småkraft©

SMÅKRAFT AS

INTERIM REPORT

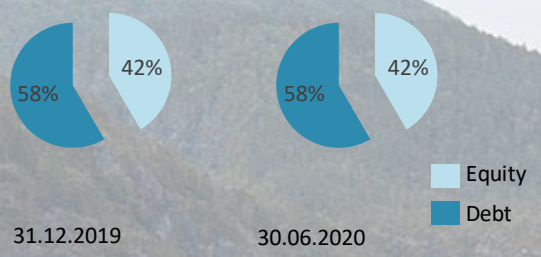
1ST HALF 2020

Mountain area in Norway
July 2020

Photo: Småkraft

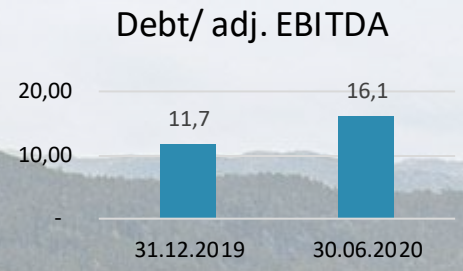
SMÅKRAFT AT A GLANCE

Low gearing in turbulent markets with stable debt levels



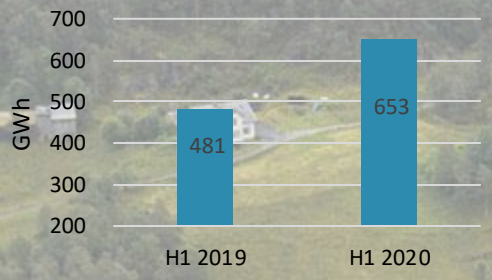
During the period one capital increase took place.

Pressure from lower power prices on adj. EBITDA leads to higher leverage



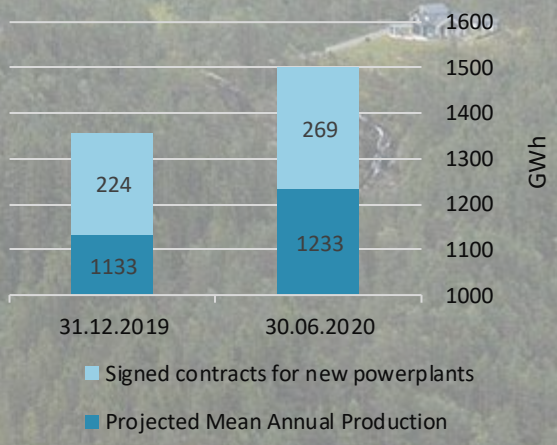
Debt: Debt net cash
EBITDA: Operating profit + depreciations + impairments + unrealised losses on energy hedges
Ratios are on a rolling twelve months basis.

Increase year-on-year production in excess of 35%



Net production delivered on the grid, excluding grid losses, consumption and bilateral agreements. Production includes 100% of all production in fully and partly owned subsidiaries.

Signing of new contracts securing 1.5 TWh production



Blådalselva Power Plant
Photo: Heiko Kübler

HIGHLIGHTS 1ST HALF 2020

Renewable Power Production

We observed a winter and spring with a lot of snow and rain in large parts of Norway. The hydrologic surplus has been and is at record levels. YTD 2020 shows production above the expected mean production. We expect the production to vary around the mean production, based on the weather and climate in the particular year.

Consequently, compared to H1 2019, our production has increased 35%.

Sustainability

Småkraft issued its second Sustainability Report, including its first scenario-based Climate Reporting in H1 2020, see report on smaakraft.no.

During the reporting period, Småkraft experienced no material Health, Safety and Environmental-(HSE) incident.

Market update

High temperatures and very high precipitation levels reduced the NordPool average spot prices from 41,2 EUR/ MWh in H1 2019 to 10,5 EUR/ MWh in H1 2020, a reduction of 75%.

H1 2020, the electricity certificates (el-cert) prices traded between 10 and 20 SEK/ MWh. These levels are all time low levels.

Company Objectives

In January 2020, Terje Vedeler started as its new CEO. In June, Jørgen Hundvin started as COO.

