



Q3

Key figures

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Income statement							
Gross operating income underlying	10 082	14 858	-4 776	33 697	38 615	-4 918	55 573
Net operating income underlying	5 942	5 656	286	20 677	18 817	1 859	26 925
EBITDA underlying	3 825	3 559	266	14 736	12 735	2 001	18 520
Operating profit/loss (EBIT) underlying	2 899	2 679	219	11 948	10 069	1 879	14 953
Operating profit/loss (EBIT) IFRS	2 678	2 040	638	11 740	9 562	2 178	15 446
Share of profit/loss in equity accounted investments	-73	352	-425	698	893	-195	790
Net financial items	-902	402	-1 303	-20	6 297	-6 317	4 412
Profit/loss before tax	1 703	2 793	-1 091	12 418	16 752	-4 334	20 649
Net profit/loss	656	1 265	-609	7 531	11 818	-4 287	13 390
Key financial metrics							
EBIT margin underlying (%)	28.8	18.0	10.7	35.5	26.1	9.4	26.9
ROACE (%)				15.8	13.2	2.6	14.7
ROAE (%)				4.5	10.1	-5.6	5.9
Balance sheet and investments							
Assets				172 047	172 938	-891	182 388
Equity				96 919	93 046	3 873	98 004
Net interest-bearing debt				13 824	15 457	-1 634	12 921
Capital employed				106 347	99 180	7 167	106 380
Equity accounted investments				12 834	13 182	-348	13 105
Total investments	2 741	1 573	1 168	5 126	3 808	1 318	6 981
Cash Flow							
From operating activities	8 429	6 182	2 247	12 931	11 608	1 323	15 286
Cash and cash equivalents (incl. restricted cash)				18 492	19 046	-554	23 175
Currency rates							
NOK/EUR average rate	9.85	9.58	0.27	9.77	9.59	0.18	9.60
NOK/EUR closing rate				9.90	9.47	0.43	9.95

Definitions

See section Alternative Performance Measures at the end of this report for definitions.

The quarterly report shows the development in the quarter compared with the same quarter last year, unless otherwise stated.

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SOLID QUARTER DESPITE LOWER NORDIC POWER PRICES



Solid operations resulted in a strong cash flow.

Several acquisitions strengthened Statkraft’s position as a leading developer of renewable energy.

The average Nordic system price in the quarter was 34.7 EUR/MWh, a decrease of 31 per cent compared with the same quarter in 2018. Total generation was 14.9 TWh in the quarter, an increase of 1.8 TWh. The increase in generation was primarily related to gas-fired power, which was at the highest level in a quarter in almost ten years.

Statkraft recorded an underlying EBIT amounting to NOK 2899 million in the third quarter of 2019. This was an increase of NOK 219 million from the corresponding quarter last year. The increase was mainly driven by improved results from Market operations.

Changes in the energy market outlook led to both impairments and reversal of previous impairments. The net effect was positive with NOK 133 million.

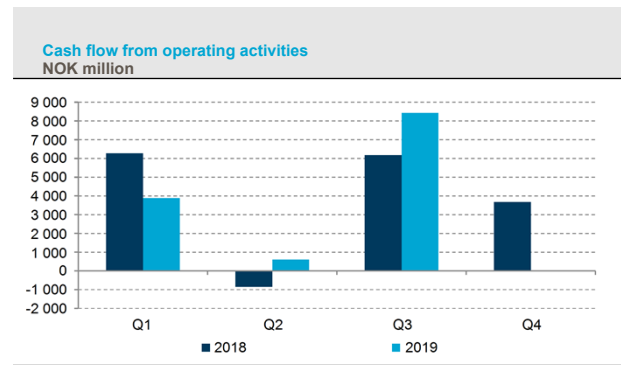
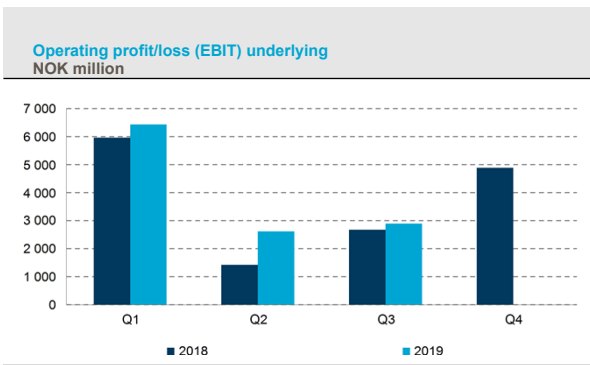
A weakening of NOK against EUR led to negative currency effects amounting to NOK 912 million. These effects are mainly unrealised and are more than offset by positive effects in comprehensive income strengthening the equity. The quarterly net profit ended at NOK 656 million. This was a decrease of NOK 609 million.

Cash flow from operating activities reached NOK 8429 million in the quarter.

Underlying EBIT year-to-date increased with NOK 1879 million to NOK 11 948 million. Net profit year-to-date is NOK 7531 million. This is NOK 4287 million lower than the same period last year which included NOK 7125 million in gains from divestments.

Statkraft has entered into a new long-term power contract with Wacker Chemicals Norway for the period 2021-2027 with a total volume of 600 GWh.

Statkraft acquired a portfolio of solar projects (326 MW) in Ireland and the electric vehicle charging company E-WALD in Germany. Acquisitions of wind projects in Chile (102 MW) and Brazil (664 MW) have strengthened Statkraft’s position in these markets. The transactions contribute to deliver on Statkraft’s strategic growth ambition within renewable energy.



Corporate responsibility and HSE

	Third quarter		Year to date		Year 2018
	2019	2018	2019	2018	
Corporate responsibility and HSE					
Fatal accidents ¹⁾	0	0	0	1	1
Serious environmental incidents	0	0	0	0	0
Absence due to illness, Group (%)	2.4	3.1	2.7	3.4	3.3
TRF rate ¹⁾²⁾			4.6	5.5	5.3
Full-time equivalents, Group			3 496	3 141	3 229

¹⁾ Includes employees and suppliers in plants where Statkraft owns 20% or more.

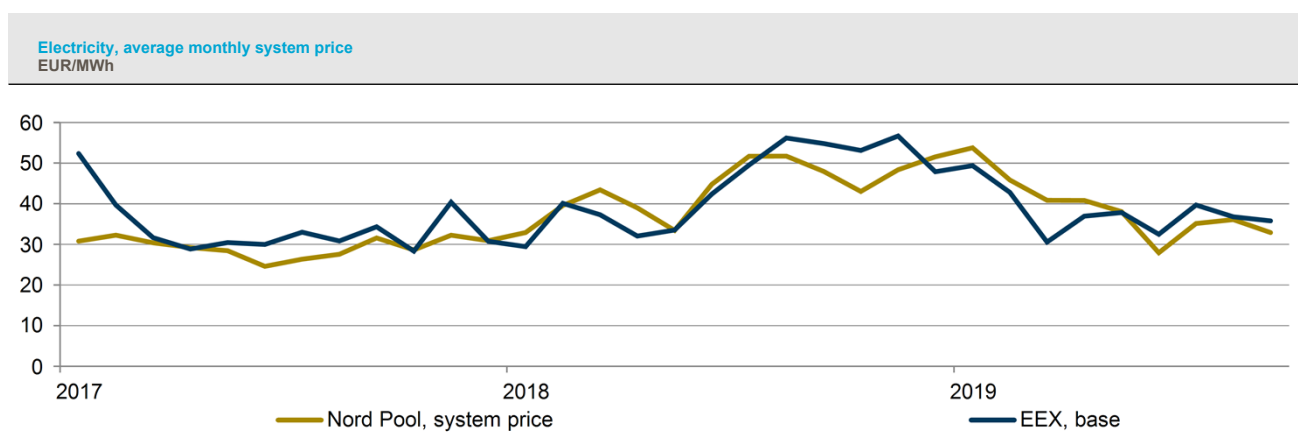
²⁾ TRF rate (rolling 12 months): Number of injuries per million hours worked.

There were no serious injuries reported in the quarter.

Market and production

Power prices and optimisation of power production constitute the fundamental basis for Statkraft's revenues. The majority of Statkraft's output is generated in the Nordic region. Power prices are influenced by hydrological factors, commodity prices for thermal power generation, technology cost, grid restrictions and nuclear availability.

POWER PRICES



Sources: Nord Pool and the European Energy Exchange (EEX).

	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Market prices (average)							
System price, Nord Pool (EUR/MWh)	34.7	50.5	-15.7	39.1	42.7	-3.7	44.0
Spot price (base), EEX (EUR/MWh)	37.4	53.5	-16.1	38.0	41.7	-3.7	44.4
Spot price (peak), EEX (EUR/MWh)	42.4	59.1	-16.7	43.7	47.4	-3.7	51.4
Spot price (base), N2EX UK (GBP/MWh)	38.5	61.3	-22.8	43.9	55.6	-11.6	57.4

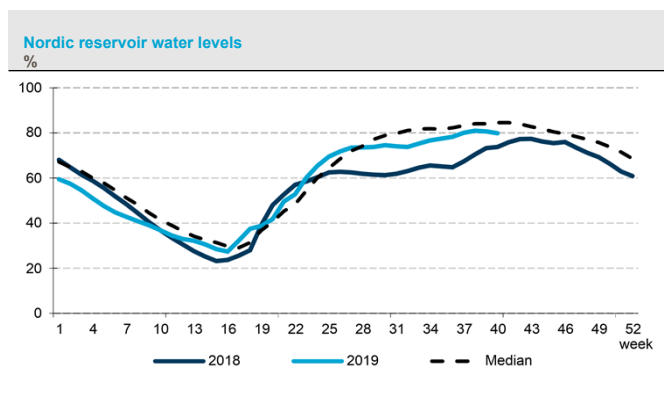
Sources: Nord Pool and European Energy Exchange (EEX).

The average system price in the Nordic region was 34.7 EUR/MWh in the quarter, a decrease of 31%. The decrease was mainly due to a stronger hydrological balance in the Nordics and lower Continental prices.

The average base price in the German market (EEX) was 37.4 EUR/MWh in the quarter, a decrease of 30%. The decrease was mainly due to lower gas and coal prices.

The average base price in the UK was 38.5 GBP/MWh in the quarter, a decrease of 37%. The decrease was mainly driven by lower gas prices.

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



Source: Nord Pool.

The total reservoir level for all producers in the Nordic region was 94% of median level at the end of the quarter, corresponding to 79.9% of total capacity.

STATKRAFT'S POWER GENERATION

Statkraft's generation optimisation is determined by price expectations, water reservoir capacity and reservoir water levels, access to resources (inflow and wind), the margin between power prices and gas in addition to CO₂ prices (spark spread) and grid restrictions.

TWh	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Generation, technology					
Hydropower	12.3	12.0	37.9	42.8	57.2
Wind power	0.6	0.6	2.2	1.8	2.7
Gas power	2.0	0.5	3.1	0.9	1.5
Other power ¹⁾	0.1	0.1	0.2	0.2	0.3
Total generation	14.9	13.1	43.3	45.6	61.7

¹⁾ Biomass and solar power.

TWh	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Consumption and output					
Nordic					
Nordic consumption	79.2	77.2	280.6	285.7	394.6
Nordic output	80.8	78.9	282.2	288.1	396.8
Net Nordic import(+)/export(-)	-1.6	-1.7	-1.5	-2.4	-2.1
Norway					
Norwegian consumption	26.1	25.9	95.5	98.1	136.2
Norwegian output	30.0	30.0	96.7	105.2	146.4
Net Norwegian import(+)/export(-)	-3.9	-4.1	-1.2	-7.1	-10.2

The Group generated a total of 14.9 TWh in the quarter, an increase of 14%. Gas-fired power generation increased significantly, driven by improved spark spreads. The Group's district heating deliveries amounted to 0.1 TWh.

Financial performance

NOK million	Third quarter			Year to date			Year
	2019	2018	Change	2019	2018	Change	2018
Net operating income underlying	5 942	5 656	286	20 677	18 817	1 859	26 925
Operating profit/loss (EBIT) underlying	2 899	2 679	219	11 948	10 069	1 879	14 953
Operating profit/loss (EBIT) IFRS	2 678	2 040	638	11 740	9 562	2 178	15 446
Net financial items	-902	402	-1 303	-20	6 297	-6 317	4 412
Profit/loss before tax	1 703	2 793	-1 091	12 418	16 752	-4 334	20 649
Tax expense	-1 046	-1 528	482	-4 887	-4 934	46	-7 258
Net profit/loss	656	1 265	-609	7 531	11 818	-4 287	13 390

FINANCIAL PERFORMANCE THIRD QUARTER

The underlying EBIT was NOK 2899 million, an increase of 8%. The improvement was primarily related to the segment Market operations, which had a negative EBIT in the same quarter in 2018. The improvement was related to dynamic asset management portfolios, origination, market access and trading.

Lower Nordic power prices were partly offset by higher gas-fired power generation in Germany.

Net financial items was negative, primarily due to currency effects.

