



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	996 968 480
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	AKER SOLUTIONS HYDROPOWER AS
Forretningsadresse:	Joseph Kellers vei 20 3408 TRANBY

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Greta Veum Ramse
Dato for fastsettelse av årsregnskapet:	22.05.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 01.07.2024



## Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	3	233 806 147	292 751 673
Annen driftsinntekt	3, 4	2 354 092	2 555 441
<b>Sum inntekter</b>		<b>236 160 239</b>	<b>295 307 113</b>
<b>Kostnader</b>			
Prosjektkostnad		135 661 272	218 816 737
Lønnskostnad	5	138 750 424	150 604 697
Avskrivning på driftsmidler	6, 7	5 766 213	18 774 683
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6, 7	4 359 943	2 848 603
Annen driftskostnad	5, 6, 8	122 115 008	75 917 431
<b>Sum kostnader</b>		<b>406 652 861</b>	<b>466 962 151</b>
<b>Driftsresultat</b>		<b>-170 492 622</b>	<b>-171 655 038</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		1 904 061	1 219 618
Annen finansinntekt		62 378 158	28 601 610
<b>Sum finansinntekter</b>		<b>64 282 219</b>	<b>29 821 228</b>
Nedskr. på investering i datter- og tilknyttet selskap	9		
Rentekostnad til foretak i samme konsern		8 024 400	293 055
Annen rentekostnad	10	1 601 278	8 259 726
Annen finanskostnad		20 744 206	35 210 491
<b>Sum finanskostnader</b>		<b>30 369 884</b>	<b>43 763 272</b>
<b>Netto finans</b>		<b>33 912 335</b>	<b>-13 942 044</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-136 580 287</b>	<b>-185 597 082</b>
Skattekostnad på resultat	11	-30 056 619	-132 159 222
<b>Ordinært resultat etter skattekostnad</b>		<b>-106 523 668</b>	<b>-53 437 860</b>
<b>Årsresultat</b>		<b>-106 523 668</b>	<b>-53 437 860</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-106 523 668</b>	<b>-53 437 860</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Totalresultat</b>		<b>-106 523 668</b>	<b>-53 437 860</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-106 523 668	-53 437 860
<b>Sum overføringer og disponeringer</b>		<b>-106 523 668</b>	<b>-53 437 860</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utvikling	7	14 590 926	23 749 917
Konsesjoner, patenter o.l.	7	5 885 399	1 697 218
Utsatt skattefordel	11	162 442 604	132 159 222
Goodwill	7		
<b>Sum immaterielle eiendeler</b>		<b>182 918 930</b>	<b>157 606 357</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	6		279 596
Driftsløsøre, inventar o.a. utstyr	6	3 291 331	3 813 014
<b>Sum varige driftsmidler</b>		<b>3 291 331</b>	<b>4 092 610</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler	9	6 873 643	6 873 643
Andre langsiktige fordringer		252 148	252 148
<b>Sum finansielle anleggsmidler</b>		<b>7 125 790</b>	<b>7 125 790</b>
<b>Sum anleggsmidler</b>		<b>193 336 051</b>	<b>168 824 757</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>	12	<b>4 677 062</b>	<b>3 551 832</b>
<b>Fordringer</b>			
Kundefordringer	4	53 737 824	51 119 653
Konsernfordring, konsernkonto	4	36 859 594	1 220 009
Andre kortsiktige fordringer		12 136 225	8 175 086
Opptjent, ikke fakturert inntekt	13	38 366 675	38 790 332
Krav på innbetaling av selskapskapital	4		
<b>Sum fordringer</b>		<b>141 100 318</b>	<b>99 305 079</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o.l.	14	3 460 409	4 422 718
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 460 409</b>	<b>4 422 718</b>



## Balanse

Beløp i: NOK	Note	2023	2022
Sum omløpsmidler		149 237 790	107 279 630
<b>SUM EIENDELER</b>		<b>342 573 841</b>	<b>276 104 387</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	15, 16	4 243 808	2 718 308
Beholdning av egne aksjer	15		
Overkurs	16		
Annen innskutt egenkapital	16	150 000 000	30 000 000
<b>Sum innskutt egenkapital</b>		<b>154 243 808</b>	<b>32 718 308</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	16	-110 522 729	-111 519 878
<b>Sum opptjent egenkapital</b>		<b>-110 522 729</b>	<b>-111 519 878</b>
<b>Sum egenkapital</b>		<b>43 721 078</b>	<b>-78 801 570</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	5	4 239 112	3 430 467
Utsatt skatt	11		
<b>Sum avsetninger for forpliktelser</b>		<b>4 239 112</b>	<b>3 430 467</b>
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	10		
Gjeld til kredittinstitusjoner	10		53 000 000
<b>Sum annen langsiktig gjeld</b>			<b>53 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>4 239 112</b>	<b>56 430 467</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10		53 193 791
Leverandørgjeld	4	89 380 126	48 781 955
Betalbar skatt	11		



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Skyldig offentlige avgifter		13 614 172	15 179 598
Kortsiktig konserngjeld	4	13 191 020	22 197 936
Avsatte prosjektkostnader	13	105 111 779	103 553 948
Fakturert, ikke opptjent inntekt	13		19 324 886
Derivater vurdert til balansedagens verdi	17		931 950
Annen kortsiktig gjeld	13	73 316 553	35 311 425
<b>Sum kortsiktig gjeld</b>		<b>294 613 650</b>	<b>298 475 490</b>
<b>Sum gjeld</b>		<b>298 852 762</b>	<b>354 905 957</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>342 573 841</b>	<b>276 104 387</b>
<b>POSTER UTENOM BALANSEN</b>			
Pantstillelser	10		



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Annual Report 2023  
Aker Solutions Hydropower AS

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*Optimizes the value of sustainable hydropower energy*

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## Board of Directors' Report 2023

### About Aker Solutions Hydropower

Aker Solutions Hydropower AS (organization no 996 968 480) is a Norwegian company specialising in the development, production and delivery of hydropower turbines, control systems and associated equipment for clients and projects throughout the world with Norway as the primary market. The company supplies equipment for new installations and performs upgrades of existing power plants. Aker Solutions Hydropower has over 165 years of history dating back to 1853 when the Norwegian hydropower competence was developed at Kvaerner Brug.

The Aker Solutions Hydropower headquarter is at Tranby, and the company also has offices at Bryn, production facilities at Sørumsand and a turbine laboratory in Trondheim. In addition, the company has an engineering and purchasing company in Hangzhou, China, and sales and project company in Kristinehamn in Sweden. The company also owns subsidiaries in Turkey, Switzerland, and has a branch in Mozambique.

