STATKRAFT AS

(a limited company registered under number 987 059 699 with the Norwegian Register of Business Enterprises)

€6,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

Under this €6,000,000,000 Euro Medium Term Note Programme (the **Programme**), Statkraft AS (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 9 and any additional Dealer appointed under the Programme from time to time (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an on-going basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Notes may be issued in bearer form (**Bearer Notes**), registered form (**Registered Notes**) or uncertificated book entry form cleared through the Norwegian Central Securities Depositary, *Verdipapirsentralen ASA* (**VPS Notes** and the **VPS**, respectively).

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to its official list (the **Euronext Dublin Official List**) and to trading on its regulated market.

This Offering Circular has been approved as a base prospectus by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to Notes that are to be admitted to trading on Euronext Dublin's regulated market or on another regulated market for the purposes of Directive 2014/65/EU, as amended and/or that are to be offered to the public in any member state of the European Economic Area (the **EEA**) in circumstances that require the publication of a prospectus. This Offering Circular (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on Euronext Dublin's regulated market and have been admitted to the Euronext Dublin Official List. VPS Notes may be listed on the Oslo Stock Exchange's regulated market and, in this case, **listed** (and all related references) shall be construed accordingly. Each of Euronext Dublin's regulated market and the Oslo Stock Exchange's regulated market are regulated markets for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and Euronext Dublin.

Copies of Final Terms will be published on the website of Euronext Dublin. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes of each Tranche will initially be represented by either a Temporary Global Note, a Permanent Global Note, a Regulation S Global Note, a Restricted Global Note and/or Definitive Registered Notes (each as defined below) as indicated in the applicable Final Terms. See "*Form of the Notes*" below.

As at the date of this Offering Circular, the Issuer has been rated A- (stable outlook) by S&P Global Ratings Europe Limited (**S&P**) and BBB+ by Fitch Ratings Limited (**Fitch**). As of the date of this Offering Circular, the Programme has been rated A- (stable outlook) by S&P and BBB+ (stable outlook) by Fitch. S&P is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. S&P is not established in the United Kingdom (**UK**) and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). The ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited in accordance with the UK CRA Regulation. S&P Global Ratings UK Limited is established in the UK and registered under the UK CRA Regulation. Fitch is established in the United Kingdom (the **UK**) and is registered in accordance with the UK CRA Regulation. Fitch is not established in the EEA and has not applied for registration under the CRA Regulation. The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation.

Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Credit ratings may not reflect all risks*" in the "*Risk Factors*" section of this Offering Circular.

Arranger

BNP PARIBAS

Dealers

Barclays
BNP PARIBAS
Danske Bank
DNB Bank
Handelsbanken Capital Markets
Nordea
Santander Corporate & Investment Banking
SEB
SMBC Nikko
Société Générale Corporate & Investment Banking

UniCredit

The date of this Offering Circular is 28 March 2022

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. When used in this Offering Circular, Prospectus Regulation means Regulation (EU) 2017/1129.

The Issuer accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Offering Circular is in accordance with the facts as at the date of this Offering Circular and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Offering Circular shall be read and construed on the basis that such documents are incorporated into and form part of this Offering Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the Central Bank of Ireland.

Neither the Dealers nor the Trustee (as defined below) have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

None of the Dealers makes any representation as to the suitability of any Notes issued as Green Bonds (as defined herein) under the Programme, to fulfil any environmental, social and/or sustainability criteria required by any prospective investors. The Dealers have not undertaken, nor are they responsible for, any assessment or verification of any Eligible Project (as defined in "*Use of Proceeds—Green Bonds*" below) and their impact, or monitoring of the use of the net proceeds of any such Green Bonds (or amounts equal thereto). Prospective investors should refer to the Issuer's Green Finance Framework , as referred to in "*Risk Factors— In respect of any Notes issued with a specific use of proceeds, such as 'Green Bonds', there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*" below, and for the avoidance of doubt, neither the Green Finance Framework, nor any second party opinion issued in relation thereto, is incorporated into, or forms part of, this Offering Circular.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

No person is or has been authorised by the Issuer or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time

subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

Amounts payable on Floating Rate Notes (as described in "*Terms and Conditions of the Notes – Interest on Floating Rate Notes*") may, if so specified in the applicable Final Terms, be calculated by reference to a Reference Rate (as defined in the Terms and Conditions of the Notes). As at the date of this Offering Circular, European Money Markets Institute (as administrator of EURIBOR) and Norske Finansielle Referanser AS (as administrator of NIBOR) are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

As far as the Issuer is aware, (i) SONIA (as defined herein) does not fall within the scope of the Benchmarks Regulation, and (ii) the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Swedish Financial Benchmark Facility AB (as administrator of STIBOR) is not currently required to obtain authorisation or registration (or, if located outside the European Union (the (**EU**), recognition, endorsement or equivalence).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold

or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the **SFA**) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including Belgium and Norway), the United Kingdom, Japan and Singapore (see "*Subscription and Sale*" below).

The Notes have not been nor will be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). See "*Subscription and Sale*" below.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes in reliance upon Regulation S outside the United States to non-U.S. persons and, with respect to Notes in registered form only, within the United States (1) in reliance upon Rule 144A under the Securities Act (**Rule 144A**) to "qualified institutional buyers" within the meaning of Rule 144A (**QIBs**), (2) to "institutional accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (**Institutional Accredited Investors**) pursuant to Section 4(2) of the Securities Act or (3) in transactions otherwise exempt from registration. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Trust Deed (as defined below) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Unless otherwise provided with respect to a particular Series of Registered Notes, Registered Notes of each Tranche of such Series sold outside the United States in reliance on Regulation S will be represented by a permanent global note in registered form, without interest coupons (a **Regulation S Global Note**), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**). With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the date of issue and completion of the distribution of each Tranche of Notes (the **Distribution Compliance Period**), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Registered Notes of each Tranche sold in private transactions to QIBs pursuant to Rule 144A will be represented by a restricted permanent global note in registered form, without interest coupons (a **Restricted Global Note** and, together with a Regulation S Global Note, **Registered Global Notes**), deposited with a custodian for, and registered in the name of a nominee of, DTC. Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive registered form (**Definitive Registered Notes**), registered in the name of the holder thereof. Definitive Registered Notes will, at the request of the holder (save to the extent otherwise indicated in the applicable Final Terms), be issued in exchange for interests in a Registered Global Note upon compliance with the procedures for exchange as described in "*Form of the Notes*" below.

Each Tranche of Bearer Notes will initially be represented by a temporary global Note (a **Temporary Global Note**) or a permanent global Note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) as specified in the applicable Final Terms, which will be deposited on the issue date thereof with a common safekeeper or a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system. Beneficial interests in a Temporary Global Note will be exchangeable for either beneficial interests in a Permanent Global Note or definitive Bearer Notes upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a Permanent Global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Bearer Notes following the occurrence of an Exchange Event (as defined in "*Form of the Notes*" below), all as further described in "*Form of the Notes*" below. For further details of clearing and settlement of the Notes issued under the Programme see "*Book-Entry Clearance Systems*" below.

Each Tranche of VPS Notes will be issued in uncertificated book entry form, as more fully described under "*Form of the Notes"* below. On or before the issue date of each Tranche of VPS Notes entries may be made with the VPS to evidence the debt represented by such VPS Notes to accountholders with the VPS. VPS Notes will be issued in accordance with the laws and regulations applicable to VPS Notes from time to time.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF INFORMATION

All references in this document to **U.S. dollars** and **U.S.$** refer to the currency of the United States of America, references to **NOK** or **Norwegian Kroner** are to the lawful currency of the Kingdom of Norway, those to **Japanese Yen** and **Yen** refer to the currency of Japan and those to **Sterling**, **GBP** and **£** refer to the currency of the United Kingdom. In addition, references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

PRESENTATION OF FINANCIAL INFORMATION

Certain financial information set out herein has been extracted from the Issuer's annual audited consolidated financial statements for either the year ended 31 December 2021, or the year ended 31 December 2020, including the notes thereto, which have been incorporated by reference herein. The Issuer's annual audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**) and the interpretation of these standards as adopted by the European Union.

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STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the **Stabilisation Manager(s)**) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this overview.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Commission Delegated Regulation (EU) No 2019/980.

Issuer:	Statkraft AS
Issuer Legal Entity Identifier (LEI):	529900TH4OAW7WYG1777
Description:	Euro Medium Term Note Programme
Arranger:	BNP Paribas
Dealers:	Banco Santander, S.A. Barclays Bank Ireland PLC BNP Paribas Danske Bank A/S DNB Bank ASA Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) SMBC Nikko Capital Markets Europe GmbH Société Générale Svenska Handelsbanken AB (publ) UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include, but are not limited to, risks relating to electricity generation capacity, weather related risks, environmental risks, policy risks (as the Issuer is a state-owned entity), regulatory risks, country and partner risks, and risks relating to hedging, trading and structured sales. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*" below), including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale*" below).

Trustee:	Citicorp Trustee Company Limited
Principal Paying Agent:	Citibank, N.A.
Exchange Agent and Transfer Agent:	Citibank, N.A.
Paying Agent, Registrar and Transfer Agent	Citibank Europe plc
VPS Account Manager:	Danske Bank A/S, Verdipapirservice
Irish Listing Agent	McCann Fitzgerald Listing Services Limited
Size:	Up to €6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Czech koruna, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian kroner, Sterling, South African Rand, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Notes may be issued in bearer form, registered form or, in the case of VPS Notes, uncertificated book entry form, as specified in the applicable Final Terms. Notes in bearer form will not be exchangeable for Notes in registered form and Notes in registered form will not be exchangeable for Notes in bearer form. VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS. See "*Form of the Notes*" below. Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note (as indicated in the applicable Final Terms) which in either case, will (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream, Luxembourg; and (b) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common**

Depositary) for, Euroclear and Clearstream, Luxembourg,

and subject, in each case, to such restrictions as are contained in the relevant Global Note and summarised below. Temporary Global Notes will be exchanged not earlier than 40 days after their issue only upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a Permanent Global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes upon the occurrence of an Exchange Event, as described in "*Form of the Notes*" below. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

Each Tranche of Registered Notes which is sold outside the United States in reliance on Regulation S will, unless otherwise specified in the applicable Final Terms, be represented by a Regulation S Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date for the accounts of Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to the expiry of the Restricted Period beneficial interests in a Regulation S Global Note of such Tranche may be held only through Clearstream, Luxembourg or Euroclear. After the expiry of the Distribution Compliance Period (as defined in Condition 1), beneficial interests in a Regulation S Global Note may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in the limited circumstances as more fully described in Condition 2.

Registered Notes of any Series sold in private transactions to QIBs and subject to the transfer restrictions described in "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" will, unless otherwise specified in the applicable Final Terms, be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date.

Notes represented by the Registered Global Notes will trade in DTC's same day fund settlement system and secondary market trading activity in such Notes will therefore settle in immediately available funds. Beneficial interests in a Regulation S Global Note and a Restricted Global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct or indirect participants, including Clearstream, Luxembourg and Euroclear. See "*Book-Entry Clearance Systems*" below.

Notes initially offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act and subject to the transfer restrictions described in "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*", will be issued only

	in definitive registered form and will not be represented by a global Note or Notes. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in Condition 2, to receive physical delivery of Definitive Registered Notes
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest- rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or (ii) on the basis of the reference rate set out in the applicable Final Terms, as indicated in the applicable Final Terms. The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms). Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the relevant Floating Day Count Fraction unless otherwise indicated in the applicable Final Terms. If Floating Rate Notes provide for a Rate of Interest (or any component thereof) to be determined by reference to a reference rate and the Issuer determines that a Benchmark Event (as defined in Condition 5(b)(viii)) in respect of such reference rate has occurred, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser (as defined in Condition 5(b)(viii)) to determine a Successor Rate or Alternative Reference Rate (each as defined in Condition 5(b)(viii)) for use in place of the original reference rate and to determine an Adjustment Spread (as defined in Condition 5(b)(viii)). If the Independent Adviser fails to determine a Successor Rate or Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread (if any), then the Rate of Interest shall be determined by reference to the original reference rate and the fallback provisions set out in the Conditions. See Condition 5(b)(viii) for further information.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount, at par or at a premium to their nominal amount and will not bear interest other than in the case of late payment.
Redemption:	The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior

	to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms. If Make-Whole Redemption is specified as being applicable in the relevant Final Terms, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their stated maturity, at the Make-Whole Redemption Amount. In addition, if Change of Control Put is specified as being applicable in the relevant Final Terms, the Notes may be redeemed before their stated maturity at the option of the Noteholders in the circumstances described in Condition 7(f)(ii). Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency at the time of issue of such Notes). Notes in registered form sold pursuant to Rule 144A shall be issued in denominations of U.S.$200,000 (or its equivalent in any other currency) and higher integral multiples of U.S.$10,000 (or its equivalent as aforesaid). Definitive Registered Notes sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act shall be issued in minimum denominations of U.S.$500,000 (or its equivalent in any other currency) and higher integral multiples of U.S.$1,000 (or its equivalent as aforesaid).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within the Kingdom of Norway, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:	The terms of the Notes will contain a cross-default provision as further described in Condition 10.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated

	and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme has been rated A- (stable outlook) by S&P and BBB+ (stable outlook) by Fitch. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme.
Listing and admission to trading:	Application has been made for Notes issued under the Programme to be listed on Euronext Dublin. Applications may be made to list VPS Notes on the Oslo Stock Exchange. Any such applications will be in accordance with applicable laws and regulations governing the listing of VPS Notes on the Oslo Stock Exchange from time to time. The applicable Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law. VPS Notes must comply with the Norwegian Securities Register Act of 15 March 2019 no. 6, as amended from time to time, implementing Regulation (EU) No. 909/2014 and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including Belgium and Norway), the United Kingdom, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*" and "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" below.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

The classification of the risks relating to the Issuer is the result of regular analysis as part of the Issuer's internal risk management process. In each category of risks below, the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of the negative impact of such risk on the Issuer and the probability of its occurrence.

Risks related to the Issuer's business activities and industry

Power price uncertainty

As a leading company in international hydropower, Statkraft is heavily exposed to power prices in most markets in which it is present. Future power prices have a direct effect on Statkraft's existing assets and revenues, and also affect decisions related to potential new assets. The majority of Statkraft's value is directly exposed to the power prices in the Nordic market which are the most important value drivers for Statkraft.

The power prices in the Nordic market are directly affected by the balance between generation and demand. The Nordic market is increasingly connected to the continental European markets and to the Baltic region, and are thus influenced by changes to fuel prices, prices for CO_2 emission rights, demand growth and the development in production capacity in these markets. Growth in wind and solar, and the phasing out of thermal capacity, are changes in generation technologies that impact the power prices and power balance. New technologies, new generation methods and new market players may also influence the future price development and hence the competitiveness of traditional utilities.

A major part of the current electricity generation capacity of the Group (as defined below) comes from hydropower plants, most of which are situated in Norway. The hydro reservoir levels can vary considerably from year to year, and the hydrological balance may affect both the price of electricity and the capacity available and may significantly impact Statkraft's revenues.

Statkraft is also exposed to energy and commodity price risk affecting its wind and solar assets under the Develop-Sell/Develop-Build-Sell business models, where the aim is to develop and construct onshore wind and solar power plants with the intention to divest the power plants either before, at the time of, or shortly after completion. Energy prices can affect the potential value of assets in development and commodity prices can affect the construction costs, which may negatively impact the selling price and therefore Statkraft' s financial performance.

Hedging, Trading and Origination

The Group has major customers and substantial counterparty exposures in its long-term physical sales contracts and energy trading. Default by one or more of such customers or counterparties may adversely affect the financial results of the Group. Statkraft's main counterparty risk is related to the long-term physical sales contracts tied to its Norwegian assets. These are the main hedges for the downside scenarios in power prices in the Nordics and Statkraft's hydro asset fleet. This risk can be impacted directly by default resulting in payment loss, or indirectly, by Statkraft being forced to re-negotiate the contracts to

avoid the counterparties from defaulting due to financial hardship. In addition, Statkraft assumes counterparty risk in connection with energy trading and origination activities.

In addition to long term physical sale contracts the Group is exposed to significant market risk in relation to its financial risk reducing activities consisting of financial power contracts. The Group's financial risk reducing activities consist of the following:

- The Group has financial risk reduction portfolios of financial contracts, normally futures, primarily to hedge revenues from future generation.
- The Group also has dynamic asset management portfolios, where positions are taken based on fundamental analysis and aim to reduce risk and optimise revenues for the Group's Nordic and Continental assets. Mandates to enter into financial contracts are based on volume thresholds related to available production. The Group's dynamic asset management portfolios consist of financial contracts mainly for power, CO2, coal, and gas products.

In addition to its financial risk reducing activities, Statkraft has various trading and origination portfolios that are managed independently of the Group's power generation. Statkraft has allocated risk capital to these activities. The mandates are adhered to by applying specified limits for value-at-risk and profit-at-risk. The Group's trading activities involve buying and selling standardised and liquid products, such as power, gas, oil, CO2 products and energy-related metals. The activities also include trading of transportation capacity across borders. The market risk in these contracts is mainly related to future commodity prices.

The Group's origination activities include buying and selling both standard and structured products. Structured products are typically environmental certificates or power contracts with tailor-made profiles entered into in different currencies. In addition, Statkraft engages in market access activities by entering into long-term power purchase and power sales agreements with the aim of providing a route-to-market for renewable energy producers and long-term renewable energy supply to corporate consumers. Depending on the operation of the price mechanisms in the power purchase and sales agreements, Statkraft may be exposed to price risk, which may have an adverse effect on financial performance

Corruption and fraud risk

The processes assessed by Statkraft as being most prone to the risk of corruption and fraud are business development, mergers and acquisitions (**M&A**) and construction projects, procurement and supplier management, and government and stakeholder engagement.

The level of growth activity remains high across Statkraft, with an expansion in the number of projects, geographies and the establishment of new organisations. The expansion to include new organisations and employees requires sufficient resources and continuous efforts to ensure that Statkraft's approach to business ethics is well understood and adhered to.

Business development and M&A are processes particularly prone to corruption risk, across both medium- and high-risk geographies. An increase in joint development projects with partners involves greater reliance on partners for the handling of risky processes such as engagement with authorities and communities.

The Covid-19 pandemic has led to increased fraud risk in all the markets in which Statkraft operates. Statkraft has experienced this in the form of regular external fraud attempts in accounting, tax and treasury processes. Successful fraud attempts may result in significant financial losses.

The legislative framework on compliance has been strengthened significantly in recent years in several of the Group's countries of operation, which means that the potential consequences for breaches have increased. The changes in law are also accompanied by greater enforcement efforts and a pattern of heavier penalties and longer sentences.

Statkraft continues to maintain a focus on building and maintaining a strong ethical culture among managers in the company and is committed to ensuring that all parts of the Group comply with the Group's policies and procedures. The standards are communicated to all of the Group's partners and suppliers. Statkraft has zero tolerance for corruption and strives to ensure continued compliance with all applicable anti-bribery/corruption legislation and any applicable sanctions. If Statkraft is associated with, or even accused of being associated with, partners or third parties who are acting in breach of applicable anti-bribery/corruption legislation, sanctions or similar legislation, then Statkraft's reputation could suffer and/or Statkraft could become subject to fines, sanctions and/or legal enforcement (including being added to any "black lists" that could prohibit certain parties from engaging in transactions with Statkraft), any

one of which could have a material adverse effect on Statkraft's operating results, financial condition and prospects.

Temporary loss of control production critical system

Due to Statkraft's large relative share of Nordic production capacity, Statkraft's production critical systems are a vital part of the business continuity for Nordic power supply.

Despite having robust independent fallback systems in place, production control could fail due to unintended or intended incidents such as bad weather conditions, faulty actions by personnel, technical failures or cyber-attacks. The threat landscape changes continuously and cyber-attacks have become increasingly more sophisticated and continuously present new challenges. In addition, third-party threats through suppliers are increasing and security mechanisms implemented by Statkraft may not be able to resist all such threats or attacks. The consequences of both unintended and intended incidents may include temporary loss of control with a possible effect on power generation and water manoeuvring, with the main consequence being reputational damage.

Cyber or insider threat leading to loss or unavailability of business sensitive information

Statkraft is facing a complex risk picture where foreign states and other actors, with the help of a wide range of instruments, try to exploit vulnerabilities in functions and systems. The digital risk picture has sharpened and there are risks associated with compound threats.

Statkraft may be exposed to the threat of a state supported or criminal actor performing cyber espionage and/or influencing employees, by the recruitment of insiders, to steal or manipulate Statkraft's financial or commercially sensitive information. Human error and the currently extensive use of the home office are weaknesses that such actors may exploit. A high degree of non-compliance with IT security requirements and policies in global organisations increases the risk.

