2021

CLEMENS KRAFTVERK AS

Annual Report 2021

CLEMENS KRAFT

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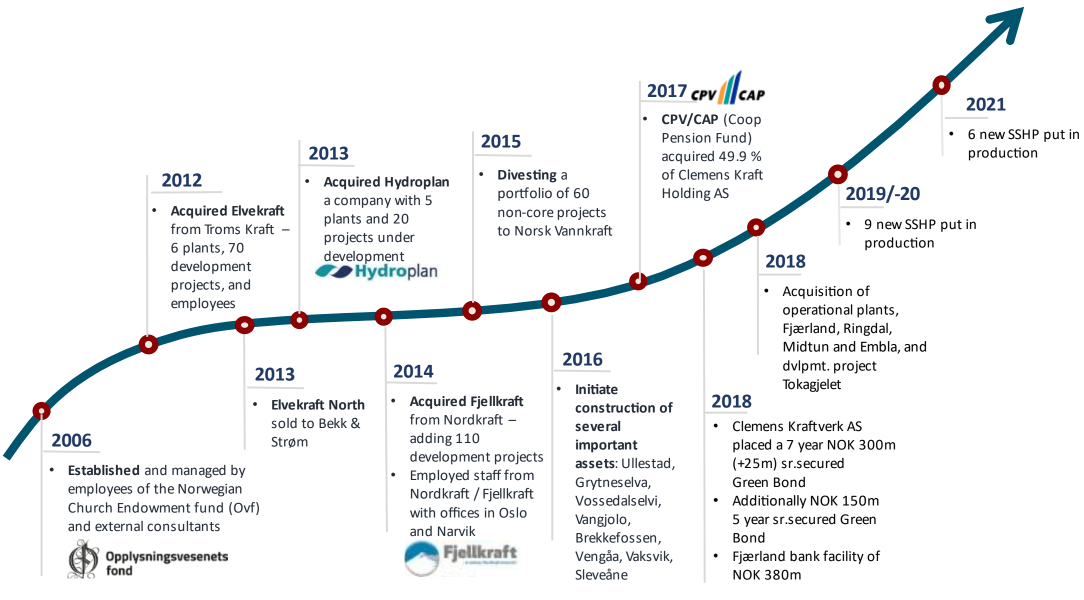
CLEMENS KRAFT IN BRIEF

The Clemens Kraft Group (Clemens Kraft) is a fully integrated specialist in small-scale hydropower production and is one of Norway`s leading companies within this business segment. The ultimate parent of the group is Clemens Kraft Holding AS (Clemens Kraft Holding), which holds 100 % of the shares in Clemens Kraftverk AS (Clemens Kraftverk or the Company). Clemens Kraftverk is the asset owning entity controlling all operational activities through single purpose vehicles (SPVs), which together forms the Clemens Kraftverk Group (the Group). Management and operational staff are employed in Clemens Kraft AS and Clemens Kraft Drift AS, two other subsidiaries of Clemens Kraft Holding.

Clemens Kraft is a full value chain hydropower company with extensive knowledge within planning, construction, management, finance and HSE, operating 49 plants (including five owned by associated companies) in addition to 2 plants under construction as of year-end 2021. These green energy projects are financially sustainable, aimed to adapt to the environment and to adjust the production facilities taking due consideration to the local communities where these are located.

OUR HISTORY

Clemens Kraft was originally established to develop hydropower on properties owned by Opplysningsvesenets fond (Ovf). In recent years, the business model has expanded and now also includes general activities within the development and operation of small power plants in collaboration with landowners and local business entities. The strengthened balance sheet is a result of organic growth, mergers, and acquisitions. During the last years, the Group has had a strategic goal of net 710 GWh annual production capacity by end of 2021 (adjusted for minority interest and including net production of associated companies).
By mid-year 2022 the expected annual normal production capacity is approx. gross 720 GWh (including associated companies) with further possibility to expand by capitalization of license awards (previously granted or to be applied for and granted) remains.



Over the last approx. 15 years, Clemens Kraft has evolved into a well-established, leading business entity, purely exposed to the Norwegian market for run-of-river hydropower plants. Supported by strong owners, the Group has established a portfolio consisting of more than 50 power plants. Experiences from the various projects have given the company an extensive database for competence as well as economies of scale, favoring the capitalization and management of the power plants. All cooperation with public authorities, public administration, local actors and associations is highlighting transparency and insightful communication to promote a stable business framework.

As of year-end 2021 Ovf owns 50.1 % of the shares in the ultimate parent Clemens Kraft Holding. Ovf was founded in 1821 and is subject to governance from the Ministry of Children and Families in Norway. Ovf is one of the largest landowners in Norway based on area.

CPV/CAP Pensionskasse Coop (Swiss Coop pension fund), which manage a CHF 11.8 billion portfolio, owns the remaining 49.9 % of the shares in Clemens Kraft Holding, making Clemens Kraft Holding a joint venture company for the two owners.

SUSTAINABILITY

Since 2006, Clemens Kraft has increased its platform of small power plants contributing to a green and sustainable electricity production in Norway. The total normalized annual production volume by mid-year 2022 is estimated to be approx. 720 GWh (included gross production of associated companies), which corresponds to the electricity consumption of about 36,000 households annually. The equivalent production capacity behind consolidated revenues is 694 GWh.

The Clemens Kraft Group focuses on small-scale developments and production of renewable energy to create long-term value for the community, its partners, and owners. Hydropower is a renewable and clean source of energy with no production related climate gas emissions or pollution. The projects are sustainable on all levels: Financially, socially, and environmentally and aim to exploit the maximum of hydro resources to limit the climate changes the world faces today.

Clemens Kraft Group delivers 100% renewable energy through local hydropower stations utilizing hydro power in the most optimal way. To meet increasing need of renewable energy demand and same time be able to meet the ambition of net zero gas emissions in 2050, there is a need to build more renewable energy production capacity while concurrently also considering the environment and biodiversity.

Clemens Kraft is following the regulations from the Norwegian Water Resources and Energy Directorate and supports principles of sustainable development. The sustainability approach is important with regards to both development projects and producing assets. The increasing risk of flooding and avalanche is considered in project planning process and such risks are sought mitigated to reduce the potential for possible damages to our facilities.

Environmental requirements related to minimum water flow and bypass of water is important to comply with to fulfill concession terms and is of importance when planning, engineering and operating the power plants. Clemens Kraft facilitates clean water and hatchery development in the local communities we are located.

Clemens Kraft value local and regional value creation and aim for an optimal use of land and same time create good and safe jobs. Good dialogue with local landowners and reindeer herders is important to the common use of natural resources.