During the six first months of 2020 and early July, five new power plants with an annual production capacity of 48 GWh came on stream.

Additionally, Småkraft has signed several new contracts. Per end of June 2020, Småkraft had 269 GWh under construction. These power plants will start producing in the years to come.

REPORT FROM THE BOARD OF THE DIRECTORS

Production increased, revenue decreased
Small scale hydro produces energy based upon the water that flows in the rivers at any given time. The water volume is based upon several hydrological factors, such as rainfall, temperature, and snow melting. Thus, the Småkraft- portfolio faces seasonal and annual variations. Increased production capacity from new power plants and very strong hydrology, made Småkraft Group including minority owned subsidiaries produce 651 GWh during the first half ("H1") of 2020 ("the reporting period"), compared to 481 GWh in H1 2019.

Low spot prices and positive hedging effects
A significant hydrological surplus due to high snow reservoirs has put pressure on the Nordic spot power prices during the first half of 2020. The average system price decreased with 75% from 41,2 EUR/ MWh in H1 2019 to 10,5 in H1 2020. Revenues were at 8,9 mEUR, compared to 19,0 mEUR in H1 2019. Other operating income includes both realised and unrealised hedges. As Småkraft does not apply hedge accounting for its power price hedges, unrealised hedges led to other operating income of 18,6 mEUR in H1 2020, compared to mEUR 13,1 in H1 2019. Småkraft expects considerable movements in other operating income due to the methodology employed.

Småkraft uses adjusted EBITDA to measure performance from operational activities. Adjusted EBITDA was 6,3 mEUR in H1 2020, compared to 9,2 mEUR in H1 2019. While the low spot prices for power have significant negative effect on the adjusted EBITDA, this is compensated by stronger production and hedging gains.

Småkraft has several non- cash movements in its net financial expenses and its financial income. Firstly, Småkrafts assets are based in NOK, while the reporting currency is EUR. This leads to large non- cash changes in EUR for the assets, when the EUR/ NOK fluctuates. Secondly, Småkraft enters currency forwards for future transactions, as the transactions have settlement in NOK, while the equity contribution is in EUR. According to IFRS, we do not use hedge accounting for these currency forwards which may have effects on the financial income and financial expenses for each period, based on movements in the EUR/ NOK currency exchange rate.

Limited Covid-19 effects
During the reporting period, the Covid-19 pandemic has affected the financial markets. End of June, Småkraft prolonged its main debt facility with one year, due to the volatility in the debt markets.

Småkraft has been able to operate its power plants safely and efficiently during the pandemic.

Hydrology and power price remain key risk factors
Main risk factors for the upcoming periods include hydrology that affect the production and movements in power prices. Småkrafts financial statements may also be affected by currency exchange and interest rate changes. See annual report for full summary of risk factors.

Subsequent Events
Early July, Småkraft finalized the construction of Malmeelva and Stølselva power plants. It also acquired Løkkebø power plant. In the second half of July, Småkraft acquired the majority share of Ytre Kandal power plant.

Oslo, Norway, 28 08 2020
The Board of Directors
Småkraft AS

Tor Søve Syverud Chairman of the board	Annette Beate Wacknitz Malm Justad Member of the Board	Jan Erik Schulien Member of the Board
Oldrik Nicolaas Frits Verloop Member of the board	Christian Heidfeld Member of the board	Terje Vedeler Managing Director