Business sensitive information may be compromised or lost unnoticeably and over time. A disruption of business-critical IT systems and the unavailability of information may lead to an inability to deliver services to the markets in which Statkraft operates. The financial and reputational impact of such a scenario has a wide range of potential outcomes depending on the severity of the incident, such as general data protection regulation breaches, losing sensitive commercial information or an inability to deliver services to the energy market.

Risks of delays and cost overruns in construction projects

The Group runs ongoing investment programmes to update, renew and increase its portfolio of assets. The ability of the Group to manage these investment programmes within set time and cost frames is vital for profitability. Poor project planning and execution may lead to accidents, delays, cost overruns, and impairments. All construction projects in Statkraft carry out systematic risk assessments. Larger investments have a risk-based project contingency and reserve. Major attention is devoted to avoiding delays, cost overruns and undesirable incidents during project delivery.

Covid-19 has had large effects on the execution of the ongoing greenfield construction projects in emerging markets and there is a risk of additional delays and cost overruns due to the situation. The Covid-19 challenges are related to planning and resourcing due to restrictions, contractor performance, availability and delivery of services and goods and healthcare infrastructure.

In order to prepare for the future, and to comply with its stated strategy of being a leading player in the energy market, the Group will take on a significantly larger number of investments within onshore wind and solar going forward. Key success factors for growing profitable portfolios will be to build scale, ensure cost competitiveness, and attract financial investors, while continuously improving corporate responsibility. These internal factors, in addition to external risk factors like changes to regulatory conditions, market prices, financing regimes and political trends, may affect the profitability of these investments, and as a result, the financial condition of the Group.

Risk of flooding of dams

Extreme weather situations causing high waterflow or high water levels may lead to flooding of dams. Such floods can result in increased risk for third parties and damage to public assets or to the environment. A potential dam-break with severe flooding downstream represents a serious hazard to third parties. Accidents related to other parts of Statkraft's operations and products may also cause damage to third

party property or persons. Such claims may not be recoverable through applicable insurance cover or otherwise, and as a result, could adversely impact the financial condition of the Group.

Safety and security risk

There is exposure to safety risk throughout the value chain and such risk is highest for activities carried out during construction, operation and maintenance work. There has been a positive development in results over several years, reducing the number of fatal accidents significantly. In 2021 Statkraft had no fatal accidents in its activities. The primary drivers for this exposure are construction projects with high levels of inherent safety risk, as well as the growing volume of activities with safety risk. Based on several years' experience, the activities with highest risk potential are driving, working at height, lifting operations, energised systems, heavy mobile equipment, ground works and confined space.

Personnel working for Statkraft may be exposed to violent crime, terrorist attack, militancy and/or civil unrest, either as an intended target of a threat agent, or incidental, for instance by being at the wrong place at the wrong time. Exposure to this risk varies across Statkraft locations and operations and is therefore to a large degree handled locally.

Large and complex construction projects in emerging markets have a higher inherent safety risk. Systematic work to continually improve health, safety, security and environment and ethical culture, capabilities and performance based on care, clear requirements and effective systems and tools is fundamental.

Failure to mitigate safety and security risk could lead to financial and human costs as a result of cessation or suspension of business, delays in project delivery, injuries, financial penalties and/or reputational damage.

Risk related to the issuer's financial situation

Credit risk

Credit risk is the risk that Statkraft incurs losses due to the failure of counterparties to honour their financial obligations.

Statkraft faces credit risk when entering into transactions with financial institutions, corporates and providers of clearing services. Credit risk against financial institutions arises from cash or current accounts, cash collateral posting, cash deposits, investment in interest-bearing securities, derivative transactions, and incoming guarantees. Credit risk against providers of clearing services related to trading operations arises from margin requirements (including initial margin, variation margin and intraday margin calls) settled as cash payments. Statkraft also assumes credit risk when providing loans to associates and joint ventures.

Statkraft's excess liquidity is mainly held in Norwegian kroner and invested across various short-term financial instruments such as commercial papers, time deposits and bank deposits. Credit and duration limits are stipulated for each counterparty based on credit ratings and total assets. Statkraft has entered into agreements under which collateral is transferred or received, based on the mark-to-market value of interest rate and foreign exchange derivatives between counterparties. Cash collateral is transferred or received on a weekly basis.

Customer or counterparty default may adversely affect Statkraft's business, financial condition and the Group's financial results.

Further, incorrect trade collection and/or reporting, intentional or unintentional, caused by errors in either the front or back-offices could have the effect that internal risk measurement systems are unable to correctly measure the Group's exposure, which in turn could lead to unexpected losses.

Liquidity risk

The Group's liquidity risk is the risk that the Group has insufficient funds to meet its payment obligations in a timely manner. Statkraft depends on the availability of funding and credit to finance, amongst other things, dividends, tax payments, margin requirements, future development plans and projects, and/or to refinance existing facilities and debt. No assurance can be given that the capital markets and/or syndication markets in which banks operate will be accessible and able to provide debt finance in such amounts and on such terms as may be required at the relevant time.

Foreign exchange and interest rate risk

Statkraft is exposed to changes in the value of NOK relative to other currencies. Statkraft incurs currency risk in the form of transaction risk, mainly in connection with sale of power, investments, capital expenditures and divestments in foreign currencies. Statkraft's settlement currency at the Nordpool, the Nordic power exchange, is mainly euro, and the power contracts traded in the Nordic power exchange Nasdaq are denominated in euro. In addition, most of Statkraft's bilateral power sales agreements in Norway and all power purchase and sales abroad are denominated in foreign currency. The objective of Statkraft's currency hedging is to secure the values of the future cash flow in NOK exposed to foreign exchange risk. Hedging of foreign exchange risk is primarily done by allocating appropriate volumes of currency debt to the relevant cash flows.

Statkraft's interest rate exposure is related to its debt portfolio and managed based on a balance between keeping interest costs low over time and contributing to stabilise the Group's cash flows with regards to interest rate changes. The Group's debt portfolio includes all external interest-bearing bonds and loans, commercial papers, and external interest rate derivatives in Statkraft AS and its subsidiaries. The most significant debt currencies for Statkraft is euro and NOK. The interest rate risk is monitored using a duration target. Statkraft aims to always keep the average duration of its debt portfolio within the range of two to five years.

Statkraft uses interest rate and foreign currency derivatives in addition to debt in foreign currency in its interest and foreign exchange management. Movements in interest rates and/or currency may cause hedging transaction losses.

Environmental, social and governance risks

State-ownership of Statkraft

Political and economic policies of the Norwegian State could affect Statkraft's business and financial condition. This may be reflected in decisions relating to the pursuance of Statkraft's commercial and financial interests, including those relating to dividend distribution policy and/or its strategy on development, production and trading activities as well as potential future ownership structures.

Violation of human and labour rights

Human rights in relation to business is a fast maturing field. The United Nations launched Guiding Principles on Business and Human Rights in 2011, which have been incorporated into OECD and EU guidelines. There is also an increasing tendency to legislate in respect of these matters.

Assessments by Statkraft show that salient human rights risks for Statkraft are related to community acceptance, including by Indigenous Peoples. Statkraft's core activities often impact local communities, in particular when it comes to land rights and use. Indigenous Peoples' rights are relevant for several of Statkraft's activities; for instance, in Norway, Sweden, Chile and Peru.

There are also considerable risks related to potential human and labour rights violations in our supply chain and related to security arrangements. There is a particularly challenging risk picture related to forced labour, in addition to working hours and living wages.

Failure to successfully address this risk factor or to comply with relevant standards and regulations may have a negative impact on Statkraft's financial condition as a result of cessation or suspension of business, delays in project delivery, financial penalties and/or reputational damage.

Climate change risk

The transition to a low-carbon economy will entail extensive policy, legal, technology, and market changes, with the potential to have a significant impact on Statkraft's revenues. Even if Statkraft's portfolio and strategy are well adapted to a low-carbon future, Statkraft still has significant exposure to various climate-driven transition risks.

Statkraft is directly impacted by climate change, as the average output of renewable power plants can change and the probability of extreme weather events that challenge the physical integrity of the plants will increase. Statkraft is also exposed to market changes that are driven by political measures to reduce emissions from the power sector and other industrial sectors. This exposure comes primarily from measures that impact the power price and thus Statkraft's income. Subsidies for renewable capacity may lead to overcapacity and lower prices, while increased cost of emissions will lead to higher power prices. Direct measures to phase out fossil fuels will also have a price impact, as the market balance will be

changed. There is also risk associated with Statkraft's own emissions, as regulations may increase the cost of these emissions. Changed customer preferences driven by increased public awareness of the climate challenge can also impact Statkraft.

Climate risk is assessed as an integrated part of Statkraft's risk management activities as described for the relevant risk factors, such as in power price uncertainty, operating activities and investment activities.

Legal and regulatory risks

The business framework within which Statkraft operates is influenced by political decisions, including (but not limited to) changes in the minimum water flow regulations and instructions from the Norwegian Water Resources and Energy Directorate (**NVE**), grid regulation (including the revenue scheme), tax regulations (including environmental taxes), as well as the general conditions and regulations set for the industry at large in the Norwegian and other relevant markets.

Loss of flexible hydropower production

Hydropower does have a significant local environmental footprint. Improving the concessions' environmental conditions is of high priority in Norway and the EU, partly driven by the EU Water Framework Directive (**WfD**). All Norwegian concessions given in accordance with "Vassdragsreguleringsloven" are subject to Revision of Terms (**RoT**), a process driven by NVE with the aim to improve the environmental conditions. In Sweden a similar process is in shaping where updated concession terms will be concluded through the court system. There are potentially significant negative financial impacts from these processes.

Statkraft observes an increasing political and public debate on nature and circular economy, in addition to climate, both within the EU and Norway. It is likely that this will impact both singular decisions in the RoT and overall shape future legislation and frameworks. Hence, in addition to the long-term financial risk, it may have a reputational consequence. New restrictions will also have a negative impact on Statkraft's generation flexibility and, in some watercourses, the flood damping capability.

Statkraft has put substantial effort to increase the understanding and awareness of the impact of the RoT processes. For Norway, the risk of flexibility loss and the cumulative effect on the power system has been analysed and widely discussed with public stakeholders.

Risks related to disputes

Statkraft is involved in a number of legal proceedings in various forms. For legal disputes, in which the Group assesses it to be probable that an economic outflow will be required to settle the obligation, provisions have been made based on management's best estimate. In future years, Statkraft may incur losses due to: (i) uncertainty regarding the final outcome of each proceeding; (ii) the occurrence of new developments that were not taken into consideration when evaluating the likely outcome of each proceeding in order to accrue the risk provisions as of the date of the latest financial statements, or to judge a negative outcome only as possible, or to conclude that a contingency loss could not be estimated reliably; (iii) the emergence of new evidence and information; and (iv) underestimation of probable future losses due to circumstances that are often inherently difficult to estimate.

Certain proceedings in which Statkraft or its subsidiaries are, or have been, a party involve the alleged breach of tax regulations or possible invalid concession due to the ministry's breach of political rights. Such proceedings are described in the notes to Statkraft's audited consolidated annual financial statements for the financial year ended 31 December 2021, under the heading "*Note 35 - Disputes, contingencies and uncertain tax positions*" (as incorporated by reference in this Offering Circular). Non-compliance with applicable laws and regulations, by Statkraft, its officers and employees, its partners, agents or others that act on the Group's behalf, could expose Statkraft and its employees to penalties and could be damaging to Statkraft's reputation and shareholder value.

Other Regulatory Issues

Statkraft is subject to a number of different environmental laws, regulations, environmental expectations and reporting requirements. Costs are incurred for prevention, control, abatement or elimination of releases into the air and water, as well as in the disposal and handling of wastes at operating facilities. Expenditures of a capital nature include (but are not limited to) remedial measures on existing power and heat facilities, measures arising from the construction of new production facilities and power lines and the regulation of water flow all of which could impact materially on Statkraft's results, as could liability due to failure for any reason to satisfy applicable requirements. There is a general trend of increasing

regulation of the energy market, in particular in the European Union, with stricter rules and sanctions, as well as more comprehensive requirements for reporting.

The EU and international regulatory framework may influence the supply and demand for electricity and hence the price of electricity as well as generation costs. This is true both for greenhouse gas emission allowances and for support schemes for new renewable generation capacity. The price of carbon emission rights is transferred into the wholesale electricity market and will influence Statkraft indirectly through the power price.

Governments within and outside Europe have high ambitions to increase the share of renewables in the electricity generation mix. In order to incentivise investments in new renewables, attractive support schemes have been established to enhance the profitability. For many investments, Statkraft is relying on such support. Therefore, the retention of such support schemes and markets is important, and changes in, or abolishment of, these schemes may have a direct influence on Statkraft's revenue or profits and its future investment plans in the different markets.

Regulatory framework conditions in various jurisdictions can influence Statkraft's production, costs and revenues. Statkraft therefore carefully considers any uncertainties relating to local regulatory conditions when making investment decisions abroad. Possible changes in the political landscape are also considered, and the maintenance of an open dialogue and good relationships with decision-makers in all relevant markets is a priority to Statkraft.

All changes affecting any of the above-mentioned factors may have adverse consequences for Statkraft's operating results, financial condition, and prospects.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar return

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Floating Rate Notes

A holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance. In the event that the reference rate used to calculate the applicable interest rate turns

negative, the interest rate will be below the margin, if any, and may be zero and accordingly, the holders of Floating Rate Notes may not be entitled to interest payments for certain or all interest periods. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks

Interest rates and indices which are deemed to be benchmarks (such as, in the case of Floating Rate Notes, a Reference Rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to the benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should be aware that, if a benchmark rate were discontinued or otherwise unavailable, the Rate of Interest on Floating Rate Notes which are linked to or which reference such benchmark rate will be determined for the relevant period by the fallback provisions applicable to such Notes. The Terms and

Conditions of the Notes provide for certain fallback arrangements in the event that the Issuer determines that a Benchmark Event (as defined in the Terms and Conditions of the Notes) has occurred.

If a Benchmark Event has occurred in relation to a Reference Rate (as defined in the Terms and Conditions of the Notes) at any time when any Rate of Interest (or component thereof) remains to be determined by reference to such Reference Rate, such fallback arrangements include the possibility that:

(a) the relevant Rate of Interest (or component thereof) could be set or, as the case may be, determined by reference to a Successor Rate or an Alternative Reference Rate (each as defined in the Terms and Conditions of the Notes) determined by an Independent Adviser (as defined in the Terms and Conditions of the Notes); and

(b) if a Successor Rate or an Alternative Reference Rate (as applicable) is so determined, an Adjustment Spread (as defined in the Terms and Conditions of the Notes) shall also be determined by the relevant Independent Adviser,

in each case as more fully described in the Terms and Conditions of the Notes. Investors should note that the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread (which may be positive, negative or zero) in the circumstances described in the Terms and Conditions of the Notes, and in any event an Adjustment Spread may not be effective in reducing or eliminating any economic prejudice or benefit to investors arising out of the replacement of the relevant Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable).

In addition, the Independent Adviser, following consultation with the Issuer, may also specify changes to the Terms and Conditions of the Notes that are necessary in order to follow market practice in relation to the relevant Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread.

The use of a Successor Rate or an Alternative Reference Rate (including with the application of an Adjustment Spread) will still result in any such Notes performing differently (which may include payment of a lower Rate of Interest) than they would if the originally specified Reference Rate were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

No consent of the Noteholders shall be required in connection with effecting any relevant Successor Rate or Alternative Reference Rate (as applicable) or any other related adjustments and/or amendments described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

Furthermore, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

In the case of Floating Rate Notes, where the Rate of Interest is specified in the applicable Final Terms as being determined by reference to the Sterling Overnight Index Average (**SONIA**), the Rate of Interest will be determined on the basis of a compounded daily rate (as further described in the Terms and Conditions of the Notes). Such rate will differ from the GBP London inter-bank offered rate (**LIBOR**) rate in a number of material respects, including (without limitation) that a compounded daily rate will be determined by reference to backwards-looking, compounded, risk-free overnight rates, whereas GBP LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-

bank lending. As such, investors should be aware that SONIA may behave materially differently as an interest reference rate for Notes issued under the Programme compared to GBP LIBOR. The use of SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA.

Accordingly, prospective investors in any Notes referencing SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to GBP LIBOR. Market participants, industry participants and/or central bank-led working groups have explored compounded and weighted average rates and observation methodologies for such rates (including so-called 'shift', 'lag' and 'lock-out' methodologies) and forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term) have also been, and are being, developed. The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from GBP LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Floating Rate Notes that reference SONIA issued under this Offering Circular. In addition, the methodology for determining the SONIA compounded index, by reference to which the Rate of Interest in respect of certain Floating Rate Notes issued under the Programme may be calculated, could change during the life of any Notes. Furthermore, the Issuer may in future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes issued by it under the Programme. The nascent development of SONIA as an interest reference rate for the Eurobond market, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-based Notes issued under the Programme from time to time.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing SONIA. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The Rate of Interest on Notes which reference SONIA will be capable of being determined only near the end of the relevant Interest Period

The Rate of Interest on Notes which reference SONIA is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. Accordingly, it may be difficult for investors in such Notes to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to GBP LIBOR-based Notes, if Notes referencing SONIA become due and payable as a result of an Event of Default under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable and shall not be reset thereafter.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such.

A Restructuring Plan implemented pursuant to Part 26A of the Companies Act 2006 may modify or disapply certain terms of the Notes without the consent of the Noteholders

Where the Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members regardless of whether they approved it and may, therefore, adversely affect the rights of Noteholders and the price or value of their investment in the Notes where it has the effect of modifying or disapplying certain terms of the Notes.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular. In particular, potential investors should note that any such change in applicable law or administrative practice could materially adversely impact the value of any Notes affected by it.

Norwegian Withholding Tax

Norway has introduced withholding tax of 15 per cent. (unless a lower rate is provided in an applicable tax treaty) on interest payments made to related enterprises resident within low-tax jurisdictions. For recipients of interest payments who are related enterprises and tax resident within a low-tax jurisdiction within the EEA, the withholding tax is not applicable if the recipient fulfils certain substance requirements (including that such related enterprise must be genuinely established and perform genuine economic activities). The withholding tax only applies to interest payments made to such related enterprises (i.e. (a) a company or entity that, directly or indirectly, is at least 50 per cent. owned or controlled, by the Issuer, (b) a company or entity that, directly or indirectly, owns or controls at least 50 per cent. of the Issuer, or (c) a company or entity that, directly or indirectly, is at least 50 per cent. owned or controlled by a company or entity that, directly or indirectly, owns or controls at least 50 per cent. of the Issuer). If any withholding or deduction is required to be made for or on account of the aforementioned withholding tax, payments by the Issuer to holders of Notes who are related enterprises of the Issuer may be affected as the Issuer is not obliged to pay any additional amounts in respect thereof pursuant to Condition 8.1(iii) (in the case of Notes other than VPS Notes) and Condition 8.2(ii) (in the case of VPS Notes).

Potential Issuer Redemption for Tax Reasons

If the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or therein having the power to tax, as provided and as more fully described in Condition 8 (in the case of both Notes other than VPS Notes and VPS Notes), the Issuer may (subject to the conditions set out therein) exercise its right to redeem the Notes prior to their maturity pursuant to Condition 7(b) (in the case of both Notes other than VPS Notes and VPS Notes).