LETTER FROM CEO

CLEMENS KRAFT CONTINUES TO GROW

The first months of 2021 was recognized by relatively cold winter weather with a precipitation lower than normal. The spring was wet and warmer than normal while the summer was quite warm with varying rainfall over the country – from very wet in Northern Norway to record dry along the west coast. As autumn arrived, it was very dry in Southern Norway throughout September, while October/November was characterized with heavy rainfall with several new records along the west coast and in Mid-Norway. The overall dry weather in southern Norway impacted the reservoir level in the regulated dams. From the beginning of 2021 the reservoir level was close to a historic maximum after a 2020 with a relatively low power consumption and a rather high rainfall. Less rainfall during 2021 combined with a relatively high power production during second half of 2021, led to a country wide dam filling level close to historic minimum by year end – 12 percentage points below median level and close to 30 percentage points lower than the situation at the start of the year. At the same time there was a significant difference between southern and northern Norway – with northern Norway experiencing a close to normal filling level.

Hydrology and reservoir level are important price drivers in the Nordics and the power prices were significantly impacted during second half of 2021 and specifically the prices in Southern Norway. In addition, the two interconnectors to Germany and the UK influenced the power prices resulting in a climb in Nordpool power prices from a level 0.4 NOK/kWh at year start to a level of 1.4 NOK/kWh by year end. At the same time, it was observed an unprecedented volatility in prices with spikes up to 2.5-3.0 NOK/kWh partly driven by import of power price levels and supply/demand-situations in Germany and the UK. The same price hike was not observed in Northern Norway, as bottlenecks in the transmission grid hindered capacity in that region (NO3 and NO4) to supply the markets in the south (NO1, NO2 and NO5).

The net effect of this development for Clemens Kraft was positive. Despite a rainfall below normal, the overall sales income was above expectations as the increase in power prices more than offset the reduction in production.

During 2021 Clemens Kraft continued its expansion and the portfolio of power plants increased with six new power plants put into production. The Clemens Kraft Group, including associated companies and joint ventures, now has 49 power plants in operation, while 2 are still under construction. The Group established in 2018 a long-term goal to have approx. 50 power plants with a total annual production capacity of approx. 710 GWh by the end of 2021. This goal has now been met, and the Group is now pursuing a selective organic growth strategy with strong focus on operational performance of its producing plants.

2021 yielded lower than normal production, but higher than expected power prices

2021 was a year with large variations in weather and temperature. Despite the new capacity coming into operation during 2021, the power production was approximately 20 % lower compared to a normal year. In addition, some of the new plants had a delayed start-up due to slow-down effects from the Covid-19 pandemic. The total production for 2021 ended up at 406,8 GWh (including gross production from associated companies). The average achieved electricity price was 49.0 øre per KWh in 2021, compared to 7.8 øre per KWh (based on consolidated revenues) in 2020.

Power prices expected to continue on current levels

While production in small power plants is determined entirely by the volume of rainfall in the watercourse catchment areas, the price of electricity is affected by several other factors like water levels in regulated dams, CO2 quota prices, gas and coal prices as well as the demand/supply-situation.

The European quota system favors emission-free renewable energy and CO2-emitting power producers must therefore pay a fee for such emissions. This fee is variable and decided by the market through trading of CO2 quotas. As fossil-based power producers are obliged to buy quotas according to emitted carbon dioxide, the increased cost of producing fossil-based power impacts on the European power price.

The EU ambitions for transition to renewable energy sources, impacts the power prices as fossil-based base load capacity (especially coalfired plants) is closed and replaced with intermittent renewable energy capacity. Germany's target to close down all nuclear base load power production by year end 2022, further impacts the power market.

During 2021 the price of natural gas and CO2 emission permits (CO2 quotas) rose to record levels in Europe. This impacted the European power prices as the cost of gas fired power production soared and spilled over also to Norway through the newly commissioned interconnectors to Germany and the UK.

Looking forward, it is expected that the gas supply situation in Europe will continue to be weak and that the closing of traditional base load power supply from coal and nuclear based power plant, will impact on the overall price level. The intermittency of renewable power supply is also expected to continue causing volatility in European power prices. Finally, as the two new interconnectors with a combined technical export capacity of 24 TWh, is now operational, it is anticipated that the price levels and the volatility in Europe will continue to impact prices in southern Norway. Among others, Thema Consulting is projecting a floor around 40 Euro/MWh towards 2050 – a scenario that is not considered unrealistic.

El-certs prices has plummeted while Guarantees of Origin (GoOs) is stable

During 2021 Clemens Kraft observed a continued weakening of prices for el-certificates as there is a surplus of certificates offered in the market. This, combined with the cost of holding these certificates, the market is less attractive.

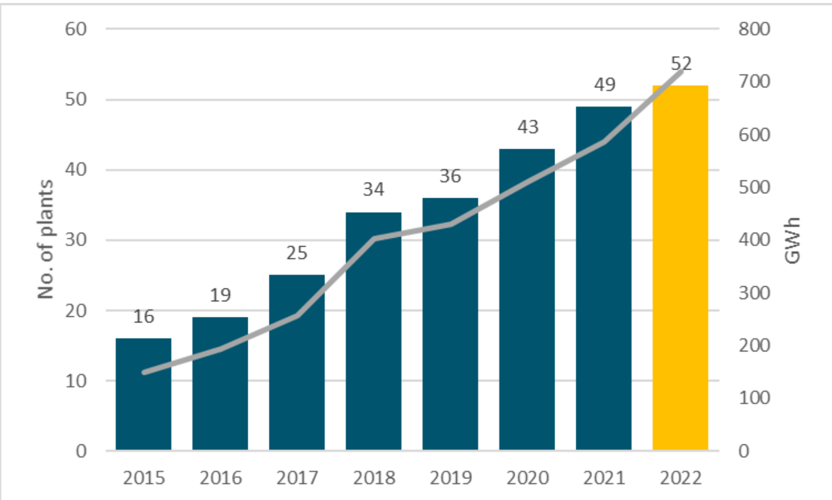
On the other hand, Clemens Kraft observe that there is a demand for the GoOs and the market values unsupported GoOs (GoOs from power plants that are not receiving el-certs) higher than supported GoOs. The favorable pricing of not supported GoOs makes it more attractive to not participate in the el-cert arrangement.

It is Clemens Kraft's view that the GoO arrangement works well to support development of new Norwegian power production from new small scale hydro plants and support that Norway should continue to be a member of this EU system.

An increase of small-scale hydropower plants

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

In total, this contributes to the Group's operations being sustainable. Hydropower is an important contribution in achieving the global climate targets. Clemens Kraft is also financially sustainable and helps to create long-term value for investors and landowners.



