Eidsiva.

Annual report.

2023

Translation for information purposes only

Eidsiva.

Contents

Eidsiva.

Key figures

Profit or loss		2023	2022	2021	2020	2019
Operating revenue	NOKm	9 622	11 118	8 561	8 255	4 407
EBITDA	NOKm	6 277	4 344	2 503	3 202	1 722
Underlying EBITDA	NOKm	4 874	5 016	3 747	2 795	
Underlying EBITDA excluding HEV	NOKm	3 605	3 622	2 747	2 680	
EBITDA margin	%	65	39	29	39	39
Operating profit	NOKm	4 593	2 863	919	1 752	944
Underlying operating profit	NOKm	3 190	3 534	2 163	1 344	
Profit before tax	NOKm	4 036	2 470	633	1 887	651
Profit for the year	NOKm	3 605	2 140	632	1 598	4 982
Underlying profit for the year	NOKm	2 321	2 739	1 689	1 283	
Material non-recurring items [1]	NOKm	-	-	-	431	4 085
Profit for the year excluding material non-recurring items	NOKm	3 605	2 140	632	1 167	896

Financial position		2023	2022	2021	2020	2019
Total assets	NOKm	53 193	50 832	46 832	46 430	44 627
Equity	NOKm	27 407	26 007	24 073	24 209	23 990
Capital employed	NOKm	43 580	42 356	40 689	38 311	37 406
Average capital employed	NOKm	42 968	41 522	39 500	37 858	33 272
Unrestricted liquidity	NOKm	6 875	6 673	3 500	4 874	3 200
Debt maturing within one year	NOKm	1 815	2 362	2 092	1 919	5 491
Interest-bearing debt	NOKm	19 762	19 447	17 688	16 799	15 432
Cash and bank deposits	NOKm	1 351	2 673	557	2 408	1 492
Fixed-income funds	NOKm	1 525	-	-	-	-
Net interest-bearing debt	NOKm	16 172	16 348	16 616	14 102	13 417

Cash flow and other items		2023	2022	2021	2020	2019
Net cash flows from operating activities	NOKm	3 472	3 372	1 576	2 898	2 062
Dividends paid to shareholders	NOKm	-2 391	-901	-1 026	-1 049	-243
Provision for dividends for the financial year	NOKm	-2 161	-1 500	-758	-1 020	-650
Capital expenditure	NOKm	-2 878	-2 702	-2 491	-2 755	-1 916

Eidsiva.

Ratios		2023	2022	2021	2020	2019
EBITDA margin	%	65	39	29	39	39
Return on assets (before tax)	%	9.2	6.2	2.3	5.1	3.1
Return on equity (after tax) [2)]	%	13.5	8.5	2.6	6.6	31.6
Underlying return on average capital employed [2)]	%	7.4	8.5	5.5	3.6	13.4
Equity/assets	%	52	51	51	52	54
Funds from operations	NOKm	5 551	3 909	2 205	2 679	1 261
Funds from operations/net interest-bearing debt	%	34	24	13	19	9
Free operating cash flow	NOKm	2 673	1 208	-287	1 711	1 261
Free operating cash flow/net interest-bearing debt	%	17	7	-2	12	9
Net interest-bearing debt/EBITDA		2.6	3.8	6.6	4.4	7.8
EBITDA/interest expense		8.1	7.5	5.9	7.3	5.1
Funds from operations/interest expense		7.2	6.7	5.2	6.1	3.7

[1)] 2020: Gain on sale of Innlandskraft AS: NOK 423m. Gain on sale of Åsnes Fjernvarme AS: NOK 8m.
2019: Gain on sale of Eidsiva Vannkraft AS: NOK 4 060m. Gain on sale of Laje Entreprenør AS: NOK 25m.

[2)] Including gains on disposals.

Definitions

The group's financial information is prepared in accordance with IFRS Accounting Standards (IFRS). Additional key figures and financial measures are presented to aid in understanding the group's performance. Key figures and financial measures not defined in IFRS are considered alternative performance measures and are defined and described below.

EBITDA
Defined as operating profit plus depreciation, amortisation and impairment. This measure is useful for investors and other stakeholders in assessing operating performance.

Underlying EBITDA
Defined as EBITDA adjusted for the period's over/under-recovery of allowable revenue at Elvia, fair value adjustments for interest rate hedges and Eidsiva's share of fair value adjustments after tax for power price hedges at associated company Hafslund Eco Vannkraft. This measure is useful for investors and other stakeholders in assessing operating performance.

Underlying EBITDA excluding HEV
Defined as EBITDA adjusted for the period's over/under-recovery of allowable revenue at Elvia, fair value adjustments for interest rate hedges and Eidsiva's share of profit at associated company Hafslund Eco Vannkraft. This measure is useful for investors and other stakeholders in assessing operating performance.

Underlying operating profit
Defined as operating profit adjusted for the period's over/under-recovery of allowable revenue at Elvia, fair value adjustments for interest rate hedges and Eidsiva's share of fair value adjustments after tax for power price hedges at associated company Hafslund Eco Vannkraft. This measure is useful as it can provide a better

	picture of the period's financial performance.
Underlying profit for the year	Defined as profit for the year adjusted for the period's over/under-recovery of allowable revenue at Elvia, fair value adjustments for interest rate hedges and Eidsiva's share of fair value adjustments after tax for power price hedges at associated company Hafslund Eco Vannkraft. This measure is useful as it can provide a better picture of the period's financial performance.
Interest-bearing debt	Debt that yields interest recognised in finance expense, with the exception of the net pension liability.
Net interest-bearing debt	Consists of interest-bearing debt less cash and cash equivalents, fixed-income funds and overfunding of pension plans. Net interest-bearing debt is a measure of the group's net indebtedness and an indicator of the strength of the balance sheet.
Return on assets	Calculated by dividing profit before tax from continuing operations plus interest expense for the past 12 months by average total assets for the past 12 months. This measure can be used to assess the group's ability to generate a return on its assets.
Return on equity	Calculated by dividing profit for the past 12 months by average equity for the past 12 months.
Capital employed	Defined as equity plus net interest-bearing debt.
Underlying return on average capital employed	Defined as underlying operating profit plus gains on disposals of companies for the past 12 months divided by average capital employed for the past 12 months. This measure can be used to assess the group's ability to generate a return on capital employed.
Net interest-bearing debt/EBITDA	Calculated by dividing net interest-bearing debt by EBITDA for the past 12 months. This measure provides useful information about the strength of the group's financial position and is reported internally on a regular basis.
Funds from operations	EBITDA less net finance expense less tax payable.
Free operating cash flow	Funds from operations less capital expenditure.
Unrestricted liquidity	Bank deposits, fixed-income funds and unused overdraft and credit facilities.

Eidsiva.

Eidsiva Energi group

Eidsiva.

Eidsiva Energi group

Annual report 2023

Eidsiva is a leading Norwegian energy and telecommunications group positioned at the heart of the energy transition with a key part to play in solving tomorrow's climate challenges.

We need to ensure a reliable supply for our customers and develop commercial opportunities in the production of renewable energy and digital services. Our most important resource in achieving our strategic goals is our employees, and recruiting people with the right skills and potential will play an important role.

Eidsiva was organised into three business areas in 2023: Power Distribution (Elvia), Bioenergy and Broadband. The group also has a 43.5% holding in Hafslund Eco Vannkraft (HEV), Norway's second-largest power producer.

Our work on sustainability builds on our social responsibility to drive the development of infrastructure and services that best serve society, people and climate alike.

2023 brought operating revenue of NOK 9.6bn (2022:11.1bn), operating profit of NOK 4 593m (2 863m) and profit for the year of NOK 3 605m (2 140m). Underlying profit for the year, which excludes over-recovery of allowable revenue in the Power Distribution business area and positive fair value adjustments for financial hedges, was NOK 2 321m (2 739m).

The Eidsiva group delivered healthy and stable operations in all business areas in 2023.

Eidsiva.

Market and regulatory conditions

The financial results for 2023 were affected by significant changes in market and regulatory conditions.

On average, power prices in the NO1 price zone covering south-eastern Norway were just a third of what they were in 2022. The reason for the lower prices in 2023 was better control of the energy system in Europe, combined with more precipitation than normal. Power prices play a key role in the Eidsiva group's financial performance, not only for the production businesses but also for the distribution company Elvia, as transmission losses in the distribution network are bought back at market prices.

Reasonable and predictable regulatory conditions are crucial if Eidsiva is to be able to deliver optimally on its social responsibility. Grid operator Statnett announced in 2023 that the transmission network into south-eastern Norway is full, which is a critical factor for industrial development in the region. Meanwhile Elvia saw strong demand for new connections during the year. Elvia is working actively on finding solutions so that it can deliver on its goal of being the customer's electrification partner, and has set a target of increasing the capacity of the existing network by 20%.

The Bioenergy business area supplied record volumes in 2023. District heating prices are linked to power prices, and lower market prices had a greater impact on earnings than the increase in production. Eidsiva Bioenergi also chose to retain a pricing structure which gives business customers a discount when power prices are high. The government's power price subsidy scheme for households also covers district heating customers, but the subsidy has to be covered by the district heating companies themselves. The process for possible changes in the price regulation regime for district heating is not yet complete, and Eidsiva is working on highlighting both the important system benefits of district heating and the fact that district heating producers' pricing and returns have long been at moderate and responsible levels, not least in relation to alternative energy sources. The announcement of further increases in the rate of tax on waste incineration gives considerable cause for concern, as the overall trajectory of taxation in this area could undermine the financial viability of the continued operation and development of an important part of the energy supply in many large Norwegian towns, including Hamar. From 1 January 2024, the tax has risen to NOK 882 per tonne of carbon dioxide from NOK 238 in 2023, with further increases planned through to 2030. Eidsiva Bioenergi has written down the value of parts of the Trehørningen district heating plant in Hamar in response to this tax increase.

The Broadband business area saw further customer growth and strong demand. Competition in the private market is growing, both in existing areas and for new areas for development with public subsidies. Competition in established market areas comes from both the terrestrial network and from fixed wireless broadband using the 5G mobile networks. Regulatory conditions in the telecommunications market continue to evolve. The Norwegian Communications Authority's analysis has identified the company as a provider with a strong market position in Innlandet county, which could mean that Eidsiva Bredbånd is required to open up its network to third parties. Eidsiva has responded to this analysis and is in dialogue with the authorities to find solutions that continue to benefit customers and society.

For the hydropower business Hafslund Eco Vannkraft, the market situation brought high volumes but lower prices. Earnings at Hafslund Eco Vannkraft in 2023 were greatly affected by price hedging, fair value adjustments for power sold on a forward basis, and reduced tax expense.

2023 also brought higher interest rates and credit margins in the capital market. Eidsiva raised NOK 1bn in the green bond market in September and is generally now reaping the rewards of long-term and robust financing. The group also benefits to some extent from the natural interest rate hedge in the revenue cap system for power distributors, in which interest is a key element.

Operations and business areas

With energy crises, energy markets and regulatory changes still hitting the headlines, Eidsiva sought to maintain its focus on efficient, profitable, reliable and responsible operations. The board is therefore very pleased to confirm that all business areas delivered high levels of continuity and availability in 2023.

Continuous improvements in health and safety also meant that the lost-time injury rate at Eidsiva was lower than ever before.

Power Distribution

The Power Distribution business area operates around 66 000 km of power lines in its supply area in the counties of Innlandet, Viken and Oslo in south-eastern Norway. This business is a monopoly and operates financially within rules issued by the Norwegian Water Resources and Energy Directorate (NVE) and the Norwegian Directorate for Civil Protection (DSB).

In terms of supply, 2023 was a good year for the distribution business. Average downtime for network customers (SAIDI) was 63 minutes, and the cost of energy not supplied (CENS) was lower than expected. The revenue caps announced for 2024 give Elvia an efficiency score of 106, up from 102 for 2023. Since the merger in 2020, Elvia has extensively upgraded systems and working processes as part of its consolidation into a single company. Several major systems were rolled out in 2023. These big system improvements mean significant efficiency gains for Elvia and pave the way for the further development and adjustment of working methods and data use.

The Norwegian Energy Regulatory Authority (RME) introduced a temporary regulation in autumn 2022 transferring parts of grid operator Statnett's congestion revenue to distribution companies in areas with high power prices. The transfers are based on the volume of distributors' network losses for the purposes of the revenue cap and calculated in such a way that Statnett's payment of congestion revenue fully or partly offsets the part of the power price above NOK 0.35/kWh. The scheme is continuing in 2024, and Elvia received NOK 808m in congestion revenue for 2023.

Operating profit for 2023 was NOK 2 365m (2022: 1 521m). Elvia generated operating revenue of NOK 8 054m (9 555m). Revenue from network charges was NOK 113m higher than in 2022. Elvia reduced network charges with effect from 1 February before raising them again slightly from 1 October, but consumption was higher than for the equivalent period in 2022.

Energy purchase and transmission costs came to NOK 2 609m (5 141m). Costs for network losses fell by NOK 1 110m from NOK 2 337m to NOK 1 227m. Transmission charges paid to Statnett fell by NOK 1 246m as a result of Statnett keeping the fixed component for consumption at zero and retaining the reductions in the energy component from 2022. There was over-recovery of allowable revenue of NOK 928m, of which NOK 423m was a result of NVE's changes to the revenue caps for 2019-2022.

Elvia saw strong demand for capacity from customers in 2023. Connection requests are approaching twice current capacity in Elvia's network area. One segment where there has been significant growth in connection requests is distributed generation and solar farms. 2023 brought around 140 requests with a total planned output of around 5 000 MW.

Further strong demand, combined with the network being virtually full in terms of connecting major new consumers until the central transmission grid is upgraded, means that Elvia needs to think in new ways in order to connect more of these customers. This situation also means that customers, local authorities and other stakeholders need to think in new ways to have their needs met. The launch of the role of Energy Co-ordinator in 2023 in a pilot project together with fellow power distributors Tensio and Lnett is therefore an important move, enabling Elvia to focus on making rational use of the entire energy system. As a power distribution company, Elvia has expertise and knowledge of the energy system that few others possess. It is therefore in a position to provide objective guidance, advice and support for business customers and local authorities so that their energy needs are met more quickly than at present.

Conditional connections are another measure that is being used, where connection to the network is conditional on the customer agreeing to be disconnected at certain times.

The strong demand for power is leading to extensive planning activity throughout the network area and especially in the regional distribution network. Further information on Elvia's activities can be found in its own annual report at www.elvia.no.

Bioenergy

The Bioenergy business area produces district heating from 15 wholly or partly owned district heating plants.

The business area generated operating revenue of NOK 579m in 2023 (2022: 638m). Operational performance was good, with a more than 98% share of renewables and carbon emissions from district heating production below the target level.

Energy sales totalled 517 GWh (454). Five new district heating plants were included in the portfolio at the beginning of January. These new plants accounted for 21 GWh of the increase in sales volumes, while customer connections to existing networks and lower temperatures than the previous year added 12 GWh and 30 GWh respectively.

Revenue fell by NOK 60m. The volume growth of 63 GWh in isolation boosted revenue by NOK 78m, while lower power prices pulled the other way. The price of power was around NOK 1.17/kWh lower than in 2022 and had a negative impact on revenue of NOK 136m. Eidsiva Bioenergi implemented the government's power price subsidy for households and also continued a discount scheme for business customers.

Revenue from waste management is under pressure following the introduction of the tax on carbon emissions from waste incineration. The tax can be passed on to waste collectors but has to be seen in the context of the gate fee falling by around NOK 100 per tonne of waste in 2023.

The cost of sales was NOK 126m (78m). The increase was due partly to higher volumes but mainly to pressure on prices for most grades of woodchip and reduced availability of reclaimed timber in the market.

The transaction with Oplandske Bioenergi generated a net gain of NOK 27m in 2023, which has been included in operating profit.

As a result of the rise in the waste incineration tax and expected further increases in this tax under the government's climate plan, the plant at Trehørningen has been written down by NOK 95m. Operating profit for 2023 was NOK 49m (247m).

Broadband

The Broadband business area comprises Eidsiva Bredbånd AS and Eidsiva Fiberinvest AS (EFAS). Eidsiva Bredbånd had a total of 92 000 broadband customers at the end of 2023, including 89 000 fibre customers. Most of these customers are in Innlandet county.

The completion of the planned fibre overbuild of the cable TV network operated by Eidsiva Bredbånd was postponed to 2024. At the end of 2023, around 4 700 of a total of around 10 000 customers had yet to be connected to fibre. Geographically, these customers are mainly in the recreational areas of Hafjell, Kvitfjell, Skeikampen, Trysil, Gålå and Beitostølen. Once the project is complete, Eidsiva Bredbånd will only have fibre customers in the private market.

There is fierce competition for broadband customers, especially in and around the larger conurbations.

The business area generated operating revenue of NOK 935m in 2023 (2022: 900m). The increase was due to growth in the customer base. Higher personnel expenses and other operating expenses led to a slightly reduced operating profit of NOK 126m (135m).

Eidsiva Bredbånd acquired a 6 MW data centre in Gjøvik in December 2023.

Other activities, including hydropower

Besides the group's three main business areas, Eidsiva has a number of other interests closely related to the group's core purpose.

Eidsiva's most significant holding is a 43.5% stake in Hafslund Eco Vannkraft, equivalent to hydropower production of around 6.3 TWh in a normal year. 2023 saw less pressure on the power system than in 2022, although there were still periods with high power prices during the year. Production volumes at Hafslund Eco Vannkraft were much higher in 2023, but this did not fully offset the decrease in prices. The company had good, stable operations, but was hit hard by Storm Hans on 9 August. As a result of this extreme weather event, water flooded over the dam at Braskereidfoss power station and entered the power plant itself. The dam was eventually breached, and there was considerable damage to the power plant, but there were no injuries or loss of life. Hafslund Eco Vannkraft hired consulting firm DNV to investigate the incident. Much has been learnt from the report, and a series of actions have been taken. Preliminary estimates indicate that the power station will not be back in operation until 2026.

The share of the company's profit included in Eidsiva's operating profit for 2023 was NOK 2 130m (1 054m). The decline in the forward market for power resulted in substantial recognition of revenue for contracts for delivery after the reporting date.

New business

At the heart of Eidsiva's ambition for 2030 is the development of new business both within and beyond today's business areas. Developments both upstream and downstream in energy and elsewhere offer real potential for a group like Eidsiva. Opportunities in electrification and the green transition are the group's priorities for the wholly-owned subsidiary Eidsiva Vekst, but new businesses not directly linked to electrification and renewable energy are also being developed in both the broadband and bioenergy areas.

Eidsiva has a 16.6% stake in solar power company Energeia, with which it is working on developing ground-mounted solar farms on rough grazing land in non-development areas. The partners are working actively on securing access to relevant areas and obtaining licences. A first licence application at Seval Skog in Gjøvik municipality was submitted in December 2022, but limited capacity in the power network and new processing procedures at the licensing authority have meant that progress has been slower than anticipated.

Eidsiva believes that onshore wind will be a necessary part of future energy production in Norway. At the same time, it is important for these developments to be carried out in consultation and open dialogue with stakeholders such as landowners, municipalities and the general public.

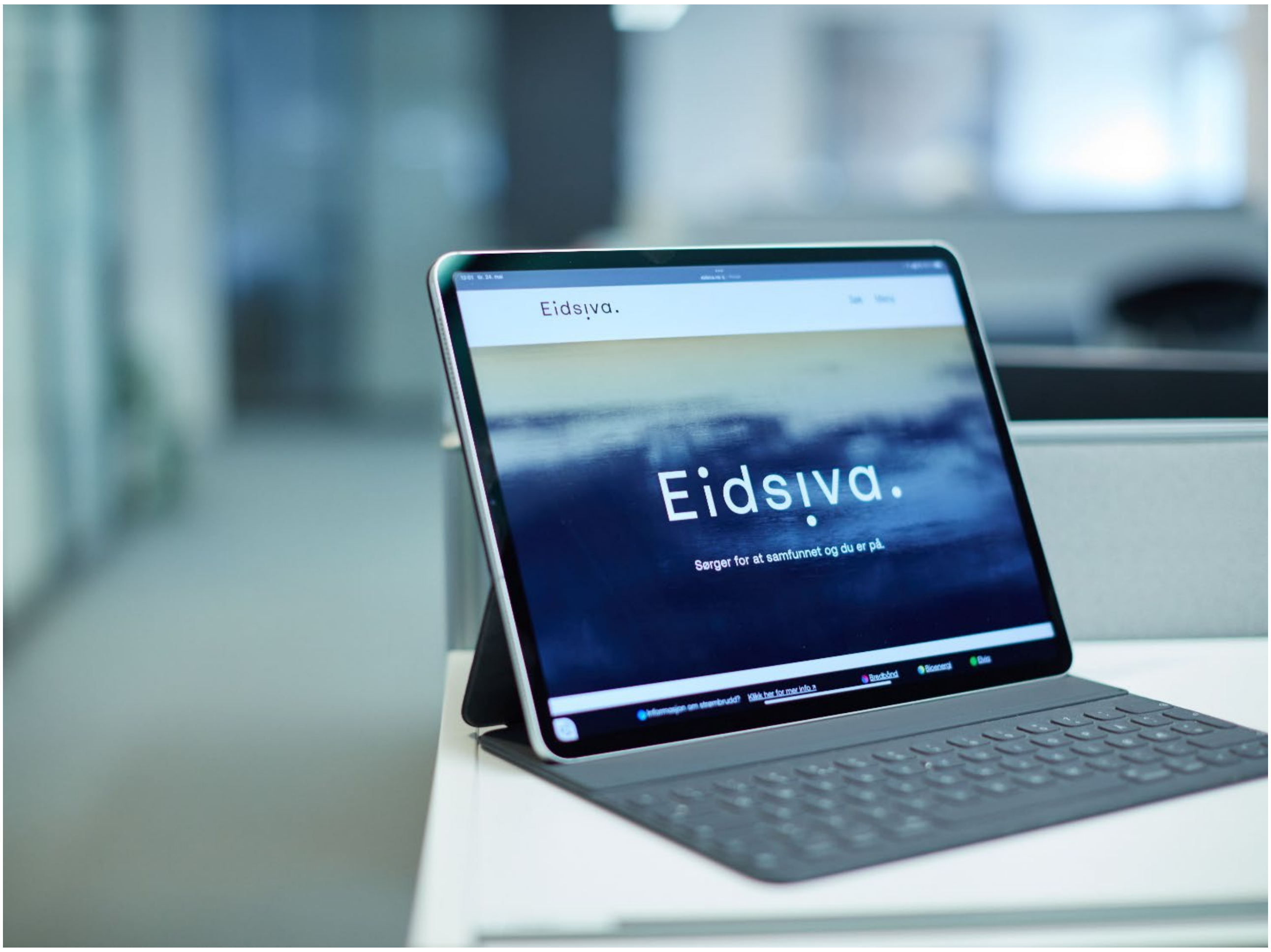
The Peak Shaper project delivered good results during the year from its pilot installation in Lierne in central Norway together with the local power distributor Tensio, where its batteries are helping very successfully to stabilise the network and reduce network losses. Peak Shaper won the Norwegian Smartgrid Centre's innovation prize for 2023 for its work with Tensio and has been recognised as an important service for tomorrow's power networks in enabling end-users to transition more quickly to green energy sources. In future, the project will focus on scaling up and including business and industry as a relevant market.

Eidsiva Bredbånd acquired an existing 6 MW data centre in Gjøvik in December 2023. The centre makes an important contribution to Norway's digital infrastructure, where Eidsiva is able to offer national storage under public ownership.

Eidsiva Bioenergi has a 60% stake in the company OBIO, which produces around 400 tonnes of biochar annually. Biochar helps to sequester carbon, and the company's goal is a significant increase in production and sales of biochar.

Most work on new business at Eidsiva involves business and concept development, while Eidsiva's venture investments are made through the company Hafslund Invest (formerly Hafslund Ny Energi), in which Eidsiva has a 35% stake. Hafslund Invest's most important position is in Elaway (electric vehicle charging solutions for housing associations) together with Eviny and SUSI Partners. Elaway has a strong position in its market in Norway and ambitions for growth in Sweden and Germany. Hafslund Invest's other interests include a 6.6% holding in Heimdall Power.