FINANCIAL PERFORMANCE YEAR TO DATE

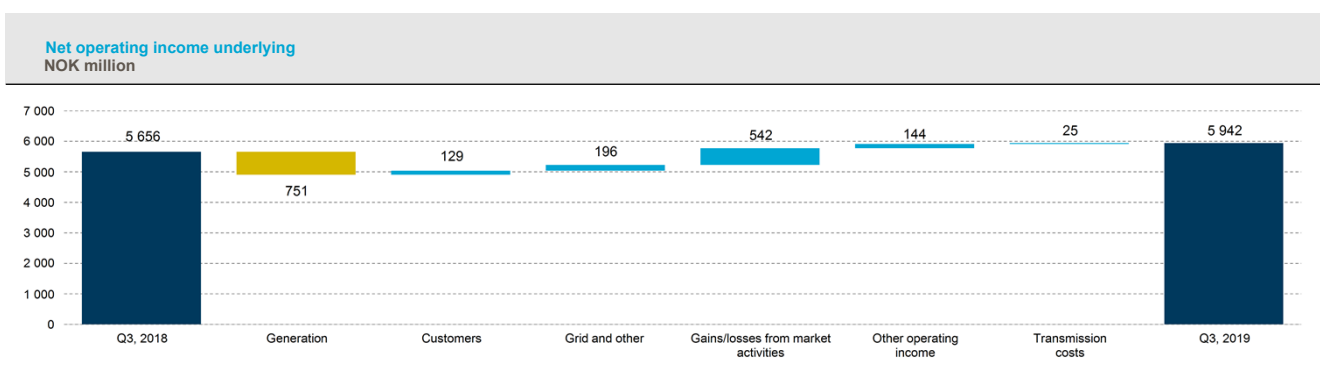
The underlying EBIT was 19% higher than in 2018. The increase in net operating income was mainly driven by significantly higher contribution from the segment Market operations, partly offset by lower revenues from the segment European flexible generation. Operating expenses were somewhat lower, with the deconsolidation of Fjordkraft from March 2018, changes in the Norwegian pension scheme and lower property tax in Sweden as the main drivers. This was offset by operating expenses from acquired assets in Brazil, new wind power assets in Norway and business development.

The decrease in net financial items was mainly due to a gain from divestment of offshore wind assets in the comparable period.

Net profit ended at NOK 7531 million compared with NOK 11 818 million for the same period in 2018.

NET OPERATING INCOME UNDERLYING

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Net operating income							
Generation	5 994	6 222	-228	18 858	19 371	-513	26 973
Customers	2 752	8 135	-5 383	9 448	17 397	-7 950	25 220
Grid and other	712	563	149	2 254	1 635	620	2 482
Sales revenues	9 458	14 920	-5 462	30 560	38 403	-7 843	54 674
Gains/losses from market activities	203	-339	542	2 257	-559	2 815	-232
Other operating income	421	277	144	880	770	110	1 131
Gross operating income	10 082	14 858	-4 776	33 697	38 615	-4 918	55 573
Generation	-831	-307	-524	-1 646	-772	-875	-1 334
Customers	-2 662	-8 174	5 513	-9 335	-17 098	7 763	-24 556
Other	-232	-279	47	-656	-625	-31	-917
Energy purchase	-3 724	-8 761	5 036	-11 638	-18 495	6 857	-26 808
Transmission costs	-416	-441	25	-1 383	-1 302	-80	-1 840
Net operating income	5 942	5 656	286	20 677	18 817	1 859	26 925



In the graph above Generation, Customers and Grid and other are shown as sales revenues less energy purchase.

- Net operating income from Generation decreased, mainly driven by lower Nordic power prices. This was partly offset by improved contribution from gas-fired power plants driven by positive gas to power margin leading to higher generation.
- Net operating income from Grid and other increased, mainly due to positive effects from downstream market services in the UK.
- Gains/losses from market activities increased, mainly driven by improved contribution from dynamic asset management portfolios and origination activities.
- Other operating income increased, mainly due to an insurance settlement related to the Kargi hydropower plant in Turkey.

OPERATING EXPENSES UNDERLYING

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Operating expenses							
Salaries and payroll costs	-912	-905	-7	-2 652	-2 564	-88	-3 615
Depreciations and amortisations	-927	-880	-47	-2 789	-2 666	-123	-3 567
Property tax and licence fees	-309	-308	-1	-884	-957	73	-1 352
Other operating expenses	-896	-884	-11	-2 404	-2 561	157	-3 439
Operating expenses	-3 043	-2 977	-66	-8 729	-8 748	19	-11 972

- The increase in salaries and payroll costs was mainly due to increased number of FTEs related to business development and acquisition of new entities. This was offset by pension scheme changes in Norway.
- The increase in depreciations and amortisations was mainly due to the implementation of IFRS 16 from 2019 and new assets. See note 5 for further information regarding IFRS 16.
- Property tax and licence fees were on par.
- Other operating expenses were slightly higher mainly due to increased costs from new companies acquired, offset by positive effects from IFRS 16.

ITEMS EXCLUDED FROM THE UNDERLYING OPERATING PROFIT/LOSS

The segment reporting is based on underlying figures, which is in accordance with how the corporate management makes, follows up and evaluates its decisions. Unrealised value changes from embedded derivatives, gains/losses from divestments of business activities and impairments are excluded from the underlying profit/loss from 2019. See page 21.

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Items excluded from the underlying operating profit/loss							
Unrealised value changes from energy derivatives	-354	-518	164	-327	-1 797	1 470	-789
Embedded derivatives	-354	-77	-277	-327	-848	522	-333
Derivatives entered into for risk reduction purposes	-	-440	440	-	-948	948	-456
Gains/losses from divestments of business activities	-	17	-17	-	1 449	-1 449	1 449
Impairments	133	-139	272	119	-160	278	-167
Items excluded from the underlying operating profit/loss	-221	-640	419	-208	-507	299	493

- Embedded derivatives linked to long-term industry contracts had a negative effect. This was driven by changes in certain commodity prices, partly offset by a weakening of NOK against EUR.
- Impairments had a positive net effect, see note 11 for more details.

FINANCIAL ITEMS

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Financial items							
Interest income	105	105	1	348	291	57	404
Interest expenses	-145	-199	54	-523	-665	142	-905
Net currency effects	-912	214	-1 126	-23	1 289	-1 313	-464
Other financial items	51	282	-231	179	5 382	-5 203	5 377
Net financial items	-902	402	-1 303	-20	6 297	-6 317	4 412

- Interest expenses decreased, mainly due to lower average interest rates and a reduction of interest-bearing debt. This was partly offset by effects from IFRS 16.
- Net currency losses in the quarter were primarily related to a weakening of NOK against EUR and USD.
- Other financial items decreased, mainly due to gains from divestments of shares in equity accounted investments in comparable period.

TAX EXPENSE

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Tax expense							
Profit/loss before tax	1 703	2 793	-1 091	12 418	16 752	-4 334	20 649
Nominal tax rate in Norway	22%	23%	-1%	22%	23%	-1%	23%
Tax calculated at nominal Norwegian tax rate	375	642	-268	2 732	3 853	-1 121	4 749
Tax on share of profit/loss in equity accounted investments	16	-81	97	-154	-205	52	-182
Resource rent tax payable	718	835	-116	2 406	2 649	-243	3 678
Resource rent tax deferred	-61	-23	-38	169	-4	173	444
Other differences from the nominal Norwegian tax rate	-2	155	-156	-266	-1 358	1 092	-1 431
Tax expense	1 046	1 528	-482	4 887	4 934	-46	7 258
Effective tax rate	61%	55%	7%	39%	29%	10%	35%

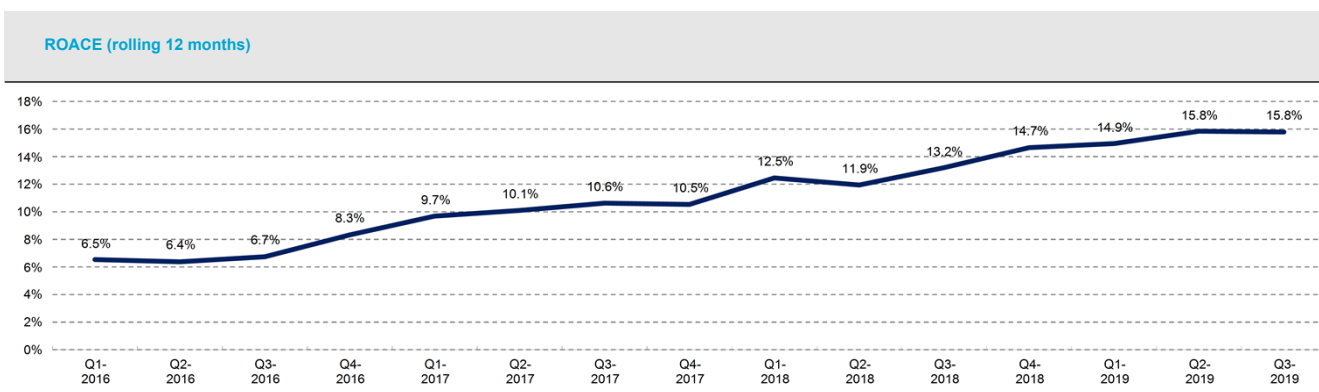
Tax expense third quarter

- Resource rent tax payable decreased, mainly due to lower Nordic power prices. This was partly offset by a higher tax rate from 1 January 2019.
- Resource rent tax deferred decreased, mainly due to unrealised value changes from embedded derivatives.

Tax expense year to date

- Resource rent tax payable decreased, mainly due to lower generation. This was partly offset by a higher tax rate from 1 January 2019.
- Resource rent tax deferred increased, mainly due to unrealised value changes from embedded derivatives.
- Negative other differences from the nominal Norwegian tax rate of NOK 266 million were mainly due to changes in unrecognised deferred tax assets in Germany.
- Negative other differences from the nominal Norwegian tax rate in the comparable period of NOK 1358 million were mainly due to:
 - A tax exempt gain related to the divestment of the shareholding in the Dudgeon offshore wind farm.
 - A tax exempt gain related to the listing and subsequent deconsolidation of Fjordkraft.

RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)



The improvement in ROACE compared with year-end 2018 was mainly due to higher underlying operating profit (rolling 12 months), primarily driven by higher contribution from the segment Market operations. Average capital employed was 5% higher compared with year-end 2018, mainly driven by acquired assets in Brazil and wind power investments in Norway.

CASH FLOW

NOK million	Third quarter			Year to date			Year 2018
	2019	2018	Change	2019	2018	Change	
Cash flow							
Operating activities	8 429	6 182	2 247	12 931	11 608	1 323	15 286
Investing activities	-2 170	-869	-1 301	-3 826	4 635	-8 462	5 301
Financing activities	-854	-6 045	5 191	-13 740	-11 162	-2 578	-11 689
Net change in cash and cash equivalents	5 404	-732	6 137	-4 636	5 081	-9 716	8 899
Cash and cash equivalents (incl. restricted cash) at period end	18 492	19 046	-554	18 492	19 046	-554	23 175

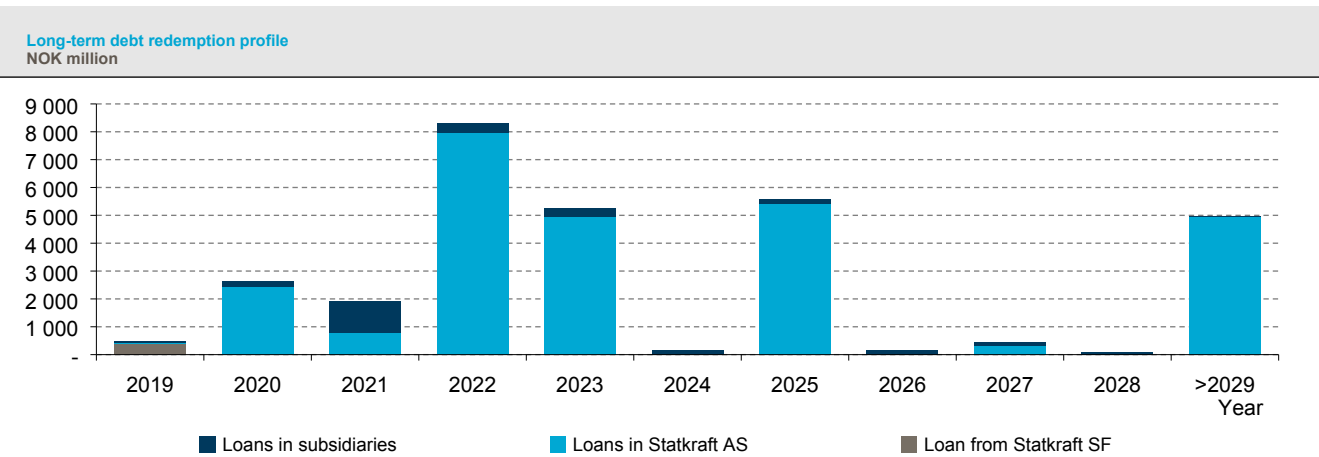
Cash flow third quarter

- The operating activities were mainly impacted by a positive operating profit and working capital changes, mainly due to sale of environmental certificates.
- The investing activities were mainly related to investments in property, plant and equipment.
- The financing activities were mainly related to repayment of interest-bearing debt.

