Hence, the carrying value of Statkraft's remaining ownership is recognised at continuity. In addition, changed contractual rights and obligations relating to the underlying asset or debt and changes in the shareholders agreement might lead to a change in the accounting method.

ACCOUNTING JUDGEMENTS

The degree of control over the investee is one of the key elements in the assessment to whether the investment should be accounted for as subsidiary, joint operation, joint venture or associate. The assessment of control is judgmental and entails that all facts and circumstances are evaluated.

The decisions about relevant activities that significantly affect the return of the investments are the elements that require the highest degree of judgement. In order to conclude on the degree of control, Statkraft has systematically defined the relevant activities and value drivers for each of its main type of technologies, in addition to an individual assessment per investment to reflect other facts and circumstances.

Judgement is required in assessing whether a joint arrangement is a joint operation or a joint venture. Matters to be addressed include facts and circumstances and evaluation of rights and obligations arising from the arrangement, agreements between shareholders and agreements between shareholders and the investee. Entities established to produce power and where the owners are committed to purchase all the power produced, as well as being responsible for settling of short-term and long-term financing of the company, are normally classified as joint operations. When Statkraft has rights to the net assets of the arrangement, the arrangement is a joint venture.

Co-owned power plants in which Statkraft has joint control are recognised as joint operation.

Based on size and complexity, the following associated companies and joint ventures are considered material:

2021

NOK million	Eviny AS [2]	Agder Energi AS	Hidroelectrica La Higuera S.A.	Wind UK Invest Ltd.	Hidroelectrica La Confluencia S.A.	Other	Total
Opening balance as of 01.01	6 041	4 145	700	840	479	1 287	13 492
Additions	-	-	-	-	-	10	10
Share of profit/loss	387	907	46	5	46	-15	1 378
Depreciations of excess values	-12	-65	-	-3	-	-3	-83
Impairments/reversal of impairments [1]	-	-	-	-	-	393	393
Capital increases	-	-	-	-	-	47	47
Capital decreases	-	-	-	-	-	-4	-4
Dividends	-348	-148	-	-32	-	-43	-571
Items recorded in other comprehensive income	3	16	27	-11	17	-22	30
Currency translation effects	-2	3	24	19	18	19	81
Closing balance as of 31.12.	6 069	4 858	797	818	560	1 669	14 771
Excess values as of 31.12.	1 759	1 606	-	40	-	522	3 926
Of which unamortised waterfall rights	1 553	314	-	-	-	-	1 867

[1] See note 15 for more information.
[2] During 2021 BKK AS changed its name to Eviny AS.

2020

NOK million	BKK AS	Agder Energi AS	Hidroelectrica La Higuera S.A.	Wind UK Invest Ltd.	Hidroelectrica La Confluencia S.A.	Other	**Total**
Opening balance as of 01.01.	5 691	3 577	1 080	871	727	971	**12 917**
Additions [1]	-	-	-	-	-	235	**235**
Divestments	-	-	-	-	-	-9	**-9**
Share of profit/loss	687	858	68	11	-43	-35	**1 546**
Depreciations of excess values	-12	-65	-	-2	-	-4	**-83**
Impairments/reversal of impairments [2]	-	-	-431	-	-197	-	**-627**
Capital increases	-	-	-	-	-	374	**374**
Capital decreases	-	-	-	-	-	-163	**-163**
Dividends	-261	-278	-	-40	-	-18	**-597**
Items recorded in other comprehensive income	-64	50	-11	-4	-	1	**-28**
Currency translation effects	-	3	-6	4	-8	-65	**-72**
Closing balance as of 31.12.	6 041	4 145	700	840	479	1 287	**13 492**
Excess values as of 31.12.	1 770	1 671	-	41	-	35	**3 517**
Of which unamortised waterfall rights	1 553	314	-	-	-	-	**1 867**

[1] See note 5 for more information.
[2] See note 15 for more information.

Note 26 continued

DESCRIPTION OF THE ACTIVITIES IN SIGNIFICANT ASSOCIATES AND JOINT VENTURES

Eviny AS (formerly named BKK AS) has operations mainly in Western Norway, with its core activities being generation, sale and transmission of electric power. Eviny also develops, builds, owns and operates infrastructure for electrification, and offer customers fibre internet access and district heating.

Agder Energi AS has operations mainly in Southern Norway, with its core activities being generation, trading and transmission of electric power, as well as other energy-related services.

Hidroelectrica La Higuera S.A. has operations in Chile and contains the La Higuera hydropower plant.

Wind UK Invest Ltd. (WUKI) owns the onshore wind farms Alltwalis, Baillie and Berry Burn in the UK.

Hidroelectrica La Confluencia S.A. has operations in Chile and contains the La Confluencia hydropower plant.

See note 36 for information regarding bank guarantees and parent company guarantees related to associates and joint arrangements.

FINANCIAL INFORMATION FOR SIGNIFICANT ASSOCIATED COMPANIES

The following table presents summarised financial information for significant associated companies. The figures apply to 100% of the companies' operations in accordance with IFRS 12.

2021

NOK million	Eviny AS [1]	Agder Energi AS [1]	Hidroelectrica La Higuera S.A. [1]	Wind UK Invest Ltd. [1]	Hidroelectrica La Confluencia S.A [1]
Non-current assets	25 441	21 188	4 307	2 763	4 618
Current assets	6 469	11 299	290	535	288
Non-current liabilities	14 323	13 410	2 913	1 445	3 967
Current liabilities	6 757	11 790	262	299	366
Gross operating revenues and other income	7 300	19 789	641	533	507
Net profit/loss	949	1 994	132	10	89
Total comprehensive income	959	2 012	183	17	121

[1] Figures are preliminary and unaudited.

2020

NOK million	BKK AS [1]	Agder Energi AS [1]	Hidroelectrica La Higuera S.A. [1]	Wind UK Invest Ltd. [1]	Hidroelectrica La Confluencia S.A [1]
Non-current assets	24 380	20 494	4 324	2 884	4 598
Current assets	3 276	3 870	231	217	204
Non-current liabilities	13 353	13 958	3 160	1 349	4 082
Current liabilities	3 618	4 924	200	175	283
Gross operating revenues and other income	4 571	9 461	688	378	417
Net profit/loss	1 582	1 887	69	21	-46
Total comprehensive income	1 441	2 007	29	12	-46

[1] Figures as shown in Statkraft's annual report 2020.

JOINT VENTURES, JOINT OPERATIONS AND ASSOCIATES

Shares in companies classified as joint ventures and associates are recognised using the equity method in the consolidated financial statements. Statkraft recognises its share of assets, liabilities, revenues and expenses of companies classified as joint operations on a line-by-line basis in the group financial statements.

Name	Segment [1]	Country	Registered office	Ownership	Voting share
JOINT VENTURES					
Vattenkraftens Miljöfond Sverige AB	EF	Sweden	Stockholm	9.06%	9.06%
Hidroelectrica La Confluencia S.A.	IP	Chile	Santiago	50.00%	50.00%
Hidroelectrica La Higuera S.A.	IP	Chile	Santiago	50.00%	50.00%
Allain Duhangan Hydro Power Ltd.	IP	India	New Delhi	43.12%	43.12%
Dugar Hydro Power Ltd	IP	India	New Delhi	50.00%	50.00%
Malana Power Company Ltd.	IP	India	New Delhi	49.00%	49.00%
Khimti HPP [1]	IP	Nepal	Kathmandu	50.00%	50.00%
Wind UK Invest Ltd.	EWS	United Kingdom	London	51.00%	51.00%
KraftCERT AS	OA	Norway	Bærum	33.33%	33.33%
Silva Green Fuel AS	OA	Norway	Oslo	51.00%	51.00%
Silva Green Fuel DA	OA	Norway	Oslo	51.00%	51.00%

[1] The company has not yet been legally established. See note 5 for further information.

Note 26 continued

Name	Segment [1]	Country	Registered office	Ownership	Voting share
JOINT OPERATIONS					
Kraftwerksgesellschaft Herdecke, GmbH & Co. KG	EF	Germany	Hagen	50.00%	50.00%
Solbergfoss [2]	EF	Norway	Askim	33.33%	33.33%
Sima	EF	Norway	Eidfjord	65.00%	65.00%
Svartisen	EF	Norway	Meløy	70.00%	70.00%
Grytten	EF	Norway	Rauma	88.00%	88.00%
Kraftverkene i Orkla	EF	Norway	Rennebu	48.60%	48.60%
Sira-Kvina Kraftselskap DA	EF	Norway	Sirdal	46.70%	46.70%
Ulla-Førre	EF	Norway	Suldal	73.48%	73.48%
Svorka	EF	Norway	Surnadal	50.00%	50.00%
Kobbelv	EF	Norway	Sørfold	82.50%	82.50%
Stegaros	EF	Norway	Tinn	50.00%	50.00%
Aktieselskabet Tyssefaldene [3]	EF	Norway	Tyssedal	60.17%	60.17%
Vikfalli	EF	Norway	Vik	88.00%	88.00%
Gäddede	EF	Sweden	Stockholm	70.00%	70.00%
Harrsele AB	EF	Sweden	Stockholm	50.57%	50.57%
Volgsjöfors	EF	Sweden	Stockholm	73.10%	73.10%
Kabel- und Trassengemeinschaft WindStrom GmbH & Co. KG Windpark Hakenstedt I KG & Co. OHG	EWS	Germany	Edemissen	71.40%	71.40%
Umspannberg Druxberge GmbH & Co. KG	EWS	Germany	Edemissen	20.00%	20.00%
UW Druxberge GmbH	EWS	Germany	Edemissen	20.00%	20.00%
WindStrom G. & Co. Windfeld Bepp. Bruch Infr. KG	EWS	Germany	Edemissen	45.40%	45.40%
Netzanschluss Wilstermarsch GmbH	EWS	Germany	Enge Sande	29.00%	29.00%
ANB Treuenbrietzen GmbH & Co. KG	EWS	Germany	Kallinchen	31.50%	31.50%
Umspannwerk Hellberge GmbH & Co. KG	EWS	Germany	Kallinchen	52.80%	52.80%
ANB Hellberge GmbH & Co. KG	EWS	Germany	Zossen	58.30%	58.30%
Fosen Vind DA	EWS	Norway	Oslo	52.10%	52.10%
Hegra DA	OA	Norway	Oslo	33.33%	33.33%
ASSOCIATES					
Røldal-Suldal Kraft AS [4]	EF	Norway	Suldal	4.79%	4.79%
Aursjøvegen AS	EF	Norway	Sunndalsøra	17.00%	17.00%
Passos Maia Energética S.A.	IP	Brazil	Caçador City	50.00%	50.00%
Eviny AS (formerly named BKK AS)	IO	Norway	Bergen	43.44%	43.44%
Nape Kraftverk AS	IO	Norway	Grimstad	49.00%	49.00%
Agder Energi AS	IO	Norway	Kristiansand	45.50%	45.50%
Air Liquide Skagerak AS	IO	Norway	Porsgrunn	49.00%	49.00%
Laugstol AS	IO	Norway	Porsgrunn	33.40%	33.40%