Eidsiva.



Capital expenditure

The Eidsiva group's capital expenditure totalled NOK 2.9bn in 2023 (2022: 2.7bn), more than 70% of this in the Power Distribution business area.

Structural development

Eidsiva Bioenergi completed the sale of Oplandske Bioenergi to Solør Bioenergi in January 2023. At the same time, an agreement was entered into on Eidsiva Bioenergi taking over district heating plants in Løten, Eidsvoll and Rudshøgda, plus the new biochar production facility at Rudshøgda jointly owned with forestry company Glommen Mjøsen Skog through the company OBIO AS.

In July 2023, Eidsiva Vekst formed the company Eidsiva Hafslund Vind as a 50/50 joint venture with Hafslund Vekst. The company's aim is to develop new onshore wind power production with the main focus on south-eastern Norway.

Sustainability

Sustainability is a key element of Eidsiva's social responsibility. The part the group has to play in the transition to a low-carbon economy was clarified in a new strategic plan adopted in December 2023.

Work on sustainability at Eidsiva has three focus areas: growth in green options, nurturing and developing people, and driving responsible partnerships. A double materiality assessment was carried out during the year using the EU's new methodology. Targets were set for material sustainability topics based on the group's strategic ambitions in each area.

Eidsiva's sustainability report for 2023 is its fourth such report. It reflects the new Corporate Sustainability Reporting Directive applying from 2024. The report covers the areas identified by the double materiality assessment and presents the status of our work, with additional information on these topics.

Read more about sustainability at Eidsiva in the group's sustainability report for 2023, which can be found at www.eidsiva.no.

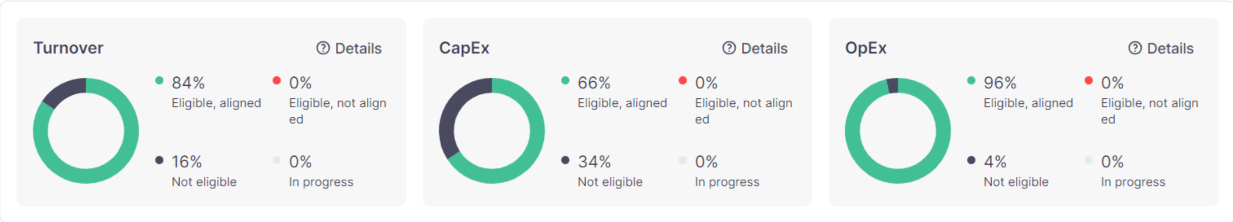
Taxonomy

The EU taxonomy is a classification system for what can be considered sustainable activities. To be defined as sustainable, an economic activity must contribute substantially to at least one of six specific environmental objectives without significantly harming any of the others. Certain minimum social standards must also be met throughout the value chain.

Eidsiva considers itself to have had a reporting obligation under the taxonomy from 1 January 2023. Full taxonomy reporting can be found on pages 33-43 of Eidsiva's sustainability report for 2023, which can be found at www.eidsiva.no.

Eidsiva's power distribution and district heating activities are taxonomy-eligible activities and support the first of the taxonomy's environmental objectives: climate change mitigation. The broadband business is not taxonomy-eligible at present.

A mapping of the group's activities in 2023 found that 84% of turnover and 66% of capital expenditure relate to sustainable (taxonomy-aligned) activities – see the diagram below:



Eidsiva's turnover breaks down between taxonomy-eligible activities as follows:

Activities	Turnover, NOK	Alignment	Climate change mitigation Substantial contribution	Climate change adaptation Substantial contribution	No significant harm	Minimum safeguards	Transitional or enabling activity
Taxonomy-eligible activities	**8129095610**	**100%**	**100.0%**	**0.0%**	Compliant	Compliant	—
4.10. Storage of electricity	3504302	100%	100.0%	0.0%	Compliant	Compliant	Enabling
4.9. Transmission and distributi...	7694000000	100%	100.0%	0.0%	Compliant	Compliant	Enabling
4.24. Production of heat/cool fr...	231586181	100%	100.0%	0.0%	Compliant	Compliant	Neither
4.15. District heating/cooling di...	142215687	100%	100.0%	0.0%	Compliant	Compliant	Neither
4.25. Production of heat/cool us...	57789440	100%	100.0%	0.0%	Compliant	Compliant	Neither
Taxonomy-non-eligible activities	**1493050888**	—	—	—	—	—	—
Total	**9622146498**	**84%**	**84.5%**	**0.0%**	Compliant	Compliant	—

Eidsiva's capital expenditure by activity

Non-eligible capital expenditure relates to the broadband business (NOK 796m) and the incinerator at Trehørningen. In the latter case, the actual incineration process has been provisionally classified as non-eligible, while the energy it generates counts as waste heat under the taxonomy.

Health and safety (H&S)

A safe and healthy workplace every day

Eidsiva aims to provide a safe and healthy working environment so that everyone thrives at work and gets home safe and sound. Our vision is zero work-related sickness absence, zero injuries and zero accidents. This is to be achieved through an uncompromising approach to safety and systematic and targeted work on health, the working environment and the external environment. High H&S standards also have financial benefits, boost our reputation and are crucial for Eidsiva to be considered an attractive employer and partner.

The sickness absence rate was 4.2% in 2023, down from 5.0% in 2022 but above the group's target of 4.0%.

The lost-time injury rate (LTIR) was 1.5 per million working hours, down from 3.2 in 2022, an important improvement. Our target is zero lost-time injuries, and both the parent company and the subsidiaries Eidsiva Bioenergi and Elsikkerhet Norge achieved this target in 2023.

The total recordable injury rate (TRIR) was 4.4 per million working hours, more or less unchanged from 4.5 in 2022 and below our target of 5.0. Both the LTIR and the TRIR include injuries at suppliers. The high-potential incident rate (HPIR), which measures the number of accidents and near-misses per million working hours, was 1.0 in 2023, which is better than our target of 3.0.

The total number of occupational injuries was 18 in 2023, including 13 at suppliers. Both figures are the same as for 2022. Of the 18 in 2023, however, only six were lost-time injuries, which is fewer than half the number in 2022.

The group's systematic and active work on health, safety, the working environment and the external environment has resulted in a gradual improvement in its performance in this area. Annual targets are set on our journey towards zero and included on the group's scorecards. In 2023, both the TRIR and the HPIR settled at a level that is better than our targets.

Despite these improvements in H&S performance, experience shows that the margins for avoiding serious injuries are small. On the other hand, the number of high-potential incidents was greatly reduced in 2023. A survey of our managers found that the group's H&S maturity varies and is not high enough in some areas given our H&S targets and vision for 2030. Achieving our objectives will therefore require considerable further improvements in H&S standards. These improvements are to be made through systematic and targeted work based on audited strategic H&S focus areas and annual action plans during the strategy period.

Based on the fundamental attitude "We care", the following three strategic focus areas will guide our work on H&S during the strategy period:

1. Preventive work on health and safety with visible and engaged leaders as role models
2. Suppliers and employees work actively on mutual learning and development
3. A health and safety culture where everyone plays their part

A number of activities were carried out across the group in 2023 to strengthen our leaders as H&S role models. The "I care" programme evolved further and was the unifying theme in the group's first H&S week in autumn 2023. "I care, we care" is to be a hallmark of the group's H&S culture and a fundamental attitude among all of our employees and suppliers.

Eidsiva aims to be a well-informed organisation in terms of H&S and use H&S reporting actively to develop a good H&S culture. Eidsiva is to have good systems for H&S reporting using both reactive and proactive indicators to ensure targeted and systematic H&S work. As part of this work, H&S appraisals for all leaders are being introduced as a new KPI on the group's scorecards. This KPI will help us monitor the group's performance in the first and most important of the three strategic focus areas.

An attractive employer

Eidsiva aims to be one of Norway's most attractive places to work by 2030. Together with delivering on our social responsibility, this requires engagement and expertise throughout the organisation. We are working systematically on H&S, leadership, development, team spirit and culture to ensure that we attract the right people and develop a strong offer when it comes to learning and development.

Eidsiva conducted two surveys during the year to measure how employees view their working day and their workplace, with a focus on work engagement. There were good results throughout the group. The overall score for work engagement was 3.9 (on a scale of 1 to 5), which is in line with the industry benchmark of 3.9.

As part of our efforts to be one of Norway's most attractive places to work, we have set concrete targets for work engagement during the strategy period. The group aims to score among the top 10% in Norway.

Development programmes

Additional development programmes for both new and experienced leaders in the group were developed and rolled out during the year. The leadership development programme DRIVE for new leaders provides a basic introduction to leadership at Eidsiva.

The leadership development programme EFFECT for experienced leaders is about realising strategies and will help strengthen the group's collective capacity for change. SPARK is the group's development programme for other employees. One important part of the programme for the participants is producing a strategy case where they identify new focus areas for the group.

In addition to these development programmes, the group offers regular leadership training and sparring as part of day-to-day work. All of the group's leaders were offered 25 hours of leadership coaching during the year.

The Energy House – an activity-based workplace

The group worked on the design of its new headquarters, the Energy House, during the year. User involvement has been important in the design of the building, and several user workshops were held to ensure input from employees. The building has been designed so that employees have considerable freedom of choice and flexible solutions so that they can decide where to work based on what is to be done and which colleagues they will be working with. This activity-based working will pave the way for greater collaboration not only between departments but also across business areas.

Eidsiva's employees

Eidsiva aims to be an attractive employer known for a meaningful social role, sustainability and genuine centres of excellence. The group's corporate culture is to be diverse, developing and stimulating for all employees. Everyone at Eidsiva is to contribute to an inclusive working environment which reflects our core values – Open, Honourable, Bold – and to us all respecting and valuing one another's opinions and perspectives. This is to be reflected in a socially sustainable working environment, and we are working systematically on increasing psychological safety and improving the psychosocial working environment in the group. The group's ethical rules also state that employees must show respect and consideration for one another and work actively on a good working environment characterised by equality and diversity. There is zero tolerance of discrimination and harassment.

The group is working actively on diversity and inclusion. Areas where action has been taken include employer branding, recruitment, leadership/employee development and collaboration on the IA Agreement for a more inclusive working life. The organisation's diversity know-how and maturity increased significantly during the year. This was achieved through talks, internal podcasts, leadership seminars and compulsory game-based learning on diversity, equality and unconscious bias.

The group's work on diversity and equality is discussed briefly in our sustainability report and more extensively in a separate equality report.

The Eidsiva group had a total of 1 286 employees at the end of 2023, of whom 294, or 23%, were women (2022: 22.8%). 44% of senior managers are women. The gender pay gap narrowed from 4.1% in 2022 to 1.28% in 2023. For detailed pay information, see the group's equality report for 2023.

45% of employees are aged 30-50, 42% are over 50, and 13% are under 30. 78% of senior managers are aged 40-49, and 22% are aged 50-59.

Eidsiva.

We took on 141 new employees during the year, of whom 44 were women and 97 were men. Employee turnover in the group was 6.6%.

Social and environmental issues

Integrated corporate social responsibility

Corporate social responsibility is integrated into Eidsiva's business activities in the form of work on human rights, labour rights, social issues, environmental protection and anticorruption.

Eidsiva's work on social responsibility is guided by applicable laws and regulations and by the group's code of ethics. As part of the group's governance documents, separate group policies have been prepared in important areas such as human resources, communication, health and safety, procurement and sustainability.

The group's code of ethics covers personal conduct, reporting and responding to any breaches of the code, and good business practices for employees and those acting on behalf of the group. The group revised its internal whistleblowing procedures in 2021 and established a new external channel through the firm BDO. The whistleblowing channel can be accessed both through the intranet and from the group's website, and guarantees anonymity for whistleblowers. Three reports were received through the external channel in 2023. All three cases were dealt with in accordance with procedures and have been closed. Eidsiva's board received dilemma training in 2023 as part of its work on ethics.

Eidsiva's code of ethics, ethical policy and human resources policy help ensure that the group's business practices respect human rights. The code of ethics sets out our corporate social responsibility, with the emphasis on labour rights, human rights and sustainability.

Eidsiva has extensive procurement activities and aims to be a skilled and professional buyer with good business practices. The group's contract terms include requirements for ethical business conduct, sustainability and H&S. Systematic work on supply chain development continued in 2023. Purchases of goods and services from outside Norway are mentioned specifically in Eidsiva's code of ethics. The group aims to further international human rights as set out in the UN's declaration, conventions and Global Compact principles. It is also to combat social dumping by supporting the ILO's conventions.

Eidsiva is covered by Norway's Transparency Act and works systematically on promoting fundamental human rights and decent working conditions, and providing public access to information. Due diligence is a continuous process, and the group's first due diligence report under the act was published before the deadline of 30 June 2023 and can be found at www.eidsiva.no. The next due diligence report will be published before 30 June 2024.

Emergency preparedness at Eidsiva

Every single day, Eidsiva ensures that 2 million Norwegians have access to electricity, district heating and broadband through its own infrastructure for the household and business market.

These are critical services which demand high levels of uptime. The Eidsiva group therefore maintains continuous emergency preparedness for the transmission and distribution of electrical power, district heating and broadband services to ensure a reliable supply to customers and protect lives and property.

The Eidsiva group is defined as a critical player in Norway's power supply and must at the very least meet the requirements set out in laws and regulations. The power distribution and fibre businesses are both subject to security-of-supply requirements, while the bioenergy business must safeguard both production and supply.

We must work systematically on emergency preparedness to make sure that Eidsiva Energi is well-prepared to deal with both minor incidents under normal operations and extraordinary situations.

Storm Hans and the geopolitical situation were the main challenges faced in 2023. The storm brought down power lines at Braskereidfoss and caused a number of facilities to be flooded. In terms of power supply, the storm was not a major challenge, but access by road was difficult. The storm also affected the fibre business, with large parts of the fibre network located in the epicentre of this extreme weather event. Thanks to a formidable effort from both our own employees and contractors, coupled with good redundancy solutions, most of Eidsiva Bredbånd's customers escaped long periods of downtime.

Given the geopolitical situation around the world, the year saw a greater focus on information security across the group.

Together with the Norwegian Water Resources and Energy Directorate (NVE) and other power distributors, Elvia contributed to work on new regulations and guidance on situations with energy scarcity and power rationing which come into force from 2024.

Good levels of preparedness are ensured through good contingency planning, high levels of expertise and reliable access to materials and equipment. It is also important to have regular training and exercises. Eidsiva conducts regular exercises at various levels. Along with sound evaluation processes and risk analyses, this ensures continuous development of the group's emergency preparedness.

Employee rights and codetermination

Employee rights are governed by laws, regulations and both national and local collective agreements, and are covered by internal policies and guidelines. A full list can be found in our staff handbook. Collaboration and negotiations between employers and employees take place at group level and within the businesses. Employees' right to codetermination, terms of employment, pay and working conditions are safeguarded through established collaboration processes.

Much of Eidsiva's workforce is unionised. All business areas have their own liaison committees where the unions and employers work together on information and discuss relevant matters. There are also works councils at each group company which look at health and safety. The emphasis is on healthy collaboration and involving the group's employees and their representatives. The board's remuneration and leadership development committee had three meetings in 2023.

Eidsiva.

External environment

Eidsiva works actively and systematically to minimise its impact on the external environment by minimising pollution, emissions and waste. Eidsiva impacts the environment primarily through its work on the development, operation and maintenance of critical infrastructure.

Elvia's greatest contribution to the external environment consists of avoided emissions as a result of the company connecting renewable energy production to consumers. This is part of Elvia's social responsibility. Eidsiva Bioenergi's development and distribution of renewable energy makes a significant contribution to achieving the authorities' climate goals. Eidsiva Bredbånd aims to give all households, businesses and public bodies access to high-speed broadband to further the region's digital development.

Elvia's main sources of emissions are the materials used in developing the network, network losses, transport and waste. The company is working systematically to reduce these emissions. For example, low-carbon concrete has been made standard, a module has been ordered for the operating system that can simulate transmission losses before switching (and will thus eventually be able to choose the path with the lowest losses), electric vehicles have been purchased where technically and operationally feasible, and there is an increased focus on the circular economy and recycling in both operations and projects. Elvia is also exploring opportunities to reduce its impact on nature and biodiversity and planned a number of pilot projects during the year to identify the most important and effective steps to take. A nature management plan will be introduced in 2024.

Eidsiva Bioenergi has emission permits for incinerating clean fuels at Børstad in Hamar municipality, waste at Trehørningen in Hamar municipality, and reclaimed timber in Gjøvik, Kongsvinger and Elverum. These permits require reporting of registered emissions. The Trehørningen incinerator in Hamar municipality accepts residual waste from Innlandet county. The heat generated from incinerating this waste is used to produce electricity, steam for industrial use, and the base load for the district heating network in and around the town of Hamar. While burning waste results in emissions of exhaust gases, these are greatly reduced by using modern treatment technology and requiring waste to be sorted before delivery.

Anticorruption

Eidsiva has zero tolerance of corruption. The group's code of ethics is intended to encourage good business practices and responsible conduct by all employees and those acting on behalf of Eidsiva. The code of ethics contains requirements not only for our employees but also for our suppliers and other partners. The group is particularly keen to reduce the risk of corruption in procurement and dealings with suppliers, but also to promote a culture that rejects corruption.

Research and development (R&D)

R&D and innovation are important to ensure the Eidsiva group's development and strategic value, and the group has a particular focus on using new digital technologies in its activities.

Eidsiva's business areas are participating actively in a number of R&D projects. Some are owned and run by Eidsiva's business areas, while others are collaborations with the likes of Energy Norway and SINTEF. Our R&D activities run the full spectrum from early-phase competence and research-based projects to innovation projects piloting concrete components and solutions.

Elvia's R&D work aims to strengthen its position as an efficient power distributor and help develop the power network of the future to the benefit of consumers and society. Eidsiva Bioenergi is also working actively on concrete projects to reduce fossil emissions. As Norway's largest regional power distributor, Elvia will play a key role in developing solutions for tomorrow's rational, climate-friendly energy systems.

R&D work at Elvia is co-ordinated by a dedicated R&D department but is largely carried out by the various technical departments.

Elvia aims to be Norway's most efficient power distributor, and R&D will be crucial in achieving this. Its wide-ranging portfolio of around 50 projects includes participation in research centres, skills-building projects, small pilot projects and large demonstration projects.

There is a focus on how new technology and processes can be used to monitor, develop and manage the infrastructure better and more efficiently. Many of the activities in these projects look at how this can be done more sustainably and robustly.

In 2023, particular attention was paid to getting more out of the power network, resulting in the programme Dynamic Network Operation. The aim is to get at least 20% more out of existing cables and power lines. At the end of 2023, the programme was expanded with the start-up of the R&D project Energy Co-ordinator. Another major project in 2023 was an earth fault pilot, which is creating a complete process for identifying, reporting and correcting earth faults in the power network. This will build on experience from previous R&D projects and is a collaboration with the Norwegian Centre for Intelligent Electricity Distribution. More than NOK 60m was expensed in the R&D portfolio in 2023, which is twice the amount in 2021.

Governance and risk

Governance principles and internal control

Eidsiva's corporate governance is guided by both official recommendations and internal rules. The group's corporate governance principles are based on the rules in the Norwegian Code of Practice for Corporate Governance, modified to reflect the terms of the shareholder agreement on a comply-or-explain basis.

The principles are updated annually and were last approved at the general meeting on 10 May 2023. The shareholder agreement contains provisions on shareholder meetings and shareholder committees. Åmot municipality is not party to the shareholder agreement and does not take part in these meetings, but all three shareholders attend general meetings.

The operational management of the businesses is based on the group's overall strategy, the group's code of ethics, and each company's rules of procedure for the board and management. The group has set out Eidsiva's most important principles in the group's governance documents, and drawn up policies in areas where a uniform approach across the group is considered most important.

Responsibility for risk management and internal control rests with the individual business area and is an integral part of its business activities. The group issues limits and guidelines for internal control of its businesses, which are to comply with these limits, potentially with approved company-specific modifications. The group monitors internal control at group level via the corporate control department and outsourced internal auditing where necessary. A framework agreement on internal auditing services has been entered into with KPMG. Internal audits are conducted on the basis of an annually updated audit plan. Three internal audit projects were carried out in 2023. Each project results in an action plan which is followed up quarterly through status reports.

The work of the board of directors

The board's supervisory responsibilities are addressed by reporting on developments in governance parameters. In addition, financial information is reported in more detail in connection with the publication of quarterly data. The board has established an audit committee, a remuneration and leadership development committee, and a health, safety and ethics committee. Their members are elected by and from the members of the board. The audit committee has operated since 2011, while the other two committees were created in 2015. All are preparatory and advisory working committees for the board of Eidsiva Energi AS.

The board held nine meetings in 2023, while the audit committee held seven, the health, safety and ethics committee four, and the remuneration and leadership development committee three.

The company has taken out directors' and officers' liability insurance for the board and CEO on standard market terms. The policy covers claims for financial losses arising from acts and omissions on the part of the board or management.

Risk management

Risk management is an integral part of general corporate governance at Eidsiva. The group management team and the boards of the group's companies participate in processes for managing and monitoring risks.

As one of Norway's largest regional energy and telecommunications concerns, the group is exposed to risks in a number of areas. The risks to which the group is exposed can be categorised into market risk, financial risk, regulatory risk, operational risk and climate risk.

Market risk

The Eidsiva group is exposed to market risk, and developments in the power market are one of the most important drivers of Eidsiva's results. Power prices are the greatest source of uncertainty in Eidsiva's underlying performance. Power prices strongly influence earnings at Eidsiva Bioenergi. The holding in Hafslund Eco Vannkraft also gives Eidsiva indirect exposure to price, currency and volume risks related to power production. In terms of volume, Eidsiva's exposure to power prices is around 6.8 TWh/year, including Eidsiva Bioenergi. Dependence on individual power stations is limited, however, as the group has stakes in 74 plants. Eidsiva does not itself carry out any hedging transactions in relation to its ownership of Hafslund Eco Vannkraft. In 2023, high levels of precipitation in August led to high inflows into reservoirs in southern Norway, putting pressure on power prices in the NO1 price zone through to October.

Financial risk

Simulations of the effects of different alternatives on the group's financial strength, key figures, investments, costs and financing are conducted regularly. The group has exposure to credit risk, as all sales are on credit.

When Hafslund Eco Vannkraft was formed in 2019, Eidsiva Energi issued a subordinated loan of NOK 1 912m. This loan was repaid in 2023, improving the group's cash position.

Surplus liquidity is invested in bank deposits and liquidity funds within given limits. As a whole, this is considered to result in low credit risk. Financial institutions and investors consider the group's creditworthiness to be good, which has ensured access to liquidity in both the short and the long term. The group has a financing strategy which reflects a relatively long investment horizon and liquidity reserves in the form of committed syndicated and bilateral credit facilities. The group has a syndicated credit facility with a limit of NOK 2.5bn and two bilateral credit facilities with a combined limit of NOK 1.0bn. This gives the group satisfactory financial flexibility.

The group's finance strategy sets limits for the loan portfolio's maturity, fixed-interest exposure and the balance between fixed and variable interest.

Regulatory risk

The group is exposed to risks relating to changes in regulatory conditions for its businesses and the impact of political decisions. Numerous ongoing regulatory processes could affect the operations of the companies in the Eidsiva group and Hafslund Eco Vannkraft. The outcome of a number of these processes is uncertain, bringing unpredictability to planning and decision making. As the owner of Norway's largest power distributor Elvia, Eidsiva has particular exposure to changes in the design of the revenue cap regulation system. It is therefore important for Eidsiva to work proactively on ensuring that revenue cap regulation is stable and predictable, and that it supports and contributes to efficient development and operation of the power network over time. Eidsiva lobbies actively on relevant regulatory developments. Trade bodies such as Renewables Norway and District Heating Norway are also used as observers and mouthpieces on matters concerning the industry, in addition to Eidsiva itself participating actively in regulatory processes. Specific topics being addressed are the taxation of waste incineration, the energy labelling scheme, and direct and indirect regulation of district heating prices.