Aker Solutions Hydropower holds expertise in turbine technology and maintenance, as well as control systems. The company has through its history been involved in some of the world's largest and most prestigious projects within hydropower development.

### 2023 Operational Summary

The year 2023 posed significant challenges for Aker Solutions Hydropower due to subdued market activity in preceding years and the complexities associated with our existing legacy portfolio.

The Nordic market experienced a prolonged downturn from 2021 to 2023, impacting suppliers across the region. This was primarily driven by two factors, 1) a lapse in Nordic and international new project activity following Covid-19 due to the long lead-time of project development in the hydropower market and 2) the new hydropower top tax that was implemented in September 2022 in Norway which triggered the stop of most new developments in Aker Solutions Hydropower's Norwegian home market.

Throughout the year Aker Solutions Hydropower focus its efforts on critical areas:

- 1) Turnaround of existing business: to secure profitability and healthy operations based on existing products and operations, while securing the necessary capacity and expertise to revitalize existing business lines.
- 2) The integration with Aker Solutions: Aker Solutions Hydropower became part the segment Power Solutions within Aker Solutions, aligning its execution model to Aker Solutions standards as well as its enterprise resource planning (ERP) capabilities. In addition, Aker Solutions Hydropower is preparing the move of its production capacity to Aker Solutions Tranby Manufacturing site, through which we aim to unlock synergies and drive further business growth.

Customers expressed confidence in our efforts, resulting in a substantial surge in order intake. Strong increase in order intake started in Q2 2023, almost doubling the closing order backlog at 537 MNOK. Notably, this positive trend commenced in Q1 2024.

Despite these achievements, challenges persist. High overhead costs stemming from the integration process and underutilization of personnel due to the initial low opening backlog have impacted our bottom line. Our focus now lies in optimizing overhead expenses while enhancing execution efficiency and margin levels.

- 1 -

Aker Solutions Hydropower

2023



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## Strategic Outlook

The power system in Norway and Europe is going through a massive change where hydropower will play a significantly larger role. Growing need for flexible power to balance wind and solar leads to larger investments in regulated hydro and dispatchable power plants as it can leverage volatile electricity prices. The shifting market trends are generating growth in our home market with all top clients planning large investments in the coming years.

## Market

Increase in activity level from 2024 onwards resulting from signals that the extremely high top tax will be reversed in 2024. Norwegian power producers such as Statkraft, Å Energi and Eviny have announced major investment plans during the first months of 2024. With the growing market momentum Aker Solutions Hydropower is expecting a significant increase in revenue levels.

The home market is still the most important and we maintain our position in this market for our core product portfolio. Over the last decade, Aker Solutions Hydropower has seen a steady market share of ~40 % on its standard hydraulic product portfolio, while its control business, generator excitation equipment and turbine governors, have a market share of ~70%. New intraday balance markets require a certain performance from our governors which means that we are in position to upgrade and qualify power plants (units) for these new markets for our customers. We have experienced an increase of activity within this segment, and we expect a further growth in the years to come.

Aker Solutions Hydropower has project and product references world-wide. However, the international scope has previously been too wide and opportunistic, and we see a strategic need to focus on a limited number of countries to be able to execute our projects efficiently and secure profits and margins. In 2022 and continued in to 2023 an international go-to-market analysis were developed and implemented.

## Financial Performance

Aker Solutions Hydropower AS presents its financial statement in accordance with Norwegian Accounting Act as of 31 December 2017 and generally accepted accounting principles.

Operating revenue of 2023 was NOK 236.2 million compared to NOK 295.3 million in 2022, representing a 20% decrease.

Earnings before interests, depreciations and taxes (EBITDA) ended at NOK -160.4 million (negative numbers representing a loss) compared with NOK -150.0 million in 2022.

Depreciation, amortization and Impairment in 2023 amounted to NOK 10.1 million (2022: NOK 21.6). EBIT was NOK -170.5 million in 2023, compared with NOK -171.7 million in 2022.

Net financial items were NOK 33.9 million in 2023 (2022: NOK -13.9 million). The loss before tax was NOK -136.6 million compared with NOK -185.6 million in 2022.

Total equity was NOK 43.7 million at the end of 2023, compared with NOK -78.8 million at the end of 2022, corresponding to an equity ratio of 12.8%, up from -28.5% a year earlier.

### Profit allocation:

The board proposes the following allocation of the annual result in Aker Solutions Hydropower AS:

Retained earnings:	-106.5 million
<b>Total allocated:</b>	<b>-106.5 million</b>

- 2 -

Aker Solutions Hydropower

2023



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## Cashflow

Cash flows from operating activities depends on a number of factors, including progress on and delivery of projects, changes in working capital and prepayments from customers.

Net cash from operating activities was negative in 2023, by NOK -120.4 million, compared with NOK -93.6 million in 2022. Net cash flow from investing activities totalling NOK -4.4 million, compared with NOK -6.0 million in 2022. Cash flow from financing activities of NOK 123.8 million in 2023 (2022: NOK 102.0 million).

## Health, Safety, Security, and Environment

Aker Solutions Hydropower operates a health, safety, security and environment (HSSE) policy based on ISO 14001:2015 and ISO 45001:2018 adapted to the local working conditions. The company's workshop in Sørumsand and Tranby are certified to the same standards. A handbook has been produced combining quality assurance and health, safety and the environment on the grounds that it is not possible to achieve effective quality assurance without good working conditions and a sound environment.

The company has the following objectives for its work on health and safety:

- Zero tolerance for injuries
- Together with the employees, management strives to avoid risk and injuries/damage

Key environmental objectives

- To deliver environmentally friendly products and services to our clients
- To comply with all legislation and regulations applicable to our operations
- To avoid all damage to natural resources
- To secure efficient utilisation of the resources at the company's production facilities and installation locations
- To focus on preventative measures and continual improvement in our work on nature conservation

All health, safety and environmental procedures are audited and reviewed every second year, and contingency exercises are implemented at regular intervals. Undesired incidents, personal injuries and damage to the environment are reported, and the reports are reviewed by the management group.

The Board of Directors has not received reports of any incidents of pollution of the external environment. The company has procedures to secure compliance with applicable emission allowances. Aker Solutions Hydropower has valid EE agreements for recycling schemes relating to the import of electrical components. Aker Solutions Hydropower's Sørumsand and Tranby workshops are certified to the ISO 14001 standard and attaches a high priority to the external environment. The workshops follow the Norwegian regulations for Industrial Protection (Industrivern). The activities that affect the environment are mainly through emission from vehicles and transport. Spill of oil, chemicals and gas are prevented through procedures for safe containing, safe waste handling and filters. All waste is sorted and handled with a sorting rate at over 60% in Sørumsand and over 93% in Tranby. The company performs a risk evaluation each year for environmental hazards to water, air, ground, animal life and surroundings. No significant risks have been identified. The workshop area has been thoroughly investigated and no material pollution was identified.