[1] EF: European flexible generation, IP: International power, EWS: European wind and solar, IO: Industrial ownership, OA: Other activities.
[2] Statkraft owns 33.33% of Solbergfoss, but controls 35.6% of the generation.
[3] Statkraft owns 60.17% of Aktieselskabet Tyssefaldene, but controls 71.4% of the generation from the Tysso II hydropower plant.
[4] Statkraft owns 8.74% of the shares in Røldal-Suldal Kraft AS, which in turn owns 54.79% of the Røldal-Suldal hydropower plants. Statkraft's indirect shareholding in the power plants is thus 4.79%.

None of the companies have observable market values in the form of listed market prices or similar.

Note 27 Other non-current financial assets

SIGNIFICANT ACCOUNTING POLICIES

Loans to equity accounted investments are measured at amortised cost (see note 10) when the loans are interest-bearing, have a defined repayment plan and Statkraft intends to collect the contractual cash flows. There are two exceptions related to joint ventures in Chile, which are defined as long-term interests according to IAS 28 Investments in Associates and Joint Ventures. The loans are interest-free and measured at the net present value of future cash flows discounted with a prevailing market rate. At initial recognition these loans have a recognised value lower than its nominal value, and the difference is recognised as an increase in the equity accounted investment (see note 26). Subsequently, a non-cash interest income is recognised in the Profit and loss statement which increases the carrying value of the loan correspondingly. The equivalent non-cash interest expense in the equity accounted investment is recognised as a part of the Share of profit/loss in equity accounted investments in the Profit and loss statement.

All loans are subject to potential impairment losses in accordance with IFRS 9 Financial Instruments.

NOK million	2021	2020
Loans to equity accounted investments	1 402	1 387
Bonds and other long-term receivables [1]	1 091	1 430
Net pension assets	950	838
Uncertain income tax deposit [1]	2 079	2 079
Other shares and securities	966	603
Total	6 488	6 338

[1] See note 35.

Note 28 Inventories

GENERAL INFORMATION

Statkraft's inventories consist of:

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

Environmental certificates:

Statkraft's environmental certificates consist of green certificates in the Nordics, Renewable Obligation Certificates (ROCs) in the UK, European Union Allowances (EUAs) and carbon allowances in the US. A significant part of the environmental certificates are ROCs which are purchased from origination and market access activities and in addition from own generating assets that are eligible for receiving these government grants.

Wind and solar projects:

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

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

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

Statkraft currently has 13 ongoing construction projects, as well as two projects where construction is completed. For eight of these projects, a put/call option agreement (PCOA) or other types of sales agreement have been signed. These agreements will be closed when the projects reach the agreed conditions.

In 2021 Statkraft also divested the Cadiz, Windy Rig and Apeldoorn projects in Spain, Scotland and the Netherlands respectively, which had been classified as inventories.

SIGNIFICANT ACCOUNTING POLICIES

Statkraft holds environmental certificates both for own use and for trading.

Environmental certificates held for trading

Purchased environmental certificates held for trading are acquired with the purpose of taking advantage of short-term fluctuations in the market. The certificates are classified as inventories when they are received and are measured at fair value less costs to sell. Changes in fair value of inventories related to trading activities are presented as Gains/losses from market activities in the statement of profit and loss. Environmental certificates held for trading consist mainly of ROCs received through power purchase agreements with wind power producers in UK. Other certificates included are Nordic el-certs and California Carbon Allowances.

Environmental certificates held for own use

Gas-fired power plants must purchase EUAs to settle its emission liabilities. The certificates are classified as inventories when they are received and are subsequently measured at the lower of cost or net realisable value.

Environmental certificates granted from own asset production

Certain environmental certificates, such as Nordic el-certs, Guarantees of Origin or EUAs, are granted for free from generating renewable energy or heating production. These certificates are recognised with a cost price of zero.

Wind and solar projects measured at the lower of cost price and net realisable value

The costs relating to early-stage development opportunities are recognised in the profit or loss until such point as the management is confident that the economics of the underlying project are viable, and the project expenditure is approved by the appropriate management level on the basis of its recoverability . Statkraft considers a project commercially viable if it is expected to be realised with a required positive margin once it is either fully developed or fully constructed.

Initially, inventory is recognised at cost. The costs attributed to inventories comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Wind and solar projects are measured at the lower of cost and net realisable value. Net realisable value is calculated as the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. For projects where contracts with customers are not entered (merchant), the most reliable source is observable prices obtained in the market in transactions including similar assets. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. If the carrying value of the projects is not recoverable the projects are written down below cost to net realisable value. See also note 1.

Spare parts and other inventories

Spare parts and other inventories are directly related to the tangible assets and are recognised at the lowest of cost price and net realisable amount.

Note 28 continued

	2021		2020	
NOK million	Recognised value	Cost price	Recognised value	Cost price
Inventories measured at fair value less costs to sell				
Environmental certificates	3 372	3 214	3 138	3 001
Total	3 372	3 214	3 138	3 001
Inventories measured at the lower of cost price and net realisable value				
Environmental certificates	20		480	
Spare parts	153		155	
Other	106		107	
Total	277		742	
Wind and solar projects measured at the lower of cost price and net realisable value				
Development projects [1]	1 006		1 344	
Construction projects [2]	1 807		1 139	
Projects in operation [2]	152		-	
Total	2 965		2 483	
Total	6 614		**6 363**	

[1] For the year 2020, it included NOK 1058 million which were reclassified from intangible assets. See also note 23.

[2] PCOA or other sales agreement has been signed for NOK 1.8 billion of the total recognised value within construction projects and projects in operation.

For the year 2020, construction projects included NOK 897 million which were reclassified from property, plant and equipment. See also note 24.

Note 29 Receivables

GENERAL INFORMATION

The Group's receivables are divided into four categories:

Accounts receivable mainly related to trading activities and Nordic hydropower generation.

Income tax prepayments and receivables related to resource rent taxes, natural resource rent taxes and ordinary income taxes.

Cash collateral and margin calls related to market settlements for derivatives connected with financial and trading activities.

Other receivables includes interest-bearing loans to equity accounted investments.

See note 9 for more information.

SIGNIFICANT ACCOUNTING POLICIES

Receivables are held until maturity and therefore are carried at amortised cost. Statkraft records lifetime expected credit losses on receivables, which is the expected credit loss that result from all possible default events over the expected life of a financial instrument.

NOK million	2021	2020
Accounts receivable	20 569	7 344
Income tax prepayments and receivables	186	216
Cash collateral and margin calls	17 061	3 917
Other receivables	4 355	2 182
Total	42 190	13 659

Maturity analysis of receivables

2021		Receivables overdue by			
NOK million	Not yet due	Less than 90 days	More than 90 days	Receivables overdue and impaired	Total
Accounts receivable	18 283	2 197	257	-167	20 569
Recognised as loss for the year					8

2020		Receivables overdue by			
NOK million	Not yet due	Less than 90 days	More than 90 days	Receivables overdue and impaired	Total
Accounts receivable	6 988	348	53	-44	7 344
Recognised as loss for the year					27

Note 30 Cash and cash equivalents

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents includes commercial papers and other interest-bearing securities which normally are due within a period of three months. The item also includes restricted cash. Classification of cash deposit to cover margin calls related to trading activities depends on the characteristics of the exchange clearing service. If the service provider is neither a financial institution, nor part of Statkraft's daily cash management and holds no bank accounts in the name of Statkraft, the cash deposit is classified as other receivables.

Market settlements for derivatives connected with financial activities (cash collateral) are recognised in the statement of financial position as either receivables or liabilities. Bank deposits, cash and similar from joint operations are also presented under this line item.

NOK million	2021	2020
Cash and cash deposits [1]	36 862	11 155
Commercial papers and other interest-bearing securities	300	-
Total	37 162	11 155

[1] Includes NOK 281 million and NOK 194 million respectively in 2021 and 2020 from companies reported as joint operations.

Book value of cash and cash equivalents pledged as security to counterparties (restricted cash)

NOK million	2021	2020
Deposit account related to power sales on energy exchanges	340	22
Other restricted cash	3	9
Total	342	31

Note 31 Other non-current liabilities

SIGNIFICANT ACCOUNTING POLICIES

Provisions are only recognised when there is an existing obligation as a result of a past event, and when it is more than 50% probable that an obligation has arisen. It must also be possible to reliably measure the provision. Provisions are recognised with an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. If the probability is lower than 50%, the conditions will be stated in note 36, if material.

Free power and annual compensations to landowners Statkraft compensates landowners for the use of land and waterfalls. In addition, Statkraft compensates for damage caused to forests, land etc. The present value of liabilities related to annual compensation and free power are initially recognised as Other non-current liabilities and as a part of the acquisition costs of the related property, plant and equipment. Annual payments are recognised as Other operating expenses.

Concessionary power Each year, concessionary power sales are made to local authorities at statutory prices stipulated by the Norwegian Parliament. The supply of concessionary power is recognised as revenues on an ongoing basis in accordance with the established concessionary price. In the case of certain concessionary power contracts, agreements have been made regarding financial settlement in which Statkraft is invoiced for the difference between the spot price and the concessionary price. Such concessionary contracts are not included in the financial statements. The capitalised value of future concessionary power obligations is estimated and disclosed in note 36.

