CLEMENS KRAFT

CLEMENS KRAFTVERK

ANNUAL REPORT 2023

CONTENT

Front cover page: Øvrebø power plant
Back cover page: Vossedalselvi surroundings

CLEMENS KRAFT AT A GLANCE

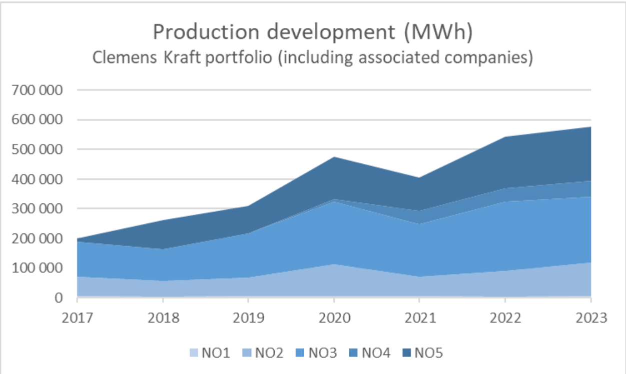
Clemens Kraft Group (Clemens Kraft) is a leading small-scale hydro power producer in Norway. Clemens Kraft has been developing, building and operating small-scale hydro power since 2006. The portfolio includes 52 plants in operation, including five power plants in associated companies. Clemens Kraftverk (the Group) is a sub-group within the Clemens Kraft Group, holding all power plant related assets, but do not have any employees. The management and administration in Clemens Kraft Group is employed in Clemens Kraft AS, a sister company of Clemens Kraftverk AS. The parent of Clemens Kraft AS and Clemens Kraftverk AS is Clemens Kraft Holding AS, which is the ultimate parent in Clemens Kraft.

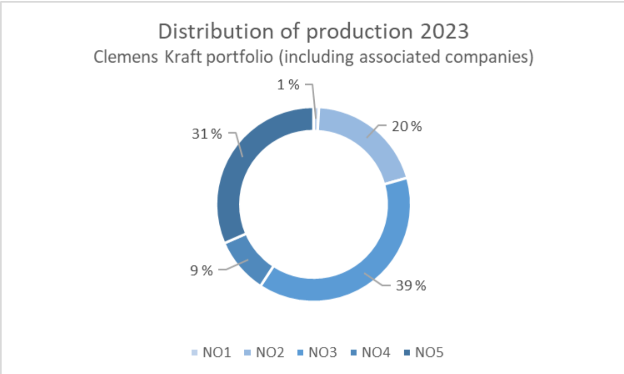
Clemens Kraft is based on the strong tradition of Norwegian hydropower with a long-term industrial perspective. The two solid owners are Opplysningsvesenets fond (Ovf) with 50.1% and CPV/CAP Pension fund of Coop Group Switzerland with 49.9% of the shares.

Hydropower is a renewable and clean energy source that does not emit climate gases or pollute during production. Clemens Kraft provides 100% renewable energy from local small hydropower production facilities that use water from rivers and streams in the best way possible. To meet the growing demand for renewable energy and to achieve the governmental goal of net zero climate emissions by 2050, there is a need to develop more renewable energy while respecting the environment and biodiversity. Clemens Kraft values the cooperation and communication with local landowners and communities, who are essential for its ongoing business. Clemens Kraft seeks to gain their approval for using natural water resources for power production that benefits the society.

The 52 power plants cover all the five price areas in Norway and thus provide a natural hedge against price fluctuations and production variations.

The team that operates the power plants has a strong focus on plant efficiency and low costs. The model where the team members split the different power plants among themselves and work in shifts to monitor them continuously, is very effective. There has also been an effort to reduce need for manual work by adopting digital solutions such as remote-control systems and automated trash rack cleaners. The focus on continuous improvement carried on in 2023 and will remain a priority in the future.





Graphics shows historical production (left) and distribution of 2023 production across areas (right) for the total portfolio including associated companies

52 Powerstations from north to south in Norway	**701** GWh small scale hydro power production capacity in total portfolio	**260** In power related revenue in 2023 (NOK million)	**500** Landowners regarding rent of water fall rights
100 % Renewable hydro power production	**35 000** Norwegian households powered	**15** Employees	A significant contributor in local community by paying fall lease to landowners and property tax to local muncipalities

VISION AND VALUES

Clemens Kraft contribute to Norway's shift towards sustainable energy sources and safeguard the environment, local communities and people.

A GREENER AND MORE SUSTAINABLE POWER PRODUCER

CREDIBLE & RELIABLE	ENGAGED & COURAGEOUS	VALUE CREATING & SUSTAINABLE FOCUSED

HIGHLIGHTS 2023

OPERATIONS AND KEY FIGURES

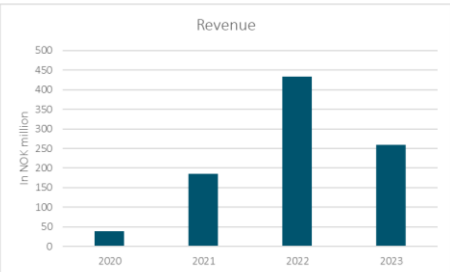
Clemens Kraft operated 52 power plants through 2023 including five owned by associated companies. The powerplants are diversified and placed in all price areas in Norway, however in NO1 there is only one partly owned powerplant (owned by one of the associated companies).

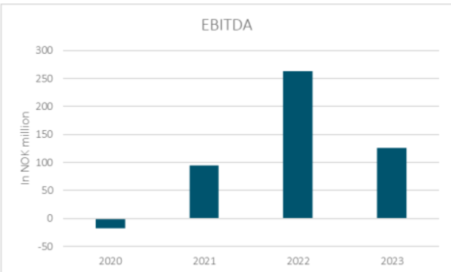
The total portfolio had a production of 575.8 GWh. Subsidiaries only (volume behind consolidated revenue) had a production of 548.7 GWh. This is an increase compared with 2022, however lower than expected. Two of the Group's plants located in NO5 encountered close to zero production during the first half of 2023 due to avalanches during winter causing damage to the intake installations. Normalized production level for the two plants is 14.9 GWh. In addition, end of 2023 had cold weather resulting in very low production in November and December.

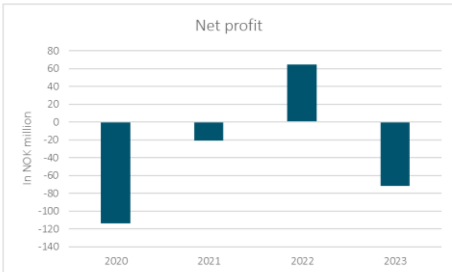
	2023	2022
Produced volume, GWh (subsidiaries only)	549	522
Revenue in NOK million (power related)	260	432
Achieved prices in NOK per kWh, excluding GoOs and certificates (subsidiaries only)		
NO2	0.83	1.66
NO3	0.22	0.18
NO4	0.18	0.11
NO5	0.55	1.54
Contribution to local communities in NOK million in terms of		
Fall and land leases	43	86
Municipal property tax	16	16

2023 was influenced by variable power and low prices and the revenue was reduced from the record high year 2022 and ended up at NOK 260 million for Clemens Kraftverk (the Group). The EBITDA ended at NOK 125 million which is an acceptable level despite the low revenue. After years with high degree of investments, hence increasing depreciation, the depreciation cost increase will be reduced going forward. However, due to a long economic life span, depreciations will remain high. An impairment of in total NOK 116 million was recognized 2023. Together with relatively high interest cost due to debt ratio of almost 70%, Clemens Kraft's loss before tax ended at NOK 160 million.

Clemens Kraft is a substantial contributor to the local communities surrounding the plants. During 2023 the Group has recognized NOK 59 million in fall and land lease and property tax.







PROJECTS UNDER DEVELOPMENT

Two new power projects are in development phase and construction is expected to start in 2024 and 2025. One of the projects is planned together with another partner to be built in NO1 with the total expected production volume of approx. 16.8 GWh per year. The other project is a project in NO5 with total expected volume of approx. 15.1 GWh per year.

FINANCING ACTIVITIES

During 2023 Clemens Kraftverk as carried out a capital increase, injection NOK 212 million from its majority owner. NOK 200 million of the injected liquidity has been used for repayment of the multibank loan established in 2022.

SUSTAINABILITY

FOCUS AREAS 2023

Clemens Kraft has a portfolio of 52 green hydro power plants that supply clean energy to meet the growing demand for electricity in Norway. The Group specializes in small-scale projects and production of renewable energy to create lasting value for the community, its partners and owners. Hydropower is a renewable and clean source of energy that does not produce any climate gas emissions or pollution.

Clemens Kraft provides 100% renewable power through power stations in small local communities geographically spread out over rural Norway and these use water resources from nature in an efficient and sustainable way. To address the rising need for more renewable energy and achieve the goal of net zero gas emission by 2050, there is a need to increase energy production capacity while also taking due care to the environment and biodiversity.

Clemens Kraft is following the regulations from the Water Resources and Energy Directorate, NVE, and supports principles of development within the framework of ecological sustainability for Norwegian nature and water supply environment. A sustainability approach is important with respect to both development projects and producing assets. The increasing risk of flooding and avalanches is considered in the project planning process and such risks are sought mitigated to reduce the potential for possible damages to our facilities.

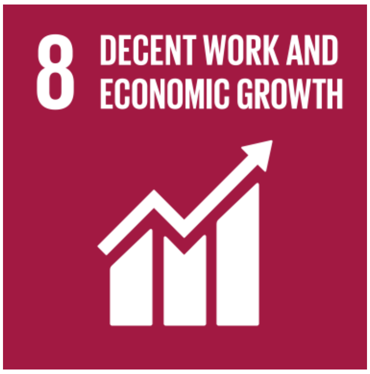
Environmental requirements such as minimum water flow and installation of bypass-valves for water is important to comply with concession obligations and is of importance when planning, engineering and operating the power plants. Clemens Kraft seeks to facilitate clean water supply and water supply for hatchery development in the local communities where we are located.