Graphic: Development in the number of power plants in operation and normalized annual production capacity for the Group (incl. gross numbers for associated companies and joint ventures)

Strong investor interest

In 2021, it became increasingly clear that larger investors, such as Norwegian and international pension funds, are interested in investing their funds in renewable energy. Therefore, there is also great interest in Norwegian hydropower. Clemens Kraft notices increased attention from parties who want to enter the industry. However, the Group has no plans to divest any parts of the business, but rather to pursue a selective organic growth with strong focus on operational performance of its producing plants.

Local value creation

All of Clemens Kraft's small-scale hydropower plants are located in rural parts of Norway. The local landowners are the most important local partners for Clemens Kraft. The waterfall rights, which are leased through long-term contracts with a right of restitution, ensure the landowners an annual rent that is normally determined based on the power plant's turnover. Usually, landowners are engaged in supervisory tasks. In addition to this, a large proportion of products and services in the development phase are purchased from local suppliers, and property tax accrues to the municipality in the operational phase. As such, Clemens Kraft business activities contribute to desired development, labor and income to local communities where our power plants are located.

Oslo, 21 April 2022

(sign.)

Knud Hans Nørve

Chief Executive Officer

BOARD OF DIRECTORS REPORT 2021

NATURE OF BUSINESS AND LOCATION

Clemens Kraft Holding AS is the parent company of an industrial group (the Group) within designing, developing, and operation of small-scale hydropower plants. The Group (including associated companies and investments in joint ventures) has 49 hydropower plants in operation and 2 hydropower plants under construction as of year-end 2021. The Group also holds an option to undertake 100 % of the shares in a company holding one small-scale hydropower plant when the plant is fully tested. The portfolio of hydropower plants is located from Agder in the south to Troms og Finnmark in the north, mainly in coastal areas.

HIGHLIGHTS

The Group's revenues increased by 370 % from 2020 to 2021 due to a significant increase in power prices

A cold winter resulted in a delayed and somewhat shorter melting season; hence the volume was lower than expected for the first half of 2021.
The rainfall from September and throughout the year reduced the gap with regards to year-to-date run-off, but still the volume produced ended lower than the anticipated normal level of production for 2021. Even if total production capacity has increased during 2021, actual production in 2021 is 13 % below 2020.

The somewhat smaller volumes combined with increased export capacity through the European interconnectors resulted in all-time high power prices. Power prices in the southern part of Norway has been more sensitive to European prices and factors due to the export capacity. Prices in the Northern part of Norway is still low to moderate in a historical perspective.

As a part of its hedging strategy, Clemens Kraft has entered into interest rates swaps agreements for a significant part of the long-term debt. Some of the agreements are made at Clemens Kraftverk Group level. During 2021, there were increasing interest rates leading to decreased provisions under the swap agreements. By year end, most of the liability arising from decreased interest rate in 2020, is reversed, leading to a reduced net financial loss for the latter period.

Clemens Kraftverk conducted two business combinations in 2021. Setergrytå Kraft, a former subsidiary holding a development project currently at its early phase, was sold to the minority owner of Setergrytå Kraft. The second transaction made was a purchase of the remaining 50 % share of Langfjordkraft AS, changing the investment from a joint venture to a subsidiary. A loss on the joint venture investment is recognized, and a new purchase price allocation is made resulting in the negative goodwill of NOK 2.5 million. The negative goodwill will be recognized in the profit and loss statement over a five-year period.

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. The risk can be limited, to some extent, through hedging activities.

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 10MVA installed capacity) is not subject to resource rent taxation, only ordinary corporate tax in addition to property tax.

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. 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 concession by NVE. These two permissions determines if projects are financially sustainable and can be develop. 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 manipulate production volume to periods with expected higher power prices.

During 2021 the Group observes increased volatility due to higher influence of European power market development. Due to domestic transmission grid “bottle necks” this has resulted in 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 2021, the Group has a long-term interest-bearing debt of NOK 2.6 billion. To reduce the risk exposure, Clemens Kraft has entered into interest rate swap agreements from floating to fixed interest rates for part of the debt.

WORKING ENVIRONMENT, HUMAN RESOURCES AND ORGANIZATION

The Group has no employees. Local resources (landowners, etc.) are our first line of defense for supervision and follow-up of any operational deviations at the power plants.

In addition to this, general administration, project management and operational management and services are purchased from the sister companies Clemens Kraft AS and Clemens Kraft Drift AS. This includes the Group's Chief Executive Officer.

In August 2021 the Group hired and onboarded a new CEO. The former CEO left the Group at own will, seeking new challenges outside Clemens Kraft.

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

During the fourth quarter a fatal drowning accident occurred upstream one of Clemens Kraft’s construction sites (involving third party civilians). The plant is not yet completed; hence the river flow is not affected by any production nor the construction process. The group has, of course, assisted the authorities and the police in their routine investigation, which has subsequent of year-end been discontinued.

ENVIRONMENTAL REPORT

In terms of emissions and pollution, the Group's activities have a small effect on the external environment. During the construction period, the work on the power plants makes nature interventions with the intention that the finished plant will blend into the environment in which it is located and has minimal consequences for the use of the surrounding areas. The development of power plants takes place in collaboration with local landowners. As part of the concession application process and granting of such concessions, guidelines are prepared and presented to ensure the external environment is maintained without unnecessary intervention. The guidelines take environmental menace into account and comprehend all aspects that need monitoring, e.g., minimum water flow in the power plant.

COMMENTS RELATED TO THE FINANCIAL STATEMENTS

Revenues

The Group's revenues increased by 370 % from 2020 to 2021, from NOK 40 million to NOK 186 million. This is an increase of NOK 146 million. Production in 2021 ended at 375 640 MWh compared with 430 332 MWh in 2020, a reduction of 54 692 MWh, corresponding to 13 %. Average power price in 2021 was 49.0 øre/kWh, compared with 7.8 øre/kWh in 2020.

Assets, equity, and liabilities

The total assets in the Group as of 2021 is NOK 3 091 million, up from 2 881 million as of 2020. This is mainly due to an increase in fixed assets, both property, plant and equipment and is financed with increased borrowings. Both in the way of external loans, but also intra-group subordinated loan. The strong growth in power prices and increased loans have strengthened the cash balance, also increasing total assets.

Loan facilities are subject to certain covenants. Mostly related to equity ratio and liquidity, however one facility has an EBITDA interest cover ratio covenant. Due to low power prices in 2020 the Group has reported a breach of covenant during 2021 (based on rolling 12 months), and a waiver was requested and granted. However, at year-end 2021, with the entire 2020 out of last 12 months, Clemens Kraft once again comply with all covenants.

Annual result and allocation

In 2021 the Group has a net loss of NOK 21 million. This is primarily due to shortfall of revenues due to volumes being significantly lower than production capacity.

The parent company has a net loss of NOK 18 million. The loss is mainly due to financial items, as the parent company has no function/business other than being a holding company.
The loss of NOK 18 million is allocated to retained earnings.

