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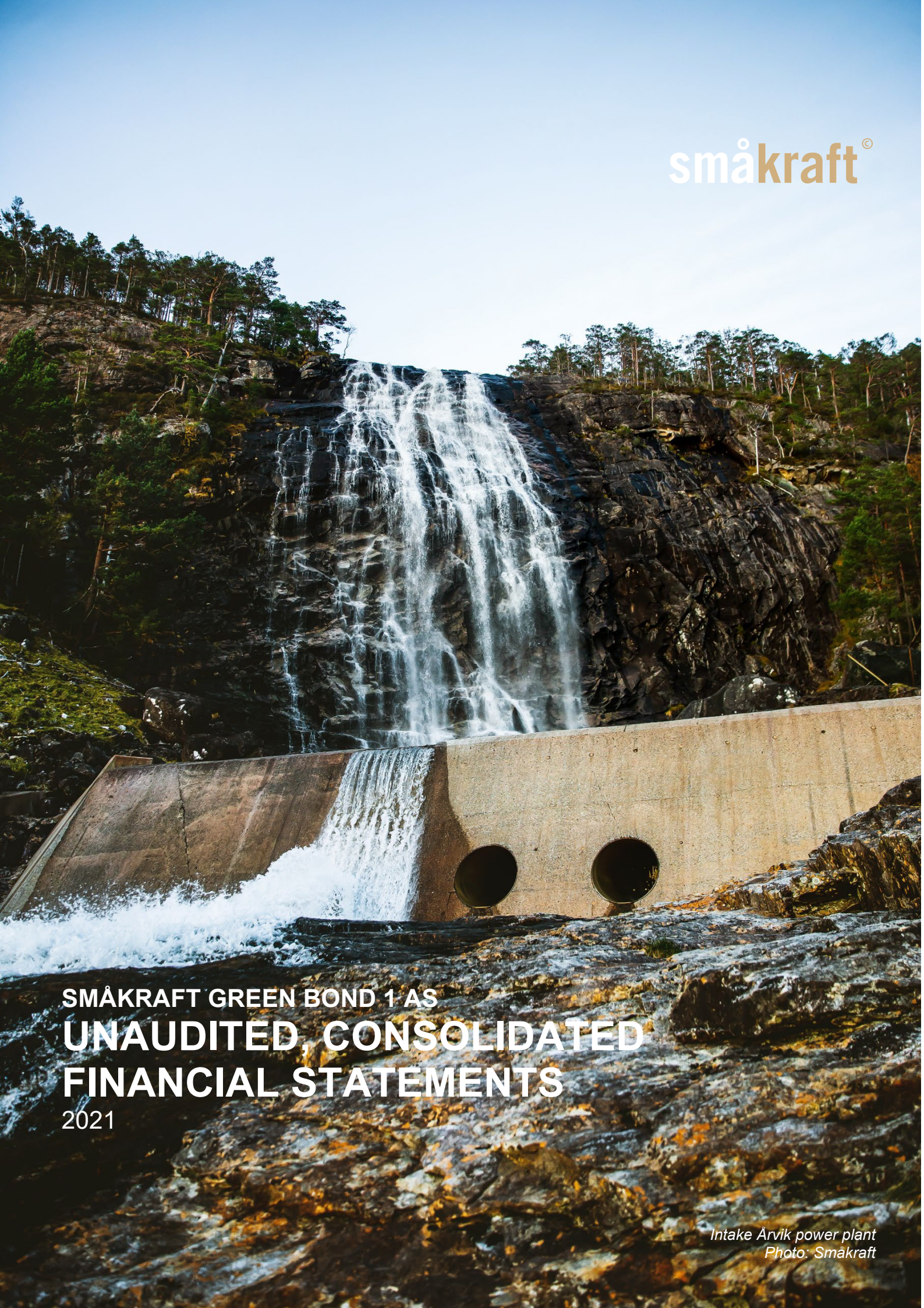