Clemens Kraft prioritize creating value locally and regionally and want to make the best use of land while also providing good and secure jobs, and care about having a good dialogue with local people like landowners and reindeer herders to facilitate the use of shared natural resources.

Clemens Kraft cares about creating value for the local and regional communities through efficient energy production, smart use of land and safe and good working environments. As part of the financial platform Clemens Kraft has issued a green bond to support sustainable investments. The bond has strict criteria and reporting duties to ensure the projects comply with the rules related to climate changes and environmental impacts.

Clemens Kraft has undertaken a double materiality assessment and assessed the environmental, social and governance impact on the value-chain and how the topics affect the organization in the wider environmental and societal context. The Corporate Sustainability Reporting Directive (CSRD) is expected to apply to Clemens Kraft from the fiscal year 2026 based on the new white paper published by the government. The process of setting clear targets and goals for the organization to comply with new requirements is underway and Clemens Kraft is on route to comply with new reporting standards.

The strategic focus for Clemens Kraft are on three out of 17 UN sustainable development goals. All three goals are connected to our vision, our core business and the way we work.



ACHIEVEMENTS

Power production originates from 100% renewable hydro and Clemens Kraft is hardly producing any gas or CO2 emissions during production. The carbon footprint is limited to transportation related emissions when operating the power plants, when undertaking maintenance and refurbishment work, and during construction work and general transportation of office workers.

Clemens Kraft carbon footprint

Machinery used during construction of hydropower plants is mainly fossil fueled. When starting up new construction work, the emission will be measured going forward. Clemens Kraft acknowledge the need to – together with other players in the small-scale hydro power community – increase the focus also on emissions during the construction phase of new hydropower projects.

A Guarantee of Origin (GoO) is an energy certificate defined in Article 15 of the European directive 2009/28/EC and labels electricity from renewable sources. Clemens Kraft is awarded GoOs for its production and sells certificates to third parties through a service provider. Clemens Kraft is a positive contributor of GoOs and is producing more certificates than is required to cover own emissions.

The focus on health and safety is high on the agenda and reporting structure is further improved during 2023. The reporting of unwanted incidents and reported issues are in focus for the management of the company but also by the Board of Directors. Unwanted incidents have been reported as modest and decreasing, and near misses have been on an acceptable level.

The channel of anonymous whistleblowing is established through the owner Ovf as well as internal non-anonymous channels through the company.

Clemens Kraft supports the organization Norsk luftambulanse with an annual contribution.

REPORTING

Clemens Kraft's reporting for 2022 with basis in the new legislation "Transparency act" was published on our web site according to set deadlines. The report for 2023 will be published no later than 30 June 2024.

LETTER FROM CEO

The energy landscape in 2023 was impacted by the continuing shifting trends in Europe where the ongoing war in Ukraine, increasing geopolitical risks and supply uncertainties still will be of importance. The demand for clean and renewable energy increases, and the supply of conventional and fossil fuels decreases.

The power prices in the Nordics are influenced by hydrological factors, commodity prices for thermal power generation and other factors as transmission line availability and power supply sourcing. In 2023 extreme weather conditions played a significant role for the power prices in Norway as the storm “Hans“ increased reservoir fillings in the southern part of the country and specific in the eastern part within price area NO1.
In addition, the connection to Europe increases our exposure to energy surplus from solar and wind.

The price volatility continues in Norway and the price differences among the price areas are still unpredictable and unforeseen. In 2023 the price areas NO1, NO2 and NO5 as traditional high price areas were following same pattern first half year and split in second half year due to very changed hydrological situation. The NO3 and NO4 price areas followed same pattern during the full year. The price development during the year was typically high prices in the winter months and low prices in the summer months. The diversified portfolio of power plants exposed to different price areas offset to a certain extent the price exposure, however when achieving prices close to negative, the price level is a challenge.

Another factor that Clemens Kraft is facing is climate related events, and more frequent extreme weather events. The power plants normally located in rather wild nature are exposed to abnormal weather events and this year two intakes were damaged by snow avalanches. We recognize our responsibility to contribute to the global efforts to mitigate the effects of climate change, and to adapt to its consequences. The daily operation of hydro power is not directly producing climate gas emissions or pollution, but we are increasing our ambitions on the way we build and construct new power plants to reduce the potential greenhouse gas emissions.

The “high price contribution fee” introduced to the market in 2022 were in September 2023 removed by the government and for the ongoing business the extra taxation is not relevant anymore. New power plants are under planning and construction plans has matured during the year. Construction of two new power plants is planned to start in 2024 and 2025.

Despite the uncertainty and complexity in the market in a rapidly changing and unpredictable world, the organization has leveraged on the potential of digitalization, implementing artificial intelligence when appropriate and data analytics to enhance efficiency, quality and innovation to reach the goal of running cost effective operations.

The organization has developed and new employees are entering Clemens Kraft and the company is now well positioned to reach the strategic goal of being a greener and more sustainable power producer.

Oslo, 24 April 2024

(sign.)

Knud Hans Nørve

Chief Executive Officer

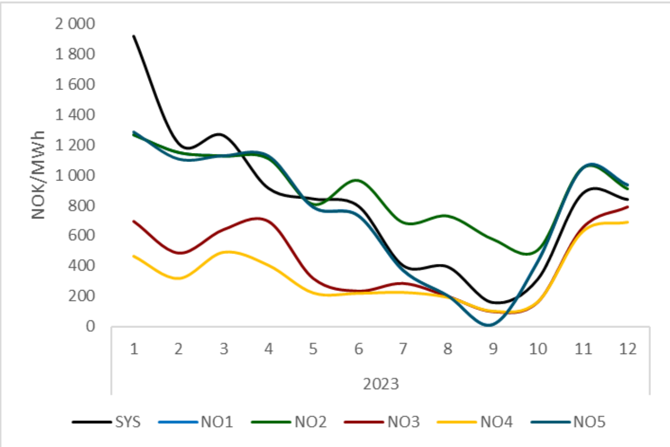
REPORT FROM BOARD OF DIRECTORS 2023

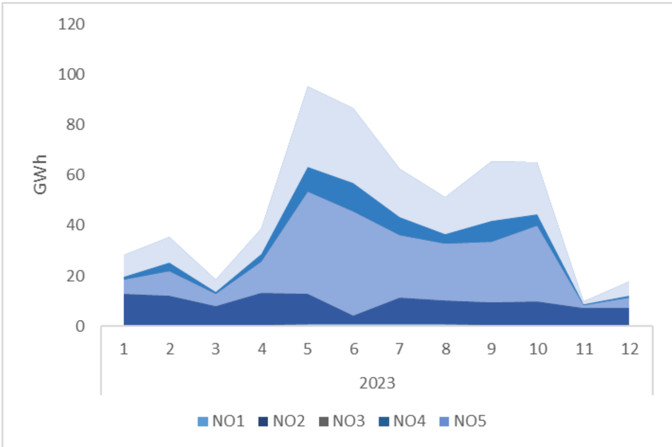
NATURE OF BUSINESS AND LOCATION

Clemens Kraftverk AS is the parent company of an industrial group (Clemens Kraftverk or the Group) within designing, developing, and operation of small-scale hydropower plants. The Group (including associated companies) has 52 hydropower plants in operation as of year-end 2023. The portfolio of hydropower plants is located from Agder in the south to Troms in the north, mainly in coastal areas.

2023 SUMMARIZED

2023 was another year where the energy market in Europe was influenced by volatile prices. The price drivers for electricity in the German market are coal, gas and CO2 quotas and German electricity prices influence the Norwegian power market through the interconnectors. Similar to changes in European energy prices and high volatility, the price areas in Norway experienced variations. The prices in the northern areas, NO3 and NO4, had relatively acceptable prices in the first half year and decreased during the summer months before the prices increased significant over the last two months of 2023. In the price areas NO1, NO2 and NO5 the market experienced a split of prices during the summer months and especially after the extreme rainfall following the storm “Hans”. The NO1, NO2 and NO5 followed the price pattern of NO3 and NO4 during the two last months of 2023 and increased as the winter season with cold weather commenced.





The value drivers are both price and production driven and Clemens Kraft is influenced by hydrological changes. During 2023 the hydrological balance in total was at normal level throughout the year, except from the very wet NO1 late summer. The main production volumes originated during the period May throughout October. Due to the early cold winter season most rivers froze and contributed with very little production during November and December. Matching the high price and production is challenging as the production is run of river with limited reservoir capacity.

The Group's revenue reduced by 40% from 2022 to 2023, due to significant reduction in power prices for certain price areas, despite higher production the first three quarters in 2023. The very low production in Q4 impacted the revenue negatively compared to 2022.

The total production was lower than expected in 2023, but still higher compared to 2022.

As a part of its hedging strategy, the group has entered into interest rates swaps agreements for a part of the long-term debt. During 2023, there were increasing interest rates leading to a positive value of the swap agreements. By year end, all contracts have a positive mark-to-market value with NOK 22.9 million (which cannot be recognized in the financial statements). Additional interest rates swaps agreement are made at ultimate parent level (Clemens Kraft Holding).

In 2023 Clemens Kraft has recognized an impairment of NOK 116 million. NOK 110 million is related to fixed assets and NOK 6 million related to excess values from business combinations. The impairment is related to Tokagjelet power plant and is recognized with basis in an assessment and calculations according to the accounting principles disclosed in the notes to the financial statements. The increase in resource rent taxation rate (from 37% to 45%) decreased the NPV of expected future cash flows with approx. NOK 60 million. Due to delays and challenges encountered during the construction period, the total capital expenditure ended up higher than the original estimate.