Deferred day one gains If a level 3 financial instrument creates a day one gain, the gain is deferred and recognised as Other non-current liabilities. See note 10.

Decommissioning Provisions related to decommissioning typically arise when Statkraft has the right to time-limited concessions. See note 24.

NOK million	2021	2020
Decommissioning [1]	869	838
Provisions [2]	1 077	1 240
Other [3]	1 238	1 130
Total	3 283	3 207

[1] Mainly related to gas-fired power plants and wind farms.

[2] Mainly related to annual compensations and free power to landowners.

[3] Includes monetary contributions from customers related to infrastructure assets.

Reconciliation of provisions during the period

NOK million	2021	2020
Carrying value 01.01.	1 240	1 130
Additions	34	33
Additions due to company acquisitions	1	144
Derecognition from divestments	-43	-
Provisions used/reversed	-124	-61
Reclassifications	-67	58
Other movements	-	-16
Currency translation effects	-5	-48
Carrying value 31 Dec 2021	1 077	1 240

Note 32 Contract liabilities

GENERAL INFORMATION

Statkraft has long-term power sales agreements for which prepayments have been received.

SIGNIFICANT ACCOUNTING POLICIES

The prepayments imply that Statkraft has effectively received financing from the customer. In determining the transaction price, the promised amount of consideration is adjusted for the effects of the time value of money applying Statkraft borrowing rate plus a credit premium as the prevailing interest rate. The financing component is recognised as interest expenses.

NOK million	2021	2020
Contract liabilities, non-current [1]	4 052	4 367
Contract liabilities, current [1]	316	316
Total	4 367	4 683

[1] Statkraft has entered into two long-term power sales agreements with a duration of 15 years.

Note 33 Interest-bearing liabilities

NOK million	2021	2020
Interest-bearing liabilities, current [1]		
Bank debt	5 455	3 069
Commercial papers and bond debt	13 487	800
Lease liabilities	303	269
Debt to Statkraft SF	200	200
Cash collateral	10 967	1 761
Other short-term debt	14	45
Total	30 426	6 144
Interest-bearing liabilities, non-current [1]		
Bank debt	5 811	1 264
Bond debt	16 821	25 492
Lease liabilities	1 861	1 541
Total	21 493	28 297
Total interest-bearing liabilities	51 919	34 441

[1] Comparable figures have been restated. See note 1.

NOK million	2021	2020
Cash flows from interest-bearing liabilities and derivatives allocated to the debt portfolio		
Interest-bearing liabilities and derivatives allocated to the debt portfolio as of 01.01. [1]	33 381	31 602
Items with cash effect		
New debt	14 935	4 092
Repayment of debt	-5 842	-4 759
Cash collateral	9 387	397
Total items with cash effect [3]	18 480	-270
Items with no cash effect		
Additions from lease liabilities	1 075	116
Additions from lease liabilities related to acquisition of companies	119	231
Disposals from lease liabilities	-116	-
Disposals from lease liabilities related to divestments	-340	-
Remeasurements of lease liabilities	-96	-
Additions from acquisition of companies	-	535
Derecognition from divestments	-202	-
Changes in foreign exchange rates	-1 292	773
Changes in fair value	79	293
Other	-3	101
Total items with no cash effect [3]	-778	2 049
Interest-bearing liabilities and derivatives allocated to the debt portfolio 31.12 [2]	51 083	33 381

[1] In 2021, the derivatives included in the opening balance amounted to NOK -1060 million. In 2020 the corresponding amount was NOK -1304 million.

[2] In 2021, the derivatives included in the closing balance amounted to NOK -836 million. In 2020 the corresponding amount was NOK -1060 million.

[3] Comparable figures have been restated. See note 1.

Note 34 Other current liabilities

Other current liabilities

NOK million	2021	2020
Accounts payable[1]	6 916	1 580
Indirect taxes payable	2 345	803
Debt to Statkraft SF	200	200
Accrued interest-free liabilities[1]	13 012	5 795
Accrued interest related to long-term debt	277	255
Cash collateral	10 867	1 761
Other interest-free liabilities	2 361	1 726
Total	**36 068**	**12 120**
Of which interest-bearing liabilities	11 181	2 005

[1] The main part of these liabilities is related to trading activities in energy-related products where costs have been incurred, but not yet invoiced.

Note 35 Disputes, contingencies and uncertain tax positions

DISPUTES AND CONTINGENCIES

The Group is involved in a number of legal proceedings in various forms. Whilst acknowledging the uncertainties of litigation, the Group is of the opinion that based on the information currently available, these matters will be resolved without any adverse material effect, individually or collectively on the Group's financial position. For legal disputes, in which the Group assesses it to be probable that an economic outflow will be required to settle the obligation, provisions have been made based on management's best estimate. For significant cases with uncertainty, see details below.

Brazil
On 13 July 2015, Statkraft acquired a controlling interest in the Brazilian company Desenvix Energias Renováveis S.A., which subsequently changed name to Statkraft Energias Renováveis (SKER). Over the past years, Brazil has experienced several severe corruption cases. On this background, Statkraft initiated an internal investigation related to the subsidiary acquired in 2015. Based on the investigation, the company has contacted Brazilian authorities. On 15 October 2021, SKER executed a Leniency Agreement with the federal authorities for one of the cases reported and has paid NOK 28 million in fines and redress of improper advantages obtained by Desenvix prior to Statkraft's acquisition of the controlling interest. It is not possible at this stage to predict the outcome for the other cases reported.

The Brazilian Federal Prosecutor has been investigating potential crimes committed by representatives of the four main pension funds in Brazil and representatives of companies in which the pension funds invested, as well as any other individual who may have been involved in the alleged scheme, related to historical investments made by the pension funds, including FUNCEF, which invested in Desenvix (now SKER) in 2009 and 2010, and now owns 18.7% of SKER. The Prosecutor has concluded the investigation in relation to FUNCEF and filed the criminal lawsuit against the individuals, including the shareholders of Jackson and former officers of FUNCEF. In August 2017, the Federal Judge in charge of the criminal investigation issued a resolution stating that no information had been found relating SKER with the alleged illicit activities and therefore decided to release guarantees and other precautionary measures imposed on SKER. Additionally, a civil lawsuit has been filed against the pension funds and companies and individuals related to the pension fund's investments, including SKER. It is at this stage not possible to predict if the outcome of the case could have potential negative effects on SKER.

Reporting to authorities
An investigation has been carried out following reported concerns that corruption may have taken place related to two development projects in Greece prior to Statkraft's acquisition in 2020. Direct evidence of corruption has not been found, but Statkraft has reported facts and circumstances to relevant authorities and exited the relevant projects. Any financial exposure for Statkraft is not expected to be material.

Supreme Court ruling of reindeer herding court case at Fosen wind farms

On 11 October, the Norwegian Supreme Court ruled that the concessions and expropriation permits of 2013 for the Storheia and Roan wind farms at Fosen in Norway violate the Sami reindeer herders right to cultural practice under Article 27 of the UN International Covenant on Civil and Political Rights and are therefore invalid.

Statkraft owns 52.1% of Storheia through Fosen Vind DA, whereas Roan was divested in 2021. Statkraft must on certain conditions indemnify the buyers of Statkraft's 52.1% shareholding in Roan Vind for potential losses following the Supreme Court ruling.

Fosen Vind and Roan Vind have initiated dialogues with the Ministry of Petroleum and Energy and with the Sami groups following the decision. The Ministry has confirmed that no immediate measures will be taken in relation to the concession and has initiated a process to clarify whether mitigating measures can be found to safeguard the Sami groups' rights under ICCPR art. 27, with necessary changes to be made in the concessions to achieve this. The Ministry has requested that the concessionaires, in dialogue with the Sami groups, prepare a proposal for an updated impact assessment program to be carried out, including updating of the knowledge basis, impact on the reindeer herding and potential mitigating measures to be assessed further. The proposal was submitted to the Ministry on 31 January 2022.

The outcome and the financial impact of the Supreme Court ruling is highly uncertain at this stage. Several potential scenarios for the impact of the ruling have been estimated and probabilities are assessed for each scenario. Statkraft has used this to calculate a weighted best estimate. The carrying value of Storheia is NOK 1498 million.

UNCERTAIN TAX POSITIONS

The Group is subject to income taxes in several jurisdictions. There is uncertainty related to the final tax liability for many transactions and calculations. A dispute or examination of a particular tax treatment by taxation authorities may affect the accounting for current or deferred taxes. When assessing the recognition of uncertain tax assets or liabilities, it is considered if the asset or liability is probable. If the final outcome of the tax disputes deviates from the amounts recognised in the statement of financial position, the deviations will impact the income tax expense in the profit and loss statement for the applicable period. The main uncertain tax positions in the Group are described in more detail below. See also note 22.

Uncertain tax positions in Norway
On 3 and 12 March 2020, Statkraft AS received decisions of tax reassessments from the Norwegian tax authorities. The decisions regarded the income tax returns for the fiscal years 2010-2016 related to the investment in the Statkraft Treasury Centre SA (STC) in Belgium. On 24 April 2017, the major business activities in STC were transferred to Statkraft AS. All business activities in STC have been closed down.

The main issue relates to STC's capital structure and its compliance with the arm's length principle. Statkraft strongly disagrees that there is a legal basis for any reassessment and has made no provisions related to this case in the consolidated financial statements. In the financial statements for the parent company, prepared under N-GAAP, the impact from the decision has been expensed. On 8 April 2020, Statkraft appealed the decisions to the Tax Appeals Board.

Statkraft has paid NOK 2335 million to the Norwegian tax authorities in the second quarter of 2020 related to this case associated with the period of 2010-2016. Of this, NOK 2079 million is presented as an uncertain income tax deposit and NOK 256 million is presented as uncertain interests deposit. Both items are part of the line item "Other non-current assets" in the statement of financial position.