SMÅKRAFT GREEN BOND 1 AS

UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS

2021

Intake Årvik power plant
Photo: Småkraft

Group			STATEMENT OF PROFIT AND LOSS (unaudited, in NOK)		Småkraft Green Bond 1 AS	
2021	2020	Note		Note	2021	2020
			Operating revenue and costs			
62 715 660	**14 641 554**		**Total revenue**		**48 384 398**	**9 891 673**
7 018 068	3 791 074		Water rights costs		5 627 304	3 063 165
4 638 176	1 686 377		Transmission costs		2 912 009	1 007 403
18 610 172	18 394 389		Depreciation of fixed assets and intangible assets		13 689 669	11 069 328
4 254 300	4 180 713		Property tax and licence fees		2 851 514	2 162 531
5 801 448	4 123 985	1	Other operating costs	1	3 603 797	2 710 216
40 322 164	**32 176 538**		**Total operating costs**		**28 684 293**	**20 012 643**
22 393 496	**-17 534 984**		**Operating profit (-loss)**		**19 700 105**	**-10 120 970**
			Financial income and financial costs			
			Interest income from group companies		7 284 735	7 873 195
75 334	66 967		Other finance income		68 361	57 572
-4 361 032	-4 678 852		Interest expenses to Småkraft AS		-6 936 452	-4 678 852
-4 285 699	**-4 611 885**		**Net financial items**		**416 644**	**3 251 915**
18 107 797	**-22 146 869**		**Profit (-loss) before taxation**		**20 116 749**	**-6 869 055**
-3 529 087	4 830 295	3	Tax expenses	3	-3 969 611	1 470 663
14 578 710	**-17 316 575**		**Profit (-loss) for the year**		**16 147 138**	**-5 398 392**
14 578 710	**-17 316 575**		**Net income**		**16 147 138**	**-5 398 392**
			Dispositions			
10 429 847	-		Group distributions net of tax		10 429 847	-
4 148 863	-17 316 575		To retained earnings		5 717 291	-5 398 392
14 578 710	**-17 316 575**		**Total dispositions**		**16 147 138**	**-5 398 392**

Group			STATEMENT OF FINANCIAL POSITION (unaudited, in nok)		Småkraft Green Bond 1 AS	
31.12.2021	31.12.2020	Note		Note	31.12.2021	31.12.2020
			Assets			
			Non- current assets			
			Intangible assets			
81 814 724	86 397 148	5	Other intangible assets	5	81 492 624	68 083 277
7 422 182	7 695 918	5	Goodwill	5	10 285 664	7 235 696
89 236 907	**94 093 066**		**Total intangible assets**		**91 778 289**	**75 318 973**
			Fixed assets			
578 969 149	595 159 824	4	Property, plants and equipment	4	407 090 800	328 131 691
578 969 149	**595 159 824**		**Total fixed assets**		**407 090 800**	**328 131 691**
			Financial non- current assets			
-	-		Investments in subsidiares	6	39 492 038	60 787 881
-	-		**Loans to subsidiaries**	7	174 585 769	262 586 539
2 351 155	1 249 237		Other long term receivables		2 351 155	1 228 640
2 351 155	**1 249 237**		**Total financial non- current assets**		**216 428 962**	**324 603 060**
670 557 211	**690 502 127**		**Total non- current assets**		**715 298 050**	**728 053 724**
			Current assets			
-	7 960		El-certificates		-	6 979
			Receivables			
4 518 063	1 490 302		Accounts recievables		3 786 975	1 073 124
74 393	3 315 504		**Other short term receivables**		32 984	2 990 219
	-		Short term receivables group companies	7	718 974	854 048
4 592 456	**4 813 766**		**Total receivables**		**4 538 933**	**4 924 370**
60 605 929	18 410 604		**Cash and cash equivalents**		51 668 926	15 542 465
65 198 385	**23 224 370**		**Total current assets**		**56 207 859**	**20 466 835**
735 755 595	**713 726 497**		**Total assets**		**771 505 909**	**748 520 559**

