Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 492 305
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NORSK VIND SKINANSFJELLET AS
Forretningsadresse:	Prof. Olav Hanssens v. 7A 4021 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	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:	Anya Morrell
Dato for fastsettelse av årsregnskapet:	31.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 29.06.2024

Resultatregnskap

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenues	1	35 785 584	17 456 904
Other operating income		200 000	300 000
Sum inntekter		**35 985 584**	**17 756 904**
Kostnader			
Raw materials and consumables used	2,3	-2 396 740	-222 092
Depreciation of fixed assets and intangible assets	4	5 609 515	5 587 173
Other operating expenses	5,6	4 310 444	3 125 908
Sum kostnader		**7 523 219**	**8 490 989**
Driftsresultat		**28 462 365**	**9 265 915**
Finansinntekter og finanskostnader			
Annen renteinntekt		18 117	
Other financial income		177 817	54 231
Sum finansinntekter		**195 934**	**54 231**
Rentekostnad til foretak i samme konsern	6	1 027 501	1 129 042
Annen rentekostnad		3 842 143	4 364 702
Other financial expense		206 915	248 208
Sum finanskostnader		**5 076 559**	**5 741 952**
Netto finans		**-4 880 625**	**-5 687 721**
Ordinært resultat før skattekostnad	7	**23 581 740**	**3 578 194**
Taxes	7	2 811 831	
Ordinært resultat etter skattekostnad		**20 769 909**	**3 578 194**
Årsresultat		**20 769 909**	**3 578 194**
Overføringer og disponeringer			
Udekket tap	8	5 703 475	3 578 194
Transfers to other equity	8	15 066 434	
Sum overføringer og disponeringer		**20 769 909**	**3 578 194**

Resultatregnskap

Beløp i: EUR	Note	2022	2021

Balanse

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Infrastructure and land	4,9	14 076 186	15 196 148
Machinery and equipment	4,9	111 311 160	115 559 347
Sum varige driftsmidler		**125 387 346**	**130 755 495**
Sum anleggsmidler		**125 387 346**	**130 755 495**
Omløpsmidler			
Varer			
Fordringer			
Trade debtors	9	3 626 033	2 404 690
Other debtors		5 051 770	3 022 991
Konsernfordringer	6	187 488	
Sum fordringer		**8 865 291**	**5 427 681**
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc.		24 784 591	18 331 409
Sum bankinnskudd, kontanter og lignende		**24 784 591**	**18 331 409**
Sum omløpsmidler		**33 649 882**	**23 759 090**
SUM EIENDELER		**159 037 228**	**154 514 585**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10	38 203	38 203
Sum innskutt egenkapital		**38 203**	**38 203**

Balanse

Beløp i: EUR	Note	2022	2021
Opptjent egenkapital			
Other equity		15 066 434	
Udekket tap			5 703 475
Sum opptjent egenkapital		**15 066 434**	**-5 703 475**
Sum egenkapital	8	**15 104 637**	**-5 665 272**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	2 811 831	0
Other provisions	11	1 457 183	1 811 036
Sum avsetninger for forpliktelser		**4 269 014**	**1 811 036**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9,12	131 556 600	134 640 800
Langsiktig konserngjeld	6,12	4 200 000	18 721 540
Sum annen langsiktig gjeld		**135 756 600**	**153 362 340**
Sum langsiktig gjeld		**140 025 614**	**155 173 376**
Kortsiktig gjeld			
Leverandørgjeld		1 528 026	809 220
Public duties payable		1 004 806	1 029 650
Other short-term liabilities	12	1 374 145	3 167 611
Sum kortsiktig gjeld		**3 906 977**	**5 006 481**
Sum gjeld		**143 932 591**	**160 179 857**
SUM EGENKAPITAL OG GJELD		**159 037 228**	**154 514 585**

Annual Accounts for 2022

NORSK VIND SKINANSFJELLET AS

Org.nr. 991 492 305

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Prepared by Azets Insight AS

