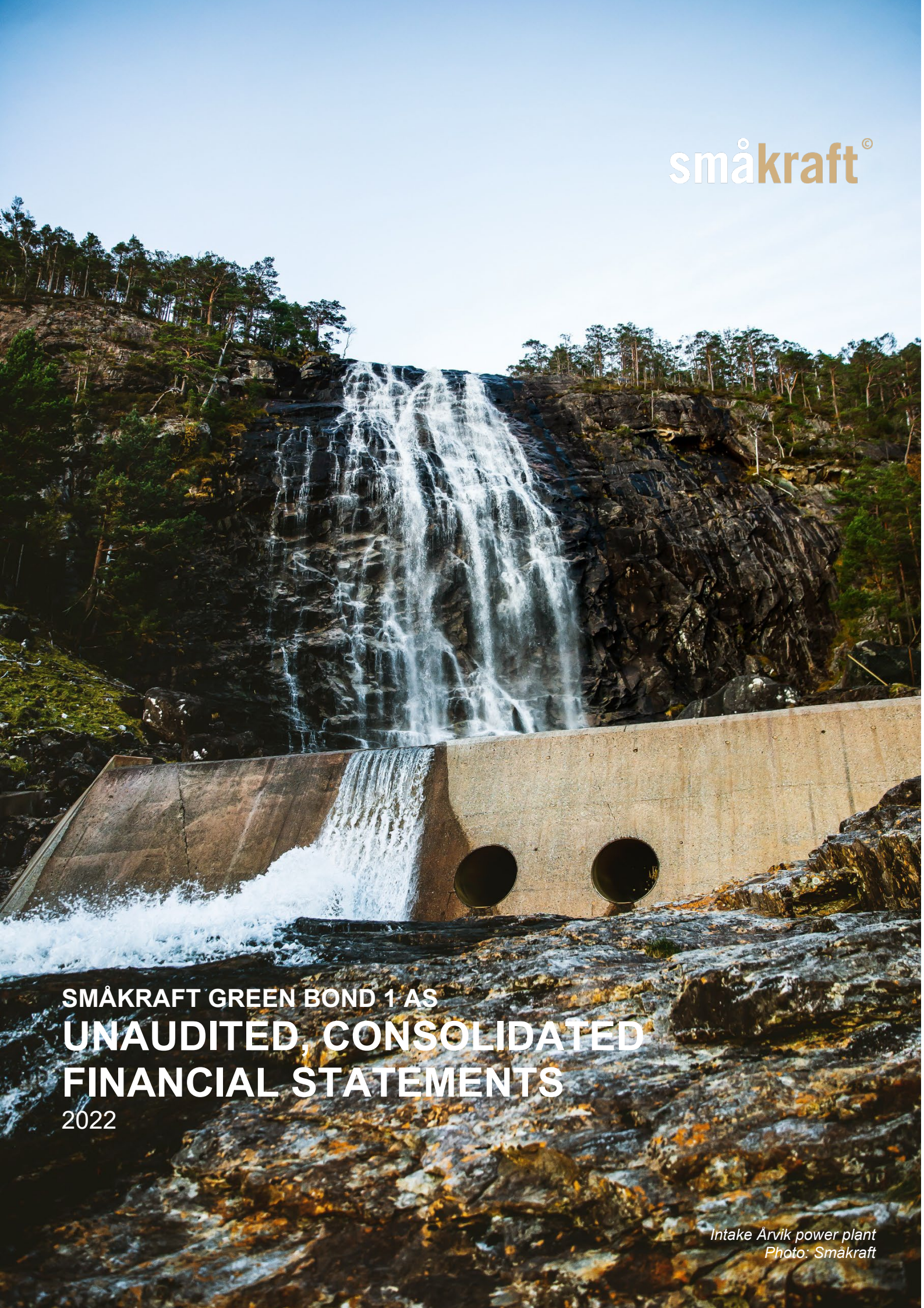

SMÅKRAFT GREEN BOND 1 AS

UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS

2022

Intake Årvik power plant
Photo: Småkraft

Group			Statement of profit and loss (unaudited, in NOK)		Småkraft Green Bond 1 AS	
2022	2021	Note		Note	2022	2021
			Operating revenue and costs			
130 390 426	62 715 660		Revenue		105 955 810	48 384 398
3 074 647			Other revenue		2 233 725	
133 465 073	**62 715 660**		**Total revenue**		**108 189 535**	**48 384 398**
32 218 910	7 018 068		Water rights costs		30 853 419	5 612 111
5 323 410	4 638 176		Transmission costs		3 728 681	2 912 009
18 410 511	18 610 172	4,5	Depreciation of fixed assets and intangible assets	4,5	13 706 392	13 689 669
3 898 773	4 254 300		Property tax and licence fees		2 525 025	2 851 514
6 739 091	5 801 448		Other operating costs		4 632 401	3 618 990
66 590 695	**40 322 164**		**Total operating costs**		**55 445 918**	**28 684 293**
66 874 378	**22 393 496**		**Operating profit (-loss)**		**52 743 617**	**19 700 105**
			Financial income and financial costs			
0			Interest income from group companies		5 895 781	7 284 735
248 505	75 334		Other financial income		242 712	68 361
24 524			Other financial expense		25 757	
-3 122 724	-4 361 032		Interest expenses to Småkraft AS		-3 121 861	-6 936 452
-2 849 696	**-4 285 698**		**Net financial items**		**3 042 389**	**416 644**
64 024 682	18 107 797		Profit (-loss) before taxation		55 786 005	20 116 749
-14 771 233	-3 529 087	3	Tax expenses	3	-12 337 827	-3 969 611
49 253 449	**14 578 710**		**Profit (-loss) for the year**		**43 448 178**	**16 147 138**
49 253 449	**14 578 710**		**Net income**		**43 448 178**	**16 147 138**
			Dispositions			
46 885 176	10 429 847		Group distributions net of tax		46 885 176	10 429 847
-1 585 964	3 646 128		To retained earnings		-3 436 998	5 717 291
3 954 237	502 735		Non-controlling interest profit			
49 253 449	**14 578 710**		**Total dispositions**		**43 448 178**	**16 147 138**

Group			Statement of financial position (unaudited, in NOK)		Småkraft Green Bond 1 AS	
2022	2021	Note		Note	2022	2021
			Assets			
			Non- current assets			
			Intangible assets			
79 616 885	81 814 724	5	Other intangible assets	5	79 301 905	81 492 624
7 197 584	7 422 182	5	Goodwill	5	10 011 873	10 285 664
86 814 469	**89 236 907**		**Total intangible assets**		**89 313 777**	**91 778 289**
			Fixed assets			
566 184 985	578 969 149	4	Property, plants and equipment	4	396 997 304	407 090 800
566 184 985	**578 969 149**		**Total fixed assets**		**396 997 304**	**407 090 800**