Group			STATEMENT OF FINANCIAL POSITION (unaudited, in nok)		Småkraft Green Bond 1 AS	
31.12.2021	31.12.2020	Note		Note	31.12.2021	31.12.2020
			Equity and Liabilities			
			Shareholders Equity			
			Paid- in capital			
55 000 000	55 000 000	2, 8	Share capital	2, 8	55 000 000	55 000 000
465 114 846	**465 114 846**	**8**	**Share premium reserve**	**8**	**465 114 846**	**465 114 846**
			Other paid in capital		200 000	200 000
520 114 846	**520 114 846**		**Total paid in capital**		**520 314 846**	**520 314 846**
			Retained earnings			
811 517	308 781		Minority interests			
-727 571	-5 034 406		Retained earnings		13 719 932	12 797 120
83 946	**-4 725 626**		**Total retained earnings**		**13 719 932**	**12 797 120**
520 198 792	**515 389 220**		**Total Equity**		**534 034 778**	**533 111 966**
			Liabilities			
			Provisions			
9 225 869	9 902 430	3	Deferred tax	3	18 340 781	15 078 949
9 225 869	**9 902 430**		**Total provisions**		**18 340 781**	**15 078 949**
			Long term liabilities			
178 041 302	177 327 879	7	Debt to Småkraft AS	7	178 041 302	177 327 879
178 041 302	**177 327 879**		**Total long term liabilities**		**178 041 302**	**177 327 879**
			Current liabilities			
2 387 083	3 557 380		Accounts payable		1 075 315	780 804
3 110 663	172 616		Public duties payable		2 938 290	111 464
-	-		Group payable		15 411 848	15 411 848
13 371 598	-		Group contributions		13 371 598	-
9 420 288	7 376 972		Other short term debt		8 291 996	6 697 649
28 289 632	**11 106 968**		**Total short term debt**		**41 089 047**	**23 001 765**
215 556 803	**198 337 277**		**Total liabilities**		**237 471 131**	**215 408 593**
735 755 595	**713 726 497**		**Total Equity and Liabilities**		**771 505 909**	**748 520 559**

The Board in Småkraft Green Bond 1 AS,
Bergen 30.04.2022

Erik Røysem Sterud
Chairman of the Board/Managing Director

Lars Jacob Haugom
Board Member

Notes to the unaudited financial statements - Småkraft Green Bond 1 AS - Group

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Consolidation principles

The consolidated financial statement consists of Småkraft Green Bond 1 AS and companies where Småkraft Green Bond 1 AS has a controlling interest. Controlling interest normally exists when the group owns more than 50 percent of the shares and can exercise actual control. All material transactions and group inter-company balances are eliminated. The consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. The acquisition method is applied in business combinations. Companies acquired or sold during the year are consolidated from the date control is achieved and until control ceases.

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 2020 and 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 1 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 1100 shares with nominal value 50.000. The company and the Småkraft Green Bond 1 AS Group is part of the Småkraft Group. Småkraft AS Green Bond 1 AS has business office in Bergen.

Småkraft Green Bond 1 AS owns Kvemma Kraft AS and Saksenvik Kraft AS 100%. Grytendal Kraft AS, a former 100% owned subsidiary, was merged with Småkraft Green Bond 1 AS in 2021.