Operational risk
The Eidsiva group supplies critical services to 2 million people where the availability of infrastructure is crucial. This infrastructure is vulnerable and needs to be protected from threats such as natural disasters, sabotage, cyber-attacks and shortages of key components. One of the group's most important roles is to ensure efficiency and quality in all industrial areas. This is achieved through long-term investment plans, the highest possible standards of operation and maintenance, a strong customer focus, and a skilled and motivated workforce. Considerable work and expense go into the group's contingency management and exercises to prevent or minimise the consequences of major unwanted incidents affecting the group's employees, service and reputation. This has helped put the group in a position to continue to provide critical services satisfactorily.

Climate risk
Eidsiva aims to manage climate and nature risks as an integral part of the group's overall risk management. Climate and nature risks affect the group in the form of both transition risks and physical risks. A double materiality assessment was carried out during the year using the EU methodology.

Eidsiva is well positioned commercially and strategically to play an active role in the transition to a renewable and electrified future backed by ambitious and effective climate policy. This means that Eidsiva's transition risk is linked mainly to the revenue potential in a positive scenario (1.5-2°C warming), particularly from renewable and electrical energy. On the other hand, it is important to be aware of the opposing forces that could emerge if climate policy has major unintended and antisocial consequences, and of the negative changes in operating conditions that could then result even for players that themselves identify as contributors to the transition.

In a more negative scenario (3-4°C warming), climate change will be associated with physical risks to production facilities, affect security of supply in the power network, undermine cost efficiency, and reduce earnings from hydropower (prices for renewable energy without climate quotas) and demand for heat (shorter and milder winters).

The group's financial position and results

Financial statements for 2023
The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The parent company Eidsiva Energi AS applies the Norwegian rules for simplified IFRS.

The group recorded operating revenue of NOK 9 622m in 2023 (2022: 11 118m).

Operating profit came to NOK 4 593m (2 863m). This includes a 43.5% share of associated company Hafslund Eco Vannkraft's profit, as power production is defined as part of the group's core business. Adjusted for the amortisation of fair value adjustments arising from the transactions in 2019, the group's share was NOK 2 130m (1 054m).

The tax expense for 2023 was NOK 431m (330m).

The board confirms that the company is a going concern. The annual financial statements for 2023 have been prepared accordingly.

Profit for the year was NOK 3 605m (2 140m).

Cash flows and capital
The group had total assets of NOK 53bn at 31 December 2023. Equity amounted to NOK 27bn, or 52% of assets.

Under the terms of the shareholder agreement, Eidsiva is to pay dividends quarterly. Accordingly, the board has been authorised by the general meeting to decide and pay dividends after each quarter based on the group's previously submitted and audited financial statements. A total of NOK 1 439m was paid out in quarterly dividends in 2023. The dividends for the third and fourth quarters of 2023 will be paid in 2024.

The statement of cash flows shows cash generated from operations of NOK 3 472m. Investments in property, plant and equipment came to NOK 2 724m. Dividends from associated companies totalled NOK 722m. New borrowings amounted to NOK 1 000m, while repayments came to NOK 1 238m.

Cash and cash equivalents were NOK 1 351m at 31 December 2023. A further NOK 1 525m was invested in liquidity funds. The group had an overdraft facility of NOK 500m at the end of the year, and Eidsiva had a further NOK 3.5bn in unused credit facilities.

Treatment of profit

Eidsiva's shareholders are to benefit from a satisfactory return in the form of annual dividends and capital appreciation. This return is to be at least as good as that on alternative financial investments. Dividends from Eidsiva Energi AS are regulated by the shareholder agreement.

Dividends are paid quarterly during the year to avoid an accumulation of capital in the holding structure.

For the 2023 financial year, the board set quarterly dividend payments on the basis of the statement of financial position at 31 December 2022. Altogether, dividends of NOK 2 415m were approved for 2023, reducing the group's equity at 31 December 2023. When it comes to the annual financial statements for 2023, it is considered that there is a basis for dividends well in excess of the minimum dividend and the current dividend schedule. In the parent company financial statements for Eidsiva Energi, dividends are measured under different rules to the consolidated financial statements, giving total dividends for the 2023 financial year of NOK 2 161m (1 500m).

Treatment of Eidsiva Energi AS's profit for the year

(NOKm)	2023	2022
Dividends paid or provided for	2 161	1 500
Transferred to/from retained earnings	-875	1 292
Total	**1 286**	**2 792**

Financial platform

The primary objective for the Eidsiva group's management of its capital structure is for it to have a solid financial position which enables rational operation and development of the group in line with its plans and shareholders' expectations.

Eidsiva Energi and its subsidiaries manage critical infrastructure. As a result, a substantial share of the group's revenue is regulated and so predictable. Regulated activities are considered financially safer than production activities, where there is more uncertainty about volumes and prices.

The Eidsiva group's business risk is limited and rated A by Scope Ratings. The Eidsiva group's overall issuer rating from Scope Ratings was upgraded in January 2024 from BBB+ with a stable outlook to A- with a stable outlook. The short-term rating was upgraded at the same time. Eidsiva Energi aims always to have an investment-grade credit rating.

The average maturity of Eidsiva's loan portfolio was slightly reduced in 2023 by replacing maturing loans. The group is considered to have acceptable access to capital in the bond and bank markets. Eidsiva is one of Norway's largest issuers of green bonds to finance sustainable projects. Eidsiva's Green Finance Framework expires in 2024 and will in all probability be renewed and aligned with capital market expectations.

Eidsiva has two credit facilities with a combined limit of NOK 3 000m which are linked to three defined sustainability targets. All three targets were met in 2022, and so the facilities had reduced commitment fees in 2023. Eidsiva met only two of the three targets in 2023, which means that the margin has now reverted to the nominal level.

At the end of the year, the group had an unused long-term syndicated credit facility of NOK 2.5bn and two bilateral credit facilities with a combined limit of NOK 1.0bn in addition to bank deposits and an overdraft facility of NOK 500m.

Eidsiva's cash position was strong throughout the year.

Financial flexibility in terms of achieving strategic and operational targets is considered to be good in both the short and the long term.

Bank agreements require Eidsiva to have a value-adjusted equity/assets ratio of 35% and at least two-thirds public ownership. There are also limits on interest-bearing debt at subsidiaries and restrictions on the provision of collateral, guarantees and security by the parent company and subsidiaries. See Note 25 to the consolidated financial statements for further information.
These covenants are not considered to affect the group's financial flexibility.

Eidsiva will continue to make substantial investments in profitable infrastructure projects. These will increase the group's earnings and dividend capacity as the assets come into operation. The group's debt will rise somewhat in the coming years as a result of these investments.

A substantial part of the group's invested capital is in the Power Distribution business area, where returns are linked to revenue cap regulation. The revenue cap system includes a notional return on capital which makes the group less exposed to fluctuations in interest rates. The current cap expires in 2024.

Through its holding in Hafslund Eco Vannkraft, the group is indirectly exposed to risks linked to movements in power prices and the associated currencies. Persistently lower power prices would reduce the share of profit recognised in Eidsiva's financial statements and impact on Hafslund Eco Vannkraft's dividend capacity. Revenue from the group's district heating business is also affected by changes in power prices and volumes.

The Eidsiva group is robust and has solid finances. At 31 December 2023, the group had equity of NOK 27bn, or 52% of assets.

Outlook

Eidsiva owns Elvia, Norway's largest regional power distributor, with a clear ambition to offer the country's lowest network charge and increase the capacity of the existing network. Elvia's size provides an industrial position for further consolidation and development of new businesses.

At the same time, Eidsiva wishes to play a proactive role in the electrification and digitisation of society and paving the way for new industry in south-eastern Norway based predominantly on renewable energy, while ensuring a stable and reasonably priced supply of renewable power and broadband services for both households and businesses. This will require the development of new renewable power production and active development of the power and fibre networks. Eidsiva needs to cut its own emissions by 60% by the end of 2030, nurture and develop its people, and work with partners to achieve its goals.

Eidsiva still expects that demand for power, fibre and district heating will remain strong, and that earnings at both the associated company Hafslund Eco Vannkraft and Eidsiva Bioenergi will remain healthy despite the significant regulatory changes of the past year. Eidsiva has prioritised acting responsibly and sustainably in today's challenging energy situation and will continue to do so in the longer term, including when it comes to earnings and returns.

Besides further developing and optimising its businesses, Eidsiva will work on developing profitable new activities building on the advantages the group has as a leading player in energy and telecommunications. New products and services will be developed and supplied by Eidsiva Bredbånd, Eidsiva Bioenergi and Eidsiva Vekst. Eidsiva's most important competitive advantage is its skilled workforce, which we will further develop, motivate and expand through to 2030 by being one of Norway's most attractive places to work.

The board's signatures can be found in the original Norwegian report.

Consolidated statement of profit or loss

(NOKm)	Notes	2023	2022
Sales revenue		8 814	8 938
Congestion revenue		808	2 180
Operating revenue	8	**9 622**	**11 118**
Purchases of goods and energy		-2 988	-5 477
Personnel expenses	10, 9	-1 388	-1 218
Capitalised own investment work	11	490	477
Depreciation, amortisation and impairment	11, 12, 13	-1 685	-1 481
Income from investments in associates	14	2 178	1 041
Other gains/losses, net	15	47	5
Other operating expenses	16, 17	-1 683	-1 603
Operating profit		**4 593**	**2 863**
Finance income	15	225	196
Finance expense	15	-784	-590
Net finance expense		**-559**	**-393**
Income from investments in associates and joint ventures	14	2	1
Profit before tax		**4 036**	**2 470**
Tax expense	18	-431	-330
Profit for the year		**3 605**	**2 140**
Profit for the year attributable to			
Parent company shareholders		3 595	2 136
Non-controlling interests		9	4
Total		**3 605**	**2 140**
Earnings per share attributable to parent company shareholders (NOK per share)			
Basic/diluted earnings per share		5.08	3.02

Eidsiva.

Consolidated statement of comprehensive income

(NOKm)	Notes	2023	2022
Profit for the year		**3 605**	**2 140**
Fair value changes for hedging instruments at associates (net after tax)	14	178	-216
Translation differences at associates	14	19	1
Total other income or expense that will be reclassified to profit or loss		**197**	**-214**
Changes in pension estimates (net after tax)	10	1	-124
Total other income or expense that will not be reclassified to profit or loss		**1**	**-124**
Total comprehensive income for the year		**3 803**	**1 802**
Total comprehensive income for the year attributable to			
Parent company shareholders		3 795	1 797
Non-controlling interests		8	5
Total comprehensive income for the year		**3 803**	**1 802**

Consolidated statement of financial position

Assets (NOKm)	**Notes**	**31.12.2023**	**31.12.2022**
Non-current assets			
Property, plant and equipment	11	28 899	27 628
Right-of-use assets	12	3 367	2 875
Intangible assets	13	1 252	1 180
Investments in associates	14	13 653	12 014
Other non-current financial assets	19, 20	1 012	2 827
Total non-current assets		**48 183**	**46 524**
Current assets			
Inventories	22	208	19
Trade and other receivables	19, 16	1 871	1 617
Derivatives	19, 21	56	-
Current financial assets	19, 21	1 525	-
Cash and cash equivalents	19, 23	1 351	2 673
Total current assets		**5 010**	**4 308**
Total assets		**53 193**	**50 832**

Eidsiva.

Equity and liabilities (NOKm)	**Notes**	**31.12.2023**	**31.12.2022**
Equity			
Equity attributable to parent company shareholders			
Share capital	24	1 062	1 062
Share premium account	24	23 834	23 834
Earned equity		2 406	1 022
Total equity attributable to parent company shareholders		**27 302**	**25 918**
Non-controlling interests		106	89
Total equity		**27 407**	**26 007**
Liabilities			
Non-current liabilities			
Non-current loans	19, 25	14 281	13 947
Deferred tax liabilities	26	2 631	2 362
Pensions	10	171	161
Other provisions and liabilities		104	78
Derivatives	19, 21	-	77
Non-current lease liabilities	12, 19	3 422	2 922
Total non-current loans		**20 609**	**19 546**
Current liabilities			
Trade and other payables	19, 27	2 947	2 652
Current lease liabilities	12, 19	245	216
Derivatives	19, 21	-	7
Tax payable	18	170	41
Current loans	19, 25	1 815	2 362
Total current liabilities		**5 177**	**5 279**
Total liabilities		**25 786**	**24 825**
Total equity and liabilities		**53 193**	**50 832**

The board's signatures can be found in the original Norwegian report.

Eidsiva.

Consolidated statement of changes in equity

(NOKm)	Notes	Share capital	Share premium account	Earned equity	Total	Non-controlling interests	Total equity
Equity at 1 January 2022		**1 037**	**22 767**	**177**	**23 981**	**93**	**24 073**
Profit for the year:							
Ordinary profit for the period				2 136	2 136	4	2 140
Other comprehensive income				-339	-339	1	-338
Transactions with shareholders:							
Dividends	24			-940	-940	-6	-946
Capital increase		25	1 067	0	1 092	0	1 092
Other changes:							
Other changes			0	-11	-11	-2	-13
Equity at 31 December 2022		**1 062**	**23 834**	**1 022**	**25 918**	**89**	**26 007**
Profit for the year:							
Ordinary profit for the period				3 595	3 595	9	3 605
Other comprehensive income				199	199	-1	199
Transactions with shareholders:							
Dividends	24			-2 415	-2 415	-1	-2 416
Unregistered capital increase					0	10	10
Other changes:							
Other changes				4	4	0	4
Equity at 31 December 2023		**1 062**	**23 834**	**2 406**	**27 302**	**106**	**27 407**

Eidsiva.

Consolidated statement of cash flows

(NOKm)	Notes	2023	2022
Cash generated from operations	28	3 508	3 338
Taxes paid		-37	35
Net cash flows from operating activities		**3 472**	**3 372**
Investing activities			
Purchase of property, plant and equipment	11, 13	-2 724	-2 696
Sale of property, plant and equipment	28	33	66
Purchase of intangible assets	13	-121	-5
Purchase of shares etc		-37	-227
Sale of shares		82	0
Payments made on loans and collateral		0	-54
Payments received on non-current receivables	6	2 057	0
Dividends received from associates	14	722	1 194
Change in other investments	19, 21	-1 500	0
Finance income received		225	177
Net cash flows from investing activities		**-1 263**	**-1 544**
Financing activities			
Change in overdraft		-1	0
New loans raised	25	1 000	4 012
Repayments on borrowings	25	-1 238	-2 522
Lease payments IFRS 16	12	-116	-106
Finance expense paid		-659	-480
Interest expense IFRS 16	12	-125	-110
Received in respect of capital increase		0	401
Dividends paid to parent company shareholders	24	-2 391	-901
Dividends paid to minority shareholders		-1	-6
Net cash flows from financing activities		**-3 531**	**289**
Net change in cash and cash equivalents		**-1 322**	**2 117**
Cash and cash equivalents at 1 January	23	2 673	557
Cash and cash equivalents at 31 December [1)]	23	1 351	2 673
Cash and cash equivalents at 31 December		**1 351**	**2 673**

Notes to the consolidated financial statements

Eidsiva.

Note 1 **General information**

Eidsiva Energi AS (the parent company) and its subsidiaries and associates (the group) produce, distribute and sell mainly energy and broadband services.

Eidsiva's 43.5% holding in Hafslund Eco Vannkraft gives it a substantial interest in power production.

Eidsiva Energi AS has its headquarters at Vangsveien 71, Hamar.

The company has bonds listed on the Oslo stock exchange.

The consolidated financial statements were approved by the company's board on 12 April 2024.

Note 2 **Summary of significant accounting policies**

The following presents the most significant accounting policies applied in the preparation of the consolidated financial statements. These policies have been applied in the same way in all accounting periods presented unless otherwise stated.

2.1. Basis of preparation

The consolidated financial statements for Eidsiva Energi have been prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) as adopted by the EU.

The consolidated financial statements are presented in Norwegian kroner (NOK). All material companies in the group, including the parent company, operate in Norway and have NOK as their functional currency.

The consolidated financial statements have been prepared on a going-concern basis.

a) Changes to accounting policies and disclosures

Standards and interpretations entering into force in the 2023 financial year have had no material effect on the group. The group has not made changes to other accounting policies.

b) Changes to standards and interpretations not yet effective

None of the standards or amended standards that have been issued but are not compulsory is expected to have a material impact on the consolidated financial statements. None of the recently issued interpretations from IFRIC is expected to result in material changes to the group's accounting policies.

2.2. Basis of consolidation and accounting treatment of associates and joint ventures

The consolidated financial statements cover the parent company Eidsiva Energi AS and the subsidiaries and associates listed in Note 8.

a) Subsidiaries

Subsidiaries are consolidated from the date control is gained until the date control ceases. A deciding factor in the assessment of de facto control is whether the group can elect the board of its choosing.

Acquisitions are accounted for using the acquisition method. The consideration transferred is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued.

Non-controlling interests in the acquired entity are measured either at fair value or at their share of the acquired entity's net assets.

The financial statements of subsidiaries are restated where necessary to ensure consistency with the group's accounting policies. Restatements of subsidiaries' financial statements relate mainly to IFRS 16 "Leases".

b) Associates

The associated company Hafslund Eco Vannkraft accounts for a significant part of the group's activities. The group's share of the profits of companies with a strong connection to the group's core business is included in operating profit under "Income from investments in associates". Other interests in associates are part of the group's investing activities and are presented after net finance expense under "Income from investments in associates". The group's share of associates' other comprehensive income is accounted for in the statement of comprehensive income.

Hafslund Eco Vannkraft's financial statements are prepared in accordance with the group's accounting policies.

2.3. Classification of foreign exchange gains and losses

Foreign exchange gains and losses relating to loans, cash and cash equivalents are presented (net) as finance income or finance expense. All other exchange gains and losses are presented under "Other gains and losses, net".

2.4. Property, plant and equipment

Infrastructure assets comprise heating plants, the district heating network and power distribution assets. Power distribution assets comprise lines, cables and substations for the transmission of power in the regional and distribution networks. Telecommunications assets consist of fibre broadband, node cabinets and network/exchange hardware for electronic communications.

Property, plant and equipment are carried at cost less depreciation.

Construction in progress is carried at cost less any impairment losses. Once the asset is available for use, it is reclassified to property, plant and equipment or intangible assets. With power distribution assets, available for use means that the asset is ready to be taken into use in the power network.

New investments and reinvestments are capitalised. New investments are investments in new assets and the expansion of capacity to supply new customers. In cases where expenditures enhance an asset, the enhancement is also counted as a new investment. Reinvestments are the replacement of an entire asset or expenditures made to maintain the standard and capacity of an existing asset. The carrying amount of replaced parts is recognised in profit or loss.

"Capitalised own investment work" consists of wage costs and direct costs for own work on investment projects.

Borrowing costs attributable to qualifying assets are included in the cost of the asset. The interest rate applied when capitalising borrowing costs is based on the terms of the group's non-current interest-bearing debt.

Land is not depreciated. Other property, plant and equipment is depreciated on a straight-line basis such that the cost of the assets is written off over their expected useful lives:

Category	Depreciation period
Telecommunications assets	5-25 years
Power distribution assets	10-80 years
Buildings	20-50 years
Machinery	10-15 years
Vehicles	8 years
Fixtures and fittings	3-8 years

The useful life and residual value of assets are assessed at each reporting date and adjusted where necessary.

Gains on disposals are recognised in operating revenue, and losses on disposals in other operating expenses.

2.5. Intangible assets

a) Goodwill

Goodwill stems almost entirely from the acquisition of power distribution and bioenergy activities and has been allocated to cash-generating units in each business area. Goodwill is not amortised.

b) Other intangible assets

Other intangible assets consist of fair value adjustments arising on the acquisition of power distribution and bioenergy activities.

The group's power distribution business is a regional monopoly regulated by the Norwegian Energy Regulatory Authority (RME). Expected future regulatory conditions provide for increased value creation over a long time horizon, and so these fair value adjustments are being amortised over the average useful life of 35 years for other investments in the power distribution network.

Fair value adjustments arising on the acquisition of bioenergy activities are linked to customer contracts and amortised over the expected average contract term of ten years.

Fair value adjustments in the Broadband business area consist of customer contracts acquired. These are carried at cost less amortisation. Customer contracts are expected to have a limited life and are therefore amortised over three years, and access to the area over five years. Impairment testing is carried out annually.

Fair value adjustments are amortised on a straight-line basis.

2.6. Impairment of non-financial assets

Intangible assets with an indefinite useful life and goodwill are not amortised but tested annually for impairment. Property, plant and equipment and amortisable intangible assets are tested for impairment when there is an indication that their future economic performance may not justify their carrying amount.

When assessing impairment, assets are grouped at the lowest level at which it is possible to identify independent cash flows (cash-generating units). In the Bioenergy business area, each district heating plant is treated as a separate cash-generating unit. In the Power Distribution business area, the entire distribution network is treated as a single cash-generating unit. In the Broadband business area, assets at Eidsiva Bredbånd and Eidsiva Fiberinvest are treated as separate cash-generating units.

2.7. Derivatives and hedging

Eidsiva does not hold derivatives that are subject to hedge accounting, nor hedging contracts on its own account in relation to its holding in Hafslund Eco Vannkraft.

2.8. Current financial assets

Eidsiva has investments in market-based fixed-income funds. These funds are measured at fair value. Fair value adjustments are recognised under "Other gains/losses, net".

2.9. Statement of cash flows

The statement of cash flows been prepared using the indirect method.

Dividends received from associates are presented in the statement of cash flows under cash flows from investing activities.

2.10. Loans

Loans are measured at fair value when paid out, net of transaction costs. In subsequent periods, they are carried at amortised cost using the effective interest method.

See Note 25 for information on sustainability targets and covenants in loan agreements.

Loans are classified as current liabilities unless there is an unconditional right to defer payment of the debt for more than 12 months from the reporting date.

2.11. Income tax payable and deferred income tax

The tax payable for the period is calculated on the basis of the tax laws and rules enacted or substantively enacted by the tax authorities at the reporting date.

Deferred tax is calculated using the tax rates enacted or substantively enacted at the reporting date which are assumed to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax liability is calculated for temporary differences associated with investments in subsidiaries and associates except where the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off tax assets against tax liabilities.

2.12. Pension obligations

The group's employees accumulate pension entitlements through defined-benefit or defined-contribution pension schemes. The group has closed its defined-benefit schemes and introduced defined-contribution schemes for all new employees.

Defined-benefit pensions

These pension schemes are funded through payments to a life insurer or separate pension fund, with the exception of a few unfunded plans.

Defined-benefit obligations are calculated annually by an actuary on the basis of linear accumulation. The present value of defined benefits is determined by discounting estimated future payments. Where there is a deep market for high-quality corporate bonds with a term and currency consistent with the pension obligation, IAS 19 requires the discount rate to be based on the market yield on such bonds. Where there is not a deep market for such bonds, the discount rate is to be based on the market yield on long-term government bonds. The group considers that Norwegian covered bonds rated AA or higher satisfy the requirement for high-quality corporate bonds.

2.13. Government grants

The group receives government grants from ENOVA to invest in and expand the infrastructure for district heating.

Grants from ENOVA are deducted from the cost of the asset in question and recognised in profit or loss on a straight-line basis over the expected useful life of the asset.

2.14. Revenue recognition

Operating revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer, at the amount the group expects to receive for the goods or services. The group controls goods and services until they are transferred to the customer.

a) Network charges

The amount recognised as revenue each year corresponds to the volume of power delivered during the period plus a fixed sum, and is billed on the basis of the price tariff in force. The network charges recognised for the year may depart from the revenue cap set by the Norwegian Energy Regulatory Authority (RME). The difference between billed network charges and the revenue cap is referred to as over/under-recovered revenue but does not qualify for recognition as an asset under IFRS. The price tariffs applied by Elvia are designed to keep annual revenue in line with allowable revenue. A substantial share of billing to customers is indirect via electricity retailers. Agreements on combined billing have been entered into with these retailers, with payment terms of 20 days from the billing date. The retailers have provided bank guarantees to the distribution company to ensure payment.

b) Congestion revenue

RME introduced a temporary regulation in autumn 2022 transferring parts of grid operator Statnett's congestion revenue to the power distribution companies in areas with high power prices. The transfers are based on the volume of distributors' network losses for the purposes of the revenue cap and calculated in such a way that Statnett's payment of congestion revenue fully or partly offsets the part of the power price above NOK 0.35/kWh. The scheme applies to 2022 and 2023. Congestion revenue is presented on a separate line in the statement of profit or loss.

c) Connection charges

Norwegian regulations allow the power distribution company to collect connection charges for connecting new customers and making customer-requested network improvements. These connection charges are paid by the customers in question and cover the actual cost of establishing the new network connection or improving the connection to an existing customer.