SUSTAINABILITY

Clemens Kraft is a proud provider of renewable energy and ESG is high on the agenda. The objective is to ensure sustainable practices. The 52 operating small-scale hydro power plants cause very limited CO2 emissions and are operated in a sustainable and responsible way. Focus on ESG will be essential when maturing new projects towards formal investment decisions.

Fall right owners benefit from the value creation from power production located in their community. In 2023, NOK 43 million is accrued and recognized in fall lease (2022: NOK 86 million). The fall lease will vary from year to year based on realized power prices and actual production.

The Transparency Act in Norway requires more detailed assessment of suppliers and other stakeholders, and Clemens Kraft has prioritized topics to be looked deeper into before entering into new contracts.

STRATEGY

Clemens Kraft is robust against a volatile business environment but will be exposed to decrease in power prices, precipitation, production performance and tax regime. The macro trends for the sector are largely favorable driven by a strong demand for renewable energy, and climate scenarios confirm an expected increase in annual precipitation going forward.

Clemens Kraft is a well-established and positioned player experiencing strong demand for new hydropower. With a small teamworking organization with high competence and wide experience, Clemens Kraft will further optimize and develop the portfolio of attractive projects in the green field portfolio. Further synergies will be explored in the portfolio of operating power plants targeting further benefits from an effective operating model and an efficient administration of asset holding companies.

Clemens Kraft has a unique position with power plants in different price areas and expects increasing demand for power in all parts of the market.

INVESTMENTS

As the ambition has been to optimize the portfolio of 52 operating power plants, less investments have been made during the last year. However, two new power plant are developing and aim to start construction during 2024 and 2025.

PEOPLE

The Group has no employees; however management and administration services (including operation of plants) are delivered by Clemens Kraft AS, a sister company. In addition, the Group hires personnel on contractual terms. Local resources (landowners, etc.) are our first line of defense for supervision and follow-up of any operational issues at the power plants.

Board of Director's legal responsibilities are not covered by any insurance policies.

Health, safety, security and environment (HSSE)

Care for people working for Clemens Kraft either as employees in group companies or contractor, is of high importance when undertaking activities.

The Group has on a regular basis performed employee surveys in cooperation with one of the owners, Ovf, and the results are assessed together with the employees and measures identified and implemented.

Subsequent to the fatal drowning accident nearby one of Clemens Kraftverk's construction sites (involving third party civilians) in Q4 2021, the Norwegian Water Resources and Energy Directorate (NVE) and the police initiated parallel routine investigations. During the first half of 2022 the police investigation was dropped, however during the fourth quarter the police investigation was re-opened. The group has and will continue to assist both the supervisory body (NVE) and the police authorities in every way.

COMMENTS RELATED TO THE FINANCIAL STATEMENTS

Revenues

The Group's revenues decreased with 40 % from 2022 to 2023, from NOK 433 million to NOK 260 million. This is a decrease of NOK 173 million. Production in 2023 ended at 549 GWh compared with 522 GWh MWh in 2022, an increase of 27 GWh, corresponding to 5%. The growth is due to increased production capacity as the most recent plants were out into operation in the second half of 2022. Average power price in 2023 was 43 øre/kWh, compared with 82 øre/kWh in 2022.

Assets, equity, and liabilities

The total assets in the Group as of 2023 is NOK 3 127 million, down from 3 365 million as of 2022. Clemens Kraft has repaid debt during 2023, in addition to recognizing an impairment to one of the power plants. The all-time high revenue in 2022 also led to an all-time high fall lease liability to landowners, settled during 2023.

Loan facilities are subject to certain covenants. Mostly related to equity ratio and liquidity, however there is also one debt/production capacity leverage ratio covenant. A waiver was required mid-year, however a share capital increase late 2023 makes the Group compliant with all covenants as of year-end.

Annual result and allocation

In 2023 the Group has a net loss of NOK 72 million. This is due to a combination of power prices, which have been low, especially in NO3 and NO4, and the recognized impairment.

The parent company has a net loss of NOK 24 million, mainly due to an impairment of shares in subsidiaries.
The loss is allocated to retained earnings.

MARKET CONDITIONS, REGULATORY FRAMEWORK AND RISKS

Several external factors affect the Group's operations. The most significant risk factor across the various phases of the business is the power price. The price is quoted and cannot be influenced by Clemens Kraft. Risk may, to some extent, be reduced through hedging of power prices, interest rates or foreign currency. In 2023 there has been hedging of interest rates but no hedging against power prices nor foreign currency exposure.

Risk management and the risk matrix are integrated parts of the business monitoring activities and are discussed with Board of Directors on a regular basis. Mitigating actions are executed short or long term, based potential severity and probability.

Authorities and governmental requirements are setting regulatory framework and conditions for the operation. Production of hydropower is subject to a concession requirement granted by the Norwegian Water Resources and Energy Directorate (NVE). Regulatory factors such as the tax regime and any distinctive tax legislation will also be essential for the profitability of hydropower production. As of today, power production from small-scale hydropower plants (smaller than 10 000 kVA installed capacity) is not subject to resource rent taxation, however ordinary corporate tax in addition to municipal property tax apply.

Hydrological risk

Clemens Kraft's power production is based on run-of-river power plants with limited or no reservoirs. The expected, normalized annual production is estimated based on historical hydrological data series using industry standard methodology. Actual production may vary significantly for any specific year due to natural variations in actual precipitation. The discrepancies to annual precipitation may be caused by variations in rain- or snowfall, ice- and snow melting magnitude, or sublimation effects.

Operational and business risk

The most essential performance drivers in the development phase are the fall lease agreements with the fall right owners and the issuance of development concessions by NVE. These two permissions determine if projects are financially sustainable and can be developed. As for the construction phase, the essential drivers are the organization's competence and capacity to manage and execute projects. Moreover, the projects rely on high-standard suppliers offering quality products and services at an acceptable price. Lastly, in the operational phase, the most essential drivers are to have a technical and mercantile operating environment that ensures the highest production possible at a competitive cost supported by a control environment that ensures compliance with government requirements.

Market risk

Power is traded at prices quoted in the market on defined marketplaces, such as Nord Pool. As mentioned above, power prices are the most important risk factor in the Group's operations. Clemens Kraft operates power plants in mainly non-regulated watercourses and thus does not have the opportunity to move production volume to periods with expected higher power prices.

During 2023 the Group observes continued volatility due to higher influence of European power market development. This, combined with “bottle necks” in the domestic transmission grid have led to an increased spread in prices between the Norwegian power price area.

Financial risk

The Group's power plants are partly financed with interest-bearing debt. The profitability of the projects is affected by the management's ability and the opportunities to obtain satisfactory financing of the projects. As of year-end 2023, the Group has a long-term interest-bearing debt of NOK 1.96 billion. To reduce the risk exposure, the Group has entered into interest rate swap agreements from floating to fixed interest rates for part of the debt. Clemens Kraft is indirectly exposed to EUR/NOK changes as clearing partner transactions with Nord Pool are in Euro.

Political and regulatory risk
The Group is exposed to any risk for changes in laws and regulations. Such risks include, for example both environmental matters and more fiscal matters, e.g. changes in tax and fee schemes for producers of electrical power.

In 2022 the resource rent tax increased from 37% to 45%. Clemens Kraft owns one plant subject to resource rent taxation which will be subject to any change in resource rent taxation rates. As described above this tax rate increase directly impacted recognized values and impairments.

At the end of 2022 the Norwegian Government announced potential changes in the taxation of hydropower. The potential changes announced was carried forward in the proposed National Budget presented in October 2022, and later approved and therefore effective from 2023. The high price contribution fee has affected the plants in NO2 and NO5. However, the Norwegian Government terminated the high price contribution fee effective from October 2023.

GOING CONCERN

The annual financial statements have been prepared based on the assumption of going concern. The Board of Directors confirms that all necessary conditions for the assumption is present, according to section 3-3a of the Norwegian Accounting Act.

FUTURE DEVELOPMENT

The transition to a fully renewable energy sourced society continues. We expect the transition to last for at least another decade. This transition is substantial in achieving global climate targets. The ongoing energy transition impacts demand for electricity and consequently also the price of electricity. The prospect of a financially sustainable price level for Norwegian renewable energy is also strengthened by interconnectors to the European continent and the United Kingdom. The interconnectors contribute to stabilizing the power price both in domestic markets and on the continent, but also enables import of continental prices levels in southern Norway when European demand and electricity prices are high. In 2022, all-time-high power prices were observed, measured in a historical perspective. In 2023 a more modest price level has been established. However, domestic “bottle necks” exists between northern and southern Norway, and consequently the high power prices observed only affects the southern part of Norway for the time being.

In recent years, the Group has been responsible for the construction of several small-scale hydropower plants. The company experiences that development costs can be reduced through wise choices of technical solutions and good cooperation with suppliers and contractors.

In total, this contributes to the Group's operations becoming more sustainable. Hydropower is an important contributor to achieving the global climate targets as the sector supply nearly emission free energy. Clemens Kraft aims to create long-term value for investors and landowners.

Oslo, 24 April 2024

Clemens Kraftverk AS
Board of Directors

(sign.)	(sign.)	(sign.)
Ole-Wilhelm Meyer Chairman	Harald Kurt Siewert Deputy chairman	Hans Erik Horn Director
(sign.)	(sign.)	(sign.)
Ulf Myrbø Director	Oddleiv Sæle Director	Eldbjørg Sture Director

(sign.)
Knud Hans Nørve
Chief Executive Officer

RESPONSIBILITY STATEMENT

We confirm that the annual financial statements for the fiscal year 2023, to the best of our knowledge, have been prepared in accordance with the applicable accounting standards (NGAAP) and that the accounts give a true and fair view of the assets, liabilities, financial position and results of operations, and that the information in the report includes a fair review of the development, performance and position for Clemens Kraftverk.