FUTURE DEVELOPMENT

The transition to renewable energy sources continues. We expect the transition to last for at least another ten to fifteen years. This transition is important 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 continent and the United Kingdom. The interconnectors contribute in 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 2021, all-time high power prices are observed, measured in a historical perspective. 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 being sustainable. Hydropower is an important contribution in achieving the global climate targets as they supply emission free energy. Clemens Kraft is also financially sustainable and helps to create long-term value for investors and landowners.

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.

In February/March 2020, the first cases of COVID-19 were registered in Norway. In retrospect the pandemic has had a limited impact on access to staff, both own employees, and external suppliers, however some delays related to availability of construction workers and component delivery have been experienced. These delays have affected the commissioning date for the most recently completed plants (and the remaining plants under constructions), however not significantly compared to the full economic life span of the hydro plants.

Assuming that the power plants are operational, the production volume is expected not to be affected by the virus outbreak.

Oslo, 21 April 2022

Clemens Kraftverk AS
Board of Directors

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

RESPONSIBILITY STATEMENT

We confirm that the annual financial statements for the fiscal year 2021, 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 Kraft Holding.

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, 21 April 2022

Clemens Kraftverk AS
Board of Directors

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Amounts in NOK 1 000

	NOTE	2021	2020
OPERATING INCOME AND EXPENSES			
Revenues	5	185 695	39 526
Other operating income		231	47
Total operating income		**185 927**	**39 572**
Cost of goods sold		44 516	15 991
Personnel expenses	6	188	108
Depreciation and impairment	1, 2	47 775	41 362
Other operating expenses	6	46 501	41 114
Total operating expenses		**138 981**	**98 574**
Operating result		46 946	-59 001
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from associated companies and joint ventures	14	-4 808	-2 099
Other interest income		1 701	311
Other financial income		2 030	3 867
Total financial income		**-1 077**	**2 079**
Financial instruments measured at fair value	9	-19 616	5 212
Other interest expenses	9	86 023	70 644
Other financial expenses		4 936	11 208
Total financial expenses		**71 343**	**87 064**
Net financial income and financial expenses		-72 420	-84 985
Profit (-loss) before tax		-25 474	-143 986
Tax expense (-income)	12	-4 284	-30 295
Profit (-loss) after tax		-21 190	-113 691
Profit/loss attributable to non-controlling interests	11	-313	-3 090
Profit/loss attributable to owners of the parent	11	-20 877	-110 601

CONSOLIDATED FINANCIAL POSITION

Amounts in NOK 1 000

ASSETS	NOTE	2021	2020
NON-CURRENT ASSETS			
Consessions, waterfall- and similar rights	1	314 455	326 374
Goodwill	1	-2 505	0
Total intangible assets		**311 950**	**326 374**
Property, plant and equipment	2	2 562 349	2 358 928
Machinery, office equipment, fixtures and fittings	2	2 023	2 462
Total fixed assets		**2 564 372**	**2 361 390**
Shares in associated companies and joint ventures	14	18 726	29 091
Other non-current receivables	4	51 399	65 927
Total financial non-current assets		**70 125**	**95 018**
Total non-current assets		2 946 447	2 782 781
CURRENT ASSETS			
Trade receivables	7	14 348	2 413
Other current receivables	8	18 371	43 056
Total current receivables		**32 718**	**45 469**
Cash and cash equivalents	**15**	**111 782**	**52 782**
Total current assets		144 500	98 251
Total assets		3 090 947	2 881 033

Amounts in NOK 1 000

EQUITY AND LIABILITIES	NOTE	2021	2020
EQUITY			
Share capital	10, 11	141 201	70 601
Share premium	11	484 779	25 876
Other paid-in capital		3 023	3 023
Total paid in capital		**629 004**	**99 500**
Retained earnings	11	-248 203	-227 340
Total retained earnings		**-248 203**	**-227 340**
Non-controlling interests	11	23 897	24 254
Total equity		404 698	-103 586
LIABILITIES			
Deferred tax liability	12	1 838	8 236
Other provisions	13	3 804	23 420
Total provisions		**5 642**	**31 655**
Non-current interest bearing debt (credit institutions)	3	1 557 995	1 449 293
Bonds	3	475 000	475 000
Sub-ordinated loan to shareholders	3, 10	568 000	972 060
Total non-current liabilities		**2 600 995**	**2 896 353**
Trade payables		28 579	37 255
Taxes payable	12	450	0
Other current liabilities		50 583	19 355
Total current liabilities		**79 612**	**56 610**
Total liabilities		2 686 249	2 984 618
Total equity and liabilities		3 090 947	2 881 033

Oslo, 21 April 2022

Clemens Kraftverk AS
Board of Directors

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

CONSOLIDATED CASH FLOW STATEMENT

Amounts in NOK 1 000

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	-25 474	-143 986
Taxes paid	2 579	-664
Depreciations	47 775	41 362
Change in trade receivables	-11 935	4 551
Change in trade payables	-8 676	-15 938
Items classified as investment/financing activities	74 122	85 296
Changes in other current assets and other liabilities	59 327	-45 428
Net cash flow from operating activities	137 718	-74 808
CASH FLOWS FROM INVESTMENT ACTIVITITES		
Sale of property, plant and equipment	1 100	0
Investments in property, plant and equipment	-185 010	-426 261
Cash disbursement related to acquisition of companies	-2 850	-18 744
Cash receipt from sale of other investments	0	691
Net cash flow from investment activities	-186 760	-444 314
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest received	1 764	0
Interest paid	-74 828	-70 270
Proceeds from new non-current loans	213 306	570 081
Cash disbursement related to repayment of non-current debt	-33 809	-19 808
Gross cash flow from share issues/capital increases	0	7 000
Net cash flow from financing activities	106 433	487 003
Net change in cash and cash equivalents	57 391	-32 119
Cash and cash equivalents as of 1 January	52 782	84 467
Acquistion of subsidiaries cash balance acquired	1 609	434
Cash and cash equivalents as of 31 December	111 782	52 782

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. Sales are recognized upon delivery.

Simultaneously with the production of electricity, the producer is granted the right to sell electricity certificates. This entitlement is recognized as income when the certificates are realized. (in line with the corresponding sale of electricity). The balance of granted rights to sell electricity certificates is measured at zero (please refer to separate section regarding electricity certificates and changes in accounting principles above).

Cost of goods sold

The Group has no inventories. Produced volumes are not physical goods and cannot be stored. The Group's cost of goods sold relates to grid costs, fall leases to landowners and fees to brokers and clearing houses for executing sale of power and certificates.

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.

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
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 overdrafts.