The actual cost of establishing or improving the connection to the individual customer is to be met in full, without any mark-up, by the customer in question through the connection charge. The company has determined that the work covered by the connection charge is a separate performance obligation. This performance obligation is recognised as revenue as the network connection progresses.

Costs covered by the connection charge are not included in network capital and so do not provide a basis for a return in subsequent periods. These costs are not therefore considered to qualify as an asset. They are classified instead as cost of sales.

In the Bioenergy business area, connection charges reflect the cost of connection to the district heating network and are recognised as revenue over the life of the contract with the customer, which is normally 10 years.

d) Sales of energy

The group has sales of energy through its Bioenergy business area, which produces, supplies and sells energy in the form of district heating, steam and electricity generated from the incineration of biomass and waste. District heating and steam are sold to local end-customers, while electricity is sold to Kinect Energy Spot AS. The performance obligation is the supply of district heating and power, and the transaction price is the consideration that the group expects to receive. The performance obligation is satisfied over time, which means that revenue is recognised at the prices achieved when the district heating and electricity are delivered. The right to payment arises once the district heating or electricity has been supplied, and the right to payment will normally correspond to the value to the customer.

Sales are recognised on the basis of prices achieved, which are either contractually agreed or spot prices. There are not considered to be any financing components in these contracts. The payment terms are 14 and 30 days.

e) Sales of broadband services

Sales of broadband services consist primarily of revenue from contracts for the use of broadband infrastructure and TV services for the household and business market. Besides fibre infrastructure, other forms of access are also offered, such as coaxial (cable network) and xDSL.

Contracts in the business market are billed for one, three or 12 months in advance with payment terms of 30 days. This revenue is earned over time and is recognised in the period in which the service is supplied. Fibre contracts for household customers are billed monthly with payment terms of 14 days.

Non-recurring revenue in the form of connection charges is recognised when new customer connections are installed. Major new connections in the business market are recognised as revenue over the term of the contract.

f) Dividend income

Dividend income is recognised when the right to receive payment arises, in other words when the dividend is approved by the company's general meeting.

2.15. Dividends

Dividend payments to the company's shareholders are classified as a liability from the time the dividend is decided by the general meeting or by the board under an authorisation from the general meeting. Dividends that have not been formally determined or decided are classified as part of equity.

2.16. Leases

The group has entered into leases for office premises and network assets and for access to broadband infrastructure. At inception of a contract, the group assesses whether the contract is or contains a lease, and whether the lease contains components that can be separated out.

For leases with fixed or variable lease payments, the group recognises a lease liability and a corresponding right-of-use asset at the commencement date.

The group presents its lease liabilities and right-of-use assets on separate lines in the statement of financial position. Right-of-use assets are depreciated on a straight-line basis over their expected useful life.

Lease payments for short-term leases and where the underlying asset is of low value are expensed on a straight-line basis over the term of the lease.

2.17. Events after the reporting period

New information after the reporting date on the company's financial position at the reporting date is reflected in the financial statements. Events after the reporting date that do not affect the company's financial position at the reporting date, but will affect the company's position in the future, are disclosed where material.

Eidsiva.

Note 3 **Significant accounting estimates and judgements**

Estimates and judgements are evaluated regularly and are based on historical experience and other factors, including expectations for future events that are considered probable. The group prepares estimates and makes judgements relating to the future. By definition, the resulting accounting estimates will seldom correspond fully to the actual outcome.

Estimates and judgements that represent a significant risk of material changes to the carrying amounts of assets and liabilities during the next financial year are discussed below.

Estimated impairment of tangible and intangible assets

The group carries out annual impairment testing of the carrying amounts of goodwill and other intangible assets, see Note 13. Significant acquired intangible assets in the group consist of goodwill. Impairment losses are recognised if the carrying amount exceeds the recoverable amount. Value in use is determined by discounting cash flows. The underlying calculations are based on forecasts approved by management. Cash flows beyond the forecast period are estimated using steady growth rates. These calculations require the use of assumptions that are assumed to be reasonable but are inherently uncertain, which may mean that actual results deviate from these calculations.

The group has carried out goodwill impairment testing for its business areas. The group also assesses the carrying amounts of property, plant and equipment against the estimated recoverable amounts. Where the carrying amount is higher, it is written down to the recoverable amount. See Note 13 for information on impairment testing and Note 11 for the results of the year's tests.

See Note 5 for an assessment of climate risk.

Property, plant and equipment

The Power Distribution business area always has major projects under construction. Investments affect the revenue cap because compensation is made for capital costs.

Judgements are made as to when the asset will be available for use and whether expenditures constitute maintenance, reinvestment or new investment – see Note 2.4.

Property, plant and equipment are depreciated over their estimated useful life. Expected useful life is estimated on the basis of historical experience and judgements about the future technical usage and profitability of the assets. The depreciation schedules are amended if there any changes in these estimates. See Note 11 for the depreciation periods applied by the group.

See Note 5 for an assessment of climate risk.

Pensions

Gross pension liabilities are determined using estimates and are prepared by an actuary. These estimates are based on the company's specific circumstances and the recommended assumptions in the guidelines from the Norwegian Accounting Standards Board on the use of calculation assumptions for defined-benefit pension schemes under IAS 19 "Employee benefits". Changes to the assumptions used could have a considerable impact on estimated pension liabilities and equity. Note 10 presents the assumptions applied by the group and sensitivity analyses.

Deferred income

The transfer of Eidsiva Vannkraft to Hafslund Eco Vannkraft in 2019 resulted in a gain of more than NOK 7bn. 57.2% of this gain was recognised in profit or loss. This corresponded to the economic ownership interest transferred to Hafslund Eco, which owned 57.2% of Hafslund Eco Vannkraft. The remainder of the gain was recognised as deferred income. The effect of this deferred income is presented in Note 14.

Eidsiva's 42.8% holding in Hafslund Eco Vannkraft was measured at fair value, and an acquisition analysis was performed. Fair value adjustments identified in the acquisition analysis were allocated across property, plant and equipment. Fair value adjustments attributed to depreciable assets will result in additional amortisation in future. The deferred income was distributed proportionally in the same way as the fair value adjustments. The share of deferred income attributed to depreciable assets will be reversed over the same period as the depreciation of these assets. This will reduce the effect of the additional amortisation.

Note 4 **Financial risk management in the group**

Risks
The 43.5% holding in Hafslund Eco Vannkraft gives Eidsiva exposure to both price and volume risks in respect of power production. In terms of volume, Eidsiva's exposure to power prices is around 6.8 TWh/year, including Eidsiva Bioenergi AS. The risk of shortfalls in inflows into hydropower plants is moderate, as they cover a wide geographical area. This reduces the consequences of temporary local annual variations in inflows. Dependence on individual power stations is moderate, as the group has stakes in 74 plants.

Power price risk is the greatest source of uncertainty in Eidsiva's underlying performance. Eidsiva does not itself carry out any hedging transactions in relation to its ownership of Hafslund Eco Vannkraft.

Events in the Power Distribution business area are a significant risk, as this business area accounts for a large part of Eidsiva's activities and earnings. NVE capital, which is one of several elements in the revenue cap, is around NOK 21.4bn. The distribution business serves a large geographical area with a large number of customers. This means that individual events in the form of extreme weather, changes to regulatory conditions in terms of geography and topography, and defaults at individual customers affect Eidsiva only moderately. The business area's revenue is regulated in a way that ensures stability over time, but also includes mechanisms that reward efficient power distributors such as Elvia with higher returns. The Eidsiva group has significant exposure to risks related to changes in the application of regulatory mechanisms covering power distribution.

When it comes to financing, Eidsiva is exposed to interest rate risk and liquidity risk. Eidsiva has very limited currency risk via a small loan denominated in EUR.

Overall risk is analysed at group level, based on reports from the companies together with strategic assessments by group management and technical assessments from the central risk management function. Risk assessments form part of quarterly reporting to the board, where financial risk is one of a number of risk factors.

Credit ratings
Eidsiva Energi aims to be an investment-grade company. In January 2024, Scope Ratings AG upgraded Eidsiva Energi's long-term rating from BBB+ to A- with a stable outlook. The short-term rating was also upgraded, from S-2 to S-1. Portfolio management, scenario analyses and long-term capital prioritisation are used to ensure optimal use of capital in the group over time and an investment-grade long-term credit rating. Analyses with projections of credit ratings are an integral part of all management reporting. To maintain its long-term credit rating, Eidsiva also needs to have a satisfactory short-term rating. This is achieved by maintaining sufficient liquidity and committed credit/overdraft facilities at banks.

Market risk from power prices
Eidsiva Bioenergi is exposed to changes in power prices through the determination of prices for district heating under the Norwegian Energy Act. A change in the price of electricity of NOK 0.01/kWh will increase/decrease Eidsiva Bioenergi's profit after tax in a given year by around NOK 1.6m. The Norwegian government's power price subsidy scheme has implications for district heating prices to household customers in the form of discounts when power prices exceed NOK 0.73/kWh. An incremental discount at power price level was introduced for public-sector and business customers in 2022 and continued in 2023. This price model ensures that district heating remains a competitive alternative to other sources of heat, and Eidsiva Bioenergi's earnings will be relatively less sensitive to changes in power prices above NOK 0.73/kWh.

As part of their operation of the power network, power distributors incur costs for network losses, where energy is lost between leaving the power producer and reaching the consumer as a result of resistance in the lines. Power distributors must purchase power to cover these losses, and the cost of this is included in the calculation of the revenue cap.

When setting revenue caps, the Norwegian Energy Regulatory Authority (RME) calculates the cost of network losses as the transmission loss in MWh multiplied by a benchmark power price. The benchmark price is linked to spot prices in the different price zones in Norway. Power prices thus impact on power distributors' revenue caps, and so also on the network charges that their customers pay. Payments for network losses were high in 2023 but much lower than in 2022.

The revenue cap for a power distributor in any given year will never be exactly the same as the network charges that its customers pay that year. There is, however, a clear relationship between the revenue cap and network charges when viewed over several years.

Movements in energy prices can therefore have a major impact on profit in any given year, but much less of an effect viewed over several years.

Currency risk
Eidsiva has exposure to mismatch risks in relation to financing in foreign currency. The group has a small instalment loan denominated in EUR to finance the development of bioenergy

assets. The loan can be viewed as a financial hedge but does not meet the criteria for an accounting hedge.

The Bioenergy business area's revenue is dependent on the pricing of alternative energy sources, and the benchmark price for electrical power is traded in EUR. A change in the NOK/EUR exchange rate of NOK 0.10 per EUR will increase/decrease the business area's profit and cash flow in any given year by around NOK 1m after tax.

Effect on earnings of fair value adjustment of liabilities due to movements in exchange rates

	Change in exchange rate	
(NOKm)	-10%	+10%
Effect on loans in foreign currency	2	-2
Total change in profit before tax	**2**	**-2**

The table above summarises how the group's profit before tax is affected by changes in the value of liabilities as a result of a parallel shift of 10% in the NOK/EUR exchange rate. A change of this size is not considered likely in a period of one year. The effect is shown before tax. This analysis covers only assets and liabilities measured at fair value under IFRS 9.

Outstanding borrowings in EUR totalled EUR 2m on 31 December 2023, down from EUR 6m a year earlier.

Limits have been set for maximum borrowings in currencies other than NOK.

Interest rate risk
Eidsiva's loan portfolio has considerable exposure to movements in interest rates, with associated consequences for net finance expense. Interest rate risk relates partly to general movements in interest rates and partly to how lenders view Eidsiva's capacity to meet its future obligations.

General movements in interest rates are linked to the level of Nibor and swap rates and are determined by general macroeconomic conditions. The credit margin is company-specific and relates to lenders' assessment of Eidsiva's ability to service its debt in future.

To reduce the impact of interest rate movements on the group's finance expense (interest rate risk), Eidsiva's financing comprises a mix of variable and fixed rates with different maturities.

In the course of 2023, Eidsiva unwound a portfolio of interest swaps with a long maturity built up over a number of years. New interest swaps were taken out in connection with the issue of two new fixed-rate bonds in autumn 2023 maturing in 2028 and 2032. Under these contracts, Eidsiva receives a pre-agreed fixed rate and pays a pre-agreed variable rate for the term of the contract.

The allowable return on power distribution activities under the current revenue cap regime is based partly on the average five-year swap rate during the year. Interest rate risk at Eidsiva is managed by using the natural interest rate hedge in the revenue cap system that arises from interest exposure relating to power distribution being included in the management of interest rate risk for financing. In isolation, an increase in the five-year swap rate of half a percentage point will increase the revenue cap for the power distribution business by around NOK 50m after tax. Interest rate movements that impact on the revenue cap are accounted for in Eidsiva's operating profit, while other interest rate movements are accounted for in net finance expense.

Movements in short-term interest rates in the form of the three-month Nibor (loan portfolio) relative to long-term interest rates in the form of the five-year swap rate (power distribution activities) impact on the effectiveness of interest rate risk management in relation to the group's underlying profit and cash flow in any given year.

A substantial part of the group's loan portfolio is quoted with Nibor as the benchmark rate. The lease payments paid by Eidsiva Bredbånd to external fibre network owners also have Nibor as their benchmark rate. This means that the withdrawal of Nibor as a benchmark rate could impact on the group's interest rate exposure and lease costs.

Eidsiva aimed for fixed-rate periods in the loan portfolio of between one and four years in 2023.

Effect on earnings of movements in interest rates

(NOKm)	Change in interest rate -1pp	+1pp
Effect on interest swaps	-63	63
Total change in profit before tax	**-63**	**63**

The table above summarises how the group's profit before tax is affected by a parallel shift in the interest rate curve of one percentage point. A change of this size is not considered likely in a period of one year.

The group is also exposed to changes in interest rates through its variable-rate borrowings. At the end of 2023, Eidsiva had variable-rate loans with a nominal value of NOK 8.8bn. A change in interest rates of half a percentage point would have increased/decreased the interest on these loans by NOK 33m after tax.

Fixed-rate periods in the loan portfolio

(NOKm)	0-1 years	1-3 years	4-5 years	> 5 years	Total
Loans in NOK	12 001	522	900	2 650	16 073
Loans in EUR	22	0	0	0	22

The table above shows the time until fixed rates expire for bank loans, bonds, bills and interest swaps. Both the nominal value of fixed-rate loans and the nominal value of floating-to-fixed interest swaps are included in the table.

At 31 December 2023, 55% of the portfolio attracted interest at variable rates. The loan portfolio had a modified duration of 2.4 at the end of 2023, down from 2.7 a year earlier.

Liquidity risk
Eidsiva is exposed to liquidity risk because the maturity of its financial liabilities does not match the cash flows generated by its assets.

Eidsiva aims to have an average remaining maturity in the loan portfolio of at least five years to ensure predictability for reinvestments and maturities.

Eidsiva has two syndicated credit facilities, each of NOK 1 250m, maturing in 2026.

Eidsiva also has two bilateral credit facilities with a combined limit of NOK 1 000m which mature in 2025.

These are general-purpose facilities. None of the facilities had been used at 31 December 2023. Eidsiva also has an agreement on a bank overdraft facility with a limit of NOK 500m. The group thus had total unused credit facilities of NOK 4 000m at the end of the year.

The average remaining maturity of the overall loan portfolio was 4.9 years at 31 December 2023 (5.2 years at 31 December 2022).

Maturity analysis of liabilities

(NOKm)	2024	2025	2026	2027	After 2027
Repayments on bank loans	1 151	128	128	128	3 247
Repayments on bonds/bills	500	1 200	1 500	1 800	6 150
Interest payments	651	589	510	425	1 199
Interest rate derivatives	7	5	5	5	46
Other current liabilities	164				
Total	**2 473**	**1 923**	**2 144**	**2 358**	**10 642**

The table above shows undiscounted values broken down into the periods in which the liabilities mature and includes loans at subsidiaries.

Credit risk

Credit risk is the risk of a counterparty causing a financial loss for Eidsiva by failing to discharge its obligations. Eidsiva is exposed to credit risk through lending, sales of bioenergy, distribution of power (network charges), sales of broadband services, and other transactions where settlement takes place later than the transfer of ownership.

With both power distribution (network charges) and sales of broadband services, customers are in both the household and the business market. The number of customers and segmentation of the customer base mean that the group's credit risk is reduced and is not considered to be significant. Electricity retailers providing combined billing for end-customers have provided bank guarantees to the distribution company, further reducing the credit risk.

Limits have been set for the investment of surplus liquidity with a number of institutions and counterparties with high credit ratings.

To reduce the credit risk associated with investments, bank guarantees are used in some cases when entering into a contract.

Note 5 **Climate risk**

Physical risks and transition risks

The measurement of climate risk differentiates between physical risks from a warmer climate and transition risks and opportunities from the transition to a low-carbon economy.

Eidsiva's infrastructure is well-dimensioned to cope with physical stresses, but there may still be events that affect its services and have financial implications. Physical risks are mainly related to increased precipitation and more extreme weather, which may lead to increased costs and capital expenditure to maintain the services that Eidsiva supplies. Climate change may also increase the risk of supply interruptions and the associated interruption and repair costs.

More stringent emissions limits will generally entail increased operating expenses and capital expenditure for the whole of trade and industry, including Eidsiva. On the other hand, it is important to be aware that many of these requirements entail increased demand, and so increased value creation, when it comes to products and services that support achievement of climate targets. Eidsiva is positioned commercially and strategically in the production and distribution of renewable energy, which means that, for Eidsiva as a company, transition opportunities may actually outweigh the negative risk factors.

Type	Risk/opportunity	Financial implications	Probability	Time horizon
Physical risks	Cloudbursts, landslides, extreme snowfall, forest fires and extreme wind (acute)	Interruption costs, higher repair and maintenance costs and capital expenditure, production surpluses and stranded power	Likely	0-5 years
	Increased precipitation (chronic)	Interruption costs, higher maintenance costs and capital expenditure, increased power production	Likely	5-15 years
	Higher temperatures (chronic)	Reduced revenue from district heating, higher fuel costs	Possible	5-15 years
	More extreme weather (chronic)	Interruption costs, higher repair and maintenance costs and capital expenditure	Likely	5-15 years
Transition risks	Regulatory changes for district heating (higher waste incineration tax and changes to use of forest fuels)	Higher costs, higher capital expenditure, lower revenue from district heating	Likely	0-5 years
	Requirements relating to nature and location of power network infrastructure	Higher costs and capital expenditure	Possible	0-5 years
	Reduced network capacity in south-eastern Norway slowing establishment of power-hungry industry and new renewable power production	Reduced revenue	Likely	0-5 years
	Loss of reputation due to higher costs for customers	Reduced revenue	Possible	0-5 years
	High prices due to extreme weather and rapid transition	Reduced dividends from Hafslund Eco Vannkraft	Likely	5-15 years

	lead to political market intervention and reduced revenue			
	Changes in the regulation of power distribution	Reduced revenue	Possible	5-15 years
	Alternative uses of water resources due to other power production	Reduced production volumes	Possible	5-15 years
Transition opportunities	Regulatory changes to promote electrification and decarbonisation	Significant and profitable investment opportunities in electrification	Likely	0-5 years
	Regulatory changes to promote existing renewable power production	Increased revenue from hydro power and district heating	Likely	0-5 years
	Regulatory changes to promote new renewable power production	Lower costs and capital expenditure	Likely	0-5 years
	Use of new technology to increase capacity of existing infrastructure	Lower costs and capital expenditure	Likely	5-15 years

Consequences for Eidsiva's financial statements for 2023

Storm Hans and heavy precipitation in Innlandet county presented challenges for the group's three business areas in 2023, but high-quality infrastructure and good contingency procedures ensured that the negative effects on Eidsiva, both operational and financial, were limited.

The Norwegian parliament decided during the year to raise the tax on waste incineration from NOK 131 to NOK 485 per tonne of waste from 1 January 2024. The government has also signalled further increases through to 2030. This has significant financial implications for Eidsiva Bioenergi, and so the company wrote down the value of the waste incineration plant at Trehørningen by NOK 95m in 2023.

Eidsiva has not been able to demonstrate that physical climate risks have affected the valuation of existing property, plant and equipment or intangible assets, including estimates of useful lives and residual values, when assessing depreciation, amortisation and impairment for the 2023 financial year.

Eidsiva's goal is to reduce the group's greenhouse gas emissions from its own operations and its value chain by 60% (140 000 tonnes of CO_2e) by the end of 2030, and 80% by 2040, from a base year of 2022. Climate neutrality is to be achieved by 2050. In 2023, emissions of CO_2e amounted to 225 800 tonnes.

Note 6 **Related parties**

All subsidiaries, associates and joint ventures listed in Note 7 are considered related parties of Eidsiva Energi. The group's board and management are also defined as related parties. Further information on payments to these officers is presented in Note 9.

Shareholders
The group's shareholders have agreements on the supply of power distribution services and, in some cases, purchases of power and district heating. These agreements have been entered into on market terms.

Subsidiaries
Eidsiva Energi AS is the parent company and has direct or indirect control over 15 companies. Directly and indirectly owned subsidiaries are listed in Note 7. Activity in the group is reported in the segment information in Note 8. Transactions with subsidiaries are eliminated in the consolidated financial statements and do not constitute transactions with related parties.

Associates
Eidsiva has holdings in the associates listed in Note 7. Sales of services to these associates amounted to NOK 5m (2022: 5m).

The group generates revenue from the sale and distribution of power to associates. These transactions are on normal commercial terms, and details of the transactions are not included in the notes.

(NOKm)	2023	2022
Current receivable from Hafslund Invest AS	-	50
Non-current loan to Hafslund Eco Vannkraft Innlandet AS	-	1 917
Interest accrued but not yet payable on loan to Hafslund Eco Vannkraft Innlandet AS	-	106

The current receivable from Hafslund Invest AS (formerly Hafslund Ny Energi AS) was settled in 2023. The non-current loan to Hafslund Eco Vannkraft Innlandet was also settled during the year.

Note 7 **Consolidated entities**

The consolidated financial statements cover the parent company Eidsiva Energi AS and the following subsidiaries, joint ventures, and associates, which are presented by business area.

Company name	Registered office	Percentage of shares and votes
The following subsidiaries are part of the group:		
Power Distribution		
Elvia AS	Hamar	100%
Growth		
Eidsiva Vekst AS	Gjøvik	100%
Elsikkerhet Norge AS	Hamar	76.0%
Energeia Seval Skog AS	Oslo	49.0%
Energeia Mæhlum	Oslo	49.0%
Energeia Øystadmarka	Oslo	49.0%
Energeia Store Nøkleberg	Oslo	34.0%
Bioenergy		
Eidsiva Bioenergi AS	Gjøvik	100%
Trysil Fjernvarme AS	Trysil	65.0%
Lena Fjernvarme AS	Østre Toten	51.0%
Industrigata 54 Lillehammer AS	Lillehammer	100%
Elvesletta 12 Eiendom AS	Hamar	100%
OBIO AS	Hamar	60%
OBIO Europe AS	Denmark	50%
Broadband		
Eidsiva Bredbånd AS	Lillehammer	90.1%
Eidsiva Fiberinvest AS	Lillehammer	100%
Eidsiva Hafslund Vind DA	Hamar	50%
Heggvin Utvikling AS	Hamar	60%
Vardal Utvikling AS	Hamar	100%
Associates included in operating profit		
Hafslund Eco Vannkraft AS	Oslo	43.5%
Hafslund Invest AS	Oslo	35.0%
Rakkestad Energi AS	Rakkestad	33.0%
Kraftcert AS	Oslo	33.3%
Svalun AS	Hamar	38.8%
Skjerven Biopark AS	Gjøvik	25.0%
Other associates		
Prevent Systems AS	Lillehammer	20.0%
Celtic Norse AS	Steinkjer	33.3%

Note 8 **Segment information**

Segment information is presented on the basis of reporting to group management (the chief operating decision maker). The segment reporting is consistent with the financial information used by group management to allocate resources and assess performance. Eidsiva's operating segments are its three business areas. The segments are managed on the basis of operating results, as financing and tax optimisation are managed centrally in the group.