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without

first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if subsequent changes in market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer and/or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in

the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

In respect of any Notes issued with a specific use of proceeds, such as 'Green Bonds', there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The applicable Final Terms relating to any specific Tranche of Notes may describe such Notes as "Green Bonds", or otherwise provide that it will be the Issuer's intention to apply an amount equal to the net proceeds from an offer of those Notes specifically for Eligible Projects (as defined in "*Use of Proceeds*" below) that promote climate-friendly and other environmental purposes pursuant to the Issuer's Green Finance Framework (as defined below) as in effect at the time of the issue of such Notes. A prospective investor in the Notes should have regard to the information in this Offering Circular and the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information (together with any other investigation that such investor deems necessary, including a review of the Issuer's then-applicable Green Finance Framework) for the purpose of any investment by such investor in such Notes. In addition, the Issuer's Green Finance Framework can be amended by the Issuer from time to time. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or standards (including any standards resulting from the proposal for a European green bond standard (the **EU GBS**) adopted by the European Commission on 6 July 2021), or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any relevant Eligible Projects.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label (including as a result of the introduction of the EU Sustainable Finance Taxonomy (as defined below) and similar classifications schemes in other jurisdictions) and, if developed in the future, such Eligible Projects may not reflect these developments. A basis for the determination of what may constitute a "green", "social", "sustainable" or equivalently-labelled project has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the **Sustainable Finance Taxonomy Regulation**) on the establishment of a framework to

facilitate sustainable investment (the **EU Sustainable Finance Taxonomy**). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation (including, for example, through Commission Delegated Regulation (EU) 2021/2139). Until the technical screening criteria for the objectives of the EU Sustainable Taxonomy have been finalised, it is not known whether the Issuer's Green Finance Framework will satisfy those criteria. Accordingly, alignment with the EU Sustainable Finance Taxonomy, once the technical screening criteria are established, or any other sustainability framework, is not certain and no assurance is or can be given (whether by the Issuer, the Dealers or any other person) to any investor that (a) any Eligible Projects or uses the subject of, or related to, any Eligible Projects will meet any or all of such investor's expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or investment criteria (including any future requirements of the EU GBS), or (b) that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

The Issuer has published a Green Finance Framework that may be updated from time to time and which is available on the Issuer's website at https://www.statkraft.com/IR/funding/green-finance-framework/ (as it may be updated from time to time, the **Green Finance Framework**). For the avoidance of doubt, the Issuer's Green Finance Framework is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Circular.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Notes (including any second party opinion) and any Eligible Projects, an whether any of them fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion (including, but not limited to, any second party opinion) or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Offering Circular. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such report, assessment, opinion or certification is only current as of the date it was initially issued and the criteria and/or considerations that underlie such report, assessment, opinion or certification may change at any time. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of Euronext Dublin's regulated market or the Oslo Stock Exchange's regulated market, no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listing or admission to trading may vary between Euronext Dublin's regulated market and the Oslo Stock Exchange's regulated market. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such admission to trading will be obtained in respect of any such Notes or, if obtained, that any such admission to trading will be maintained during the life of the Notes.

It is the intention of the Issuer to apply an amount equal to the net proceeds of any Notes so specified for Eligible Projects and to obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in the Issuer's Green Finance Framework; however, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. None of the Dealers will verify or monitor the application of the net proceeds of any Notes issued under the Programme.

Any such event or failure to allocate an amount equal to the net proceeds of any issue of such Notes to Eligible Projects or to obtain and publish any such reports, assessments, opinions and certifications, will not constitute an Event of Default under the Notes or give rise to any other claim of a holder of such Notes against the Issuer.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Projects as aforesaid and/or withdrawal of any such report, assessment, opinion or certification or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed and/or admitted to trading on any stock exchange as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should refer to the Issuer's website and the Issuer's Green Finance Framework (as further described in "*Use of Proceeds*" below) for further information.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Offering Circular:

(a) the auditors' report and audited consolidated and non-consolidated annual financial statements of the Issuer for each of the financial years ended (i) 31 December 2020 (which appear on pages 73 to 200 (inclusive) of the annual report of the Issuer for the year ended 31 December 2020 and which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/4-reports-and-presentations/2020/q4/statkraft-as-annual-report-2020.pdf) and the section titled "Alternative Performance Measures" (which appears on pages 210 to 211 (inclusive) of the annual report of the Issuer for the year ended 31 December 2020) and (ii) 31 December 2021 (which appear on pages 89 to 209 (inclusive) of the annual report of the Issuer for the year ended 31 December 2021 and which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/4-reports-and-presentations/2021/q4/2021-annual-report---statkraft-as.pdf) and the section titled "Alternative Performance Measures" (which appears on pages 240 to 241 (inclusive) of the annual report of the Issuer for the year ended 31 December 2021); and

(b) the Terms and Conditions of the Notes contained in the previous Offering Circulars dated:

  (1) 15 June 2016 (on pages 29 to 59 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/icm-24517587-v1-statkraft_2016_update_-_final_offering_circular_withou....pdf

  (2) 15 May 2015 (on pages 29 to 58 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/icm-21874480-v1-statkraft_-_final_offering_circular.pdf

  (3) 26 June 2014 (on pages 29 to 58 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/icm-19835467-v1-statkraft_2014_-_final_clean_offering_circular_for_final_submission.pdf

  (4) 12 June 2012 (on pages 37 to 67 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/statkraft-offering-circular-2012_tcm9-22130.pdf

  each prepared by the Issuer in connection with the Programme.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein (which for the avoidance of doubt, means any parts not listed in the descriptions set out above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which may affect the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

The Notes of each Series will be in bearer form, with or without interest coupons attached, registered form, without interest coupons attached or, in the case of VPS Notes, uncertificated book entry form. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Regulation S Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, the Depositary Trust Company (**DTC**) for the accounts of Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the Distribution Compliance Period applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in the limited circumstances as more fully described in Condition 2. Terms used in this paragraph shall have the meanings given to them by Regulation S.

Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors and who execute and deliver an IAI Investment Letter (as defined in the "*Terms and Conditions of the Notes*") in which they agree to purchase the Notes for their own account and not with a view to the distribution thereof.

The Registered Notes of each Tranche sold to QIBs will be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in Condition 2 to receive physical delivery of Definitive Registered Notes.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. Such Definitive Registered Notes issued to Institutional Accredited Investors and any Restricted Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal of the Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register at the close of business on the business day immediately prior to the relevant payment or delivery date. Payments of interest on Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the Record Date (as defined in Condition 6) immediately preceding such payment date. None of the Issuer, the Principal Paying Agent, any Paying Agent, the Exchange Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Each Tranche of Bearer Notes will be initially represented by a Temporary Global Note or a Permanent Global Note (as specified in the applicable Final Terms) without interest coupons or talons. If the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**), and if the Global Notes are not intended to be issued in NGN form, the Notes will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility

criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Notes prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either (a) for interests in a Permanent Global Note of the same series without interest coupons or talons or (b) for definitive Bearer Notes of the same series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused. Each exchange of an interest in a Temporary Global Note for an interest in a Permanent Global Note or definitive Bearer Notes, as the case may be, and each exchange of an interest in a Permanent Global Note for definitive Bearer Notes, shall be made outside the United States.

Payments of principal, interest (if any) or any other amount on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached (i) upon not less than 60 days' written notice being given to the Principal Paying Agent by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in the Permanent Global Note; or (ii) only upon the occurrence of an Exchange Event as described therein. **Exchange Event** means (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or the common depositary or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, on their behalf (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Tranches of Bearer Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to

form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned (where applicable) a CUSIP number, a common code and/or an ISIN which are different from the CUSIP number, common code and/or ISIN assigned to Notes of any other Tranche of the same Series until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, the CUSIP number, common code and ISIN, as the case may be, thereafter applicable to the Notes of the relevant Series will be notified by the Principal Paying Agent to the relevant Dealer.

All Notes, other than VPS Notes, will be issued pursuant to the Agency Agreement.

For so long as any of the Notes is represented by a bearer global Note deposited with a common safekeeper or a common depositary for Euroclear and Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Registered Global Note or so long as a Note is a VPS Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or DTC or the VPS, as the case may be, as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee or the VPS as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being VPS Notes) with respect to the payment of principal or interest on the Notes, for which purpose such common depositary or common safekeeper or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Agency Agreement (and the expression **Noteholder** and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Each Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. Issues of VPS Notes will be constituted by the Trust Deed. On the issue of such VPS Notes, the Issuer will send a letter to the Trustee, with copies sent to the Principal Paying Agent and the VPS Account Manager (the **VPS Letter**), which letter will set out the terms of the relevant issue of VPS Notes in the form of Final Terms attached thereto. On delivery of a copy of such VPS Letter, including the applicable Final Terms, to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the account operator acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in the VPS will take place two Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the rules and procedures for the time being of the VPS.

The following legend will appear on all global Bearer Notes and definitive Bearer Notes (other than Temporary Global Notes), and on all interest coupons and talons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

> "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Any reference in this section "*Form of the Notes*" to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE FINAL TERMS

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.**]**[1]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.**]**[2]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**)). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II][Directive 2014/65/EU (as amended, **MiFID II**)]; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][3]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes

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1 Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

2 Legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to UK MiFIR and if following the "ICMA 1" approach.

3 Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][4]

[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME** (the **SFA**) - [*Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*].][5]

[*Date*]

STATKRAFT AS

Legal Entity Identifier (LEI): 529900TH4OAW7WYG1777

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €6,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 28 March 2022 which[, as modified by a supplement to the Offering Circular dated [ ],] constitutes a base prospectus for the purposes of [Regulation (EU) 2017/1129 (the **Prospectus Regulation**)/the Prospectus Regulation] (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at https://www.euronext.com/en/markets/dublin .]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [ ] which are incorporated by reference in the Offering Circular dated 28 March 2022 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular dated 28 March 2022 [and the supplement to it dated [ ],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at https://www.euronext.com/en/markets/dublin .]

1.	Issuer:		Statkraft AS
2.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [ ]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]

[4] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[5] Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

4.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6.	(a)	Specified Denominations:	[ ]/[[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].]
	(b)	Calculation Amount (in relation to calculation of interest for Notes in global form, see Conditions):	[ ]
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[[ ]/Issue Date/Not Applicable]
8.	Maturity Date:		[*Fixed rate – specify date/* *Floating rate* – Interest Payment Date falling in [or nearest to] [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[[ ] month EURIBOR/STIBOR/ NIBOR] [Compounded Daily SONIA] +/– [ ] per cent. Floating Rate] [Zero Coupon] (see paragraph [14] [15] [16] below)
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [99] [100] [101] per cent. of their nominal amount
11.	Change of Interest Basis or Redemption/Payment Basis:		[For the period from (and including) the Interest Commencement Date, up to (but excluding) [ ] paragraph [14/15] applies and for the period from (and including) [ ], up to (and including) the Maturity Date, paragraph [14/15] applies][Not Applicable]
12.	Put/Call Options:		[Not Applicable] [Investor Put] [Change of Control Put] [Issuer Call] [Make-Whole Redemption] [Issuer Residual Call] [see paragraph [18] [19] [20] [21] [22] below)]
13.	[Date [Board] approval for issuance of Notes obtained:		[ ]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	[ ] in each year, commencing on [ ], up to and including the Maturity Date

	(iii)	Fixed Coupon Amount(s) for Notes in Definitive form (and in relation to Notes in global form, see Conditions):	[ ] per Calculation Amount
	(iv)	Broken Amount(s) for Notes in Definitive form (and in relation to Notes in global form, see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on]] [Not Applicable]
	(v)	Day Count Fraction:	[30/360][Actual/Actual (ICMA)]
	(vi)	Determination Date(s):	[[ ] in each year][Not Applicable]
15.	**Floating Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Specified Period(s)/Specified Interest Payment Dates:	[ ][subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/][Not Applicable]
	(iii)	Additional Business Centre(s):	[ ]
	(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(v)	Party responsible for calculation the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ][Not Applicable] (the **Calculation Agent**)
	(vi)	Screen Rate Determination:	[Applicable/Not Applicable]
		– Reference Rate:	[ ] month [EURIBOR/STIBOR/ NIBOR] [Compounded Daily SONIA]
		– Interest Determination Date(s):	[ ]
		– Relevant Screen Page:	[ ]
		– Specified Time:	[[ ] [Brussels/Stockholm/Oslo] time][Not Applicable]
		– Index Determination:	[Applicable/Not Applicable]
		– Observation Method:	[Lag][Observation Shift][Not Applicable]
		– Lag Period:	[[Five][*specify other*] London Banking Days][Not Applicable]
		– Observation Shift Period:	[[Five][*specify other*] London Banking Days][Not Applicable]
		– Relevant Number:	[[Five][*specify other*] London Banking Days][Not Applicable]
			(*N.B. When setting the Lag Period, the Observation Shift Period or the Relevant Number, as applicable, for Notes referencing Compounded Daily SONIA, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable, or such other party responsible for the calculation of the Rate of Interest. "p" should be no fewer than five London Banking Days unless otherwise*

		agreed with the Principal Paying Agent or the Calculation Agent, as applicable, or such other party responsible for the calculation of the Rate of Interest in relation to the relevant issuance)
(vii)	ISDA Determination:	[Applicable/Not Applicable]
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
(viii)	Linear Interpolation	[Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(ix)	Margin(s):	[+/–] [ ] per cent. per annum
(x)	Minimum Rate of Interest:	[ ] per cent. per annum
(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
(xii)	Floating Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
16.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable]
(i)	Accrual Yield:	[ ] per cent. per annum
(ii)	Reference Price:	[ ]
(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 7(b):	Minimum period: [30] days Maximum period: [60] days
18.	Issuer Call	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s):	[[ ] per Calculation Amount]
(iii)	If redeemable in part:	[Applicable / Not Applicable, as the Notes may only be redeemed in whole (but not in part)]
	(a) Minimum Redemption Amount:	[ ]
	(b) Higher Redemption Amount:	[ ]
(iv)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
19.	Investor Put	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount:	[ ] per Calculation Amount
(iii)	Notice periods:	Minimum period: [15] days

			Maximum period: [30] days
20.	Change of Control Put:		[Applicable/Not Applicable]
21.	Make-Whole Redemption:		[Applicable/Not Applicable]
	(i)	Make-Whole Redemption Date(s):	[ ]
	(ii)	Make-Whole Redemption Margin:	[[ ] basis points/Not Applicable]
	(iii)	Reference Bond:	[CA Selected Bond/[ ]]
	(iv)	Quotation Time:	[5.00 p.m. [Brussels/London/[ ]] time/Not Applicable]
	(v)	Reference Bond Rate Determination Date:	[The [ ] Business Day preceding the relevant Make-Whole Redemption Date/Not Applicable]
	(vi)	If redeemable in part:	[Applicable/Not Applicable, as the Notes may only be redeemed in whole (but not in part)]
		(a) Minimum Redemption Amount:	[ ]
		(b) Maximum Redemption Amount:	[ ]
	(vii)	Notice periods (if other than as set out in the Terms and Conditions of the Notes):	[ ]
22.	Issuer Residual Call:		[Applicable/Not Applicable]
	Residual Call Early Redemption Amount:		[ ] per Calculation Amount
23.	Final Redemption Amount:		[ ] per Calculation Amount
24.	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default:		[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	
	(a) Form	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Registered Notes: Regulation S Global Note ([currency] [ ] nominal amount)/Restricted Global Note ([currency][ ] nominal amount)/ Definitive Registered Notes([ ]) [VPS Notes issued in uncertificated book entry]

		(*The option for an issue of Notes to be represented on issue by a Permanent Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6(a) includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]*)
	(b) New Global Note:	[Yes][No]
26.	Additional Financial Centre(s):	[Not Applicable][ ]
27.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

THIRD PARTY INFORMATION

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Statkraft AS:

By ....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Dublin's][the Oslo Stock Exchange's] regulated market [and listing on the Euronext Dublin Official List] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Dublin's][the Oslo Stock Exchange's] regulated market [and listing on the Euronext Dublin Official List] with effect from [ ].]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated [ ] by [ ].

[[Each of][ ] is established in the European Economic Area and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees [of [*insert relevant fee disclosure*]] payable to [ ] (the [**Managers/Dealers**]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. Manager[s]/Dealer[s]] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*.]

4. YIELD (Fixed Rate Notes only)

Indication of yield: [ ] per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	US ISIN Code:	[ ]
(iv)	144A CUSIP:	[ ]
(v)	Regulation S CINS:	[ ]
(vi)	CFI:	[[ ], as updated as set out on the website

		of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vii)	FISN:	[[ ], as updated as set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(viii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/[ ]/Verdipapirsentralen ASA, Norway. VPS identification number: [ ]. The Issuer shall be entitled to obtain certain information from the register maintained by the VPS for the purposes of performing its obligations under the issue of VPS Notes]
(ix)	Delivery:	Delivery [against/free of] payment
(x)	Names and addresses of additional Paying Agent(s) (if any):	[ ][Not Applicable]
(xi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(xii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(xiii)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)
(xiv)	[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will

depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

6. U.S. SELLING RESTRICTIONS

U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]]

7. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

(i)	Use of Proceeds:	[See "*Use of Proceeds*" in the Offering Circular / [Green Bonds] / *Give details*] (*See "Use of Proceeds" wording in the Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details*)
(ii)	Estimated net proceeds:	[ ]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue, but if not so permitted and agreed such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following Terms and Conditions will, to the extent practicable and/or in the absence of any statement to the contrary, be applicable to each VPS Note. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Temporary Global Note, Permanent Global Note, Regulation S Global Note, Restricted Global Note and definitive Note. Reference should be made to "Applicable Final Terms" above for a description of the content of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Statkraft AS (the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 15 June 2006 made between the Issuer and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee). References herein to the **Notes** shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Bearer Notes issued in exchange for a global Note, (iii) any global Note, (iv) in relation to any Notes represented by definitive Registered Notes, units of the lowest Specified Denomination in the Specified Currency, (v) any definitive Registered Notes, and (vi) Notes cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen ASA* (**VPS Notes** and the **VPS**, respectively). References herein to **NGN** shall mean a Temporary Global Note or a Permanent Global Note in either case where the applicable Final Terms specify the Notes as being in NGN form. The Notes (other than the VPS Notes) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 28 March 2022 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, the Trustee, Citibank, N.A., as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and as transfer agent (the **Transfer Agent** and, together with Citibank Europe plc, the **Transfer Agents**, which expressions shall include any successors in their capacity as such and any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and Citibank Europe plc as registrar (the **Registrar**, which expression shall include any successor registrar) and as paying agent (together with the Principal Paying Agent, the **Paying Agents**, which expression shall, unless the context otherwise requires, include any successors in their capacity as such and any substitute or any additional paying agents appointed in accordance with the Agency Agreement). Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS. Danske Bank A/S, Verdipapirservice (the **VPS Account Manager**) will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms, and which are (except in the case of VPS Notes) attached to or endorsed on this Note, which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms**, unless otherwise stated, are to Part A of the Final Terms (or the relevant provisions thereof) which (except in the case of VPS Notes) are attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, and in relation to VPS Notes, be construed as provided below), and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed. Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in

whose name the Notes are registered in the register and shall, in relation to any VPS Notes or Notes represented by a global Note, be construed as provided below. VPS Notes are in dematerialised form: any references in these Terms and Conditions to Coupons and Talons shall not apply to VPS Notes and no global or definitive Notes will be issued in respect thereof. These Terms and Conditions shall be construed accordingly.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Agency Agreement and the Trust Deed (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee, any Paying Agent or the Issuer and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) the applicable Final Terms will be published on the website of Euronext Dublin. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Trust Deed and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Terms and Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

1. Form, Denomination and Title

The Notes may be in bearer form (**Bearer Notes**), in registered form (**Registered Notes**) or, in the case of VPS Notes, in uncertificated book entry form, as specified in the applicable Final Terms, and, in the case of definitive Notes, will be serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Bearer Notes may not be exchanged for Registered Notes and vice versa. VPS Notes may not be exchanged for Bearer Notes or Registered Notes and vice versa.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Tranche of Bearer Notes will be initially represented by a temporary global Note or a permanent global Note (as so specified in the applicable Final Terms) each without Coupons or Talons (each, a **Temporary Global Note** or a **Permanent Global Note** as applicable). If the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, the Temporary Global Note will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**), and if the Global Notes are not intended to be issued in NGN form, the Temporary Global Note will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. On or after the fortieth day after the date of its issue beneficial interests in a Temporary Global Note will be exchangeable upon a request as described therein either for interests in a Permanent Global Note or for definitive Bearer Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification to the effect that the beneficial owner of interests in such

Temporary Global Notes is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations. A Permanent Global Note will, as specified in the applicable Final Terms, be exchangeable (free of charge), in whole but not in part for definitive Bearer Notes with, where applicable Coupons and Talons attached either upon not less than 60 days' written notice to the Principal Paying Agent as described therein or only upon the occurrence of an Exchange Event as specified therein.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each Tranche sold outside the United States in reliance on Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended, (the **Securities Act**) will, unless otherwise specified in the applicable Final Terms, be represented by a permanent global Registered Note, without Coupons or Talons, (each, a **Regulation S Global Note**), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**). Notes in definitive registered form (**Definitive Registered Notes**) issued in exchange for Regulation S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Notes, are referred to herein as **Regulation S Notes**. With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the relevant Issue Date and completion of the distribution of each Tranche of Notes (the **Distribution Compliance Period**), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear or Clearstream, Luxembourg. After expiry of such Distribution Compliance Period, beneficial interests in a Regulation S Note may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC.

Registered Notes of each Tranche sold in private transactions in reliance upon Rule 144A under the Securities Act to qualified institutional buyers within the meaning of Rule 144A under the Securities Act (**QIBs**) will, unless otherwise specified in the applicable Final Terms, be represented by a permanent global Registered Note, without Coupons or Talons (each, a **Restricted Global Note** and, together with any Regulation S Global Note, the **Registered Global Notes**) deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as **Restricted Notes**.

Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (**Institutional Accredited Investors**) pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be issued as Definitive Registered Notes only, registered in the name of the holder thereof and will not be represented by a global Note or Notes.

Definitive Registered Notes issued to Institutional Accredited Investors and Restricted Global Notes shall bear a legend specifying certain restrictions on transfer (each, a **Legend**), such Notes being referred to herein as **Legended Notes**. Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of a Legend, the Registrar shall (save as provided in Condition 2(d)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in Condition 2, Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar.

Notes are issued in the Specified Denomination(s) set out in the applicable Final Terms which, in the case of Registered Notes sold other than pursuant to Regulation S, shall be the Authorised Denomination (as defined below) and, in the case of Notes having a maturity of 183 days or less, the Specified Denomination shall be at least U.S.$500,000 (or the equivalent in any other currency or currencies).

Authorised Denomination means:

(i) in the case of a Restricted Note U.S.$200,000 (or its equivalent rounded upwards as specified in the applicable Final Terms) and higher integral multiples of U.S.$10,000, or the higher denomination or denominations specified in the applicable Final Terms; and

(ii) in the case of a Definitive Registered Note which is initially offered and sold to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act, U.S.$500,000 (or its equivalent rounded upwards as specified in the applicable Final Terms) and higher integral multiples of U.S.$1,000, or the higher denomination or denominations specified in the applicable Final Terms.

Any minimum Authorised Denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Note shall be such as applied on or prior to the date of issue of such Note.

Subject as set out below, title to Bearer Notes and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the register maintained by the Registrar. The Issuer, the Principal Paying Agent, any Paying Agent, the Registrar, any Transfer Agent and the Trustee may deem and treat the bearer of any Bearer Note or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or note of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. Title to the VPS Notes will pass by registration in the registers between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

For so long as any of the Bearer Notes is represented by a bearer global Note held by a common safekeeper or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear, or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such Notes in accordance with and subject to the terms of the relevant global Note; for so long as any Note is a VPS Note, each person who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by the VPS as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent, and the Trustee as the holder of such nominal amount of such Notes for all purposes; for so long as any of the Notes is represented by a Registered Global Note, DTC or its nominee, as the case may be, will be considered the sole holder of Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership right may be exercised by its participants or beneficial owners through its participants; (and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly). In determining whether a particular person is entitled to a particular nominal amount of notes as aforesaid, the Trustee may rely on such certificate or other document as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or proven error, be conclusive and binding on all concerned. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online System) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

Notes which are represented by a global Note and VPS Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, DTC and/or the VPS, as the case may be.

References to Euroclear, Clearstream, Luxembourg, DTC and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Principal Paying Agent and specified in the applicable Final Terms.

2. Exchange and Transfers of Registered Notes and VPS Notes

(a) *Exchange of interests in Registered Global Notes for Definitive Registered Notes*

Interests in any Registered Global Note will be exchangeable for Definitive Registered Notes, if (i) DTC notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Note and no alternative clearing system is available, (ii) DTC ceases to be a **Clearing Agency** registered under the United States Securities Exchange Act of 1934 (the **Exchange Act**) and no alternative clearing system is available, (iii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so and no alternative clearing system is available, (iv) an Event of Default (as defined in Condition 10) has occurred and is continuing with respect to such Notes, or (v) the Issuer becomes subject to adverse tax consequences which would not be suffered were the Notes in definitive form. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Definitive Registered Notes to be delivered, provided that, notwithstanding the above, no Definitive Registered Notes will be issued until expiry of the applicable Restricted Period.

(b) *Transfers of Registered Global Notes*

Transfers of any Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(c) *Transfers of interests in Regulation S Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee in the United States will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable federal securities laws of the United States or any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (ii) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (a) beneficial interests in Regulation S Notes may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC and (b) such certification requirements will no longer apply to such transfers.

(d) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being

made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an **IAI Investment Letter**); or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable federal securities laws of the United States or any applicable securities laws of any state of the United States;

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

(e) *Transfers of Interests in VPS Notes*

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo business days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations of the VPS from time to time. A transfer of VPS Notes which is held through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

(f) *Exchanges and transfers of Registered Notes generally*

Registered Notes may not be exchanged for Bearer Notes and *vice versa*.

Holders of Definitive Registered Notes, other than Institutional Accredited Investors, may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the **Applicable Procedures**).

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar or, as the case may be, the relevant Transfer Agent may prescribe, including any restrictions imposed by the Issuer on transfers of Definitive Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for

business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Definitive Registered Note for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 30 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Definitive Registered Note to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

(g) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7(c), the Issuer shall not be required:

(a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 15th day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

In the event of partial redemption of VPS Notes under Condition 7(c), the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

(h) *Closed periods*

No Noteholder may require the transfer of a Registered Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest or payment on that Note.

(i) *Costs of exchange or registration*

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it.

3. Status

The Notes and the relative Coupons constitute direct, unconditional and (subject to Condition 4) unsecured obligations of the Issuer which rank *pari passu* among themselves and (subject as aforesaid) rank and will in all material respects rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save as may be preferred by mandatory provisions of applicable law.

4. Negative Pledge

(a) So long as any of the Notes are outstanding (as defined in the Trust Deed), the Issuer undertakes not to create any security over its assets to secure any other Note Issues or permit any Note Issues issued by it to be secured by the creation of an encumbrance upon any assets of any of its subsidiaries, without at the same time according to the Notes, or causing to be accorded to the Notes, the same security (to the satisfaction of the Trustee) or such other security interest or other arrangement (whether or not including the giving of a security interest) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders, except that the Issuer shall be entitled, if so required by one or more Norwegian municipalities who has an ownership interest in the relevant facility and/or its production output (**Co-owners**), to consent to the creation of or create itself, an encumbrance upon any of its power generating facilities (the **Facilities**) as security for a Note Issue by one or more such Co-owners where the maximum amount

of the security created by the Co-owners over such Facility does not exceed the amount paid or payable by the Co-owners to the Issuer for such co-ownership of the Facility.

(b) For the purposes of these Conditions, **Note Issue** shall mean an issue of debt securities which is, or is intended to be, or is capable of being, quoted, listed or dealt in on any stock exchange, over-the-counter or other securities market.

5. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes, as applicable;

(B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

(C) in the case of Fixed Rates Notes which are VPS Notes; each Specified Denomination;

and in each case multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form; the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form; or each Specified Denomination in the case of VPS Notes) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denominations without any further rounding.

In these Terms and Conditions:

Day Count Fraction means in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms,

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period divided by the product of the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of;

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and

Determination Period means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

A Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date an Interest Payment Date) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, **Business Day** means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to interest payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Conditions, **TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes and published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not Compounded Daily SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being the Euro-zone inter bank offered rate (**EURIBOR**), the Stockholm inter-bank offered rate (**STIBOR**) or the Norwegian inter-bank offered rate (**NIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time specified in the applicable Final Terms on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by, in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent (pursuant to the terms of a calculation agency agreement between the Calculation Agent and the Issuer). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of Condition 5(b)(ii)(B)(1) above, no such offered quotation appears or, in the case of Condition 5(b)(ii)(B)(2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Issuer (in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms) or the Calculation Agent (in the case of VPS Notes and Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms), shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent or the Calculation Agent, as applicable (the **Relevant Agent**) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Relevant Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Relevant Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Relevant Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Relevant Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (at the request of itself or the Issuer, as applicable) the Relevant Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Relevant Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Relevant Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date

(though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In these Terms and Conditions:

(A) **Reference Banks** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Issuer (in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms) or the Calculation Agent (in the case of VPS Notes or Notes other than VPS Notes, where a Calculation Agent is specified in the applicable Final Terms); and

(B) **Specified Time** means 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time, in the case of a determination of NIBOR).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(C) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA – Non-Index Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA and Index Determination is specified in the applicable Final Terms as being Not Applicable, the Rate of Interest for an Interest Period will, subject to Condition 5(b)(viii) and as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any).

As used in these Conditions, **Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily SONIA reference rate as reference rate for the calculation of interest) as calculated by, in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes and Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as applicable, as at the relevant Interest Determination Date, in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is the number of calendar days in:

(A) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where Observation Shift is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of London Banking Days in:

(A) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where Observation Shift is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing a London Banking Day in chronological order from, and including, the first London Banking Day in:

(A) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where Observation Shift is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

$\mathbf{n_i}$, for any London Banking Day "i", means the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "p" London Banking Days prior to the first day of such Interest Period to (but excluding) the date falling "p" London Banking Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable;

p means:

(A) where Lag is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days specified as the Lag Period in the applicable Final Terms (or, if no such number is so specified, five London Banking Days); or

(B) where Observation Shift is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days specified as the Observation Shift Period in the applicable Final Terms (or, if no such number is so specified, five London Banking Days);

SONIA reference rate means, in respect of any London Banking Day ($\mathbf{LBD_x}$), a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for LBD_x as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following LBD_x; and

$\mathbf{SONIA_i}$ means the SONIA reference rate for:

(A) where Lag is specified as the Observation Method in the applicable Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(B) where Observation Shift is specified as the Observation Method in the applicable Final Terms, the relevant London Banking Day "i".

If, where any Rate of Interest is to be calculated pursuant to this Condition 5(b)(ii)(C) in respect of any London Banking Day for which the SONIA reference rate is required to be determined, the applicable SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent or the Calculation Agent, as applicable, has been notified of any Successor Rate or Alternative

Reference Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 5(b)(viii), if applicable) the SONIA reference rate in respect of such London Banking Day shall be:

(A) (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (London time) (or, if earlier, the close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(B) if the Bank Rate under (A)(i) above is not available at the relevant time, either (i) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (ii) if this is more recent, the latest rate determined under (A) above,

and, in each case, references to the "SONIA reference rate" in this Condition 5(b)(ii)(C) shall be construed accordingly.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall (subject to Condition 5(b)(viii)) be:

(x) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(y) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

If the Notes become due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5(c) and the Trust Deed.

(D) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA – Index Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA and Index Determination is specified in the applicable Final Terms as being Applicable, the Rate of Interest for an Interest Period will, subject to Condition 5(b)(viii) and as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any).

Compounded Daily SONIA Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SONIA\ Compounded\ Index_{End}}{SONIA\ Compounded\ Index_{Start}} - 1\right) \times \frac{365}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index$_{Start}$ is determined to (but excluding) the day in relation to which SONIA Compounded Index$_{End}$ is determined;

London Banking Day has the meaning set out in Condition 5(b)(ii)(C) above;

Relevant Number is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

SONIA Compounded Index$_{End}$ means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for the relevant Interest Period or (B) such earlier date, if any, on which the Notes become due and payable;

SONIA Compounded Index$_{Start}$ means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period; and

the **SONIA Compounded Index** means, with respect to any London Banking Day, the value of the SONIA compounded index that is provided by the administrator of the SONIA reference rate to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in respect of such London Banking Day.

If, where any Rate of Interest is to be calculated pursuant to this Condition 5(b)(ii)(D), the relevant SONIA Compounded Index value required to determine SONIA Compounded Index$_{Start}$ or SONIA Compounded Index$_{End}$ is not available on the Relevant Screen Page and has not otherwise been published or displayed by the administrator of the SONIA reference rate or the relevant authorised distributors by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Period for which the relevant SONIA Compounded Index value is not available shall be "Compounded Daily SONIA" determined in accordance with Condition 5(b)(ii)(C) above as if Index Determination had been specified in the applicable Final Terms as being Not Applicable, and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift" and (ii) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the applicable Final Terms.

If the Notes become due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5(c).

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes which are not VPS Notes and where no Calculation Agent is specified in the applicable Final Terms, and the Calculation Agent, in the case of Floating Rate Notes which are VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes by applying the Rate of interest to:

(A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Floating Rate Notes represented by such Global Note or (B) such Registered Notes, as applicable;

(B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount; or

(C) in the case of Floating Rate Notes which are VPS Notes, each Specified Denomination;

and, in each case, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denominations without any further rounding.

Floating Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365" (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(v) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by, in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as the Issuer (acting in good faith and in a commercially reasonable manner) determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) Notification of Rate of Interest and Interest Amounts

(A) Except where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, in the case of Notes other the VPS Notes where no Calculation Agent is specified in the applicable Final Terms) the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of VPS Notes, the VPS and the VPS Account Manager as soon as possible after their determination but in no event later than the first day of the Interest Period to which they apply and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London.

(B) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of VPS Notes, the VPS and the VPS Account Manager, and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the second London Banking Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

(vii) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent, the Independent Adviser (as defined below) or, if applicable, the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent, the Independent Adviser or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) Benchmark Replacement

Notwithstanding the foregoing provisions of this Condition 5(b), if a Benchmark Event (as defined below) has occurred in relation to a Reference Rate at any time when any Rate of Interest (or the relevant component thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

(A) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine, no later than 10 days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below), and in either case an Adjustment Spread (as defined below), for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(B) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance paragraph (A) above, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, shall be the Reference Rate for each of the future Interest Periods for which the Rate of Interest (or the relevant component thereof) was otherwise to be determined by reference to the relevant Reference Rate (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(viii));

(C) if the Independent Adviser determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser, following consultation with the Issuer, may also specify changes to these Conditions, including but not limited to the Floating Day Count Fraction, Relevant Screen Page, Specified Time, Business Day Convention, Business

Day, Interest Determination Date, Reference Banks, Additional Business Centre and/or the definition of Reference Rate applicable to the Notes, and/or the method for determining the fallback to the Reference Rate in relation to the Notes, in each case in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread. The Independent Adviser (in consultation with the Issuer) shall determine an Adjustment Spread (as defined below) (which may be expressed as a specified spread or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) which shall be applied to the Successor Rate or the Alternative Reference Rate. For the avoidance of doubt, the Trustee and Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager shall, at the direction and expense of the Issuer, without the requirement for any consent or approval of the Noteholders or Couponholders, be obliged to use its reasonable endeavours to effect such amendments to the Trust Deed, the Agency Agreement and these Conditions, as applicable, as may be specified by the Independent Adviser following consultation with the Issuer in order to give effect to this Condition 5(b)(viii)(C) (such amendments, the **Benchmark Amendments**) provided that neither the Trustee nor the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager, shall be required to effect any such Benchmark Amendments if the same would impose, in the Trustee's, the Principal Paying Agent's or, as the case may be, the VPS Account Manager's opinion, more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it. For the avoidance of doubt, no Noteholder consent shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or the Trustee (if required).

Prior to any such Benchmark Amendments taking effect, the Issuer shall provide a certificate signed by two Authorised Signatories to the Trustee and the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager that such Benchmark Amendments are, in the Issuer's reasonable opinion (following consultation with the Independent Adviser), necessary to give effect to any application of this Condition 5(b)(viii)(C) and the Trustee and the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager shall be entitled to rely on such certificate without further enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager shall not be liable to the Noteholders, the Couponholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. Notwithstanding any other provision of this Condition 5(b), if in the Principal Paying Agent's or the Calculation Agent's, as applicable, opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(b), the Principal Paying Agent or the Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or the Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or the Calculation Agent, as applicable, is not promptly provided with such direction, it shall notify the Issuer thereof and the Principal Paying Agent or the Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability to any party for not doing so;

(D) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and, in either case, Adjustment Spread and the specific terms of any Benchmark Amendments give notice thereof to the Trustee, the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager and, in accordance with Condition 14, the Noteholders; and

(E) if a Successor Rate or an Alternative Reference Rate and, in either case, Adjustment Spread is not determined by an Independent Adviser in accordance with the above provisions prior to the relevant IA Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the original Reference Rate and the fallback provisions set out in Condition 5(b)(ii)(B); for the avoidance of doubt, in such circumstances the Rate of Interest for any subsequent Interest Periods shall be subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(viii).

For the purposes of this Condition 5(b)(viii):

Adjustment Spread means either (x) a spread (which may be positive, negative or zero) or (y) a formula or methodology for calculating a spread, which in either case is to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined below); or

(2) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(3) if the Independent Adviser determines that neither (1) nor (2) above applies, the Independent Adviser (in consultation with the Issuer) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as the case may be);

Alternative Reference Rate means the rate that the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component thereof) in respect of bonds denominated in the Specified Currency and with an interest period of a comparable duration to the relevant Interest Period, or, if the Independent Adviser (in consultation with the Issuer) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Issuer) determines in its sole discretion is most comparable to the relevant Reference Rate;

Benchmark Amendments has the meaning given to it in Condition 5(b)(viii)(C);

Benchmark Event means, with respect to a Reference Rate:

(1) the Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or

(2) the later of (A) the making of a public statement by the administrator of such Reference Rate that it will, on or before a specified date, cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate) and (B) the date falling six months prior to the specified date referred to in (2)(A); or

(3) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been permanently or indefinitely discontinued; or

(4) the later of (A) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate will, on or before a

specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (4)(A); or

(5) the later of (A) the making of a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (5)(A);

(6) it has, or will prior to the next Interest Determination Date become unlawful for the Issuer, the Principal Paying Agent, the Calculation Agent, the VPS Account Manager, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest or any Paying Agent to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate; or

(7) the making of a public statement by the supervisor of the administrator of such Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used; or

(8) the later of (1) the making of a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate will, on or before a specified date, no longer be representative of its relevant underlying market and (2) the date falling six months prior to the specified date referred to in (8)(1);

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

Relevant Nominating Body means, in respect of a Reference Rate:

(1) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

Successor Rate means the rate that the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(c) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

6. Payments

(a) *Method of payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland); and

(ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Paying Agents are subject, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

(b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any bearer global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant bearer global Note (against presentation or surrender, as the case may be, of such bearer global Note if the bearer global Note is not intended to be issued in NGN form at the specified office of any Paying Agent). A record of each payment made against presentation or surrender of such bearer global Note, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Note by such Paying Agent to which it was presented (or in the records of Euroclear and

Clearstream, Luxembourg as applicable) and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in paragraph (a) to the persons in whose name such Notes are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar or any Paying Agent.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in paragraph (a) to the person in whose name such Registered Note is registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg (or DTC as applicable) are open for business before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the **Record Date**)) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Notes is required by transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

(e) *Payments in respect of VPS Notes*

Payments of principal and interest in respect of VPS Notes will be made to the Noteholders shown in the records of the VPS in accordance with and subject to the rules and regulations from time to time governing the VPS.

(f) *General provisions applicable to payments*

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of any Bearer Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(g) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Notes in definitive form only, the relevant place of presentation;

(B) each Additional Financial Centre specified in the applicable Final Terms;

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is New Zealand dollars shall be Auckland), or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(h) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) the Make-Whole Redemption Amount(s) (if any) of the Notes;

(vi) the Residual Call Early Redemption Amount (if any) of the Notes; and

(vii) any premium and any other amounts other than interest which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. Redemption and Purchase

(a) *At maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for tax reasons*

Subject to Condition 7(g), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent (or, in the case of VPS Notes, the Trustee and the VPS Account Manager)

and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (i) and, in the case of VPS Notes, the VPS Account Manager, (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent Kingdom of Norway accountants or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate (without further enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (g) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(i) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee and to the Principal Paying Agent or (in the case of a redemption of VPS Notes) the Trustee and the VPS Account Manager;

(which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note, and in accordance with the rules of the VPS, in the case of VPS Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

(d) Make-Whole Redemption

If Make-Whole Redemption is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(i) not less than 30 nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms) to the Noteholders in accordance with Condition 14; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee and to the Principal Paying Agent or (in the case of a redemption of VPS Notes) the Trustee and the VPS Account Manager;

(which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-Whole Redemption Date**)), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Make-Whole Redemption Date and at the Make-Whole Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Make-Whole Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Redeemed Notes will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, and in accordance with the rules of the VPS, in the case of VPS Notes, in each case on a Selection Date not more than 30 days prior to the Make-Whole Redemption Date. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the Make-Whole Redemption Date. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the Make-Whole Redemption Date pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 15 days prior to the Selection Date.

In this Condition 7(d), **Make-Whole Redemption Amount** means (A) the outstanding principal amount of the relevant Note or (B) if higher, the sum, as determined by the Determination Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Make-Whole Redemption Date on an annual basis at the Reference Bond Rate plus the Make-Whole Redemption Margin specified in the applicable Final Terms, where:

CA Selected Bond means a government security or securities (which, if the Specified Currency is euro, will be a German Bundesobligationen) selected by the Determination Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

Determination Agent means an independent investment, merchant or commercial bank or financial institution selected by the Issuer for the purposes of calculating the Make-Whole Redemption Amount, and notified to the Noteholders in accordance with Condition 14;

Reference Bond means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms, provided that if the Determination Agent advises the Issuer that, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, such other central bank or government security as the Determination Agent may, with the advice of Reference Market Makers, determine to be appropriate;

Reference Bond Price means (i) the average of three Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Determination Agent obtains fewer than three, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one

such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

Reference Bond Rate means, with respect to any Make-Whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Bond Rate will be calculated on the Reference Bond Rate Determination Day specified in the applicable Final Terms;

Reference Market Maker Quotations means, with respect to each Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Determination Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Determination Agent at the Quotation Time specified in the applicable Final Terms on the Reference Bond Rate Determination Day specified in the applicable Final Terms; and

Reference Market Makers means three brokers or market makers of securities such as the Reference Bond selected by the Determination Agent or such other three persons operating in the market for securities such as the Reference Bond as are selected by the Determination Agent in consultation with the Issuer.