NOTE 1 – INTANGIBLE ASSETS

	Waterfall rights and concessions	Other rights	Licenses and software solutions	Goodwill	Sum
Acquisition cost as of 1.1.	361 488	5 100	0	10 826	377 414
Additions				-2 505	-2 505
Other adjustments		-4 700			-4 700
Acquisition cost as of 31.12.	361 488	400	0	8 321	370 209
Accumulated depreciation and impairment as of 1.1.	40 214	0	0	10 826	51 040
This year's recognized depreciation and impairment	7 219				7 219
Acc. depreciation and impairment as of 31.12.	47 432	0	0	10 826	58 258
Carrying amount 31.12.	314 056	400	0	-2 505	311 950
This year's impairment	0	0	0	0	0
This year's depreciation	7 219	0	0	0	7 219
Expected economic life span	40-60 years / -	-	5 år	5 years	

NOK 313 million of book value of waterfall rights and concessions are related to excess values arose from business combinations. Similar for goodwill, where the opening balance was fully depreciated in 2017.

During 2021 there has been a business combination in acquiring the remaining shares in Langfjordkraft AS, changing the investment from a joint venture to a subsidiary. A loss on the joint venture investment is recognized, and a new purchase price allocation is made resulting in the negative goodwill of NOK 2.5 million. The negative goodwill will be recognized in the profit and loss statement over a five-year period (reference is also made to note 19).

A second business combination is conducted during 2021; the sale of shares in Setergrytå Kraft AS. No intangibles related to Setergrytå Kraft, subsequently no disposals arising from this transaction.

NOTE 2 – 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.	1 064 575	572 361	147 774	1 749	787 114	19 071	3 282	2 595 927
Additions	183 906	128 683	28 105	2 476	179 848	979	0	523 997
Disposals					-335 994	-1 086	-46	-337 126
Business combinations	30 588	24 905		5 135				60 628
Other adjustments								0
Acquisition cost as of 31.12.	1 279 069	725 950	175 878	9 361	630 969	18 964	3 236	2 843 427
Acc. depr. and imp. as of 1.1.	112 024	73 638	40 937	0	5 781	1 336	821	234 537
Disposals					-5 781		-46	-5 827
Business combinations	4 567	5 222						9 789
Other adjustments								0
This year's recognized depr. and imp.	16 252	15 678	8 188				438	40 556
Acc. depr. and imp. as of 31.12.	132 843	94 537	49 125	0	0	1 336	1 213	279 055
Carrying amount 31.12.	1 146 226	631 413	126 753	9 361	630 969	17 628	2 023	2 564 372
This year's loss	0	0	0	0	0	446	0	446
This year's impairment	0	0	0	0	0	0	0	0
This year's depreciation	16 252	15 678	8 188	0	0	0	438	40 555
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 (Setergrytå Kraft and four other concessions held in Clemens Kraft AS).

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, excluding operational staff.
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 2021 NOK 11.5 million (2020: NOK 18.8 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 3 and note 16 for further details.

NOTE 3 – LONG-TERM DEBT

Sub-group	Amount	Category
Clemens Kraftverk	568 000	Sub-ordinated
Clemens Kraftverk	475 000	Bond (Nordic ABM)
Clemens Kraftverk	405 980	Term
CK Kraftholding Vest	379 694	Term
CK Kraftholding Midt-Norge	480 069	Term
CK Kraftholding Sør Vest	117 820	Term
CK Kraftholding Sør Vest	174 433	Construction
	2 600 995	

Loans are mainly provided by three sources of funding; (1) subordinated loan from parent company, (2) banks and credit institutions and (3) bonds.

Bank and credit institution loans have, to the larger extent, interest terms of 3 months NIBOR with addition of a margin in the magnitude of 1.7 % to 2.25 %. However, The Group has entered into interest rate swap agreements to reduce risk and exposure of floating interest rate fluctuations.

The Group has issued two bonds, both in 2018, with maturity dates in 2023 (NOK 150 million) and 2025 (NOK 300 million plus NOK 25 million tap issue). The two bonds are listed at Nordic ABM at Euronext (Oslo Stock Exchange). As bond security, the power plants and within the sub-groups CK Bond AS and CK Bond 2 AS have been pledged (please refer to note 17 for legal structure).

NOK 1 859 million in the table above is defined as term loans or bonds, and NOK 174 million is defined as construction loans. All construction loans are fully withdrawn as of year-end 2021.
The construction loans are converted into/repaid with term loans when construction is complete, and the power plant is operational (normally a 18-24-month period). New term loans normally have a six- or twelve-months grace period, a 30-year amortization plan, but a full repayment after five years (five-year balloon).

Type	2022	2023	2024	2025	2026	2027 and later
Bond	0,0	150,0	0,0	325,0	0,0	0,0
Term	52,4	175,1	41,9	359,0	63,0	692,2
Construction (amortization based on estimates)	0,0	5,8	5,8	5,8	5,8	151,2
SUM	52,4	330,9	47,7	689,8	68,8	843,4

The Group is currently in a process bundling SPV loans to achieve fewer loan agreements and better terms and conditions. The most significant effect on the amortization presented above is that part of the amount due in 2023 and 2025 will be due in 2027 and 2029.

Loan facilities are subject to certain covenants. Mostly related to equity ratio and liquidity, however one facility has an EBITDA interest cover ratio covenant. Due to low power prices in 2020 the Group has reported a breach of covenant during 2021 (based on rolling 12 months), and a waiver was requested and provided. However, at year-end 2021, with the entire 2020 out of last 12 months, Clemens Kraft once again comply with all covenants.

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

NOTE 4 – OTHER NON-CURRENT RECEIVABLES

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

	2021	2020
Advance payment, purchase of shares	51 000	51 000
Long-term loan	0	14 000
Non-current receivables on landowners	399	927
	51 399	65 927

Regarding advance payment related to purchase of shares

The Group has entered into an agreement regarding optional purchase of 100 % of the shares in a company, entitled to take over with originally expected execution date in August 2021. Actual execution date will be set to the date where the plant is fully tested and handed over from the construction contractor to the legal owner of the plant. A part of share purchase agreement regulates an advance payment of the consideration, used by the current owner as equity for financing the construction.
The Group has no de facto control, and consolidation of the company is not applicable. The advance payment is considered a non-current receivable until transfer of shares.

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.

In addition, landowners may have a right to receive minimum payments, or prepayments of fall lease. The same principles apply; the amount will not be refunded from the landowners but carried forward and settled/utilized with future fall lease.

Both the negative fall lease, and minimum/prepaid fall lease are assets which only have its value through a future liability reduction with basis in transactions which as of the reporting period does not have incurred. Therefore, there is no basis for recognizing the asset.

Total amount not recognized in the balance sheet is NOK 48.7 million (including accrued interest).