Cash flow year-to-date

- The operating activities were mainly impacted by a positive operating profit and working capital changes, partly offset by taxes paid.
- The investing activities were mainly related to investments in property, plant and equipment, partly offset by cash inflow from the divestment of Fjordkraft.
- The financing activities were mainly related to dividend paid to Statkraft SF and repayment of interest-bearing debt.

INTEREST-BEARING DEBT REPAYMENT PLAN



At the end of the quarter, Statkraft had the following financial structure:

- Net interest-bearing debt totalled NOK 13 824 million.
- Net interest-bearing debt-equity ratio was 12.5%.

INVESTMENTS AND PROJECTS

Total investments in the quarter amounted to NOK 2741 million. Maintenance investments and other investments were primarily related to Nordic hydropower. Investments in new capacity were mainly related to construction of hydropower plants in Albania and India and the Fosen project in Norway.

NOK million	Third quarter 2019	Year to date 2019	The year 2018
Maintenance investments and other investments			
European flexible generation	458	1 077	1 185
Market operations	13	62	10
International power	114	261	155
European wind and solar	71	93	4
District heating	5	8	9
Industrial ownership	145	417	663
Other activities	11	36	40
Total	818	1 953	2 067
Investments in new capacity			
European flexible generation	53	132	67
Market operations	1	3	24
International power	177	445	894
European wind and solar	1 322	1 842	1 623
District heating	36	112	134
Industrial ownership	84	240	309
Total	1 673	2 775	3 053
Investments in shareholdings			
Market operations	1	4	39
International power	22	22	1 345
European wind and solar	85	85	381
Industrial ownership	53	53	-
Other activities	89	234	97
Total	250	398	1 862
Total investments	2 741	5 126	6 981

Projects in consolidated operations

Third quarter	Project	Country	New capacity (MW) ¹⁾	Statkraft's ownership share	Planned completion
Main construction projects					
Hydropower	Devoll - Moglice	Albania	184	100%	2020 Q1
	Songa and Trolldalen Dams	Norway	-	100%	2020 Q4
	Tidong	India	150	100%	2021 Q2
	Los Lagos	Chile	52	100%	2022 Q2
Wind power	Fosen - Hitra II	Norway	94	52%	2019 Q4
	Fosen - Storheia	Norway	288	52%	2019 Q4
	Fosen - Geitfjellet	Norway	155	52%	2020 Q3
	Fosen - Harbaksfjellet	Norway	108	52%	2020 Q3
	Fosen - Kvenndalsfjellet	Norway	101	52%	2020 Q3

¹⁾ Total for project, incl. partners' share.

Segments

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

In 2019 the segment Wind power has changed name to European wind and solar.

The reportable segments are defined as:

European flexible generation includes ownership and operations of the majority of the Group's hydropower business in Norway, Sweden, Germany and the United Kingdom, as well as the gas-fired power plants in Germany, the subsea cable Baltic Cable and the biomass power plants in Germany.

Market operations includes all trading, origination, market access for smaller producers of renewable energy, as well as revenue optimisation and risk mitigation activities related to Continental and Nordic power generation.

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

European wind and solar includes development, ownership and operations of onshore wind power and solar power. The segment operates in Norway, Sweden, Ireland and the United Kingdom.

District heating includes development, ownership and operations of 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, BKK and Agder Energi. See also note 14.

In addition:

Other activities include other small-scale business, group functions and unallocated assets.

Group items include eliminations.

Third quarter	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Income statement									
Gross operating income underlying	10 082	5 051	3 452	929	278	106	559	336	-629
Net operating income underlying	5 942	3 894	390	798	264	74	520	336	-334
EBITDA underlying	3 825	2 924	59	533	68	9	321	-61	-28
Operating profit/loss (EBIT) underlying	2 899	2 509	53	315	-17	-33	200	-99	-29
Operating profit/loss (EBIT) IFRS	2 678	3 189	53	-201	-402	-34	200	-99	-28
Key financial metrics									
EBIT-margin (%) underlying	28.8	49.7	1.5	33.9	-6.0	-31.4	35.7	n/a	n/a
ROACE (%)	15.8	21.6	38.4	3.4	5.3	5.8	10.7	n/a	n/a
ROAE (%) ¹⁾	4.5	n/a	n/a	-2.6	2.5	n/a	6.8	n/a	n/a
Investments									
Total investments	2 741	511	16	314	1 478	41	282	100	-
Generation									
Generation, volume sold (TWh)	14.9	12.4	-	1.1	0.5	-	1.0	-	-
- hydropower (TWh)	12.3	10.3	-	0.9	-	-	1.0	-	-
- wind power (TWh)	0.6	-	-	0.1	0.5	-	-	-	-
- gas power (TWh)	2.0	2.0	-	-	-	-	-	-	-
- other power (TWh) ²⁾	0.1	0.1	-	0.0	-	-	-	-	-
Production, district heating (TWh)	0.1	-	-	-	-	0.1	0.0	-	-

¹⁾ Return on average equity accounted investments.

²⁾ Biomass and solar power.

EUROPEAN FLEXIBLE GENERATION

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	5 051	5 192	15 328	15 628	21 602
Net operating income	3 894	4 428	12 749	13 819	18 765
EBITDA, underlying	2 924	3 363	9 953	10 815	14 635
Operating profit/loss (EBIT) underlying	2 509	2 939	8 699	9 540	12 943
Unrealised value changes from energy derivatives	-354	-77	-327	-848	-333
Gains/losses from divestments of business activities	-	-	-	-	-
Impairments	1 035	-	1 035	-	-
Operating profit/loss (EBIT) IFRS	3 189	2 861	9 407	8 691	12 610
Share of profit/loss in equity accounted investments	1	-	1	-	-
Gains/losses from divestments of equity accounted investments*)	-	-	-	-	-
ROACE (rolling 12 months)			21.6	21.4	23.3
ROAE (rolling 12 months)**)			n/a	n/a	n/a
Maintenance investments and other investments	458	344	1 077	827	1 185
Investments in new capacity	53	32	132	46	67
Investments in shareholdings	-	-	-	-	-
Generation (TWh)	12.4	10.6	34.4	36.3	48.9

*) Included in Other financial items.

**) Return on average equity accounted investments.

Key events

- Statkraft has entered into a new long-term power contract with Wacker Chemicals Norway for the period 2021-2027 with a total volume of 0.6 TWh.
- Reversal of previous impairments of NOK 1035 million for German gas-fired power plants, see note 11.

Quarterly financial performance

- The decrease in underlying EBIT was mainly driven by lower Nordic power prices. This was partly offset by improved contribution from gas-fired power plants driven by positive gas to power margin and higher generation.
- Operating expenses were lower due to changes in the Norwegian pension scheme and lower property tax in Sweden driven by a lower tax rate.

Year-to-date financial performance

- Underlying EBIT decreased mainly driven by lower Nordic hydropower generation and lower Nordic power prices.
- Operating expenses were lower due to the same factors as for the third quarter.

Financial metrics

- ROACE was 21.6%, down from last quarter due to a lower underlying EBIT.

Quarterly investments

- The investments were mainly related to maintenance within Nordic hydropower.

MARKET OPERATIONS

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	3 452	8 221	12 891	16 946	25 957
Net operating income	390	-354	2 244	-136	834
EBITDA, underlying	59	-666	1 425	-929	-303
Operating profit/loss (EBIT) underlying	53	-671	1 405	-943	-321
Unrealised value changes from energy derivatives	-	-440	-	-948	-456
Gains/losses from divestments of business activities	-	17	-	17	15
Impairments	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	53	-1 094	1 406	-1 875	-761
Share of profit/loss in equity accounted investments	4	1	5	1	2
Gains/losses from divestments of equity accounted investments*)	-	-	-	-	-
ROACE (rolling 12 months)			38.4	-13.9	-6.9
ROAE (rolling 12 months)**)			n/a	n/a	n/a
Maintenance investments and other investments	13	3	62	8	10
Investments in new capacity	1	4	3	13	24
Investments in shareholdings	1	6	4	15	39
Generation (TWh)	-	-	-	-	-

*) Included in Other financial items.

**) Return on average equity accounted investments.

Key events

- Statkraft has entered into a 5-year power purchase agreement (PPA) with aventron for purchase of a total of 330 GWh from a solar park in Spain.
- Statkraft entered into a 12-year PPA with BayWa. Statkraft will purchase approximately 100 GWh p.a. from a solar park in Spain.

Quarterly financial performance

- The increase in underlying EBIT was mainly driven by an improved contribution from dynamic asset management portfolios and origination activities.

Year-to-date financial performance

- The increase in underlying EBIT was mainly driven by an improved contribution from trading activities and a positive result from Nordic origination.

Financial metrics

- ROACE was 38.4% mainly due to a high underlying EBIT in 2019.

INTERNATIONAL POWER

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	929	674	2 462	2 011	2 641
Net operating income	798	549	2 085	1 688	2 244
EBITDA, underlying	533	373	1 363	1 092	1 382
Operating profit/loss (EBIT) underlying	315	190	721	535	631
Unrealised value changes from energy derivatives	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-
Impairments	-516	-138	-529	-154	-160
Operating profit/loss (EBIT) IFRS	-201	52	192	381	471
Share of profit/loss in equity accounted investments	-90	70	-70	137	143
Gains/losses from divestments of equity accounted investments*)	-	-	-	-	-
ROACE (rolling 12 months)			3.4	2.9	2.9
ROAE (rolling 12 months)**)			-2.6	18.9	7.8
Maintenance investments and other investments	114	62	261	119	155
Investments in new capacity	177	252	445	612	894
Investments in shareholdings	22	1	22	1	1 345
Generation (TWh)	1.1	1.1	3.7	3.7	4.9

*) Included in Other financial items.

** Return on average equity accounted investments.

Key Events

- Statkraft has acquired a portfolio of wind projects in Chile (102 MW), see note 14.
- In October, Statkraft acquired a portfolio of wind projects in Brazil (664 MW) and has successfully participated in an auction, see note 16.
- Assets in Chile and Nepal were impaired, see note 11.

Quarterly financial performance

- The underlying EBIT increased mainly due to an insurance settlement related to a tunnel collapse in Kargi and new capacity in Brazil.
- The decrease in share of profit/loss in equity accounted investments was mainly due to an impairment in India.

Year-to-date financial performance

- The increase in underlying EBIT was mainly due to the same factors as for the third quarter.
- The decrease in share of profit/loss in equity accounted investments was mainly due negative effects in India and Chile.

Financial metrics

- The ROACE was 3.4%, on par with the last quarter. The capital employed is high, mainly due to newly built and acquired assets leading to high carrying values.
- The ROAE decreased compared with the last quarter, mainly due to negative effects in India and Chile and reclassification of shareholder loans to equity accounted investments. See note 7.

Quarterly investments

- The investments were mainly related to the construction of the Moglice hydropower plant in Albania and the Tidong hydropower plant in India.

EUROPEAN WIND AND SOLAR

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	278	322	1 030	852	1 367
Net operating income	264	310	989	819	1 320
EBITDA, underlying	68	166	484	455	738
Operating profit/loss (EBIT) underlying	-17	99	233	229	429
Unrealised value changes from energy derivatives	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	1
Impairments	-385	-	-385	-	-
Operating profit/loss (EBIT) IFRS	-402	99	-152	229	431
Share of profit/loss in equity accounted investments	-10	-4	-7	2	30
Gains/losses from divestments of equity accounted investments*)	-	-	-	5 106	5 106
ROACE (rolling 12 months)			5.3	3.9	6.3
ROAE (rolling 12 months)**)			2.5	13.5	3.2
Maintenance investments and other investments	71	1	93	1	4
Investments in new capacity	1 322	596	1 842	1 300	1 623
Investments in shareholdings	85	9	85	9	381
Generation (TWh)	0.5	0.5	1.8	1.4	2.2

*) Included in Other financial items.

** Return on average equity accounted investments.

Key events

- Statkraft has acquired the shares of Airvolution Clean Energy Limited, see note 14.
- Swedish wind assets were impaired by NOK 385 million, see note 11.
- On 4 October, Statkraft acquired a portfolio of solar projects, see note 16.

Quarterly financial performance

- The decrease in underlying EBIT was mainly driven by lower power and el-cert prices and increased business development costs. This was partly offset by other operating income related to the sale of a wind project in Sweden.

Year-to-date financial performance

- Underlying EBIT was stable. New capacity in Norway and the sale of a wind project in Sweden were offset by lower power and el-cert prices and higher business development costs.

Financial metrics

- The ROACE was 5.3%, a decrease compared with previous quarter mainly due to a lower underlying EBIT.
- The ROAE was 2.5%, a decrease from previous quarter due to lower power prices. The ROAE was also lower than in the comparable period, as last year's figure included divested offshore wind assets.