The Board of Directors report gives a true and fair view of the development, performance and position for Clemens Kraftverk, and a description of the relevant risks and uncertainty factors the Group are exposed to.

Oslo, 24 April 2024

Clemens Kraftverk AS
Board of Directors

(sign.)	(sign.)	(sign.)
Ole-Wilhelm Meyer Chairman	Harald Kurt Siewert Deputy chairman	Hans Erik Horn Director
(sign.)	(sign.)	(sign.)
Ulf Myrbø Director	Oddleiv Sæle Director	Eldbjørg Sture Director
	(sign.)	
	Knud Hans Nørve Chief Executive Officer	

CONSOLIDATED FINANCIAL STATEMENTS CLEMENS KRAFTVERK

CONSOLIDATED INCOME STATEMENT

Amounts in NOK 1 000

	NOTE	2023	2022
OPERATING INCOME AND EXPENSES			
Revenues	1	260 006	433 030
Other operating income	1	-1 349	-200
Total operating income		**258 657**	**432 830**
Cost of goods sold		60 496	111 253
Depreciation and amortisation expenses	3, 4	58 738	51 833
Impairment	3, 4	116 054	31 088
Other operating expenses	2	72 167	58 905
Total operating expenses		**307 455**	**253 079**
Operating result		-48 797	179 751
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from associated companies and joint ventures	5	3 322	8 310
Interest income from group companies		700	0
Other interest income		7 011	2 780
Other financial income		3 876	2 013
Total financial income		**14 909**	**13 103**
Financial instruments measured at fair value	6	-470	-3 334
Other interest expenses	6	120 494	82 095
Other financial expenses		5 261	5 014
Total financial expenses		**125 286**	**83 775**
Net financial income and financial expenses		-110 377	-70 671
Profit (-loss) before tax		-159 174	109 079
Tax expense (-income)	7	-87 104	44 663
Profit (-loss) after tax		-72 070	64 417
Profit/loss attributable to non-controlling interests	8	-4 089	-2 109
Profit/loss attributable to owners of the parent	8	-67 981	66 526

CONSOLIDATED FINANCIAL POSITION

ASSETS	NOTE	2023	2022
NON-CURRENT ASSETS			
Concessions, waterfall- and similar rights	4	363 024	377 913
Deferred tax asset	7	4 184	0
Goodwill	4	-30 661	-39 105
Total intangible assets		**336 547**	**338 808**
Property, plant and equipment	3	2 570 834	2 721 134
Machinery, office equipment, fixtures and fittings	3	1 172	1 611
Total fixed assets		**2 572 006**	**2 722 745**
Shares in associated companies and joint ventures	5	21 637	27 036
Other non-current receivables	9	4 812	5 021
Total financial non-current assets		**26 449**	**32 058**
Total non-current assets		2 935 002	3 093 611
CURRENT ASSETS			
Trade receivables	10	10 418	9 716
Other current receivables	11	25 899	57 583
Total current receivables		**36 317**	**67 299**
Cash and cash equivalents	**12**	**155 298**	**204 431**
Total current assets		191 615	271 730
Total assets		3 126 617	3 365 340

EQUITY AND LIABILITIES	NOTE	2023	2022
EQUITY			
Share capital	8, 13	282 402	211 802
Share premium	8	837 782	696 581
Other paid-in capital		3 023	3 023
Total paid in capital		**1 123 208**	**911 406**
Retained earnings	8	-264 688	-181 343
Total retained earnings		**-264 688**	**-181 343**
Non-controlling interests	8	33 123	23 744
Total equity		891 642	753 807
LIABILITIES			
Deferred tax liability	7	0	89 532
Other provisions	14	0	470
Total provisions		**0**	**90 002**
Non-current interest bearing debt (credit institutions)	15	1 630 684	1 816 776
Bonds	15	325 000	325 000
Other non-current liabilities	15, 13	1 343	0
Total non-current liabilities		**1 957 027**	**2 141 776**
Trade payables		10 162	24 983
Taxes payable	7	4 597	192
Public duties payable		0	3 939
Other current liabilities		263 190	350 641
Total current liabilities		**277 948**	**379 755**
Total liabilities		2 234 975	2 611 534
Total equity and liabilities		3 126 617	3 365 340

Oslo, 24 April 2024

Clemens Kraftverk AS
Board of Directors

(sign.)	(sign.)	(sign.)
Ole-Wilhelm Meyer Chairman	Harald Kurt Siewert Deputy chairman	Hans Erik Horn Director
(sign.)	(sign.)	(sign.)
Ulf Myrbø Director	Oddleiv Sæle Director	Eldbjørg Sture Director

(sign.)
Knud Hans Nørve
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT

Amounts in NOK 1 000

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	-159 174	109 079
Taxes paid	-192	-112
Depreciations	58 738	51 833
Impairment of assets	116 054	31 088
Change in trade receivables	-702	4 632
Change in trade payables	-14 821	-3 596
Items classified as investment/financing activities	110 377	70 671
Changes in other current assets and other liabilities	-64 287	70 993
Net cash flow from operating activities	45 992	334 588
CASH FLOWS FROM INVESTMENT ACTIVITITES		
Investments in property, plant and equipment	-25 894	-89 798
Cash disbursement related to acquisition of companies	0	-22 012
Cash receipt related to dividends from associated companies	3 837	0
Net cash flow from investment activities	-22 057	-111 810
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest received	7 011	2 780
Interest paid	-120 494	-82 095
Proceeds from new non-current loans	106 340	1 717 000
Cash disbursement related to repayment of non-current debt	-291 092	-1 772 250
Gross cash flow from share issues/capital increases	225 802	0
Dividends paid	-635	0
Net cash flow from financing activities	-73 068	-134 565
Net change in cash and cash equivalents	-49 133	88 214
Cash and cash equivalents as of 1 January	204 431	111 782
Acquistion of subsidiaries cash balance acquired	0	4 436
Cash and cash equivalents as of 31 December	155 298	204 431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with accounting principles stated in the Norwegian Accounting Act and with accounting principles generally accepted in Norway (NGAAP).

Estimates and professional judgement

The preparation of financial statements requires use of estimates. Further, the application of relevant accounting standards and policies requires judgements. Items which to a large extend contain such judgmental assessments, high degree of complexity or items where management judgment are material to the financial statements, are described in the notes to the financial statements.

Basis of consolidation

The Group's consolidated financial statements comprise Clemens Kraftverk AS and companies in which Clemens Kraftverk AS has a controlling interest. Minority interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

In the consolidated accounts, shares in subsidiaries are replaced by the underlaying assets and liabilities. The consolidated accounts are prepared as the Group was one single economic unit. Intercompany transactions, unrealized loss/gain and intercompany balances are eliminated.

Acquired subsidiaries are recognized in the consolidated accounts with basis in the parent company consideration for the shares. The acquisition cost is allocated to identifiable assets and liabilities in the acquired subsidiary, recognized at fair value at the acquisition date. Any residual value beyond fair value of assets and liabilities is recognized as goodwill.
Excess values in the consolidated accounts are depreciated over the expected useful lives.

Revenues

Income from sale of goods and services are recognized at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions, such as expenses for imbalances. Sales are recognized upon delivery.

Simultaneously with the production of electricity, the producer is granted the right to sell electricity certificates and GoOs (one certificate and guarantee is granted per 1 000 kWh produced). This entitlement is recognized as income when the certificates/guarantees are realized. The balance of granted rights to sell electricity certificates and GoOs is measured at zero.

Late 2022 (applicable from 2023[1]), the Norwegian authorities introduced a special purpose fee (high price contribution fee) on sale of power at a price above 70 øre per kWh. This tax was introduced to limit the turnover of power producers. The tax is therefore classified as negative other operating income, for the applicable period (reference is made to note 1).

Cost of goods sold

The Group has no inventories. Produced volumes are not physical goods and cannot be stored. The group has lease agreements with landowners, providing the group right of use to the waterfalls. Landowners are compensated with fall leases, classified as cost of goods sold. In addition, grid costs and fees to brokers and clearing houses for executing sale of power and certificates are included.

Classification of balance sheet items

Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets. Please refer to note 3 for further details regarding maturity of long-term debt.

[1] For the one plant exceeding 10 000 kVA in installed capacity the tax was effective as of 28 September 2022

Acquisition cost

Acquisition cost includes the purchase price, less any bonuses, rebates or similar, in addition to expenses (freight, toll, non-refundable public duties and any other direct expenses). Internal production costs are capitalized as a part of acquisition cost (mainly project and general management).

For fixed assets and intangible assets acquisition cost includes expenses for preparation for use, e.g., expenses related to testing of power plants.

Interest expenses related to construction loans are capitalized.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Shares in subsidiaries and associated companies

Subsidiaries are companies where the parent company has control over an investee. A controlling interest is normally obtained when the Group owns more than 50% of the shares (which gives voting rights) in the company and can exercise control over the company, financially and strategically.

Investments where the Group owns 20-50 % of the shares with voting rights and has significant influence of the company, are defined as associated companies.

In the consolidated financial statements are investments in associated companies (including joint ventures) recognized according to the equity method. Recognized value in the balance sheet corresponds to the share of equity in the associated company, adjusted for any excess values arising from the acquisition and unrealized intercompany gains/losses. Income from associates is classified and presented as finical income.

Other long-term investments in shares

Other investments in shares are recognized at cost. The investment is valued as cost of the shares, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a lather period.

Dividends and other distributions are recognized when decided. If dividends exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

Intangible assets

Acquired concession rights are capitalized at cost. Concessions granted by NVE has a defined expiration date if not developed according to the concession application. When developed, the concession is perpetual. Acquired concession rights are, based on this, not depreciated. However, assessments regarding impairment are made, e.g., whether a fall lease agreement is made, and development plans and investment decisions are decided for this particular concession right within expiration date.

Fall lease related values are recognized to the extent that excess values arising from business combinations can be allocated to fall lease agreements. Capitalized amounts are depreciated over the remaining contract period.