			Financial non- current assets			
0			Investments in subsidiares	6	39 492 038	39 492 038
2 740 477			Loans to subsidiaries	7	145 673 921	174 585 769
0	2 351 155		Other long term receivables		2 740 477	2 351 155
2 740 477	**2 351 155**		**Total financial non- current assets**		**187 906 436**	**216 428 962**
655 739 931	**670 557 211**		**Total non- current assets**		**674 217 518**	**715 298 050**
			Receivables			
1 243 634	4 518 063		Accounts receivables		1 293 684	3 786 975
0	74 393		Other short term receivables		284 219	32 984
0			Short term receivables group companies	7	2 225 569	718 974
1 243 634	**4 592 456**		**Total receivables**		**3 803 472**	**4 538 933**
55 867 799	**60 605 929**		**Cash and cash equivalents**		**49 123 721**	**51 668 926**
57 111 433	**65 198 385**		**Total current assets**		**52 927 193**	**56 207 859**
712 851 364	**735 755 595**		**Total assets**		**727 144 711**	**771 505 909**

Group 2022	2021	Note	Statement of financial position (unaudited, in NOK)	Note	Småkraft Green Bond 1 AS 2022	2021
			Equity and Liabilities			
			Shareholders Equity			
0			Paid- in capital		0	
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
0			Other paid in capital		200 000	200 000
0			Not registered capital increase		0	
520 114 846	**520 114 846**		**Total paid in capital**		**520 314 846**	**520 314 846**
			Retained earnings			
4 765 753	811 517		Minority interests		0	
-2 313 533	-727 571		Retained earnings		10 282 933	13 719 932
2 452 220	**83 946**		**Total retained earnings**		**10 282 933**	**13 719 932**
522 567 065	**520 198 792**		**Total Equity**		**530 597 779**	**534 034 778**
			Liabilities			
			Provisions			
6 802 928	9 225 869	3	Deferred tax	3	17 454 584	18 340 781
6 802 928	**9 225 869**		**Total provisions**		**17 454 584**	**18 340 781**
			Long term liabilities			
0	178 041 302	7	Debt to Småkraft AS	7	0	178 041 302
0	**178 041 302**		**Total long term liabilities**		**0**	**178 041 302**
			Current liabilities			
35 299	2 387 083		Accounts payable		1 235 597	1 075 315
3 427 225			Tax payable		0	
3 341 630	3 110 663		Public duties payable		2 728 741	2 938 290
0			Group payable		0	15 411 848
88 541 302	13 371 598		Short term debt to Småkraft AS		88 541 302	13 371 598
88 135 914	9 420 288		Other short term debt		86 586 706	8 291 996
183 481 371	**28 289 632**		**Total short term debt**		**179 092 346**	**41 089 047**
190 284 299	**215 556 803**		**Total liabilities**		**196 546 931**	**237 471 130**
712 851 364	**735 755 595**		**Total Equity and Liabilities**		**727 144 711**	**771 505 909**