Quarterly investments

- The investments in new capacity were mainly related to the Fosen project in Norway.
- Investments in shareholdings were related to the acquisition of Airvolution, see note 14.

DISTRICT HEATING

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	106	114	606	612	908
Net operating income	74	82	423	440	650
EBITDA, underlying	9	12	238	239	371
Operating profit/loss (EBIT) underlying	-33	-29	110	115	206
Unrealised value changes from energy derivatives	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-
Impairments	-1	-1	-3	-6	-7
Operating profit/loss (EBIT) IFRS	-34	-30	107	109	199
Share of profit/loss in equity accounted investments	-	-	-	-	-
Gains/losses from divestments of equity accounted investments ^{*)}	-	-	-	-	-
ROACE (rolling 12 months)			5.8	5.5	5.9
ROAE (rolling 12 months) ^{**)}			n/a	n/a	n/a
Maintenance investments and other investments	5	3	8	8	9
Investments in new capacity	36	37	112	79	134
Investments in shareholdings	-	-	-	-	-
Delivered volume (TWh)	0.1	0.1	0.6	0.7	1.0

^{*)} Included in Other financial items.

^{**)} Return on average equity accounted investments.

Quarterly financial performance

- The underlying EBIT decreased as a result of lower district heating prices due to lower power prices. The comparable period included revenues from sale of CO₂-allowances.
- The decrease was partly offset by lower operating expenses due to changes in the Norwegian pension scheme.

Year-to-date financial performance

- The underlying EBIT decreased due to higher energy purchase costs, mainly due to increased fuel prices and sale of CO₂-allowances in the comparable period.
- The decrease was partly offset by lower operating expenses.

Financial metrics

- The ROACE was stable at 5.8 %. The return was mainly driven by results from district heating activities in Trondheim, which accounts for more than 50% of the capital employed.

Quarterly investments

- The investments were primarily related to pipelines in Norway.

INDUSTRIAL OWNERSHIP

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	559	740	2 383	3 576	4 631
Net operating income	520	683	2 224	2 333	3 284
EBITDA, underlying	321	447	1 509	1 407	2 041
Operating profit/loss (EBIT) underlying	200	301	1 129	980	1 467
Unrealised value changes from energy derivatives	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	1 432	1 432
Impairments	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	200	301	1 129	2 412	2 899
Share of profit/loss in equity accounted investments	31	280	796	763	635
Gains/losses from divestments of equity accounted investments ¹⁾	-	271	186	343	343
ROACE (rolling 12 months)			10.7	9.8	10.1
ROAE (rolling 12 months) ¹⁾			6.8	8.5	6.1
Maintenance investments and other investments	145	182	417	497	663
Investments in new capacity	84	18	240	166	309
Investments in shareholdings	53	-	53	-	-
Generation (TWh)	1.0	1.0	3.4	4.2	5.7

¹⁾ Included in Other financial items.

²⁾ Return on average equity accounted investments.

Key events

- The subsidiary Skagerak Energi has acquired the shares in Hjartdal Elverk for NOK 53 million, see note 14.
- On 9 October, BKK purchased 6517 of its own C-shares from Statkraft, see note 16.

Quarterly financial performance

- Underlying EBIT decreased, mainly due to lower power prices.
- The decrease in share of profit/loss in equity accounted investments was mainly due to lower power prices and decreased generation in BKK. Similar effects, as well as lower positive effects from energy derivatives, led to a lower contribution from Agder Energi.

Year-to-date financial performance

- Underlying EBIT increased, driven by an expired hedging contract with negative contribution in the comparable period and pension scheme changes in Norway. This was partly offset by effects from the deconsolidation of Fjordkraft in March 2018.

Financial metrics

- The ROACE was 10.7%, a decrease from previous period, driven by lower underlying EBIT.
- The ROAE was 6.8%, a decrease from previous period, mainly due to lower contribution from Agder Energi and BKK.

Quarterly investments

- The investments were primarily related to various maintenance and new capacity investments within grid activities and investments in shareholdings, following the acquisition of Hjartdal Elverk, see note 14.

OTHER ACTIVITIES

NOK million	Third quarter		Year to date		Year
	2019	2018	2019	2018	2018
Gross operating income	336	235	867	739	1 011
Net operating income	336	235	867	739	1 011
EBITDA, underlying	-61	-130	-282	-304	-485
Operating profit/loss (EBIT) underlying	-99	-144	-398	-347	-545
Unrealised value changes from energy derivatives	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-
Impairments	-	-	-	-	-
Operating profit/loss (EBIT) IFRS	-99	-144	-398	-347	-545
Share of profit/loss in equity accounted investments	-8	5	-26	-11	-20
Gains/losses from divestments of equity accounted investments*)	-	-	-	-	-
Maintenance investments and other investments	11	22	36	29	40
Investments in new capacity	-	-	-	-	-
Investments in shareholdings	89	1	234	77	97
Generation (TWh)	-	-	-	-	-

*) Included in Other financial items.

Key events

- Statkraft has acquired the shares in the EV charging company E-WALD GmbH, see note 14.
- Statkraft has sold a data centre project located in Norway.

Quarterly financial performance

- The increase in underlying EBIT was primarily from the sale of a data centre project.

Year-to-date financial performance

- The decrease in underlying EBIT was primarily due to higher IT costs and higher cost related to new business, partly offset by a sale of a data centre project.

Quarterly investments

- Investments in shareholdings were mainly related to the acquisition of E-WALD GmbH, and investments made by Statkraft Ventures GmbH.

Outlook

The power surplus in the Nordics is expected to increase in the next years. Demand growth from the transport sector, industry and data centres will be more than offset by an even larger growth in wind power.

Statkraft has Europe's largest portfolio of flexible hydropower plants and reservoir capacity. The operations of the assets are continuously optimised according to the hydrological situation and expected power prices. Statkraft also has a large share of long-term power contracts within the segments European flexible generation and International power. The contracts have a stabilising effect on revenues and net profit. Statkraft aims to maintain its position as a competitive supplier to the industry in Norway by entering into new long-term industry contracts.

Strong underlying operations and successful divestments over the last years, have provided Statkraft with a solid financial foundation to deliver on the growth strategy.

Statkraft's ambition is to maintain the position as the largest generator of renewable energy in Europe and grow significantly in South America and India. The target is to optimise and further grow the hydropower portfolio and to develop 8000 MW of onshore wind and solar power by 2025. Furthermore, Statkraft aims to increase the market activities, grow the district heating business and develop new businesses with international potential. To achieve these growth targets, Statkraft plans annual investments of around NOK 10 billion in renewable energy towards 2025. The investments will be financed through retained earnings from existing operations, external financing and divestments to other investors. The investment programme has a large degree of flexibility and will be adapted to market opportunities, the company's financial capacity and commitment to the existing rating target.

Statkraft's commitment to act in a safe, ethical and socially responsible manner will continue to be a foundation for all activities.

Oslo, 23 October 2019
The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

NOK million	Third quarter		Year to date		The year
	2019	2018	2019	2018	2018
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	9 483	15 398	30 574	39 096	55 350
Gains/losses from market activities	-176	-1 334	1 916	-3 048	-1 696
Other operating income	421	293	880	2 219	2 580
Gross operating income	9 728	14 357	33 370	38 267	56 233
Energy purchase	-3 724	-8 761	-11 638	-18 495	-26 808
Transmission costs	-416	-441	-1 383	-1 302	-1 840
Net operating income	5 587	5 155	20 350	18 470	27 585
Salaries and payroll costs	-912	-905	-2 652	-2 564	-3 615
Depreciations and amortisations	-927	-880	-2 789	-2 666	-3 567
Impairments	133	-139	119	-160	-167
Property tax and licence fees	-309	-308	-884	-957	-1 352
Other operating expenses	-896	-884	-2 404	-2 561	-3 439
Operating expenses	-2 910	-3 116	-8 610	-8 908	-12 139
Operating profit/loss (EBIT)	2 678	2 040	11 740	9 562	15 446
Share of profit/loss in equity accounted investments	-73	352	698	893	790
Interest income	105	105	348	291	404
Interest expenses	-145	-199	-523	-665	-905
Net currency effects	-912	214	-23	1 289	-464
Other financial items	51	282	179	5 382	5 377
Net financial items	-902	402	-20	6 297	4 412
Profit/loss before tax	1 703	2 793	12 418	16 752	20 649
Tax expense	-1 046	-1 528	-4 887	-4 934	-7 258
Net profit/loss	656	1 265	7 531	11 818	13 390
Of which non-controlling interest	-33	55	249	624	680
Of which owners of the parent	689	1 210	7 281	11 194	12 710
OTHER COMPREHENSIVE INCOME					
Items in other comprehensive income that recycle over profit/loss:					
Changes in fair value of financial instruments, net of tax	-29	-13	-58	33	8
Items recorded in other comprehensive income in equity accounted investments	-61	-16	-151	18	-131
Recycling of currency translation effects related to foreign operations disposed	-	-	-	-54	-54
Currency translation effects	1 699	-515	-188	-3 942	-316
Items in OCI that will not recycle over profit/loss:					
Changes in fair value of equity instruments, net of tax	14	1	17	1	-27
Estimate deviation pensions, net of tax	308	-144	-141	-54	-153
Other comprehensive income	1 931	-686	-519	-3 996	-673
Comprehensive income	2 587	579	7 012	7 822	12 717
Of which non-controlling interest	-32	37	242	552	642
Of which owners of the parent	2 619	542	6 770	7 270	12 075

NOK million	30.09.2019	30.09.2018	31.12.2018
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Deferred tax assets	721	572	676
Intangible assets	3 964	2 799	3 233
Property, plant and equipment	109 078	101 299	105 744
Equity accounted investments	12 834	13 182	13 105
Other financial assets	3 268	3 884	3 986
Derivatives	4 524	2 466	2 926
Non-current assets	134 389	124 201	129 669
Inventories	3 039	3 597	6 316
Receivables	9 650	14 246	12 831
Financial investments	1 381	937	604
Derivatives	5 095	10 912	9 118
Cash and cash equivalents (incl. restricted cash)	18 492	19 046	23 175
Current assets	37 657	48 737	52 044
Assets	172 047	172 938	182 388
EQUITY AND LIABILITIES			
Paid-in capital	59 219	59 219	59 219
Retained earnings	33 564	30 012	34 815
Non-controlling interest	4 136	3 815	3 970
Equity	96 919	93 046	98 004
Deferred tax	10 288	8 865	9 826
Pension liability	2 721	2 594	2 655
Provisions allocated to capital employed	2 142	2 466	2 552
Other provisions	639	567	637
Interest-bearing liabilities	28 598	29 549	30 354
Derivatives	3 346	1 029	1 253
Non-current liabilities	47 735	45 070	47 277
Interest-bearing liabilities	5 099	5 891	6 346
Taxes payable	7 862	5 691	7 391
Interest-free liabilities allocated to capital employed	6 963	8 155	9 742
Other interest-free liabilities	611	756	503
Derivatives	6 858	14 329	13 124
Current liabilities	27 393	34 823	37 107
Equity and liabilities	172 047	172 938	182 388

