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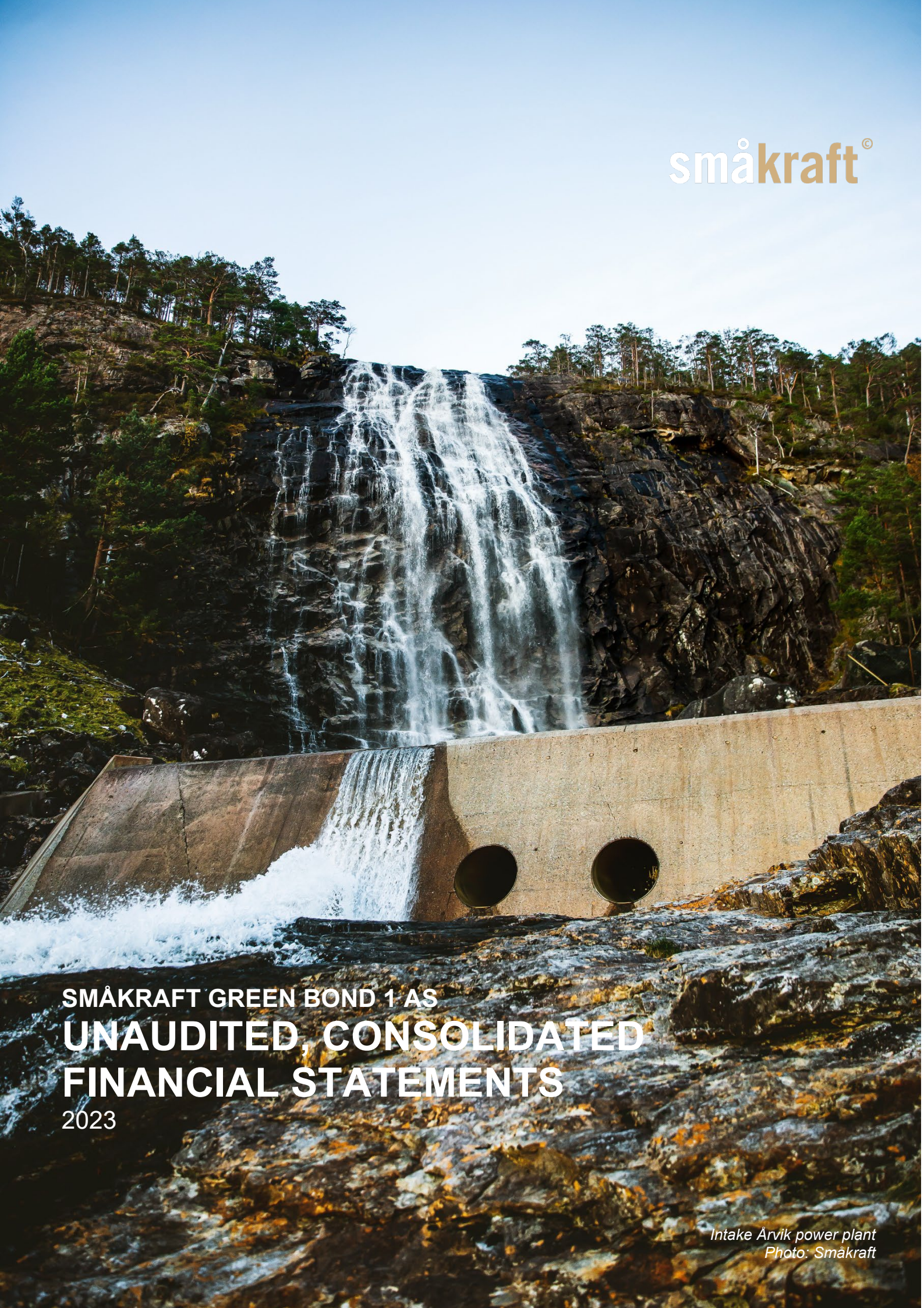