Aker Solutions Hydropower AS strives to continuously improve its HSSE performance. Significant importance is attached to the risk assessment of work assignments and facilities. Zero lost-time injuries were recorded in 2023. The company accords a high priority to following up sickness absence. Overall sickness absence in the company in 2023 amounted to 1.6 percent, same as the year before. The company's short-term absence (1–16 days) amounted to 1.3 percent, while long-term absence (more than 16 days) comprised 1.4 percent. Employee health and safety are among the most important factors for well-being, profitability and competitiveness. Consequently, Aker Solutions Hydropower has drawn up plans and objectives for its HSSE work intended to make the company the industry-leader in this field. Regular audits are carried out and there is high HSSE awareness among all employees.



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## The Transparency Act

Aker Solutions published a statement of due diligence assessment with the requirements of the Transparency Act as part of the 2023 integrated annual report which is available on its website: [www.akersolutions.com](http://www.akersolutions.com). The Transparency Act statement is included in the Human Rights section of the integrated report and available under Sustainability Reports: AKSO - Annual report 2023 - Doc ([akersolutions.com](http://akersolutions.com)).

## Risk and Risk Management

Aker Solutions Hydropower AS is exposed to various forms of risk of a market-related, operational and financial nature. The company is also exposed to regulatory risks and political risks. Political decisions concerning the climate and the environment are examples of such risks. The development of the power prices is one of the most important market-related factors. Aker Solutions Hydropower's clients mainly come from the hydropower sector, which means that the company is affected by developments in this industry.

The management focuses on ensuring systematic and focused management of risk in all parts of the business and considers this to be a prerequisite for long-term value creation for the owner and job security for the company's employees. Aker Solutions Hydropower works actively on management of risk in all of its business areas, and regular risk assessments are performed, in which the most important risk factors are highlighted and evaluated.

### Operational risk

A major portion of Aker Solutions Hydropower's business relates to the implementation of individual projects. The complexity, size, duration and risk of the projects vary. Consequently, in order to achieve good results, it is critical that project risk is analysed at the tender stage and managed in a systematic and professional manner during the project execution phase. The balance sheet includes assets and liabilities relating to ongoing projects. Some items contain estimated uncertainty, for which the company's management and project managers have exercised judgement based on given prerequisites. The accounting treatment as of 31 December 2021 is based on our best estimate.

Over the course of a project, situations or changes may arise that may entail a change in the estimates, which will thus impact the company's assets, liabilities, equity and results. The company has routines and systems for risk assessment for projects, from the tender phase through to completion. Projects are reviewed and evaluated each month in order to limit undesired financial consequences by means of corrective measures and to obtain up-to-date and realistic estimates for the projects at all times. The company also focuses on leveraging the opportunities offered by the projects such as add-ons and variation orders. Continuous improvement work is carried out in the implementation of these procedures.

Aker Solutions Hydropower uses both reimbursable and fixed-price contracts. Contracts that include fixed prices for all or parts of the deliverables are subject to the risk of potential cost overruns. Aker Solutions Hydropower is involved in projects that are both demanding and complex in nature, with significant design and engineering requirements, as well as extensive procurement and manufacturing of equipment, sourcing supplies and construction management. In certain situations, the projects may also require the development of innovative new technology and solutions. These can influence the company's ability to deliver on time and in accordance with a contract, potentially harming Aker Solutions Hydropower's reputation, performance and finances. However, the risk and project teams are also actively monitoring opportunities that could improve the financial and reputational performance of projects.

The company's future operations depend on the company's employees possessing the qualities and expertise required to ensure that deliveries are made in accordance with contractual obligations. Important elements in this connection include satisfying clients' requirements for service, technology and efficiency. In recent years, the company has endeavoured to reduce this risk by, for example, not making commitments in contracts with low potential earnings relative to contract terms with high economic risk.



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## Financial risk

The objective of financial risk management is to manage exposure from financial risks to increase predictability of earnings and minimize potential adverse effects on financial performance.

Aker Solutions Hydropower has international operations and is exposed to currency risk on commercial transactions. Aker Solutions AS observes the group's guidelines regarding currency hedging. Forward contracts and the matching of the revenue and expenses in the same currency are methods employed to limit the company's currency risk. The group corporate treasury department also has a multi-currency corporate cash-pooling scheme, which helps to equalise foreign exchange risk.

Liquidity risk is the risk that the company is unable to meet the obligations associated with its financial liabilities. The group corporate treasury department ensures financial flexibility by forecasting cashflow needs and maintaining sufficient liquidity reserves and available committed credit lines.

Aker Solutions Hydropower is facing changed prices from suppliers outside Norway. Price increases from our suppliers abroad can only partially be transferred to our customers and may imply reduced profitability for the company.

The company's credit risk is deemed low due to established client relations and pledged guarantees. The interest-bearing liabilities are subject to variable interest rates, and any change in interest rates would affect net interest expenses/income.

## Pandemics

In mid-2023, the World Health Organization announced that the COVID-19 pandemic no longer constituted a public health emergency of international concern. A negative development in the COVID-19 situation or other pandemics may impact Aker Solutions and the energy industry at large.

## Cybercrime Risk

Risk of cybercriminals and cyber attacks causing system downtime or significant loss of intellectual property. Insufficient capacity and capabilities within current teams to follow up information security controls and threat advisories which may cause unproductive time (internal and external) because of system downtime, loss of intellectual property and impact on reputation. Aker Solutions is continuously improving its cyber security incident response capabilities.

## Employees

At the end of 2023 the Aker Solutions Hydropower power AS had 94 permanent employees.

Most of the technical employees are engineers, with a MScs or a PhD. Other employees work in finance, administration and technical functions.

The employees in the workshop were transferred to Aker Solutions AS 1st October 2023.



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## Equality

1 April 2023, Aker Solutions Hydropower formally became a part of the new segment Power Solution. At the end of 2023, 10 percent of the company's workforce were women and three women were part of the different management teams. In 2023, the company continued its active endeavours to increase the percentage of women in the company through recruitment and promotion. The company implemented a new code of conduct in 2021 that also describes our policy regarding equality and discrimination. All employees were trained in this policy annually. There is no discrimination between female and male employees in any context.