NOK million	Paid-in capital	Other reserves	Other equity	Accumulated translation differences	Retained earnings	Total majority	Non-controlling interests	Total equity
STATEMENT OF CHANGES IN EQUITY								
Balance as of 01.01.2018	59 219	-874	25 080	4 635	28 842	88 061	3 567	91 627
Net profit/loss	-	-	11 194	-	11 194	11 194	624	11 818
Items in other comprehensive income that recycles over profit/loss:								
Changes in fair value of financial instruments, net of tax	-	36	-	-	36	36	-3	33
Items recorded in other comprehensive income in equity accounted investments	-	18	-	-	18	18	-	18
Recycling of currency translation effects related to foreign operations disposed	-	-	-	-54	-54	-54	-	-54
Currency translation effects	-	-	-	-3 872	-3 872	-3 872	-70	-3 942
Items in OCI that will not recycle over profit/loss:								
Changes in fair value of financial instruments, net of tax	-	1	-	-	1	1	-	1
Estimate deviation pension, net of tax	-	-	-54	-	-54	-54	-	-54
Total comprehensive income for the period	-	55	11 141	-3 926	7 270	7 270	552	7 822
Dividend	-	-	-6 100	-	-6 100	-6 100	-92	-6 192
Business combinations/divestments	-	-	-	-	-	-	-212	-212
Balance as of 30.09.2018	59 219	-818	30 121	709	30 012	89 231	3 815	93 046
Balance as of 01.01.2018	59 219	-874	25 080	4 635	28 842	88 061	3 567	91 627
Net profit/loss	-	-	12 710	-	12 710	12 710	680	13 390
Items in OCI that recycle over profit/loss:								
Changes in fair value of financial instruments, net of tax	-	8	-	-	8	8	-	8
Items recorded in other comprehensive income in equity accounted investments	-	-131	-	-	-131	-131	-	-131
Recycling of currency translation effects related to foreign operations disposed	-	-	-	-54	-54	-54	-	-54
Currency translation effects	-	-	-	-306	-306	-306	-10	-316
Items in OCI that will not recycle over profit/loss:								
Changes in fair value of equity instruments, net of tax	-	-23	-	-	-23	-23	-4	-27
Estimate deviation pensions, net of tax	-	-	-129	-	-129	-129	-24	-153
Total comprehensive income for the period	-	-146	12 581	-360	12 075	12 075	642	12 717
Dividend	-	-	-6 100	-	-6 100	-6 100	-204	-6 304
Capital injection from non-controlling interest	-	-	-	-	-	-	176	176
Business combinations/divestments	-	-	-	-	-	-	-212	-212
Balance as of 31.12.2018	59 219	-1 020	31 561	4 275	34 815	94 035	3 970	98 004
Implementation of IFRS 16 - see note 6	-	-	487	-	487	487	-	487
Balance as of 01.01.2019	59 219	-1 020	32 048	4 275	35 303	94 522	3 970	98 491
Net profit/loss	-	-	7 281	-	7 281	7 281	249	7 531
Items in OCI that recycle over profit/loss:								
Changes in fair value of financial instruments, net of tax	-	-58	-	-	-58	-58	-	-58
Items recorded in other comprehensive income in equity accounted investments	-	-151	-	-	-151	-151	-	-151
Currency translation effects	-	-	-	-178	-178	-178	-10	-188
Items in OCI that will not recycle over profit/loss:								
Changes in fair value of equity instruments, net of tax	-	15	-	-	15	15	2	17
Estimate deviation pensions, net of tax	-	-	-141	-	-141	-141	-	-141
Total comprehensive income for the period	-	-193	7 141	-178	6 770	6 770	242	7 012
Dividend	-	-	-8 510	-	-8 510	-8 510	-83	-8 593
Business combinations/divestments	-	-	-	-	-	-	8	8
Balance as of 30.09.2019	59 219	-1 213	30 680	4 097	33 564	92 783	4 136	96 919

NOK million	Third quarter		Year to date		The year
	2019	2018	2019	2018	2018
STATEMENT OF CASH FLOW					
CASH FLOW FROM OPERATING ACTIVITIES					
Operating profit/loss (EBIT)	2 678	2 040	11 740	9 562	15 446
Depreciations, amortisations and impairments	793	1 019	2 670	2 826	3 734
Gains/losses from divestments and disposals of assets	-58	-20	-44	-1 438	-1 399
Unrealised effects included in operating profit/loss (EBIT)	194	1 023	-318	3 527	4 557
Dividend from equity accounted investments	22	13	732	567	606
Changes in working capital	5 431	3 480	2 778	394	-2 201
Cash collateral and margin calls	-448	-855	-187	167	-1 226
Cash effects from foreign exchange derivatives related to operations	103	-140	111	-116	-451
Taxes paid	-5	-44	-3 969	-3 562	-3 605
Other changes	-281	-334	-583	-320	-175
Cash flow from operating activities	A	6 182	12 931	11 608	15 286
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in property, plant and equipment and intangible assets ¹⁾	-2 020	-1 388	-4 224	-3 116	-4 713
Business divestments, net liquidity inflow	-	575	550	7 315	7 316
Acquisitions of shares in subsidiaries, net liquidity outflow	-185	-9	-373	12	-1 587
Loans to equity accounted investments	-21	-	-25	-3	-3
Repayment of loans from equity accounted investments	35	-	101	439	3 894
Interests received from loans to equity accounted investments	-	-	10	54	102
Other investments	21	-47	134	-66	292
Cash flow from investing activities	B	-869	-3 826	4 635	5 301
CASH FLOW FROM FINANCING ACTIVITIES					
New debt	80	48	179	178	759
Repayment of debt	-845	-36	-4 665	-4 524	-5 535
Interests paid	-106	-116	-750	-867	-1 104
Interest rate derivatives realised before maturity	-88	-	-220	-	-
Interests received from cash and other assets	104	99	348	205	284
Dividend and group contribution paid to Statkraft SF	-	-6 040	-8 549	-6 040	-6 040
Transactions with non-controlling interests	-	-	-83	-115	-53
Cash flow from financing activities	C	-6 045	-13 740	-11 162	-11 689
Net change in cash and cash equivalents	A+B+C	-732	-4 636	5 081	8 899
Currency exchange rate effects on cash and cash equivalents	40	-121	-48	-252	59
Cash and cash equivalents 01.07/01.01	13 046	19 899	23 175	14 217	14 217
Cash and cash equivalents 30.09/31.12 ²⁾	18 492	19 046	18 492	19 046	23 175
Unused committed credit lines			9 167	9 167	9 189
Unused overdraft facilities			1 008	1 006	1 002
Restricted cash			34	440	61

¹⁾ Investments in property, plant and equipment and intangible assets in the cash flow year to date are NOK 504 million lower than investments (excluding investments in shareholdings) shown in the segment reporting. This is mainly due to capitalised borrowing costs of NOK -97 million, non-cash additions from right-of-use assets of NOK -116 million and timing differences between capitalisation and payment date of NOK -286 million.

²⁾ Included in cash and cash equivalents are NOK 377 million related to joint operations.

Segments

The segment reporting is based on underlying figures, which is in accordance with how the corporate management makes, follows up and evaluates its decisions. The tables on the next page show the reconciliation of the IFRS figures versus the underlying figures.

From 2019, certain energy contracts and the related derivatives are recognised at fair value. Thus, the unrealised value changes of these derivatives are presented as part of the underlying figures. See notes 5 and 6.

THIRD QUARTER 2019

The items below are excluded from the underlying figures¹⁾:

1. **Sales revenues:** Offsetting effect in gains/losses from market activities. (NOK -25 million)
2. **Gains/losses from market activities:** (NOK 379 million):
 - Unrealised value changes from embedded derivatives in energy contracts. (NOK 354 million)
 - Offsetting effect from Sales revenues. (NOK 25 million)
3. **Other operating income:** Gains from divestments of business activities.
4. **Impairments:** Related to intangible assets, property, plant and equipment. (NOK -133 million)
5. **Other operating expenses:** Losses from divestments of business activities.

THE YEAR 2018

Gains or losses from realised hedges (IFRS 9) within market access activities (Customers) were reclassified from “Sales revenues” to “Gains/losses from market activities”.

The items below were excluded from the underlying figures¹⁾:

1. **Gains/losses from market activities:**
 - Unrealised value changes from embedded derivatives in energy contracts.
 - Unrealised gains/losses from certain derivatives entered into for risk reduction purposes.
2. **Other operating income:** Gains from divestments of business activities.
3. **Impairments:** Related to intangible assets, property, plant and equipment.
4. **Other operating expenses:** Losses from divestments of business activities.

¹⁾ See section *Alternative Performance Measures*

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	Third quarter 2019			Third quarter 2018		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues	9 483	-25	9 458	15 398	-477	14 920
Gains/losses from market activities	-176	379	203	-1 334	995	-339
Other operating income	421	-	421	293	-17	277
Gross operating income	9 728	354	10 082	14 357	501	14 858
Energy purchase	-3 724	-	-3 724	-8 761	-	-8 761
Transmission costs	-416	-	-416	-441	-	-441
Net operating income	5 587	354	5 942	5 155	501	5 656
Salaries and payroll costs	-912	-	-912	-905	-	-905
Depreciations and amortisations	-927	-	-927	-880	-	-880
Impairments	133	-133	-	-139	139	-
Property tax and license fees	-309	-	-309	-308	-	-308
Other operating expenses	-896	-	-896	-884	-	-884
Operating expenses	-2 910	-133	-3 043	-3 116	139	-2 977
Operating profit/loss (EBIT)	2 678	221	2 899	2 040	640	2 679

NOK million	Year to date 2019			Year to date 2018		
	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales revenues	30 574	-14	30 560	39 096	-693	38 403
Gains/losses from market activities	1 916	340	2 257	-3 048	2 490	-559
Other operating income	880	-	880	2 219	-1 449	770
Gross operating income	33 370	327	33 697	38 267	348	38 615
Energy purchase	-11 638	-	-11 638	-18 495	-	-18 495
Transmission costs	-1 383	-	-1 383	-1 302	-	-1 302
Net operating income	20 350	327	20 677	18 470	348	18 817
Salaries and payroll costs	-2 652	-	-2 652	-2 564	-	-2 564
Depreciations and amortisations	-2 789	-	-2 789	-2 666	-	-2 666
Impairments	119	-119	-	-160	160	-
Property tax and license fees	-884	-	-884	-957	-	-957
Other operating expenses	-2 404	-	-2 404	-2 561	-	-2 561
Operating expenses	-8 610	-119	-8 729	-8 908	160	-8 748
Operating profit/loss (EBIT)	11 740	208	11 948	9 562	507	10 069

RECONCILIATION OF IFRS FIGURES VERSUS UNDERLYING FIGURES

NOK million	The year 2018		
	IFRS	Adjustments	Underlying
Sales revenues	55 350	-675	54 674
Gains/losses from market activities	-1 696	1 464	-232
Other operating income	2 580	-1 449	1 131
Gross operating income	56 233	-660	55 573
Energy purchase	-26 808	-	-26 808
Transmission costs	-1 840	-	-1 840
Net operating income	27 585	-660	26 925
Salaries and payroll costs	-3 615	-	-3 615
Depreciations and amortisations	-3 567	-	-3 567
Impairments	-167	167	-
Property tax and license fees	-1 352	-	-1 352
Other operating expenses	-3 439	-	-3 439
Operating expenses	-12 139	167	-11 972
Operating profit/loss (EBIT)	15 446	-493	14 953

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Third quarter 2019									
Gross operating income, external	10 082	4 904	3 408	920	128	106	554	96	-34
Gross operating income, internal	-	147	44	9	150	-	5	240	-595
Gross operating income underlying	10 082	5 051	3 452	929	278	106	559	336	-629
Net operating income underlying	5 942	3 894	390	798	264	74	520	336	-334
Operating profit/loss (EBIT) underlying	2 899	2 509	53	315	-17	-33	200	-99	-28
Unrealised value changes from energy derivatives	-354	-354	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-	-	-	-	-
Impairments	133	1 035	-	-516	-385	-1	-	-	-
Operating profit/loss (EBIT) IFRS	2 678	3 189	53	-201	-402	-34	200	-99	-28
Share of profit/loss in equity accounted investments	-73	1	4	-90	-10	-	31	-8	-
Year to date 2019									
Gross operating income, external	33 697	14 967	12 819	2 398	382	605	2 354	180	-7
Gross operating income, internal	-	361	72	64	648	1	29	687	-1 862
Gross operating income underlying	33 697	15 328	12 891	2 462	1 030	606	2 383	867	-1 869
Net operating income underlying	20 677	12 749	2 244	2 085	989	423	2 224	867	-903
Operating profit/loss (EBIT) underlying	11 948	8 699	1 405	721	233	110	1 129	-398	48
Unrealised value changes from energy derivatives	-327	-327	0	-	-	-	-	-	-
Gains/losses from divestments of business activities	-	-	-	-	-	-	-	-	-
Impairments	119	1 035	-	-529	-385	-3	-	-	-
Operating profit/loss (EBIT) IFRS	11 740	9 407	1 406	192	-152	107	1 129	-398	48
Share of profit/loss in equity accounted investments	698	1	5	-70	-7	-	796	-26	-
Assets and capital employed 30.09.2019									
Property, plant and equipment and intangible assets	113 042	57 601	183	25 165	9 246	3 455	16 078	1 314	-
Equity accounted investments	12 834	1	8	2 788	823	-	9 104	109	-
Loans to equity accounted investments	1 544	-	-	985	530	-	29	-	-
Other assets	44 627	2 265	4 221	1 589	378	143	975	35 372	-315
Total assets	172 047	59 867	4 412	30 528	10 977	3 598	26 185	36 795	-315
Assets not included in capital employed	-48 733	-39	-15	-4 091	-1 364	-	-9 644	-33 580	-
Liabilities included in capital employed	-16 967	-2 969	-2 839	-1 246	-650	-161	-1 151	-8 266	315
Capital employed	106 347	56 859	1 558	25 191	8 963	3 437	15 390	-5 051	-
Return on average capital employed (ROACE)	15.8%	21.6%	38.4%	3.4%	5.3%	5.8%	10.7%	n/a	n/a
Return on average equity accounted investments (ROAE)	4.5%	n/a	n/a	-2.6%	2.5%	n/a	6.8%	n/a	n/a
Depreciations, amortisations and impairments	-2 670	-219	-19	-1 171	-636	-131	-380	-115	-
Maintenance investments and other investments	1 953	1 077	62	261	93	8	417	36	-
Investments in new capacity	2 775	132	3	445	1 842	112	240	-	-
Investments in shareholdings	398	-	4	22	85	-	53	234	-