SMÅKRAFT GREEN BOND 1 AS

UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS

2023

Intake Årvik power plant
Photo: Småkraft

Group			Statement of profit and loss (unaudited, in NOK)	Småkraft Green Bond 1 AS		
2023	2022	Note		Note	2023	2022
			Operating revenue and costs			
52 358 741	130 390 426		Revenue		41 439 350	105 955 810
-37 459	3 074 647		Other revenue		458 320	2 233 725
52 321 282	**133 465 073**		**Total revenue**		**41 897 670**	**108 189 535**
9 217 871	32 218 910		Water rights costs		8 146 577	30 853 419
2 732 135	5 323 410		Transmission costs		1 593 634	3 728 681
18 675 396	18 410 511	4,5	Depreciation of fixed assets and intangible assets	4,5	13 712 151	13 706 392
4 060 524	3 898 773		Property tax and licence fees		2 767 913	2 525 025
6 957 584	6 739 091		Other operating costs		4 994 059	4 632 401
41 643 510	**66 590 695**		**Total operating costs**		**31 214 334**	**55 445 918**
10 677 772	**66 874 378**		**Operating profit (-loss)**		**10 683 337**	**52 743 617**
			Financial income and financial costs			
0	0		Interest income from group companies		5 774 708	5 895 781
832 574	248 505		Other financial income		821 992	242 712
-228 306	24 524		Other financial expense		-21 626	25 757
-4 181 337	-3 122 724		Interest expenses to Småkraft AS		-4 032 103	-3 121 861
-3 577 069	**-2 849 696**		**Net financial items**		**2 542 971**	**3 042 389**
7 100 703	64 024 682		Profit (-loss) before taxation		13 226 308	55 786 005
-1 166 270	-14 771 233	3	Tax expenses	3	-2 972 851	-12 337 827
5 934 433	**49 253 449**		**Profit (-loss) for the year**		**10 253 457**	**43 448 178**
5 934 433	**49 253 449**		**Net income**		**10 253 457**	**43 448 178**
			Dispositions			
13 688 481	46 885 176		Group distributions net of tax		13 688 481	46 885 176
-7 942 981	-1 585 964		To retained earnings		-3 435 024	-3 436 998
188 933	3 954 237		Non-controlling interest profit			
5 934 433	**49 253 449**		**Total dispositions**		**10 253 457**	**43 448 178**

Group 2023	2022	Note	Statement of financial position (unaudited, in NOK)	Note	Småkraft Green Bond 1 AS 2023	2022
			Assets			
			Non- current assets			
			Intangible assets			
138 408 674	79 616 885	5	Other intangible assets	5	77 111 185	79 301 905
9 781 131	7 197 584	5	Goodwill	5	9 738 081	10 011 873
148 189 805	**86 814 469**		**Total intangible assets**		**86 849 266**	**89 313 777**
			Fixed assets			
538 151 606	566 184 985	4	Property, plants and equipment	4	387 472 063	396 997 304
538 151 606	**566 184 985**		**Total fixed assets**		**387 472 063**	**396 997 304**
			Financial non- current assets			
			Investments in subsidiares	6	101 458 750	39 492 038
	2 740 477		Loans to subsidiaries	7	144 306 906	145 673 921
3 645 206	0		Other long term receivables		3 645 206	2 740 477
3 645 206	**2 740 477**		**Total financial non- current assets**		**249 410 862**	**187 906 436**
689 986 617	**655 739 931**		**Total non- current assets**		**723 732 191**	**674 217 518**
			Receivables			
5 352 577	1 243 634		Accounts receivables		3 681 081	1 293 684
38 118	0		Other short term receivables		715 914	284 219
178 062	0		Short term receivables group companies	7	847 424	2 225 569
5 568 757	**1 243 634**		**Total receivables**		**5 244 419**	**3 803 472**
1 701 829	**55 867 799**		**Cash and cash equivalents**		**997 621**	**49 123 721**
7 270 586	**57 111 433**		**Total current assets**		**6 242 040**	**52 927 193**
697 257 203	**712 851 364**		**Total assets**		**729 974 231**	**727 144 711**

Group			Statement of financial position (unaudited, in NOK)		Småkraft Green Bond 1 AS	
2023	2022	Note		Note	2023	2022
			Equity and Liabilities			
			Shareholders Equity			
			Paid- in capital			
56 100 000	55 000 000	2, 8	Share capital	2, 8	56 100 000	55 000 000
490 509 657	465 114 846	8	Share premium reserve	8	487 647 074	465 114 846
0	0		Other paid in capital		200 000	200 000
61 380 729	0		Not registered capital increase		61 380 729	0
607 990 386	**520 114 846**		**Total paid in capital**		**605 327 803**	**520 314 846**
			Retained earnings			
681 669	4 765 753		Minority interests		0	0
-24 063 497	-2 313 533		Retained earnings		6 847 909	10 282 933
-23 381 828	**2 452 220**		**Total retained earnings**		**6 847 909**	**10 282 933**
584 608 558	**522 567 065**		**Total Equity**		**612 175 712**	**530 597 779**
			Liabilities			
			Provisions			
9 407 188	6 802 928	3	Deferred tax	3	16 566 582	17 454 584
9 407 188	**6 802 928**		**Total provisions**		**16 566 582**	**17 454 584**
			Long term liabilities			
69 187 243	0	7	Debt to Småkraft AS	7	69 187 242	0
69 187 243	**0**		**Total long term liabilities**		**69 187 242**	**0**
			Current liabilities			
1 364 696	35 299		Accounts payable		923 060	1 235 597
0	3 427 225		Tax payable		0	0
807 998	3 341 630		Public duties payable		623 620	2 728 741
0	0		Group payable		0	0
18 228 193	88 541 302		Short term debt to Småkraft AS		18 228 193	88 541 302
13 653 328	88 135 914		Other short term debt		12 269 821	86 586 706
34 054 214	**183 481 371**		**Total short term debt**		**32 044 694**	**179 092 346**
112 648 645	**190 284 299**		**Total liabilities**		**117 798 518**	**196 546 931**
697 257 203	**712 851 364**		**Total Equity and Liabilities**		**729 974 231**	**727 144 711**