As an integrated part of Aker Solutions AS the company makes a focussed effort to promote equal opportunities in the enterprise, and the aim is to increase the percentage of women in younger age groups. The objective of the Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination on the grounds of ethnicity, nationality, heritage, skin color, language, religion, sexual orientation, nor beliefs. Aker Solutions Hydropower AS works actively in a goal-oriented and systematic manner to promote the Act's objects within its operations. These activities include recruitment, pay and working conditions, development opportunities and protection against harassment. Following Aker Solutions AS the company has defined "equal rights and opportunities" as a cornerstone of decisions with respect to selection and promotion. The company is international and have employees from different countries. Recruitment is driven by the need for competence and expertise about different markets and cultures.

The company places great emphasis on having a good relationship with its employees. Employee satisfaction surveys are regularly carried out, and several forums has been established to facilitate cooperation between the company and the employees.

## Directors & officers liability insurance

The directors and officers in Aker Solutions Hydropower AS are covered under an Aker Group Director & Officers Liability Insurance program. The insurance covers personal legal liabilities including defence- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 %) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

## Going concern assumption

All tough Aker Solutions Hydropower has experienced some challenging years the past years, with low activity in markets and a challenging existing portfolio, our customers have years of maintenance and upgrade backlogs. The growing need for flexible power leads to larger investments in regulated hydro and dispatchable power plants, and the company is experiencing an increase in activity level in the market.

During the last year, Aker Solutions Hydropower has made substantial efforts to secure profitability and healthy operations, while securing the necessary capacity and expertise to revitalize existing business lines. Aker Solutions has contributed with NOK 230 million in capital injections during 2023 to strengthen the company's financial situation.

With the strong increase in order intake in 2023, and the positive trend commencing in 2024, the company is well positioned for the operations in the years to come. The assessment is that Aker Solutions Hydropower has the resources, organization, competence, assets and customer base to continue being a going concern.

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared based on the going-concern assumption.

The Board of Directors confirm that the Annual Report for 2023 gives a true and fair overview of the development during the year and the impact on the financial statements, the most significant risk and uncertainties facing the company.



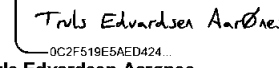
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The Board of Directors of Aker Solutions Hydropower AS, May 22<sup>nd</sup> 2024

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**Egil Bøyum**  
Chairman

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**Geir Arild Solvang**  
Board Member

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**Olav Høidalen**  
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**Jo Kjetil Krabbe**  
CEO



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## INCOME STATEMENT

NOK 1,000	NOTE	2023	2022	2021
Sales revenue	2	233 806	292 752	316 812
Other operating revenue	2,3	2 354	2 555	2 415
<b>Total operating revenue</b>		<b>236 160</b>	<b>295 307</b>	<b>319 228</b>
Direct project cost		135 661	218 817	224 835
Personnel expenses	4	138 750	150 605	155 495
Depreciation and amortization	5,6	5 766	18 775	20 587
Impairment	5,6	4 360	2 849	18
Other operating expenses	4,6	122 115	75 917	55 951
<b>Total operating expenses</b>		<b>406 653</b>	<b>466 962</b>	<b>456 886</b>
<b>Operating profit</b>		<b>-170 493</b>	<b>-171 655</b>	<b>-137 658</b>
Other interest income		1 904	1 220	210
Other financial income	7	62 378	28 602	14 365
Interest cost to group companies		8 024	293	341
Other interest expenses		1 601	8 260	4 371
Other financial expenses	7	20 744	35 210	16 453
<b>Net financial items</b>		<b>33 912</b>	<b>-13 942</b>	<b>-6 591</b>
<b>Loss before taxes</b>		<b>-136 580</b>	<b>-185 597</b>	<b>-144 249</b>
Income tax expense	8	-30 057	-132 159	30
<b>Profit/(loss) for the period</b>		<b>-106 524</b>	<b>-53 438</b>	<b>-144 279</b>
<b>Transfers and allocations</b>				
To/from equity		-106 524	-53 438	-144 279
<b>Total transfers and allocations</b>		<b>-106 524</b>	<b>-53 438</b>	<b>-144 279</b>

- 8 -

Aker Solutions Hydropower AS - Annual financial statements 2023



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## BALANCE SHEET

NOK 1,000	NOTE	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Research and development	5	14 591	23 750
Other intangible assets	5	5 885	1 697
Deferred tax asset	8	162 443	132 159
Property, plant and equipment	6	3 291	4 093
Investments in group companies	9	6 874	6 874
Other non-current receivables		252	252
<b>Total non-current assets</b>		<b>193 336</b>	<b>168 825</b>
<b>Current assets</b>			
Inventories	10	4 677	3 552
Customer contract assets	11	38 367	38 790
Trade receivables	3	53 738	51 120
Intercompany receivables	3	36 860	1 220
Other receivables		12 136	8 175
Cash and cash equivalents	12	3 460	4 423
<b>Total current assets</b>		<b>149 238</b>	<b>107 280</b>
<b>TOTAL ASSETS</b>		<b>342 574</b>	<b>276 104</b>

- 9 -

Aker Solutions Hydropower AS - Annual financial statements 2023



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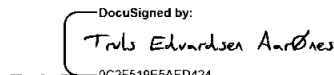
NOK 1,000	NOTE	31.12.2023	31.12.2022
<b>EQUITY AND LIABILITIES</b>			
Share capital	13,14	4 244	2 718
Non-registered share capital	13	150 000	30 000
Retained earnings	13	-110 523	-111 520
<b>Total equity</b>		<b>43 721</b>	<b>-78 802</b>
<b>Non-current liabilities</b>			
Pension liability	4	4 239	3 430
Non-current borrowings		-	53 000
<b>Total non-current liabilities</b>		<b>4 239</b>	<b>56 430</b>
<b>Current liabilities</b>			
Current borrowings		-	53 194
Trade payable	3	89 380	48 782
Accrued public duties		13 614	15 180
Customer contract liabilities	11	105 112	122 879
Intercompany payables	3	13 191	22 198
Derivative financial instruments		-	932
Other current liabilities	11	73 317	35 311
<b>Total current liabilities</b>		<b>294 614</b>	<b>298 475</b>
<b>Total liabilities</b>		<b>298 853</b>	<b>354 906</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>342 574</b>	<b>276 104</b>

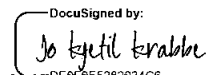
## The Board of Directors of Aker Solutions Hydropower AS, May 22<sup>nd</sup> 2024