(e) *Issuer Residual Call*

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 and not more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption) at the Residual Call Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 7(e), the Issuer shall deliver to the Trustee, to make available at its specified office to the Noteholders, a certificate signed by an Authorised Signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued. The Trustee shall be entitled to accept such certificate (without further enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(f) *Redemption at the option of the Noteholders*

(i) Redemption at the option of the Noteholders (other than a Change of Control Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period and not more than the maximum period of notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. Holders of Notes represented by a Global Note or in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC must exercise the right to require redemption of their Notes by giving notice (including all information required in the applicable Put Notice) through Euroclear or Clearstream, Luxembourg or the DTC,

as the case may be (which notice may be in electronic form) in accordance with their standard procedures.

If this Note is a VPS Note, to exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes, must, within the notice period, give notice to the relevant account operator of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

(ii) Change of Control Put

If Change of Control Put is specified in the applicable Final Terms, this Condition 7(f)(ii) shall apply.

(A) If at any time while any Note remains outstanding:

(1) a Change of Control occurs; and

(2) within the Change of Control Period (x) if the Notes are rated with the agreement of the Issuer, a Rating Downgrade in respect of that Change of Control occurs, or (y) if the Notes are not rated, a Negative Rating Event in respect of that Change of Control occurs (in either case, a **Put Event**),

the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes (i) under Condition 7(b) or (ii) pursuant to the provisions of Condition 7(f)(i)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).

(B) A **Change of Control** shall be deemed to have occurred if at any time:

(1) any person or group of persons acting in concert acquires control of at least 50 per cent. of the issued share capital of the Issuer; and

(2) the Kingdom of Norway controls (either directly or indirectly) less than 50.1 per cent. of the issued share capital of the Issuer.

(C) For the purpose of this Condition 7(f)(ii):

acting in concert means acting together for the purpose of exercising joint control over the Issuer;

Change of Control Period means the period commencing on the earlier of (a) the date of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 days after the public announcement of the Change of Control having occurred;

control means the power to direct the management and policies of the Issuer through the ownership of voting capital;

Investment Grade Rating means a rating of at least BBB- (or equivalent thereof) in the case of S&P or a rating of at least BBB- (or equivalent thereof) in the case of Fitch or the equivalent rating in the case of any other Rating Agency;

a **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly confirms in writing that its declining to assign an Investment Grade Rating was the result of the applicable Change of Control;

Optional Redemption Date (Put) means the date which is the seventh day after the last day of the Put Period;

Rating Agency means S&P Global Ratings Europe Limited (**S&P**) and Fitch Ratings Limited (**Fitch**) or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

a **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency at the invitation of the Issuer is (x) withdrawn and not subsequently reinstated within the Change of Control Period, (y) changed from an Investment Grade Rating to a non Investment Grade Rating (for example, from BBB- to BB+ by S&P or Fitch, or its equivalents for the time being, or worse) and not subsequently upgraded to an Investment Grade Rating within the Change of Control Period or (z) (if the rating assigned to the Notes by any Rating Agency at the invitation of the Issuer shall be below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P or Fitch or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result of the applicable Change of Control; and

Relevant Potential Change of Control Announcement means any formal public announcement or statement by or on behalf of the Issuer or any actual or potential bidder or any advisor thereto relating to any potential Change of Control where, within 180 days of the date of such announcement or statement, a Change of Control occurs.

(D) If a Put Event has occurred, the Issuer shall within 21 days of the end of the Change of Control Period give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 7(f)(ii).

(E) To exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7(f)(ii) the holder of that Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Option Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 7(f)(ii) accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Option Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC, to exercise the right to require redemption or, as the case may be, purchase of this Note under this Condition 7(f)(ii), the holder of this Note must, within the Put Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be) (which may include notice being given on their instruction by Euroclear or Clearstream, Luxembourg or any common safekeeper or common depositary for them or DTC or its nominee to such Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or DTC, as applicable, from time to time.

If this Note is a VPS Note, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7(f)(ii), the holder of the VPS Note must, within the Put Period, give notice to the relevant account operator of such exercise in accordance with the standard procedures of the VPS from time to time.

The Paying Agent to which such Note and Put Option Notice are delivered or the Principal Paying Agent, as the case may be, will issue to the holder concerned a non-transferable receipt (a **Put Option Receipt**) in respect of the Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear, Clearstream, Luxembourg or DTC, or a VPS

Note, notice received. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date (Put), unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date (Put) by transfer to that bank account and in every other case on or after the Optional Redemption Date (Put), in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 7(f)(ii).

(F) If 95 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7(f)(ii), the Issuer may, having given not less than 30 days' notice to the Noteholders in accordance with Condition 14, such notice to be given within 30 days after the Optional Redemption Date (Put), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the date of such redemption or purchase (as the case may be). The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption or purchase (as the case may be) (which shall not be more than 60 days after the date of the notice). Upon expiry of such notice, the Issuer will redeem, purchase or procure the purchase of the Notes (as the case may be).

(G) Any Put Option Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg, DTC or the VPS given by a holder of any Note pursuant to this Condition 7(f)(ii) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition.

(g) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the Final Terms, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{\text{y}}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction of the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360 or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(h) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, (in the case of Notes other than VPS Notes) surrendered to any Paying Agent for cancellation or in the case of VPS Notes, cancelled by causing such VPS Notes to be deleted from the records of the VPS.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent or, in the case of VPS Notes, shall be deleted from the records of the VPS, and in each case cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d), (e) or (f) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. Taxation

8.1 *Taxation provisions applicable to Notes other than VPS Notes*

All payments of principal and interest in respect of the Notes (other than VPS Notes) and Coupons and under the Trust Deed by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (**Taxes**) of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes (other than VPS Notes) or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes (other than VPS Notes) or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note (other than a VPS Note) or Coupon:

(i) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note (other than a VPS Note) or Coupon by reason of their having some connection with the Kingdom of Norway other than the mere holding of such Note (other than a VPS Note) or Coupon; or

(ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(g)); or

(iii) on account of any Taxes that are payable pursuant to the Norwegian Tax Act section 10-80 on payments to related companies or undertakings (as such term is defined in the Norwegian Tax Act section 10-82) tax resident in a low-tax jurisdiction (as such term is defined in the Norwegian Tax Act section 10-63).

As used herein **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Trustee or, in the case of VPS Notes, the holders of the VPS Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

8.2 *Taxation provisions applicable to VPS Notes*

All payments of principal and interest in respect of the VPS Notes under the Trust Deed by the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future Taxes of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of VPS Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to (i) any VPS Note in respect of a holder who is liable for such taxes or duties in respect of such VPS Notes by reason of their having some connection with a Tax Jurisdiction other than the mere holding of such VPS Notes; or (ii) on account of any Taxes that are payable pursuant to the Norwegian Tax Act section 10-80 on payments to related companies or undertakings (as such term is defined in the Norwegian Tax Act section 10-82) tax resident in a low-tax jurisdiction (as such term is defined in the Norwegian Tax Act section 10-63).

As used herein **Tax Jurisdiction** means the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax.

9. Prescription

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor, subject to the provisions of Condition 6(b).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. Events of Default and Enforcement

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer) and (e) to (f) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment in the Specified Currency of any principal due in respect of the Notes or any of them and the default continues for a period of 7 days or if default is made in the payment of any interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions of the Notes or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

(c) if any other indebtedness for borrowed money of the Issuer or any Principal Subsidiary becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or any Principal Subsidiary fails to make any payment in respect of any other indebtedness for borrowed money on the due date for payment as extended by any originally applicable grace period or any security given by the Issuer or any Principal Subsidiary for any other indebtedness for

borrowed money becomes enforceable or if default is made by the Issuer or any Principal Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any other indebtedness for borrowed money of any other person, provided that no event shall constitute an Event of Default unless the indebtedness for borrowed money or other relative liability either alone or when aggregated with other indebtedness for borrowed money and/or other liabilities relative to all (if any) other events which shall have occurred and be at the relevant time outstanding shall amount to at least U.S.$30,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Principal Subsidiary save for the purposes of a reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(e) if the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of a reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or the Issuer or any Principal Subsidiary stops or threatens to stop payment of, or is unable to or admits inability to pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against the Issuer or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any Principal Subsidiary or, as the case may be, in relation to the whole or a part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 60 days; or if the Issuer or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

Definitions

For the purposes of these Terms and Conditions:

Principal Subsidiary means, at any time, a subsidiary of the Issuer:

(a) whose gross operating revenues (consolidated in the case of a subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent in each case (or, in the case of a subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated gross operating revenues of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then latest audited consolidated accounts of the Issuer and its subsidiaries, provided that, in the case of a

subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor subsidiary or such transferee subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee subsidiary, generated (or, in the case of the transferee subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, generate gross operating revenues equal to) not less than 10 per cent. of the consolidated gross operating revenues of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross operating revenues equal to) not less than 10 per cent. of the consolidated gross operating revenues of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor subsidiary or such transferee subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

A report by two Authorised Signatories of the Issuer that in their opinion a subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons and Talons) or of the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Principal Paying Agent, Registrar, Exchange Agent, Paying and Transfer Agents and VPS Account Manager

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent, Exchange Agent, Registrar, Transfer Agent, VPS Account Manager or Calculation Agent and/or appoint additional or other Paying Agents, Registrars, Exchange Agents or Transfer Agents, VPS Account Managers or Calculation Agents and/or approve any change in the specified office through which any of the same acts, provided that:

(i) so long as the Notes are listed on any stock exchange, or admitted to listing by any other relevant authority there will at all times be a Paying Agent and, if appropriate, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(ii) there will at all times be a Transfer Agent having a specified office in New York City;

(iii) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;

(iv) there will at all times be a Principal Paying Agent; and

(v) in the case of VPS Notes, there will at all times be a VPS Account Manager authorised to act as an account operating institution with the VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(f). Notice of any variation, termination, appointment or change in the Paying Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. Exchange of Talons

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. Notices

Notices to holders of Registered Notes will be deemed to be validly given if a notice is published in accordance with the second paragraph below and a notice is sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Registrar and will be deemed to have been validly given on the fourth day after the date of such mailing.

All notices regarding the Notes (other than VPS Notes) shall be published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are listed on a stock exchange and/or admitted to trading by any other relevant authority, in a manner which complies with the rules of such exchange and/or other relevant authority. It is expected that such publication will be made in the *Financial Times* in London. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper or where published in such newspapers on different dates, the last date of such first publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC, be substituted for sending by mail and/or publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or DTC for communication by them to the holders of the Notes and, in

addition, for so long as and Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or DTC.

Notices to be given by any holder of the Notes (other than VPS Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

In the case of VPS Notes, notices shall be given in accordance with the procedures of the VPS.

15. Meetings of Noteholders, Modification and Waiver

(a) *Holders of Bearer Notes and/or Registered Notes*

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call or by use of a videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons), the quorum shall be one or more persons holding or representing not less than three quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of all the Noteholders, or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all and Couponholders.

(b) *Holders of VPS Notes*

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call or by use of a videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the VPS Notes or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the VPS Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding a certificate (dated no earlier than 14 days prior to the meeting) from either the VPS or the VPS Account Manager stating that the holder is entered into the records of the VPS as a Noteholder or representing not less than 50 per cent. in nominal amount of the VPS Notes for the time being outstanding and providing an undertaking that no transfers or dealing have taken place or will take place in the relevant VPS Notes until the conclusion of the meeting, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes or the Trust Deed (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than three

quarters in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third in aggregate nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of all the Noteholders, or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

For the purposes of a meeting of Noteholders, the person named in the certificate from the VPS or the VPS Account Manager described above shall be treated as the holder of the VPS Notes specified in such certificate provided that he has given an undertaking not to transfer the VPS Notes so specified (prior to the close of the meeting) and the Trustee shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

(c) *Modification and Waiver*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which in the opinion of the Trustee is proven. Any such modification shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Notwithstanding the above, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(b) without the requirement for the consent and approval of Noteholders or Couponholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

16. Indemnification of the Trustee and Trustee Contracting with the Issuer

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. Governing Law and Submission to Jurisdiction

(a) *Governing law*

The Trust Deed, the Notes and the Coupons, any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons and all rights and duties of the Noteholders, the Couponholders, the Issuer and the Paying Agents are governed by, and shall be construed in accordance with, the laws of England. VPS Notes must comply with the Norwegian Securities Register Act of 15 March 2019 no. 6, as amended from time to time, implementing Regulation (EU) No. 909/2014, and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

(b) *Jurisdiction*

Without prejudice to Condition 19(c), the courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes), and to settle any disputes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes), which may arise out of or in connection with the Trust Deed or the Notes (respectively **Proceedings** and **Disputes**).

(c) *Other jurisdiction*

Condition 19(b) is for the exclusive benefit of the Trustee, the Noteholders and the Couponholders who, to the extent permitted by law, reserve the right to take Proceedings in the courts of any country other than England which may have or claim jurisdiction to the matter and to commence such Proceedings in the courts of any such country or countries concurrently with or in addition to Proceedings in England or without commencing Proceedings in England.

(d) *Appropriate forum*

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

(e) *Process agent*

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the office of Statkraft UK Ltd, which at the date hereof is at 19th Floor, 22 Bishopsgate, London EC2N 4BQ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of the Trustee addressed to the Issuer and delivered to the Issuer, appoint a further person in England approved by the Trustee to accept service of process on its behalf. Nothing in this paragraph shall affect the right of the Trustee or any Noteholder to serve process in any other manner permitted by law.

(f) *Waiver of immunity*

To the extent that the Issuer may in any jurisdiction claim for itself or its respective assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its respective assets or revenues, the Issuer

agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Green Bonds

Where the "Use of Proceeds and Estimated Net Proceeds" item in Part B of the applicable Final Terms for any Tranche of Notes refers to "Green Bonds", an amount equal to the net proceeds from such issue of Notes will be applied by the Issuer to Eligible Projects in accordance with the Issuer's Green Finance Framework, which at such time has been published by the Issuer and made available on the Issuer's website (at https://www.statkraft.com/IR/funding/green-finance-framework/) and which is in effect at the time of issuance of the relevant Notes.

Eligible Projects are projects and activities within the eligible categories and sub-categories set out in the Issuer's Green Finance Framework.

For the avoidance of doubt, other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Offering Circular refers (including the Issuer's Green Finance Framework, any report, assessment, opinion or certification in relation thereto (including any second party opinion) and any public reporting by or on behalf of the Issuer in respect of any application of an amount equal to the net proceeds of any such Notes) will not be incorporated into, and do not form part of, this Offering Circular.

DESCRIPTION OF THE GROUP

Information about the issuer

Introduction

Statkraft AS (**Statkraft**) and its subsidiaries (collectively the **Statkraft Group** or the **Group**) is a leading company in hydropower internationally and one of Europe's largest producers of renewable energy. The Group is one of the largest producers of electricity in the Nordic region. Statkraft produces hydropower, wind power, solar power, gas–fired power and supplies district heating; and is a global player in energy market operations. Outside Europe, Statkraft's activities are concentrated in South America and South Asia.

Statkraft has consolidated installed power generation capacity of 18.7 GW. Hydropower is the dominant source (77.4 per cent. of total capacity), followed by natural gas (12.8 per cent), wind power (9.5 per cent.) and biomass & solar (0.3 per cent.). As of 31 December 2021 66.2 per cent. of the capacity is located in Norway, 9.7 per cent. in the Nordic region outside Norway, 19.1 per cent. in Europe outside the Nordic region and 4.9 per cent. outside Europe. In addition, Statkraft has power generation capacity in partly owned companies that is not included in the consolidated capacity figure above. Statkraft also has consolidated installed district heating capacity in Norway and Sweden of close to 0.9 GW.

Statkraft is a limited liability company, wholly owned by the Kingdom of Norway represented by the Ministry of Trade, Industry and Fisheries (the **Ministry**) through the holding company Statkraft SF.

In the Annual Report 2021 the Group reported an underlying EBIT of NOK 26.8 billion, an increase of approximately 300 per cent. from 2020. The increase was driven by a substantial increase in the Nordic power prices and increased generation from Norwegian hydropower. Profit before tax was NOK 32.7 billion in 2021, with a net profit of NOK 16.1 billion. In 2021 cash flow from operating activities was NOK 26.2 billion. In line with the Ministry's revised expectations set in May 2021, Statkraft will propose a total dividend of NOK 10.2 billion, based on Statkraft's overall results for the year ended 31 December 2021.

In 2021 Statkraft's power generation reached 69.9 TWh (up 7 per cent. from 2020) of which 53 TWh were physical spot sales, 3.5 TWh concessionary sales at statutory prices and 13.4 TWh were sold via long term commercial contracts. 2021 was a year with very high volatility for power and other energy related commodities. Power and fuels markets reached record-high price levels during the year. The average system price in the Nordic region was 62.2 EUR/MWh in 2021, an increase of 471 per cent. year-on-year. The average German spot price was 96.6 EUR/MWh in 2021, an increase of 218 per cent. year-on-year.

At the end of 2021, the Group's equity was NOK 108 billion compared with NOK 98 billion at the end of 2020. This corresponds to 35 per cent. of total assets (compared to 54 per cent. at the end of 2020). The decrease in equity ratio was due to a significant increase in total assets, which increased from NOK 181 billion at the end of 2020 to NOK 310 billion at the end of 2021. The significant increase in total assets are explained by a surge in the value of the Groups derivatives of almost NOK 70 billion following the significant increase of the prices of both power and underlying commodities. Furthermore, the Group's receivables increased by almost NOK 30 billion following working capital movements and the high prices observed in 2021.

At the end of 2021 the Group's net interest-bearing debt amounted to NOK 14.4 billion, resulting in a net interest-bearing debt to equity ratio of 11.8 per cent. At year-end 2021, cash and cash equivalents amounted to NOK 37.2 billion.

Statkraft is registered in the Register of Business Enterprises, Brønnøysund Register Center. Statkraft was incorporated on 25 June 2004 with organisation number 987 059 699. The Head Office address of Statkraft is:

Lilleakerveien 6
0283 Oslo
Norway

Telephone number: +47 24 06 70 00

Statkraft history

Historically, the business of the Group was carried out through a business unit within a governmental directorate; the Norwegian Water Resources and Energy Directorate. Until 1991, there were few commercially operated private companies in the Norwegian electricity sector, which was highly regulated. In 1991, the Energy Act dated 29 June 1990, no. 50 was introduced, which divided the electricity sector into two separate areas; distribution grid infrastructure, with monopoly control, and electricity production and sales, which became fully deregulated. Through the new legislation, a well- functioning domestic – and later Nordic – market for power production and trading was established, giving a framework for a more flexible and efficient utilisation of Norway's hydropower resources.

In order to comply with the new legislation, the business of the former Statkraft was split into two separate companies in 1992, with the state-owned enterprise Statkraft SF assuming responsibility for generation and sales. The distribution grid operations were organised in the state-owned enterprise Statnett SF. Through the establishment of Statkraft SF, the Norwegian Government founded a company with the aim and potential to successfully compete both in the Norwegian and the international electricity markets, with an ambition to further develop and strengthen this important part of Norwegian infrastructure.

Statkraft SF was later reorganised by way of transferring substantially all of the business, assets and liabilities to the Group on 1 October 2004, thus making Statkraft the operating holding company and the financial vehicle of the Group. The Group continues the business activities previously organised under Statkraft SF. All shares in Statkraft are owned by the state-owned enterprise Statkraft SF, which in turn is owned by the Norwegian state through the Ministry.

Statkraft's business has evolved through several stages since 1992. The very first years were characterised by low investment activity and a high focus on market orientation. From 1996 to 2002 the company accomplished a considerable expansion through acquiring stakes in several Norwegian utilities in addition to a large stake in the Swedish utility Sydkraft AB (currently E.ON Sverige AB). At the same time, the arbitrage and trading business was expanded through the establishment of companies in Holland, Germany and Sweden. From 2003 the Group sold out certain Norwegian ownership stakes, while acquiring hydropower generation assets in Sweden and Finland, and constructing wind power generation in Norway and gas-fired generation plants in Norway and Germany. Through an asset swap with E.ON in 2008, Statkraft acquired ownership of a significant portfolio of generation assets in Sweden, Germany and the UK.

