SMÅKRAFT GREEN BOND 2 AS

UNAUDITED, FINANCIAL STATEMENTS

30.06.2021

Intake Årvik power plant
Photo: Småkraft

STATEMENT OF PROFIT AND LOSS (unaudited, in NOK)		Småkraft Green Bond 2 AS	
	Note	30.06.2021	2020*
Operating revenue and costs			
Revenue		15,212,892	-
Other revenue		82,114	-
Total revenue		**15,295,006**	-
Water rights costs		648,909	
Transmission costs		1,542,007	
Depreciation of fixed assets and intangible assets	3, 6	6,287,924	
Property tax and licence fees		582,874	
Other operating costs		3,353,810	80
Total operating costs		**12,415,524**	**80**
Operating profit (-loss)		**2,879,482**	**-80**
Financial income and financial costs			
Interest income from group companies		22,127	
Other finance income		241,392	33
Interest expenses to financial institutions		-3,187,042	-
Interest expenses to Småkraft AS		-5,123,944	
Other finance cost		-9,177	
Net financial items		**-8,056,644**	**33**
Profit (-loss) before taxation		**-5,177,162**	**-47**
Tax expenses		1,458,457	
Profit (-loss) for the year		**-3,718,706**	**-47**
Net income		**-3,718,706**	**-47**
Dispositions			
To retained earnings		-3,718,706	-47
Total dispositions		**-3,718,706**	**-47**

STATEMENT OF FINANCIAL POSITION (unaudited, in nok)		Småkraft Green Bond 2 AS	
	Note	30.06.2021	31.12.2020
Assets			
Non- current assets			
Intangible assets			
Deferred tax asset			
Other intangible assets	6	321,091,770	-
Goodwill		18,844,611	
Total intangible assets		**339,936,381**	-
Fixed assets			
Property, plants and equipment	3	635,062,515	
Total fixed assets		**635,062,515**	-
Financial non- current assets			
Investments in subsidiares	4	140,005	
Loans to subsidiaries	5	99,042,166	
Other long term receivables		217,003	
Total financial non- current assets		**99,399,175**	-
Total non- current assets		**1,074,398,071**	-
Current assets			
El-certificates		275,090	
Receivables			
Receivables group companies		6,083,303	
Accounts recievables		4,691,350	
Other short term receivables		960,967	
Total receivables		**11,735,620**	-
Cash and cash equivalents		18,810,128	29,953
Total current assets		**30,820,838**	**29,953**
Total assets		**1,105,218,909**	**29,953**

STATEMENT OF FINANCIAL POSITION (unaudited, in nok)		Småkraft Green Bond 2 AS	
	Note	30.06.2021	31.12.2020
Equity and Liabilities			
Shareholders Equity			
Paid- in capital			
Share capital	2, 7	1,000,000	30,000
Share premium reserve	7	927,241,887	
Other paid in capital			
Total paid in capital		**928,241,887**	**30,000**
Retained earnings			
Other equity		-12,448,339	
Retained earnings		-3,718,705	-47
Total retained earnings		**-16,167,044**	**-47**
Total Equity		**912,074,843**	**29,953**
Provisions			
Defered tax		20,158,071	-
Total provisions		**20,158,071**	**-**
Long term liabilities			
Long term group debt	5	161,797,864	
Other long term debt		500,000	-
Total long term liabilities		**162,297,864**	**-**
Current liabilities			
Accounts payable		2,245,499	
Tax payable		6,876	-
Public duties payable		1,103,212	
Short term debt group companies		3,048,149	
Other short term debt		4,284,395	
Total short term debt		**10,688,131**	**-**
Total liabilities		**193,144,066**	**-**
Total Equity and Liabilities		**1,105,218,909**	**29,953**

The Board in Småkraft Green Bond 2 AS,
Bergen 14.11.2021

Erik Røysem Sterud
Chairman of the Board

Statement of cash flow (unaudited)

	NOK **6 months ended 2021**
Cash Flow from operations	
Profit (-loss) before tax	-5,177,162
Depreciation, amortization, impairment	6,287,924
Change in working capital	-9,599,000
Net cash flow from operations	**-8,488,238**
Cash flow from investment activities	
Inflow due to merger of subsidiaries	19,762,000
Net cash flow from investment activities	**19,762,000**
Cash flow from financing activities	
Inflows from loan raising	7,506,366
Net Cash Flow from financing activities	**7,506,366**
Net change in bank deposits and cash	**18,780,128**
Bank deposits and cash at beginning of period	30,000
Bank deposits and cash at end of period	**18,810,128**

Notes to the unaudited financial statements - Småkraft Green Bond 2 AS

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. The purpose of the financial statements is to give information to investors of a bond issued by Småkraft AS. Småkraft Green Bond 2 AS is a guarantor in the bond agreement.