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**Egil Bøyum**  
Chairman

DocuSigned by:  
  
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**Geir Arild Solvang**  
Board Member

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**Olav Høidalen**  
Board Member

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**Truls Edvardsen Aarønes**  
Board Member

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**Jo Kjetil Krabbe**  
CEO



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## STATEMENT OF CASH FLOWS

NOK 1,000	2023	2022
<b>Cash flow from operating activities</b>		
Profit before income tax	-136 580	-185 597
Taxes paid	-	-
Depreciation	5 766	18 775
Write-down of long-term financial assets	4 360	2 849
Change in inventories	-1 125	-1 416
Net change in customer contract assets and liabilities	-17 343	77 320
Change in trade receivable	-2 618	10 005
Change in trade payable	40 598	910
Translation differences	-242	-943
Other accruals and prepayment	20 498	-15 533
<b>Net cash generated from operating activities</b>	<b>-86 686</b>	<b>-93 632</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	-1 077
Payments for capitalized development	-4 354	-4 911
<b>Net cash used in investing activities</b>	<b>-4 354</b>	<b>-5 988</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-53 000	-
Net change in overdraft facilities	-86 922	22 036
Proceeds from issue of share capital	230 000	80 000
<b>Net cash used in financing activities</b>	<b>90 078</b>	<b>102 036</b>
<b>Net change in cash and cash equivalents</b>	<b>-962</b>	<b>2 416</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4 423</b>	<b>2 006</b>
Net change in cash and cash equivalents	-962	2 416
<b>Cash and cash equivalents in the balance sheet as of year end</b>	<b>3 460</b>	<b>4 423</b>



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## Accounting policies

All items in the annual financial statements are valued and accrued in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting practice.

### Classification

Assets intended for permanent ownership or use and receivables that mature more than one year after the balance sheet date are recognised as non-current assets. Other assets are classified as current assets. Liabilities that mature more than one year after the end of the accounting period are recognised as long-term liabilities.

### Depreciation of property, plant and equipment

Property, plant and equipment is valued at cost less depreciation, which is calculated based on the assets' cost and expected useful economic lives.

### Intangible assets

Expenses for intangible assets, including expenses for research and development, are capitalized to the extent that the criteria for capitalization are met. Capitalized development programs are subject to an annual impairment test or when impairment indicators are identified. The asset is written down to recoverable amount, if lower than book value.

### Operating revenues and expenses

Revenue is recognized when delivery has taken place and most of the risk and return is transferred.

Revenues from the sale of services and long-term manufacturing projects are recognized in line with the project's degree of completion when the outcome of the transaction can be estimated in a reliable manner. Progress is measured as accrued hours in relation to total estimated hours and progress on subcontractors. When the outcome of the transaction cannot be estimated reliably, only income corresponding to accrued project costs will be recognized. During the period in which it is identified that a project will give a negative result, the estimated loss on the contract will be recognized in the income statement in its entirety.

### Inventory

Inventories are valued at the lower of cost and fair value. Fair value is the net sales value at a future sale date.

### Receivables

Receivables are recognised in the balance sheet at nominal value less confirmed and expected losses.

### Foreign currencies

Monetary items denominated in foreign currencies are translated using the exchange rate in force at the balance sheet date.

### Hedging

For currency items that are subject to exchange rate hedging, the hedging will be taken into account in the assessment of unrealized losses and gains. Aker Solutions Hydropower AS practices exchange rate hedging by means of forward contracts or offsetting assured future payment flows.

The company uses alternative 2b in Norwegian Accounting Standard 18 - Financial assets and liabilities. Cash flow hedging is reflected by not recognizing realized gains and losses on the hedging instrument until the underlying hedged item affects the income statement. There is no recognition of the hedging instrument until this point in time.

This is a changed in accounting principle compared to previous years, where derivatives were recognised in the balance sheet at fair value at the time the derivative contract is entered into, and subsequently on an ongoing basis at fair value. The change in accounting principle has been made to follow the same principle as the rest of Aker Solutions Group.

### Pension

The company has a defined contribution pension scheme that is expensed on an ongoing basis.



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**Leases**

Leases are treated as operating or financial leases after specific assessment of the individual lease.

**Tax expense and deferred tax**

The tax expense is based on the profit/loss recognised in the income statement and comprises tax payable and changes in net deferred tax.

Deferred tax relating to buildings is not recognised if the timing of the reversal of temporary differences is controlled by the company, and it is probable that these differences will not reverse in the foreseeable future. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

**Subsidiaries and associates**

Subsidiaries, associates and joint ventures are valued using the cost method in the single-entity financial statements. Investments are recognised at the cost of the shares adjusted for any impairments where necessary. Group contributions paid to subsidiaries, less tax, are added to the cost of the shares in the balance sheet. Group contributions/dividends are recognised in income in the same year that a proposed payment is recognised in the subsidiary/associate. If a dividend/Group contribution significantly exceeds the share of the post-acquisition retained earnings, the excess amount is deemed to be a repayment of invested capital and is deducted from the investment value in the balance sheet.

**Statement of cash flows**

The statement of cash flows has been prepared based on the indirect method. Cash and cash equivalents include bank deposits not included in the group cash-pooling scheme. Cash-pooling scheme balances are classified as a receivable/liability due from/to companies in the same group.

**Liabilities**

With the exception of certain provisions, liabilities are recognised in the balance sheet at their nominal amount.



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## Notes to the financial statements

### Note 1 Foreign branch

Aker Solutions Hydropower AS's branch in Mozambique has been consolidated in the accounts for 2023.

Capitalized assets and liabilities in the branch are consolidated in the accounts with value as of 31.12.2023, and are converted to NOK at the exchange rate as of 31.12.2023.

The book values are converted to NOK at the average exchange rate from the year in which the income and expenses arose.

Translation differences are entered directly against other equity since the translation has only been performed to obtain the correct presentation currency. Accumulated translation difference is stated in note 13 Equity.