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
Third quarter 2018									
Gross operating income, external	14 858	5 105	8 212	647	51	106	719	25	-8
Gross operating income, internal	-	87	9	27	271	8	21	210	-633
Gross operating income underlying	14 858	5 192	8 221	674	322	114	740	235	-641
Net operating income underlying	5 656	4 428	-354	549	310	82	683	235	-277
Operating profit/loss (EBIT) underlying	2 679	2 939	-671	190	99	-29	301	-144	-6
Unrealised value changes from energy derivatives	-518	-77	-440	-	-	-	-	-	-
Gains/losses from divestments of business activities	17	-	17	-	-	-	-	-	-
Impairments	-139	-	-	-138	-	-1	-	-	-
Operating profit/loss (EBIT) IFRS	2 040	2 861	-1 094	52	99	-30	301	-144	-6
Share of profit/loss in equity accounted investments	352	-	1	70	-4	-	280	5	-
Year to date 2018									
Gross operating income, external	38 615	15 263	17 061	1 888	234	600	3 511	91	-33
Gross operating income, internal	-	365	-115	123	618	12	65	648	-1 716
Gross operating income underlying	38 615	15 628	16 946	2 011	852	612	3 576	739	-1 749
Net operating income underlying	18 817	13 819	-136	1 688	819	440	2 333	739	-884
Operating profit/loss (EBIT) underlying	10 069	9 540	-943	535	229	115	980	-347	-39
Unrealised value changes from energy derivatives	-1 797	-848	-948	-	-	-	-	-	-
Gains/losses from divestments of business activities	1 449	-	17	-	0	-	1 432	-	-
Impairments	-160	-	-	-154	-	-6	-	-	-
Operating profit/loss (EBIT) IFRS	9 562	8 691	-1 875	381	229	109	2 412	-347	-39
Share of profit/loss in equity accounted investments	893	-	1	137	2	-	763	-11	-
Assets and capital employed 30.09.2018									
Property, plant and equipment and intangible assets	104 097	56 351	74	21 551	7 006	3 416	15 333	368	-
Equity accounted investments	13 182	-	23	1 857	818	-	10 384	100	-
Loans to equity accounted investments	2 241	-	-	1 635	592	-	15	-	-
Other assets	53 418	1 772	7 424	1 389	517	157	907	41 451	-200
Total assets	172 938	58 123	7 521	26 432	8 933	3 572	26 639	41 919	-200
Assets not included in capital employed	-57 445	-31	-158	-3 812	-1 419	-	-10 884	-41 142	-
Liabilities included in capital employed	-16 312	-3 325	-3 584	-1 473	-499	-155	-1 128	-6 349	200
Capital employed	99 180	54 767	3 779	21 148	7 014	3 418	14 627	-5 572	-
Return on average capital employed (ROACE)	13.2%	21.4%	-13.9%	2.9%	3.9%	5.5%	9.8%	n/a	n/a
Return on average equity accounted investments (ROAE)	10.1%	n/a	n/a	18.9%	13.5%	n/a	8.5%	n/a	n/a
Depreciations, amortisations and impairments	-2 826	-1 275	-14	-711	-227	-129	-427	-43	-
Maintenance investments and other investments	1 490	827	9	119	1	8	497	29	-
Investments in new capacity	2 215	46	13	612	1 300	79	166	-	-
Investments in shareholdings	102	-	15	1	9	-	-	77	-

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
SEGMENTS									
The year 2018									
Gross operating income, external	55 573	21 158	26 007	2 502	399	907	4 537	134	-71
Gross operating income, internal	-	444	-50	139	968	1	94	877	-2 473
Gross operating income underlying	55 573	21 602	25 957	2 641	1 367	908	4 631	1 011	-2 544
Net operating income underlying	26 925	18 765	834	2 244	1 320	650	3 284	1 011	-1 183
Operating profit/loss (EBIT) underlying	14 953	12 943	-321	631	429	206	1 467	-545	142
Unrealised value changes from energy derivatives	-789	-333	-456	-	-	-	-	-	-
Gains/losses from divestments of business activities	1 449	-	15	-	1	-	1 432	-	-
Impairments	-167	-	-	-160	-	-7	-	-	-
Operating profit/loss (EBIT) IFRS	15 446	12 610	-761	471	431	199	2 899	-545	142
Share of profit/loss in equity accounted investments	790	-	2	143	30	-	635	-20	-
Assets and capital employed 31.12.2018									
Property, plant and equipment and intangible assets	109 653	57 250	86	24 976	8 018	3 461	15 494	369	-
Equity accounted investments	13 105	0	25	1 977	879	-	10 116	108	-
Loans to equity accounted investments	2 319	-	-	1 737	568	-	15	-	-
Other assets	57 311	2 221	11 655	1 447	533	281	988	40 318	-132
Total assets	182 388	59 472	11 766	30 137	9 998	3 741	26 613	40 795	-132
Assets not included in capital employed	-56 323	-36	-203	-4 011	-1 462	-	-10 609	-40 003	-
Liabilities included in capital employed	-19 685	-2 848	-5 856	-1 481	-293	-212	-1 275	-7 853	132
Capital employed	106 380	56 589	5 706	24 645	8 243	3 529	14 729	-7 062	-
Return on average capital employed (ROACE)	14.7%	23.3%	-6.9%	2.9%	6.3%	5.9%	10.1%	n/a	n/a
Return on average equity accounted investments (ROAE)	5.9%	n/a	n/a	7.8%	3.2%	n/a	6.1%	n/a	n/a
Depreciations, amortisations and impairments	-3 734	-1 692	-17	-910	-309	-172	-574	-59	-
Maintenance investments and other investments	2 067	1 185	10	155	4	9	663	40	-
Investments in new capacity	3 053	67	24	894	1 623	134	309	-	-
Investments in shareholdings	1 862	-	39	1 345	381	-	-	97	-

Selected notes to the accounts

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The consolidated financial statements for the third quarter of 2019, closed on 30 September 2019, have been prepared in accordance with the accounting principles in International Financial Reporting Standards (IFRS) and consist of Statkraft AS and its subsidiaries and equity accounted investments. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual report for 2018.

Since the annual report for the period ended 31 December 2018, Statkraft has adopted IFRS 16 Leases. The impact on the financial statements from the new standard is described in note 5. In addition, Statkraft has adopted the amendment to IAS 28 Long-term interest in Associates and Joint Ventures, see note 7.

The interim accounts have not been audited.

2. PRESENTATION OF FINANCIAL STATEMENTS

The presentation in the interim report has been prepared in accordance with the requirements in IAS 34. The schedules comply with the requirements in IAS 1.

3. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting principles to the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the statement of profit and loss and the statement of financial position.

The most important assumptions regarding future events and other significant sources of uncertainty in relation to the estimates, and which may involve a significant risk of material changes to the amounts recognised in future financial periods, are discussed in the annual report for 2018.

In preparing the consolidated financial statements for the current quarter, the Group's management has exercised its judgment in relation to the same areas where such judgment has had material significance in relation to the figures included in the Group's statement of profit and loss and statement of financial position, as discussed in the annual report for 2018.

4. SEGMENT REPORTING

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

5. IFRS 16 LEASES

IFRS 16 Leases was effective from 1 January 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

At the commencement date of a lease, a lessee will recognise a liability at the present value of lease payments with a corresponding asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The standard includes a number of optional practical expedients related to initial application and recognition. Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from previous accounting under IAS 17. Lessors will continue to classify all leases using the similar classification principle as in IAS 17.

The Group has, with effect from 1 January 2019, adopted IFRS 16 using the modified retrospective approach. Accordingly, comparable information has not been restated.

Determining whether a contract is or contains a lease under IFRS 16

At the date of initial application of IFRS 16, the Group recognised a lease liability for leases previously classified as operating leases under IAS 17 in accordance with the transition requirements. The Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. Statkraft has not been applying the practical expedient to rely on previous assessments of whether a contract is or contains a lease and has therefore performed a reassessment of the contract portfolio. Further, the right-of-use assets on a lease-by-lease basis are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Statkraft completed its analysis of the effects of the new standard in the first quarter and concluded on the impact on the financial statements for contracts previously recognised as operating leases. The effects are described below:

Statkraft's leases mainly involve the following type of assets:

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

Power purchase agreements:

Statkraft is providing market access to renewable energy producers by entering into long-term power purchase agreements. Some of these agreements were defined as operating leases in accordance with IFRIC 4. After transition to IFRS 16, these agreements are considered not to contain a lease. It is concluded that the agreements are in scope of IFRS 9 Financial instruments when such contracts are net settled and not held for own use. Under IAS 17 the rent paid to the power producers is presented as energy purchase. When preparing the financial statements for 2019, power purchase agreements assessed to be derivatives are recognised at fair value with value changes through profit and loss. See note 6.

The following practical expedients and recognition exemptions to leases previously classified as operating leases at the date of initial application are applied:

- Recognition exemption for short-term leases (defined as 12 months or less)
- Recognition exemption for low value assets (defined as low value equipment)
- 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

Statkraft has evaluated 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 not considered to be customised to Statkraft's use and options to renew leases are not included in the estimated lease liability. Contracts to rent production facilities are in most cases customised to meet Statkraft's requirements, and material expenses will incur if moving from the existing premises. Hence, such contracts are included in the estimated lease liability.

A lease liability will be 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 and lease liabilities are not presented separately in the statement of financial position, but are disclosed separately in the notes.

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. The weighted average yearly discount rate applied at 1 January 2019 was 3.22% and the effect of discounting the nominal values was approximately NOK 427 million.

The main effects on the financial statements are summarised below:

NOK million	1 January 2019
Reconciliation of lease commitments to lease liabilities	
IAS 17 off balance sheet operating lease commitments at 31 December 2018	1 890
Extension options and purchase options reasonably certain to be exercised	42
Practical expedient related to short-term leases	-5
Practical expedient related to low-value leases	-2
Other differences	41
Nominal lease liabilities at 1 January 2019	1 966
Discounting using the incremental borrowing rate	-427
Lease liabilities at 1 January 2019 under IFRS 16	1 539
Right-of-use assets at 1 January 2019 under IFRS 16¹⁾	1 584

¹⁾ The difference between right-of-use assets and liabilities is related to prepaid leases.

NOK million	30 September 2019
Effects on the Statement of Financial Position	
Non-current assets: Property, plant and equipment:	
Right-of-use assets office buildings	1 219
Right-of-use assets land and other property	302
Right-of-use assets vehicles, equipment and other	54
Total right-of-use assets	1 575
Non-current interest-bearing liabilities:	
Lease liabilities	1 356
Current interest-bearing liabilities:	
Lease liabilities	210
Total lease liabilities¹⁾	1 566

¹⁾ The difference between right-of-use assets and liabilities is related to prepaid leases.

NOK million	2019	
	Third quarter	Year to date
Other main effects on the Financial Statements		
Income statement:		
Depreciation from right-of-use assets presented as Depreciations and amortisations	46	131
Interest expense on leases presented as Interest expenses	13	36
Cash flow:		
Principal portion of lease payments on lease liabilities - presented as financing activities	43	122
Interest portion of lease payments on lease liabilities - presented as financing activities	13	36
Total payments on lease liabilities	56	158

6. ENERGY CONTRACTS RECOGNISED AS FINANCIAL INSTRUMENTS UNDER IFRS 9 FROM 2019

As described in note 5 transition to IFRS 16, certain contracts are no longer considered as lease contracts, but are now within scope of IFRS 9.

Certain contracts were previously recognised under IAS 17 Leases, and the power purchase from the generators and power sales to the exchange were presented gross in the statement of profit and loss in line items energy purchase and sales revenues respectively.

Statkraft is providing market access to renewable energy producers by entering into long-term power purchase agreements, handling the volume and balancing risk and selling the power to the exchange.

Depending on the price mechanisms in the power purchase agreements with the producers, Statkraft is exposed to a price risk. The price risk is mitigated by entering into financial contracts, mainly futures and forwards, with third parties. In addition, risk reduction measures are taken to secure future margins from the portfolio. The contracts are not considered to meet the requirements to be classified as contracts held for normal purchase or sale (own use). Statkraft accounts for the contracts as derivatives measured at fair value through profit and loss in accordance with IFRS 9.

At the settlement date, Statkraft physically settles the contracts by taking delivery of the power and selling the power to the exchange. The contracts are presented net under the line item gains/losses from market activities in the statement of profit and loss.

The impact of changing accounting principles was a decrease in sales revenues and energy purchase compared with the 2018 presentation. In 2018 Statkraft recognised sales revenues of approximately NOK 9 billion from these power purchase agreements. Comparable figures for 2018 have not been restated.

The impact from measuring these contracts at fair value at 1 January 2019 was an increase in equity of NOK 487 million.

7. LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES

An amendment to IAS 28 Investments in Associates and Joint Ventures, effective from 1 January 2019, clarifies that IFRS 9 Financial Instruments, including its impairment requirements, applies to long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint venture, for which the equity method is not applied.

The implementation of this amendment at 1 January 2019 had limited impact on the presentation in Statkraft's statement of profit and loss and statement of equity.

8. REVENUE SPECIFICATION PER SEGMENT

The Group's sales revenues and energy purchase are divided into three categories:

Generation includes sales revenues and energy purchase related to Statkraft's physical power generating assets and district heating. The category includes spot sales, bilateral industry contracts, concessionary sales contracts and green certificates.