NOTE 3: TAXES

	Smålkraft Green Bond 1 AS-Group		Smålkraft Green Bond 1 AS	
The tax expense in the income statement	**2021**	**2020**	**2021**	**2020**
Income tax payabel	2 941 752		2 941 752	
Change in tax accrued former years	603 188		603 188	
Tax at deficit reversed	-	-889 328		-603 188
Change in deferred income tax	-15 852	-3 940 967	424 672	-867 475
Tax expense in the income statement:	**3 529 088**	**-4 830 295**	**3 969 612**	**-1 470 663**
Tax payable speficiation:				
Profit before tax	18 107 797	-22 146 869	20 116 749	-6 869 055
Profit before tax in subsidiaries before the group was established:				
Permanent differences	44 659	20 249	38 088	13 490
Change in deferred taxes	4 797 764	2 349 261	4 225 035	2 974 353
Change in loss carried forward	-9 578 624	15 734 960	-11 008 275	1 139 450
Basis tax payable	**13 371 596**	**-4 042 399**	**13 371 597**	**-2 741 762**
Group contribution	13 371 596	-	13 371 597	-
Basis tax payable in the balance sheet	-0	-4 042 399	-	-2 741 762
Tax payable in the balance sheet				
Tax payable at annual result	2 941 752	-	2 941 752	-
Tax payable at group contributions	-2 941 752	-	-2 941 752	-
Tax payable in the balance sheet	**-**	**-**	-	-
Deferred tax asset (-liability)				
Fixed and intangible assets	60 185 935	66 852 952	87 152 847	70 408 842
Other differences	-	55 163	-	6 979
Total temporary differences	60 185 935	66 908 115	87 152 847	70 415 821
Losses carried forward	-14 464 504	-21 161 374	-	-1 139 450
Basis for deferred tax asset	45 721 431	45 746 741	87 152 847	69 276 371
Temporary differences not part of the deferred tax asset	-3 785 664	-735 696	-3 785 664	-735 696
Basis for deferred tax asset in the balance sheet	41 935 767	45 011 045	83 367 183	68 540 675
Deferred tax (22%)	**9 225 869**	**9 902 430**	**18 340 780**	**15 078 948**
Reconciliation tax expense:				
22% of profit before tax	3 983 715	-4 872 311	4 425 685	-1 511 192
Tax expense in the P&L	-3 529 088	4 830 295	-3 969 612	1 470 663
Permanent differences/other	-454 627	42 017	-456 073	40 529
Difference	-0	0	0	-0

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Smäkraft Green Bond 1 AS

	2021	2020
Costs 1.1	362 204 773	360 906 515
Merger of subsidiary	93 874 695	-
Net additions and disposals	-79 900	1 298 258
Cost at 31.12	455 999 568	362 204 773
Accumulated depreciations 1.1	-34 073 082	-24 807 541
Merger of subsidiary	-3 610 168	-
Depreciations	-11 225 519	-9 265 541
Accumulated depreciations 31.12	-48 908 769	-34 073 082
Balance at 31.12.	**407 090 800**	**328 131 691**

Smäkraft Green Bond 1 AS- Group

	2021	2020
Costs 1.1	643 428 575	641 372 875
Net additions and disposals	-51 773	2 055 700
Cost at 31.12	643 376 802	643 428 575
Accumulated depreciations 1.1	-48 268 751	-32 242 627
Depreciations	-16 138 902	-16 026 124
Accumulated depreciations 31.12	-64 407 653	-48 268 751
Balance at 31.12	**578 969 149**	**595 159 824**

NOTE 5: INTANGIBLE ASSETS

Smäkraft Green Bond 1 AS

	Goodwill	Intangible Assets	Total
Balance at 1.1.2020	7 729 609	72 845 085	80 574 694
Additions 2020	-	-	-
Cost 31.12.2020	7 729 609	72 845 085	80 574 694
Additions 2021, merger with subsidiary	3 323 704	17 984 652	21 308 356
Deduction 2021***		-2 384 890	-2 384 890
Cost 31.12.2021	**11 053 313**	**88 444 847**	**99 498 160**
Accumulated depreciations 1.1.2020	-323 182	-3 128 752	-3 451 934
Depreciations 2020	-170 731	-1 633 056	-1 803 787
Accumulated depreciations, 31.12.2020	-493 913	-4 761 808	-5 255 721
Depreciations 2021	-273 735	-2 190 415	-2 464 150
Accumulated depreciations, 31.12.2021	**-767 648**	**-6 952 223**	**-7 719 871**
Balance at 31.12.2021	**10 285 665**	**81 492 624**	**91 778 289**