In the following years large investment activities were carried out according to Statkraft's strategy for continued growth within renewable energy. The majority of the investments were concentrated on the strategic areas; European flexible generation, hydropower in emerging markets and wind power. In 2010, Statkraft's owner, Statkraft SF, injected NOK 14 billion in new equity to provide support for the company's growth strategy. A further equity strengthening came in 2014 with an injection of NOK 5 billion.

In the period from 2014 to 2016, several wind farms in Sweden and the UK together with hydropower plants in Peru, Turkey and Albania were completed, as well as hydropower and district heating projects in Norway. Statkraft also acquired controlling ownership interests in two companies in Brazil and Chile, respectively. Statkraft freed up capital for investments within renewable energy through sale of Finnish hydropower production, Norwegian small-scale hydropower production and reduced shares in wind farms in the UK. Statkraft strengthened its international position through the restructuring of international hydropower activities and operational integration of the enterprises in South America and South Asia. In Norway, Statkraft, together with TrønderEnergi and the European investor consortium Nordic Wind Power, started the construction of a 1000 MW onshore wind power project, the Fosen project, in Central Norway. In 2017 Statkraft and Norfund swapped shares in their jointly owned assets. Statkraft bought Norfund's 18.1 per cent. shareholding in Statkraft IH Invest and sold its 50 per cent. shareholding in SN Power to Norfund. In 2018, Statkraft completed its exit from offshore wind in the UK in line with its strategy.

After a consolidation period, where Statkraft's project activity level was scaled down for a couple of years and it went through a corporate-wide performance improvement programme to strengthen competitiveness by improving performance and reducing costs, Statkraft entered a new growth phase set out in an updated strategy in 2018. As part of this strategy, Statkraft has made several acquisitions.

In the period from 2018 to 2021, Statkraft acquired eight operational hydropower plants in Brazil with a total installed capacity of 132 MW, and in India, Statkraft acquired the 100 MW Tidong hydropower

project in Himachal Pradesh. Statkraft also acquired the Irish and UK wind power development business of the Element Power Group, including a 1550 MW onshore wind development portfolio in Ireland and the UK. This transaction positions Statkraft as a large onshore wind developer in Ireland.

Statkraft also acquired wind projects in Chile (with a total installed capacity of 102 MW) and Brazil (with a total installed capacity of 664 MW) and solar projects in Ireland (with a total installed capacity of 326 MW), completed the construction of two wind farms in Norway (with a total installed capacity of 382 MW), completed the construction of a wind farm (with a total installed capacity of 23 MW) and battery project in Ireland, acquired a project development company within wind power in the UK and acquired shares in electric vehicle charging companies in Norway and Germany.

Further the Fosen wind projects in Norway were finalised. The six wind farms have an installed capacity of more than 1,000 MW and will generate 3.6 GWh renewable energy annually. The Moglicë hydropower plant in Albania also came into full operation in 2020. Statkraft also acquired the global solar developer SolarCentury; several onshore wind projects in Europe; and 39 operating wind farms in Germany and four in France with a total capacity of 346 MW.

Business overview

Generation and power prices

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

Statkraft's revenues are generated through spot sales, contractual sales to the industry, market activities, grid activities and district heating. In addition, the Group delivers concessionary power. Statkraft's generation revenues are optimised through financial power trading, and the Group engages in energy related trading activities.

Strategic priorities

Optimise and expand hydropower

There is an increasing need for flexibility in the energy market and this provides a unique starting point for a flexible hydropower generator with market expertise. Statkraft will therefore continue to optimise and expand its strong hydropower portfolio.

The Group's Nordic portfolio is an important source of flexible and stable power generation. Given the age of the Nordic hydropower fleet, Statkraft will continue with reinvestments to retain its competitiveness and optimise profitability. Annual reinvestments of around NOK 2 billion are expected for the Group's Norwegian and Swedish hydropower portfolio in the coming years. Statkraft will also focus on optimising, improving, and protecting the value of its hydropower assets outside the Nordics. A considerable share of the generation from Nordic hydropower plants is hedged with long-term power purchase agreements (**PPAs**) with customers. Statkraft will continue to enter into new long term power purchase contracts. In addition to bilateral physical contracts, Statkraft has a financial risk reduction portfolio that enters into financial contracts, normally forwards and futures, in order to hedge prices on a certain volume of future spot sales. Furthermore, Statkraft hedges the generation from its Nordic hydropower plants through a dynamic asset management portfolio reported under its segment Market operations.

Statkraft will seek profitable growth in hydropower through acquisitions/swaps that fit well with the rest of Statkraft's portfolio. The two projects Los Lagos in Chile and Tidong in India, which are currently under construction, are examples of this strategy.

Ramp up wind and solar development

Solar and onshore wind power have become the technologies with the lowest cost, and large growth is expected within these technologies in all countries in which Statkraft operates. Statkraft has a strong starting point with a good track record within wind development and strong competence in securing different types of revenue streams. This has been further reinforced by Statkraft's acquisitions of wind and solar developers over recent years. Statkraft has strong capabilities which enables it to cover the entire lifecycle of both wind and solar assets. These acquisitions have also increased Statkraft's wind and solar pipeline in Europe significantly.

Statkraft will continue to ramp up as a wind and solar asset developer, targeting an annual run-rate of developed capacity of 2.5 to 3 GW by 2025. Statkraft will take on a developer role and will decide to keep or divest the solar and wind farms before, at the time of or shortly after completion based on market conditions. Leveraging its unique market operation capabilities, Statkraft will seek to secure revenues through auctions and PPAs.

Furthermore, Statkraft will build on its competencies in respect of battery and grid stability services to respond to the growing need for flexible storage solutions.

Statkraft has signed two cooperation agreements in 2021 positioning Statkraft as a developer of both bottom-fixed and floating offshore wind on the Norwegian continental shelf. Statkraft wishes to take a role in the development of offshore wind in Norway and sees this as an opportunity to use existing competencies in relation to wind development, market knowledge and O&M experience, to further expand renewable energy generation in the Nordic market.

Grow customer business

The complexity of the energy market is increasing, and customers are taking a stronger interest in renewable energy. Statkraft's customer business is founded on market leading energy management and hedging of revenues from its own assets. Statkraft supplies industrial and commercial consumers with power from own- and third-party assets, matching their individual needs, managing their risk profile and helping them become carbon-neutral. Statkraft's ambition is to become a leading provider of market solutions for renewable energy.

Within market activities, Statkraft will further strengthen its industry leading role in PPAs, market access solutions and trading. Statkraft will aim to grow its customer business by expanding products and services and ramp up market solutions for Statkraft's assets, external power producers and its customers.

District heating based on renewable energy can contribute to the decarbonisation of heating and cooling in Europe. Statkraft's district heating business amounts to an annual production of around 1 TWh of heating and is well-positioned with good profitability. Statkraft will continue to strengthen its core business and implement new growth initiatives, aiming to be among the top three most profitable and customer-oriented players in Norway and Sweden.

Develop new business

Norway and Europe are early movers in electrification and other ways to reduce carbon emissions outside the power sector. This gives Statkraft testing ground and learnings on new business opportunities. From these, Statkraft aims to create new profitable growth opportunities with international potential.

Currently, the main initiatives are to:

- Develop the Mer EV-charging business into a North-European market leader with attractive services for fast- and slow-charging along roads, at destinations, such as offices, apartments and homes, and explore adjacent energy services.
- Develop attractive sites for data centres and other power-intensive industries in Norway and provide them with wider energy management services.
- Develop biodiesel production from wood residue feedstock through a joint venture with Södra.
- Produce hydrogen from water electrolysis for use in industry and transport. Statkraft is working on several leads including, among others, partnerships with Mo Industripark and Celsa.

Moreover, Statkraft is continuously screening new opportunities where its existing capabilities and portfolios can give a competitive advantage.

Statkraft's ambition for 2025

Statkraft aspires to be a leading renewable company in 2025, with sustainable, ethical and safe operations. The aim is to be:

- The largest hydropower company in Europe and a significant player in South America and India.
- A major wind and solar developer with an annual run-rate of 2.5-3 GW developed capacity.
- A leading provider of market solutions for renewable energy.

- A developer of new businesses from the green transition, by having an industrial position in green hydrogen, continuing to grow Mer's EV charging business and maturing additional green business initiatives.
- One of the top three most profitable and customer-oriented district heating players in Norway and Sweden.

Investments

Statkraft has an ambitious growth strategy within renewable energy which requires significant investments in the coming years. Although Statkraft manages its exposure to the Nordic markets actively through several strategies, the available investment capacity will always be impacted to a certain degree by major movements in power prices. After a year which saw a severe drop in Nordic power prices in 2020, resulting in reduced investment capacity, 2021 saw power prices at historic high levels which has helped restore and strengthen Statkraft's investment capacity.

The Group is now planning annual net investments of more than NOK 13 billion (an increase from the previous target of around NOK 10 billion) in renewable energy towards 2025, which takes into account Statkraft's increased financial capacity and target credit rating. The pace and total amount of investments in the strategic period will depend on market opportunities and market development and will be adapted to safeguard Statkraft's credit rating.

About 30 per cent. of the net investments until 2023 are planned in the Nordics, 30 per cent. is planned in markets outside Europe and about 40 per cent. is planned in Europe (excluding the Nordics). This geographical diversification of the investments is expected to continue in the following years as well. Of the gross investments, the European share is even higher, as divesting developed wind and solar projects will recycle significant amounts of capital. There will also be substantial growth in other markets where Statkraft is already present, like South America and India.

The investment programme will be financed through retained earnings from existing and future operations, external financing and divestments of some of the completed solar and wind projects. The investment programme has a large degree of flexibility and will be adapted to Statkraft's financial capacity, rating target and market opportunities.

Sustainability

Statkraft aims to be a leading renewables company by 2025. A clear business strategy has been developed to achieve this. One of the enablers of the strategy is the way in which Statkraft operates as a company. This is reflected in Statkraft's commitment to sustainability and responsible business practices. Through its activities, Statkraft aims to create value for society, the environment and the company. Statkraft recognises the importance of businesses in contributing to the realisation of the UN Sustainable Development Goals (**SDGs**), and therefore Statkraft places special focus on seven SDGs. These are goals which we are well-positioned to contribute to, or which Statkraft believes are particularly important to address. Statkraft's overarching ambition is to contribute to combating climate change (SDG 13).

Statkraft is committed to combatting climate change through its core business, providing renewable energy from hydropower, wind and solar, and exploring new energy solutions. Equally important is the way Statkraft does business, understanding its impacts – positive and negative – on people, the environment, and the societies where Statkraft operates. This is reflected in a strong health and safety culture, a focus on diversity and inclusion, high ethical standards, and zero tolerance for corruption. Statkraft also continuously works to understand and address environmental and human rights risks and impacts.

Statkraft's core business and strategy represent a significant positive contribution to climate change mitigation, which the company aims at maximising through its 2025 growth targets. As an overall climate ambition, Statkraft is committed to a power sector pathway compatible with a 1.5-degree global warming target, and carbon neutrality by 2040. A set of climate targets has been established to achieve this.

Organisational structure

Organisation

Statkraft is organised through a state enterprise, Statkraft SF. The activity in Statkraft SF is, for all practical purposes, restricted to owning all shares in Statkraft. Statkraft SF and Statkraft have an identical board of directors and management. Statkraft is the parent company for an underlying Group structure.

Segments

Statkraft is organised into four business areas and two corporate staff areas. The business areas are Production and industrial ownership, International power, European wind and solar, and Markets and IT. The staff areas are Corporate staff and Chief financial officer. All business areas and staff areas are headed by an Executive Vice President. The Chief Executive Officer and the Executive Vice Presidents form the Corporate Management.

The Group's reportable segments are organised in accordance with how the Chief Executive Officer makes, follows up and evaluates his decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the Corporate Management Team and used as a basis for resource allocation and key performance review.

The reportable segments are defined as European flexible generation, Market operations, International power, European wind and solar, District heating and Industrial ownership. In addition, the Group reports Other activities and Group items. Other activities include cost related to governance of the Group, new business within biomass and electric vehicle charging as well as venture capital investments. Unallocated assets are also reported as Other activities. Group items include eliminations.

European flexible generation

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

European flexible generation is the largest segment in the Statkraft Group, measured in terms of installed capacity, fixed assets, net operating revenues and results. The assets are mainly flexible with the main part of the capacity related to hydropower in Norway and Sweden. Most of the segment's revenues stem from sales in the spot market and from long-term contracts. The segment also delivers concessionary power. The long-term contracts have a stabilising effect on the Group's revenues and profit over time.

European flexible generation owns and operates the Group's portfolio of flexible assets in Europe. Multi-year reservoirs in Norway and the flexibility of its power plants enable optimisation of its power generation based on the hydrological situation and the power prices. In addition, the optimisation balances availability, reinvestments and maintenance costs for the Group's assets.

Market operations

Market operations consists of both risk reducing activities on behalf of the European flexible assets and Trading & Origination activities.

Statkraft incorporates market analysis, portfolio analysis and financial operations in a dynamic hedging approach for Statkraft's European flexible power generation assets in the Nordics and in the rest of Europe. Positions are taken based on fundamental analysis and aim at reducing risk and optimising revenues for the Nordic and its other European assets. Mandates to enter into financial contracts are based on volume thresholds related to available generation. Statkraft has two dynamic asset management portfolios, one for the Nordic flexible assets and one for its other European flexible assets.

Statkraft has trading and origination business activities in several countries in Europe and is also active in Brazil, India and the U.S. Trading and origination generates profit from changes in the market value of energy and energy-related products. Statkraft buys and sells both standard and structured products. Statkraft further provides market access services for third parties. The main activities within the segment are:

- Proprietary trading of standard energy and energy-related products, mainly via exchanges.
- Origination and hedging services for generators (upstream PPAs) and power supply for consumers (downstream PPAs) as well as sourcing and supply of environmental certificates.
- Provide market access to external generators of renewable energy with the aim to optimise revenues for intermittent and flexible assets owned by third parties.

Statkraft has an ambition to be a leading provider of market solutions for renewable energy for both producers and consumers. To achieve this, Statkraft's target is to expand its trading of energy products and significantly increase its volumes in upstream PPAs and structured green energy supplies by 2025.

International power

International power includes development, asset ownership and operations of renewable assets in emerging markets. The segment currently operates in Brazil, Chile, Peru, India, Nepal, Albania and Turkey. International power operates in growth markets with an increasing need for more energy. Statkraft is focusing on selected markets where the company can add value in a clear industrial role. Some of the investments are made in collaboration with local partners or international investors. The segment's revenue stems from power sales, mainly on long-term contracts. Asset sales are evaluated on a case by case basis.

The primary strategy for International power is to develop new generation capacity and integrate it into the existing operational portfolio to achieve efficient management, operations, and route to market. International power has a sizeable pipeline of investment opportunities.

European wind and solar

European wind and solar includes development and construction of onshore wind and solar power plants with the intention to divest the plants (Develop-Sell/Develop-Build-Sell business model (**DS/DBS**)). The segment has development and construction activities in several countries in Europe. The segment also includes asset ownership and operation of wind farms in Norway, Sweden, Ireland, Germany and France, as well as development and construction of grid service assets in the UK and Ireland. The segment's revenues come from power sales, support schemes and gains from divestments.

In addition to the business model where Statkraft builds, owns and operates (**BOO**) wind farms, the segment has a large portfolio of projects, both in the development phase and in the construction phase. These projects follow the DS/DBS business model, where the aim is to develop and construct onshore wind and solar power plants with the intention to divest the power plants either before, at the time of, or shortly after completion. For some of the divested assets Statkraft will deliver asset management as well as operation and maintenance services to the asset owner.

District heating

Statkraft owns and operates 13 facilities and concessions divided in two sub-areas, Trondheim and Bio Norden. Trondheim is based on a waste-to-energy plant at Heimdal in Trondheim with mainly electricity and gas plants to cover peak load. Bio Norden consists of twelve plants in different locations in Norway and Sweden, all based on biomass with some bio-oil and electricity for peak load. District heating has a distribution grid of approximately 500 km, 40,000 end-users and the segment delivers 1.1 TWh of heating and cooling.

Statkraft's district heating activities include the full value chain, from sourcing and production to end-user sales of heating and cooling.

Industrial ownership

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

The segment's revenues primarily come from power generation, distribution grid and district heating. In addition, Agder Energi AS has a significant power sales and energy service business and Eviny AS has operations in infrastructure services. All companies are actively working on solutions to develop environmentally friendly energy and infrastructure solutions and contribute to the transition to electrification.

As an owner, Statkraft focuses on optimising the industrial development of Skagerak Energi AS, Eviny AS and Agder Energi AS to increase the shareholder value and each company's competitive position. The work is founded on Statkraft's ownership strategy, which has clear views on the development of each business as well as structural development of the industry. Statkraft aims to maintain good relations with its co-shareholders and to contribute to professional board work in each of the companies.

Other Activities

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

Administrative, management and supervisory bodies

Board of Directors

The board of directors is elected for a term of two years and must, according to Statkraft's articles of association, consist of a minimum of seven and a maximum of nine members. Currently, Statkraft's board has nine directors, of which six are shareholder representatives selected by the Ministry of Trade, Industry and Fisheries. The composition of the board aims at achieving continuity and diversity with respect to industrial understanding, professional background, geographical representation, gender, independence and impartiality. In agreement with employee representatives, the company has no Corporate Assembly. Three of the sitting board's nine members have been elected by and among the Group's employees.

The board has the ultimate responsibility for the performance of the company. The board shall ensure that the business is run in accordance with the company's objectives, Articles of Association and the guidelines established by the general meeting and ensure that it is adequately organised to meet its obligations. The board shall keep itself informed of the company's financial position and ensure that the company's activities, financial statements and asset management are subject to satisfactory controls. This also involves supervising management's day-to-day operation of the company and its business activities in general. The board must issue the necessary guidelines with respect to the business and its management, and must approve the company's strategy, financial plans and annual results. The board has drawn up a mandate which provides guidelines for the board's working practices and decision-making procedures. This mandate also defines the chief executive's duties and obligations at large and in relation to the board. The board evaluates its performance and its competence on an annual basis.

Statkraft's principles for corporate governance clarify the relative roles of Statkraft's owner, board of directors and management. Two board committees have been set up; an audit committee and a compensation committee.

Thorhild Widvey, Chair

Born: 1956.

Experience: Minister of Culture in Norway. Minister of Petroleum and Energy in Norway. The Norwegian Ministry of Foreign Affairs as state secretary. The Norwegian Minister of Fisheries as state secretary.

Education: BI Norwegian Business School.

Board member since: 2016. Chair of the Compensation Committee.

Other directorships: Chair at Vår Energi ASA, Antidoping Norway, Concert Hall Stavanger and Bergen International Festival. Deputy chair at Åkrafjordtunet AS and Stiftelsen Offshore Northern Seas. Board member at Aker Solutions ASA and Solstad Offshore ASA.

Peter Mellbye, vice-chair

Born: 1949.

Experience: EVP Statoil. Norwegian Export Council and various positions within Norwegian Ministry of Trade and Commerce.

Education: Master of Political Science.

Board member since: 2016. Member of the Compensation Committee.

Other directorships: Chair at Wellesley Petroleum AS, Otovo AS and Westgass Hydrogen AS. Board member at Technip FMC, Competentia, Green Lng Services AS and Resoptima AS.

Mikael Lundin

Born: 1966.

Experience: CEO Polhem Infra, CEO Nordpool, CEO Vattenfall Power, CFO Vattenfall Poland, CFO Vattenfall Europe Trading and Director Birka Kraft.

Education: Business Administration degree from Handelshögskolan in Stockholm.

Board member since: 2018. Member of the Audit Committee.

Other directorships: Board member at Telia Carrier.

Bengt Ekenstierna

Born: 1953.

Experience: Senior Advisor in infrastructure business/project at Beken Management Consulting AB (present), Several CEO positions within Sydkraft and E.ON Group.

Education: Master of Science, Lund University of Technology.

Board member since: 2016.

Ingelise Arntsen

Born: 1966.

Experience: EVP Aibel, CEO Sway Turbine, EVP Statkraft, Business Consulting Arthur Andersen and Bearing Point, CEO Sogn and Fjordane Energiverk and CFO Kværner Fjellstrand.

Education: Bachelor of Science, Economics degree.

Board member since: 2017. Chair of the Audit Committee.

Other directorships: Chair of Asplan Viak AS. Board member at Fred. Olsen Windcarrier ASA, Export Finance Norway, Beerenberg AS, Beerenberg Services AS, Beerenberg Services AS, Corvus Energy and SBM Offshore N.V.