AZETS

Income statement 2022 - EUR
NORSK VIND SKINANSFJELLET AS

	Note	2022	2021
Revenue	1	35 785 584	17 456 904
Other operating income		200 000	300 000
Total operating income		**35 985 584**	**17 756 904**
Raw materials and consumables used	2, 3	2 396 740	222 092
Depreciation of fixed assets and intangible assets	4	(5 609 515)	(5 587 173)
Other operating expenses	5, 6	(4 310 443)	(3 125 907)
Sum operating expenses		**(7 523 219)**	**(8 490 988)**
Result of operations		**28 462 365**	**9 265 915**
Other interest income		18 117	0
Other financial income		177 817	54 231
Total financial income		**195 934**	**54 231**
Interest paid to group companies	6	(1 027 501)	(1 129 042)
Other interest charge		(3 842 143)	(4 364 702)
Other financial expense		(206 915)	(248 207)
Total financial expenses		**(5 076 559)**	**(5 741 952)**
Net financial items		**(4 880 625)**	**(5 687 721)**
Result before tax	**7**	**23 581 740**	**3 578 194**
Taxes	7	(2 811 831)	0
Results of the year		**20 769 909**	**3 578 194**
Transfers			
Uncovered losses	8	5 703 475	3 578 194
Transfers to/from other equity	8	15 066 434	0
Total transfers and allocations		**20 769 909**	**3 578 194**

Balance sheet 31. December 2022 - EUR
NORSK VIND SKINANSFJELLET AS

	Note	2022	2021
ASSETS			
Fixed assets			
Tangible fixed assets			
Land, buildings and other property	4, 9	14 076 186	15 196 148
Fixtures and fittings, tools, office machinery, etc.	4 ,9	111 311 160	115 559 347
Total tangible fixed assets		**125 387 346**	**130 755 495**
Total fixed assets		**125 387 346**	**130 755 495**
Current assets			
Receivables			
Trade debtors	9	3 626 033	2 404 690
Other debtors		5 051 771	3 022 990
Group debtors	6	187 488	0
Total receivables		**8 865 291**	**5 427 681**
Bank deposits, cash in hand, etc.		24 784 591	18 331 409
Total bank deposits, cash in hand, etc.		**24 784 591**	**18 331 409**
Total current assets		**33 649 883**	**23 759 090**
Total assets		**159 037 228**	**154 514 585**

Balance sheet 31. December 2022 – EUR
NORSK VIND SKINANSFJELLET AS

	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	10	38 203	38 203
Total paid-in capital		**38 203**	**38 203**
Retained earnings			
Other equity		15 066 434	0
Losses from previous years		0	(5 703 475)
Total retained earnings		**15 066 434**	**(5 703 475)**
Total equity	**8**	**15 104 637**	**(5 665 272)**
Liabilities			
Provisions			
Deferred tax	7	2 811 831	0
Other provisions	11	1 457 183	1 811 036
Total provisions		**4 269 014**	**1 811 036**
Other long-term liabilities			
Liabilities to financial institutions	9, 12	131 556 600	134 640 800
Long-term group liabilities	6, 12	4 200 000	18 721 540
Total other long-term liabilities		**135 756 600**	**153 362 340**
Total long-term liabilities		**140 025 614**	**155 173 376**
Current liabilities			
Trade creditors		1 528 026	809 220
Public duties payable		1 004 807	1 029 650
Other short-term liabilities	12	1 374 145	3 167 612
Total current liabilities		**3 906 977**	**5 006 481**
Total liabilities		**143 932 591**	**160 179 857**
Total equity and liabilities		**159 037 228**	**154 514 585**