Expenses related to development of intangible assets are recognized in the balance sheet if future economic benefits can be linked to developing identifiable intangible assets and the expenses can be reliable measured. In opposite cases, expenses are recognized in the profit and loss statement.
Capitalized development is included in the power plant cost and depreciated (linear) over the economic life span.

Fixed assets

Fixed assets are capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. The distinguish between maintenance and improvement/upgrade is assessed based on the standard at the date of acquisition.

In cases where planned depreciation is re-assessed and changed, the effect of change is recognized over the remaining useful life span.

Expenses related to lease of assets are recognized in the profit and loss statement. Advance payments are capitalized and expensed over the leasing period. Lease of assets is capitalized if defined as a financial lease contract.

Land is not depreciated.

Impairment of assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except write down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Long-term debt

Long-term debt is recognized at nominal value.

Financial instruments – interest rate swaps

Interest rates swaps are used as hedging instruments; however, hedge accounting is not applied. The financial instruments are recognized at the lowest of acquisition cost and fair value, meaning that negative fair value (mark-to-market value) is provided for, and unrealized gain is not recognized.

Provisions

A provision is recognized when a present legal or constructive obligation has occurred, as a result of a past event and it is probable that this will result in an outflow of resources to settle the obligation, and the obligation can be reliably estimated.

Pensions

The Group has a defined contribution plan.

Obligations to provide contributions to defined contribution pension plan are recognized as costs in the income statement in the period in which they occur.

The pension scheme is administrated through an insurance company. The Group has no further obligations subsequent of the payment of the defined contribution. The payments are recognized as personnel expenses. Pre-paid pension funds are recognized and presented as an asset to the extent that the funds can be refunded or deducted in future payments.

Taxes

Income tax on the profit for the period consists of current and deferred tax. Income tax is recognized in the income statement except for tax on items that are recognized directly in equity.

Current tax is the forecast tax payable on the year's taxable income at current tax rates at the balance sheet date, and any adjustments of tax payable for previous years less tax paid in advance.
Deferred tax liabilities are calculated based on the balance sheet-oriented liability method considering temporary differences between the carrying amount of assets and liabilities for financial reporting and tax values.

Deferred tax assets are recognized only to the extent that it is probable that the asset can be utilized against future taxable results. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax asset will be realized. Deferred tax assets and deferred tax liabilities, which are or can be reversed in the same period, are presented net.

Resource rent tax is calculated were applicable. Resource rent income is considered as income achieved on public resources and is therefore charged with additional taxes for the amount exceeding normalized returns.
Deferred tax is also calculated for resource rent tax, utilizing the same approach with temporary differences. As the resource rent tax is (from 2021) a cash flow based taxation the temporary differences for resource rent purposes is different compared with the ordinary corporate tax.

Deferred taxes are recognized at nominal values.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash means cash in hand and in the bank. Cash equivalents are short-term liquid investments that can be converted to cash within three months to a known amount and which have an insignificant degree of risk. Cash and cash equivalents in the cash flow statement do not include unused overdrafts.

NOTE 1 – REVENUES

The Group's revenues can be specified as follows:

	2023	2022
Power revenues	234 304	424 412
Electricity certificates	64	547
Guarantees of Origin (GoO)	25 639	7 529
Other	0	541
	260 006	433 030

The corresponding produced volume is 549 GWh in 2023 versus 522 GWh in 2022.

Dvergfossen Kraft AS was acquired in September 2022 and the revenue from this company is consolidated from this point in time. Please refer to note 19 for further details regarding business combinations.

The following power plants were set into operation during 2022 and are not included with their full annual production capacity in the comparable amounts:

- Kupekraft Kraftverk
- Tokagjelet Kraftverk

During 2022 the Group has withdrawn from the electricity certificate arrangement for some of its power plants. This is due to the current pricing of the certificates, and also the pricing of GoOs were unsupported GoOs are valued higher than supported GoOs.

El-certs and GoOs revenues are recognized at the time the certificates are realized. The balance of granted rights to sell certificates is not recognized. At the end of 2023 Clemens Kraft holds an off-balance value of electricity certificates and GoOs of an immaterial amount. This is due to very low pricing of electricity certificates, and an agreement of selling GoOs continuously as produced.

High price contribution fee (references is made to the note regarding accounting principles) is included as a negative amount in other operating income with NOK 7.3 million (not included in the table above). High price contribution fee was applicable for the months January to September, as the arrangement was terminated as of October 2023.

Insurance coverage recognized with NOK 5.7 million as other operating income (not included in the table above).

NOTE 2 – SALARIES AND REMUNERATIONS, INCLUDING AUDITORS FEE

Salaries

The Group has no employees and consequently no salaries. The Group reimburse a first line of defense/ supervisory responsibility regarding plant operation (typically to landowners or other local personnel). In some cases, these payments are to individuals, subject to public reporting. Other personnel expenses may occur.

Due to no employees, no pension scheme is required nor established.

Compensation to senior executives and Board of Directors

Chief Executive Officer

Chief Executive Officer is employed in a sister company of the parent in the Group and receives salary and other remunerations from this company.

Board of Directors

The Board of Directors in Clemens Kraftverk is coinciding with the Board of Directors in Clemens Kraft Holding (ultimate parent) and receives its remunerations from this company. However, directors employed from Clemens Kraft owners' organizations do not receive remuneration from Clemens Kraft Group.

No guarantees nor collateral is made for the CEO, chairman or other related parties.

Auditor's fee

Auditor's fee can be specified as follows:

	2023	2022
Agreed upon fees for statutory audit of current year's financial statements	986	950
Other audit related services	0	0
Other attestation services	193	225
	1 179	1 174

Auditor’s fee is excluding value added tax.

NOTE 3 – FIXED ASSETS

	Power station	Mechanical engineering	Electro-technical	Land, roads/ bridges	Assets under construction	Project develop-ment	Other operating assets and means of transport	Sum
Acquisition cost as of 1.1.	1 383 071	789 549	193 408	10 176	684 915	12 791	3 236	3 077 146
Additions	472 247	155 460	64 056	183	17 778	8 116	0	717 840
Disposals	0	0	0	0	-691 946	-8 768	-400	-701 114
Other adjustments	0	0	0	-652	0	0	-68	-720
Acquisition cost as of 31.12.	1 855 318	945 009	257 464	9 707	10 748	12 139	2 767	3 093 152
Acc. depr. and imp. as of 1.1.	172 955	118 930	59 461	95	0	1 336	1 624	354 401
Disposals	0	0	0	0	0	-1 336	-307	-1 643
Other adjustments	0	0	0	0	0	0	41	41
This year's recognized depr. and imp.	103 801	42 241	22 069	0	0	0	236	168 346
Acc. depr. and imp. as of 31.12.	276 755	161 170	81 530	95	0	0	1 595	521 145
Carrying amount 31.12.	1 578 563	783 839	175 935	9 612	10 748	12 139	1 172	2 572 007
This year's impairment	79 599	20 112	10 289	0	0	0	0	110 000
This year's depreciation	24 202	22 129	11 780	0	0	0	236	58 346
Expected economic life span	67 years	40 years	20 years	-	-	-	5-6 years	

Assets under construction disposals are intra group transfers to completed power plants. Disposals of project development is sale of projects.

Internal manufacturing costs are capitalized as a part of cost of assets (in all material expenses related to project management and general management and administration). In most cases, early phase development projects are legally owned by Clemens Kraft AS until investments decision. Clemens Kraft AS is the subsidiary where management and administration is employed.
Subsequent of the investment decision, the project are sold to a single purpose vehicle at capitalized cost. Further internal cost related to development, project management, general management services and more is charged to the new project owner, without profit.
In 2023 NOK 1.4 million (2022: NOK 6.7 million) was invoiced from Clemens Kraft AS and capitalized as a part of assets under construction.

Power plants are pledged as a part of group financing. Please refer to note 15 and 16 for further details.

NOTE 4 – INTANGIBLE ASSETS

	Waterfall rights and concessions	Other rights	Goodwill	Sum
Acquisition cost as of 1.1.	432 997	400	-31 644	401 752
Additions	0	0	0	0
Disposals	0	0	0	0
Acquisition cost as of 31.12.	432 997	400	-31 644	401 752
Accumulated depreciation and impairment as of 1.1.	55 483	0	7 461	62 944
This year's recognized depreciation and impairment	14 889		-8 444	6 445
Acc. depreciation and impairment as of 31.12.	70 372	0	-983	69 389
Carrying amount 31.12.	362 624	400	-30 661	332 363
This year's impairment	6 054	0	0	6 054
This year's depreciation	8 835	0	-8 444	391
Expected economic life span	40-60 years / -	-	5 years	

NOK 361 million of book value of waterfall rights and concessions are related to excess values arose from business combinations. Similar for goodwill, however book value consists of negative goodwill from two business combinations. Negative goodwill is recognized in the profit and loss statement over a five-year period.

During 2022 there was a business combination in acquiring the shares in Dvergfossen Kraft AS. The agreed upon value of power plant assets to be used as basis for the calculation of share consideration exceeded the book value of the assets in the statutory financials. However, it was below a calculated enterprise value, utilizing a DCF calculation method, resulting in both excess values related to concessions and a negative goodwill, of NOK 71.5 million and NOK 40.0 million respectively (reference is also made to note 19).