Marit Salte

Born: 1970.

Experience: Chief Financial Officer of Smedvig Family Office (present).

Education: Master of Science from The Norwegian School of Economics and Business Administration (NHH).

Board member since: 2020. Member of the Audit Committee.

Other directorships: Board member at Cercare Medical A/S, Your M.D AS, Nordic Edge AS, Filia AS, Avocet AS, Mesna Senter AS, Innovasjonsparken AS, Holmegenes AS, Joltama AS and Janus AS. Advisory board member at Sparebankstiftelsen and various subsidiaries in the Smedvig Family Office.

Vilde Eriksen Bjerknes (employee representative)

Born: 1975.

Position: Head advisor – improvement projects.

Education: Master in Environmental Management, from the Norwegian University of Life Sciences (UMB).

Board member since: 2014.

Other directorships: Chair of Enebakk Arbeiderparti.

Asbjørn Sevlejordet (employee representative)

Born: 1960.

Position: Head union representative, Mechanical maintenance worker.

Education: Mechanical technician.

Board member since: 2014. Member of the Compensation Committee.

Other directorships: Board member at EL og IT Forbundet Buskerud.

Thorbjørn Holøs (employee representative)

Born: 1957.

Position: Head union representative, Skagerak Energi AS.

Education: Energy technician.

Board member since: 2002, member of Statkraft's Audit Committee.

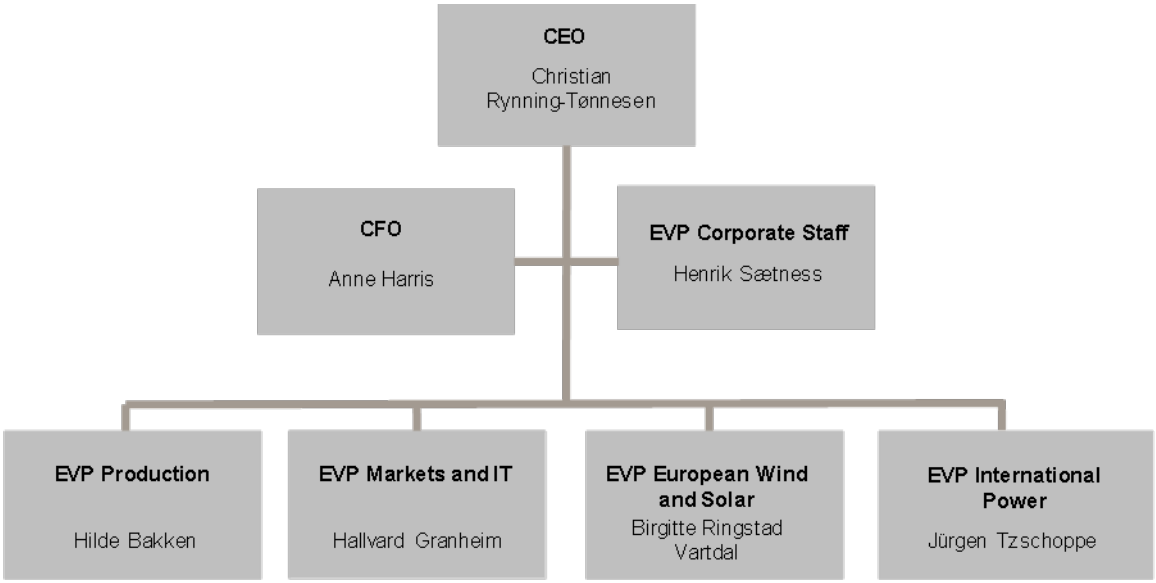
Other directorships: Chair of EL og IT Forbundet Vestfold/Telemark.

The business address of each member of the Issuer's Board of Directors is Lilleakerveien 6, 0283 Oslo, Norway.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors and their duties to the Issuer.

Management

The Statkraft Group is managed by the President and CEO and a group of executive vice presidents constituting the Corporate Management Team. The operating activities are managed by separate Business Units and Support Units constituting the Management Team. Each Business and Support Team has clear performance targets and reports to the Executive Management Team.



Christian Rynning-Tønnesen

Born: 1959

Position: President and CEO Statkraft AS and Statkraft SF.

Education: Master of science in Engineering from the Norwegian University of Science and Technology (**NTNU**). Trondheim Norwegian Army officer education.

Background: CFO and CEO of Norske Skog, CFO and other executive positions within Statkraft and a consultant at McKinsey.

Joined Statkraft: 2010 (as CEO).

Directorships (external): Chair of Vcom AS and Lørn AS. Board member of Rederiaksjeselskapet Torvald Klaveness.

Hilde Bakken

Born: 1966

Position: Executive Vice President Production & Industrial Ownership.

Education: Master of science in Petroleum Engineering, Norwegian University of Science and Technology (NTNU) and TU Delft.

Background: Various management and engineering positions in Norsk Hydro. Positions as chief of staff and various positions within the Generation and Market business in Statkraft.

Joined Statkraft: 2000.

Directorships (external): Chair: Skagerak Energi AS. Board member at Agder Energi AS.

Birgitte Ringstad Vartdal

Born: 1977

Position: Executive Vice President European Wind and Solar.

Education: Master of Science in Physics and Mathematics from the Norwegian University of Science and Technology (NTNU) and a Master of Science in Financial Mathematics from Heriot-Watt University in Edinburgh.

Background: CEO and CFO of Golden Ocean, various positions in Torvald Klaveness Group and Norsk Hydro.

Joined Statkraft: 2020

Directorships (external): Chair at Silva Green Fuel DA and Fosen Vind DA. Board member at Yara International ASA.

Anne Harris

Born: 1960

Position: Chief Financial Officer.

Education: Degree in economics from BI Norwegian Business School.

Background: CFO in Multiconsult, Acting CEO and CFO in Entra Eiendom, EVP HR and Organization and SVP Corporate Financial Reporting and Performance in Norsk Hydro.

Joined Statkraft: 2019

Directorships (external): Board member at COWI and Aker Biomarine ASA.

Henrik Sætness

Born: 1972

Position: Executive Vice President Corporate Staff.

Education: Master of Science in Industrial Economics from The Norwegian University of Science and Technology (NTNU).

Background: SVP Corporate Strategy & Analysis and SVP Strategy and Development Markets in Statkraft. EVP Products and Consulting in Navita and various positions within energy Trading and Origination in Norsk Hydro.

Joined Statkraft: 2009

Directorships (external): Chair at FME NTRANS. Board member at Eviny AS, Energi Norge and Oslo Energy Forum.

Jürgen Tzschoppe

Born: 1968

Position: Executive Vice President International Power.

Education: PhD. in electrical engineering from Aachen University of Technology.

Background: EVP Market operations and IT and SVP Continental Energy in Statkraft. MD Statkraft Markets, GmbH and Knapsack Power GmbH & Co.KG. Power Trading Europe Associate in Enron and Chief Engineer at IAEW Aachen.

Joined Statkraft: 2002

Directorships (external): Board member at Deutsch Norwegische Handelskammer.

Hallvard Granheim

Born: 1976

Position: Executive Vice President Market Operations and IT.

Education: Master of business Administration from the Norwegian School of Economics and Business Administration (NHH).

Background: EVP and CFO, SVP Financial Reporting, Accounting and Tax in Statkraft. Director, Advisory and Auditor in Deloitte. VP Energy Sourcing and Trading in Norske Skog.

Joined Statkraft: 2012

The business address of each member of the Issuer's Executive Management Team is Lilleakerveien 6, 0283 Oslo, Norway.

There are no potential conflicts of interest between the private interests or other duties of the members of the Executive Management Team and their duties to the Issuer.

Chief executive officer

The chief executive officer of Statkraft is appointed by the board of directors. The chief executive officer is responsible for the day-to-day operation of the company, including its asset management and consolidated financial results. The chief executive officer is responsible for the organisation of the Statkraft Group, however, material or principle changes shall be presented to the board for approval prior to implementation. The board evaluates the chief executive's performance and competence on an annual basis.

Governing bodies

The Kingdom of Norway, embodied in the Ministry of Trade, Industry and Fisheries, exercises its shareholder's rights through Statkraft SF's corporate meetings. Statkraft SF exercises its shareholder's rights through Statkraft's general meetings, but votes in accordance with the instructions given by Statkraft SF's corporate meetings. The chair of Statkraft SF's board of directors and the company's other directors hold the same positions in Statkraft. The two companies' boards of directors are therefore identical.

Corporate Audit

Statkraft's Corporate Audit is an independent function that reports to the Board of Directors and the Audit Committee and which assists the Board of Directors and management in assessing whether the Group's most significant risks are sufficiently managed and controlled. The purpose of Corporate Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight related to the organisation's governance, risk management and internal control. Internal audits are conducted according to an annual plan. The audit work is to be carried out in accordance with the International Standards for Internal Auditing (IIA). The annual corporate audit report is submitted to the Board of Directors, which also approves the audit plan for the coming year. Corporate Audit also presents a semi-annual report to the Audit Committee. The implementation of Corporate Audit recommendations is regularly followed up.

The Head of Corporate Audit is responsible for Statkraft`s system for reporting of concerns related to unethical or illegal matters. All reported concerns in Statkraft are to be addressed to Corporate Audit, who determines their follow-up. In cases where an investigation is required, this is the responsibility of the Head of Corporate Audit. Corporate Audit is authorised full, free, and unrestricted access to any of Statkraft's records, physical properties and personnel for the purposes of carrying out its work. All employees are requested to assist Corporate Audit in fulfilling its roles and responsibilities. The Head of Corporate Audit has free and unrestricted access to the Board of Directors and the Audit Committee. The Audit Committee and Corporate Audit hold a minimum of one meeting per year without anyone from the Group's administration being present.

Governance

Through its management system, “The Statkraft Way”, Statkraft embeds its sustainability approach into its processes. The system sets the direction of Statkraft’s work, and it is reviewed and updated as laws, expectations and challenges evolve.

Statkraft’s Code of Conduct, approved by the Board of Directors, outlines Statkraft’s fundamental principles for responsible behaviour. These principles are further described in the policies and governing documents in Statkraft’s management system. They cover Statkraft’s key activities, including acquisition and construction projects. The Code of Conduct applies to Statkraft’s employees and all the companies in the Statkraft Group. When it comes to Statkraft’s business partners and suppliers, they are expected to adhere to Statkraft’s Supplier Code of Conduct.

We have a system for registration and follow-up of non-compliance with external and internal requirements. It facilitates handling of cases, analysis of incidents, identification of improvements, and subsequent learning across the Group.

Statkraft’s work is guided by relevant international frameworks and guidelines, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Statkraft complies with relevant EU Directives for its European activities and with IFC Performance Standards for its international investments.

Statkraft’s Key Performance Indicators (**KPIs**) include sustainability topics, such as health and safety, business ethics and the environment. Group KPIs are regularly reviewed by Corporate Management and the Board of Directors as part of the corporate performance reporting process. Sustainability topics are also included in Corporate Audit’s annual plan and work.

Auditor

The Board of Directors and Statkraft’s auditor hold at least one meeting annually where the president and CEO and other Group executives are not present. The Audit Committee evaluates the external auditor’s independence and reviews the overall use of the external auditors for consultancy purposes.

As part of the ordinary audit, the auditor presents an audit plan to the Audit Committee and a summary of the audit upon completion. The auditor reports in writing to the Audit Committee concerning the company's internal control, applied accounting principles, significant estimates in the accounts and any disagreements between the auditor and Corporate Management. The Board of Directors is briefed on the highlights of the auditor's reporting. At the end of the audit, the auditor performs a summary meeting with the Audit Committee.

The Group’s management system

Statkraft's management system, "The Statkraft Way", defines the Group's principles and ensures a sound control environment for fulfilling the management's goals and intentions. The Statkraft Way is based on ISO principles for quality and environmental management systems.

Performance management

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

Risk management

Risk management is an integrated part of Statkraft’s governance model. The Group has a risk-based approach to target setting, prioritisations and follow-up of the business and staff areas. Day to day risk management is a line responsibility. The Group's overall risks are reviewed and followed up by Corporate Management and are reported to the Board of Directors. Statkraft performs a detailed quality assessment prior to investments, sales and acquisitions.

Major shareholders

Statkraft’s share capital totals NOK 33.6 billion, divided among 200 million shares of NOK 168 each. The shares can only be owned by Statkraft SF.

The Ministry’s dividend expectations is that Statkraft pays a dividend of 85 per cent. of realised profit from Norwegian hydropower and 25 per cent. of realised profit from other business activities. Realised

profit is the profit before tax, less payable taxes and adjusted for unrealised effects and minority interests. Dividends received from equity accounted investments are included in realised profits. The Norwegian hydropower business is defined in the notes to Statkraft's consolidated financial statements.

Financial information

Key figures segment

(for the financial year ended 31 December 2021)

The key figures below have been extracted from the financial statements, divided by segment. The figures presented below are the figures included in Statkraft's audited consolidated and non-consolidated financial statements for the year ended 31 December 2021. Segment reporting is based on underlying figures. Segment assets do not include deferred tax assets, prepaid income taxes, foreign exchange and interest derivatives, accrued interests, current interest-bearing receivables (except loans to equity accounted investments), current financial investments and cash and cash equivalents.

Accounting specification per segment

Segments NOK million	Statkraft AS Group	European flexible generation	Market operations	Inter-national power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
2021									
Gross operating revenues and other income, external	**83,440**	39,194	32,849	2,453	840	1,041	6,543	532	-12
Gross operating revenues and other income, internal	**-**	532	-466	135	1,401	4	96	1,394	-3,096
Gross operating revenues and other income underlying	**83,440**	39,727	32,383	2,588	2,240	1,045	6,638	1,926	-3,108
Net operating revenues and other income underlying	**41,749**	33,899	-2,343	1,632	1,703	716	6,053	1,677	-1,587
Operating profit/loss (EBIT) underlying	**26,792**	27,557	-4,348	-45	-164	208	4,337	-825	72
Unrealised value changes from embedded euro derivatives	**-1,285**	-1,285	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	**817**	-	-	-4	821	-	-	-	-
Impairments/reversal of impairments	**3,403**	1,020	-	-79	2,466	-4	-	-	-
Operating profit/loss (EBIT) IFRS	**29,727**	27,291	-4,348	-128	3,123	204	4,337	-825	72
Share of profit/loss in equity accounted investments	**1,686**	-	-	553	3	-	1,227	-97	-
Assets and capital employed 31.12.21									
Property, plant and equipment and intangible assets	**120,633**	61,416	135	24,711	11,650	3,512	17,213	1,996	-
Equity accounted investments	**14,771**	-	-	2,828	818	-	11,066	84	-25
Loans to equity accounted investments	**1,459**	-	-	1,013	391	-	55	-	-
Inventories (DS/DBS)	**2,965**	-	-	-	2,965	-	-	-	-
Other assets	**170,176**	5,236	97,594	3,364	180	348	1,461	61,793	200
Total assets	**310,004**	66,653	97,728	31,916	16,003	3,860	29,796	63,873	175
Capital employed	**123,598**	61,416	135	24,711	14,615	3,512	17,213	1,996	-
Average capital employed (rolling 12 months)	**119,422**	60,949	n/a	23,685	12,325	3,542	16,959	n/a	n/a
Return on average capital employed (ROACE)	**22.4%**	45.2%	n/a	-0.2%	-1.3%	5.9%	25.6%	n/a	n/a
Return on average equity accounted investment (ROAE)	**12.1%**	n/a	n/a	22.1%	0.4%	n/a	11.6%	n/a	n/a
Depreciations, amortisations and impairments	**-710**	-954	-32	-733	1,990	-198	-531	-253	-
Investments in new capacity	**2,271**	228	-	1,925	38	-	80	-	-
Maintenance investments	**2,534**	2,117	1	149	25	10	233	-	-
Other investments	**3,028**	105	22	233	1,259	180	690	539	-
Investments in PPE and intangible assets	**7,833**	2,450	23	2,307	1,322	190	1,003	539	-
Investments in new capacity for subsequent divestment (DS/DBS)	**1,892**	-	-	-	1,892	-	-	-	-
Investments in shareholdings, consolidated	**2,033**	-	-	-	1,762	-	75	195	-
Investments in shareholdings, equity accounted	**10**	-	-	-	-	-	10	-	-
Investments in shareholdings, financial non-current	**99**	-	-	-	-	-	8	91	-
Investments in shareholdings	**2,142**	-	-	-	1,762	-	93	286	-
Total investments	**11,867**	2,450	23	2,307	4,976	190	1,096	825	-

European flexible generation

Important events in 2021:

- Statkraft signed an extended power contract with Boliden Odda. The contract includes deliveries of 1.6 TWh per year for a duration of 15 years. Statkraft has also entered into several new long-term power contracts for the coming years with a volume of approximately 3.1 TWh in total.
- Statkraft made an investment decision for the rehabilitation of Nesjødammen in Norway. Estimated investment is NOK 436 million.
- Changes in market outlook led to reversals of the previous year's impairments for German gas-fired power plants of NOK 1 billion.

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	39,727	14,342
Net operating revenues and other income	33,899	11,401
Operating expenses	-6,343	-6,407
Operating profit (EBIT) underlying	27,557	4,995
Unrealised value changes from embedded EUR derivatives	-1,285	339
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	1,020	1,708
Operating profit (EBIT) IFRS	27,291	7,041
Share of profit/loss in equity accounted investments	-	16
ROACE (%)	45.2	8.3
ROAE (%)	n/a	n/a
Maintenance investments and other investments	2,222	1,695
Investments in new capacity	228	185
Investments in shareholdings	-	-
Generation (TWh)	55.0	50.4

The increase in net operating revenues and other income was mainly due to high Nordic power prices and high Norwegian hydropower generation. In addition, the contribution from the subsea interconnector between Sweden and Germany increased as a result of a higher spread between German and South-Swedish power prices. The strong increase in underlying EBIT was reflected in the return on average capital employed (**ROACE**). The average capital employed was on par with 2020. The investments were primarily related to maintenance of Nordic hydropower assets.

Market operations

Important events in 2021:

- Low renewable energy production and high fuel prices in Europe have existed throughout the second half of 2021. These conditions led to an increase in commodity prices with extreme volatility, resulting in record-high prices in the power and fuels markets.
- Statkraft signed 194 new short-term fixed price PPAs in Germany, as more EEG customers seek to benefit from the continuous high-power prices in Germany. Total installed capacity for these contracts is 2469 MW with an expected annual generation of 3.4 TWh.
- Statkraft signed three 10-year PPAs for purchasing power from solar projects owned by Foresight Solar Fund in Spain. The total installed capacity of the three projects is 99 MW, with an estimated annual generation of 127 GWh.
- Statkraft signed a 10-year power supply agreement with Neste in Finland, with an estimated volume of 215 GWh per year.

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	32,383	17,980
Net operating revenues and other income	-2,343	4,304
Operating expenses	-2,005	-1,777
Operating profit (EBIT) underlying	-4,348	2,527
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-	-
Operating profit (EBIT) IFRS	-4,348	2,527
Share of profit/loss in equity accounted investments	-	1
ROACE (%)	n/a	n/a
ROAE (%)	n/a	n/a
Maintenance investments and other investments	23	13
Investments in new capacity	-	-
Investments in shareholdings	-	-
Generation (TWh)	n/a	n/a

The decrease in underlying EBIT was driven by record-high prices for power and other power-related commodities and high volatility in the forward markets. These price movements led to a negative underlying EBIT from the segment. Dynamic asset management ended with a negative EBIT of NOK 5,485 million compared with a positive EBIT of NOK 757 million in 2020. The negative result was a consequence of the high energy prices and the volatile market. The dynamic asset management portfolios were affected negatively as they, in addition to the optimisation of revenues, are risk-reducing portfolios for Statkraft's flexible assets in Europe. Trading & Origination had a positive EBIT of NOK 1,137 million compared with NOK 1,770 million in 2020. The segment's operating expenses increased, primarily due to higher salary and payroll costs.

International power

Important events in 2021:

- Investment decisions were made for wind projects Torsa (108 MW) in Chile and Morro do Cruzeiro (80 MW) in Brazil, as well as for the Nellai solar power project in India (76 MW).
- Statkraft entered into new power sales agreements in Albania, Brazil, Chile, India and Peru. The annual volume for these contracts is approximately 0.8 TWh.
- Net impairment reversal of NOK 393 million related to three hydropower plants in Asia were recognised.