Stavanger 25.04.23

Dr. Alexandra von Bernstorff
Chairman of the board

Per Ove Skorpen
CEO

Cash flow statement

	2022	2021
	EUR	EUR
Cash flow from operations:		
Profit/loss before tax	23 581 740	3 578 194
Depreciation and impairment of fixed assets	5 609 515	5 587 173
Change in account receivables	-1 221 343	-3 748 551
Change in accounts payable	718 806	-15 310 243
Change in other current assets and other liabilities	-4 388 430	-1 480 643
Net cash flow from operations	**24 300 288**	**-11 374 070**
Cash flow from investment activities		
Investments in fixed assets 1)	-241 366	-815 054
Net cash flow from investment activities	**-241 366**	**-815 054**
Cash flow from financing activities		
Net changes in long term borrowings	-17 605 740	-2 959 598
Net cash flow from financing activities	**-17 605 740**	**-2 959 598**
Net changes in bank deposits	**6 453 182**	**-15 148 722**
Bank deposits as of 1 Jan	**18 331 409**	**33 480 131**
Bank deposits as of 31 Dec	**24 784 591**	**18 331 409**

Notes 2022
NORSK VIND SKINANSFJELLET AS

Accounting principles
The statutory annual accounts are prepared according to Norwegian accounting legislation and generally accepted accounting principles.

The regulations in the Norwegian Accounting Act section 1-6, related to small companies, have been applied until 2020. However, with effect from 2021 the company has to apply the general statutory provisions for Norwegian companies.

Revenues and expenses
Revenues are recognized as they are earned. Costs are accrued in the same period as the related income.

Classification and evaluation of balance items
Assets intended for long-term ownership are classified as non-current assets. Other assets are classified as current assets. Receivables subject to settlement within one year are always classified as current assets. Classification of debt is made by using analogous criteria.

Fixed assets are carried in the balance sheet at historical cost and depreciated over the estimated useful economic life time. Fixed assets are written down to the recoverable amount when an impairment of the value is expected to be permanent. Long-term debt is stated at nominal value when incurred.

Current assets are stated at the lower of acquisition cost and recoverable amount. Short-term debt is carried at nominal value when incurred.

Fixed assets
Fixed assets are carried at the acquisition cost less accumulated depreciation. Depreciation expenses are based on historical cost and applied according to the straight-line method over the expected lifetime of the asset.
In case the fair value of an asset is materially less than the recorded value, and the impairment is not likely to be temporary, a write-down to the fair value will be made.

Receivables
Accounts receivables and other receivables are carried in the balance sheet at face value less any provisions for bad debt.

Taxes
Taxes are expensed as they accrue; hence taxes are related to profit before tax.
The taxes include both tax payable (tax on this year's profit) and change in deferred tax. Deferred tax is calculated with 22% on the basis of temporary differences that exist between book values and values according to the tax basis for assets and liabilities, and losses carried forward at year end.

Foreign currencies
Revenues and expenses in foreign currencies are booked at the rate of exchange of the transaction date. Currency gains and losses are stated in the profit&loss under financial items.
Monetary items in foreign currencies are recognized in the balance sheet at the rate of exchange at year-end.

Decommissioning expenses
Decommissioning expenses are estimated by using historical data from similar wind-farms. The estimated cost to dismantle the turbines and tidy up the land at the end of the production period is recognized in the balance sheet at present value. It is used an interest rate of 3% to compute the present value.

Cash Flow Statement
The Cash Flow Statement is prepared using the indirect method. The application of this method implies that profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Group structure and consolidated accounts
Norsk Vind Skinansfjellet AS is a wholly owned subsidiary by Hyfe Wind 2 AS, with business c/o Azets Insight AS, Tykkemyr 1, 1597 Moss. Consolidated accounts are prepared for the parent company and its subsidiary.

Functional currency, bookkeeping currency and presentation currency
The functional currency of Norsk Vind Skinansfjellet is EUR.

Note 1 - Revenues

The revenues from ordinary operations are earned in EUR, and from domestic sale of energy. Total income for the reporting period is EUR 35 785 584 (2021: EUR 17 456 904).