The Board in Småkraft Green Bond 1 AS,
Bergen 22.04.2024

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.

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 receivable.

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 of 1100 shares with nominal value 51.000. 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 Saksenvik Kraft AS, Lotsberg Kraftverk AS and Hovland Kraftverk AS.

Note 3: Taxes	Småkraft Green Bond 1 Group		Småkraft Green Bond 1 AS	
The tax expense in the income statement	**2023**	**2022**	**2023**	**2022**
Income tax payable	3 860 853	16 651 249	3 860 853	13 224 024
Change in tax accrued former years				
Tax at deficit reversed				
Change related to				
Change in deferred income tax	-2 694 583	-1 880 016	-888 002	-886 197
Tax expense in the income statement:	**1 166 270**	**14 771 233**	**2 972 851**	**12 337 827**
Tax payable speficiation:				
Profit before tax	6 108 835	64 024 682	13 226 308	55 786 005
Profit before tax in subsidiaries before the group was established:		0		
Permanent differences	12 863	29 203	12 863	21 238
Change in deferred taxes	12 248 105	4 676 617	4 310 163	4 301 957
Companies with losses		0		
Change in loss carried forward	-8 984 772	6 956 995		
Expenses booked against equity	8 164 303	0		
Basis tax payable	**17 549 334**	**75 687 497**	**17 549 334**	**60 109 200**
Group contribution	-17 549 334	-60 109 200	-17 549 334	-60 109 200
Basis tax payable in the balance sheet	**0**	**15 578 297**	**0**	**0**
Tax payable in the balance sheet				
Tax payable at annual result	17 549 334	16 651 249	3 860 853	13 224 024
Tax payable at group contributions	-17 549 334	-13 224 024	-3 860 853	-13 224 024
Tax payable in the balance sheet	**0**	**3 427 225**	**0**	**0**
Deferred tax asset (- liability)				
Fixed and intangible assets	76 943 303	55 855 773	78 540 727	82 850 890
Other differences	307 868	0		
Demerger debt		0		
Total temporary differences	77 251 171	55 855 773	78 540 727	82 850 890
Losses carried forward	-31 253 144	-21 421 499		
Basis for deferred tax asset	**45 998 027**	**34 434 274**	**78 540 727**	**82 850 890**
Temporary differences not part of the deferred tax asset	-3 238 081	-3 511 873	-3 238 081	-3 511 873
	42 759 946	30 922 401	**75 302 646**	**79 339 017**
Basis for deferred tax asset in the balance sheet				
Deferred tax (22%)	**9 407 188**	**6 802 928**	**16 566 582**	**17 454 584**
Reconciliation tax expense:				
22% of profit before tax	1 343 944	14 085 430	2 909 788	12 272 921
Tax expense in the P&L	-1 166 270	-14 771 233	-2 972 851	-12 337 827
Permanent differences/other	-177 674	685 803	63 063	64 906
Change in not balanced tax asset				
Difference	0	0	0	0

Note 4: Property, plant and equipment

Småkraft Green Bond 1 AS

	2023	2022
Costs 1.1	457 147 954	455 999 568
Merger of subsidiary		
Net additions and disposals	1 722 399	1 148 386
Cost at 31.12	458 870 353	457 147 954
Accumulated depreciations	-64 898 289	-53 650 649
Accumulated write-downs	-6 500 000	-6 500 000
Accumulated depreciations 31.12	-71 398 289	-60 150 649
Balance at 31.12.	**387 472 063**	**396 997 304**
Ordinary depreciations	**11 247 640**	**11 241 937**