ANNUAL ACCOUNTS AND NOTES
SMÅKRAFT GROUP

Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income

Amounts in EUR thousand	*Note*	**Unaudited 6 months ended 30.06.2020**	**Unaudited 6 months ended 30.06.2019**	**12 months ended 31.12.2019**
Revenue		8 869	18 997	40 169
Other operating income		18 640	13 149	11 751
Total operating income	**4**	**27 510**	**32 146**	**51 919**
Water rights costs		499	1 760	2 439
El-certs costs		3 798	4 263	8 390
Transmission costs		868	1 662	2 543
Payroll and related costs		993	1 131	2 275
Depreciation of fixed and intangible assets		5 532	5 832	11 610
Impairment of fixed and intangible assets		-	-	759
Property tax and licence fees		1 010	1 023	2 068
Other operating expenses		2 104	2 037	4 822
Total operating expenses		**14 804**	**17 708**	**34 906**
Operating profit/(loss)		**12 706**	**14 438**	**17 013**
Financial income		1 149	6 718	3 161
Financial expenses		-30 266	-2 867	-6 417
Net financial items	**6**	-29 117	3 851	-3 256
Profit/(loss) before tax		-16 411	18 288	13 757
Tax expense (income)		4 097	-3 977	-3 544
Profit (loss)		**-12 314**	**14 311**	**10 213**
Profit/(loss) is attributable to:				
Equity holders of the parent company		-12 024	14 220	10 120
Non-controlling interests		-290	91	94
Other comprehensive income				
Items that cannot be recycled to profit or loss:				
Presentation currency effects		-19 882	4 368	1 257
Total other comprehensive income		**-19 882**	**4 368**	**1 257**
Total comprehensive income for the year		**-32 196**	**18 679**	**11 470**
Total comprehensive income is attributable to:				
Equity holders of the parent company		-31 406	18 442	11 329
Non-controlling interests		-790	237	142

Consolidated Statement of Financial Position

Non - current assets

Amounts in EUR thousand	*Note*	**Unaudited 30.06.2020**	**Unaudited 30.06.2019**	**31.12.2019**
Goodwill		7 305	6 401	6 541
Intangible Assets		48 928	42 874	44 225
Property, plants and equipment		323 141	355 486	353 214
Deferred tax assets		2 867	326	2 767
Investments recognised under the equity method		1 146	52	51
Long-term receivables		25 366	7 500	23 837
Total non-current assets		**408 751**	**412 638**	**430 635**

Current assets

Inventory		60	68	64
Inventory EL certificates		201	1 608	1 104
Trade receivables		1 697	2 098	2 576
Other receivables		1 982	6 463	2 457
Derivatives	5	8 731	5 548	3 454
Other current assets		88	597	98
Cash and Cash equivalents		17 748	28 321	50 971
Total current assets		**30 506**	**44 704**	**60 724**
Total assets		**439 258**	**457 342**	**491 359**

Shareholders equity		**Unaudited**	**Unaudited**	
Amounts in EUR thousand	*Note*	**30.06.2020**	**30.06.2019**	**31.12.2019**
Share capital		15 121	15 892	16 221
Other equity		4 296	5 158	45 201
Share-premium reserve		159 226	146 750	131 452
Retained earnings		-1 859	14 663	11 086
Total shareholders equity		**176 784**	**182 462**	**203 960**
Minority interests		8 271	5 608	5 372
Total equity		**185 056**	**188 071**	**209 332**
Non-current liabilities				
Deferred tax liability		-	-	1 537
Borrowings		239 076	244 943	75 984
Lease liability		-	82	-
Derivatives	5	393	901	271
Total non-current liabilities		**239 470**	**245 925**	**77 792**
Current liabilities				
Accounts payable		842	899	1 509
Taxes payable		636	1 284	1 231
Public duties payable		40	1 671	1 066
Lease liability		85	157	186
Dividends		-	-	17 235
Derivatives	5	2 354	8 583	7 040
Borrowings		8 776	6 747	171 211
Other current liabilities		2 000	4 004	4 759
Total current liabilities		**14 732**	**23 346**	**204 236**
Total liabilities		**254 202**	**269 271**	**282 028**
Total equity and liabilities		**439 258**	**457 342**	**491 359**

Consolidated Statement of Equity (unaudited)