Note 2 - Production tax

The Norwegian authorities decided to set a production tax on wind power, a tax of 1 øre per kWH for the period July-December 2022, or 10,00 NOK per MWh. Base for the tax is production of power each month. Production tax for 2022 is EUR 255 447.

Note 3 - Cost of sales

Specification	EUR
Net rental cost	771 045
Marginal loss (NOK -34.588.339)	(3 423 232)
Sum cost of sales	**(2 652 187)**

There is a negative cost of sales due to high credits.

Due to the localization of the plant, transportation cost through the grid periodically turn out to be negative as the transportation of electricity from the company might result in significant reduction of marginal loss of electricity in the grid. The net value of these effects are presented.

Note 4 - Fixed assets

	Wind farm	Infrastructure	Software product	Total
Acquisition cost 01.01.2022	116 130 135	14 599 907	25 452	130 755 495
Additions	154 776	86 590	0	241 366
Reallocation	0	0	0	0
Acquisition cost 31.12.2022	**116 284 911**	**14 686 497**	**25 452**	**130 996 861**
Accumulated depreciation	(13 415 595)	(1 207 161)	(28 164)	(14 650 920)
Closing amount 31.12.2022	**111 296 430**	**14 076 186**	**14 729**	**125 387 346**
Depreciation current year	4 988 481	610 311	10 723	5 609 515
Rate of depreciation (linear)	4%	4%	25%	

All amounts shown in EUR.

Note 5 - Salaries / Number of employees / Benefits / Audit fee

The company has no employees. No director fee was paid in 2022.

It has not been granted any loans or provided any security to members of the board of directors or the CEO. None of the persons in those positions are entitled to any severance pay.

The auditor fee in 2022 was EUR 15 437.

Note 6 - Transactions with related parties (EUR)

Parent company (Hyfe Wind 4 AS)	2022	2021
Long term borrowings	4 200 000	18 721 540
Interest expenses	1 027 501	1 129 042
Receivable	187 488	0
Management fee	15 000	15 000

Note 7 - Tax

Basis for payable tax:	2022	2021
Profit before tax	23 581 740	3 578 194
Change in temporary differences	(18 966 293)	(19 626 706)
Interest expenses non-deducted previous years	(1 252 051)	139 531
Permanent differences/adjustments	(6 597 885)	6 969 339
This year's tax loss	**(3 234 489)**	**(8 939 642)**

Deferred tax:	**2022**	**2021**
Fixed assets	62 058 139	45 611 487
Non-deductible interest expenses (carried forward)	0	(1 317 963)
Provisions	(1 457 183)	(1 811 181)
Loss brought forward	(47 819 907)	(46 906 398)
Temporary differences - net	**12 781 049**	**(4 424 055)**
Deferred tax - carried (+) / not carried (-) in balance sheet	2 811 831	(973 292)

The company maintains - on a transaction basis - a ledger in both EUR and NOK. The taxable income/loss is calculated on the basis of the NOK-ledger. The net profit/loss is adjusted for the currency gain or loss on the monetary items. Applying this approach gives - in accordance with guidelines and principles accepted by the Norwegian Tax Administration - an accurate computation of the taxable income/loss. Using EUR as bookkeeping currency shall not have any impact on the taxable loss/profit. Norsk Vind Skinansfjellet AS is in compliance with this requirement.

The figures shown in the table above (taxable loss and net temporary differences) represents the EUR-values of the figures reported in the tax declaration.

Note 8 - Change in equity

	Share capital	Other equity	Total
Equity as of 01.01.2022	38 203	(5 703 475)	(5 665 272)
Result		20 769 909	20 769 909
Equity as of 31.12.2022	**38 203**	**15 066 434**	**15 104 637**

Note 9 - Collaterals

Fixed assets and accounts receivables - with a total booked value of EUR 129 013 379 - has been pledged as security for a loan with a nominal value equivalent of EUR 131 556 600 of 31 December. The parent company has pledged the shares in Norsk Vind Skinansfjellet AS as security for the same loan.