Mergers

A merger has taken place between Småkraft Green Bond 2 AS and the following companies: Røfdalskraft AS, RK kraftverk AS, Skræi & Skræde Kraft AS, Soks Kraftverk AS, Spilling Kraft AS, Svartdalen Kraft AS, Valdra Kraftverk AS, Veiåni Minikraftverk AS, Venna Kraft AS, Bordalseilva Kraftverk AS, Fivelandselva Kraft AS, Harstveitbekken Kraft AS, Kvamselva Kraftverk AS, Joka Kraft AS, Veiski Kraftverk AS og Løkkebø Kraftverk AS. The accounting effect of the merger is 1 January for companies owned by Småkraft AS before 2021. The accounting effect of the merger of companies acquired in 2021 is from the date the Småkraft-Group gained control in the companies. The merger was carried out to group continuity.

Revenues

Revenues from el spot sale are recognized when power is delivered. The revenue in calculated on the basis of the individual power plant's production, multiplied by the spot price.

Småkraft AS receives el-certificates, which is sold on an ongoing basis in accordance with the current market price. Revenues from el-certificates are recognized when received and are included in the company's energy sale.

Taxes

The tax expense in the income statement comprises taxes payable and changes in deferred tax liabilities/assets. Taxes payable are calculated on the basis of the taxable income for the year. Payable income tax is recognized in the balance sheet under current liabilities.
Deferred tax liabilities/assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward. A positive difference means that the company has a future tax liability, resulting in a deferred tax liability in the balance sheet. A negative difference means that the company has a future tax asset, resulting in a deferred tax asset in the balance sheet. Negative and positive temporary differences offset each other if they are reversed within the same period.

A tax rate of 22% is used when calculating deferred tax liabilities/assets in 2021.

Differed tax assets are recognized in the balance sheet to the extent that it is probable that the assets will be realized.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Fixed assets are carried at historical cost. Impairment of fixed and tangible assets is considered when there are indications of a decline in the value.

Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value. Current assets are valued at the lower of historical cost and fair value. Debt is not revalued to fair value due to interest rate changes.

Receivables

Trade receivables and other receivables are recognized at nominal value, less expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Other receivables, both current assets and fixed assets, are valued at the lower of historical cost and fair value. Fair value is the present value of expected future payments. The discount rate will not be changed if the impact of the change is immaterial. The accrual for losses is assessed the same way as for accounts receivables.

Tangible fixed assets and depreciation

Fixed assets are recognized at historical cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the assets expected useful economic lives and is charged from the time the assets are available for use.

Capitalized costs from own investments are recognized at manufacturing cost. Interests during the period of construction are capitalized. Interest rates are calculated as an average of the company's borrowing costs. Investments projects that are not granted a concession are expensed.

Shares in subsidiaries

Subsidiaries are companies where Småkraft Green Bond 2 AS has controlling interest over financial and operating policies. Controlling interest normally exists when the company owns more than 50 percent of the voting capital.

Estimates

When preparing the consolidated accounts in accordance with the Norwegian Accounting Act, management of the company must exercise judgement and prepare estimates. Areas that require a high degree of judgement, has a high degree of complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes.

NOTE 1: PAYROLL COSTS, NUMBER OF EMPLOYEES, LOANS TO EMPLOYEES, ETC.

The company does not have any employees.

NOTE 2: SHARE CAPITAL AND SHAREHOLDER INFORMATION

The company is 100% owned by Småkraft AS. The share capital consists out of 1000 shares with nominal value 1.000. The company is part of the Småkraft Group. Småkraft AS has business office in Bergen.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Småkraft Green Bond 2 AS

	30.06.21
Costs 1.1	-
Additions (capitalincrease 18.06.21)	155,000,000
Additions (mergers 1.1.2021)	499,189,912
Cost at 30.06	654,189,912
Accumulated depreciations 1.1(merger)	-13,763,228
Accumulatede depreciations(capital increase 18.06.21)	-925,823
Depreciations	-4,438,346
Accumulated depreciations 31.12	-19,127,397
Balance at 30.06.	**635,062,515**

NOTE 4: SUBSIDIARIES

Investment in subsidiary	**Business office**	**Ownership share**
Salvasskardelva Kraftverk AS	Bergen	100%

NOTE 5: INTERCOMPANY

Balance sheet items

Småkraft Green Bond 2 AS

	30.06.2021
Loans to subsidiares	99,042,166
Accounts payable parent company	1,238,633
Debt to parent company	161,797,864

NOTE 6: INTANGIBLE ASSETS

Småkraft Green Bond 2 AS

	Goodwill	Intangible Assets	Total
Balance at 31.12.2020	-	-	-
Effect of mergers of subsidiaries(group continuity)	18,844,611	321,091,770	339,936,381
Balance 30.06.21	**18,844,611**	**321,091,770**	**339,936,381**

Depreciations of intangible assets in 2021: 1 910 348

NOTE 7: EQUITY

Småkraft Green Bond 2 AS:	Share capital	Share premium	Retained equity	Total
Equity 31.12.2020	**30,000**		**-47**	**29,953**
Capital increase	970,000	927,241,887		928,211,887
Mergers of subsidiaries:			-12,448,339	-12,448,339
Net income			-3,718,705	-3,718,705
Equity 30.06.2021	**1,000,000**	**927,241,887**	**-16,167,091**	**912,074,843**

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Småkraft Green Bond 2 AS 30.06

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