NOTE 5 – INVESTMENTS IN ASSOCIATED COMPANIES

	Ownership share	Acquisition	Carrying amount 1.1.2023	This years profit	Depreciation excess value	Dividend paid	Other	Net capital decrease	Carrying amount 31.12.2023
Kylland Kraft AS	38 %	3 325	5 173	628	-28	-767	0	-411	4 594
Neset Kraft AS	34 %	5 128	15 754	2 300	-92	-2 390	-4 473	0	11 099
Nørståe Kraft AS	34 %	3 086	6 110	549	-35	-680	0	0	5 944
			27 036	3 477	-154	-3 837	-4 473	-411	21 637

NOTE 6 – FINANCIAL ITEMS

Recognized change (gain) in fair value of financial instruments (interest rate swaps) in 2023 is NOK 0.5 million compared with NOK 3.3 million in 2022. Gain is only recognized to the extent that prior liabilities can be reversed. Fair value of the (liabilities under the) agreements are disclosed in note 14.

Other interest expenses can be specified as follows:

	2023	2022
Interest on bonds	12 188	14 579
Paid interest on interest interest rate swaps	-6 405	747
Interest on sub-ordinated loan from parent company	0	10 872
Other interest expenses	114 712	63 856
Capitalized interest expenses	0	-7 959
	120 494	82 095

NOTE 7 – TAXES

	2023	2022
Income tax expense comprises		
Income tax payable	185	159
Ground rent tax payable	4 429	-27 511
Change in deferred tax	-35 433	22 329
Change in deferred tax not recognized	1 119	698
Change in deferred resource rent tax	-57 604	49 166
Correction previous years	181	0
Other	19	-178
Income tax expense	-87 104	44 663
Tax base for the year		
Profit/loss	-159 174	109 079
Permanent differences	-1 047	-6 957
Change in temporary differences	123 958	15 478
Group contribution received (+) / paid (-)	-10 248	0
Use of tax losses carreid forward (-)	-22 360	-168 720
Taxable income	-68 870	-51 120
This years loss to be carreid forward	69 710	51 747
Basis for recognized tax payable	840	627
Taxes payable in the balance sheet		
Tax payable	4 597	-27 320
Sum tax payable	4 597	-27 320

The Group has one power plant subject to resource rent taxation. The plant has been under construction until August 2022 and had significant amounts in capital expenditures in 2022. Therefor a negative net amount of taxes payable. The liability related to ordinary corporate tax (22 %) is classified as a short-term liability whilst the negative ground rent taxis classified as other current receivables.

	2023	2022
Temporary differences		
Temporary differences related to fixed assets	-28 534	78 977
Temporary differences related to excess values from business combinations	366 924	375 920
Temporary differences related to taxable profit and loss	-20	-25
Temporary differences related to long term provisions	0	-470
Tax loss carry forward	-314 373	-267 344
Prior years non-deductubale interest expense	-18 146	-18 146
Other differences	13 485	-11 883
Basis for deferred tax asset (-) / liability (+) (ordinary tax rate)	19 335	157 028
Temporary differences, resorce rent taxation		
Temporary differences related to fixed assets	-14 626	85 221
Basis for deferred tax asset (-) / liability (+) (resource rent tax rate)	-14 626	85 221
Deferred tax asset (-) / liability (+) (ordinary tax rate)	-2 685	34 546
Deferred tax asset (-) / liability (+) (resource rent tax rate)	-8 438	49 166
Whereas deferred tax asset not recognised in the balance sheet	6 939	5 820
Deferred tax asset (-) / liability (+) recognized in the balance sheet	-4 184	89 532
Reconciliation of tax expense to Norwegian nominal statutory tax rate		
22 % of profit befor tax	-35 018	23 997
Ground rent taxation	-53 175	21 654
Tax effect of permanent differences	-230	-1 530
Tax effect of change in tax rates recognized in temporary differences	0	0
Prior year adjustment	181	0
Effect of change in not recognised deferred tax assets	1 119	698
Other changes	19	-157
Income tax expense	-87 104	44 663
Effective tax rate	54,7 %	40,9 %

NOTE 8 – EQUITY

	Share capital	Share premium	Other paid-in capital	Retained earnings	Non-controlling interests	Sum
Equity as of 1.1.	211 802	696 581	3 023	-181 343	23 744	753 807
Current year's profit/loss	0	0	0	-67 981	-4 089	-72 070
Capital increase	70 601	141 201	0	0	14 000	225 802
Group contribution	0	0	0	-7 993	0	-7 993
Paid dividend	0	0	0	0	-174	-174
Dividend	0	0	0	0	-359	-359
Other	0	0	0	-7 370	0	-7 370
Equity as of 31.12.	282 402	837 782	3 023	-264 687	33 123	891 643

NOTE 9 – OTHER NON-CURRENT RECEIVABLES

The following items are included in other long-term receivables:

	2023	2022
Non-current receivables on landowners	185	394
Other non-current receivables	4 627	4 627
	4 812	5 021

Regarding non-current receivables on landowners

Some of the fall lease agreements, says that the fall lease can be negative. Basis for fall lease is in this case revenue with deduction of specified costs, resulting in a potential negative basis and consequently negative fall lease. Negative fall lease will not be refunded from the landowners but carried forward and settled/utilized with future fall lease.

Landowners may have a right to receive minimum payments, or prepayments of fall lease. The amount will not be refunded from the landowners but carried forward and settled/utilized with future fall lease. Any prepayments have its value through a future liability reduction with basis in transactions which, as of the reporting period, has not incurred. Therefore, there is no basis for recognizing such prepayments.

The recognized amount is related to loan to landowners.

NOTE 10 – TRADE RECEIVABLES

Sale of power are executed through a clearing partner. Settlement is made on weekly basis. The revenue is regulated through quoted prices with deduction of imbalance expenses. Produced volume can to a small degree be affected, beyond water floating outside penstocks and turbines.

The credit risk is considered to be very low. Unpaid trade receivables are also relatively small compared with annual revenues. At the end of year 2023 the assessment is that there are no doubtful receivables related to core business.

NOTE 11 – OTHER RECEIVABLES

	2023	2022
Accrued revenue	6 045	4 164
Prepayments	5 330	7 783
Other short-term receivables	14 524	45 636
	25 899	57 583

Accrued revenue is related to sale of power not invoiced.

NOK 5.2 million of prepayments relates to fees for facilitating establishment of multi bank and bond financing. During 2022 NOK 5.5 million in fees related to the new multi bank facility was capitalized. Capitalized fees are amortized linear towards maturity.

NOK 27.5 million of other short-term receivables as of year-end 2022 is related to negative resource rent tax.

El-certs and GoOs revenues are recognized at the time the certificates are realized. The balance of granted rights to sell certificates is not recognized. At the end of Q4 2023 Clemens Kraftverk holds an off-balance value of electricity certificates and GoOs of an immaterial amount. This is due to very low pricing of electricity certificates, and an agreement of selling GoOs continuously as produced.

NOTE 12 – BANK DEPOSITS

The Group has no restricted cash.

NOTE 13 – SHARE CAPITAL AND SHAREHOLDERS INFORMATION

Class	No. of shares (thousand)	Nominal value	Share capital (thousand)
Ordinary shares	35 300	8	282 402

All shares are held by Clemens Kraft Holding AS.

Please refer to note 18 regarding related parties' transactions.

NOTE 14 – PROVISIONS

	2023	2022
Negative fair value of interest rate swaps	0	470
Other long-term provisions	0	0
	0	470

As of year-end 2022 Clemens Kraftverk had a liability of NOK 0.5 million related to one of interest rate swap agreements. At year end 2023 all swap agreements have a positive off-balance MTM of NOK 22.9 million (unrealized gain).

Please refer to note 6 and 15 for further details regarding interest rate swap agreements.

NOTE 15 – LONG-TERM DEBT

Category	Amount
Bond (Nordic ABM)	325 000
Banks and credit institutions	1 630 684
Other	1 343
	1 957 027

Loans are mainly provided by two sources of funding; (1) issued bond and (2) banks and credit institutions.

The Group has issued one bond with maturity in 2025 (NOK 300 million plus NOK 25 million tap issue). The bond is listed at Nordic ABM at Euronext (Oslo Stock Exchange). As bond security, the power plants and shares in subsidiaries within the sub-group CK Bond AS has been pledged (please refer to note 17 for legal structure).

Bank and credit institution loans mainly consist of a NOK 1.622 billion multi-bank facility and have interest terms of 3 months NIBOR with addition of a margin. However, Clemens Kraft Holding Group has entered into interest rate swap agreements, on a nominal amount of NOK 1.2 billion, to reduce risk and exposure of floating interest rate fluctuations. Of this, agreements with nominal amounts of NOK 0.47 billion is made at Clemens Kraftverk Group level.

Loan facilities are subject to certain covenants. Mostly related to equity ratio and liquidity, however there is also one debt/production capacity leverage ratio covenant. In 2023 there was breach in covenants regarding equity ratio, however a waiver was received. All covenants are met as of year-end 2023.

Long-term debt mature as follows (amounts in NOK million):

Type	2024	2025	2026	2027	2028	2029 and later
Bond (Nordic ABM)	0.0	325.0	0.0	0.0	0.0	0.0
Banks and credit institution	0.5	0.5	0.5	918.5	16.5	694.2
SUM	0.5	325.5	0.5	918.5	16.5	694.2

Power plants and shares in subsidiaries are to a large extent pledged as security for loan facilities, reference is made to note 16.

NOTE 16 – GUARANTEES AND PLEDGES

The Group's power plants (excluding Hynna Kraftverk), with a book value of NOK 2 528 million respectively, is pledged for the Group's financing. All shares held by majority owner (directly or indirectly by Clemens Kraftverk AS) is also pledged.