The bulk of the group's revenue comes from energy customers in Innlandet, Oslo and parts of Viken, which are also where most of the group's assets are located. No single external customer accounts for more than 10% of operating revenue.

Key figures for operating segments

Power Distribution

Elvia owns, operates, maintains and upgrades the regional and distribution networks in large parts of Innlandet, Oslo and Viken counties. The company has 985 000 customers. Power distribution in Norway is a regulated monopoly. Regulation is based on the Energy Act and implemented via infrastructure licences and area licences. Financial regulation involves the Norwegian Energy Regulatory Authority (RME) setting revenue caps which give power distributors an incentive to operate efficiently. Revenue in the Power Distribution business area consists primarily of amounts billed for the transmission of electricity. Just over half of revenue comes from household customers, with the remainder split between businesses and the public sector.

Key figures – Power Distribution		2023	2022	2021	2020	2019
EBITDA	NOKm	3 543	2 657	1 248	2 700	1 152
Network customers at 31 December		985 000	970 000	949 000	933 000	921 000
Energy supplied	GWh	24 000	22 900	24 076	22 177	23 037
Network capital (NVE) at 31 December	NOKm	21 000	22 328	21 017	19 804	17 894
NVE efficiency (total network)	%	102	104	111	110	114
Cost of energy not supplied (CENS)	NOKm	165	131	212	266	90

Bioenergy

Eidsiva Bioenergi has built up a substantial portfolio of district heating plants in Innlandet county. In 2021, the company also acquired a district heating plant in Eidsvoll municipality in Viken county. Five new district heating plants were included in the business area as part of a share sale transaction at the beginning of January 2023, along with a pyrolysis plant that produces biochar. Revenue breaks down into 73% from district heating, 5% from power production, 9% from waste management, 9% from steam and the remainder being other revenue. The company's role is to operate the district heating plants efficiently, further develop sustainable district heating infrastructure and supply, and provide environmentally friendly final disposal of residual waste. The company is working actively on developing new business around thermal and decentralised energy solutions and supplying new products and services linked to existing infrastructure. OBIO AS has been set up together with Glommen Mjøsen Skog to develop the production of high-quality biochar.

Key figures – Bioenergy		2023	2022	2021	2020	2019
EBITDA	NOKm	276	331	291	84	177
Volume supplied	GWh	517	454	474	397	425
Share of renewable fuels	%	98	99	97	99	99

Broadband

The Broadband business area mainly sells and operates broadband services for households and businesses in Innlandet county. Eidsiva Bredbånd became an Altibox partner from June 2019. 77% of the business area's revenue comes from the household market and 20% from the professional market. Expansion of the fibre network is a strategic focus area for Eidsiva. Up to and including 2017, it was the group's power distribution business that worked on developing the fibre infrastructure in Eidsiva's network area. From 1 January 2018, the fibre infrastructure and its development were transferred to Eidsiva Fiberinvest AS. Since then, the Broadband business area has consisted of Eidsiva Bredbånd AS and Eidsiva Fiberinvest AS. Eidsiva Bredbånd AS leases fibre infrastructure from Eidsiva Fiberinvest AS. Eidsiva Bredbånd AS also leases fibre infrastructure from other local power distributors in Innlandet county that still own fibre infrastructure.

Key figures – Broadband		2023	2022	2021	2020	2019
EBITDA	NOKm	393	388	398	343	280
EBITDA margin	%	42	43	46	46	44
Number of customers		92 000	88 100	86 600	81 100	75 400

Parent company and other activities

The parent company provides administrative services for the group, including accounting, asset management, information technology, human resources, health & safety and administrative procurement. The parent company bills subsidiaries based on their use of services. Ownership costs and other joint costs for the group are not passed on.

Elsikkerhet Norge, in which the group has a 76% interest, is included in the column for the parent company below. The company generated revenue of NOK 66m and an operating loss of NOK 4m in 2023.

The group has a 43.5% stake in Norway's second-largest power producer, Hafslund Eco Vannkraft. The group's share of the company's profit for 2023 was NOK 2 130m, which is shown under "Income from investments in associates" in the column for the parent company below. This share is based on profit after tax and is included in operating profit because the holding in Hafslund Eco Vannkraft is part of the group's core business. The same applies to the group's 35% holding in Hafslund Invest AS, which contributed a loss of NOK 13m. The parent company also has a number of holdings in other companies with a limited impact on profit/loss

Profit or loss 2023

(NOKm)	Power Distribution	Bioenergy	Broadband	Parent	Eliminations	Group
Gross operating revenue	**8 054**	**579**	**935**	**220**	**-165**	**9 622**
- of which intersegment sales	6	1	2	156	-165	-
Cost of sales	-2 609	-126	-255	0	1	-2 988
Personnel expenses	-514	-79	-126	-178	0	-898
Depreciation, amortisation and impairment	-1 177	-227	-268	-19	7	-1 685
Other operating expenses	-1 391	-158	-161	-138	164	-1 683
Other gains/losses, net	0	0	0	47	0	47
Income from investments in associates	3	61	0	2 114	0	2 178
Operating profit	**2 365**	**49**	**125**	**2 046**	**7**	**4 593**
Finance income						225
Finance expense						-784
Net finance expense						**-559**
Income from investments in associates and joint ventures						2
Profit before tax						**4 036**
Tax expense						-431
Profit for the year						**3 605**
EBITDA	**3 543**	**276**	**393**	**2 065**	**0**	**6 277**

Profit or loss 2022

(NOKm)	Power	Bioenergy	Broadband	Parent	Elimination	Group
Gross operating revenue	**9 555**	**638**	**900**	**179**	**-154**	**11 118**
- of which intersegment sales	6	0	1	147	-154	-
Cost of sales	-5 141	-78	-259	0	1	-5 477
Personnel expenses	-415	-68	-111	-146	0	-741
Depreciation, amortisation and impairment	-1 136	-84	-253	-15	7	-1 481
Other operating expenses	-1 344	-159	-132	-120	153	-1 603
Other gains/losses, net	0	0	-10	15	0	5
Income from investments in associates	3	-1	0	1 040	0	1 041
Operating profit	**1 521**	**247**	**135**	**953**	**7**	**2 863**
Finance income						196
Finance expense						-590
Net finance expense						**-393**
Income from investments in associates and joint ventures						1
Profit before tax						**2 470**
Tax expense						-330
Profit for the year						**2 140**
EBITDA	**2 657**	**331**	**388**	**968**	**0**	**4 344**

Financial position 2023

(NOKm)	Power	Bioenergy	Broadband	Parent	Elimination	Group
Intangible assets	1 024	223	3	4	-1	1 252
Property, plant and equipment	23 823	1 833	3 185	58	0	28 899
Right-of-use assets	1 812	11	1 218	327	0	3 367
Investments in associates and joint ventures	37	9	0	13 607	0	13 653
Non-current financial assets	704	27	79	36 246	-36 044	1 012
Current assets	3 378	195	845	3 926	-3 333	5 010
Total assets	**30 777**	**2 298**	**5 330**	**54 167**	**-39 378**	**53 193**
Equity	9 853	1 352	2 045	35 783	-21 625	27 407
Deferred tax liabilities	2 458	100	74	0	-2	2 631
Non-current liabilities	15 221	689	2 736	14 281	-14 948	17 978
Current liabilities	3 245	157	475	4 103	-2 803	5 177
Total equity and liabilities	**30 777**	**2 298**	**5 330**	**54 167**	**-39 378**	**53 193**
Investments in property, plant and equipment	2 111	145	462	38	0	2 757

Financial position 2022

(NOKm)	Power	Bioenergy	Broadband	Parent	Eliminations	Group
Intangible assets	1 026	149	4	41	-40	1 180
Property, plant and equipment	22 792	1 866	2 941	29	0	27 628
Right-of-use assets	1 922	11	931	10	0	2 875
Investments in associates and joint ventures	35	24	0	11 955	0	12 014
Non-current financial assets	425	10	89	39 991	-37 688	2 827
Current assets	4 549	292	822	2 294	-3 649	4 308
Total assets	**30 749**	**2 353**	**4 788**	**54 320**	**-41 378**	**50 832**
Equity	9 035	1 333	2 031	34 716	-21 108	26 007
Deferred tax liabilities	2 195	124	76	0	-32	2 362
Non-current liabilities	17 102	630	2 273	13 930	-16 752	17 184
Current liabilities	2 417	266	408	5 673	-3 486	5 279
Total equity and liabilities	**30 749**	**2 353**	**4 788**	**54 320**	**-41 378**	**50 832**
Investments in property, plant and equipment	2 193	108	381	14	0	2 696

Note 9 **Personnel expenses**

(NOKm)	2023	2022
Salary	1 054	947
Employer contributions	171	129
Pension expense, defined-contribution and defined-benefit plans (Note 20)	101	98
Other personnel expenses	63	44
Total payroll expenses	**1 388**	**1 218**
Full-time equivalents at 31 December	1 267	1 231
Average full-time equivalents	1 249	1 188

Remuneration of senior officers in 2023

Remuneration of the board and senior management

Board of directors (NOK thousands)		**Fees 2023**
Pål Egil Rønn	Chair	449
Martin Sleire Lundby [1]	Deputy Chair (from May 2023)	288
Finn Bjørn Ruyter [1]	Deputy Chair (until May 2023)	98
Monica Haugan	Director	273
Øystein Løseth	Director	231
Toril Benum [1]	Director	242
Berit Sande [1]	Director (from May 2023)	159
Lise Merethe H. Martinsen [1]	Director	250
Anita Hager	Director	236
Martin Lutnæs	Employee representative	250
Ingrid Nytun Christie	Employee representative (from November 2023)	36
Per Luneborg	Employee representative	231
John Renngård	Employee representative	236
Åge Andersen	Employee representative (March to October 2023)	168
Alf Inge Thunheim	Employee representative (until February 2023)	27

[1] Fees paid to Hafslund AS.

Finn Bjørn Ruyter stepped down from the board in May 2023, and Martin Sleire Lundby took over as Deputy Chair. Berit Sande joined the board as a director in May 2023. Åge Andersen took over as employee representative from Alf Inge Thunheim who left the group on 1 March. Ingrid Nytun Christie then replaced Åge Andersen from 1 November 2023 following employee elections during the autumn.

The amounts stated in the table are for the period in which each member sat on the board. The fees paid to the board include fees for participating in the audit committee, the health, safety and ethics committee, and the remuneration and leadership development committee. The members of the committees are elected by and from the members of the board.

Remuneration of the Group CEO and other group management

The Group CEO's remuneration is determined by the board. The remuneration of other members of the group management team is determined by the Group CEO.

Remuneration is based on the group's executive remuneration policy. The key principles are "market-based, not market-leading", "performance-motivating" and "understandable and acceptable". Performance pay was discontinued for all members of the group management team with effect from 2022.

The amounts stated in the table below are for the period in which each member was part of the group management team. All members of the group management team have either defined-benefit or defined-contribution pension plans. The amounts shown in the table below are the employer's payments into defined-contribution plans.

The former Group CEO will receive a pension from Eidsiva Energi until September 2027.

Group management (NOK thousands)	Salary	Pension	Car (taxable value)	Other
Henning Olsen Group CEO from 1 September 2023	1 500	52	20	4
Øistein Andresen Group CEO until 31 August 2023	2 306	1)	80	7
Anne Sagstuen Nysæther CEO of Elvia from 15 March 2023	2 113	152	121	17
Trond Skjellerud CEO of Elvia until 15 March 2023	901	61	85	4
Ola Børke CEO of Eidsiva Bredbånd	2 000	152	191	21
Marit Storvik CEO of Eidsiva Bioenergi	1 849	152	182	11
Anne Mette Askvig Chief Financial Officer	1 905	152	165	13
Petter Myrvold Chief Strategy and Growth Officer	1 963	152	182	13
Nils Kristian Myhre Chief Communication and Community Officer	1 744	152	203	11
Tone Jørstad Chief Organisational Development and HR Officer until 1 March 2023	1 631	128	121	51
Jon Andreas Pretorius Chief Digitisation and Technology Officer from 1 March 2023	1 931	133	121	17

The column "Other" includes insurance, travel allowance, loan benefits and broadband.
[1] Former Group CEO Øistein Andresen has a defined-benefit pension plan. The cost of this through to 31 August 2023 was NOK 2.4m.

Group CEO Henning Olsen started on 1 September, taking over from Øistein Andresen who continued as a special adviser for the rest of the year.

Anne Sagstuen Nysæter was appointed CEO of Elvia on 15 March after Trond Skjellerud stepped down.

As a result of the new business strategy, the group management team was expanded from 1 March 2023 to include Chief Organisational Development and HR Officer Tone Jørstad and Chief Digitisation and Technology Officer Jon Andreas Pretorius. On the same date, Chief Financial Officer Petter Myrvold became Chief Strategy and Growth Officer, and Chief Organisational Development and Corporate Services Officer Anne Mette Askvig took over as Chief Financial Officer.

The members of the group management team have notice periods of three or six months. None has any agreement on severance benefits beyond the notice period.

No loans/security have been issued for the Group CEO, Chair or other members of the group management team or other non-corporate related parties.

Remuneration of senior officers in 2022

Remuneration of the board and senior management

Board of directors (NOK thousands)		**Fees 2022**
Pål Egil Rønn	Chair	434
Finn Bjørn Ruyter [1]	Deputy Chair	287
Monica Haugan	Director	265
Øystein Løseth	Director	224
Toril Benum [1]	Director	242
Martin Sleire Lundby [1]	Director (from May 2022)	154
Lise Merethe H. Martinsen [1]	Director (from May 2022)	159
Anita Hager	Director (from May 2022)	150
Martin Lutnæs	Employee representative	243
Alf Inge Thunheim	Employee representative	229
Per Luneborg	Employee representative	224
John Renngård	Employee representative	229
Heidi Ulmo	Director (until 11 May 2022)	70

[1] Fees paid to Hafslund AS.

The amounts stated in the table are for the period in which each member sat on the board. The fees paid to the board include fees for participating in the audit committee, the employee safety and ethics committee, and the remuneration and leadership development committee. The members of the committees are elected by and from the members of the board.

Remuneration of the Group CEO and other group management

The same pay rules, executive remuneration policy and terms applied in 2022 as presented for 2023.

Group management (NOK thousands)	Salary	Performance pay	Pension	Car (taxable value)	Other
Øistein Andresen CEO	3 136	-	224	163	8
Trond Skjellerud CEO of Elvia	2 593	108	161	203	8
Ola Børke CEO of Eidsiva Bredbånd	1 898	68	161	161	27
Marit Storvik CEO of Eidsiva Bioenergi	1 648	64	145	149	8
Petter Myrvold Chief Financial Officer	1 868	67	144	117	11
Nils Kristian Myhre Chief Communications and Regional Development Officer	1 632	65	159	164	8
Anne Mette Askvig Chief Organisational Development and Corporate Services Officer	1 581	60	144	164	8

Note 10 **Pensions and similar obligations**

The companies in the group have a number of different (public-sector) occupational pension schemes under the Norwegian Occupational Pensions Act and collective agreements. There has been a managed, gradual transition from defined-benefit plans to defined-contribution plans. From 1 July 2016, all new employees have been covered by one of the existing defined-contribution schemes. Some of the group's employees chose voluntarily to switch from a defined-benefit plan to a defined-contribution plan. In 2021, it was decided to transfer all employees born after 1 January 1963 from a defined-benefit pension to a defined-contribution pension with effect from 1 January 2021. (This decision did not cover Elsikkerhet Norge AS.) The group also has a number of unfunded plans.

The defined-contribution schemes have the following contribution schedule: 6% of salary up to 7.1 G and 18% of salary between 7.1 and 12 G ("G" being the multiplier used in the Norwegian social insurance system). There are also insurance covers, including waiver of contributions in the event of incapacity to work and a disability pension of 3% of salary up to 12 G. There are no employee contributions in the defined-contribution schemes. Employees in the defined-contribution schemes are entitled to a private-sector early retirement pension (AFP). At 1 January 2024, 1 192 of the group's employees were included in one of the defined-contribution schemes.

In connection with the decision to transfer employees to defined-contribution pensions, a private-sector early retirement pension (AFP) was set up for those born in 1963, 1964 and 1965 who were at risk of losing their previous AFP rights under the defined-benefit scheme. This applied to 59 employees at 1 January 2024. The service cost for this scheme was expensed in 2023.

The defined-benefit schemes are funded partly through a multi-employer occupational pension scheme at municipal pension fund KLP, and partly through a separate pension fund, both of which give employees rights to defined future benefits. Employee contributions vary from 0% to 3.8%. Employees in the defined-benefit schemes are entitled to a public-sector AFP. At 1 January 2024, 144 of the group's employees were included in one of the defined-benefit schemes. These schemes also covered 1 687 pensioners and a number of members with deferred rights.

The actuarial calculations of pension expense and pension liability for the defined-benefit schemes have been carried out partly by an actuary linked to the pension provider, and partly by an independent actuary, and present the group's proportionate share of defined-benefit pension liabilities, plan assets and expenses relating to the pension scheme. The economic assumptions applied for the likes of wage growth, discount rate and rate of return have been assessed against the recommended pension assumptions published by the Norwegian Accounting Standards Board.

The amounts presented for defined-benefit plans in the financial statements have been calculated as follows:

(NOKm)	31.12.2023	31.12.2022
Present value of funded obligations	3 669	3 704
Fair value of plan assets	-4 383	-4 130
Underfunding (overfunding) of funded plans	-714	-426
Present value of unfunded plans	171	162
Pension liability recognised	**-543**	**-265**

Changes in the net pension liability during the year have been calculated as follows:

(NOKm)	Present value of liability	Fair value of plan assets	Total
Pension liability at 1 January 2022	**3 939**	**-4 256**	**-317**
Liabilities acquired	**40**	**-38**	**3**
Year's service cost including employer contributions	35		35
Interest expense (income)	62	-70	-7
Administration expenses		3	3
Total pension expense	**98**	**-67**	**31**
Impact of recalculation:			
– Actual return on assets in relation to interest income recognised		160	160
– Other experience adjustments	-20		-20
Total	**-20**	**160**	**140**
Payments to/from plans:			
– From employer		-105	-105
– From employees		-3	-3
– Benefits paid	-177	177	0
– Employer contributions	-13		-13
Net payments to/from plans	**-191**	**70**	**-121**
Pension liability at 31 December 2022	**3 866**	**-4 130**	**-265**
Year's service cost including employer contributions	30		30
Interest expense (income)	121	-132	-11
Administration expenses		3	3
Total pension expense	**151**	**-128**	**23**
Impact of recalculation:			
– Actual return on assets in relation to interest income recognised		-59	-59
– Other experience adjustments	34		34
Total	**34**	**-59**	**-26**
Payments to/from plans:			
– From employer		-239	-239
– From employees		-2	-2
– Benefits paid	-176	176	0
– Employer contributions	-34		-34
Net payments to/from plans	**-210**	**-65**	**-275**
Net pension liability at 31 December 2023	**3 840**	**-4 383**	**-543**
Of which:			
Overfunded plans reclassified to non-current receivables (Note 20)			**715**
Pension liability			**172**

Pension expense in the statement of profit or loss:

(NOKm)	2023	2022
Pension expense, defined-benefit schemes	23	31
Pension expense, defined-contribution schemes, including employer contributions	78	67
Total pension expense included in payroll costs (Note 9)	**101**	**98**

Accumulated actuarial gains/losses included in net pension liability:

(NOKm)	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Accumulated actuarial gains/losses	-6	20	-120	167

Actuarial assumptions applied: [1]	01.01.2024	01.01.2023	01.01.2022
Discount rate	3.40%	3.20%	1.70%
Expected return on plan assets	3.40%	3.20%	1.70%
Annual wage growth	3.75%	3.75%	2.50%
Annual pension growth	2.90%	2.75%	1.48%
Annual increase in social insurance multiplier (G)	3.50%	3.50%	2.25%

[1] The assumptions shown for the two most recent years have been used to calculate the fair value of the pension liability and plan assets in those years, whereas the assumptions shown for the two earliest years have been used to calculate pension expense for those same years.

Sensitivity of the calculations of gross pension liability to changes in weighted assumptions:	Change in assumption	Increase in liability	Decrease in liability
Discount rate	0.5%	-7.2%	8.1%
Wage growth	0.5%	0.2%	-0.2%

The table presents sensitivity based on historical data from our pension provider for the group pension scheme to which we belong. The sensitivity analysis above is based on changes to one of the assumptions, with other assumptions kept constant. In practice, this is unlikely to happen, as some assumptions will be correlated.

Breakdown of plan assets at 31 December:	2023	2022
Interest-bearing instruments	52%	53%
Real estate	12%	13%
Equity instruments	37%	33%
Total	**100%**	**100%**

The recognised (realised) return on assets was 6.8% in 2023, -3.9% in 2022, 8.7% in 2021, 5.9% in 2020 and 4.5% in 2019.

Note 11 **Property, plant and equipment**

(NOKm)	Telecommunications assets	Infrastructure assets	Buildings and land	Machinery, equipment, fixtures and fittings	Construction in progress	Total
At 1 January 2022						
Cost	3 867	32 952	2 217	4 045	2 013	45 095
Accumulated depreciation and impairment	-1 242	-15 330	-504	-2 079	0	-19 154
Carrying amount at 1 January 2022	**2 626**	**17 622**	**1 714**	**1 966**	**2 013**	**25 940**
2022 financial year						
Carrying amount at 1 January 2022	2 626	17 622	1 714	1 966	2 013	25 940
Correction of cost in previous years	-30	0	0	-8	17	-22
Acquisitions	0	671	23	18	2	714
Additions	243	1 585	88	353	427	2 696
Disposals	0	-222	-11	-72	0	-306
Depreciation for the year	-193	-788	-38	-296	0	-1 315
Additions, accumulated depreciation	0	-298	0	-13	0	-310
Prior-year adjustments, accumulated depreciation	3	0	0	8	0	12
Retirements, accumulated amortisation	0	161	7	72	0	240
Impairment losses for the year	-17	-5	0	0	0	-22
Carrying amount at 31 December 2022	**2 632**	**18 725**	**1 782**	**2 029**	**2 460**	**27 628**
At 31 December 2022						
Cost	4 080	34 985	2 318	4 336	2 460	48 178
Accumulated depreciation and impairment	-1 448	-16 260	-535	-2 307	0	-20 550
Carrying amount at 31 December 2022	**2 632**	**18 725**	**1 782**	**2 029**	**2 460**	**27 628**
2023 financial year						
Carrying amount at 1 January 2023	2 632	18 725	1 782	2 029	2 460	27 628
Correction of cost in previous years	0	1 254	-1 453	364	0	166
Additions	396	1 559	86	600	116	2 757
Disposals	2	-74	0	-46	0	-118
Depreciation for the year	-207	-799	-21	-354	0	-1 380
Reclassification of depreciation	0	3	2	0	0	5
Prior-year adjustments, accumulated depreciation	0	-441	336	-66	0	-171
Retirements, accumulated depreciation	0	72	0	43	0	115
Impairment losses for the year	0	-95	0	0	-8	-103
Carrying amount at 31 December 2023	**2 824**	**20 204**	**733**	**2 571**	**2 568**	**28 899**
At 31 December 2023						
Cost	4 478	37 723	951	5 254	2 576	50 982
Accumulated depreciation and impairment	-1 654	-17 519	-218	-2 683	-8	-22 084
Carrying amount at 31 December 2023	**2 824**	**20 204**	**733**	**2 571**	**2 568**	**28 899**
Depreciation period (years)	5-25	10-80	20-50	3-15		
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line		

The carrying amount of infrastructure assets breaks down into NOK 18 975m (2022: 17 469m) in the Power Distribution business area and NOK 1 229m (2022: 1 256m) in the Bioenergy business area.

The carrying amount of construction in progress breaks down into NOK 2 208m (2 118m) in the Power Distribution business area, NOK 19m (43m) in the Bioenergy business area, NOK 302m (297m) in the Broadband business area, and NOK 38m (2m) for other activities.