Amounts in EUR thousand	Share capital	Share premium	Not registered capital increase	Retained earnings	Total shareholders equity	Non-controlling interests	Total equity
Equity at 31.12.2018	**14 539**	**121 629**	**22 313**	**974**	**159 454**	**5 552**	**165 006**
Net profit				10 120	**10 120**	94	**10 213**
Currency presentation effect	124	896	192	-3	**1 209**	48	**1 257**
Total comprehensive income for the period	**124**	**896**	**192**	**10 117**	**11 329**	**142**	**11 470**
Capital increase previous period registered current period	1 558	26 016	-22 504		**5 069**		**5 069**
Capital increase current period					**45 201**		**45 201**
Dividend		-17 088	45 201		**-17 088**	-323	**-17 412**
Other changes				-5	**-5**	2	**-3**
Equity at 31.12.2019	**16 221**	**131 452**	**45 202**	**11 085**	**203 960**	**5 372**	**209 332**
Net profit				-12 024	**-12 024**	-290	**-12 314**
Currency presentation effect	-1 607	-16 921	-	-854	**-19 382**	-500	**-19 882**
Total comprehensive income for the period	**-1 607**	**-16 921**	**-**	**-12 878**	**-31 406**	**-790**	**-32 196**
Capital increase previous period registered current period	507	44 694	-45 201		**0**		**-**
Minority in acquired subsidiary					**0**	3 810	**3 810**
Capital increase current period			4 296		**4 296**		**4 296**
Dividend		-			**0**	-121	**-121**
Other changes				-65	**-65**	-	**-65**
Equity at 30.06.2020	**15 121**	**159 226**	**4 296**	**-1 859**	**176 784**	**8 271**	**185 055**

Consolidated Statement of cash flow (unaudited)

Amounts in EUR thousand	6 months ended 30.06.2020	6 months ended 30.06.2019	12 months ended 31.12.2019
Cash Flow from operations			
Profit (-loss) before taxation	-16 411	18 281	13 757
Taxes paid for the period	-1 034	33	-1 232
Depreciation, amortization, impairment	5 532	5 832	12 370
Change in unrealized currency gains/losses	23 176	-7 689	-1 094
Change in unrealized derivatives	-9 633	-9 275	-12 149
Change in inventory	809	3 924	4 485
Change in working capital	-1 671	-5 216	-5 054
Net cash flow from operations	**768**	**5 890**	**11 082**
Cash flow from investment activities			
Outflows due to purchases of fixed assets	-2 675	-2 329	-5 228
Outflows due to investments in subsidiaries	-7 651	-1 068	-3 224
Outflows due to investments in others	-1 119	-	-
Outflows from loans to others	-4 195	-4 495	-24 700
Net cash flow from investment activities	**-15 640**	**-7 893**	**-33 152**
Cash flow from financing activities			
Capital increases	4 370	5 039	50 327
Dividend payments	-15 848	-20 569	-20 568
Net loan payment/raising	-2 467	-24 083	-27 962
Net Cash Flow from financing activities	**-13 945**	**-39 613**	**1 797**
Currency translation effects	-4 407	-679	628
Net change in bank deposits and cash	-28 817	-41 615	-20 272
Bank deposits and cash at beginning of period	50 971	70 615	70 615
Bank deposits and cash at end of period	**17 748**	**28 321**	**50 971**

Oslo, Norway, 28.08.2020
The Board of Directors
Småkraft AS

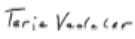
Tor Syverud
Chairman of the board

Annette Malm Justad
Member of the Board

Jan Erik Schulien
Member of the Board

Oldrik Verloop
Member of the board

Christian Heidfeld
Member of the board



Terje Vedeler
Managing Director

Notes (unaudited)

CONTENTS

1. Basis of preparations 12

2. Transactions and events in H1 2020 / Business combinations 12

3. Alternative Performance Measures (APM) 14

4. Revenues and other income 15

5. Financial instruments 16

6. Financial result 20

1. Basis of preparations

The Småkraft group comprises Småkraft AS and the consolidated subsidiaries (Småkraft Group or the Group). Småkraft's head office is located in Bergen, with local offices in Harstad, Flatanger and Oslo, Norway. The Group employs 20 people. Småkraft is a supplier of renewable energy based on small scale hydro power plants situated in Norway.

The interim consolidated financial statements for the first half year 2020, ending 30 June 2020, were prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements need to be read together with the annual financial statements with notes for 2019 prepared in accordance with IFRS. If not stated here the accounting principles in this interim report follows the accounting principles described in the notes to the annual financial statements 2019.

The Board of Directors and the CEO authorised these interim IFRS financial statements for issue on 28th of August 2020.

2. Transactions and events in H1 2020 / Business combinations

Småkraft AS acquired Tesjolo Kraft AS and Andvik Holding AS during first half 2020.