Customers includes sales revenues and energy purchases related to market access activities, mostly related to the German market.

A significant part of the contracts within Customers were in 2018 in scope of IAS 17 leases. After the adoption of IFRS 16 Leases, these contracts are in scope of IFRS 9 Financial instruments. The comparable figures have not been restated, see note 6.

Grid and other mainly consists of grid activities in Norway and Peru and a subsea interconnector between Sweden and Germany.

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter 2019									
Generation - sales revenues	5 994	4 677	98	731	205	105	320	-	-142
Generation - energy purchase	-831	-738	-98	-75	-	-32	-6	-	118
Generation - net	5 164	3 939	-	656	205	73	314	-	-23
Customers - sales revenues	2 777	-	2 915	-	-	-	-	-	-138
Customers - energy purchase	-2 662	-	-2 825	-	-	-	-	-	163
Customers - net	115	-	90	-	-	-	-	-	25
Grid and other - sales revenues	712	204	233	63	-	-	224	3	-15
Grid and other - energy purchase	-232	-187	-13	-45	-	-	-	-	13
Grid and other - net	480	17	220	18	-	-	224	3	-2
Sales revenues - total	9 483	4 881	3 246	794	205	105	544	3	-295
Energy purchase - total	-3 724	-925	-2 936	-120	-	-32	-6	-	295
Sales revenues adjusted for energy purchase	5 759	3 956	310	674	205	73	538	3	-0
Year to date 2019									
Generation - sales revenues	18 858	13 923	196	2 117	921	603	1 458	-	-360
Generation - energy purchase	-1 646	-1 290	-196	-191	-	-183	-34	-	248
Generation - net	17 212	12 633	-	1 926	921	420	1 424	-	-112
Customers - sales revenues	9 461	-	10 122	-	-	-	-	-	-661
Customers - energy purchase	-9 335	-	-10 007	-	-	-	-	-	672
Customers - net	126	-	115	-	-	-	-	-	11
Grid and other - sales revenues	2 254	593	664	192	-	-	835	7	-37
Grid and other - energy purchase	-656	-525	-37	-131	-	-	-	-	37
Grid and other - net	1 599	68	627	61	-	-	835	7	1
Sales revenues - total	30 574	14 516	10 982	2 309	921	603	2 293	7	-1 057
Energy purchase - total	-11 638	-1 815	-10 240	-322	-	-183	-34	-	956
Sales revenues adjusted for energy purchase	18 936	12 701	742	1 987	921	420	2 259	7	-101

NOK million	Statkraft AS Group	European flexible generation	Market operations	International power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
Third quarter 2018									
Generation - sales revenues	6 222	4 744	33	600	315	108	488	-	-66
Generation - energy purchase	-307	-242	-28	-59	-	-32	-4	-	58
Generation - net	5 915	4 502	5	541	315	76	484	-	-8
Customers - sales revenues	8 613	-	8 418	-	-	-	-	-	195
Customers - energy purchase	-8 174	-	-8 462	-	-	-	-	-	288
Customers - net	438	-	-44	-	-	-	-	-	482
Grid and other - sales revenues	563	256	53	59	-	6	211	-	-22
Grid and other - energy purchase	-279	-237	-13	-42	-	-	-	-	13
Grid and other - net	284	19	40	17	-	6	211	-	-9
Sales revenues - total	15 398	5 000	8 504	659	315	114	699	-	107
Energy purchase - total	-8 761	-479	-8 503	-101	-	-32	-4	-	358
Sales revenues adjusted for energy purchase	6 637	4 521	1	558	315	82	695	-	465
Year to date 2018									
Generation - sales revenues	19 371	14 525	152	1 826	764	595	1 712	-	-203
Generation - energy purchase	-772	-454	-142	-155	-	-172	-30	-	181
Generation - net	18 599	14 071	10	1 671	764	423	1 682	-	-22
Customers - sales revenues	18 090	-	16 852	-	-	-	1 183	-	55
Customers - energy purchase	-17 098	-	-16 737	-	-	-	-1 002	-	641
Customers - net	992	-	115	-	-	-	181	-	696
Grid and other - sales revenues	1 635	525	122	152	-	6	859	-	-29
Grid and other - energy purchase	-625	-485	-28	-117	-	-	-23	-	28
Grid and other - net	1 010	40	94	35	-	6	836	-	-1
Sales revenues - total	39 096	15 050	17 126	1 978	764	601	3 754	-	-177
Energy purchase - total	-18 495	-939	-16 907	-272	-	-172	-1 055	-	850
Sales revenues adjusted for energy purchase	20 601	14 111	219	1 706	764	429	2 699	-	673
The year 2018									
Generation - sales revenues	26 973	20 092	185	2 387	1 267	881	2 451	-	-290
Generation - energy purchase	-1 334	-925	-167	-166	-	-258	-47	-	228
Generation - net	25 638	19 167	18	2 221	1 267	623	2 404	-	-62
Customers - sales revenues	25 896	-	25 103	-	-	-	1 183	-	-390
Customers - energy purchase	-24 556	-	-24 621	-	-	-	-1 002	-	1 067
Customers - net	1 340	-	482	-	-	-	181	-	677
Grid and other - sales revenues	2 482	798	319	214	-	12	1 189	-	-50
Grid and other - energy purchase	-917	-739	-45	-156	-	-	-23	-	45
Grid and other - net	1 564	59	273	58	-	12	1 166	-	-4
Sales revenues - total	55 350	20 890	25 607	2 601	1 267	893	4 822	-	-730
Energy purchase - total	-26 808	-1 664	-24 834	-322	-	-258	-1 071	-	1 340
Sales revenues adjusted for energy purchase	28 542	19 226	774	2 279	1 267	635	3 752	-	610

9. UNREALISED EFFECTS REPORTED IN THE STATEMENT OF PROFIT AND LOSS

This note discloses the effects in the statement of profit and loss from unrealised value changes from inventories and financial instruments measured at fair value and currency gains and losses on financial instruments measured at amortised cost.

NOK million	Third quarter 2019			Year to date 2019		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Generation	-	5 994	5 994	-	18 858	18 858
Customers	-	2 777	2 777	-	9 461	9 461
Grid and other	-	712	712	-	2 254	2 254
Total sales revenues	-	9 483	9 483	-	30 574	30 574
Gains/losses from market activities	-194	18	-176	318	1 599	1 916
Generation	-	-831	-831	-	-1 646	-1 646
Customers	-	-2 662	-2 662	-	-9 335	-9 335
Other purchase	-	-232	-232	-	-656	-656
Total energy purchase	-	-3 724	-3 724	-	-11 638	-11 638
Unrealised effects included in operating profit/loss (EBIT) ¹⁾	-194			318		
Net currency effects ²⁾	-742	-170	-912	162	-185	-23
Other financial items	147	-96	51	257	-78	179
Unrealised effects included in Net financial items	-596			419		
Total unrealised effects	-790			736		

¹⁾ Total sales revenues + Gains/losses from market activities + Total energy purchase.

²⁾ Gains year to date from internal loans were NOK 36 million, of which NOK 43 million were realised.

NOK million	Third quarter 2018			Year to date 2018			The year 2018		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L									
Generation	-	6 222	6 222	290	19 081	19 371	290	26 683	26 973
Customers	-185	8 797	8 613	-60	18 150	18 090	-115	26 010	25 896
Grid and other	-	563	563	-	1 635	1 635	-	2 482	2 482
Total sales revenues	-185	15 582	15 398	230	38 866	39 096	175	55 175	55 350
Gains/losses from market activities	-839	-495	-1 334	-3 757	709	-3 048	-4 897	3 201	-1 696
Generation	-	-307	-307	-	-772	-772	-	-1 334	-1 334
Customers	-	-8 174	-8 174	-	-17 098	-17 098	165	-24 721	-24 556
Other purchase	-	-279	-279	-	-625	-625	-	-917	-917
Total energy purchase	-	-8 761	-8 761	-	-18 495	-18 495	165	-26 973	-26 808
Unrealised effects included in operating profit/loss (EBIT) ¹⁾	-1 024			-3 527			-4 557		
Net currency effects ²⁾	324	-110	214	1 695	-406	1 289	606	-1 070	-464
Other financial items	15	267	282	84	5 298	5 382	27	5 350	5 377
Unrealised effects included in Net financial items	339			1 779			633		
Total unrealised effects	-684			-1 749			-3 924		

¹⁾ Total sales revenues + Gains/losses from market activities + Total energy purchase.

²⁾ Losses for the year from internal loans were NOK -103 million, of which NOK -161 million were realised.

10. NORWEGIAN HYDROPOWER AND RELATED BUSINESS

This note discloses selected financial figures from Norwegian hydropower and related business. See note 4 in the annual report 2018.

NOK million	"Norwegian hydropower" from:			Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group			
Year to date 2019						
Gross operating income	33 370	11 189	1 434	12 611		12 611
Net operating income	20 350	10 344	1 372	11 714		11 714
Operating profit/loss (EBIT)	11 740	7 573	888	8 461		8 461
Share of profit/loss in equity accounted investments	698	-	-	-	763 ¹⁾	763
Net financial items	-20	-233	-48	-282		-282
Tax expense	-4 887	-4 022	-430	-4 451		-4 451
Net profit/loss	7 531	3 318	411	3 729	763	4 492
Net profit/loss (of which owners of the parent)	7 281	3 318	273	3 591	763	4 354
Paid dividend and group contribution to Statkraft		6 670 ²⁾	- ³⁾	6 670	638 ³⁾	7 308
Assets 30.09.19						
Equity accounted investments	12 834	-	2	2	9 018 ¹⁾	9 020
Other assets	159 213	37 708	5 321	43 029		43 029
Total assets	172 047	37 708	5 324	43 031	9 018	52 049
EBITDA	14 410	8 378	1 019	9 398		9 398
Depreciations, amortisations and impairments	-2 670	-805	-131	-936		-936
Maintenance investments and other investments	1 953	-	122	122		122
Investments in new capacity	2 775	-	19	19		19
Investments in shareholdings	398	-	-	-		-

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

NOK million	"Norwegian hydropower" from:			Sum "Norwegian hydropower, excluding related business"	Associated regional companies	Sum "Norwegian hydropower and related business"
	Statkraft AS Group	Statkraft Energi AS	Skagerak Kraft Group			
The year 2018						
Gross operating income	56 233	17 166	2 118	19 254		19 254
Net operating income	27 585	15 852	2 009	17 851		17 851
Operating profit/loss (EBIT)	15 446	12 045	1 375	13 420		13 420
Share of profit/loss in equity accounted investments	790	-	-	-	596 ¹⁾	596
Net financial items	4 412	-171	-64	-235		-235
Tax expense	-7 258	-6 299	-853	-7 151		-7 151
Net profit/loss	13 390	5 576	458	6 034	596	6 630
Net profit/loss (of which owners of the parent)	12 710	5 576	303	5 879	596	6 475
Paid dividend and group contribution to Statkraft		4 499 ²⁾	119 ³⁾	4 618	541 ³⁾	5 159
Assets 31.12.18						
Equity accounted investments	13 105	-	2	2	9 030 ¹⁾	9 032
Other assets	169 284	37 754	5 306	43 060		43 060
Total assets	182 388	37 754	5 307	43 062	9 030	52 092
EBITDA	19 180	13 145	1 567	14 712		14 712
Depreciations, amortisations and impairments	-3 734	-1 100	-192	-1 292		-1 292
Maintenance investments and other investments	2 067	864	105	969		969
Investments in new capacity	3 053	62	25	87		87
Investments in shareholdings	1 862	-	-	-		-

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

11. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

NOK million	30.09.2019	30.09.2018	31.12.2018
INTANGIBLE ASSETS			
Balance as of 01.01.	3 909	3 313	3 313
Additions	313	23	1 017
Reclassifications	-97	-5	-28
Disposals	-13	-95	-96
Currency translation effects	-13	-324	-120
Amortisations	-100	-86	-143
Impairments	-35	-27	-35
Balance as of end of period	3 964	2 799	3 909
PROPERTY, PLANT AND EQUIPMENT			
Balance as of 01.01.	105 744	103 193	103 193
Additions	4 473	4 047	6 564
Additions due to IFRS 16 (implementation)	1 585	-	-
Additions due to IFRS 16 (new contracts)	116	-	-
Reclassifications	97	5	28
Disposals	-49	-181	-278
Capitalised borrowing costs	97	78	119
Currency translation effects	-447	-3 131	-325
Depreciations ¹⁾	-2 689	-2 580	-3 424
Impairments	153	-132	-132
Remeasurements and reassessments (IFRS 16)	-2	-	-
Balance as of end of period	109 078	101 299	105 744

¹⁾ With effect from the second quarter, useful life of grid assets in Skagerak was extended from 25-35 years to 40-50 years. Annual depreciations are decreased with NOK 100 million.

Accounting policies, judgment and assumptions for impairments are described in note 14 in the annual report 2018.