### Note 2 Sales revenue

#### Distribution by business areas:

	2023	2022
Revenue from customer contracts	233 806	292 752
Other income	2 354	2 555
<b>Total</b>	<b>236 160</b>	<b>295 307</b>

#### Geographical distribution:

	2023	2022
Norway	201 023	234 512
Nordic	3 416	3 199
Europe	8 629	5 695
North America	1 928	1 763
Central America	-	3 226
South America	21 131	37 961
Africa	-	7 715
Oceania	33	232
Asia	0	1 004
<b>Total</b>	<b>236 160</b>	<b>295 307</b>

### Note 3 Intragroup transactions and balances

#### Sale of goods and services to group companies:

	2023	2022
Group companies	3 973	3 702
<b>Total</b>	<b>3 973</b>	<b>3 702</b>

#### Purchase of goods and services from group companies:

	2023	2022
Goods	68 038	32 821
Services	27 463	11 419
<b>Total</b>	<b>95 500</b>	<b>44 240</b>



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## Balance sheet items relating to transactions with related parties:

	Accounts receivable		Other receivables / Group receivables / Group cash pool	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Group companies	162	422	36 860	1 220
<b>Total</b>	<b>162</b>	<b>422</b>	<b>36 860</b>	<b>1 220</b>

	Accounts payable		Other current liabilities / Group payables	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Group companies	78 409	23 987	13 191	22 198
<b>Total</b>	<b>78 409</b>	<b>23 987</b>	<b>13 191</b>	<b>22 198</b>

## Specification of:

	Other receivables / Group receivables / Group cash pool		Other current liabilities / Group payables	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loan Aker Solutions Hydro Enerji Ltd Sirketi (Turkey)	1 555	1 220	-	-
Loan Aker Solutions Hydropower Switzerland AG	105	-	-	9 450
Loan Aker Solutions ASA Loan Aker Solutions	-	-	10 505	-
Hydropower AB	-	-	-	12 748
Cash pool NOK	18 840	-	-	-
Cash pool EUR	532	-	-	-
Cash pool USD	10 265	-	-	-
Cash pool other currency	4 092	-	-	-
Other	1 472	-	2 686	-
<b>Total</b>	<b>36 860</b>	<b>1 220</b>	<b>13 191</b>	<b>22 198</b>

## Cash pool:

A centrally managed group account system has been established to optimize the availability and flexibility of the cash reserves within the system.

The group account system is organized in cooperation with a bank that function as a service provider, or as part of the central finance function. An important factor for the enterprises support and payment to such a system is that Aker Solutions as a whole is financially viable and can repay the deposits made.

The group account system has a credit limit of NOK 300 million. Overdraft by certain participants must be matched by equal deposits from other participants. The bank has the right to at any time to offset the debit balance on sub-accounts with any credit balance on other sub-accounts, with the result that a debit balance on sub-accounts represents a claim on Aker Solutions ASA and a credit balance represents loans from Aker Solutions ASA.



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## Note 4 Personnel expenses, pension and auditor's remuneration

	2023	2022
Salary	110 383	123 621
Social security contribution	17 964	18 663
Pension cost	8 848	6 245
Other employee benefits	1 555	2 076
<b>Personnel expenses</b>	<b>138 750</b>	<b>150 605</b>
<b>Total number of FTEs as of December 31</b>	<b>137</b>	<b>138</b>

The company does not have a dedicated management team. The management team for Aker Solutions group also serves Aker Solutions Hydropower AS. The CEO is part of Aker Solutions EMT. EMT remuneration schemes is covered in the Aker Solutions Remuneration Report 2023.

CEO and Board members elected by shareholder does not receive any remuneration from the company.

Board remuneration:

	2023
Salary	1 599
Pension cost	94
Other employee benefits	22
<b>Total benefits</b>	<b>1 715</b>

No loans have been extended to and no security has been pledged on behalf of the CEO, Chairman of the Board or other related parties. Nor are there any obligations to provide specific remuneration on termination or change of employment/position. No single loan/security comprises more than 5 per cent of the company's equity.

The directors and officers of Aker Solutions Hydropower AS are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 %) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

### Pension

Aker Solutions Hydropower is obliged to operate an occupational pension scheme in accordance with the Norwegian Act on Mandatory Occupational Pensions, and the company's pension scheme in Norway satisfies the requirements of this Act.

The company operates a defined-contribution scheme. Premiums recognised as an expense totalled NOK 6.845 million for 2023 (2022: NOK 4.449 million). At year-end, 88 employees are covered by the pension scheme.

The company also has an early retirement (AFP) pension scheme that covers all the company's employees in Norway. The AFP scheme is deemed to be a defined-benefit multi-enterprise scheme, but is being recognised as a defined-contribution scheme until sufficient reliable information exists to enable the Group to recognise its proportionate share of the pension cost, pension liability and pension assets under the scheme. The company's obligations have therefore not been recognised as a liability.

Defined benefit plans:

Based on historical retirement plans, some employees have earned pension rights. These are historical management pension rights and compensation plans as a result of losses because the employee has been working abroad. All the pensions rights are lifelong. These unfunded plans are classified and accounted for as defined benefit plans. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

The defined benefit obligation is calculated separately for each plan by discounting the estimated amount of future benefit that employees have earned in the current and prior periods. Any change of the defined benefit obligation as a result of change of assumptions (actuarial gains and losses) are recognized immediately in other equity. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement.



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When the benefits of a plan are changed, settled or when a plan is curtailed, the change relating to past service or the gain or loss on curtailment or settlement is recognized immediately in the income statement.

Movement in the pension obligation for defines benefit plan:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2023	2022	2023	2022	2023	2022
<b>Balance as of January 1</b>	<b>3 430</b>	-	-	-	<b>3 430</b>	-
Current service and administration cost	-	-	-	-	-	-
Interest cost (income)	99	111	-	-	99	111
Included in income statement	99	111	-	-	99	111
Actuarial loss (gain) arising from financial assumptions	-	272	-	-	-	-
Return on plan assets	-	-	-	-	-	-
Changes in asset ceiling	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustments	1 303	-	-	-	1 303	-
Remeasurements loss (gain) included in OCI	1 031	-	-	-	1 303	-
Contributions paid into the plan	-	-	-	-	-	-
Benefits paid by the plan	-	321	-	319	-	321
Other significant events	-	-	-	3 639	-	3 639
Other	-	321	-	3 320	-	3 320
<b>Balance as of December 31</b>	<b>4 239</b>	<b>3 430</b>	-	-	<b>4 511</b>	<b>3 430</b>
Represented by:						
Net funded liability						
Net unfunded liability	4 239	3 430	-	-	4 239	3 430
<b>Balance as of December 31</b>	<b>4 239</b>	<b>3 430</b>	-	-	<b>4 239</b>	<b>3 430</b>

Actuarial Assumptions:

	2023	2022
Discount rate	3,70 %	3,00 %
Asset return	N/A	N/A
Salary progression	3,75 %	3,50 %
Pension indexation funded plans <sup>1)</sup>	0,00 %	0,00 %
Mortality table	K2013	K2013
Life expectancy at age 65 for pensioners, males	22,70	22,70
Life expectancy at age 65 for pensioners, females	26,00	26,00

<sup>1)</sup> Pension indexation for unfunded plans is agreed individually (0-8 percent).