Tesjolo is situated in Voss municipality in Vestland. The company owns and operates one powerplant with an annual production is 5.6 GWh.

Andvik Holding AS owns 55% of Svartdalen Kraft AS with a powerstation in Masfjorden municipality in Vestland. Svartdalen powerstation's annual production is 25 GWh.

Allocations of cost price for business combinations:

Amounts in EUR thousand	Tesgjolo Kraft AS	Andvik group	Total
Acquisition date	31.01.2020	30.04.2020	
Voting rights/shareholding acquired through the acquisition	100	55,21	
Total voting rights/shareholding following acquisition	100	55,21	
Consideration			
Cash	220	4 515	**4 735**
Total acquisition cost	**220**	**4 515**	**4 735**
Book value of net acquired assets (see table below)	**7**	**-123**	**-116**
Identification of excess value, attributable to:			
Intangible assets	241	8 920	9 161
Interest goodwill	25	1 342	1 368
Gross excess value	**266**	**10 262**	**10 529**
Deferred tax on excess value	-53	-1 962	-2 015
Net excess value	**213**	**8 300**	**8 513**
Fair value of net acquired assets, exluding goodwill	**220**	**8 177**	**8 397**
Of which			
Controlling interests	220	4 515	4 735
Total	**220**	**4 515**	**4 735**
Total acquisition cost	220	4 515	4 735
Fair value of net acquired assets, excluding goodwill (controlling interest)	220	4 515	4 735
Goodwill	**-**	**-**	**-**

Book value of net acquired assets

Amounts in EUR thousand	Tesgjolo Kraft AS	Andvik group	Total
Intangible assets			
Property, plant and equipment	2 456	4 107	6 563
Deferred tax assets	23	75	97
Non-current assets	**2 479**	**4 182**	**6 661**
Cash and cash equivalents	101	231	332
Current assets	**101**	**231**	**332**
Aquired assets	**2 580**	**4 413**	**6 992**
Interest bearing liabilities, non-current	-2 569	-4 454	-7 023
Other interest-free liabilities	-4	-81	-85
Net value of acquired assets	**7**	**-123**	**-116**
Total acquisition cost	**220**	**4 515**	**4 735**
Considerations and cost in cash and cash equivalents	**220**	**4 515**	**4 735**
Cash and cash equivalents in acquired companies	101	231	332
Net cash payments in connection with the acquisition	**119**	**4 284**	**4 403**
Contribution to gross operating revenue since acquisition date	21	14	35
Contribution to net profit since acquisition date	-89	-59	-149

3. Alternative Performance Measures (APM)

Adjusted EBITDA is defined as operating profit (-loss) + depreciation of fixed assets and intangible assets + impairment of fixed assets and intangible assets –unrealized value change on energy derivatives. The APM is used to measure performance from operational activities. EBITDA should not be considered as an alternative to operating profit/loss and profit/loss before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA underlying an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Adjusted EBIT is an APM used to measure performance from operational activities.

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

	30.06.2020	LTM 31.12.2019
Operating profit (loss)	12 706	17 013
+Depreciation of fixed assets and intangible assets	5 532	11 610
+Impairment of fixed assets and intangible assets	0	759
-Unrealised value change on energy derivatives	-11 916	-12 209
Adjusted EBITDA	**6 322**	**17 173**

	30.06.2020	LTM 31.12.2019
Operating profit (loss), twelve months rolling	12 706	17 013
+Impairment of fixed assets and intangible assets	0	759
-Unrealised value change on energy derivatives	-11 916	- 12 209
Adjusted EBIT	**790**	**5 563**

	30.06.2020	LTM 31.12.2019
Adjusted EBIT	790	5 563
Average capital employed	355 825	448 819
ROACE	0,2%	1,2%

4. Revenues and other income

Sale of electric energy
The revenues originate from the generation of hydropower.

Electricity-certificates(EL-certificates)
The EL certificate scheme is a market-based support scheme. In this system, producers of renewable electricity receive one certificate per MWh of electricity they produce for a period of up to 15 years. Accounting for El-certificates were modified in according to IFRS at year end 2019. Hence comparable figures for 6 months ended 30.6.2019 are changed correspondingly.