NOTE 17 – SUBSIDIARIES

The following companies is subsidiaries directly or indirectly owned by Clemens Kraftverk AS and is consolidated into the Group's financial statements:

Company	Share	Date of acquisition
Clemens Kraftverk AS	Ultimate parent	
CK Bond AS	100.0 %	February-18
Engeset Kraft AS	100.0 %	February-05
Halvdagsåa Kraft AS	100.0 %	September-12
Litj-Hena Kraftverk AS	100.0 %	May-13
Midtunkraft AS	100.0 %	February-18
Nordbøåna Kraft AS	100.0 %	December-07
Ullestad Kraft AS	100.0 %	July-12
Vengåkraft AS	100.0 %	April-06
Væla Kraft AS	100.0 %	April-13
CK Kraftholding Nord AS	100.0 %	April-07
Bele Kraft AS	51.0 %	March-10
Bjuråga Kraft AS	100.0 %	September-18
Brekkefossen Kraftverk AS	100.0 %	April-08
Dvergfossen Kraft AS	100.0 %	September-22
Embla Kraft AS	100.0 %	April-18
Fjærland Kraft AS	100.0 %	December-18
Føsseberge Kraftverk AS	100.0 %	September-23
Graffer Kraft AS	100.0 %	February-18
Gyl Kraft AS	74.5 %	December-17
Heina Kraft AS	52.3 %	December-17
Hellifossen Kraft AS	100.0 %	August-18
Hynna Kraft AS	66.5 %	January-05
Kjeldalselva Kraft AS	100.0 %	July-11
Kupekraft AS	100.0 %	April-19
Kvammadalselvi Kraft AS	100.0 %	September-19
Kvernfossen Kraft AS	100.0 %	May-18
Langfjordkraft AS	100.0 %	December-21
Meraker Kraft AS	65.0 %	February-14
Nordvik Kraft AS	100.0 %	December-17
Nørlandselva Kraft AS	100.0 %	June-15
Ringdal Kraftverk AS	100.0 %	January-18
Rodal Kraft AS	100.0 %	December-17
Salhuselva Kraft AS	100.0 %	March-19
Skjerva Kraft AS	100.0 %	December-17
Sleveåne Kraft AS	100.0 %	November-14
Storedalen Kraftverk AS	100.0 %	November-20
Sædalen Kraft AS	100.0 %	February-18
Søråni Kraft AS	94.8 %	December-16
Tokagjelet AS	100.0 %	September-18
Trollekraft AS	97.0 %	January-18
Trollvikelva Kraft AS	89.0 %	January-18
Vaksvik Kraft AS	100.0 %	August-08
Vangjolo Kraft AS	100.0 %	November-14
Vossedalselvi Kraft AS	100.0 %	November-14
Øvrebø Kraft AS	100.0 %	April-19

NOTE 18 – RELATED PARTIES TRANSACTIONS

Clemens Kraftverk AS is a fully owned subsidiary of Clemens Kraft Holding AS. Clemens Kraft Holding AS is owned 50.1 % by Ovf and 49.9 % by CPV/CAP as a joint venture, please refer to the "Clemens Kraft at a glance" section of the annual report.

Ovf is providing management services to the Clemens Kraft group. For these services, Clemens Kraft AS (a sister company of Clemens Kraftverk AS) has been charged NOK 0.9 million by Forvaltningsorganet Ovf (this does not include re-invoicing).
In addition, Clemens Kraft participates in certain Ovf initiatives (e.g. IT management assessment), where Clemens Kraft is charged directly from third-party providers of consultancy services.

Ovf is, as landowner, recipient of both fall leases and land leases related to the Group's power plants. Paid leases during 2023 was NOK 5.5 million (2022: NOK 3 million).

Clemens Kraft AS is charging Clemens Kraftverk management fees for general administration, project management and operation of power plants. In 2023 an amount of NOK 21.7 million has been charged. The amount includes travels and expenses.

NOTE 19 – BUSINESS COMBINATIONS

There have been no business combinations in 2023.

Clemens Kraft conducted two business combinations in 2022. The shares in Dvergfossen Kraft AS were transferred in September. This company has developed and owns Dvergfossen Kraftverk, located in NO2. A share purchase agreement was made in 2021, giving Clemens Kraft an option to acquire the shares based on an agreed upon enterprise value for the power plant, when the plant was constructed and operating. The business combination led to both an addition of excess values and negative goodwill.

The second transaction relates to sale of shares in Gjerdelva Kraft AS which gave a marginal gain for the Group.

NOTE 20 – DISPUTES AND CLAIMS

In 2023, an amount of NOK 3.9 million is paid to landowners associated to one of the plants, related to disputed fall lease for 2021, subsequent of legal negotiations. The amount includes legal fees and was not recognized in prior periods. However, the ruling is not yet legally binding (court ruling appealed).

Subsequent of the fatal drowning accident occurred nearby one of Clemens Kraftverk's construction sites (involving third party civilians) in Q4 2021 Norwegian Water Resources and Energy Directorate and the police initiated parallel routine investigations. During first half of 2022 the police investigation was dropped, however during the fourth quarter the police investigation is re-opened. The group has and will continue to assist both the supervisory body and the police authorities in every way.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

Amounts in NOK 1 000

	NOTE	2023	2022
OPERATING INCOME AND EXPENSES			
Other operating expenses	1	663	641
Total operating expenses		**663**	**641**
Operating result		-663	-641
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from subsidiaries, associated companies and joint ventures	2	26 959	91 258
Interest income from group companies	2	105 694	44 836
Other interest income		4 948	737
Other financial income		8	55
Total financial income		**137 610**	**136 887**
Financial instruments measured at fair value		0	-762
Interest expense to group companies		13 252	11 055
Other interest expenses		110 673	57 943
Other financial expenses		34 337	23 797
Total financial expenses		**158 262**	**92 032**
Net financial income and financial expenses		-20 652	44 855
Profit (-loss) before tax		-21 316	44 213
Tax expense (-income)	3	2 552	13 821
Profit (-loss) after tax		-23 868	30 393
Allocation			
Allocated to retained earnings	4	-23 868	30 393

FINANCIAL POSITION

Amounts in NOK 1 000

ASSETS	NOTE	2023	2022
NON-CURRENT ASSETS			
Deferred tax asset	3	0	2 154
Total intangible assets		**0**	**2 154**
Shares in subsidiaries	5	1 356 425	1 293 132
Loan to group companies	2	463 577	768 444
Shares in associated companies and joint ventures	5	16 191	16 603
Total financial non-current assets		**1 836 193**	**2 078 178**
Total non-current assets		1 836 193	2 080 332
CURRENT ASSETS			
Trade receivables	2	50	1 119 759
Other current receivables	2	1 328 235	490 178
Total current receivables		**1 328 285**	**1 609 937**
Cash and cash equivalents	**6**	**118 712**	**40 560**
Total current assets		1 446 997	1 650 497
Total assets		3 283 190	3 730 829

Amounts in NOK 1 000

EQUITY AND LIABILITIES	NOTE	2023	2022
EQUITY			
Share capital	4, 7	282 402	211 802
Share premium	4	837 782	696 581
Other paid-in capital		2 521	2 521
Total paid in capital		**1 122 705**	**910 904**
Retained earnings	4	-72 360	-48 493
Total retained earnings		**-72 360**	**-48 493**
Total equity		1 050 345	862 411
LIABILITIES			
Deferred tax liability		398	0
Other provisions		16 940	16 940
Total provisions		**17 338**	**16 940**
Non-current interest bearing debt (credit institutions)		1 622 000	1 717 000
Bonds		325 000	325 000
Total non-current liabilities		**1 947 000**	**2 042 000**
Trade payables		0	128
Public duties payable		0	-11
Current liabilities to group companies	2	252 880	794 547
Other current liabilities	2	15 627	14 814
Total current liabilities		**268 507**	**809 478**
Total liabilities		2 232 845	2 868 418
Total equity and liabilities		3 283 190	3 730 829

Oslo, 24 April 2024

Clemens Kraftverk AS
Board of Directors

(sign.)	(sign.)	(sign.)
Ole-Wilhelm Meyer Chairman	Harald Kurt Siewert Deputy chairman	Hans Erik Horn Director
(sign.)	(sign.)	(sign.)
Ulf Myrbø Director	Oddleiv Sæle Director	Eldbjørg Sture Director

(sign.)
Knud Hans Nørve
Chief Executive Officer

CASH FLOW STATEMENT

Amounts in NOK 1 000

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	-21 316	44 213
Change in trade receivables	1 119 709	-1 119 759
Change in trade payables	-128	128
Items classified as investment/financing activities	284 880	1 075 641
Changes in other current assets and other liabilities	-1 378 900	2 388
Net cash flow from operating activities	4 245	2 612
CASH FLOWS FROM INVESTMENT ACTIVITITES		
Cash disbursement related to acquisition of companies	0	-22 012
Changes in intra group financing including cash pool arrangement	-291 513	0
Cash receipt related to loan to subsidiaries	304 866	0
Cash disbursement related to capital increases in subsidiaries	-50 039	0
Net cash flow from investment activities	-36 685	-22 012
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest received	27 137	0
Interest paid	-123 925	-16 064
Proceeds from new non-current loans	105 000	1 717 000
Cash receipt/disbursement related to repayment of non-current debt	-200 000	-1 670 263
Gross cash flow from share issues/capital increases	211 801	0
Group contribution received	90 578	0
Net cash flow from financing activities	110 592	30 673
Net change in cash and cash equivalents	78 152	11 273
Cash and cash equivalents as of 1 January	40 560	26 640
Cash balance acquired through mergers	0	2 647
Cash and cash equivalents as of 31 December	118 712	40 560

NOTES

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with accounting principles stated in the Norwegian Accounting Act and with accounting principles generally accepted in Norway (NGAAP).

Estimates and professional judgement

The preparation of financial statements requires use of estimates. Further, the application of relevant accounting standards and policies requires judgements. Items which to a large extend contain such judgmental assessments, high degree of complexity or items where management judgment are material to the financial statements, are described in the notes to the financial statements.

Revenues

Income from sale of goods and services are recognized at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are recognized upon delivery.

Classification of balance sheet items

Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Acquisition cost

Acquisition cost includes the purchase price, less any bonuses, rebates or similar, in addition to expenses (freight, toll, non-refundable public duties and any other direct expenses). Internal production costs are capitalized as a part of acquisition cost (mainly project and general management).