NOTE 5 – REVENUES

The Group's revenues can be specified as follows:

	2021	2020
Power revenues	184 107	33 807
Electricity certificates	97	4 911
Guarantees of Origin (GoO)	1 492	808
	185 695	39 526

Langfjordkraft AS was acquired in December 2021 and the revenue from this company is therefore not consolidated. Please refer to note 19 for further details regarding business combinations.

The following power plants were set into operation during 2021 and are not included with their full annual production capacity:

- Graffer Kraftverk
- Hellifossen Kraftverk
- Skjerva Kraftverk
- Kvernfossen Kraftverk
- Reinåa Kraftverk
- Øvrebø Kraftverk

NOTE 6 – 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.
In 2021, additional fee to board members of NOK 188 thousand is recognized in Clemens Kraftverk for additional work beyond ordinary duties as Directors (the amount includes social security tax).

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

Auditor's fee

Auditor's fee for 2021 can be specified as follows:

	2021	2020
Agreed upon fees for statutory audit of current year's financial statements	797	751
Other audit related services	0	167
Other attestation services	185	52
	982	970

Auditor's fee is excluding value added tax.

NOTE 7 – 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 2021 the assessment is that there are no doubtful receivables related to core business. Recognized value of trade receivables equals nominal value.

NOTE 8 – OTHER RECEIVABLES

	2021	2020
Accrued revenue	2 800	231
Prepayments	7 628	7 660
Value added tax receivable	0	23 697
Other short-term receivables	7 943	11 468
	18 371	43 056

Accrued revenue is related to sale of power not invoiced.

NOK 4.0 million of advance payments relates to fees for facilitating establishment of bond financing. Capitalized fees are amortized linear towards maturity.

The market value of electricity certificates and GoOs balances as of 31 December 2021 not recognized is NOK 1.5 million.

NOTE 9 – FINANCIAL ITEMS

Recognized change in fair value of financial instruments (interest rate swaps) in 2021 is NOK 19.6 million (gain) compared with a loss of NOK 5.2 million in 2020. Fair value of the liabilities under the agreement is disclosed in note 13.

Other interest expenses can be specified as follows:

	2021	2020
Interest on bonds	17 438	17 438
Paid interest on interest interest rate swaps	5 731	3 946
Interest on sub-ordinated loan from parent company	31 296	27 534
Other interest expenses	42 700	38 517
Capitalized interest expenses	-11 141	-16 790
	86 023	70 644

NOTE 10 – SHARE CAPITAL AND SHAREHOLDERS INFORMATION

Class	No. of shares (thousand)	Nominal value	Share capital (thousand)
Ordinary shares	35 300	4	141 201

All shares are held by Clemens Kraft Holding AS.

NOTE 11 – EQUITY

	Share capital	Share premium	Other paid-in capital	Retained earnings	Non-controlling interests	Sum
Equity as of 1.1.	70 601	25 876	3 023	-227 340	24 254	-103 587
Current year's profit/loss				-20 877	-313	-21 190
Capital increase	70 601	458 904				529 504
Other changes				13	-43	-30
Equity as of 31.12.	141 202	484 780	3 023	-248 204	23 897	404 697

NOTE 12 – INCOME TAXES

	2021	2020
Income tax expense comprises		
Income tax payable	450	-2 391
Ground rent tax payable	-338	-516
Change in deferred tax	-4 870	-28 416
Change in deferred tax not recognized	421	933
Other	52	95
Income tax expense	-4 284	-30 295
Tax base for the year		
Profit/loss	-25 474	-143 986
Permanent differences	5 296	-11 679
Change in temporary differences	-27 451	11 426
Use of tax losses carreid forward (-)	-19 468	-7 778
Taxable income	-67 097	-152 017
This years loss to be carreid forward	69 143	141 286
Basis for recognized tax payable	2 045	-10 731
Taxes payable in the balance sheet		
Tax payable	112	-2 579
Sum tax payable	112	-2 579
Temporary differences		
Temporary differences related to fixed assets	95 425	83 639
Temporary differences related to excess values from business combinations	312 639	319 857
Temporary differences related to taxable profit and loss	-32	0
Temporary differences related to long term provisions	-3 804	-23 420
Tax loss carry forward	-383 722	-328 285
Prior years non-deductubale interest expense	-18 146	-18 146
Other differences	-17 460	-17 579
Basis for deferred tax asset (-) / liability (+)	-15 100	16 067
Deferred tax asset (-) / liability (+)	-3 284	3 535
Whereas deferred tax asset not recognised in the balance sheet	5 122	4 701
Deferred tax asset (-) / liability (+) recognized in the balance sheet	1 838	8 236

Reconciliation of tax expense to Norwegian nominal statutory tax rate		
22 % of profit befor tax	-5 604	-31 677
Ground rent taxation	-338	-516
Tax effect of permanent differences	1 165	-2 569
Prior year adjustment	0	0
Effect of change in not recognised deferred tax assets	421	933
Other changes	71	3 534
Income tax expense	-4 284	-30 295
Effective tax rate	16,8 %	21,0 %

The Group has one subsidiary subject to ground rent taxation. The plant subject to this taxation is under construction.

The negative resource rent tax is classified as other current receivables.

Negative taxes payable in 2020 is due to two specific items, (1) refund of taxes paid in 2018 and 2019, limited to tax loss in 2020 and (2) negative ground rent tax. Both elements classified as other current receivables.

NOTE 13 – PROVISIONS

	2021	2020
Negative fair value of interest rate swaps	762	23 420
	762	23 420

Please refer to note 9 for further details regarding interest rate swap agreements.

NOTE 14 – INVESTMENTS IN ASSOCIATED COMPANIES

	Ownership share	Acquisition	Carrying amount 1.1.2021	Other	This years profit	Depreciation excess value	Carrying amount 31.12.2021
Kylland Kraft AS	38 %	3 325	4 266		-202	-28	4 036
Neset Kraft AS	34 %	5 128	9 223		593	-35	9 781
Nørståe Kraft AS	34 %	3 086	3 207		1 794	-92	4 909
			16 696	0	2 185	-154	18 726

During 2021 the Group has acquired the remaining 50 % share of Langfjordkraft AS, changing the classification of this investment from a joint venture to a subsidiary. Opening balance carrying amount related to Langfjordkraft AS was NOK 12.4 million. NOK 6.8 million (loss) from the income from associated companies and joint ventures relates to Langfjordkraft AS (loss from joint venture investment and share of 2021 net loss). Please refer to note 19 for further details.

NOTE 15 – BANK DEPOSITS

The Group has no restricted cash.

NOTE 16 – GUARANTEES AND PLEDGES

The Group's power plants (excluding Hynna Kraftverk), with a book value of NOK 2 490 million respectively, is pledged for the Group's financing.