Note 35 continued

Uncertain tax positions in Germany

Statkraft has significant business activities in Germany, and the taxable treatment for some transactions and acquisitions are uncertain. This includes trading contracts. Statkraft is of the opinion that certain unrealised losses on trading contracts are tax deductible while the German tax authorities are of the opinion that the same losses are only deductible at the time of realisation of the relevant contracts. The timing of deductions in combination with the minimum taxation regulations in Germany has significant effects on accumulated payable tax expense. Statkraft is in the process of challenging the tax treatment in the German tax court.

As of 31 December 2021, Statkraft has expensed NOK 854 million as taxes payable due to this tax treatment for the period of 2012-2021 (NOK 889 million as of 31 December 2020). Of this NOK 594 million has been paid to German tax authorities (NOK 327 million as of 31 December 2020).

Uncertain tax positions in Nepal

On 4 January 2021, The Department of Revenue Investigation (DRI) of Nepal opened an investigation against a Statkraft subsidiary in Nepal, Himal Power Ltd (HPL). DRI is investigating if HPL has a capital gains tax liability related to share transfers in the period of 2006-2017 which it may then pursue by criminal proceedings.

Statkraft is of the opinion that the relevant transactions are not subject to capital gains tax, and hence that no criminal offences have been committed. Statkraft has made no provisions related to these cases and it is at this stage not possible to quantify a potential exposure for the financial statements.

Note 36 Pledges, guarantees and obligations

PLEDGES

Under certain circumstances local authorities and publicly owned energy companies are entitled to a share of the output from power plants belonging to Statkraft in return for paying a share of the construction costs. To finance the acquisition of such rights, the local authorities/companies have been granted permission to pledge the power plant as security. The mortgage debt raised by the local authorities under this scheme totals NOK 255 million (NOK 255 million). In addition, other subsidiaries have a total of NOK 337 million (NOK 852 million) in pledged debt. The pledged assets consist mainly of cash collateral in restricted accounts and future revenues from long-term power sales agreements.

As of 31 December 2021, the carrying value of the pledged assets in the Statkraft Group totalled NOK 895 million (NOK 1168 million).

GUARANTEES AND BONDS

The Statkraft Group has the following off-balance-sheet guarantees:

NOK million	2021	2020
Parent company guarantees on behalf of subsidiaries [1]	30 307	19 435
Parent company guarantees on behalf of associates and joint arrangements	40	198
Other [2]	2 081	1 969
Total guarantees in Statkraft AS	32 429	21 603
Guarantees issued by subsidiaries [2]	5 355	1 948
Guarantees issued by associates and joint arrangements	-	-
Total guarantees in subsidiaries, associates and joint arrangements	5 355	1 948
Total guarantees	37 784	23 550

[1] The guarantees for 2021 are mainly related to energy trading of NOK 21 297 million and liabilities to suppliers of NOK 1687 million.

[2] Figures for 2021 include NOK 2076 million in grid bonds and NOK 263 million in performance bonds related to the development and construction of wind farms and solar farms. Such bonds can be called if Statkraft does not develop and construct the respective wind farms and solar farms according to the terms.

CONTRACT OBLIGATIONS

Statkraft Group has the following significant off-balance-sheet obligations at 31 December 2021:

- Statkraft is obliged to pay licence fees related to hydropower plants, mainly in Norway. The present value of the Group's future licence fee obligations, not recognised in the statement of financial position, is estimated to NOK 14 172 million. The estimated amount is based on a regulated discount rate of 2.7%, annual compensation and funds etc. In 2020, the corresponding amount was NOK 15 178 million with a discount rate of 2.5%.
- Contractual obligations of NOK 4967 million related to construction of wind farms, solar farms and hydropower plants.
- A power purchase agreement with an estimated 16-year horizon. The purchase obligation is NOK 1401 million.
- Obligation regarding service agreements related to gas-fired power plants of NOK 578 million.

CONCESSIONARY POWER CONTRACTS

The Group recognises concessionary power as normal buying and selling in accordance with stipulated concessionary power prices upon delivery, regardless of whether the settlement takes place upon physical delivery or financial settlement. Concessionary power contracts are normally regarded as indefinite. The parties can however agree on financial settlement for a period of time.

At the end of 2021, the contracts with financial settlement had a total volume of around 11.9 GWh and an average price from the Ministry of Petroleum and Energy of 11.6 øre/kWh. For the remaining contracts with financial settlement, the estimated fair value at 31 December 2021 was NOK -82 million.

Note 37 Fees paid to external auditors

Deloitte AS is the Statkraft Group's auditor and audits all subsidiaries subject to audit requirements.

The total fees (excluding VAT) paid for auditing and other services were as follows:

NOK thousand	2021	2020
Statutory auditing	27 062	22 601
Other attestation services	1 085	1 256
Tax consultancy services	432	1 234
Other services [1]	477	526
Total	29 046	25 617

[1] The main items in fees for other services in 2021 and 2020 relates to attestation of the sustainability report.

Note 38 Benefits paid to executive management and the Board of Directors

Statkraft is organised into business units and support functions. The managers of these units report to the Group management, which comprises the executive vice presidents (EVPs) and the President and CEO.

Salary and other benefits – executive management

2021

NOK	Salary	Bonus [1]	Benefits in kind	Salaries and other benefits
Christian Rynning-Tønnesen, President and CEO	5 827 803	802 000	219 833	6 849 636
Anne Harris, Executive Vice President and CFO	3 315 231	573 000	227 645	4 115 876
Hallvard Granheim, Executive Vice President	4 238 838	589 000	218 997	5 046 835
Birgitte Ringstad Vartdal, Executive Vice President	3 848 931	702 000	227 898	4 778 829
Hilde Bakken, Executive Vice President	3 453 998	516 000	223 212	4 195 210
Jürgen Tzschoppe, Executive Vice President	3 876 048	586 000	143 697	4 605 745
Henrik Sætness, Executive Vice President	3 042 481	413 000	221 625	3 677 106

[1] Bonus earned in 2021, but disbursed in 2022.

2020

NOK	Salary	Bonus [1]	Benefits in kind	Salaries and other benefits
Christian Rynning-Tønnesen, President and CEO	5 637 204	1 158 000	214 191	7 009 395
Anne Harris, Executive Vice President and CFO	3 043 142	555 000	222 533	3 820 675
Hallvard Granheim, Executive Vice President	3 892 849	779 000	213 227	4 885 076
Steinar Bysveen, Executive Vice President [2]	2 493 226	-	151 186	2 644 412
Birgitte Ringstad Vartdal, Executive Vice President [3]	2 740 636	473 000	179 410	3 393 046
Hilde Bakken, Executive Vice President	3 206 565	569 000	217 467	3 993 032
Jürgen Tzschoppe, Executive Vice President	3 796 877	584 000	143 467	4 524 344
Jon Vatnaland, Executive Vice President [4]	2 369 958	-	159 281	2 529 239
Henrik Sætness, Executive Vice President [5]	2 197 562	323 000	180 322	2 700 884

[1] Bonus earned in 2020, but disbursed in 2021.

[2] Steinar Bysveen resigned from his position as Executive Vice President on 31 March 2020.

[3] Birgitte Ringstad Vartdal was appointed Executive Vice President on 1 April 2020.

[4] Jon Vatnaland resigned from his position as Executive Vice President on 18 August 2020.

[5] Henrik Nissen Sætness was appointed Executive Vice President on 1 October 2020.

The Group management has not received any compensation or financial benefits from other companies in the same Group other than those shown above. No additional compensation for special services beyond normal managerial functions has been provided, nor have any loans or surety been granted.
For 2021, total salaries and other benefits paid to the executive management amounted to NOK 33 269 237. The corresponding amount in 2020 was NOK 35 500 103.

Pension costs – executive management

NOK	2021	2020
Christian Rynning-Tønnesen, President and CEO	2 695 286	2 277 707
Anne Harris, Executive Vice President and CFO	152 938	147 296
Hallvard Granheim, Executive Vice President	301 955	281 589
Steinar Bysveen, Executive Vice President [1]	-	287 819
Birgitte Ringstad Vartdal, Executive Vice President [2]	152 938	110 472
Hilde Bakken, Executive Vice President	1 598 772	1 358 624
Jürgen Tzschoppe, Executive Vice President	152 938	147 296
Jon Vatnaland, Executive Vice President [3]	-	627 367
Henrik Sætness, Executive Vice President [4]	1 309 272	320 683

[1] Steinar Bysveen resigned from his position as Executive Vice President on 31 March 2020

[2] Birgitte Ringstad Vartdal was appointed Executive Vice President on 1 April 2020.

[3] Jon Vatnaland resigned from his position as Executive Vice President on 18 August 2020

[4] Henrik Sætness was appointed Executive Vice President on 1 October 2020.

The year's accounting cost for the pension scheme reflects the period during which the individual has been an executive employee. For 2021, the total pension costs for executive management were NOK 6 364 099. In 2020 the corresponding amount was NOK 5 558 853.

Note 38 continued

Remuneration to the Board, Audit Committee and Compensation Committee as well as participation in Board meetings

2021

NOK	Board remuneration	Audit Committee	Compensation Committee	Participation in board meetings
Thorhild Widvey, chair	556 500	-	57 750	13
Peter Mellbye, deputy chair	393 000	-	35 500	13
Marit Salte, director	323 000	116 500	-	13
Mikael Lundin, director	323 000	78 000	-	13
Ingelise Arntsen, director	323 000	107 500	-	12
Bengt Ekenstierna, director	323 000	-	-	13
Vilde Eriksen Bjerknes, employee-elected director	323 000	-	-	13
Thorbjørn Holøs, employee-elected director	323 000	78 000	-	13
Asbjørn Sevlejordet, employee-elected director	323 000	-	35 500	13

2020

NOK	Board remuneration	Audit Committee	Compensation Committee	Participation in board meetings
Thorhild Widvey, chair	539 000	-	56 000	9
Peter Mellbye, deputy chair	381 000	-	34 500	8
Marit Salte, director [1]	159 000	-	-	5
Hilde Drønen, director [2]	154 000	51 500	-	4
Mikael Lundin, director	313 000	75 750	-	9
Ingelise Arntsen, director	313 000	90 250	-	9
Bengt Ekenstierna, director	313 000	-	-	9
Vilde Eriksen Bjerknes, employee-elected director	313 000	-	-	9
Thorbjørn Holøs, employee-elected director	313 000	75 750	-	8
Asbjørn Sevlejordet, employee-elected director	313 000	-	34 500	9

[1] Was appointed board member in July 2020.
[2] Left the Board in July 2020.