Impairments in equity accounted investments are presented as a part of share of profit/loss in equity accounted investments in the comprehensive income statement. However, these impairments are described in this note.

Improved outlook for future gas to power margin has led to a reversal of previous years' impairments for gas-fired power plants in Germany of NOK 1035 million.

The growth in generation capacity in the Nordic region is expected to lead to decreased income for certain assets. As a result, an impairment of wind power assets in Sweden amounting to NOK 385 million has been recognised.

Reduced long-term price expectations led to impairments of hydropower assets in Chile of NOK 255 million.

At the expiry date of the current power purchase agreement, the subsidiary Himal Power Ltd (HPL) in Nepal is obliged to arrange for the transfer of 50% of its ownership interest in the hydropower plant Khimti. The transfer will be made to a new established company jointly owned by Nepal Electricity Authority (NEA) and HPL. Revised assumptions indicate that the jointly owned company will not qualify for continued consolidation. This led to an impairment of NOK 254 million.

An impairment of NOK 115 million (Statkraft's share) was recognised in a joint venture in India. The impairment was related to hydropower assets, mainly as a result of reduced long-term price expectations.

12. 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. It is at this stage not possible to predict if the outcome could have potential negative financial effects.

SKER is still part of a civil lawsuit related to historical investments made by the four main pension funds in Brazil including Funcef, see note 32 in the annual report 2018.

13. DRAFT DECISION RELATED TO PREVIOUS YEARS' TAX

On 9 October 2017, Statkraft AS received a draft decision of a tax reassessment from the Norwegian tax authorities. On 11 September 2019, Statkraft AS received a revised draft. The revised draft decision regards the income tax returns for the fiscal years 2010-2014 related to the investment in the Statkraft Treasury Centre SA (STC) in Belgium.

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.

If all arguments from the Norwegian tax authorities would prevail, the financial exposure for the period 2010-2017 is estimated to NOK 2.5 billion as additional payable tax and interest expenses.

On 24 April 2017, the major business activities in STC were transferred to Statkraft AS. All business activities in STC have been closed down.

14. TRANSACTIONS

Statkraft acquired 61% of the shares in the German electric vehicle charging company eeMobility, which was included in the consolidated figures with effect from 1 January 2019. The shares were acquired from RG Energy GmbH, KH Energy GmbH and Ricon GmbH. The total purchase price, including NOK 14 million in contingent consideration and a capital injection of NOK 30 million, was NOK 55 million.

On 28 March, Statkraft's subsidiary Skagerak Energi AS sold 15.5 million shares, representing 14.86% of the share capital in Fjordkraft Holding ASA. The selling price was NOK 35.70 per share. The net cash inflow from the sale was NOK 550 million and Statkraft recognised a gain of NOK 43 million as Other financial items in the first quarter. Subsequent to the transaction, Skagerak Energi AS owns 14.86% of the shares in Fjordkraft.

On 3 June, Statkraft's associated company, BKK, sold 15.67 million shares in Fjordkraft Holding ASA. This represented 15% of the shareholding in the company. The selling price was 42.50 per share and Statkraft's share of the gain recognised by BKK was NOK 242 million and has been recognised as Share of profit/loss in equity accounted investments in the second quarter. Subsequent to the transaction, BKK owns shares representing 15.25% of the share capital in Fjordkraft.

On 13 August, Statkraft acquired the entire shareholding of Torsa Chile S.A, a Chilean company consisting of a total of 102 MW from three wind farm development projects. The shares were acquired from Eolic Power S.A, Torsa Global Sociedad Limitada and two private individuals. The total cash outflow was NOK 28 million.

On 19 August, Statkraft acquired the entire shareholding of Airvolution Clean Energy Limited, a project development company in the UK. The shares were acquired from Richard Mardon and Matthew Thomas Potter. The total purchase price was approximately NOK 85 million, including NOK 40 million in contingent consideration.

On 21 August, Statkraft acquired the entire shareholding of the German electric vehicle charging company E-WALD GmbH. The shares were acquired from a total of 90 separate former shareholders, and the purchase price was NOK 40 million.

In September, Statkraft's subsidiary Skagerak Energi AS, acquired the entire shareholding of Hjartdal Elverk. The shares were acquired from Hjartdal municipality, and the purchase price was NOK 53 million.

Change of control

In March 2019 Statkraft's subsidiary, Skagerak Energi AS, reduced its ownership in Fjordkraft from 29.72% to 14.86%. After the general assembly in Fjordkraft held 14 May, Skagerak no longer has representatives in the board of directors, leading to loss of significant influence. The use of the equity method discontinued on the date when the retained investment ceased to be an associate and became a financial asset recognised at fair value. As a result of the change of control a gain of NOK 143 million has been recognised in in the second quarter as Other financial items.

15. CHANGES IN THE PUBLIC SECTOR PENSION SCHEME IN NORWAY

Statkraft has recognised a reduced pension cost of NOK 153 million in the third quarter of 2019 related to estimated effects of changes in the public sector pension scheme in Norway.

The changes mainly entail new regulations for how the public benefit schemes shall be coordinated with the benefits provided by the Norwegian National Insurance Scheme, and a new pension scheme for employees born in 1963 or later.

16. SUBSEQUENT EVENTS

On 4 October, Statkraft entered into an agreement with JBM Solar Projects Limited to acquire 100% of the shares in JBM Solar Developments Limited, consisting of a 326 MW portfolio of solar projects in development located in the Republic of Ireland. The total purchase price of the shares was approximately NOK 158 million, of which NOK 70 million was paid as upfront consideration, with the remaining purchase price being contingent of future milestone events occurring.

On 8 October, Statkraft closed an agreement with Fundo de Investimento em Participações Multiestratégia in Brazil to acquire 100% of the shares in Ventos de Santa Eugenia Energias Renováveis S.A. and Ventos de São Vitorino Energias Renováveis S.A, consisting of a total of 664 MW for development within onshore wind. The purchase price was NOK 296 million. Approximately 420 MW of the acquired projects, as well as about 80 MW from the existing project portfolio, is approaching investment decision. On 18 October, Statkraft participated in an auction in Brazil and was awarded long- term power sales contracts for approximately one third of the expected power generation.

On 9 October, two agreements where BKK acquired 6517 of its own C-shares from Statkraft, corresponding to a total of approximately 4.4% of the company's total share capital, were closed. The acquired shares are to be used as consideration when merging with Sunnfjord Energi and acquiring Kvinnherad Energi. The purchase prices for the shares were NOK 966 million in total, and the financial effects will be recognised in the fourth quarter.

Alternative Performance Measures

As defined in ESMA's guideline on alternative performance measures (APM), an APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Statkraft uses the following APMs:

EBITDA underlying is defined as underlying operating profit/loss before depreciations and amortisations. The APM is used to measure performance from operational activities. EBITDA underlying should not be considered as an alternative to operating profit/loss and profit/loss before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA underlying an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Operating profit/loss (EBIT) underlying is an APM used to measure performance from operational activities.

Items excluded from operating profit/loss (EBIT) underlying:

Statkraft adjusts for the following three items when reporting operating profit/loss (EBIT) underlying:

1. **Unrealised value changes from energy derivatives**
 - **Embedded derivatives**, since they only represent a part of an energy contract and the other parts of these energy contracts are not recognised at fair value.
 - **Derivatives entered into for risk reduction purposes** were excluded from underlying figures in 2018. This was done where the related item was either carried at cost or not recognised in the statement of financial position. From 2019, certain energy contracts and the related derivatives are recognised at fair value. Thus, the unrealised value changes of these derivatives are from first quarter 2019 presented as part of the underlying figures. See notes 5 and 6.
2. **Gains/losses from divestments of business activities**, since the gains or losses do not give an indication of future performance or periodic performance from operating activities. Such gains or losses are related to the cumulative value creation from the time the asset is acquired until it is sold.
3. **Impairments**, since they affect the economics of an asset for the useful life of that asset; not only the period in which it is impaired or the impairment is reversed.

The above items are also excluded from **Gross operating income underlying** and **Net operating income underlying**. See section Segments on page 21.

ROACE is defined as operating profit/loss (EBIT) underlying divided by capital employed. ROACE is calculated on a rolling 12 month average and is used to measure return from the operational activities as well as benchmarking performance.

ROAE is defined as share of profit/loss in equity accounted investments, divided by the average book value of the Group's equity accounted investments. ROAE is calculated on a rolling 12 month average. The financial metric is used to measure return from the Group's equity accounted investments as well as benchmarking performance.

Capital employed is the capital allocated to perform operational activities.

Net interest-bearing debt is used to measure indebtedness.

Net interest-bearing debt - equity ratio is calculated as net interest-bearing debt relative to the sum of net interest-bearing debt and equity.

Operating profit/loss (EBIT) margin underlying (%) is calculated as operating profit/loss (EBIT) underlying relative to gross operating income underlying.

NOK million	Third quarter		Year to date		The year 2018
	2019	2018	2019	2018	
ALTERNATIVE PERFORMANCE MEASURES					
RECONCILIATION OF OPERATING PROFIT/LOSS (EBIT) UNDERLYING TO EBITDA UNDERLYING					
Operating profit/loss (EBIT) underlying	2 899	2 679	11 948	10 069	14 953
Depreciations and amortisations	927	880	2 789	2 666	3 567
EBITDA underlying	3 825	3 559	14 736	12 735	18 520
Operating profit/loss (EBIT) margin underlying (%)	28.8	18.0	35.5	26.1	26.9
FINANCIAL STATEMENT LINE ITEMS INCLUDED IN CAPITAL EMPLOYED					
Intangible assets			3 964	2 799	3 909
Property, plant and equipment			109 078	101 299	105 744
Other non-current financial assets			3 268	3 884	3 986
- Loans to equity accounted investments ¹⁾			-1 491	-2 148	-2 244
- Bonds and other long-term investments ¹⁾			-221	-411	-232
- Pension assets ¹⁾			-511	-496	-494
- Other shares and shareholdings ¹⁾			-432	-261	-316
Inventories			3 039	3 597	6 316
Receivables			9 650	14 246	12 831
- Receivables related to cash collateral ²⁾			-2 914	-3 514	-3 351
- Short-term loans to equity accounted investments ²⁾			-53	-93	-75
- Other receivables not part of capital employed ²⁾			-64	-3 407	-8
Provisions allocated to capital employed			-2 142	-2 466	-2 552
Taxes payable			-7 862	-5 691	-7 391
Interest-free liabilities allocated to capital employed			-6 963	-8 155	-9 742
Capital employed			106 347	99 180	106 380
Average capital employed ³⁾			106 599	101 603	102 020
RECONCILIATION OF CAPITAL EMPLOYED TO TOTAL ASSETS					
Capital employed			106 347	99 180	106 380
Deferred tax assets			721	572	676
Equity accounted investments			12 834	13 182	13 105
Other non-current financial assets ¹⁾			2 655	3 316	3 286
Derivatives, long term			4 524	2 466	2 926
Receivables ²⁾			3 031	7 015	3 434
Short-term financial investments			1 381	937	604
Derivatives, short term			5 095	10 912	9 118
Cash and cash equivalents (incl. restricted cash)			18 492	19 046	23 175
Liabilities allocated to capital employed, see table above			16 967	16 312	19 685
Total assets as of the statement of financial position			172 047	172 938	182 388
RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)					
Operating profit/loss (EBIT) underlying, rolling 12 months			16 831	13 417	14 953
Average capital employed			106 599	101 603	102 020
ROACE			15.8%	13.2%	14.7%
RETURN ON AVERAGE EQUITY ACCOUNTED INVESTMENTS (ROAE)					
Share of profit/loss in equity accounted investments, rolling 12 months			595	1 353	790
Average equity accounted investments ³⁾			13 174	13 330	13 359
ROAE			4.5%	10.1%	5.9%
NET INTEREST-BEARING DEBT					
Long-term interest-bearing liabilities			28 598	29 549	30 354
Short-term interest-bearing liabilities			5 099	5 891	6 346
Cash and cash equivalents (incl. restricted cash)			-18 492	-19 046	-23 175
Short-term financial investments			-1 381	-937	-604
Net interest-bearing debt			13 824	15 457	12 921
NET INTEREST-BEARING DEBT-EQUITY RATIO					
Net interest-bearing debt			13 824	15 457	12 921
Equity			96 919	93 046	98 004
Sum of net interest-bearing debt and equity			110 743	108 503	110 926
Net interest-bearing debt - equity ratio			12.5%	14.2%	11.6%

¹⁾ The item is a part of other non-current financial assets in the statement of financial position, but not a part of capital employed.

²⁾ The item is a part of receivables in the statement of financial position, but not a part of capital employed.

³⁾ Average capital employed and average equity accounted investments are based on the average for the last four quarters.



Interim Report
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Statkraft AS

Statkraft AS
PO Box 200 Lilleaker
NO-0216 Oslo
Tel: +47 24 06 70 00
Visiting address:
Lilleakerveien 6

Organisation no:
Statkraft AS: 987 059 699

www.statkraft.com