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	Ultimat mor	(n/a)
Bele Kraft AS	51,0 %	March-10
Fjærland Kraft AS	100,0 %	December-18
Langfjordkraft AS	100,0 %	December-21
CK Bond AS	100,0 %	February-18
Halvdagsåa Kraft AS	100,0 %	September-12
Engeset Kraft AS	100,0 %	February-05
Litj-Hena Kraftverk AS	100,0 %	May-13
Væla Kraft AS	100,0 %	April-13
Nordbøåna Kraft AS	100,0 %	December-07
Ullestad Kraft AS	100,0 %	July-12
Midtunkraft AS	100,0 %	February-18
Vengåkraft AS	100,0 %	April-06
CK Bond 2 AS	100,0 %	February-18
Nordvik Kraft AS	100,0 %	December-17
Rodal Kraft AS	100,0 %	December-17
Ringdal Kraftverk AS	100,0 %	January-18
CK Kraftholding Midt-Norge AS	100,0 %	August-08
Gyl Kraft AS	74,5 %	December-17
Heina Kraft AS	52,3 %	December-17
Graffer Kraft AS	100,0 %	February-18
Hellifossen Kraft AS	100,0 %	August-18
Salhuselva Kraft AS	100,0 %	March-19
Meraker Kraft AS	65,0 %	February-14
Hynna Kraft AS	66,5 %	January-05
Brekkefossen Kraftverk AS	100,0 %	April-08
Storedalen Kraftverk AS	100,0 %	November-20
Skjerva Kraft AS	100,0 %	December-17
Trollvikelva Kraft AS	100,0 %	January-18
Kjeldalselva Kraft AS	100,0 %	July-11
Bjuråga Kraft AS	100,0 %	September-18
Kvammadalselvi Kraft AS	100,0 %	September-19
CK Kraftholding Nord AS	100,0 %	April-07
Aspvikelva Kraft AS	100,0 %	July-11
Gjerdelva Kraft AS	100,0 %	October-19
CK Kraftholding Sør Vest AS	100,0 %	July-15
Sleveåne Kraft AS	100,0 %	November-14
Søråni Kraft AS	94,8 %	December-16
Tokagjelet AS	100,0 %	September-18
CK Kraftholding Vest AS	100,0 %	June-15
Vangjolo Kraft AS	100,0 %	November-14
Vossedalselvi Kraft AS	100,0 %	November-14
Trollekraft AS	97,0 %	January-18
Embla Kraft AS	100,0 %	April-18
Sædalen Kraft AS	100,0 %	February-18
Kupekraft AS	100,0 %	April-19
Øvrebø Kraft AS	100,0 %	April-19
Kvernfossen Kraft AS	100,0 %	May-18

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 as a joint venture, please refer to the "Clemens Kraft in brief" section of the annual report. Clemens Kraft Holding AS also holds 100 % of the shares in Clemens Kraft AS and Clemens Kraft Drift AS. All the mentioned entities are considered related parties.

Ovf is providing management services to the Clemens Kraft group. For these services, Clemens Kraft AS has been charged NOK 0.9 million by Forvaltningsorganet Ovf (this does not include re-invoicing).

Ovf is, as landowner, recipient of both fall leases and land leases related to the Group's power plants. Paid leases during 2021 was NOK 304 thousand.

Clemens Kraft AS is charging Clemens Kraftverk management fees for general administration and project management. In 2021 an amount of NOK 30.9 million has been charged. The amount includes travels and expenses.

Clemens Kraft Drift AS is charging Clemens Kraftverk operational fees related to operation of power plants. In 2020 an amount of NOK 7.0 million has been charged. The amount includes travels and expenses.

NOTE 19 – BUSINESS COMBINATIONS

Clemens Kraftverk conducted two business combinations in 2021. Setergrytå Kraft, a former subsidiary holding a development project currently at its early phase was sold to the minority owner of Setergrytå Kraft. The sale led to a marginal loss for the Group.

The second transaction made was a purchase of the remaining 50 % share of Langfjordkraft AS, changing the investment from a joint venture to a subsidiary. A loss on the joint venture investment is recognized, and a new purchase price allocation is made resulting in the negative goodwill of NOK 2.5 million. The negative goodwill will be recognized in the profit and loss statement over a five-year period.

The acquisition is not material for the Group has a whole. No further specifications therefor disclosed.

NOTE 20 – DISPUTES AND CLAIMS

Clemens Kraftverk has received a significant claim from a supplier to one of the construction projects related to unforeseen work (late 2020). The claim was rejected and both parties was determined in finding a common solution. The progress in completing the plant was not affected by the claim, and early 2022 a letter of intent is made, that will entail a complete drop of the claim.

In March 2022, one of the landowners associated to one of the plants submitted a claim for recalculating and additional payment of fall lease for 2021. The claim is assessed not to have a legal basis in the landowner's agreement; therefore, no provisions are made within the financial statements for 2021.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

Amounts in NOK 1 000

	NOTE	2021	2020
OPERATING INCOME AND EXPENSES			
Other operating expenses	5	289	637
Total operating expenses		**289**	**637**
Operating result		-289	-637
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from subsidiaries, associated companies and joint ventures		0	488
Interest income from group companies	1	40 746	40 035
Other interest income		41	52
Total financial income		**40 786**	**40 576**
Financial instruments measured at fair value		-10 681	-3 556
Interest expense to group companies		31 296	27 534
Other interest expenses		28 545	29 413
Other financial expenses		11 483	1 783
Total financial expenses		**60 643**	**55 173**
Net financial income and financial expenses		-19 857	-14 598
Profit (-loss) before tax		-20 146	-15 235
Tax expense (-income)	11	-2 496	-2 978
Profit (-loss) after tax		-17 650	-12 257
Allocation			
Allocated to retained earnings		-17 650	-12 257

FINANCIAL POSITION

Amounts in NOK 1 000

ASSETS	NOTE	2021	2020
NON-CURRENT ASSETS			
Deferred tax asset	4	13 580	11 084
Total intangible assets		**13 580**	**11 084**
Shares in subsidiaries	6	939 904	538 831
Loan to group companies	1	988 433	1 310 491
Shares in associated companies and joint ventures	6	16 603	30 826
Total financial non-current assets		**1 944 939**	**1 880 148**
Total non-current assets		1 958 519	1 891 231
CURRENT ASSETS			
Other current receivables	1	4 122	5 637
Total current receivables		**4 122**	**5 637**
Cash and cash equivalents	7	**26 640**	**9 769**
Total current assets		30 762	15 406
Total assets		1 989 280	1 906 638