The Board has no remuneration agreements other than the directors' fee and remuneration for participation in committee work, nor have any loans or surety been granted to directors of the Board. Total remuneration paid to the Board, Audit Committee and Compensation Committee in 2021 was NOK 3 210 500, NOK 380 000 and NOK 128 750 respectively. The respective amounts in 2020 were NOK 3 111 000, NOK 293 250 and NOK 125 000.

THE BOARD'S STATEMENT REGARDING SALARIES AND OTHER REMUNERATIONS TO SENIOR EXECUTIVES – 2021

The board of Statkraft will contribute to a moderate, but competitive development of executive pay in Statkraft. The principles and guidelines for executive salary and other remunerations are formed accordingly. A separate remuneration report together with guidelines, according to the Norwegian public limited liability companies act §§ 6-16a and 6-16b, will be established during first half 2022 and presented for approval on the 2022 annual general meeting.

Statkraft AS and fully owned subsidiaries follows the Ministry of Trade, Industry and Fisheries's guidance for salary and other benefits to corporate management in state owned companies.

Statkraft's policy is to offer competitive terms, but not take a leading position. Upon deciding salaries and other remunerations in Statkraft, an external position assessment system delivered by Korn Ferry Hay Group that ranks positions according to a recognized and widely used methodology is utilised. This company conducts an annual survey, evaluating how similarly ranked positions in the Norwegian labour market are compensated. The survey contains compensation data from a wide range of Norwegian companies representing the Norwegian total market and is not limited to single sectors.

This information, together with the general salary development in Statkraft, forms the basis for determining compensation.

Organisation
The board of Statkraft has established a separate Compensation Committee. The mandate of the committee is as follows:

- Once a year prepare the board's treatment of items relating to the CEO's salary and conditions of employment.
- Prepare the Board's statement on executive pay and other compensation paid to senior executives.
- Prepare the Board's treatment of all the fundamental issues relating to salary, bonus systems, pension and employment agreements and similar for the executive management in Statkraft.
- Deal with specific issues related to compensation for employees in the Statkraft Group to the extent that the Committee deems that these concern matters of particular importance for the Group's reputation, competitiveness and attractiveness as an employer.
- The CEO shall consult the Compensation Committee regarding the salaries for the corporate executives and head of Corporate Audit before they are decided upon.

Report on executive remuneration policy
The CEO and corporate executives receive both a fixed salary and a variable payment.

Fixed salary
The fixed salary is determined based on an assessment of the specific position and the market – as well as an assessment against Statkraft's policy of offering competitive terms, but not take a leading position. Statkraft apply the Korn Ferry Hay Group methodology for position and market evaluations. When deciding the annual salary regulation, the average salary increases of other employees are also considered.

Note 38 continued

Variable salary
Base salary is the primary compensation element in Statkraft. In addition, the company has a variable remuneration scheme for the senior executives based on key performance indicators and individual goals. The purpose is to drive operational performance and manage risks to achieve the objectives in the strategy.

Statkraft has established a performance management process to ensure clear relationship between the Group's overall Strategic platform and defined targets. Performance is reported and followed up through key performance indicators (KPIs) in the Group scorecard. The key performance indicators are based on the most relevant value drivers and strategic ambitions for the group. The targets are set to ensure value creation.

The variable remuneration scheme for Statkraft's senior executives is developed to support the performance management process, establishing a clear link between value-creating activities and individual variable remuneration.

Below is a description of relevant categories of KPIs included in the variable remuneration scheme for the CEO and corporate management. The measurement is weighted on the individual's area of responsibility:

i) People and environment
Within this category Statkraft monitors that required legal, environmental, social and ethical standards in the industry are followed. A main focus is on health, safety and security risks for employees and reduction of negative environmental impact. Common health and safety targets are included for all members of executive management. The category further focus on people and organisation, covering aspects as capacity building and a high performing organisation to enable good operations and future growth.

ii) Financial indicators
Statkraft's financial performance from market activities is measured through profitability KPIs, where Statkraft's added value from energy management and other market activities are measured against the market. The main focus is to enhance value creation for Statkraft, measured by different KPIs with stretch targets.

iii) Operational indicators
There are several KPIs to follow up operational performance. Statkraft measures the market adjusted availability of the power plants, i.e. the availability in times where Statkraft benefits from available plants. Moreover Statkraft follows up costs by measuring the development of the cost base. Also for these indicators, the main focus is on enhanced value creation for Statkraft; measured by different KPIs with stretch targets

For the CEO and corporate management, the variable remuneration has a maximum potential of 25 per cent of gross base salary. Calculation of variable remuneration is based on level of goal achievement ranging from 0 to 100% for specific, defined sub targets.

Sub targets are defined at three levels:

- Expected level; results in range with goal achievements on this level reflect expected delivery and is not rewarded with variable pay.
- Stretch goals; defined results above expected delivery level that represent 50% goal achievement.
- Outstanding; defined results high above expected delivery level that represent 100% goal achievement.

For the CEO and corporate management, targets are defined for strategic objectives as well as financial and operational performance. The CEO's variable pay has a combined weighting of approximately 70% of these targets and 30% weighting of individual targets on strategic leadership and organisational development. Assessment of variable remuneration level for the executive vice presidents is conducted by the CEO in consultation with the compensation committee of the Statkraft board. The assessment of variable remuneration level for the CEO is conducted by the compensation committee and decided by the board.

For 2021 the main targets and related KPI's were as described below. All targets were supported by comprehensive plans and measures. The targets are independent of the power price level.

Note 38 continued

Strategic targets	Weight	Evaluation
Safety		
• Targets and measures comprise safety, the duty to prevent incidents and being a workplace with no injuries. • In the case of fatalities or severe permanent disabilities an achievement score of 0% is concluded for the target in full. Full bonus is achieved on TRI-rate below a predefined threshold.	10%	TRI-rate for 2021 was 3.6. Development of the TRI-rate is positive and a represent an improvement compared to the 2020 level. The Board of Directors evaluates the target achievement at 90% for 2021
Total cost of operations all technologies		
• Targets and measures comprise cost effective operations of all plants. • Target achievement is measured towards predefined cost values per kWh.	12%	Total cost of operations all technologies was somewhat below target level for 2021. The Board of Directors evaluates the target achievement at 40% for 2021
Market adjusted availability all technologies		
• Target to optimise the availability of the plants measured towards when it is most profitable to produce. • Target achievement is measured towards predefined availability thresholds.	12%	Market adjusted availability all technologies was 91.1% for 2021. Result is below threshold and lower than previous years. Reduced availability was mainly related to large refurbishment projects in Norway and replacement of components on wind farms. The Board of Directors evaluates the target achievement at 0% for 2021
Market operations		
• Added value from energy management and other market activities compared to the market. • Target achievement is measured towards predefined profitability thresholds.	14%	Market operations delivered a negative result for 2021. The trading and origination business contributed with positive results. A negative overall result for market operations is related to losses from the dynamic asset management portfolios. The Board of Directors evaluates the target achievement at 0% for 2021
Hydropower		
• Added value from the Norwegian hydropower portfolio. • Target achievement is measured as the added value in percent created relative to competitors in Norway, hence the achievement is independent of the price level itself.	7%	Added value from the Norwegian hydropower portfolio in terms of percent created relative to competitors in Norway was for 2021 on a very good level. The Board of Directors evaluates the target achievement at 100% for 2021
Growth		
• Targets and measures comprise growth in International power and European wind and solar power. • Target achievement is measured towards strategic growth targets and related targets in MW for projects that has passed investment or acquisition decision. • Full bonus is achieved on principal investment decision above a predefined level.	10%	Principal investment decision meeting portfolio target level was achieved. The Board of Directors evaluates the target achievement at 100% for 2021
Structural development		
• Targets and measures comprise growth opportunities for the Group.	15%	A range of growth opportunities was discussed and evaluated in 2021. The Board of Directors evaluates the target achievement at 40% for 2021
People and Organisation		
• Targets and measures comprise capacity building and a high performing organisation to enable good operations and future growth. • Target achievement is related to measurable criteria's as diversity and inclusion as well as the annual employee satisfaction survey, in combination with a discretionary evaluation.	15%	The annual employee satisfaction survey response rate was at 90%. Results reveal a highly motivated workforce and an average score above the Mercer Sirota Global Top Quartile (25% best companies globally) within eight categories. Other surveys conducted state 75% of employees find Statkraft leaders as role models on inclusion. 2021 further included a successful integration of Solarcentury. The Board of Directors evaluates the target achievement at 90% for 2021
External reputation		
• Targets and measures to strengthen the external reputation of the company. • Target achievement is subject to a discretionary evaluation and the board emphasize the CEO's engagement to strengthen company external reputation.	5%	Statkraft successfully conducted the "Framtiden bestemmer" campaign. The CEO has further contributed in positioning Statkraft through his overall active engagement. The Board of Directors evaluates the target achievement at 90% for 2021
Total target weight and achievement 2021	100%	Total, weighted target achievement: 55% for 2021

Note 38 continued

The Board of Directors performance and assessment of the CEO - 2021

The Board of Directors have in their 2021 performance assessment of the CEO seen target achievements distributed above, at and below predefined target thresholds. The TRI-rate on safety is marginally above threshold for full bonus achievement, however also representing a positive development compared to 2020. Added value from Norwegian hydropower, in terms of percent created value relative to competitors in Norway was at a very good level and the result on growth within wind and solar delivered well above target. The Board of Directors experience an organisation of highly motivated and engaged employees, and a positive development within diversity and inclusion. Further, a successful integration was achieved post the acquisition of Solarcentury, and the group has solid growth within both development and realisation of new projects. From the segment Market operations the trading and origination business contributed with a positive result, though Market operations experienced a negative overall result mainly related to losses from the dynamic asset management portfolios. Market adjusted availability for 2021 was at a lower level than previous years, mainly related to large refurbishment projects in Norway and replacement of components on wind power plants.