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	2,588	2,902
Net operating revenues and other income	1,632	2,314
Operating expenses	-1,677	-1,909
Operating profit (EBIT) underlying	-45	405
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-4	119
Impairments/reversal of impairments	-79	45
Operating profit (EBIT) IFRS	-128	569
Share of profit/loss in equity accounted investments	553	-539
ROACE (%)	-0.2	1.6
ROAE (%)	22.1	-19.8
Maintenance investments and other investments	382	179
Investments in new capacity	1,925	1,064
Investments in shareholdings	-	43
Generation (TWh)	4.9	4.7

Net operating revenues and other income decreased, primarily due to negative effects from energy contracts in Albania, the deconsolidation of the Khimti hydropower plant in Nepal in July 2020 and dry hydrology in Turkey and Chile. The decrease was partly offset by income from the recognition of a settlement for extended concessions in Brazil. Operating expenses decreased 12 per cent. year-on-year, primarily due to consolidation of the Khimti hydropower plant in Nepal for parts of 2020 and negative one-off effects in Brazil in 2020.

The increase in share of profit/loss in equity accounted investments was mainly due to net reversal of impairments related to three hydropower plants in Asia. The decrease in ROACE was due to the lower underlying EBIT. The average capital employed, which was 8 per cent. lower year-on-year, is relatively high mainly due to newly built and acquired assets leading to high carrying values. The high return on average equity accounted investments (**ROAE**) in 2021 was mainly driven by the reversal of impairments in Asia. The investments in new capacity were mainly related to the construction of the hydropower plants Tidong in India and Los Lagos in Chile, as well as the Ventos de Santa Eugenia wind farm in Brazil.

European wind and solar

Important events in 2021:

- Transactions from the BOO business model:
  - Statkraft acquired 39 operating wind farms in Germany and four in France with a total capacity of 346 MW.
  - Statkraft divested its 52.1 per cent. share in the Roan wind farm. Roan has an installed capacity of 256 MW and is part of the Fosen portfolio in Norway.
  - Statkraft divested 100 per cent. of the shares in Andershaw Wind Power Limited, which consists of the Andershaw wind farm (36 MW) in Scotland.
- Within the DS/DBS business model the current pipeline consists of 12,400 MW, with 811 MW being developed during 2021. Furthermore, 252 MW was divested in Spain, Scotland and The Netherlands primarily. Put-call option agreements for future sales or sale agreements with agreed sales price for 298 MW in Ireland, Spain and The Netherlands were also signed during the year and are expected to be closed in 2022.
- Kvenndalsfjellet, Harbaksfjellet and Geitfjellet at Fosen reached their commercial operation date. As a result, all Fosen wind farms are handed over to operation.
- Cooperation agreements for two different consortiums to explore offshore wind opportunities in Norway were signed. One with Aker Offshore Wind, Aker Horizons and BP and the other one with Aker Offshore Wind and Ocean Winds.
- Expected higher future power prices in the coming years in the Nordic area are expected to lead to increased revenues for wind assets in Norway and Sweden. As a result, impairment reversals amounting to NOK 2,466 million were recognised in the statement of profit and loss.
- The Norwegian Supreme Court ruled the concession and expropriation decision of 2013 for Storheia and Roan wind farms was invalid.

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	2,240	767
Net operating revenues and other income	1,703	659
Operating expenses	-1,867	-1,452
Operating profit (EBIT) underlying	-164	-793
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	821	-
Impairments/reversal of impairments	2,466	-3,126
Operating profit (EBIT) IFRS	3,123	-3,919
Share of profit/loss in equity accounted investments	3	8
ROACE (%)	-1.3	-8.3
ROAE (%)	0.4	0.9
Maintenance investments and other investments	1,284	297
Investments in new capacity (BOO)	38	2,263
Investments in new capacity for subsequent divestment (DS/DBS)	1,892	413
Investments in shareholdings	1,762	1,850
Generation (TWh)	3.5	3.9

Net operating revenues and other income increased significantly year-on-year due to high Nordic power prices and gains from divestments within the DS/DBS business model. Operating expenses increased due to new employees, costs from newly acquired businesses, higher business development costs in line with the segment's growth strategy and higher depreciations due to reversal of previous year's impairments. The negative ROACE was due to a negative underlying EBIT.

Average capital employed increased by 30 per cent. The capital employed is relatively high due to newly built and acquired assets leading to high carrying values. The ROAE decreased as a result of the lower share of profit. The investments in new capacity were mainly related to the development and construction of wind and solar projects to be divested, primarily in Ireland, Spain and The Netherlands. Other investments were related to grid service projects in Ireland and the UK. The investments in shareholdings were related to the acquisition of wind farms in Germany and France.

District heating

Important events in 2021:

- Statkraft and Coop Norge entered into an agreement that ensures utilization of surplus heat from Coop's logistics center at Gardermoen for the period 2023-2041 (25 GWh per year).
- The Norwegian government decided to implement a CO2 tax on waste handling from 1 January 2022.

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	1,045	686
Net operating revenues and other income	716	488
Operating expenses	-508	-471
Operating profit (EBIT) underlying	208	17
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-4	-6
Operating profit (EBIT) IFRS	204	10
Share of profit/loss in equity accounted investments	-	-
ROACE (%)	5.9	0.5
ROAE (%)	n/a	n/a
Maintenance investments and other investments	190	13
Investments in new capacity	-	203
Investments in shareholdings	-	-
Delivered volume (TWh)	1.1	0.9

Net operating revenues and other income increased year-on-year due to both higher heating prices and delivered volume. The increase in achieved heating prices was primarily a result of the high power prices in Norway, while the increase in delivered heating volume was a result of colder weather during the winter months. The revenues from waste handling were on par with 2020. Operating expenses increased 8 per cent., primarily related to an increase in the number of full-time employees, business development costs and higher depreciations due to new pipelines and reinvestments.

The higher EBIT was reflected in the ROACE, which increased significantly year-on-year. The ROACE was mainly driven by district heating activities in Trondheim. The average capital employed was stable compared with 2020. The investments were primarily related to pipelines and modifications of existing assets in Norway.

Industrial ownership

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	6,638	2,120
Net operating revenues and other income	6,053	1,975
Operating expenses	-1,716	-1,592
Operating profit (EBIT) underlying	4,337	382
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-	-
Operating profit (EBIT) IFRS	4,337	382
Share of profit/loss in equity accounted investments	1,227	1,472
ROACE (%)	25.6	2.3
ROAE (%)	11.6	15.4
Maintenance investments and other investments	923	626
Investments in new capacity	80	388
Investments in shareholdings	93	-
Generation (TWh)	6.5	6.4

Net operating revenues and other income increased, primarily due to significantly higher power prices. Operating expenses increased 8 per cent. year-on-year, mainly due to a higher number of full-time employees and increased costs for power plants operated by others.

The share of profit/loss in equity accounted investments decreased as there were gains from divestments in 2020.The increase in the ROACE was primarily due to the higher underlying EBIT. The average capital employed increased 3 per cent. year-on-year. The decrease in the share of profit/loss in equity accounted investments was also reflected in a decrease in the ROAE. The investments were primarily related to grid activities in Skagerak Energi.

Other activities

Important events in 2021:

- Statkraft participated in a share issue in the Swedish electrical vehicle charging company Bee Charging Solutions, resulting in 51 per cent. ownership in the company.
- Statkraft established the company HEGRA with 33 per cent. ownership as a collaborative project together with Yara and Aker to produce green ammonia in Norway.

Financial performance

Key figures

NOK mill.	2021	2020
Gross operating revenues and other income	1,926	1,594
Net operating revenues and other income	1,677	1,390
Operating expenses	-2,502	-2,075
Operating profit (EBIT) underlying	-825	-685
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-	-
Operating profit (EBIT) IFRS	-825	-685
Share of profit/loss in equity accounted investments	-97	-123
ROACE (%)	n/a	n/a
ROAE (%)	n/a	n/a
Maintenance investments and other investments	539	206
Investments in new capacity	-	-
Investments in shareholdings	287	465
Generation (TWh)	n/a	n/a

The decrease in underlying EBIT was primarily due to higher costs related to business development and newly consolidated companies within EV charging.

ALTERNATIVE PERFORMANCE MEASURES

This Offering Circular refers to, and contains, certain alternative performance measures (**APMs**). APMs are measures used by the Group within its financial publications to supplement disclosures prepared in accordance with International Financial Reporting Standards (**IFRS**) and interpretations from International Financial Reporting Interpretations Committee (**IFRIC**), as adopted by the EU. The Group considers that these measures provide useful information to enhance the understanding of its financial performance. The APMs should be viewed as complementary to, rather than a substitute for or in isolation from, the figures determined according to the applicable regulatory measures and financial reporting framework. An explanation of each such metric's components and calculation method can be found in the section titled "Alternative Performance Measures" on pages 210 to 211 of the annual report of the Issuer for the financial year ended 31 December 2020 and in the section titled "Alternative Performance Measures" on pages 240 to 241 of the annual report of the Issuer for the financial year ended 31 December 2021 (each of which is incorporated by reference herein).

SUMMARY OF PROVISIONS RELATING TO DEFINITIVE REGISTERED NOTES

Registered Notes of a Series that are initially offered and sold in the United States pursuant to Section 4(2) of the Securities Act in private placement transactions exempt from registration under the Securities Act to Institutional Accredited Investors who execute and deliver to the Registrar an IAI Investment Letter substantially in the form attached to the Agency Agreement will be issued only as Definitive Registered Notes, registered in the name of the purchaser thereof or its nominee. Unless otherwise set forth in the applicable Final Terms, such Definitive Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Such Definitive Registered Notes issued to Institutional Accredited Investors will be subject to the restrictions on transfer set forth therein and in the Agency Agreement and will bear the applicable legend regarding such restrictions set forth under "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" below. Institutional Accredited Investors that hold Definitive Registered Notes may not elect to hold such Notes through DTC, but transferees acquiring such Notes in transactions exempt from registration under the Securities Act pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if applicable) may take delivery thereof in the form of an interest in a Restricted Global Note or a Regulation S Global Note, as the case may be, representing Notes of the same Series.

NOTICE TO PURCHASERS AND HOLDERS OF RESTRICTED NOTES AND TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Legended Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed as follows:

(1) Such offeree acknowledges that this Offering Circular is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any such distribution or disclosure, without the prior written consent of the Issuer, is prohibited; and

(2) Such offeree agrees to make no photocopies of this Offering Circular or any documents referred to herein.

Each purchaser of an interest in a Restricted Note offered and sold in reliance on Rule 144A will be deemed to have acknowledged represented and agreed as follows (terms used in this paragraph that are not defined herein will have the meaning given to them in Rule 144A or in Regulation S as the case may be):

(a) The purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring Notes for its own account or for the account of a QIB;

(b) The purchaser understands that such Restricted Global Note is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Global Note has not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Restricted Global Note, such Restricted Global Note may be offered, sold, pledged or otherwise transferred only (A) to a person who the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of such Restricted Global Note from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Notes;

(c) Each Restricted Global Note will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THAT (A) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A

TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

Each Definitive Registered Note that is offered and sold in the United States to an Institutional Accredited Investor pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

"THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, ACKNOWLEDGES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS NOTE SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS NOTE ONLY AS PROVIDED IN THE AGENCY AGREEMENT ENTERED INTO BY THE ISSUER ON 28 MARCH 2022. THE PURCHASER REPRESENTS THAT IT IS ACQUIRING THIS NOTE FOR INVESTMENT ONLY AND NOT WITH A VIEW TO ANY SALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS NOTE PURSUANT TO RULE 144A OR REGULATION S OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF, FOR THE BENEFIT OF THE ISSUER, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A AND OTHERWISE IN COMPLIANCE WITH RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANINGS OF SUBPARAGRAPHS (a)(1), (a)(2), (a)(3) OR (a)(7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL "ACCREDITED INVESTOR", IN EACH CASE IN A MINIMUM NOMINAL AMOUNT OF THE SECURITIES OF U.S.$500,000 AND MULTIPLES OF U.S.$1,000 IN EXCESS THEREOF FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN

CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (F) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF AVAILABLE) OR (G) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E), (F) OR (G) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER AND, IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE PRINCIPAL PAYING AGENT. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS NOTE IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

Each purchaser of Definitive Registered Notes will be required to deliver to the Issuer and the Registrar and IAI Investment Letter substantially in the form prescribed in the Agency Agreement. The Definitive Registered Notes will be subject to the transfer restrictions set forth in the above legend, such letter and in the Agency Agreement. Inquiries concerning transfers of Notes should be made to any Dealer.

TAXATION

Norwegian Taxation

The information provided below gives a general overview, but does not purport to be a complete summary, of Norwegian tax law and practice related to the issue, purchase, holding and disposal of Notes, applicable as at the date of this Offering Circular, subject to any changes in law or practice occurring after such date. Such changes could possibly be made on a retroactive basis. Specific tax consequences may occur for different categories of holders of Notes, e.g. if the holder of Notes ceases to be tax resident in Norway etc. It is recommended that prospective investors consult with their own professional advisers as to their individual tax situation.

Holders of Notes resident in Norway for tax purposes will be subject to Norwegian income taxation on interest and capital gains at the applicable rate. The same applies to other persons and legal entities that are subject to taxation in Norway (including, but not limited to persons and legal entities carrying out business that is conducted in or managed from Norway, provided that the Notes are used in or connected with any such business activities). In such cases, interest and gains or profits realised by such persons or legal entities on the ownership, sale, disposal or redemption of the Notes will be subject to Norwegian taxation at the applicable rate. As of the date of this Offering Circular, the applicable ordinary tax rate is 22 per cent.

Payments of principal and interest (other than as described below regarding interest payments to related enterprises resident within low-tax jurisdictions) on the Notes, or gains or profits realised on the sale, disposal or redemption of the Notes, to or for persons or legal entities who have no connection with Norway other than the holding of Notes issued by the Issuer are, under present Norwegian law, not subject to any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or Governmental charges.

Interest payments made by the payor to related enterprises (i.e. (a) a company or entity that, directly or indirectly, is at least 50 per cent. owned or controlled, by the payor, (b) a company or entity that, directly or indirectly, owns or controls at least 50 per cent. of the payor, or (c) a company or entity that, directly or indirectly, is at least 50 per cent. owned or controlled by a company or entity that, directly or indirectly, owns or controls at least 50 per cent. of the payor) of the payor that are resident within low-tax jurisdictions, are subject to withholding tax of 15 per cent. (unless a lower rate is provided in an applicable tax treaty). For the purposes of the Norwegian Taxation Act, a "low-tax jurisdiction" encompasses jurisdictions where the ordinary income tax on the combined profits of the company or entity is less than two thirds of the tax which would have been levied on the company or entity had it been resident in Norway. For recipients of interest payments who are related enterprises of the payor and tax resident within a low-tax jurisdiction within the EEA, the withholding tax is not applicable if the recipient fulfils certain substance requirements (including that such related enterprise must be genuinely established and perform genuine economic activities).

Holders of Notes that are physical persons tax resident in Norway are subject to net wealth taxation in Norway. Notes are included as part of the taxable base for this purpose. The Notes will be valued at market value on 1 January in the year after the income year. In 2022, the net wealth tax rate is 0.95 per cent of the value assessed that exceeds NOK 1.7 million. Further, if the value assessed exceeds NOK 20 million, the marginal net wealth tax rate is 1.1 per cent. Holder of Notes that are limited liability companies and similar entities are not subject to net wealth taxation in Norway. Persons or legal entities having no connection with Norway other than the holding of Notes are not subject to net wealth taxation in Norway unless such Notes are held in connection with business activities conducted in or managed from Norway and the Holder is a physical person. Notes held by such Holders (i.e. with limited tax liability to Norway) will be included in the holder's taxable base net wealth tax purposes in Norway.

No Norwegian issue tax or stamp duties are payable in connection with the issue of the Notes.

The proposed financial transactions tax (**FTT**)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (other than Estonia, the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Trustee, the Agents or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Agents or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Registered Global Note, will be legended as set forth under "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships, Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system,

The Issuer will apply to DTC in order to have each Tranche of Notes represented by Registered Global Notes accepted in its book-entry settlement system. Upon the issue of any Registered Global Notes, DTC or its custodian will credit, on its internal book-entry system, of the individual beneficial interests represented by such Registered Global Notes to the accounts of persons who have accounts with DTC. Such on behalf of the relevant Dealer. Ownership of beneficial Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect

participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

VPS Notes

Verdipapirsentralen ASA

Verdipapirsentralen ASA (**VPS**) is a Norwegian public limited liability company conducting business as a central securities depository (**CSD**) in Norway in accordance with the Act of 15 March 2019 no. 6 on the Registration of Financial Instruments, implementing Regulation (EU) No. 909/2014, (the **CSD Act**). The CSD Act requires that, among other things, all notes and bonds issued in Norway shall be registered in a central securities depositary authorized or recognized under Regulation (EU) No. 909/2014, unless they are (i) denominated in NOK and offered and sold outside of Norway to non-Norwegian tax residents only, or (ii) denominated in a currency other than NOK and offered or sold outside of Norway

VPS functions as a dematerialised CSD where registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry only. Any issuer of VPS Notes will be required to have an account (issuer's account) where all of its VPS Notes are registered in the name of the holder, and each holder is required to have her/his own account (investor's account) showing such person's holding of VPS Notes at any time. Both the issuer and the VPS Noteholder will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm. It is possible for investors to hold VPS Notes indirectly through a nominee approved by the Financial Supervisory Authority of Norway.

SUBSCRIPTION AND SALE

The Dealers have in a programme agreement dated 28 March 2022 (the **Programme Agreement**) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes"* and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period (other than pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Notwithstanding the foregoing, Dealers nominated by the Issuer may arrange for the offer and sale of Registered Notes in the United States pursuant to Rule 144A under the Securities Act. Each purchaser of such Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. In addition, pursuant to the terms of the Programme Agreement, Definitive Registered Notes may be offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act. See "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" above.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offer contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining such prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the

final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended: the **FIEA**) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or

deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Norway

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the Issuer has confirmed in writing to each Dealer that the Offering Circular has been filed with the Financial Supervisory Authority of Norway, it has not, directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than:

(a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of at least €100,000 per investor; or

(b) to "qualified investors" as defined in Article 2(e) of the Prospectus Regulation; or

(c) to fewer than 150 natural or legal persons (other than "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation)), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or

(d) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Prospectus Regulation.

The Notes shall be registered in a central securities depositary authorized or recognized under Regulation (EU) No. 909/2014 unless (i) the Notes are denominated in NOK and offered and sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

Further, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will only be sold in Norway to investors who have sufficient knowledge and experience to understand the risks involved with investing in the Notes.

For the purposes of this provision, the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified or amended from time to time, the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities-based derivative contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Subscription Agreement.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 26 June 2019.

Listing of Notes

The admission of Notes to the Euronext Dublin Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Euronext Dublin Official List and to trading on Euronext Dublin's regulated market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the Euronext Dublin Official List and to trading on its regulated market. The listing of the Programme in respect of Notes is expected to be granted by Euronext Dublin on or around 28 March 2022. In the case of VPS Notes, application may be made to the Oslo Stock Exchange for such VPS Notes to be admitted to trading on the Oslo Stock Exchange's regulated market.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from https://www.statkraft.com/IR/funding/loan-documentation/ :

(i) the Articles of Association (*Vedtekter*) and Company Certificate (*Firmaattest*) (with an English translation thereof) of the Issuer;

(ii) the Trust Deed, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Coupons, the Talons, the Regulation S Global Notes, the Restricted Global Notes and the Definitive Registered Notes;

(iii) a copy of this Offering Circular; and

(iv) any future offering circulars, prospectuses, information memoranda, supplements to this Offering Circular and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to its holding and identity) and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. In addition, the Issuer will make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including the VPS) the appropriate information will be specified in the relevant Final Terms. Euroclear, Clearstream, Luxembourg, DTC and the VPS are the entities in charge of keeping the records.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels; the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, NY 10041–0099, USA; and the address of the VPS is Fred. Olsens gate 1, 0152 Oslo, Norway.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or position of the Issuer or the Group since 31 December 2021. There has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2021.

Litigation

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect in the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

Auditors

The auditors of the Issuer are Deloitte AS, members of The Norwegian Institute of Public Accountants (*DnR*), who have audited the Issuer's accounts, without qualification, in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway for the periods ended 31 December 2021 and 31 December 2020. The auditors of the Issuer have no material interest in the Issuer.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Trustee's Action

The Notes provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions and accordingly in such circumstances the Trustee will be unable to take such actions, notwithstanding the provision of an indemnity to it, and it will be for Noteholders to take action directly.

Reliance by Trustee

The Trust Deed provides that any certificate or report of the auditors of the Issuer or any other expert called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein, whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and/or such auditors and/or expert in connection therewith contains any limit on liability (monetary or otherwise) of such auditors and/or expert. However, the Trustee will have no

recourse to the Auditors in respect of such certificates or reports unless the Auditors have agreed to address such certificates or reports to the Trustee.

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