The Board in Småkraft Green Bond 1 AS,
Bergen 27.04.2023

Dag E Tønjum
Chairman of the Board

Åshild Bråten
Board Member

Tina Rasmussen
General Manager

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 2022 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 Green Bond 1 AS has its registerred office in Bergen.

Småkraft Green Bond 1 AS owns Kvemma Kraft AS and Saksenvik Kraft AS.

Note 3: Taxes	Småkraft Green Bond 1		Småkraft Green Bond 1 AS	
The tax expense in the income statement	**2022**	**2021**	**2022**	**2021**
Income tax payable	16 651 249	2 941 752	13 224 024	2 941 752
Change in tax accrued former years		603 188		603 188
Tax at deficit reversed				
Change related to				
Change in deferred income tax	-1 880 016	-15 852	-886 197	424 672
Tax expense in the income statement:	**14 771 233**	**3 529 088**	**12 337 827**	**3 969 612**
Tax payable speficiation:				
Profit before tax	64 024 682	18 107 797	55 786 005	20 116 749
Profit before tax in subsidiaries before the group was established:	0			
Permanent differences	29 203	44 659	21 238	38 088
Change in deferred taxes	4 676 617	4 797 764	4 301 957	4 225 035
Companies with losses	0			
Change in loss carried forward	6 956 995	-9 578 624		-11 008 275
Expenses booked against equity	0			
Basis tax payable	**75 687 497**	**13 371 596**	**60 109 200**	**13 371 597**
Group contribution	-60 109 200	13 371 596	-60 109 200	13 371 597
Basis tax payable in the balance sheet	**15 578 297**	**0**	**0**	**0**
Tax payable in the balance sheet				
Tax payable at annual result	16 651 249	2 941 752	13 224 024	2 941 752
Tax payable at group contributions	-13 224 024	-2 941 752	-13 224 024	-2 941 752
Tax payable in the balance sheet	**3 427 225**	**0**	**0**	**0**
Deferred tax asset (- liability)				
Fixed and intangible assets	55 855 773	60 185 935	82 850 890	87 152 847
Other differences	0			
Demerger debt	0			
Total temporary differences	55 855 773	60 185 935	82 850 890	87 152 847
Losses carried forward	-21 421 499	-14 464 504		
Basis for deferred tax asset	34 434 274	**45 721 431**	**82 850 890**	**87 152 847**
Temporary differences not part of the deferred tax asset	-3 511 873	-3 785 664	-3 511 873	-3 785 664
	30 922 401	**41 935 767**	**79 339 017**	**83 367 183**
Basis for deferred tax asset in the balance sheet				
Deferred tax (22%)	**6 802 928**	**9 225 869**	**17 454 584**	**18 340 780**
Reconciliation tax expense:				
22% of profit before tax	14 085 430	3 983 715	12 272 921	4 425 685
Tax expense in the P&L	-14 771 233	-3 529 088	-12 337 827	-3 969 612
Permanent differences/other	685 803	-454 627	64 906	-456 073
Change in not balanced tax asset				
Difference	0	0	0	0

Note 4: Property, plant and equipment

Småkraft Green Bond 1 AS

	2022	2021
Costs 1.1	455 999 568	362 204 773
Merger of subsidiary		93 874 695
Net additions and disposals	1 148 386	-79 900
Cost at 31.12	457 147 954	455 999 568
Accumulated depreciations 1.1	-47 443 648	-34 073 082
	-6 207 001	-3 710 168
Accumulated depreciations merger of subsidiary		
Accumulated write-downs	-6 500 000	-11 225 519
Accumulated depreciations 31.12	-60 150 649	-48 908 769
Balance at 31.12.	**396 997 304**	**407 090 800**