Power and currency derivatives
Småkraft uses financial hedging contracts and currency futures to hedge future revenue. The Group does not apply hedge accounting for the hedging of power revenues. Realised and unrealised changes in value related to these derivatives are recognised as Other operating income. See also Note 5 Financial instruments.

Amounts in EUR thousand	**6 months ended 30.06.2020**	**6 months ended 30.06.2019**	**12 months ended 31.12.2019**
Power revenue	4 953	14 604	31 557
Elcertificates	3 798	4 263	8 390
Guarantees of origin	118	130	221
Revenues	**8 869**	**18 997**	**40 169**
Other operating revenues	-21	454	191
Unrealized value change on energy derivatives	11 916	11 064	12 209
Realized loss on energyderivatives	6 433	-7	-4 243
Public grants, Elcertificates	312	1 637	3 593
Other operating income	**18 640**	**13 149**	**11 751**
Total operating income	**27 510**	**32 146**	**51 919**

5. Financial instruments

The group holds the following financial instruments:

Amounts in EUR thousand	30.06.2020	30.06.2019	31.12.2019
Financial assets			
Financial assets at amortized costs			
Other long term receivables	25 366	7 499	23 837
Trade receivables	1 697	2 098	2 576
Other short term receivables	1 982	3 381	2 457
Assets and liabilities held to fair value through profit and loss			
Short term investment in marked based securitites	88	98	98
Derivative financial instruments			
Used for hedging without hedge accounting	8 731	5 548	3 454

Amounts in EUR thousand	30.06.2020	30.06.2019	31.12.2019
Financial liabilities			
Financial liabilities at amortized costs			
Debt to financial institutions	197 853	203 464	197 195
Bond debt	50 000	50 000	50 000
Trade and other payables*	2 926	7 858	6 453
Derivative financial instruments			
Used for hedging without hedge accounting	2 747	9 484	7 040

* excluding non-financial liabilitites

Accounts receivables and accrued revenue

Amounts in EUR thousand	30.06.2020	30.06.2019	31.12.2019
Accounts receivables at amortized costs	308	334	741
Loss allowance	-200	-233	-229
Earned revenue, not invoiced	1 589	1 997	2 064
	1 697	**2 098**	**2 576**

Accrued revenue are accruals for power delivered yet not invoiced.

Borrowings

Amounts in EUR thousand

Lenders	Maturity	Currency	30.06.2020	30.06.2019	31.12.2019
Sparebank1 MidtNorge	2025	NOK	458	516	507
DNB/SEB/Nordea (3 years maturity)	2021	EUR	164 693	169 318	167 005
Sparebanken Vest	2021	EUR	20 088	20 825	20 456
Sparebanken 1 Telemark	2020	NOK	3 469	4 061	3 876
Sparebanken Vest	2023	NOK	4 277	5 011	4 828
Sparebank 1 Gudbrandsdal	2043	NOK	1 598	1 876	1 806
SEB Revolving facility	28.12.2019	NOK	-	1 857	-
DNB	2030	NOK	3 963	-	
Subtotal			**198 546**	**203 464**	**198 479**
Bond debt		EUR	50 000	50 000	50 000
Agent commission SEB/Nordea		NOK	-693	-1 774	-1 284
Total			**247 853**	**251 690**	**247 195**
Total long-term debt			239 076	244 943	75 984
Total short-term debt			8 776	6 747	171 211

Maturity profile for financial liabilities

Amounts in EUR thousand

Lenders	Maturity	30.06.2020	1 year	2 years	3 years	4 years	5 years	After2024
Sparebank1 MidtNorge*	2025	458	102	102	102	102	51	
SEB/Nordea/DNB	2021	164 693	4 265	160 428				
Sparebanken Vest	2021	20 088	737	19 351				
Sparebanken 1 Telemark	2020	3 469	3 469					
Sparebanken Vest	2023	4 277	193	193	3 892			
Sparebank 1 Gudbrandsdal	2043	1 598	76	76	76	76	76	1 218
DNB	2030	3 963	169	169	169	169	169	3 120
Bond Debt	2023	50 000	-	-	50 000			
Agent commission SEB/Nordea/ DnB		-693	-234	-253	-142	-64		
Total		**247 853**	**8 776**	**180 064**	**54 097**	**282**	**296**	**4 337**

* This is a contingent liability and repayments depend on profit on Knutfoss Powerplant in each individual year.