Capitalised own investment work amounted to NOK 490m (477m). Capitalised interest on construction loans came to NOK 53m (17m).

Government investment grants from ENOVA totalled NOK 11m (13m).

An impairment loss of NOK 95m has been recognised in the Bioenergy business area in 2023 in respect of the Trehørningen plant. This reflects the increase in waste incineration tax and further increases planned through to 2030. This increase in tax without compensatory measures means weaker future cash flows, which are the basis for the write-down. See also Note 5 “Climate risk”.

Impairment losses of NOK 17m were recognised in the Broadband business area in 2022 in respect of systems and equipment in connection with the migration to Altibox and the planned fibre overbuild of the HFC network. Impairment losses of NOK 5m were also recognised in the Power Distribution business area in respect of dismantled lines and cables.

Note 12 **Leases**

The group has leases for office premises and power distribution assets and leases for access to broadband infrastructure.

The group's right-of-use assets are broken down into fibre, power distribution, and property and other assets.

(NOKm)	Fibre assets	Power distribution assets	Property and other assets	Total
At 1 January 2022				
Cost	795	1 635	605	3 035
Accumulated depreciation and impairment	-68	-155	-113	-337
Carrying amount at 1 January 2022	**727**	**1 480**	**491**	**2 699**
2022 financial year				
Carrying amount at 1 January 2022	727	1 480	491	2 699
Additions	222	50	41	313
Disposals	0	0	-4	-4
Depreciation for the year	-33	-51	-50	-134
Retirements, accumulated depreciation	0	0	1	1
Carrying amount at 31 December 2022	**916**	**1 479**	**479**	**2 875**
At 31 December 2022				
Cost	1 017	1 686	642	3 344
Accumulated depreciation and impairment	-101	-206	-162	-470
Carrying amount at 31 December 2022	**916**	**1 479**	**479**	**2 875**
2023 financial year				
Carrying amount at 1 January 2023	916	1 479	479	2 875
Additions	334	-44	354	644
Disposals	0	0	-3	-3
Depreciation for the year	-45	-50	-55	-150
Retirements, accumulated depreciation	0	0	1	1
Carrying amount at 31 December 2023	**1 205**	**1 385**	**776**	**3 367**
At 31 December 2023				
Cost	1 351	1 641	993	3 985
Accumulated depreciation and impairment	-145	-256	-216	-618
Carrying amount at 31 December 2023	**1 205**	**1 385**	**776**	**3 367**

Recognised in profit or loss

(NOKm)	2023	2022
Expense relating to short-term leases and leases for low-value assets	-5	-14
Depreciation of right-of-use assets	-150	-134
Interest expense on lease liabilities	-125	-110
Total	**-280**	**-258**

The total cash outflow related to lease liabilities in 2023 was NOK 239m, breaking down into cash payments of NOK 114m for the principal portion of the lease liability and cash payments of NOK 125m for the interest portion of the lease liability. The agreement entered into with real estate company Utstillingsplassen on the new headquarters in Hamar entails a significant increase in both right-of-use assets and lease liabilities.

Lease liabilities

(NOKm)	2023	2022
Years 0-1	248	221
Years 2-5	1 386	1 261
After 5 years	3 802	3 347
Total	**5 437**	**4 828**
Effect of discounting	-1 770	-1 690
Present value of lease payments	**3 666**	**3 138**

Breakdown of present value

(NOKm)	2023	2022
Years 0-1	245	216
Years 2-5	1 240	1 091
After 5 years	2 182	1 831
Total	**3 666**	**3 138**

(NOKm)	Lease liabilities
2022 financial year	
Carrying amount at 1 January 2022	2 932
New leases	200
Repayments	-106
Price adjustments and extensions	115
Other changes/retirements	-3
Carrying amount at 31 December 2022	**3 138**
2023 financial year	
Carrying amount at 1 January 2023	3 138
New leases	657
Repayments	-115
Price adjustments and extensions	-12
Other changes/retirements	-1
Carrying amount at 31 December 2023	**3 666**

Note 13 **Intangible assets**

(NOKm)	Difference between nominal and present value of deferred tax in business combinations	Goodwill	Definite intangible assets	Total
At 1 January 2022				
Cost	267	749	149	1 165
Accumulated amortisation and impairment			-68	-68
Carrying amount at 1 January 2022	**267**	**749**	**81**	**1 097**
2022 financial year				
Carrying amount at 1 January	267	749	81	1 097
Acquisitions		88		88
Additions		0	5	5
Disposals			-4	-4
Amortisation for the year			-10	-10
Retirements, accumulated amortisation			4	4
Impairment losses for the year				0
Carrying amount at 31 December 2022	**267**	**836**	**77**	**1 180**
At 31 December 2022				
Cost	267	836	151	1 254
Accumulated amortisation and impairment			-74	-74
Carrying amount at 31 December 2022	**267**	**836**	**77**	**1 180**
2023 financial year				
Carrying amount at 1 January	267	836	77	1 180
Additions		46	75	121
Amortisation for the year			-15	-15
Impairment losses for the year		-32	-4	-36
Carrying amount at 31 December 2023	**267**	**851**	**132**	**1 250**
At 31 December 2023				
Cost	267	883	226	1 376
Accumulated amortisation and impairment		-32	-93	-125
Carrying amount at 31 December 2023	**267**	**851**	**132**	**1 250**
Deferred tax asset				2
Intangible assets in statement of financial position	**267**	**851**	**132**	**1 252**

Impairment testing of intangible and tangible assets

Goodwill and other intangible assets have almost exclusively been acquired in business combinations and have been allocated to the group's cash-generating units in each business area. Goodwill breaks down by business area as follows:

(NOKm)	2023	2022	2021	2020
Power Distribution	989	989	901	901
Bioenergy	128	114	114	73
Broadband	-	-	-	6
Parent	1	1	1	1
Group	**1 118**	**1 104**	**1 016**	**981**

Basis for impairment testing

Carrying amounts are tested for impairment. The recoverable amount of a cash-generating unit is calculated on the basis of the value the asset will have for the business (value in use). In the Bioenergy business area, each district heating plant is treated as a separate cash-generating unit. In the Power Distribution business area, the entire distribution network is treated as a single cash-generating unit. To test the reasonableness of these amounts, comparisons are made with external valuations and multiples for comparable companies in the energy sector.

Key assumptions

The calculations below are based on forecasts approved by management. Cash flows beyond the forecast period are estimated using steady growth rates. Future cash flows are based on a number of assumptions. The group bases its assessments on internal historical data and information, but maximises the use of external observable data where available. Key assumptions for the calculation of value in use in the various business areas are as follows:

Power Distribution

Profitability in this business area is dependent on the revenue cap model, including long-term developments in efficiency, capital expenditure, cost of capital and NVE rate of return. Profitability is calculated with a forecast period of 30 years and thereafter an estimated terminal value equal to the present value of recognised NVE capital in 2053 adjusted up by a multiple. It is assumed that the weighting of standardised costs is 70% throughout the forecast period. The calculations assume that efficiency gradually increases from 104% in 2023 to 109% in 2027, but then gradually decreases again to 105% in 2052.

Bioenergy

The key assumptions for this business area when it comes to revenue are production volumes, new customer connections, power prices and network charges (including the energy and peak load components). When it comes to costs, the supply of raw materials with little alternative value, reinvestments and waste prices are material. A forecast period of five years has been used, after which cash flows are projected for 46 years without adding a terminal value.

Associates

The factors presented in Note 4 on financial risks result in a wide range of potential outcomes for income from Eidsiva's holding in Hafslund Eco Vannkraft. In terms of value, the shareholding is considered as a whole, and its fair value is still believed to be much higher than its carrying amount.

See also Note 5 for an assessment of the impact of climate risk on key assumptions.

Discount rate

Discount rates are based on a weighted average cost of capital (WACC) method. The discount rate used is post-tax and reflects the risks specific to the individual asset. The post-tax discount rate ranges from 4.8% to 6.51%.

Impairment losses

Goodwill arising on mergers and acquisitions is allocated to specific district heating plants and power distribution assets and is thus included in the impairment testing of each cash-generating unit. In the transaction where Eidsiva Bioenergi sold its shares in Oplandske Bioenergi AS and bought back some of the assets in the portfolio at 1 January 2023, impairment testing resulted in goodwill being written down for three of the plants. No other impairment of intangible assets was recognised in 2023.

Sensitivity analysis

Intangible assets related to recent acquisitions in the Bioenergy business area are sensitive to changes in key assumptions. For other intangible assets in the Bioenergy business area, an increase in the discount rate of half a percentage point after tax will reduce the present value of future cash flows by around NOK 70m. A 10% reduction in the power price curve will reduce the present value of future cash flows by around NOK 75m.

Note 14 **Investments in associates**

(NOKm)	2023	2022
Breakdown of amounts recognised in statement of financial position		
Associates included in operating profit	13 646	12 007
Other associates	7	7
Carrying amount at 31 December	**13 653**	**12 014**
Breakdown of amounts recognised in income, associates included in operating profit		
Associates	2 178	1 041
Ordinary profit	**2 178**	**1 041**
Share of other comprehensive income	179	-230
Total comprehensive income for the year	**2 357**	**812**
Breakdown of amounts recognised in income, other associates/joint ventures		
Share of ordinary profit/gains on disposal	2	1
Ordinary profit	**2**	**1**
Total comprehensive income for the year	**2**	**1**

See Note 7 for a list of associates. Investments in associates and investment companies are accounted for using the equity method.

Investments in associates

The table below presents condensed financial information for significant associates included in operating profit.

The figures are taken from the companies' financial statements. Where they have been adjusted to be consistent with the group's accounting policies, this is stated.

There are no contingent liabilities related to the group's investments in associates.

The group has holdings in Hafslund Eco Vannkraft AS, Hafslund Invest AS, Rakkestad Energi AS, Kraftcert AS, Svalun AS, Eidsiva Hafslund Vind DA, Skjerven Biopark AS, Energeia Seval Skog AS, Energeia Mæhlum AS, Energeia Øystadmarka AS and Energeia Store Nøkleberg AS. In the consolidated financial statements, these are accounted for as associates using the equity method and included in operating profit.

Breakdown of associates included in operating profit

2023 (NOKm)	Hafslund Eco Vannkraft AS	Hafslund Invest AS [1]	Rakkestad Energi AS	Oplandske Bioenergi AS	Other	Total
At 1 January	**11 916**	**32**	**33**	**19**	**7**	**12 007**
Additions		67			15	81
Disposals				-81		-81
Share of profit	2 180	-13	2	62	-3	2 228
Dividends	-720		-2			-722
Deferred income	18					18
Amortisation of fair value adjustments	-68					-68
Other comprehensive income	179					179
Prior-year adjustments	4	-1	0		1	4
At 31 December	**13 509**	**84**	**34**	**0**	**19**	**13 646**

2022 (NOKm)	Hafslund Eco Vannkraft AS	Hafslund Invest AS [1]	Rakkestad Energi AS	Oplandske Bioenergi AS	Other	Total
At 1 January	**11 775**	**45**	**32**	**20**	**5**	**11 877**
Additions	188				3	191
Share of profit	1 104	-14	2	0	-1	1 091
Dividends	-1 101		-1			-1 103
Deferred income	18					18
Amortisation of fair value adjustments	-68					-68
Prior-year adjustments		0	0		-1	-1
At 31 December	**11 916**	**32**	**33**	**19**	**7**	**12 007**

[1] Formerly Hafslund Ny Energi AS

2023 (NOKm)	Hafslund Eco Vannkraft AS	Hafslund Invest AS [1]	Rakkestad Energi AS	Other
Operating revenue	11 661	2	55	5
Profit after tax	4 977	-37	6	0
Current assets	9 910	72	9	33
Non-current assets	34 569	171	120	22
Current liabilities	8 404	1	15	12
Non-current liabilities	23 722		15	13

2022 (NOKm)	Hafslund Eco Vannkraft AS	Hafslund Invest AS [1]	Rakkestad Energi AS	Oplandske Bioenergi AS	Other
Operating revenue	16 053	3	63	66	31
Profit after tax	2 553	-39	7	-1	-3
Current assets	16 058	54	16	22	25
Non-current assets	34 903	186	105	124	16
Current liabilities	14 469	149	16	15	13
Non-current liabilities	27 894	0	8	78	9

Breakdown of other associates

2023 (NOKm)	Other associates	Total
At 1 January	**7**	**7**
Disposals	-1	-1
Share of profit	2	2
At 31 December	**7**	**7**

2022 (NOKm)	Other associates	Total
At 1 January	**7**	**7**
Share of profit	1	1
At 31 December	**7**	**7**

Eidsiva.

2023 (NOKm)	Other associates
Operating revenue	44
Profit after tax	2
Current assets	20
Non-current assets	5
Current liabilities	4
Non-current liabilities	

2022 (NOKm)	Other associates
Operating revenue	38
Profit after tax	4
Current assets	24
Non-current assets	5
Current liabilities	6
Non-current liabilities	1

Note 15 **Other gains/losses, net finance expense**

2023 (NOKm)	**Financial instruments at fair value through profit or loss**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Other**	**Total**
Change in value of equities	-16				-16
Fixed-income funds	12				12
Interest swaps – loans	52				52
Total other gains/losses	**47**				**47**
Interest expense, loans			-774		-774
Other finance expense				-9	-9
Total finance expense			**-774**	**-9**	**-784**
Interest income	20	205			225
Total finance income	**20**	**205**			**225**
Net finance expense	**20**	**205**	**-774**	**-9**	**-559**

2022 (NOKm)	**Financial instruments at fair value through profit or loss**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Other**	**Total**
Change in value of equities	-11				-11
Interest swaps – loans	17				17
Total other gains/losses	**5**				**5**
Interest expense, loans			-580		-580
Currency effect			-3		-3
Other finance expense				-7	-7
Total finance expense			**-583**	**-7**	**-590**
Interest income		196			196
Total finance income		**196**			**196**
Net finance expense		**196**	**-583**	**-7**	**-393**

Note 16 **Trade and other receivables**

(NOKm)	2023	2022
Trade receivables	420	350
Loss allowances	-17	-22
Trade receivables, net	**403**	**328**
Other receivables	1 468	1 288
Total trade and other receivables	**1 871**	**1 617**

All trade and other receivables are denominated in NOK. The carrying amounts are equal, or virtually equal, to fair value.

At 31 December 2023, trade receivables of NOK 154m (2022: 156m) were overdue but not considered impaired. These relate to a number of independent customers with no history of default. The age profile of these receivables is as follows:

(NOKm)	2023	2022
Up to three months	127	120
Three to six months	6	7
More than six months	21	29
Total	**154**	**156**

Loss allowances for trade receivables have moved as follows:

(NOKm)	2023	2022
At 1 January	**22**	**24**
Receivables written off during the year	-31	-16
Recovered against receivables previously written off	0	1
New loss allowances recognised during the year	25	13
At 31 December	**17**	**22**

Receivables written off during the year, amounts recovered against receivables previously written off, and changes to loss allowances are recognised in "Other operating expenses" in the statement of profit or loss. Other classes within trade receivables and other receivables did not contain impaired assets. Loss allowances are not recognised for expected credit losses on other receivables as they are not considered material.

Note 17 **Auditors' fees**

(NOK thousands)	2023	2022
Statutory audit	3 096	2 845
Other assurance services	392	373
Tax advice	57	91
Other advisory services	338	291
Total	**3 881**	**3 600**

Note 18 **Tax expense**

(NOKm)	2023	2022
Tax payable	176	43
Deferred tax (Note 26)	255	287
Total tax expense	**431**	**330**

The tax on the group's profit before tax differs from the amount that would have resulted from applying the group's weighted average tax rate. This difference can be explained as follows:

(NOKm)	2023	2022
Profit before tax	**4 036**	**2 470**
Tax at expected average tax rate (22% in both years)	888	543
Profit/loss at partly owned entities	-480	-229
Other factors	23	16
Tax expense	**431**	**330**
Average tax rate	11%	13%

Note 19 **Financial instruments by category**

The following policies have been applied in the measurement of financial instruments in the statement of financial position subsequent to initial recognition. The policies are presented in more detail in Note 2.

(NOKm)	Note	Financial assets at fair value through profit or loss	Assets at amortised cost	Total
At 31 December 2023				
Other financial assets	20		1 012	1 012
Trade and other receivables	16		1 871	1 871
Derivatives	21	56		56
Fixed-income funds [1]	21	1 525		1 525
Cash and cash equivalents	23		1 351	1 351
Total assets		**1 581**	**4 234**	**5 814**

[1] The group invested NOK 500m in three different market-based fixed-income funds in 2023.

(NOKm)	Note	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
At 31 December 2023				
Loans	25		16 096	16 096
Other provisions for liabilities			104	104
Trade and other payables	27		2 947	2 947
Lease liabilities	12		3 666	3 666
Total liabilities			**22 814**	**22 814**

(NOKm)	Note	Assets at amortised cost	Total
At 31 December 2022			
Other financial assets	20	2 827	2 827
Trade and other receivables	16	1 617	1 617
Cash and cash equivalents	23	2 673	2 673
Total assets		**7 116**	**7 116**

(NOKm)	Note	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
At 31 December 2022				
Loans	25		16 309	16 309
Other provisions for liabilities			78	78
Trade and other payables	27		2 652	2 652
Lease liabilities	12		3 138	3 138
Derivatives		84		84
Total liabilities		**84**	**22 177**	**22 260**

Note 20 **Other non-current financial assets**

(NOKm)	2023	2022
Non-current receivables from associates		2 077
Pension assets	715	426
Other receivables	209	220
Investments in shares etc	89	104
Total other non-current financial assets	**1 012**	**2 827**

Loans to associates, non-current receivables from service purchasers and non-current lending

For more detailed information on non-current financial assets related to associates and joint ventures, see Note 6 “Related parties”. The non-current loan to Hafslund Eco Vannkraft Innlandet was settled during the year.

(NOKm)	2023	2022
Unlisted securities:		
- Capital contributions to municipal pension fund KLP	48	48
- Other shareholdings	41	56
Total	**89**	**104**

Investments in shares etc are denominated in the following currencies:

(NOKm)	2023	2022
NOK	89	104

(NOKm)	2023	2022
Carrying amount at 1 January	104	54
Additions	1	50
Impairment losses	-16	
Carrying amount at 31 December	**89**	**104**

Note 21 **Fair value of financial assets and liabilities**

Fair value measurement and disclosures by level
The tables below use the following classification:

Level 1: Fair value measurement based on quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value measurement based on (1) quoted prices in active markets for identical assets with deferred settlement that need to be discounted, (2) directly or indirectly observable prices for identical assets or liabilities in markets that are not active, (3) models that use prices and variables derived entirely from observable markets or transactions, and (4) pricing in active markets of similar but not identical assets or liabilities.

Assets and liabilities measured at fair value at 31 December 2023

(NOKm)	Note	Level 1	Level 2	Total
Financial assets at fair value through profit or loss				
Fixed-income funds			1 525	1 525
Derivatives held for trading			56	56
Total			**1 581**	**1 581**

Assets and liabilities measured at fair value at 31 December 2022

(NOKm)	Note	Level 1	Level 2	Total
Financial liabilities at fair value through profit or loss				
Derivatives held for trading			84	84
Total			**84**	**84**

Instruments with disclosure of fair value only in the notes at 31 December 2023

(NOKm)	Note	Level 1	Level 2	Total
Financial liabilities				
Loans	25		13 803	13 803
Total			**13 803**	**13 803**

Instruments with disclosure of fair value only in the notes at 31 December 2022

(NOKm)	Note	Level 1	Level 2	Total
Financial liabilities				
Loans	25		13 243	13 243
Total			**13 243**	**13 243**

Valuation techniques for Level 2 instruments

Derivatives and market-based fixed-income funds

The fair value of interest swaps is obtained from trading counterparties and reconciled against expected discounted cash flows. The fair value of market-based fixed-income funds is obtained from trading counterparties.

Loans

The company's loans are measured at amortised cost in the statement of financial position. The fair value of the company's loans is presented in Note 25. The fair value is calculated on the basis of prices for tax purposes from the Norwegian Securities Dealers Association and reconciled against expected discounted cash flows.

Note 22 **Inventories**

(NOKm)	2023	2022
Goods	208	19

The increase in the group's inventories was mainly a result of the fibre development projects at Eidsiva Fiberinvest. These projects will be sold on to the network owners once complete and accounted for NOK 165m of total inventories at year-end.

Note 23 **Cash and cash equivalents**

(NOKm)	2023	2022
Cash and bank deposits with positive balances within/outside cash pool	1 351	2 673
Total cash and cash equivalents in the statement of financial position	**1 351**	**2 673**

Guarantees given totalled NOK 70m and related mainly to payment of withholding taxes. Other restricted funds, including security pledged for payment of withholding taxes, totalled NOK 0m (2022: 0m). The company's wholly owned subsidiaries are the other members of the pool. Companies participating in the pool have joint and several liability for overdraft balances on the account up to NOK 500m, which is also the overdraft limit. The credit risk is considered to be low.

Note 24 **Share capital and share premium account**

Eidsiva Energi AS's share capital comprises:

(NOKm)	Share capital	Share premium account	Total
At 31 December 2021	1 037	22 767	23 804
At 31 December 2022	1 062	23 834	24 896
At 31 December 2023	1 062	23 834	24 896

Eidsiva Energi AS had three shareholders at 31 December 2023. The company has only one class of share. Following the transaction with Stange Energi on 11 May 2022, 29 of the 30 municipalities and counties with ownership interests pooled their interests in the company Innlandet Energi Holding AS. Hafslund Vekst AS and Åmot municipality are direct shareholders.

Hafslund Vekst AS is wholly owned by the Hafslund group.

Ownership restrictions
Under the terms of the shareholder agreement entered into as part of the transaction with Hafslund Eco in 2019, no shareholder may, directly or indirectly, alone or together with other shareholders with which it has an understanding (for example shareholders which have entered into such an agreement, such as the Innlandet municipalities), hold more than 50% of the shares in Eidsiva Energi unless this is accepted by Innlandet Energi Holding and the City of Oslo.

Lock-up period
Under the terms of the shareholder agreement, no shareholder may, directly or indirectly, through the sale of shares, through new issues or in any other way, dispose of any of its shares before the end of 2023. This does not, however, prevent transfers of shares (i) between the shareholders, (ii) in Innlandet Energi Holding between the Innlandet municipalities, including consolidation of shareholdings as a result of the merger of municipalities, or (iii) from Hafslund AS to another company in the Hafslund group, a company owned by the City of Oslo, or the City of Oslo directly, provided (a) the acquirer accedes to the shareholder agreement and (b) certain other conditions in the shareholder agreement are met.

	2023	2022
Dividends paid (NOKm)	2 391	901
Dividends paid per share (NOK)	3.38	1.27

Under the terms of the shareholder agreement for Eidsiva Energi entered into in connection with the transaction with Hafslund in 2019, quarterly dividends are to be paid from 2020 onwards. The dividends paid in 2023 comprise dividends paid for the 2022 financial year of NOK 952m and dividends for the first and second quarters of 2023 totalling NOK 1 439m.

List of shareholders in Eidsiva Energi AS at 31 December 2023:

	No. of shares	Percentage holding
Hafslund Vekst AS	353 903 211	50.0%
Innlandet Energi Holding AS	349 793 832	49.4%
Åmot municipality	4 109 379	0.6%
Total number of NOK 1.50 shares	**707 806 422**	**100.0%**

Note 25 **Loans**

(NOKm)	2023	2022
Non-current loans		
Bank loans, variable rate	3 631	3 780
Bonds, fixed rate	8 150	7 150
Bonds, variable rate	2 500	3 000
Loans at subsidiaries	-	16
Total non-current loans	**14 281**	**13 947**
Current loans		
Bank loans, variable rate	1 151	1 470
Bonds, fixed rate	500	750
Loans at subsidiaries	-	2
Other current liabilities	164	140
Total current loans	**1 815**	**2 362**
Total loans	**16 096**	**16 309**

Maturity profile of interest-bearing loans:

(NOKm)	2024	2025	2026	2027	2028	2027 on	Total
Amount	1 815	1 328	1 628	1 928	1 101	8 295	**16 096**

The first year's repayments on non-current debt are classified as current liabilities.