Småkraft Green Bond 1 AS Group

	2022	2021
Costs 1.1	643 376 802	643 428 575
Merger of subsidiary		
Net additions and disposals	3 203 910	-51 773
Cost at 31.12	646 580 712	643 376 802
Accumulated depreciations 1.1	-64 231 361	-48 268 751
Merger of subsidiary		
Depreciations	-16 164 366	-16 138 902
Accumulated depreciations 31.12	-80 395 727	-64 407 653
Balance at 31.12.	**566 184 985**	**578 969 149**

Note 5: Intangible assets

Småkraft Green Bond 1 AS

	Goodwill	Intangible Assets	Total
Balance at 1.1.2021	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***	0	-2 384 890	-2 384 890
Cost 31.12.2021	**11 053 313**	**88 444 847**	**99 498 161**
Additions 2022			
Deduction 2022			
Cost 31.12.2022	**11 053 313**	**88 444 847**	**99 498 161**
Accumulated depreciations 1.1.2021	-493 970	-4 761 808	-5 255 778
Depreciations 2021	-273 735	-2 190 415	-2 464 150
Accumulated depreciations, 31.12.2021	**-767 705**	**-6 952 223**	**-7 719 928**
Depreciations 2022	-273 735	-2 190 720	-2 464 455
Accumulated depreciations, 31.12.2022	**-1 041 440**	**-9 142 943**	**-10 184 383**
Balance at 31.12.2022	**10 011 873**	**79 301 904**	**89 313 778**

Småkraft Green Bond 1 AS - Group

	Goodwill	Intangible Assets	Total
Balance at 1.1.2021			
Additions 2021	7 422 183		7 422 183
Cost 31.12.2021	8 189 831	89 338 545	97 528 376
Additions 2022, merger with subsidiary			-
Deduction 2022		-176 292	-176 292
Cost 31.12.2022	8 189 831	89 162 253	97 352 084
Accumulated depreciations 1.1.2021	-493 913		-493 913
Depreciations 2021	-273 735	-2 197 535	-2 471 270
Accumulated depreciations, 31.12.2021	-767 648	-7 523 821	-8 291 469
Depreciations 2022	-224 599	-2 021 547	-2 246 146
Accumulated depreciations, 31.12.2022	-992 247	-9 545 368	-10 537 615
Balance at 31.12.2022	**7 197 584**	**79 616 885**	**86 814 469**

Note 6: Subsidiaries

	Business Office	Ownership share	2022 Net income (100%)	2022 Booked equity 31.12. (100%)	2021 Net income (100%)	2021 Booked equity 31.12. (100%)
Investment in subsidiary						
Kvemma Kraft AS	Lærdal	66 %	11 996 113	31 518 656	1 356 808	19 522 543
Saksenvik Kraft AS	Bergen	95 %	-5 992 036	17 184 859	-3 169 696	23 176 894

Note 7: Intercompany

Balance sheet items

Småkraft Green Bond 1 AS

	2022	2021
Long- term loans to subsidiares	**145 673 921**	**174 585 769**
Short-term receivables group companies	445 353	518 974
Other short-term receivables group companies	1 780 217	200 000
Total short term receivables group companies	**2 225 570**	**718 974**
Long-term debt to parent company	**-**	**178 041 302**
Short-term debt to parent company	88 541 302	
Group contribution to Småkraft AS	60 109 200	13 371 598
Short-term payable to subsidiary	-	15 411 848
Short- term payables group companies	1 235 597	787 233
Total short term debt group companies	**149 886 099**	**29 570 679**

Småkraft Green Bond 1- Group

	2022	2021
Debt to parent company - Småkraft AS	88 541 302	178 041 302
Group contribution to Småkraft AS	60 109 200	13 371 598

Note 8: Equity

Småkraft Green Bond 1 AS:

	Share capital	Share premium	Other paid in capital	Retained equity	Total
Equity 1.1.2021	**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**	**13 719 932**	**534 034 778**
Group contributions after tax				-46 885 176	-46 885 176
Net income				43 448 178	43 448 178
Equity 31.12.2022	**55 000 000**	**465 114 846**	**200 000**	**10 282 933**	**530 597 779**

Småkraft Green Bond 1 AS - Group:

	Share capital	Share premium	Retained equity	Minority	Total
Equity 1.1.2021	**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**
Group contributions after tax			-46 885 176		-46 885 176
Net income			45 299 212	3 954 237	49 253 449
Equity 31.12.2022	**55 000 000**	**465 114 846**	**-2 313 531**	**4 765 752**	**522 567 067**

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Småkraft Green Bond 1 AS - Consolidated Financial Statements 2022 - unaudited

Final Audit Report 2023-04-27

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