The discount rate is based on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations.

The assumptions used are in line with recommendations from the Norwegian Accounting Standards Board.

#### Auditor's remuneration

	2023	2022
Audit fee	600	1 177
Tax services	-	-
Other assurance services	105	59
Other non-audit services	3	-
<b>Total</b>	<b>708</b>	<b>1 236</b>



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## Note 5 Intangible assets

	Capitalized development	Other	Total
<b>Cost at 31 December 2022</b>	<b>87 668</b>	<b>5 715</b>	<b>93 384</b>
Additions and transfers	-1 174	5 528	4 354
Disposal at cost	-	-	-
<b>Cost at 31 December 2023</b>	<b>86 494</b>	<b>11 243</b>	<b>97 738</b>
<b>Accumulated amortization and impairment losses at 31 December 2022</b>	<b>63 918</b>	<b>4 018</b>	<b>67 936</b>
Disposal at cost	-	-	-
Amortization	3 625	1 340	4 965
Impairments for the year	4 360	-	4 360
<b>Accumulated amortization and impairment losses at 31 December 2023</b>	<b>71 903</b>	<b>5 358</b>	<b>77 261</b>
<b>Carrying amount at 31 December 2023</b>	<b>14 591</b>	<b>5 885</b>	<b>20 476</b>
Estimated useful lives (years)	10-15 years	3-10 years	
Depreciation plan	Linear	Linear	

The company's investment in R&D is essential for development of the product portfolio. The investments are related to turbines, generators, control- and governing systems for hydropower plants.

## Note 6 Property, plant and equipment

	Plant and machinery	Fixtures and fittings	Sum
<b>Cost at 31 December 2022</b>	<b>36 802</b>	<b>12 481</b>	<b>49 283</b>
Additions and transfers	-	-	-
Disposal at cost	-	-	-
<b>Cost at 31 December 2023</b>	<b>36 802</b>	<b>12 481</b>	<b>49 283</b>
<b>Accumulated depreciation and impairment losses at 31 December 2022</b>	<b>34 512</b>	<b>10 678</b>	<b>45 190</b>
Depreciation	406	395	801
Accumulated depreciation and impairment disposed assets	-	-	-
<b>Accumulated depreciation and impairment losses at 31 December 2023</b>	<b>34 918</b>	<b>11 073</b>	<b>45 991</b>
<b>Carrying amount at 31 December 2023</b>	<b>1 884</b>	<b>1 407</b>	<b>3 291</b>
Estimated useful lives (years)	5-10 years	3-10 years	
Depreciation plan	Linear	Linear	

- 18 -

Aker Solutions Hydropower AS - Annual financial statements 2023



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## Note 7 Financial income and expenses

In May 2023, Aker Solutions Hydropower AS entered into an agreement whereby Aker Solutions Hydropower AS pays NOK 55 million for SEB and Eksfin to cancel senior debt and a drawdown facility of a total of NOK 108 million, as well as the subordinated debt (Hybrid equity) of NOK 113 million and release all pledges in Aker Solutions Hydropower AS.

The forgiveness of debt of NOK 53 million is recognized as financial income.

For the financial year, NOK 9.4 million in exchange gains and NOK 20.4 million in foreign exchange losses have been recognized. The respective comparative figures for 2022 were NOK 28.6 million in foreign exchange gains and NOK 34.6 million in foreign exchange losses.

## Note 8 Tax

	2023	2022
<b>Income tax expense</b>		
Current income tax	-	-
Change in deferred tax	-30 057	-132 159
<b>Income tax</b>	<b>-30 057</b>	<b>-132 159</b>
<b>Taxable income</b>		
Income (loss) before taxes	-136 580	-185 597
Permanent differences	-1 071	-3 960
Change in temporary differences	19 990	70 470
Cut-off interest deduction	-	7 333
<b>Taxable income</b>	<b>-117 662</b>	<b>-111 754</b>
<b>Tax payable in the balance sheet:</b>		
Payable taxes current year result	-	-
<b>Total tax payable in the balance sheet</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of tax expense:</b>		
Income (loss) before taxes	-136 580	-185 597
Expected income taxes at statutory tax rate	-30 048	-40 831
Non-deductible expenses	-236	-871
Paid withholding tax	-	-
Income tax charged to equity - Taxes on pension	227	-
Unrecognized and unused tax losses and deductible temporary differences	-	-
Previous unrecognised tax loss	-	-90 457
Tax law changes	-	-
<b>Total</b>	<b>-30 057</b>	<b>-132 159</b>
Effective tax rate	22,01 %	71,21 %

Tax effect of temporary differences and tax losses carried forward giving rise to deferred tax liabilities and deferred tax assets, specified by type of temporary difference:



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	31.12.2023	31.12.2022	Change
Property, plant and equipment	-21 087	-20 903	184
Projects under construction	48 299	45 154	-3 144
Inventory	-243	-243	-
Receivables	-300	-1 038	-738
Gain/loss account	3 528	4 410	882
Provisions	-92 717	-70 719	21 997
Pension liability	-4 239	-3 430	809
<b>Total</b>	<b>-66 759</b>	<b>-46 769</b>	<b>19 990</b>
Tax loss carry forward	-659 781	-542 120	117 662
Cut-off interest deduction	-11 835	-11 835	-
Unrec. and unused tax losses and ded. temporary diff.	-	-	-
<b>Basis for deferred tax</b>	<b>-738 375</b>	<b>-600 724</b>	<b>137 652</b>
<b>Deferred tax</b>	<b>-162 443</b>	<b>-132 159</b>	<b>30 283</b>

Deferred tax assets are recognised if it is expected that sufficient taxable profits will be available from the reversal of taxable temporary differences or future taxable income to utilise such assets.

In 2022, the company was acquired by Aker Solutions, and was integrated into a segment within Aker Solutions in order to create synergies and grow the business further. Together with Aker Solutions and Benestad, the company's new strategy is to become a future technology provider for hydropower and renewable energy production. Aker Solutions Hydropower has forecasted an increase in order intake and revenue and is expecting a positive result in the years to come. In addition, being fully owned by Aker Solutions, the company is able to take advantage of group contributions within the Norwegian tax group.

Thereof we expect of the net amount of MNOK 162.4 basis for deferred taxes to be fully utilized within 3-5 years.

It is our belief that the individual and combined assumptions described above can be handled within a comfortable risk level.