The table shows undiscounted cash flows for each interval and shows only payments of principal.

Derivatives

The Group has derivatives related to the hedging of income from future power production, as well as interest rate swaps in connection with interest bearing debt:

	30.06.2020 Assets		30.06.2020 Liabilities		6 months ended 30.06.2020	
	Long term	Short term	Long term	Short term	P&L	Tax effect
Over FVPL - Interest rates swaps	-	-	393	134	66	-15
Over FVPL - Currency derivatives	-	614	-	2 219	-4 131	909
Over FVPL - Power derivatives	-	8 116	-	-	18 349	-4 037
Sum derivatives	**-**	**8 731**	**393**	**2 354**	**14 284**	**-3 143**

	31.12.2019 Assets		31.12.2019 Liabilities		12 months ended 31.12.2019	
	Long term	Short term	Long term	Short term	P&L	Tax effect
Over FVPL - Interest rates swaps	-	-	271	385	464	-102
Over FVPL - Currency derivatives	-	687	-	-	-319	70
Over FVPL - Power derivatives	-	2 767	-	6 655	7 966	-1 753
Sum derivatives	**-**	**3 454**	**271**	**7 040**	**8 111**	**-1 784**

Fair value

30.06.2020 *Amounts in EUR thousand* **Financial assets measured at fair value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Carrying amount**
Currency derivatives		614		614	614
Power derivatives		8 116		8 116	8 116
Total financial assets measured at fair value		**8 731**		**8 731**	**8 731**
Financial liabilities measured at fair value					
Interest rate derivatives		528		528	528
Currency derivatives		2 219		2 219	2 219
Power derivatives		-		-	-
Total financial liabilities measured at fair value		**2 747**		**2 747**	**2 747**

31.12.2019 *Amounts in EUR thousand* **Financial assets measured at tair value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Carrying amount**
Currency derivatives		687		687	687
Power derivatives		2 767		2 767	2 767
Total financial assets measured at fair value		**3 454**		**3 454**	**3 454**
Financial liabilities measured at fair value					
Interest rate derivatives		656		656	656
Currency derivatives		-		-	-
Power derivatives		6 655		6 655	6 655
Total financial liabilities measured at fair value		**7 310**		**7 310**	**7 310**

6. Financial result

Financial income

Amounts in EUR thousand	6 months ended 30.06.2020	6 months ended 30.06.2019	12 months ended 31.12.2019
Currency translation effect	-	5 336	1 094
Unrealized non-cash effect on foreign exchange forwards	-	1 373	-
Unrealized non-cash effect on interest swaps	66	-	464
Other financial income and agio	1 083	8	1 603
Total	**1 149**	**6 717**	**3 161**

Financial expenses

Amounts in EUR thousand	6 months ended 30.06.2020	6 months ended 30.06.2019	12 months ended 31.12.2019
Interest expenses	2 286	2 321	5 049
Currency translation effect	23 176	-	-
Unrealized non-cash effect on foreign exchange forwards	4 131	-	319
Other financial expenses and disagio	673	546	1 049
Total	**30 266**	**2 867**	**6 417**

RESPONSIBILITY STATEMENT

In the best judgement of the Board and the CEO, the interim financial statements for 1st half 2020 have been prepared in accordance with current applicable accounting standards, and the information in the financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and the group taken as a whole. In the best judgement of the Board and the CEO the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the parent company and the group, together with a description of the principal risks and uncertainties facing the parent company and the group.

Oslo, Norway, 28.08.2020
The Board of Directors
Småkraft AS

Chairman of the Board Tor Syverud	Member of the Board Annette Malm Justad	Member of the Board Jan Erik Schulien
Member of the Board Oldrik Verloop	Member of the Board Christian Heidfeld	Terje Vedeler General Manager

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