Note 10 - Share capital and shareholders

The share capital of the company is NOK 400.000. There has been issued 400.000 shares - each with a face value of NOK 1. All shares are owned by Hyfe Wind 2 AS.

Shareholder	Shares	Ownership
Hyfe Wind 2 AS	100 000	100%
Total	**100 000**	

Note 11 - Provisions

There has been made a provision for expected costs related to the decommissioning of the wind farm when the license period expires. The recognized provision, EUR 1 457 183, represents the net present value of the estimated expenses.

Note 12 - Receivables and liabilities, intergroup balances

The company has no receivables due for payment more than one year after the end of the reporting period.

It has been granted a long-term loan of EUR 4 200 000 by the parent company. The corresponding balance as of 31 December 2021 was respectively EUR 18 721 540. The loan is due for repayment on 31 December 2042, and no installment shall be paid before the final maturity. Accrued interest on the loan referred totals EUR 252 700, and this provision is included in "Other short-term liabilities".

Borrowings from external lenders as of 31 December 2022 total EUR 131 556 600. The corresponding balance as of 31 December 2021 was respectively EUR 134 640 800. According to the agreement made with the lenders, MEUR 112,2. of the principal amount shall be repaid more than five years after the reporting period - that means from 2028 until 2042.

There are specific financial covenants related to the external borrowings, e.g. a minimum level of "Debt service cover ratio". All covenant requirements are as per latest calculation date fulfilled.

NORSK VIND SKINANSFJELLET AS

DIRECTORS' REPORT 2022

Nature of the business and location
The business location is at Professor Olav Hanssens vei 7A, Stavanger.

The company operates two wind farms, one located in the municipality of Bjerkreim and one located in the municipality of Hå. The company has built 33 turbines for the production of renewable electric energy, and 2022 is the 3rd year of ordinary operation of the wind farm.

Continued operation
In accordance with the Norwegian Accounting Act article 3-3a, we confirm that the assumption of continued operation is the basis for the annual accounts.

See comments below under "Other financial issues".

Research and development
The company did not carry out any R&D activities in 2022.

Working environment and equal rights
Norsk Vind Skinansfjellet AS has no employees, and issues related to the working environment and equal rights are not considered relevant.

Social Responsibility pursuant to the Accounting Act § 3-3c
The report on the commitments to the Transparency Act (Åpenhetsloven) will be published on https://luxcara.com/sfdr/projects within June 30, 2023.

Environmental matters
The construction and operation of the wind farm is carried out in full compliance with the terms stated in licenses granted by Norwegian authorities. It is furthermore the assessment of the board of directors that a company like Norsk Vind Skinansfjellet AS contributes positively to a sustainable environment. Increased production of renewable energy is paramount with respect to reducing carbon emissions, and thus considered one of the key strategies to avoid dangerous climate changes.

Operational and financial risk
Norsk Vind Skinansfjellet AS has risk exposures related to, e.g. changes in market prices for electric energy, low utilization of the production capacity due to wind conditions, currency fluctuations, changes in interest rates and potential debt default.

Several strategies have been implemented to reduce the risk exposures listed above. Energy is sold on long term contracts to reduce the market risk. All revenues are earned in the same currency as the company has obtained its long term financing (EUR), and the currency risk is thus – in a long term perspective – minimized. Long term loans are granted on favorable conditions for repayment, and interest swap agreements are being used to reduce the effect of changes in interest rates.

Norsk Vind Skinansfjellet has taken out an insurance policy to cover the directors' liability.

Explanations to the accounts
The operating profit has increased from MEUR 9,27 in 2021 to MEUR 28,46 in 2022. Increased revenues and better profitability is explained by substantially higher production and better prices in 2022 compared to the preceding year.