Eidsiva has agreements running from 2022 to 2026 which link sustainability targets to two of the company's credit facilities (combined limit of NOK 3 000m). They take the form of KPIs which will be reconciled annually with the agreed target and progression in the facility agreements. Depending on performance each year, the credit margin may be stepped up or down or remain at the agreed level. The KPIs relate to the achievement of targets for the company's initiatives in three areas: relative reductions of Scope 1 and 2 emissions (no increase), the addition of new district heating capacity, and a reduced lost-time injury rate for employees and suppliers.

Only two of the three KPIs were within the agreed levels in 2023, resulting in the margin returning to the nominal level until the next reporting date. In 2022, all three KPIs were within the agreed levels, resulting in a reduction in the margin.

Bills and bonds at 31 December 2023

ISIN (NOKm)	Ticker	Type	Interest	Maturity	Amount
NO0010792849	EIEN23	Bond	Fixed	23.05.2024	500
NO0010737109	EIEN15	Bond	Fixed	27.05.2025	150
NO0010894637	EIEN33 ESG	Bond	Variable	02.10.2025	900
NO0010751274	EIEN19	Bond	Fixed	06.11.2025	150
NO0011204273	EIEN37 ESG	Bond	Fixed	20.04.2026	500
NO0011204281	EIEN38 ESG	Bond	Variable	20.04.2026	500
NO0010866619	EIEN28 ESG	Bond	Fixed	22.10.2026	500
NO0010874472	EIEN30	Bond	Variable	12.02.2027	1 000
NO0010874480	EIEN31	Bond	Fixed	12.08.2027	800
NO0011002610	EIEN35 ESG	Bond	Variable	26.05.2028	600
NO0013015362	EIEN41 ESG	Bond	Fixed	15.09.2028	600
NO0010704414	EIEN11	Bond	Fixed	26.02.2029	500
NO0010866627	EIEN29 ESG	Bond	Fixed	22.10.2029	1 000
NO0010874498	EIEN32	Bond	Fixed	12.02.2030	300
NO0010736580	EIEN16	Bond	Fixed	11.06.2030	150
NO0010894645	EIEN34 ESG	Bond	Fixed	02.10.2030	1 000
NO0011002628	EIEN36 ESG	Bond	Fixed	26.05.2031	600
NO0011204299	EIEN39 ESG	Bond	Fixed	20.01.2032	1 000
NO0013015354	EIEN40 ESG	Bond	Fixed	15.09.2033	400
Total					**11 150**

Nominal coupon	2023	2022
Bonds	3.56%	3.03%
Other interest-bearing debt	5.51%	3.98%
Total (including interest swaps)	**4.15%**	**3.38%**

Fixed-rate bills and bonds had an average coupon of 2.91% at year-end (2022: 3.06%).

Eidsiva has a Green Finance Framework established in 2021 and rated Dark Green by Cicero Shades of Green.

(tall I millioner kroner)	2023	2022
Green bonds and loans	11 711	11 504
Ordinary bonds and loans	4 221	4 646
Total interest-bearing debt	**15 932**	**16 150**

Covenants
Eidsiva Energi is subject to a negative pledge clause in all of its loan agreements. Eidsiva Energi is also to ensure that no group companies provide guarantees, security or collateral for financial liabilities in excess of NOK 300m. With effect from 2023, two of Eidsiva Energi's bonds (EIEN40 ESG and EIEN41 ESG) require that Eidsiva Energi's subsidiaries do not raise debt from outside the group or provide guarantees, security or collateral for financial liabilities in excess of 5% of the group's book assets. Corresponding limits apply to debt, security and collateral at parent company level. Some agreements also require value-adjusted equity of at least 35% of assets. These covenants were satisfied in 2023.

Loans include secured bank loans of NOK 0m (2022: 19m). Bank loans are secured against parts of the group's property, plant and equipment (NOK 30m), inventories (NOK 3m) and trade receivables (NOK 1m). Bank guarantees with a nominal value of NOK 70m have been issued in relation to construction and power distribution activities.

(NOKm)	2023	2022
Total carve-out	300	300
Subsidiary loans, collateral, security and guarantees	-34	-36
Unused carve-out	**266**	**264**
Total carve-out (5% of book value)	2 662	
Subsidiary loans, collateral, security and guarantees	-34	
Unused carve-out	**2 628**	

The calculations in the table above include total interest-bearing debt, collateral, security and guarantees.

Carrying amount and fair value of non-current loans:

	Carrying amount		Fair value	
(NOKm)	2023	2022	2023	2022
Bank loans	3 631	3 797	3 631	3 797
Bonds	10 650	10 150	10 172	9 446
Total	**14 281**	**13 947**	**13 803**	**13 243**

The fair value of current loans is the same as the carrying amount because the effect of discounting is not material. The fair value of non-current loans is calculated on the basis of prices for tax purposes obtained from the Norwegian Securities Dealers Association. The group has one loan of EUR 2m in foreign currency, while all other loans are denominated in NOK.
At 31 December 2023, the group had unused credit facilities of NOK 4 000m (2022: 4 000m).

(NOKm)	2023	2022
Variable rate		
– Maturing in more than one year	6 131	6 797
Fixed rate		
– Maturing in more than one year	8 150	7 150
Total	**14 281**	**13 947**

Changes in liabilities arising from financing activities:

(NOKm)	2021	Additions	Disposals	Currency effects	Other	2022
Non-current loans	12 665	4 012	-2 522	3	-211	13 947
Current loans [1]	2 013		0		211	2 223
Accrued interest	79	60				139
Non-current lease liabilities	2 735	315	-106		-22	2 922
Current lease liabilities	196				20	216
Liabilities arising from financing activities	**17 688**					**19 447**

(NOKm)	2022	Additions	Disposals	Currency effects	Other	2023
Non-current loans	13 947	1 000	-1 238	3	570	14 281
Current loans [1]	2 223	-2	-1		-570	1 651
Accrued interest	139	25	0			164
Non-current lease liabilities	2 922	644	-107		-37	3 422
Current lease liabilities	216	0	-9		37	245
Liabilities arising from financing activities	**19 447**					**19 762**

[1] The amount stated in the statement of financial position also includes other current liabilities. The currency effects are included in cash generated from operations under “Net finance expense” in Note 28.

Note 26 **Deferred tax**

Deferred tax assets and deferred tax liabilities are offset if the group has a legally enforceable right to set off tax assets against tax liabilities, and they relate to the same taxation authority. The following amounts have been offset:

(NOKm)	2023	2022
Deferred tax assets:		
– Deferred tax assets reversing in more than 12 months	19	75
– Deferred tax assets reversing within 12 months	74	98
Total deferred tax assets	**92**	**173**
Deferred tax liabilities:		
– Deferred tax liabilities reversing in more than 12 months	2 720	2 535
– Deferred tax liabilities payable within 12 months	1	1
Total deferred tax liabilities	**2 721**	**2 536**
Deferred tax liabilities, net	**2 629**	**2 362**
Change in recognised deferred tax:		
Carrying amount at 1 January	2 362	2 109
Recognised in other comprehensive income for the period	6	-32
Other prior-year adjustments	2	0
Effect of smart meter ruling	3	-35
Deferred tax from acquired entities	0	32
Recognised in profit or loss for the period	255	288
Carrying amount at 31 December	**2 629**	**2 362**
Of which:		
Recognised deferred tax assets	2	0
Recognised deferred tax liabilities	2 631	2 362

Change in deferred tax assets and liabilities (without offsetting within the same tax regime):

Deferred tax liabilities (NOKm)	Property, plant and equipment	Intangible assets	Receivables	Pension liabilities	Derivatives	Total
31 December 2021	**2 264**	**14**	**109**		**0**	**2 388**
Recognised in profit or loss for the period	154	-1	-42		0	111
Deferred tax from acquired entities	38	0	0		0	38
31 December 2022	**2 455**	**13**	**68**		**0**	**2 536**
1 January 2023	**2 455**	**13**		**-14**	**0**	**2 454**
Recognised in profit or loss for the period	122	-1		124	12	257
Reclassifications	0	0		4	0	4
Recognised in other comprehensive income for the	0	0		6	0	6
31 December 2023	**2 577**	**12**		**119**	**12**	**2 721**

Deferred tax assets (NOKm)	Receivables	Provisions for liabilities	Pension liabilities	Other differences	Total
31 December 2021		**5**	**44**	**230**	**279**
Recognised in profit or loss for the period		-5	-62	-111	-177
Recognised in other comprehensive income for the		0	31	0	31
Recognised in equity under IFRS 16		0	0	35	35
Deferred tax assets from acquired entities		0	1	4	6
31 December 2022		**0**	**14**	**158**	**173**
1 January 2023	**-68**	**0**	**0**	**158**	**91**
Recognised in profit or loss for the period	71	5	0	-75	1
31 December 2023	**3**	**5**	**0**	**84**	**92**

Deferred tax has been calculated using an ordinary tax rate of 22%.

The Tax Appeal Board ruled in May 2021 that costs for replacing electricity meters with new smart meters must be capitalised. The Borgarting Court of Appeal's judgement of 18 April 2023 confirming this ruling has final legal force following the Supreme Court's rejection of the appeal.

Elvia AS has previously received decisions from the Norwegian Tax Administration on adjustments to its taxable income for 2016–2020. Following the above judgement and a fresh review of all costs for smart meters, a new tax assessment is expected for 2020, and the company itself will amend its returns for 2021 and 2022. Previous provisions were reversed in 2023 with the exception of one for the expected repayment of tax paid for 2020.

Note 27 **Trade payables and other current liabilities**

(NOKm)	2023	2022
Trade payables	685	916
Taxes and withholding taxes	1 093	833
Holiday pay and provisions for salaries	166	144
Other accrued expenses and other non-current liabilities	1 003	760
Total	**2 947**	**2 652**

Note 28 **Cash flows from operating activities**

(NOKm)	Note	2023	2022
Profit before tax		4 036	2 470
Adjustments for:			
Change in pension liability	10	-279	-90
Depreciation and amortisation	11, 13	1 685	1 481
Gains/losses on disposal of property, plant and equipment		-30	-1
Impairment of shares and receivables		3	10
Change in unrealised gains/losses on derivatives		-138	-16
Net finance expense	15	559	393
Income from investments in associates	14	-2 178	-1 041
Change in working capital and other changes		-148	131
Cash generated from operations		**3 508**	**3 338**
Sale of property, plant and equipment in the statement of cash flows comprises:			
Carrying amount		3	66
Gains/losses on disposal of property, plant and equipment		30	1
Sale of property, plant and equipment		**33**	**66**

Note 29 **Events after the reporting period**

There have been no significant events since the reporting date.

Eidsiva Energi AS

Parent company statement of profit or loss

(NOKm)	Note	2023	2022
Operating revenue	2	**141**	**133**
Payroll expenses	3, 4	-117	-96
Depreciation, amortisation and impairment	5, 6	-16	-14
Other gains/losses, net	7	63	17
Other operating expenses	2, 3	-126	-117
Total operating expenses		**-197**	**-211**
Operating profit		**-56**	**-78**
Finance income and expense			
Income from investments in subsidiaries	8	535	1 729
Income from investments in associates and joint ventures	8	720	1 101
Interest income from companies in the same group		885	524
Other interest income		30	46
Other finance income	9	36	3
Other interest expense		-687	-475
Other finance expense	9	-131	-6
Net finance income		**1 390**	**2 922**
Profit before tax		**1 334**	**2 844**
Tax on ordinary profit	10	-48	-52
Profit after tax		**1 286**	**2 792**
Profit for the year		**1 286**	**2 792**
Treatment of the profit for the year:			
Dividends paid or provided for		2 161	1 500
Transferred to/from retained earnings		-875	1 292
Total		**1 286**	**2 792**
Other comprehensive income			
Profit for the year		1 286	2 792
Actuarial gains/losses after tax	4	-11	8
Total other income or expense that will not be reclassified to profit or loss		**-11**	**8**
Total comprehensive income for the year		**1 276**	**2 800**

Eidsiva.

Parent company statement of financial position

Assets (NOKm)	Note	31.12.2023	31.12.2022
Non-current assets			
Intangible assets			
Deferred tax assets	10	2	32
Total intangible assets		**2**	**32**
Property, plant and equipment	5	**44**	**20**
Right-of-use assets	6	**327**	**10**
Non-current financial assets			
Investments in subsidiaries	8	20 774	20 851
Investments in shares etc	8, 11, 12	15 473	15 446
Non-current receivables from group companies	11, 2	15 310	16 900
Other non-current receivables	11	144	2 212
Total non-current financial assets		**51 701**	**55 409**
Total non-current assets		**52 073**	**55 471**
Current assets			
Receivables			
Trade receivables	11, 2	4	2
Other receivables	11, 2	909	475
Total receivables		**914**	**476**
Derivatives	11, 12	**56**	**-**
Current financial assets	11, 12	**1 525**	**-**
Bank deposits	11, 13	**1 190**	**1 555**
Total current assets		**3 685**	**2 031**
Total assets		**55 758**	**57 502**

Equity and liabilities (NOKm)	**Note**	**31.12.2023**	**31.12.2022**
Equity			
Contributed equity			
Share capital		1 062	1 062
Share premium account		23 834	23 834
Total contributed equity		**24 896**	**24 896**
Earned equity			
Retained earnings		11 023	11 909
Total earned equity		**11 023**	**11 909**
Total equity	14	**35 919**	**36 804**
Liabilities			
Provisions for liabilities			
Pensions	4	75	71
Derivatives	11, 12	0	77
Total provisions for liabilities		**75**	**148**
Non-current lease liabilities	6	**302**	**0**
Other non-current liabilities			
Bonds	11, 15, 16	10 650	10 900
Payable to credit institutions	11, 15, 16	3 631	3 030
Total other non-current liabilities		**14 281**	**13 930**
Current liabilities			
Current loans	11, 2, 15, 16	1 815	2 359
Current lease liabilities	6	27	11
Trade payables	11	43	13
Tax payable	10	12	4
Group contributions payable		10	190
Dividends payable		722	952
Taxes and duties payable		8	4
Derivatives	11, 12	0	7
Other current liabilities	11, 2	2 543	3 079
Total current liabilities		**5 180**	**6 619**
Total liabilities		**19 839**	**20 698**
Total equity and liabilities		**55 758**	**57 502**

The board's signatures can be found in the original Norwegian report.

Parent company statement of cash flows

(NOKm)	Note	2023	2022
Cash generated from operations			
Profit before tax		1 334	2 844
Adjustments for:			
- Ordinary depreciation, amortisation and impairment	5, 6	16	14
- Gains/losses on disposal of property, plant and equipment		3	-
- Gains/losses on disposal of shares	8	0	-
- Income from investments in subsidiaries	8	-1 255	-2 830
- Change in value of financial assets and liabilities		-63	-17
- Write-downs of shares etc		124	-
- Change in pension liability recognised in ordinary profit or loss		-19	3
- Change in unrealised foreign exchange gains/losses		3	3
Change in trade receivables and payables		27	10
Change in other accruals		-154	-202
Net cash flows from operating activities		**17**	**-175**
Investing activities			
Purchase of property, plant and equipment	5	-32	-5
Purchase of shares etc		-16	-74
Dividends received from subsidiaries and associates		718	1 882
Payments received on non-current receivables		2 057	-
Change in other investments		-1 500	-50
Purchase made on intragroup loans		-210	-3 400
Payments made on intragroup loans		1 800	0
Net cash flows from investing activities		**2 617**	**-1 646**
Financing activities			
New non-current debt and overdrafts	15	1 000	4 010
Change in financing of group companies through cash pool		-547	2 230
Repayments on lease liabilities		-12	-10
Repayments on non-current loans and other liabilities	15	-1 222	-2 519
Group contributions received, net		-27	129
Equity paid in		0	401
Dividends paid		-2 391	-901
Net cash flows from financing activities		**-3 198**	**3 340**
Net change in cash and cash equivalents		**-364**	**1 519**
Bank deposits on 1 January		1 555	36
Bank deposits on 31 December		**1 190**	**1 555**
Cash on 31 December		1 190	1 555
Unused revolving credit facilities		3 500	3 500
Unused overdraft facilities		500	500

Notes to the parent company financial statements

Note 1 **Accounting policies**

Eidsiva Energi AS is a limited company registered in Norway and has its headquarters at Vangsveien 71, 2307 Hamar.

The parent company financial statements have been prepared in accordance with Section 3-9 of the Norwegian Accounting Act and the regulations on simplified IFRS issued by the Norwegian Ministry of Finance on 7 February 2022. This means that, in essence, recognition and measurement comply with IFRS Accounting Standards (IFRS) and that the presentation and notes comply with Norwegian accounting law and generally accepted accounting practice.

The annual financial statements were approved by the company's board on 20 March 2024.

Eidsiva Energi AS is the parent company in the Eidsiva Energi group. The consolidated financial statements for the Eidsiva Energi group have been prepared fully in accordance with IFRS Accounting Standards as adopted by the EU.

1.1 Simplified IFRS

The company has applied the following simplifications of the recognition and measurement rules in IFRS:

- Contrary to IFRS 1 paragraph 7, investments in subsidiaries and associates continue to be carried at cost.
- Contrary to IAS 10 paragraphs 12 and 13, dividends and group contributions are accounted for as set out in the Norwegian Accounting Act. Dividends proposed by the board are classified as a liability at the reporting date.
- Contrary to IAS 16 paragraph 43, the same decomposition of assets has been used in the parent company financial statements as in the consolidated financial statements.

None of the standards or amended standards that have been issued but are not compulsory is expected to have a material impact on the company's financial statements. None of the recently issued interpretations from the IFRS Interpretations Committee (IFRIC) are expected to result in material changes to the company's accounting policies.

1.2 Basis of preparation of the annual financial statements

The parent company financial statements have been prepared on a historical cost basis with the following exceptions:

- Financial assets held for trading and financial derivatives are measured at fair value through profit or loss.
- Financial assets which are equity instruments and are not classified as a subsidiary or associate are measured at fair value through profit or loss.

1.3 Use of estimates in the preparation of the annual financial statements

Management has used estimates and assumptions that have affected the carrying amounts of assets, liabilities, revenue and expenses and disclosures on contingent liabilities. This applies particularly to the depreciation of property, plant and equipment, pension liabilities and derivatives. Future events may mean that these estimates change. Estimates and the underlying assumptions are evaluated regularly. The effects of changes in accounting estimates are recognised in the period in which the changes are made. Where the changes also affect future periods, the effects are spread across the current period and future periods.

1.4 Foreign exchange

The parent company financial statements are presented in NOK, which is both the functional currency and the presentation currency of the company. Transactions in foreign currency are translated into NOK at the exchange rate at the transaction date. Monetary items in foreign currency are translated into NOK using the exchange rate at the reporting date. Exchange differences are recognised in the period in which they arise.

1.5 Revenue recognition

Revenue from the sale of goods and services is measured at the fair value of the consideration net of value-added tax, discounts and refunds.

Operating revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer, at the amount expected to be received for the goods or services.

(a) Sales of services

Operating revenue reflects the earned value of services, which are primarily provided to other companies in the group.

(b) Interest income

Interest income is recognised proportionally over time using the effective interest method. Income from investments is included in finance income.

(c) Dividends and group contributions

Dividends and group tax-equalisation contributions from subsidiaries are recognised in profit or loss in the year in which the subsidiary makes a provision for the dividend/contribution. Such a payout may result in a need for impairment testing.

Dividends from other companies are recognised in profit or loss when the shareholder's right to receive the dividend is approved by the general meeting. Dividends and group contributions are presented under finance income.

Group contributions paid to subsidiaries increase the carrying amount of the investment. Group contributions paid are reported net (after tax). Non-controlling interests' share of group contributions paid to subsidiaries is classified as a distribution of profit.

1.6 Property, plant and equipment
Property, plant and equipment are carried at cost less depreciation. Cost includes costs directly related to the acquisition of the asset. Subsequent costs are added to the asset's carrying amount or capitalised separately where it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably. The carrying amount of replaced parts is recognised in profit or loss. Other repair and maintenance costs are expensed in the period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis such that the cost of the assets is written off over their expected useful lives:

Vehicles	8 years
Fixtures and fittings	3-12 years
Building improvements	5-10 years
Holiday homes and art	Not depreciated

The useful life and residual value of assets are assessed at each reporting date and adjusted where necessary. Where the carrying amount of an asset is higher than the estimated recoverable amount, it is written down to the recoverable amount.

Gains and losses on disposals are recognised in profit or loss and consist of the difference between the selling price and the carrying amount.

1.7 Investments in subsidiaries and associates
Subsidiaries are all entities over which the company has control. Control over an entity arises when the company is exposed to variable returns from the entity and has the ability to affect those returns through its power over the entity.

Shares in subsidiaries are carried at cost less any impairment.

Associates are entities where the company has significant influence but not control. Significant influence exists where the company has between 20% and 50% of the voting capital. These investments are carried at cost less any impairment losses.

1.8 Financial assets
Under IFRS 9, financial assets are to be classified into three measurement categories: fair value through profit or loss, fair value through other comprehensive income, and amortised cost. This classification is based on whether the instruments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and whether the contractual cash flows are solely payments of principal and interest on specified dates.

The company has interest swaps and investments in market-based fixed-income funds which are measured at fair value through profit or loss.

1.9 Financial liabilities
The company measures financial liabilities at amortised cost. Financial liabilities are measured at fair value when paid out, net of transaction costs. In subsequent periods, they are carried at amortised cost using the effective interest method. The difference between the initial amount paid out and the amount repayable on maturity is amortised over the life of the loan as part of the effective interest. The interest element is disregarded if it is insignificant.

Financial liabilities are classified as current liabilities unless there is an unconditional right to defer payment of the debt for more than 12 months from the reporting date.

1.10 Impairment of financial assets measured at amortised cost
Where financial assets are measured at amortised cost, a loss allowance is recognised for expected credit losses. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at each subsequent reporting date at an amount equal to 12-month expected credit losses, in other words losses expected to occur over the lifetime of the asset but linked to events within the first 12 months. If the financial instrument's credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to expected credit losses over its lifetime. Trade receivables are measured on the basis of lifetime expected credit losses. Cumulative changes in lifetime expected credit losses are recognised in profit or loss at each reporting date as an impairment gain or loss.

1.11 Trade receivables
Trade receivables are measured at fair value on initial recognition and subsequently at amortised cost using the effective interest method less loss allowances. The interest element is disregarded if it is insignificant. The main rule is that if settlement is expected within a year, receivables are classified as current assets. If this is not the case, they are classified as non-current assets.

1.12 Bank deposits, cash etc

Cash and cash equivalents comprise cash, bank deposits and other short-term, readily convertible investments with a maximum original maturity of three months.

The statement of cash flows been prepared using the indirect method.

1.13 Equity

Costs directly related to the issuance of new shares, net of tax, are recognised in equity as a reduction in the consideration received.

1.14 Pension obligations

The company has a group pension scheme providing defined benefits. The recognised liability for defined-benefit plans is the present value of defined-benefit obligations considered to have been accumulated at the reporting date less the fair value of plan assets.

These plans are funded through payments to a life insurer, with the exception of a few unfunded plans. The size of the pension benefit is normally dependent on one or more factors, such as age, years of service, life expectancy adjustments, and salary. With full accumulation, the company pays a pension of 66% of final salary, subject to life expectancy adjustments.

Improvements, curtailments and other changes to existing defined-benefit plans also result in changes to defined-benefit obligations. Where an improvement has been earned at the reporting date, it is expensed immediately. Where new schemes or changes to existing schemes are introduced with retroactive effect, such that employees immediately have a vested entitlement, this is recognised immediately in profit or loss. Gains and losses relating to curtailments and withdrawals of pension plans are recognised in profit or loss as they occur. Plan assets are measured at fair value and deducted from the pension liability in the statement of financial position. Changes to defined-benefit obligations as a result of changes and adjustments to actuarial assumptions (actuarial gains and losses) are recognised directly in other comprehensive income.

The company introduced defined-contribution pensions for all new employees from 1 July 2016 and closed its defined-benefit pension scheme. Contributions are recognised in profit or loss under personnel expenses as they are incurred.