Main targets and related KPI's for the CEO for 2022 are decided by the Board of Directors as described below. All targets are independent of the power price level.

Targets for the CEO's variable pay - 2022	
Strategic targets	**Weight**
Safety	
• Targets and measures comprise safety, the duty to prevent incidents and being a workplace with no injuries. • In the case of fatalities or severe permanent disabilities an achievement score of 0% is concluded for the target in full. Full bonus is achieved on TRI-rate below a predefined threshold, and high engagement score among leaders and employees within the safety area.	15%
Total cost of operations all technologies	
• Targets and measures comprise cost effective operations of all plants. • Target achievement is measured towards predefined cost values per kWh.	11%
Market adjusted availability all technologies	
• Target to optimise the availability of the plants measured towards when it is most profitable to produce. • Target achievement is measured towards predefined availability thresholds.	11%
Market operations, including DAMP	
• Added value from energy management and other market activities compared to the market. • Target achievement is measured towards predefined profitability criteria's.	12%
Hydropower	
• Added value from the Norwegian hydro power portfolio. • Target achievement is measured as the added value in percent created relative to competitors in Norway, hence the achievement is independent of the price level itself.	11%
Growth	
• Targets and measures comprise growth in International power and European wind and solar power. • Target achievement is measured towards strategic growth targets and related targets in MW for projects that has passed investment or acquisition decision. • Full bonus is achieved on investment decision above a predefined level.	10%
Structural development	
• Targets and measures comprise growth opportunities for the Group.	15%
People and Organisation	
• Targets and measures comprise capacity building and a high performing organisation to enable good operations and future growth. • Target achievement is related to measurable criteria's as diversity and inclusion as well as the annual employee satisfaction survey, in combination with a discretionary evaluation.	10%
External reputation	
• Targets and measures to strengthen the external reputation of the company. • Target achievement is subject to a discretionary evaluation and the board emphasize the CEO's engagement to strengthen company external reputation.	5%

Note 38 continued

Other variable elements
Other variable elements include arrangements with a company car, newspapers, phone and coverage of broadband communication in accordance with established standards.

Pension plans
For wholly owned Norwegian subsidiaries, Statkraft has established a defined contribution plan in Gjensidige Pensjonsforsikring AS and has a closed defined benefit plan in the Government Pension Fund (SPK).

The CEO, Christian Rynning-Tønnesen, has a retirement age of 67 years, and will receive a pension of 66% of his annual salary, provided that he has been part of SPK during the entire 30-year vesting period. The other corporate executives have a retirement age of 65 years at the earliest.

Statkraft established a pension scheme funded out of current income for income above 12G in 2003. The scheme included all employees with an annual salary above 12G, including the CEO and corporate executives. This scheme was closed to new employees in 2012. There is not established any new retirement pension scheme for annual salary over 12G, but an additional salary system has been established that can be used for supplementary private pension savings. Additional salary is set at 18% of ordinary salary above 12G. Group disability coverage relating to salaries above 12G has also been established.

Employees with a salary above 12G and date of hire prior to April 30 2012 kept their pension agreements in the closed pension scheme. This practice was also applied for internal promotions to corporate management. Statkraft changed this practice in 2017 so that internal promotions to corporate management from 2018 onwards demand an exit from the 12G pension arrangement. Members of the closed scheme for income above 12G included in 2021 the CEO and one member of corporate management.

Position change agreements
The CEO has an agreement regarding change of position after the age of 62. This is an agreement where, at any time after the employee has reached 62 years of age, the executive or the company has a mutual right to request to resign, or be requested to resign, from his executive position without further justification. If any of the parties exercise this right, the executive should be offered another position with a salary of 75% of the executive's pay – and working hours of up to 50% until the agreed-upon retirement age. The policy regarding executive remuneration has been amended and the arrangement is closed to new employees.

Severance arrangements
The mutual period of notice for the CEO is 6 months. For corporate executives, there is a mutual notice period of 3 months. After more than 2 years of employment, the employer's period of notice is 6 months.

For the CEO, and one member of corporate management, agreements have been signed guaranteeing a special severance pay from the employer if notice is given by the employer with a shorter deadline than mentioned above. The agreement waives the employee's rights in the Work Environment Act (Arbeidsmiljøloven) for protection against dismissal. If the employer uses this right of termination, the employee is entitled to a severance payment of up to 12 months' salary in excess of agreed notice period. The amount shall be paid monthly.

Severance pay shall be reduced according to established rules if the employee receives other income within the payment period. These agreements are entered into in accordance with the guidelines for the employment conditions of managers in state owned enterprises and companies of 28 June 2004. The policy regarding executive remuneration has been changed, and the arrangement is closed to new employees.

Terms for the CEO
Fixed salary paid to the CEO for 2022 is NOK 5 836 000, with other terms as set out in this statement.

Note 39 Related parties

GENERAL INFORMATION

All subsidiaries, associates and joint arrangements stated in note 26 and note 40 are related parties of Statkraft. Intercompany balances and transactions between consolidated companies are eliminated in Statkraft's consolidated financial statements and are not presented in this note.

The individuals stated in note 38 are members of the executive management or the Board of Directors and are also related parties of Statkraft.

The table below shows transactions with related parties classified as associates or joint ventures.

NOK million	2021	2020
Revenues	235	196
Expenses	150	151
Receivables at the end of the period	1 503	1 486
Liabilities at the end of the period	19	11

Significant transactions with the owner and companies controlled by the owner

The shares in Statkraft AS are all owned by Statkraft SF, which is a company wholly owned by the Norwegian State.

NOK million	2021	2020
Gross operating revenues and other income includes:		
Concessionary sales at statutory prices	418	402
Net operating revenues and other income includes:		
Energy purchases from Equinor	611	349
Transmission costs to Statnett	1 241	1 107
Operating expenses includes:		
Regulatory fees to Norwegian authorities	1 238	1 145
Financial expenses includes:		
Interest expenses to Statkraft SF	2	2
Income tax expenses includes:		
Payable income tax expense to Norwegian authorities	13 316	2 031
Proposed dividend to Statkraft SF	10 214	3 673

Transmission costs to Statnett are mainly grid tariff. The prices in this market are stipulated by the Norwegian Water Resources and Energy Directorate. Other transactions with related parties are conducted at commercial terms and conditions.

Except for interest-bearing debt and other current liabilities covered in notes 33 and 34, there are no other significant items between Statkraft AS and Statkraft SF in the statement of financial position.

Statkraft also has transactions and balances with other enterprises controlled by the Norwegian state, but their size, neither individually nor combined, have significance for Statkraft's financial statements.

Note 40 Consolidated companies

Name	Segment [1]	Country	Registered office	Parent company	Shareholding and voting share [2]
Statkraft France SAS	EF	France	Lyon	Statkraft Asset Holding AS	100.00%
Knapsack Power GmbH & Co KG	EF	Germany	Düsseldorf	Statkraft Holding Knapsack GmbH	100.00%
Knapsack Power Verwaltungs GmbH	EF	Germany	Düsseldorf	Knapsack Power GmbH & Co KG	100.00%
Statkraft Holding Herdecke GmbH	EF	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Holding Knapsack GmbH	EF	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Energi AS*	EF	Norway	Oslo	Statkraft AS	100.00%
Baltic Cable AB	EF	Sweden	Malmö	Statkraft Asset Holding AS	100.00%
Gidekraft AB	EF	Sweden	Stockholm	Statkraft Sverige AB	90.10%
Statkraft Sverige AB	EF	Sweden	Stockholm	Statkraft Asset Holding AS	100.00%
Rheidol 2008 Trustees Ltd.	EF	United Kingdom	London	Statkraft Energy Ltd.	100.00%
Statkraft Energy Ltd.	EF	United Kingdom	London	Statkraft UK Ltd.	100.00%
Statkraft Energia do Brasil Ltda.*	MO	Brazil	Florianopolis	Statkraft Investimentos Ltda.	100.00%
Statkraft (China) Energy Ltd.	MO	China	Beijing	Statkraft Markets B.V.	100.00%
Knapsack Power Admin GmbH	MO	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Germany GmbH	MO	Germany	Düsseldorf	Statkraft AS	100.00%
Statkraft Markets GmbH*	MO	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Solar Deutschland GmbH	MO	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Trading GmbH*	MO	Germany	Düsseldorf	Statkraft Markets GmbH	100.00%
Statkraft Markets Pvt. Ltd.	MO	India	New Delhi	Statkraft Holding Singapore Pte. Ltd.	100.00%
Statkraft US Holding AS*	MO	Norway	Oslo	Statkraft Asset Holding AS	100.00%
Statkraft Financial Energy AB	MO	Sweden	Stockholm	Statkraft AS	100.00%
Statkraft Markets B.V.	MO	The Netherlands	Amsterdam	Statkraft Asset Holding AS	100.00%
Statkraft Elektrik Enerjisi Toptan Satis Ltd. Sti.	MO	Turkey	Istanbul	Statkraft AS	100.00%
Bryt Energy Ltd.	MO	United Kingdom	Birmingham	Statkraft Pure Energy	100.00%
Bryt Energy Storage	MO	United Kingdom	Birmingham	Statkraft Pure Energy	100.00%
Statkraft Pure Energy Ltd.	MO	United Kingdom	Birmingham	Statkraft UK Ltd.	100.00%
Statkraft US LLC	MO	USA	San Francisco	Statkraft US Holding AS	100.00%
Devoll Hydropower Sh.A.	IP	Albania	Tirana	Statkraft Markets B.V.	100.00%
Statkraft Renewables Albania Sh.p.k.	IP	Albania	Tirana	Statkraft Markets B.V.	100.00%
Energen Energias Renováveis S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Esmeralda S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Macaúbas Energética S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Moinho S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Novo Horizonte Energética S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo I S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo II S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo III S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo IV S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo V S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo VI S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo VII S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo VIII S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo IX S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo X S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo XI S.A.	IP	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo XII S.A.	IP	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo XIII S.A.	IP	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Oslo XIV S.A.	IP	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Santa Fé Energia S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Santa Laura S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Santa Rosa S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Seabra Energética S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Serra da Mangabeira S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Statkraft Comercialização de Energia S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Statkraft Energias Renováveis S.A.	IP	Brazil	Florianopolis	Statkraft Investimentos Ltda.	81.31%
Statkraft Investimentos Ltda.	IP	Brazil	Florianopolis	Statkraft Brasil AS	100.00%
Ventos de Santa Eugênia Energias Renováveis S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Ventos de São Vitorino S.A.	IP	Brazil	Florianopolis	Statkraft Energias Renováveis S.A.	100.00%
Morro Do Cruzeiro I S.A.	IP	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Morro Do Cruzeiro II S.A.	IP	Brazil	Florianópolis	Statkraft Energias Renováveis S.A.	100.00%
Chacabuco 18 Solar SpA	IP	Chile	Santiago	Solarcentury Projects SpA	100.00%
Empresa Eléctrica Pilmaiquén S.A.	IP	Chile	Santiago	Statkraft Chile Inversiones Eléctricas Ltda.	99.62%
Empresa Eléctrica Rucatayo S.A.	IP	Chile	Santiago	Empresa Eléctrica Pilmaiquén S.A.	100.00%
Parina Solar SpA	IP	Chile	Santiago	Solarcentury Projects SpA	100.00%
Pauna Solar SpA	IP	Chile	Santiago	Solarcentury Projects SpA	100.00%
Solarcentury Chile SpA	IP	Chile	Santiago	Solar Century Holdings Ltd.	100.00%
Solarcentury Projects SpA	IP	Chile	Santiago	SCH Projects Ltd.	100.00%
Statkraft Chile Inversiones Eléctricas Ltda.	IP	Chile	Santiago	Statkraft Holding Chile Pte. Ltd.	100.00%
Statkraft Chile Tinguiririca SCC	IP	Chile	Santiago	Statkraft Chile Inversiones Electricas Ltda.	100.00%
Statkraft Eólico S.A.	IP	Chile	Santiago	Statkraft Holding Chile Pte. Ltd.	100.00%
Tamarugo Solar SpA	IP	Chile	Santiago	Solarcentury Projects SpA	100.00%
Transrucatayo S.A.	IP	Chile	Santiago	Empresa Eléctrica Rucatayo S.A.	100.00%