Småkraft Green Bond 1 AS Group

	2023	2022
Costs 1.1	646 580 712	643 376 802
Net additions and disposals	3 753 740	3 203 910
Cost at 31.12	650 334 452	646 580 712
Accumulated depreciations 1.1	-95 856 665	-64 231 361
Depreciations	-16 326 179	-16 164 366
Accumulated depreciations 31.12	-112 182 844	-80 395 727
Balance at 31.12.	**538 151 608**	**566 184 985**

Note 5: Intangible assets

Småkraft Green Bond 1 AS

	Goodwill	Intangible Assets	Total
Cost 01.01.2023	**11 053 313**	**88 444 848**	**99 498 161**
Additions			
Deduction			
Cost 31.12.2023	**11 053 313**	**88 444 848**	**99 498 161**
Accumulated depreciations, 01.01.2023	**-1 041 441**	**-9 142 943**	**-10 184 384**
Depreciations	-273 791	-2 190 720	-2 464 511
Accumulated depreciations, 31.12.2023	**-1 315 232**	**-11 333 663**	**-12 648 895**
Balance at 31.12.2023	**9 738 081**	**77 111 185**	**86 849 266**

Småkraft Green Bond 1 AS - Group

	Goodwill	Intangible Assets	Total
Cost 01.01.2023	8 189 831	89 162 253	97 352 084
Additions		61 297 000	61 297 000
Deduction	-2 309 756	2 309 756	-
Cost at 31.12.2023	10 499 587	148 149 497	158 649 084
Depreciations 2023	-273 791	-2 075 426	-2 349 217
Accumulated depreciations, 31.12.2023	-718 456	-9 740 823	-10 459 279
Balance at 31.12.2023	**9 781 131**	**138 408 674**	**148 189 805**

Note 6: Subsidiaries

Investment in subsidiary	Business Office	Ownership share	Booked equity 31.12. (100%)
Lotsberg Kraftverk AS	Bergen	100 %	456 212
Hovland Kraftverk AS	Bergen	100 %	1 239 778
Saksenvik Kraft AS	Bergen	95 %	11 525 985

Note 7: Intercompany

Balance sheet items

Småkraft Green Bond 1 AS

	2023	2022
Long- term loans to subsidiares	**144 306 906**	**145 673 921**
Short-term receivables group companies	847424	445 353
Other short-term receivables group companies	0	1 780 217
Total short term receivables group companies	**847 424**	**2 225 570**
Long-term debt to parent company	**69 187 242**	**-**
Short-term debt to parent company	-	88 541 302
Group contribution to Småkraft AS	17 549 334	60 109 200
Short-term payable to subsidiary		-
Short- term payables group companies	678 859	1 235 597
Total short term debt group companies	**18 228 193**	**149 886 099**

Småkraft Green Bond 1- Group

	2023	2022
Debt to parent company - Småkraft AS	69 187 242	88 541 302
Group contribution to Småkraft AS	17 549 334	60 109 200

Note 8: Equity

Småkraft Green Bond 1 AS:

	Share capital	Share premium	Other paid in capital	Not registerred capital increase	Retained equity	Total
Equity 01.01.2022	**55 000 000**	**465 114 846**	**200 000**		**13 719 932**	**534 034 778**
Group contributions after taxes					-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**
Contribution in kind - shares in subsidiaries	1 100 000	24 522 228		61 380 729		87 002 957
Distribution in kind - shares in Kvemma Kraft AS		-1 990 000				-1 990 000
Group contributions after taxes					-13 688 481	-13 688 481
Net income					10 253 457	10 253 457
Equity 31.12.2023	**56 100 000**	**487 647 074**	**200 000**	**61 380 729**	**6 847 909**	**612 175 712**

Småkraft Green Bond 1 AS - Group:

	Share capital	Share premium	Retained equity	Not registerred capital increase	Minority interests	Total
Equity 01.01.2022	**55 000 000**	**465 114 846**	**-727 567**		**811 515**	**520 198 794**
Group contributions after taxes			-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**
Contribution in kind - shares in subsidiaries	1 100 000	24 522 228		61 380 729		87 002 957
Dividend from subsidiary					-340 000	-340 000
Distribution in kind - shares in Kvemma Kraft AS		-1 990 000	-10 944 401		-3 933 017	-16 867 418
Group contributions after taxes			-13 688 481			-13 688 481
Net income			5 745 500		188 933	5 934 433
Equity 31.12.2023	**56 100 000**	**487 647 074**	**-21 200 913**	**61 380 729**	**681 668**	**584 608 558**

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