Amounts in NOK 1 000

EQUITY AND LIABILITIES	NOTE	2021	2020
EQUITY			
Share capital	2, 3	141 201	70 601
Share premium	3	484 779	25 876
Other paid-in capital		3 023	3 023
Total paid in capital		**629 004**	**99 500**
Retained earnings	2	-51 037	-33 388
Total retained earnings		**-51 037**	**-33 388**
Total equity	9	577 966	66 112
LIABILITIES			
Other provisions		17 702	28 384
Total provisions		**17 702**	**28 384**
Non-current interest bearing debt (credit institutions)		338 444	353 333
Bonds		475 000	475 000
Non-current liabilities to group companies		568 000	972 060
Total non-current liabilities		**1 381 444**	**1 800 393**
Trade payables		0	10
Other current liabilities	2	12 167	11 739
Total current liabilities		**12 167**	**11 749**
Total liabilities		1 411 314	1 840 526
Total equity and liabilities		1 989 280	1 906 638

Oslo, 21 April 2022

Clemens Kraftverk AS
Board of Directors

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

CASH FLOW STATEMENT

Amounts in NOK 1 000

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	-20 146	-15 235
Change in trade receivables	0	5
Change in trade payables	-10	-15
Items classified as investment/financing activities	19 898	14 650
Changes in other current assets and other liabilities	1 934	-91
Net cash flow from operating activities	1 676	-686
CASH FLOWS FROM INVESTMENT ACTIVITITES		
Cash disbursement related to acquisition of companies	-2 850	3 258
Cash receipt from sale of other investments	0	391
Cash disbursement related to loan to subsidiaries	-82 280	-48 100
Net cash flow from investment activities	-85 130	-44 451
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest received	34 287	7 002
Interest paid	-39 722	-29 606
Proceeds from new non-current loans	120 650	85 400
Cash disbursement related to repayment of non-current debt	-14 889	-17 778
Group contribution received	0	3 398
Net cash flow from financing activities	100 326	48 416
Net change in cash and cash equivalents	16 872	3 279
Cash and cash equivalents as of 1 January	9 769	6 490
Cash and cash equivalents as of 31 December	26 640	9 769

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 overdrafts.

NOTE 1 – RELATED PARTIES BALANCES

	Accounts receivables		Ohter short term receivables		Long term receivables	
	2021	*2020*	*2021*	*2020*	*2021*	*2020*
Bele Kraft AS					1 500	1 359
CK Kraftholding Midt-Norge AS					110 500	213 995
CK Kraftholding Nord AS					7 672	4 957
CK Kraftholding Sør Vest AS					98 000	126 461
CK Kraftholding Vest AS					115 000	154 374
CK Bond AS			197	197	227 300	223 645
CK Bond 2 AS					80 200	80 432
Fjærland Kraft AS					348 260	505 268
	0	0	197	197	988 433	1 310 491

	Accounts payables		Other short term liabilities		Long term liabilities	
	2021	*2020*	*2021*	*2020*	*2021*	*2020*
Clemens Kraft Holding AS					568 000	972 060
	0	0	0	0	568 000	972 060

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

NOTE 2 – SHARE CAPITAL AND SHAREHOLDERS INFORMATION

Class	No. of shares (thousand)	Nominal value	Share capital (thousand)
Ordinary shares	35 300	4	141 201

All shares are held by Clemens Kraft Holding AS.

NOTE 3 – EQUITY

	Share capital	Share premium	Other paid-in capital	Retained earnings	Sum
Equity as of 1.1.	70 601	25 876	3 023	-33 388	66 112
Current year's profit/loss	70 601	458 904		-17 650	511 855
Equity as of 31.12.	141 202	484 780	3 023	-51 038	577 967

NOTE 4 – INCOME TAXES

	2021	2020
Temporary differences		
Provisions	-762	-11 444
Tax loss carry forward	-60 965	-38 938
Basis for deferred tax asset (-) / liability (+)	-61 727	-50 382
Deferred tax asset (-) / liability (+)	-13 580	-11 084
Deferred tax asset (-) / liability (+) recognized in the balance sheet	-13 580	-11 084
Income tax expense comprises		
Change in deferred tax	-2 496	-2 978
Income tax expense	-2 496	-2 978
Taxes payable in the balance sheet		
Tax payable	0	0
Sum tax payable	0	0

NOTE 5 – REMUNERATIONS

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 within ultimate parent owners do not receive remuneration from Clemens Kraft Group.

Auditor's fee

Auditor's fee for 2021 can be specified as follows:

	2021	2020
Agreed upon fees for statutory audit of current year's financial statements	72	71
Other audit related services	0	6
Other attestation services	0	0
	72	77

Auditor's fee is excluding value added tax.

NOTE 6 – INVESTMENTS IN SUBISIDIARIES, JOINT VENTURES AND ASSOICIATED COMPANIES

	Date of acquisition	Office	Share	Equity as of 31 Dec	Net profit/loss	Carrying amount
Subsidiaries						
CK Bond AS	February-18	Oslo	100 %	95 462	-162	98 668
CK Bond 2 AS	February-18	Oslo	100 %	63 535	-376	64 523
CK Kraftholding Sør Vest AS	July-15	Oslo	100 %	119 729	-2 295	147 091
CK Kraftholding Midt-Norge AS	August-08	Oslo	100 %	169 642	6 166	213 191
CK Kraftholding Nord AS	April-07	Oslo	100 %	6 648	14	11 208
CK Kraftholding Vest AS	June-15	Oslo	100 %	88 115	61	109 750
Fjærland Kraft AS	December-18	Vik i Sogn	100 %	117 328	-1 677	277 908
Langfjordkraft AS	December-21	Nesset	100 %	8 728	10 709	8 273
Bele Kraft AS	March-10	Sunndalsøra	51 %	-686	83	9 291
Total subsidiaries						939 904
Associated companies						
Nørståe Kraft AS		Veggli	34,0 %	7 554	1 827	3 086
Kylland Kraft AS		Fossdal	38,4 %	8 274	655	4 207
Neset Kraft AS		Hovsherad	34,0 %	21 798	3 556	9 310
Total associated companies						16 603

During 2021 the Group has acquired the remaining 50 % share of Langfjordkraft AS, changing the classification of this investment from a joint venture to a subsidiary.

NOTE 7 – BANK DEPOSITS

The Company has no restricted cash.

NOTE 8 – CONTINUITY INTERSECTION

As a part of group internal restructuring the Company has acquired and realized certain investments in subsidiaries. These transactions are carried out based on fair values. Gains/losses on these transactions are not recognized in the profit and loss statement, but in the statement of financial position as a liability based on the

principles of continuity intersection for intra group transactions, and the fact that the consideration has been settlement of intra group balances, not cash. Gains/losses are recognized in the balance sheet when these transactions are settled in cash or sold to a non-Group buyer.
As of 2021 accumulated unrealized gain recognized as liability is NOK 16.9 million.

INDEPENDENT AUDITOR'S REPORT

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 2021, 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 2021, 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 2021, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with 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 laws and regulations 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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.

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 legal 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, 21 April 2022
PricewaterhouseCoopers AS

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

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