1.15 Trade payables

Trade payables are measured at fair value on initial recognition and subsequently at amortised cost using the effective interest method. If the interest element is insignificant, it is disregarded. The main rule is that trade payables are classified as current liabilities if they fall due within a year. If this is not the case, they are classified as non-current liabilities.

1.16 Income tax payable and deferred income tax

Tax expense consists of tax payable and changes in deferred tax. Tax is recognised in profit or loss unless it relates to items accounted for in other comprehensive income or directly in equity. Deferred tax is calculated on all temporary differences between the tax bases and carrying amounts of assets and liabilities.

Deferred tax assets are recognised where it is probable that the company will generate sufficient taxable profits in future periods for the asset to be utilised. The company will recognise previously unrecognised deferred tax assets if it becomes probable that the company will be able to utilise them. Similarly, the company will reduce deferred tax assets if the company no longer considers it probable that it will be able to utilise them.

Deferred tax assets and liabilities on temporary differences are calculated in accordance with Norwegian tax laws and rules enacted or substantively enacted by the end of the reporting period in which the temporary differences arise.

Deferred tax assets and liabilities are carried at nominal value and classified as intangible assets or non-current liabilities. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities.

Tax payable and deferred tax are accounted for directly in equity to the extent that the tax items relate to equity transactions.

1.17 Other provisions

A provision is recognised where the company has a legal or constructive obligation arising from past events, it is probable that an outflow of economic resources will be required to settle the obligation, and a sufficiently reliable estimate can be made of the amount of the obligation. If the effect is considerable, the provision is calculated by discounting expected future cash flows using a discount rate before tax that reflects market pricing of the time value of money and, where relevant, the risks specific to the liability.

1.18 Leases

The company has entered into leases for office premises and vehicles. At inception of a contract, the company assesses whether the contract is or contains a lease, and whether the lease contains lease components that can be separated out.

At the commencement date, the company recognises a lease liability and a corresponding right-of-use asset for all leases with fixed or variable lease payments.

Eidsiva.

Lease payments for short-term leases and where the underlying asset is of low value are expensed on a straight-line basis over the term of the lease.

The company measures lease liabilities at the commencement date at the present value of lease payments that are not paid at that date. The lease term is the non-cancellable period of the agreement plus any periods covered by an option to extend the lease if the company is reasonably certain to exercise that option, or an option to terminate the lease if the company is reasonably certain not to exercise that option.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments)
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date
- The exercise price of a purchase option if the company is reasonably certain to exercise that option

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect changes to lease payments resulting from a change in the index or rate used.

The company measures right-of-use assets at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The cost of right-of-use assets comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs for obtaining the lease incurred by the company

The company presents its lease liabilities and right-of-use assets on separate lines in the statement of financial position.

Right-of-use assets are depreciated on a straight-line basis over their expected useful life. Expected useful life runs from the commencement date until the earlier of the end of the lease term and the end of the right-of-use asset’s useful life.

The company applies IAS 38 “Impairment of assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Note 2 **Related parties**

Eidsiva Energi AS is the parent company in the Eidsiva Energi group. Its shareholders are Innlandet Energi Holding AS, Hafslund AS and Åmot municipality.

See Note 7 to the consolidated financial statements for a breakdown of companies included in the group as subsidiaries, associates and joint ventures.

a) Transactions with related parties

(NOKm)	2023	2022
Sales of goods and services		
To other group companies (administrative services)	122	117
To other group companies (rental income)	13	9
To associates (administrative services)	6	5
Total	**140**	**131**

Agreements on the sale of goods and services are entered into on market terms. Sales of administrative services are made at cost plus a profit margin.

(NOKm)	2023	2022
Purchases of goods and services		
From other group companies (administrative services)	4	3
From other group companies (rental expenses)	0	0
From associates (purchases of goods)	0	0
Total	**4**	**3**

Agreements on the purchase of goods and services are entered into on market terms. Purchases of administrative services are made at cost plus a profit margin.

b) Remuneration of senior officers

See the notes to the consolidated financial statements for information on the remuneration of senior officers.

c) Balances with related parties

(NOKm)	2023	2022
Non-current receivables		
Non-current receivables from group companies at 1 January	16 900	4 900
Loans repaid during the year	-1 802	0
New loans raised during the year	212	12 000
Interest calculated	885	413
Interest received	-885	-413
Change in accrued and unpaid interest	0	0
At 31 December	**15 310**	**16 900**

These receivables relate to transactions on market terms. No repayment plans have been agreed for these receivables.

(NOKm)	2023	2022
Current receivables from group companies		
Current receivables (trade receivables)	282	221
Current receivables (group contributions and dividends)	535	163
Current receivables (cash pool)	0	0
Current receivables (other balances)	0	0
Total	**817**	**384**
Current payables to group companies		
Current payables (cash pool)	2 519	3 066
Other current payables (other balances)	0	2
Other current payables (group contributions)	10	190
Total	**2 529**	**3 258**

These current receivables and payables result from ordinary commercial transactions between the companies and are based on market terms.

Note 3 **Payroll expenses, FTEs, fees etc**

(NOKm)	2023	2022
Wages and salaries	81	67
Employer contributions	15	12
Pension expense (Note 4)	14	13
Other benefits	8	5
Total payroll expenses	**117**	**96**
Number of employees (full-time equivalents)	87	74

Auditor – breakdown of fees

(NOK thousands)	2023	2022
Statutory audit	712	1 199
Other assurance services	244	223
Tax advice	0	25
Other advisory services	298	233
Total	**1 254**	**1 680**

See the notes to the consolidated financial statements for information on the remuneration of senior officers.

Note 4 **Pension expense and liability**

Employees of the company are entitled to membership of a public-sector occupational pension scheme under collective agreements. From 1 July 2016, all new employees have been included in a defined-contribution scheme. Some of the company's existing employees also chose to switch voluntarily to the defined-contribution scheme from the same date. In 2021, it was decided to transfer all employees born after 1 January 1963 from a defined-benefit pension to a defined-contribution pension with effect from 1 January 2021. There were 78 active members of this scheme at 1 January 2024.

In connection with the decision to transfer employees to defined-contribution pensions, a private-sector early retirement pension (AFP) was set up for those born in 1963, 1964 and 1965 who were at risk of losing their previous AFP rights under the defined-benefit scheme. This covered three employees at 1 January 2024.

There is also a defined-benefit scheme with seven remaining active members aged 60-70 which pays 66% of final salary with 30 years' accumulation, subject to life expectancy adjustments. The retirement age is 67. The scheme includes disability and survivor pensions. The defined-benefit scheme had 266 members with deferred rights and 207 pensioners at 1 January 2024. Obligations at 31 December 2023 have been calculated using projections in the K2013BE mortality table, which is based on analyses of mortality for life insurance purposes in Norway.

Breakdown of pension expense for the year

(NOKm)	2023	2022
Service cost	5	5
Interest expense on pension liability	11	6
Expected return on plan assets	-10	-5
Net pension expense	**6**	**6**
Costs	0	0
Employer contributions	1	1
Pension expense, defined-benefit scheme	**7**	**7**
Defined-contribution pensions including Employer contributions	7	5
Pension expense for the year	**14**	**13**
Actuarial gains/losses before tax accounted for in other comprehensive income	14	-11
Pension expense for the year in total comprehensive income for DB and DC schemes	**27**	**2**

Breakdown of net pension liability in the statement of financial position

(NOKm)	31.12.23	31.12.22
Accumulated pension obligations at 31 December	368	353
Plan assets at 31 December	-321	-301
Net pension liability	**47**	**51**
employer contributions	7	7
Net pension liability in statement of financial position	**53**	**58**

(NOKm)	2023	2022	Accumulated 2023
Actuarial gains/losses for the year before tax accounted for in equity	14	-11	-1

Financial assumptions

	01.01.2024	01.01.2023	01.01.2022
Discount rate	3.4%	3.2%	1.7%
Expected return on plan assets	3.4%	3.2%	1.7%
Expected wage growth	3.8%	3.8%	2.5%
Expected increase in social insurance multiplier (G)	3.5%	3.5%	2.3%
Expected annual pension growth	2.9%	2.8%	1.5%

The actuarial assumptions are based on commonly used assumptions in insurance when it comes to demographic factors.

The percentage of employees drawing an AFP early retirement pension is assumed to be 20% at 62 rising to 70% at 66.

Note 5 **Property, plant and equipment**

(NOKm)	Holiday homes, improvements, art etc	Fixtures and fittings	Construction in progress	Total property, plant and equipment
Property, plant and equipment				
Cost at 1 January	7	42	2	51
Additions	0	1	31	32
Disposals/retirements	0	-19	0	-19
Cost at 31 December	**7**	**24**	**32**	**64**
Accumulated depreciation at 31 December	0	-19	0	-20
Carrying amount at 31 December	**7**	**5**	**32**	**44**
Depreciation for the year	0	-5	0	-5
Depreciation rate	0%-8.3%	8.3-33%		
Depreciation method	Straight-line	Straight-line		

Note 6 **Leases**

Leases with a significant impact on accounting for lease liabilities and right-of-use assets under the standard are for office premises and vehicles.

Eidsiva Energi entered into an agreement with real estate company Utstillingsplassen in 2021 on a new office building. The new office building, the Energy House, was completed at the end of 2023 and has significantly increased Eidsiva Energi's lease liabilities and right-of-use assets. The lease runs for 12.5 years with five five-year extension options.

(NOKm)	Right-of-use assets
At 1 January 2022	
Cost	52
Accumulated depreciation and impairment	-33
Carrying amount at 1 January 2022	**19**
2022 financial year	
Carrying amount at 1 January 2022	19
Additions	1
Depreciation for the year	-9
Carrying amount at 31 December 2022	**10**
At 31 December 2022	
Cost	52
Accumulated depreciation and impairment	-42
Carrying amount at 31 December 2022	**10**
2023 financial year	
Carrying amount at 1 January 2023	10
Additions	329
Additions, accumulated depreciation	
Depreciation for the year	-12
Carrying amount at 31 December 2023	**327**
At 31 December 2023	
Cost	379
Accumulated depreciation and impairment	-53
Carrying amount at 31 December 2023	**327**

Right-of-use assets comprise premises and a few vehicles.

Lease liabilities

(NOKm)	2023	2022
Years 0-1	28	12
Years 2-5	113	0
After 5 years	339	0
Total	**480**	**12**
Effect of discounting	-151	0
Present value of lease payments	**329**	**12**

Breakdown of present value

(NOKm)	2023	2022
Years 0-1	28	11
Years 2-5	98	0
After 5 years	204	0
Total	**329**	**12**

Note 7 **Financial derivatives and other contracts in the statement of profit or loss**

(NOKm)	2023	2022
Fair value adjustments of fixed-income funds	12	
Fair value adjustments of interest rate hedges	52	17
Total fair value adjustments of financial derivatives and contracts	**63**	**17**

Note 8 **Shares etc**

	Registered office	Share capital (NOKm)	No. of shares	Par value (NOK)	Percentage of shares and votes	Carrying amount (NOKm)
Investments in subsidiaries						
Elvia AS	Hamar	150	1	150 150 000	100.0%	16 298
Eidsiva Vekst AS	Gjøvik	201	201 000	1 000	100.0%	257
Eidsiva Bioenergi AS	Gjøvik	225	225 060	1 001	100.0%	2 049
Eidsiva Bredbånd AS	Lillehammer	177	176 503 000	1	90.1%	766
Eidsiva Fiberinvest AS	Lillehammer	101	4 800 000	21	100.0%	1 385
Elsikkerhet Norge AS	Hamar	1	500	1 000	76.0%	19
Heggvin Utvikling AS	Hamar	1	300	100	60.0%	0
Vardal Utvikling AS	Hamar	0	300	100	100.0%	0
Total						**20 774**

The company's holdings in Eidsiva Vekst AS and Elsikkerhet AS were written down by NOK 25m and NOK 59.6m respectively in 2023.

(NOKm)	Registered office	Equity at 31 December 2023	2023 profit/loss	Percentage of shares and votes	Carrying amount
Investments in associates					
Hafslund Eco Vannkraft AS	Oslo	12 341	4 977	43.5%	15 347
Hafslund Invest AS	Oslo	241	-37	35.0%	84
Celtic Norse AS	Steinkjer	0	0	33.3%	1
Total					**15 432**
Investments in shares etc					
Equity contributions to municipal					41
Total					**41**
Total investments in associates and other shares etc					**15 473**

The holding in associate Hafslund Invest AS (formerly Hafslund Ny Energi AS) was written down by NOK 39.5m in 2023.

Income from investments in subsidiaries (NOKm)	Recognised In profit or loss
Group contribution from Elvia AS	535
Total	**535**

Income from investments in associates and joint ventures (NOKm)	Recognised In profit or loss
Dividend from Hafslund Eco Vannkraft AS	720
Total	**720**

Note 9 **Foreign exchange gains and losses**

The company has long-term loans and bank deposits in foreign currency. At 31 December 2023, both items were translated at the exchange rate at the reporting date. 2023 brought a net foreign exchange loss of NOK 5m (2022: 3m).

Note 10 **Tax**

(NOKm)	2023	2022
Tax expense for the year		
Tax payable	12	4
Tax on group contributions paid	2	42
Change in deferred tax	33	6
Total tax expense	**48**	**52**
Calculation of the tax base for the year		
Profit before tax	1 334	2 844
Permanent differences	-1 116	-2 606
Change in temporary differences	-139	-40
Effect of recognised pensions on changes in temporary differences	-14	11
Group contributions paid	-10	-190
Taxable income in profit or loss	**56**	**19**
Taxable income	**56**	**19**
Tax rate payable	22%	22%
Income tax payable on profit for the year	**12**	**4**

Overview of temporary differences

(NOKm)	2023	2022	Change
Property, plant and equipment	-7	-4	3
Receivables	-42	-42	0
Capital gains and losses	1	2	0
Derivatives and foreign exchange gains and losses	53	-85	-138
Pension obligations	-53	-58	-5
Other provisions	-3	-2	1
Total temporary differences in statement of financial position	**-50**	**-188**	**-139**
Receivable on merger	42	42	0
Total basis for deferred tax assets in statement of financial position	**-8**	**-146**	**-139**
Tax rate	22%	22%	
Deferred tax assets at standard rate in statement of financial position	-2	-32	
Deferred tax assets in statement of financial position	**-2**	**-32**	**-30**

Reconciliation of tax expense and calculated tax on the profit for the year

(NOKm)	2023	2022
Profit before tax multiplied by tax rate	293	626
Tax expense recognised	48	52
Difference	**246**	**573**

Explanation of difference

(NOKm)	2023	2022
Permanent differences multiplied by tax rate	-246	-573
Total	**-246**	**-573**

Note 11 **Financial instruments in the statement of financial position by category**

The following policies have been applied in the measurement of financial instruments in the statement of financial position subsequent to initial recognition.

At 31 December 2023

Assets (NOKm)	**Financial liabilities at fair value through profit or loss**	**Assets at amortised cost**	**Total**
Non-current receivables from group companies		15 310	15 310
Other non-current receivables		144	144
Investments in shares etc		15 473	15 473
Trade and other receivables		914	914
Derivatives	56		56
Fixed-income funds	1 525		1 525
Bank deposits		1 190	1 190
Total	**1 581**	**33 031**	**34 612**

Liabilities (NOKm)	**Financial liabilities at fair value through profit or loss**	**Liabilities at amortised cost**	**Total**
Bonds		10 650	10 650
Payable to credit institutions		3 631	3 631
Current loans		1 815	1 815
Dividends		722	722
Trade payables		43	43
Other current liabilities		2 601	2 601
Total		**19 839**	**19 839**

At 31 December 2022

Assets (NOKm)	**Financial liabilities at fair value through profit or loss**	**Assets at amortised cost**	**Total**
Non-current receivables from group companies		16 900	16 900
Other non-current receivables		2 212	2 212
Investments in shares etc		15 446	15 446
Trade and other receivables		476	476
Bank deposits		1 555	1 555
Total		**36 589**	**36 589**

Liabilities (NOKm)	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
Bonds		10 900	10 900
Payable to credit institutions		3 030	3 030
Current loans		2 220	2 220
Dividends		952	952
Taxes and duties payable		4	4
Derivatives	84		84
Trade payables		13	13
Other current liabilities		3 408	3 408
Total	**84**	**20 527**	**20 610**

Derivatives are divided into current and non-current liabilities in the statement of financial position.

Note 12 **Fair value of financial instruments**

The tables below show the company's assets and liabilities measured at fair value classified by level as follows:

Level 1: Fair value measurement based on quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value measurement based on (1) directly or indirectly observable prices for identical assets or liabilities in markets that are not active, (2) models that use prices and variables derived entirely from observable markets or transactions, and (3) pricing in active markets of similar but not identical assets or liabilities.

Methods used to value financial instruments include:

Market-based fixed-income funds
The fair value of market-based fixed-income funds is obtained from trading counterparties.

Derivatives
The fair value of interest swaps is calculated as the present value of estimated future cash flows.

Assets and liabilities measured at fair value at 31 December 2023

(NOKm)	Level 1	Level 2	Total
Assets			
Fixed-income funds		1 525	1 525
Derivatives		56	56
Total assets		**1 581**	**1 581**

Assets and liabilities measured at fair value at 31 December 2022

(NOKm)	Level 1	Level 2	Total
Liabilities			
Financial liabilities at fair value through profit or loss			
Derivatives		84	84
Total liabilities		**84**	**84**

Note 13 **Bank deposits – restricted funds**

(NOKm)	2023	2022

A group guarantee has been provided for the payment of withholding taxes. The amount of the guarantee is NOK 65m.

Note 14 **Equity**

(NOKm)	Share capital	Share premium account	Other equity	Total
Equity at 31 December 2022	**1 062**	**23 834**	**11 909**	**36 804**
Profit for the year			1 286	1 286
Other comprehensive income			-11	-11
Provisions for dividends			-2 161	-2 161
Equity at 31 December 2023	**1 062**	**23 834**	**11 023**	**35 919**

See the notes to the consolidated financial statements for a breakdown of shareholders etc.

Note 15 **Loans**

(NOKm)	2023	2022
Non-current loans		
Bonds	10 650	10 900
Payable to credit institutions	3 631	3 030
Total non-current loans	**14 281**	**13 930**
Current loans		
Current portion of non-current debt	1 651	2 220
Accrued interest	164	139
Total current loans	**1 815**	**2 359**
Total loans	**16 096**	**16 289**

Fixed-rate bills and bonds had an average coupon of 2.91% at year-end (2022: 3.06%).

Eidsiva Energi is subject to a negative pledge clause in all of its loan agreements. Eidsiva Energi is to ensure that none of its subsidiaries provides guarantees, security or collateral for financial liabilities in excess of NOK 300m. Some agreements also require value-adjusted equity of at least 35% of assets. These covenants were satisfied in 2023. Eidsiva has agreements running from 2022 to 2026 which link sustainability targets to two of the company's credit facilities. Read more in Note 26 to the consolidated financial statements.

(NOKm)	2023	2022
Total carve-out	300	300
Subsidiary loans, collateral, security and guarantees	-34	-36
Unused carve-out	**266**	**264**
Total carve-out (5% of book value)	2 662	
Subsidiary loans, collateral, security and guarantees	-34	
Unused carve-out	**2 628**	

The calculations in this table include total interest-bearing debt, collateral and guarantees.

Maturity profile of interest-bearing loans

(NOKm)	2024	2025	2026	2027	2028	2027 on	Total
Amount	**1 815**	**1 328**	**1 628**	**1 928**	**1 101**	**8 295**	**16 096**

A substantial part of the company's loan portfolio is quoted with Nibor as the benchmark rate. This means that the withdrawal of Nibor as a benchmark rate could impact on the company's interest rate exposure.

Note 16 **Pledges and guarantees**

(NOKm)	2023	2022
Liabilities with negative pledge clause	16 096	16 289

Besides its recognised liabilities, Eidsiva Energi AS is part of a cash pool with an overdraft limit of NOK 500m. The company's wholly owned subsidiaries are the other members of the pool. Companies participating in the pool have joint and several liability for overdraft balances up to NOK 500m, which is also the overdraft limit. In addition, the company has unused credit facilities of NOK 3.5bn. The company has signed a negative pledge clause for these facilities.

Alternative performance measures

Earnings		2023	2022
Operating profit	NOKm	4 593	2 863
Depreciation and amortisation	NOKm	-1 685	-1 481
EBITDA	NOKm	**6 277**	**4 344**
EBITDA	NOKm	6 277	4 344
Over-recovery (under-recovery) at Elvia	NOKm	491	-349
Fair value adjustments of interest rate hedges	NOKm	52	17
Fair value adjustments at HEV	NOKm	861	-340
EBITDA adjusted for over/under-recovery and fair value	NOKm	**4 874**	**5 016**
EBITDA		6 277	4 344
Over-recovery (under-recovery) at Elvia	NOKm	491	-349
Fair value adjustments of interest rate hedges	NOKm	52	17
Share of HEV's profit included in EBITDA	NOKm	2 130	1 054
EBITDA adjusted for over/under-recovery and fair value adjustments excluding HEV	NOKm	**3 605**	**3 622**
Operating profit	NOKm	4 593	2 863
Over-recovery (under-recovery) at Elvia	NOKm	491	-349
Fair value adjustments of interest rate hedges	NOKm	52	17
Fair value adjustments at HEV	NOKm	861	-340
Operating profit adjusted for over/under-recovery and fair value adjustments	NOKm	**3 190**	**3 534**
Profit for the year	NOKm	3 605	2 140
Over-recovery (under-recovery) at Elvia after tax	NOKm	383	-272
Fair value adjustments of interest rate hedges after tax	NOKm	40	13
Unrealised fair value adjustments at HEV after tax	NOKm	861	-340
Profit for the year adjusted for over/under-recovery and	NOKm	**2 321**	**2 739**

Financial position		2023	2022
EBITDA	NOKm	6 277	4 344
Operating revenue	NOKm	9 622	11 118

EBITDA margin	**%**	**65**	**39**
Profit before tax	NOKm	4 036	2 470
Interest expense	NOKm	-774	-580
Average total assets	NOKm	52 013	48 832
Return on assets	**%**	**9.2**	**6.2**
Profit after tax	NOKm	3 605	2 140
Average equity	NOKm	26 707	25 040
Return on equity	**%**	**13.5**	**8.5**
Non-current interest-bearing debt	NOKm	14 281	13 947
Current interest-bearing debt	NOKm	1 815	2 362
Lease liability under IFRS 16	NOKm	3 666	3 138
Equity	NOKm	27 407	26 007
Overfunded pension plans	NOKm	715	426
Fixed-income funds	NOKm	1 525	0
Cash and cash equivalents	NOKm	1 351	2 673
Capital employed	NOKm	43 580	42 356
Average capital employed	**NOKm**	**42 968**	**41 522**
Underlying operating profit	NOKm	3 190	3 534
Underlying return on average capital employed	**%**	**7.4**	**8.5**
Non-current interest-bearing debt	NOKm	14 281	13 947
Current interest-bearing debt	NOKm	1 815	2 362
Lease liability under IFRS 16	NOKm	3 666	3 138
Overfunded pension plans	NOKm	715	426
Fixed-income funds	NOKm	1 525	0
Cash and cash equivalents	NOKm	1 351	2 673
Net interest-bearing debt	**NOKm**	**16 172**	**16 348**
EBITDA	NOKm	6 277	4 344
Net finance income	NOKm	-559	-393
Tax payable	NOKm	167	41
Funds from operations		**5 551**	**3 909**
Funds from operations/net interest-bearing debt		**34.3**	**23.9**
Funds from operations	NOKm	5 551	3 909
Capital expenditure	NOKm	-2 878	-2 702

Free operating cash flow		**2 673**	**1 208**
Free operating cash flow/net interest-bearing debt		**16.5**	**7.4**
EBITDA	NOKm	6 277	4 344
Net interest-bearing debt/EBITDA		**2.6**	**3.8**
Interest expense	NOKm	-774	-580
EBITDA/interest expense		**8.1**	**7.5**
Interest expense	NOKm	-774	-580
Funds from operations/interest expense		**7.2**	**6.7**

Postboks 4100
2307 Hamar
Norway

eidsiva.no

English translation by Språkverkstaden AS