Note 40 continued

Name	Segment [1]	Country	Registered office	Parent company	Shareholding and voting share [2]
Transrucatayo S.A.	IP	Chile	Santiago	Empresa Eléctrica Rucatayo S.A.	100.00%
Nellai Renewables Pvt. Ltd.	IP	India	New Delhi	Statkraft IH Holding AS	74.00%
Statkraft India Pvt. Ltd.	IP	India	New Delhi	Statkraft Holding Singapore Pte. Ltd.	100.00%
Tidong Power Generation Pvt. Ltd.	IP	India	Shimla	Statkraft IH Holding AS	100.00%
Himal Power Ltd.	IP	Nepal	Kathmandu	Statkraft Holding Singapore Pte. Ltd.	57.07%
Statkraft Brasil AS	IP	Norway	Oslo	Statkraft IH Invest AS	100.00%
Statkraft IH Holding AS	IP	Norway	Oslo	Statkraft IH Invest AS	100.00%
Statkraft IH Invest AS	IP	Norway	Oslo	Statkraft AS	100.00%
Inversiones Shaqsa S.A.C.	IP	Peru	Lima	Statkraft Peru S.A.	100.00%
Statkraft Peru Holding S.A.C.	IP	Peru	Lima	Statkraft Holding Peru Pte. Ltd.	100.00%
Statkraft Peru S.A.	IP	Peru	Lima	Statkraft Peru Holding S.AC.	100.00%
Statkraft Holding Chile Pte. Ltd.	IP	The Netherlands	Amsterdam	Statkraft Holding Singapore Pte. Ltd.	100.00%
Statkraft Holding Peru Pte. Ltd.	IP	The Netherlands	Amsterdam	Statkraft Holding Singapore Pte. Ltd.	100.00%
Statkraft Holding Singapore Pte. Ltd.	IP	The Netherlands	Amsterdam	Statkraft IH Holding AS	100.00%
Çakıt Enerji A.S.	IP	Turkey	Istanbul	Statkraft Enerji A.S.	100.00%
Kargi Kizilirmak Enerji A.S.	IP	Turkey	Istanbul	Statkraft Enerji A.S.	100.00%
Statkraft Enerji A.S.	IP	Turkey	Istanbul	Statkraft AS	100.00%
Energia de Guanacache S.A.	EWS	Argentina	Buenos Aires	Solar Century Argentina Holdco 2	98.00%
Inlight Energy S.A.	EWS	Argentina	Buenos Aires	Solar Century Argentina Holdco 1	98.00%
Pocito Solar Park S.A	EWS	Argentina	Buenos Aires	Solar Century Argentina Holdco 3	98.00%
Solargentum Solar Park S.A.	EWS	Argentina	Buenos Aires	Solar Century Argentina Holdco 4	98.00%
Fotovoltaico Dulima S.A.S	EWS	Colombia	Ibagué	Solarcentury Projects Latin America, S.A.	100.00%
Fotovoltaico Flandes S.A.S.	EWS	Colombia	Ibagué	Solarcentury Projects Latin America, S.A.	100.00%
Fotovoltaico Yuma S.A.S	EWS	Colombia	Ibagué	Solarcentury Projects Latin America, S.A.	100.00%
Solar century Alpha d.o.o.	EWS	Croatia	Zagreb	SCH Projects Ltd.	100.00%
Statkraft OIE d.o.o.	EWS	Croatia	Zagreb	SCH Projects Ltd.	100.00%
Pacifico Solar S.A. de C.V.	EWS	El Salvador	Colonia Escalon	Solarcentury Projects Latin America, S.A.	99.95%
Energie Eolienne Derval SNC	EWS	France	Lyon	SK Wind Gmbh & Co.KG	100.00%
Helioceres IV SAS	EWS	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 2 SAS	EWS	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 3 SAS	EWS	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 4 SAS	EWS	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
SC Centrale 5 SAS	EWS	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
Solarcentury France SAS	EWS	France	Lyon	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Renouvelables SAS	EWS	France	Lyon	Statkraft Asset Holding AS	100.00%
SK Wind GmbH & Co.KG	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare 1 GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare 1 Verwaltungs GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare 2 GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Erneuerbare 2 Verwaltungs GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Holding Wind & Solar Deutschland	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Alte Schlag GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Alte Schlag Ver. GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Oedelsheim GmbH & Co. KG	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Oedelsheim Ver. GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Titz GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Titz Verwaltungs GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Zinse GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Zinse Verwaltungs GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Zinser Rücken GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Statkraft Windpark Zinser Rücken Ver. GmbH	EWS	Germany	Düsseldorf	Statkraft Germany GmbH	100.00%
Solarcentury Deutschland GmBH	EWS	Germany	Frankfurt am Main	Solar Century Holdings Ltd.	100.00%
SolarCentury Services Greece Single Member S.A.	EWS	Greece	Athens	Solar Century Holdings Ltd.	100.00%
SolarProject SC I Private Company	EWS	Greece	Athens	Solar Century Holdings Ltd.	85.00%
SolarProject SC II Private Company	EWS	Greece	Athens	Solar Century Holdings Ltd.	85.00%
SolarProject SC III Private Company	EWS	Greece	Athens	Solar Century Holdings Ltd.	85.00%
SolarProject Staat Vast III Single Member Private Company	EWS	Greece	Athens	Solar Century Holdings Ltd.	100.00%
Ballymacarney Renewable Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Ballyvatta Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Behy Renewables Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Boolyvannanan Renewable Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Bore Array Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Cloghan Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Cloncant Renewable Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Clonfad Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Coole Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Cregg Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Dernacart Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Dungeeha Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
East Laois Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Featherbed Lane Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Fossy Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Glencloosagh Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Gorman Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Greenwire Transmission Pentir Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Greenwire Transmission South Wales Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Harristown Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Jupiter Energy Supply Company Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Kilcush Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Killeena Stability Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Kilpaddoge Green Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%

Note 40 continued

Name	Segment [1]	Country	Registered office	Parent company	Shareholding and voting share [2]
Kilsallaghan Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Mayne Stability Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Meath Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Moanvane Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Monaraha Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
North Irish Sea Array Windfarm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
North Kildare Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
North Meath Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Pinewood Wind Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Rathleague Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
South Meath Solar Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Sronagh Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Asset Management Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Development Projects Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Statkraft Ireland Ltd.	EWS	Ireland	Cork	Statkraft Asset Holding AS	100.00%
Statkraft Ireland Projects Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Taghadoe Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Tomsallagh Solar Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Ummeras Wind Farm Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
WXD Energy Ltd.	EWS	Ireland	Cork	Statkraft Ireland Ltd.	100.00%
Winter Winds Ltd.	EWS	Ireland	Limerick	Statkraft Ireland Ltd.	100.00%
Cisterna di Latina Fotov.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Cupello Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Gobetto Solare S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Latina B Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Latina C Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Latina D Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Latina Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Melfi Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Montenero Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Pontinia A Fotovoalt. S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Pontinia B Fotovoalt. S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
Sessa Aurunca Fotovoltaico S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L	100.00%
SKI 01 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 02 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 03 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 04 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 05 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 06 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 07 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 08 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 09 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 10 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 11 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 12 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 13 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 14 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 15 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
SKI 16 S.R.L.	EWS	Italy	Milan	Statkraft Italia S.R.L.	100.00%
Solar Century FVGC 1 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 2 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 3 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 4 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 5 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 6 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 7 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 8 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 9 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 10 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Solar Century FVGC 11 S.R.L.	EWS	Italy	Milan	Solarcentury Project Holding Italia S.R.L.	100.00%
Statkraft Italia S.R.L.	EWS	Italy	Milan	Statkraft European Wind and Solar Holding AS	100.00%
Solarcentury Mexico	EWS	Mexico	Mexico City	Solar Century Holdings Ltd.	100.00%
Statkraft Vind Utvikling DA	EWS	Norway	Kristiansand	Statkraft AS	100.00%
Hitra Vind AS	EWS	Norway	Oslo	Statkraft AS	100.00%
Kjøllefjord Vind AS	EWS	Norway	Oslo	Statkraft AS	100.00%
Smøla Vind 2 AS	EWS	Norway	Oslo	Statkraft AS	100.00%
Statkraft European Wind and Solar Holding AS	EWS	Norway	Oslo	Statkraft AS	100.00%
Statkraft Vind Holding AS	EWS	Norway	Oslo	Statkraft AS	100.00%
Solarcentury Panama S.A.	EWS	Panama	Panama City	Solar Century Holdings Ltd.	100.00%
Solarcentury Projects Latin America, S.A.	EWS	Panama	Panama City	SCH Projects Ltd.	100.00%
Solarcentury Projects Panama S.A	EWS	Panama	Panama City	SCH Projects Ltd.	100.00%
Des. Ren. Iberia Alpha S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Beta S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Delta S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Dzeta S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Epsilon S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Gain S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Gamma S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Kappa S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Lambda S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%