For fixed assets and intangible assets acquisition cost includes expenses for preparation for use, e.g., expenses related to testing of power plants.

Interest expenses related to construction loans are capitalized.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Shares in subsidiaries and associated companies

Subsidiaries are companies where the parent company has control over an investee. A controlling interest is normally obtained when the Group owns more than 50% of the shares (which gives voting rights) in the company and can exercise control over the company, financially and strategically.

Investments where the Group owns 20-50 % of the shares with voting rights and has significant influence of the company, are defined as associated companies.

Investments in shares are recognized at cost. The investment is valued as cost of the shares, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a lather period.

Dividends and other distributions are recognized when decided. If dividends exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

Intangible assets

Expenses related to development of intangible assets are recognized in the balance sheet if future economic benefits can be linked to developing identifiable intangible assets and the expenses can be reliable measured. In opposite cases, expenses are recognized in the profit and loss statement.
Capitalized development is included in the power plant cost and depreciated (linear) over the economic life span.

Fixed assets

Fixed assets are capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. The distinguish between maintenance and improvement/upgrade is assessed based on the standard at the date of acquisition.

In cases where planned depreciation is re-assessed and changed, the effect of change is recognized over the remaining useful life span.

Expenses related to lease of assets are recognized in the profit and loss statement. Advance payments are capitalized and expensed over the leasing period. Lease of assets is capitalized if defined as a financial lease contract.

Land is not depreciated.

Impairment of assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except write down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss

Long-term debt

Long-term debt is recognized at nominal value.

Financial instruments – interest rate swaps

Negative fair value (mark-to-market value) is provided for. Unrealized gain is not recognized.

Provisions

A provision is recognized when a present legal or constructive obligation has occurred, as a result of a past event and it is probable that this will result in an outflow of resources to settle the obligation, and the obligation can be reliably estimated.

Taxes

Income tax on the profit for the period consists of current and deferred tax. Income tax is recognized in the income statement except for tax on items that are recognized directly in equity.

Current tax is the forecast tax payable on the year's taxable income at current tax rates at the balance sheet date, and any adjustments of tax payable for previous years less tax paid in advance.
Deferred tax liabilities are calculated based on the balance sheet-oriented liability method considering temporary differences between the carrying amount of assets and liabilities for financial reporting and tax values.

Deferred tax assets are recognized only to the extent that it is probable that the asset can be utilized against future taxable results. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax asset will be realized. Deferred tax assets and deferred tax liabilities, which are or can be reversed in the same period, are presented net.

Deferred taxes are recognized at nominal values.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash means cash in hand and in the bank. Cash equivalents are short-term liquid investments that can be converted to cash within three months to a known amount and which have an insignificant degree of risk. Cash and cash equivalents in the cash flow statement do not include unused overdraft facilities.

NOTE 1 – REMUNERATIONS

Due to no employees, no pension scheme is required nor established.

Compensation to senior executives and Board of Directors

Chief Executive Officer

The Chief Executive Officer is employed in a sister company and receives salary and other remunerations from this company.

Board of Directors

The Board of Directors in Clemens Kraftverk is coinciding with the Board of Directors in Clemens Kraft Holding (ultimate parent) and receives its remunerations from this company. However, directors employed within ultimate parent owners do not receive remuneration from Clemens Kraft Group.

No guarantees nor collateral is made for the CEO, chairman or other related parties.

Auditor's fee

Auditor's fee can be specified as follows:

	2022	2021
Agreed upon fees for statutory audit of current year's financial statements	115	127
Other attestation services	0	27
	115	154

Auditor's fee is excluding value added tax.

NOTE 2 – RELATED PARTIES BALANCES

Clemens Kraftverk AS has recognized group contributions of NOK 22.7 million in 2023. The receivable is included in other short-term receivables below.

	Accounts receivables		Ohter short term receivables		Long term receivables	
	2023	*2022*	*2023*	*2022*	*2023*	*2022*
Group companies	50	1 119 759	1 322 586	482 783	463 577	768 444
	50	1 119 759	1 322 586	482 783	463 577	768 444

	Accounts payables		Other short term liabilities		Long term liabilities	
	2023	*2022*	*2023*	*2022*	*2023*	*2022*
Group companies	0	3 513	252 880	794 547	0	0
	0	3 513	252 880	794 547	0	0

Clemens Kraftverk AS holds the top account in a group cash pool arrangement. The sub-ordinated loan from Clemens Kraft Holding AS to Clemens Kraftverk was incorporated in the cash pool arrangement as of 2022.
Several settlements of intra group loans were made approx. at year-end 2022, both due to cash pool arrangement utilization and to intra group loan restructuring as a part of legal entity restructuring during 2022. Intra group balances (and the total balance of Clemens Kraftverk) are affected by this.

Non-current assets (receivables on subsidiaries) are subject to interest calculation.

NOTE 3 – TAXES

	2023	2022
Temporary differences		
Provisions	0	0
Tax loss carry forward	-3 374	-15 679
Other	5 185	5 890
Basis for deferred tax asset (-) / liability (+)	1 810	-9 789
Deferred tax asset (-) / liability (+)	398	-2 154
Deferred tax asset (-) / liability (+) recognized in the balance sheet	398	-2 154
Income tax expense comprises		
Income tax payable	0	0
Change in deferred tax	2 552	13 821
Change in deferred tax due to change in tax rate	0	0
Tax on group contribution prior years	0	0
Income tax expense	2 552	13 821

NOTE 4 – EQUITY

	Share capital	Share premium	Other paid-in capital	Retained earnings	Sum
Equity as of 1.1.	211 802	696 581	2 521	-48 493	862 411
Mergers	0	0	0	0	0
Capital increase	70 601	141 201	0	0	211 802
Current year's profit/loss	0	0	0	-23 868	-23 868
Equity as of 31.12.	282 402	837 782	2 521	-72 360	1 050 345

NOTE 5 – INVESTMENTS IN SUBSIDIARIES

	Date of acquisition	Share	Equity as of 31 Dec	Net profit/loss	Carrying amount
CK Bond AS	February-18	100 %	95 462	242	98 668
CK Kraftholding Nord AS	April-07	100 %	4 085	-2 984	11 208
Bele Kraft AS	March-10	51 %	-2 337	-944	9 291
Bjuråga Kraft AS	September-18	100 %	-524	-143	36
Brekkefossen Kraftverk AS	April-08	100 %	7 256	-2 013	16 230
Dvergfossen Kraft AS	September-22	100 %	50 535	5 884	66 915
Embla Kraft AS	April-18	100 %	10 480	-1 962	17 300
Fjærland Kraft AS	December-18	100 %	163 285	-901	277 908
Føsseberge Kraftverk AS	September-23	100 %	33	-6	39
Graffer Kraft AS	February-18	100 %	11 390	-1 531	13 926
Gyl Kraft AS	December-17	75 %	3 226	430	7 905
Heina Kraft AS	December-17	52 %	3 992	90	6 266
Hellifossen Kraft AS	August-18	100 %	24 793	-5 022	33 036
Hynna Kraft AS	January-05	67 %	-8 832	-5 086	1 500
Kjeldalselva Kraft AS	July-11	100 %	10 331	-3 206	23 500
Kupekraft AS	April-19	100 %	31 622	-4 903	37 036
Kvammadalselvi Kraft AS	September-19	100 %	-706	-441	36
Kvernfossen Kraft AS	May-18	100 %	12 637	-908	14 250
Langfjordkraft AS	December-21	100 %	9 371	-2 425	8 523
Meraker Kraft AS	February-14	65 %	81 850	-6 420	61 464
Nordvik Kraft AS	December-17	100 %	4 485	694	29 143
Nørlandselva Kraft AS	June-15	100 %	93 432	2 082	109 504
Ringdal Kraftverk AS	January-18	100 %	15 351	-2 168	50 298
Rodal Kraft AS	December-17	100 %	4 009	-603	14 380
Salhuselva Kraft AS	March-19	100 %	11 413	-3 177	18 836
Skjerva Kraft AS	December-17	100 %	9 696	-1 823	8 815
Sleveåne Kraft AS	November-14	100 %	12 277	1 186	5 560
Storedalen Kraftverk AS	November-20	100 %	774	-274	5 944
Sædalen Kraft AS	February-18	100 %	14 470	1 404	14 700
Søråni Kraft AS	December-16	95 %	27 793	5 381	25 491
Tokagjelet AS	September-18	100 %	46 163	-23 384	68 952
Trollekraft AS	January-18	97 %	5 785	-1 566	9 775
Trollvikelva Kraft AS	January-18	89 %	15 987	-3 050	19 363
Vaksvik Kraft AS	August-08	100 %	118 581	2 253	163 441
Vangjolo Kraft AS	November-14	100 %	41 509	-222	57 373
Vossedalselvi Kraft AS	November-14	100 %	32 297	1 301	33 775
Øvrebø Kraft AS	April-19	100 %	13 501	-2 119	16 036
					1 356 425

NOTE 6 – BANK DEPOSITS

Clemens Kraftverk AS has no restricted cash. The company participates in a cash pool arrangement, please refer to note 2.

NOTE 7 – SHARE CAPITAL AND SHAREHOLDERS INFORMATION

Class	No. of shares (thousand)	Nominal value	Share capital (thousand)
Ordinary shares	35 300	8	282 402

All shares are held by Clemens Kraft Holding AS.

To the General Meeting of Clemens Kraftverk AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Clemens Kraftverk AS, which comprise:

- the financial statements of the parent company Clemens Kraftverk AS (the Company), which comprise the financial position as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Clemens Kraftverk AS and its subsidiaries (the Group), which comprise the financial position as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 24 April 2024
PricewaterhouseCoopers AS

Marius Thorsrud
State Authorised Public Accountant
(This document is signed electronically)