## Note 9 Investments

Subsidiary	Registered office	Ownership share	Investment at 31 December
Hangzhou Rainpower Technology Co Ltd	Hangzhou, China	100 %	3 118
Rainpower Kristinehamn AB	Kristinehamn, Sweden	100 %	3 124
Rainpower Switzerland AG	Reinfelden, Sveits	100 %	632
Rainpower Tyrkia	Istanbul, Tyrkia	100 %	-
<b>Total</b>			<b>6 874</b>

## Note 10 Inventories

	31.12.2023	31.12.2022
Materials	50	50
Self-produced finished goods	4 627	3 502
<b>Total</b>	<b>4 677</b>	<b>3 552</b>
Inventories assessed at cost price	4 920	3 795
Provisions for obsolescence	-243	-243

There are no securities pledged over inventories.



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## Note 11 Construction contracts

Accrued contract revenue in the income statement for the period amounted to NOK 233.8 million (2022: NOK 292.8 million).

Book values for construction contracts:

	31.12.2023	31.12.2022
Construction contracts in progress, asset	38 367	38 790
Construction contracts in progress, liability	-105 112	-122 879
<b>Net construction work in progress</b>	<b>-66 745</b>	<b>-84 089</b>

The amount mentioned above is composed of the following:

	31.12.2023	31.12.2022
Accumulated income on contracts	1 259 631	1 030 495
Accumulated contract income invoiced	-1 244 994	-1 011 030
Provisions for incurred project costs	-69 868	-40 570
Provisions loss-making contracts	-11 515	-62 984
<b>Net construction work in progress</b>	<b>-66 745</b>	<b>-84 089</b>

Expected expenditure for future guarantee work relating to sales/completed projects is expensed against the corresponding item in the balance sheet. The provision is based on historical figures for guarantees and is classified as a current liability in the statement of financial position.

### Special events and disputes

Aker Solutions Hydropower is involved in some disputes in specific projects, where provisions have been made in the accounts according to the best estimate. The provision in the balance sheet is classified as part of incurred project costs and loss-making contracts.

## Note 12 Restricted funds

Restricted bank deposits

	31.12.2023	31.12.2022
Employees tax deduction, deposited in a separate bank acct	13	2 140

## Note 13 Equity

	Share capital	Share premium	Non-reg. cap issue	Retained earnings	Hybrid capital	Total
Equity 01.01.2023	2 718	-	30 000	-224 185	112 665	-78 802
Reclassification <sup>1)</sup>	-	-	-	112 665	-112 665	-
Capital increase	1 526	-	120 000	108 475	-	230 000
Translation differences <sup>2)</sup>	-	-	-	-242	-	-242
Bonus Shares employee share purchase program	-	-	-	92	-	92
Actuarial gains and losses <sup>3)</sup>	-	-	-	-804	-	-804
Loss for the year	-	-	-	-106 524	-	-106 524
<b>Equity 31.12.2023</b>	<b>4 244</b>	<b>-</b>	<b>150 000</b>	<b>-110 523</b>	<b>-</b>	<b>43 721</b>

<sup>1)</sup> See note 7 Financial income and expenses for details.

<sup>2)</sup> See note 1 Foreign branch

<sup>3)</sup> See note 4 Pension for details



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## Note 14 Shareholders

As of 31 December 2023, Aker Solutions Hydropower AS's share capital amounted to NOK 6.786.308 including non-registered shares, each share with a nominal value of NOK 0.01.

Aker Solutions Hydropower AS has two share category, A-shares and B-shares. Shareholders of A-shares have a preferred right to distributions from the company. All shares are grants one vote at the company's general meeting.

Share capital of Aker Solutions Hydropower AS as of 31 December 2023 comprised the following:

	Number of shares	Nominal value	Carrying amount
A-shares	373 400 027	0,01	3 734
B-shares	50 980 773	0,01	510
<b>Total</b>	<b>424 380 800</b>		<b>4 244</b>
Non-registered shares	254 249 974	0,01	2 542
<b>Total</b>	<b>678 630 774</b>		<b>6 786</b>

Carrying amount in NOK 1,000

## Ownership structure

The shareholders as of 31 December 2023 were:

	A-shares	Share holdings	Voting rights
AH Åtte AS	627 650 001	100,0 %	100,0 %
<b>Total</b>	<b>627 650 001</b>	<b>100,0 %</b>	<b>100,0 %</b>

	B-shares	Share holdings	Voting rights
AH Åtte AS	50 980 773	100,0 %	100,0 %
<b>Total</b>	<b>50 980 773</b>	<b>100,0 %</b>	<b>100,0 %</b>

The company is part of the Aker Solutions Group and the consolidated accounts can be obtained at the head quarter at Fornebu or at [www.akersolutions.com](http://www.akersolutions.com).

## Note 15 Hedging

Aker Solutions Hydropower AS practices exchange rate hedging by means of forward contracts or offsetting assured future payment flows.

The exchange rate difference realized is allocated to the relevant project. All forward contracts are arranged through Aker Solutions Group Treasury.

Hedging instruments (cash flow hedges):

	2023	2022
Accumulated unrecognized gains / (losses) December 31 prior year	-	-
Gains not recognized	4 231	-
Losses not recognized	-1 243	-
<b>Total</b>	<b>2 988</b>	<b>-</b>



To the General Meeting of Aker Solutions Hydropower AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Aker Solutions Hydropower AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows 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, and 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.

### 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 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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 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 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

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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/revisionsberetninger>

Oslo, 22 May 2024

**PricewaterhouseCoopers AS**

Thomas Whyte Gaardsø  
State Authorised Public Accountant  
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Gaardsø, Thomas Whyte	BANKID	2024-05-22 11:47

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Skatteetaten

Vår dato 27.02.2019	Din/Deres dato 28.11.2018	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Bjørn Solem	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5190924	Postadresse Postboks 9200 Grønland 0134 OSLO

RAINPOWER HOLDING AS  
Postboks 144  
2027 KJELLER

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Rainpower Holding AS, org.nr. 996 968 480

Vi viser til deres brev av 28. november 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Rainpower Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret vurdering Rainpower Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Rainpower Holding AS er eid av tre selskaper. To av selskapene er utenlandske og eier tilsammen 33 % av aksjene. Selskapets virksomhet er engineering og prosjektledelse innen vannkraftbransjen. Selskapet er konsernspiss og har norske og utenlandske datterselskaper. Selskapet opererer i en bransje av sterk internasjonal karakter. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i*



*Samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er eid av tre selskaper, hvor to er utenlandske. Selskapet driver virksomhet i en internasjonal bransje og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke  
seniorrådgiver  
Juridisk avdeling  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*