Note 40 continued

Name	Segment [1]	Country	Registered office	Parent company	Shareholding and voting share [2]
Des. Ren. Iberia Lota S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Mem S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia My S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Ny S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Omega S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Omicron S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Pi S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Psi S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Rasha S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Rho S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Sade S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Sigma S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Taana S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Tau S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Theta S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Des. Ren. Iberia Xi S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Statkraft Development Spain S.L.U.	EWS	Spain	Madrid	Statkraft Spain S.L.U.	100.00%
Statkraft Spain S.L.U.	EWS	Spain	Madrid	Statkraft European Wind and Solar Holding AS	100.00%
Arada Solar, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
El Refugio Fotovoltaico, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Fotovoltaica El Casar S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Guadalsolar Uno, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Guadalsolar Dos, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Guadalsolar Tres, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Guadalsolar Cuatro, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Maragato HoldCo S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Maragato Solar Uno S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Maragato Solar Dos S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Maragato Solar Tres S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Maragato Solar Cuatro S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Maragato Solar Cinco S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Oroneta Solar, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Oropesa Solar, S.L.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	51.00%
Parpadeo Solar, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
PFV Albufera, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
PFV La Barraca, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
PFV Los Hierros, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
PFV Los Predios, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
PFV Pla de Llum, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
PFV Prado Gris, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Proyecto Fotovoltaico Tendetes, S.L.U.	EWS	Spain	Valencia	Statkraft Holdings España, S.L.U.	100.00%
Solar Century Holdings Ltd. Sucursal en España	EWS	Spain	Valencia	Solar Century Holdings Ltd.	100.00%
Statkraft Holding España S.L.U.	EWS	Spain	Valencia	SCH Projects Ltd.	100.00%
Statkraft Sverige Vind Elnat AB	EWS	Sweden	Stockholm	Statkraft Sverige Vind AB	100.00%
Statkraft Vind AB	EWS	Sweden	Stockholm	Statkraft Asset Holding AS	100.00%
Vindkraftnorr AB	EWS	Sweden	Stockholm	Statkraft Vind AB	100.00%
Ons Zonnepark A50 B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and Solar Holding AS	100.00%
Zonneakker Schootseweide B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and solar holding AS	100.00%
Zonnepark A50 B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Blaakweg Harskamp B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Het Bossenbroek B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and solar holding AS	100.00%
Zonnepark Loenen Molenalle B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and Solar Holding AS	100.00%
Zonnepark Wenumse Veld B.V.	EWS	The Netherlands	Amsterdam	Statkraft Germany GmbH	100.00%
Zonnepark de Horst B.V.	EWS	The Netherlands	Amsterdam	Statkraft European Wind and Solar Holding AS	100.00%
SC Benelux HoldCo B.V.	EWS	The Netherlands	's-Hertogenbosch	SCH Projects Ltd.	100.00%
Statkraft Renewables Benelux B.V.	EWS	The Netherlands	's-Hertogenbosch	Solar Century Holdings Ltd.	100.00%
Zonnepark Bollendonk B.V	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Budel Dorplein II B.V.	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Ermelo Schaapsdijk B.V	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Hijken B.V.	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Houten Oostrumsdijkje B.V.	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Wilbertoord Noordstraat B.V.	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Winterswijk Arresveldweg B.V	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Zonnepark Winterswijk Masterveldweg B.V.	EWS	The Netherlands	's-Hertogenbosch	SC Benelux HoldCo B.V.	100.00%
Ackron Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Airvolution Clean Energy Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Artfield Forrest Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Balwen Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
BB2 Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Brake Shetland Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Bush Hill Stability Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Bylgja Energy Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Car Duibh Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Craig Watch Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Dulais Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Energy Isles Shetland Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Faughan Stability Ltd	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Keith Storage Solutions Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Knockronal Wind Farm Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Lister Drive Solutions Ltd	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%

Note 40 continued

Name	Segment [1]	Country	Registered office	Parent company	Shareholding and voting share [2]
Loch Laith Wind Farm Ltd	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Logi Energy Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
LyG SPV Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
SCH Projects Ltd.	EWS	United Kingdom	London	Solar Century Holdings Ltd.	100.00%
Slickly Wind Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Soay Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Solar Century Argentina Holdco 1 Ltd.	EWS	United Kingdom	London	SCH Projects Ltd.	100.00%
Solar Century Argentina Holdco 2 Ltd.	EWS	United Kingdom	London	SCH Projects Ltd.	100.00%
Solar Century Argentina Holdco 3 Ltd.	EWS	United Kingdom	London	SCH Projects Ltd.	100.00%
Solar Century Argentina Holdco 4 Ltd.	EWS	United Kingdom	London	SCH Projects Ltd.	100.00%
Solar Century Argentina Holdco 5 Ltd.	EWS	United Kingdom	London	SCH Projects Ltd.	100.00%
Solar Century Holdings Ltd.	EWS	United Kingdom	London	Statkraft European Wind and Solar Holding AS	100.00%
Stargoose Clean Energy Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Statkraft Solar 1 Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Statkraft UK Ltd.	EWS	United Kingdom	London	Statkraft AS	100.00%
Statkraft WindCo 1 Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Thornton Grid Solutions Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
Twentyshilling Ltd.	EWS	United Kingdom	London	Statkraft UK Ltd.	100.00%
West Andershaw Wind Farm Ltd.	EWS	United Kingdom	South Lanarkshire	Statkraft UK Ltd.	100.00%
Statkraft Varme AS	DH	Norway	Trondheim	Statkraft Energi AS	100.00%
Stjørdal Fjernvarme AS	DH	Norway	Trondheim	Statkraft Varme AS	85.00%
Statkraft Värme AB	DH	Sweden	Kungsbacka	Statkraft Asset Holding AS	100.00%
Saulard Kraftverk AS	IO	Norway	Hjartdal	Skagerak Kraft AS	67.00%
Statkraft Industrial Holding AS	IO	Norway	Oslo	Statkraft AS	100.00%
Gjuvåa Kraftverk AS	IO	Norway	Porsgrunn	Skagerak Kraft AS	100.00%
Grunnåi Kraftverk AS	IO	Norway	Porsgrunn	Skagerak Kraft AS	55.00%
Lede AS	IO	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Skagerak Energi AS	IO	Norway	Porsgrunn	Statkraft Industrial Holding AS	66.62%
Skagerak Energipartner AS	IO	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Skagerak Kraft AS	IO	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Skagerak Varme AS	IO	Norway	Porsgrunn	Skagerak Energi AS	100.00%
Statkraft Brussel Sprl	OA	Belgium	Brussels	Statkraft AS	100.00%
Statkraft Treasury Centre SA	OA	Belgium	Brussels	Statkraft AS	100.00%
Mer Germany Holding GmbH	OA	Germany	Düsseldorf	Statkraft Mer Holding AS	100.00%
Statkraft Ventures GmbH	OA	Germany	Düsseldorf	Statkraft Ventures AS	100.00%
Mer Services Gmbh	OA	Germany	München	Mer Solutions Gmbh	100.00%
Mer Solutions Gmbh	OA	Germany	München	Statkraft Germany GmbH	100.00%
Mer Germany GmbH	OA	Germany	Teisnach	Mer Germany Holding GmbH	100.00%
Mer Norway AS	OA	Norway	Kristiansand	Statkraft Mer Holding AS	100.00%
Statkraft Asset Holding AS	OA	Norway	Oslo	Statkraft AS	100.00%
Statkraft Biofuel Holding AS	OA	Norway	Oslo	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Forsikring AS	OA	Norway	Oslo	Statkraft AS	100.00%
Statkraft Green Ammonia Holding 1 AS	OA	Norway	Oslo	Statkraft European Wind and Solar Holding AS	100.00%
Statkraft Mer Holding AS	OA	Norway	Oslo	Statkraft AS	100.00%
Statkraft Tofte AS	OA	Norway	Oslo	Statkraft Energi AS	100.00%
Statkraft Ventures AS	OA	Norway	Oslo	Statkraft Asset Holding AS	100.00%
Mer Sweden AB	OA	Sweden	Stockholm	Statkraft Mer Sweden Holding AB	51.00%
Mer Sweden Holding AB	OA	Sweden	Stockholm	Statkraft Mer Holding AS	100.00%
Statkraft Hydrogen Sweden AB	OA	Sweden	Stockholm	Statkraft European Wind and Solar Holding AS	100.00%
Mer Charging UK Ltd.	OA	United Kingdom	London	Mer UK Holding Ltd.	100.00%
Mer UK Holding Ltd.	OA	United Kingdom	London	Statkraft Mer Holding AS	100.00%

* This is a multisegment company, but only the main segment is displayed.

1) EF: European flexible generation, MO: Market operations, IP: International power, EWS: European wind and solar, DH: District heating, IO: Industrial ownership, OA: Other activities.

2) Shareholding share applies for the parent company listed here.