Smäkraft Green Bond 1 AS- Group

	Goodwill*	Intangible Assets	Total
Cost at 1.1.2020	8 189 831	103 278 794	111 468 625
Deduction 2020**	-	-11 555 359	-11 555 359
Cost 31.12.2020	8 189 831	91 723 435	99 913 266
Deduction 2021***		-2 384 890	-2 384 890
Cost 31.12.2020	8 189 831	89 338 545	97 528 376
Accumulated depreciations 1.1.2020	-323 182	-3 128 752	-3 451 934
Depreciations 2020	-170 731	-2 197 534	-2 368 265
Accumulated depreciations 31.12.2020	-493 913	-5 326 286	-5 820 200
Depreciations 2021	-273 735	-2 197 535	-2 471 270
Accumulated depreciations 31.12.2020	-767 648	-7 523 821	-8 291 469
Balance at 31.12.2020	**7 422 183**	**81 814 724**	**89 236 907**

*The difference between deferred tax valued at nominal and discounted amounts is recognized as goodwill at the time of purchase of the subsidiaries.

**Deduction due to decrease in purchase price for Grytendal Kraft AS agreed in 2020.

*** Deduction due to decrease in purchase price for Fiskløysa Kraft agreed in 2021.

NOTE 6: SUBSIDIARIES

Investment in subsidiary	Business office	Ownership share	2021 Net income (100%)	2021 Booked equity 31.12. (100%)	2020 Net income (100%)	2020 Booked equity 31.12. (100%)
Kvemma Kraft AS	Lærdal	66 %	1 356 808	19 522 543	-2 857 081	18 165 735
Saksenvik Kraft AS	Bergen	96 %	-3 169 696	23 176 894	-5 534 572	26 346 590

NOTE 7: INTERCOMPANY

Balance sheet items

Småkraft Green Bond 1 AS

	2021	2020
Loans to subsidiares	174 585 769	262 586 539
Short term receivables group companies	718 974	854 048
Long-term debt to parent company	178 041 302	177 327 879
Group contribution to Småkraft AS	13 371 598	-
Short term payable to subsidiary	15 411 848	15 411 848
Vendors	787 233	568 192

Småkraft Green Bond 1- Group

	2021	2020
Debt to parent company - Småkraft AS	178 041 302	177 327 879
Group contribution to Småkraft AS	13 371 598	-

NOTE 8: EQUITY

Småkraft Green Bond 1 AS:	Share capital	Share premium	Other paid in capital	Retained equity	Total
Equity 1.1.2020	**55 000 000**	**465 114 846**	**200 000**	**18 195 512**	**538 510 358**
Net income				-5 398 392	-5 398 392
Equity 31.12.2020	**55 000 000**	**465 114 846**	**200 000**	**12 797 120**	**533 111 966**
Merger with subsidary, Grytendal				-4 794 477	-4 794 477
Group contributions after tax				-10 429 846	-10 429 846
Net income				16 147 138	16 147 138
Equity 31.12.2021	**55 000 000**	**465 114 846**	**200 000**	**13 719 935**	**534 034 781**

Småkraft Green Bond 1 AS- Group:	Share capital	Share premium	Retained equity	Minority	Total
Equity 1.1.2020	**55 000 000**	**465 114 846**	**10 824 319**	**1 766 630**	**532 705 795**
Net income			-15 858 725	-1 457 850	-17 316 575
Equity 31.12.2020	**55 000 000**	**465 114 846**	**-5 034 405**	**308 780**	**515 389 221**
Group contributions after tax			-10 429 847		-10 429 847
Other			660 710		660 710
Net income			14 075 975	502 735	14 578 710
Equity 31.12.2021	**55 000 000**	**465 114 846**	**-727 567**	**811 515**	**520 198 794**

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