For the reporting period, the company obtained a cashflow of MEUR 6,45, and the total liquid reserves were increased from MEUR 18,33 to MEUR 24,78 during 2022. The company is still in a good liquidity position.

Other financial and operational issues
Financial information is well communicated to our lenders, and there is currently no risk of any debt default due to covenants in loan agreements.

The equity ratio is low as of 31 December 2022, but the board of directors expects a material improvment of the equity during the remaining period of operation.

From 1 July 2022 the production tax of 1 øre per kWh was introduced. As of 1 January 2023 the tax will increase to 2 øre per kWh. This new tax requirement will reduce the EBITDA respectively.

As of 1 January 2023, the high price contribution tax was introduced, taxing all merchant revenues generated at a power price above 700 NOK/MWh ("threshold") with a tax rate at 23%. The company's PPA (Power Purchase Agreement) with its customer has a fixed price that covers 75% of the production. The fixed price is below the threshold. 25% of the production is sold on the spot market. Therefore, whether the company is below or above the threshold depends on the spot market prices. Since introduction of the high price contribution tax the company was below the threshold.

In 2023 it is also proposed to introduce a natural resource tax of 1,3 øre per kWh. In addition, there is proposed a resource rent tax, where the base is the spot price in the market. For PPA's signed before 28 September 2022, it is the price in the PPA that would be the base for the calculation. The company's PPA was signed before this date, hence it is the PPA price that will be used in the calculation.

Distribution of result
The board of directors proposes that the profit for 2022, MEUR 20,77, is transferred to other equity (MEUR 15,07) and uncovered losses (MEUR 5,70).
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Stavanger 25.04.2023

Dr. Alexandra von Bernstorff
Chairman of the board

Per Ove Skorpen
CEO

Deloitte.

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To the General Meeting of Norsk Vind Skinansfjellet AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Norsk Vind Skinansfjellet AS (the Company), which comprise the balance sheet as at 31 December 2022, 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, and**
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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 (management) is 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.

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Organisasjonsnummer: 980 211 282

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
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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 27 April 2023
Deloitte

Else Høyland Joranger

Else Høyland Joranger
State Authorised Public Accountant

Cash flow statement

	2022	2021
	EUR	EUR
Cash flow from operations:		
Profit/loss before tax	23 581 740	3 578 194
Depreciation and impairment of fixed assets	5 609 515	5 587 173
Change in account receivables	-1 221 343	-3 748 551
Change in accounts payable	718 806	-15 310 243
Change in other current assets and other liabilities	-4 388 430	-1 480 643
Net cash flow from operations	**24 300 288**	**-11 374 070**
Cash flow from investment activities		
Investments in fixed assets 1)	-241 366	-815 054
Net cash flow from investment activities	**-241 366**	**-815 054**
Cash flow from financing activities		
Net changes in long term borrowings	-17 605 740	-2 959 598
Net cash flow from financing activities	**-17 605 740**	**-2 959 598**
Net changes in bank deposits	**6 453 182**	**-15 148 722**
Bank deposits as of 1 Jan	**18 331 409**	**33 480 131**
Bank deposits as of 31 Dec	**24 784 591**	**18 331 409**

Notes 2022
NORSK VIND SKINANSFJELLET AS

Accounting principles
The statutory annual accounts are prepared according to Norwegian accounting legislation and generally accepted accounting principles.

The regulations in the Norwegian Accounting Act section 1-6, related to small companies, have been applied until 2020. However, with effect from 2021 the company has to apply the general statutory provisions for Norwegian companies.

Revenues and expenses
Revenues are recognized as they are earned. Costs are accrued in the same period as the related income.

Classification and evaluation of balance items
Assets intended for long-term ownership are classified as non-current assets. Other assets are classified as current assets. Receivables subject to settlement within one year are always classified as current assets. Classification of debt is made by using analogous criteria.

Fixed assets are carried in the balance sheet at historical cost and depreciated over the estimated useful economic life time. Fixed assets are written down to the recoverable amount when an impairment of the value is expected to be permanent. Long-term debt is stated at nominal value when incurred.

Current assets are stated at the lower of acquisition cost and recoverable amount. Short-term debt is carried at nominal value when incurred.

Fixed assets
Fixed assets are carried at the acquisition cost less accumulated depreciation. Depreciation expenses are based on historical cost and applied according to the straight-line method over the expected lifetime of the asset.
In case the fair value of an asset is materially less than the recorded value, and the impairment is not likely to be temporary, a write-down to the fair value will be made.

Receivables
Accounts receivables and other receivables are carried in the balance sheet at face value less any provisions for bad debt.

Taxes
Taxes are expensed as they accrue; hence taxes are related to profit before tax.
The taxes include both tax payable (tax on this year's profit) and change in deferred tax. Deferred tax is calculated with 22% on the basis of temporary differences that exist between book values and values according to the tax basis for assets and liabilities, and losses carried forward at year end.

Foreign currencies
Revenues and expenses in foreign currencies are booked at the rate of exchange of the transaction date. Currency gains and losses are stated in the profit&loss under financial items.
Monetary items in foreign currencies are recognized in the balance sheet at the rate of exchange at year-end.

Decommissioning expenses
Decommissioning expenses are estimated by using historical data from similar wind-farms. The estimated cost to dismantle the turbines and tidy up the land at the end of the production period is recognized in the balance sheet at present value. It is used an interest rate of 3% to compute the present value.

Cash Flow Statement
The Cash Flow Statement is prepared using the indirect method. The application of this method implies that profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Group structure and consolidated accounts
Norsk Vind Skinansfjellet AS is a wholly owned subsidiary by Hyfe Wind 2 AS, with business c/o Azets Insight AS, Tykkemyr 1, 1597 Moss. Consolidated accounts are prepared for the parent company and its subsidiary.

Functional currency, bookkeeping currency and presentation currency
The functional currency of Norsk Vind Skinansfjellet is EUR.

Note 1 - Revenues

The revenues from ordinary operations are earned in EUR, and from domestic sale of energy. Total income for the reporting period is EUR 35 785 584 (2021: EUR 17 456 904).

Note 2 - Production tax

The Norwegian authorities decided to set a production tax on wind power, a tax of 1 øre per kWH for the period July-December 2022, or 10,00 NOK per MWh. Base for the tax is production of power each month. Production tax for 2022 is EUR 255 447.

Note 3 - Cost of sales

Specification	EUR
Net rental cost	771 045
Marginal loss (NOK -34.588.339)	(3 423 232)
Sum cost of sales	**(2 652 187)**

There is a negative cost of sales due to high credits.

Due to the localization of the plant, transportation cost through the grid periodically turn out to be negative as the transportation of electricity from the company might result in significant reduction of marginal loss of electricity in the grid. The net value of these effects are presented.

Note 4 - Fixed assets

	Wind farm	Infrastructure	Software product	Total
Acquisition cost 01.01.2022	116 130 135	14 599 907	25 452	130 755 495
Additions	154 776	86 590	0	241 366
Reallocation	0	0	0	0
Acquisition cost 31.12.2022	**116 284 911**	**14 686 497**	**25 452**	**130 996 861**
Accumulated depreciation	(13 415 595)	(1 207 161)	(28 164)	(14 650 920)
Closing amount 31.12.2022	**111 296 430**	**14 076 186**	**14 729**	**125 387 346**
Depreciation current year	4 988 481	610 311	10 723	5 609 515
Rate of depreciation (linear)	4%	4%	25%	

All amounts shown in EUR.

Note 5 - Salaries / Number of employees / Benefits / Audit fee

The company has no employees. No director fee was paid in 2022.

It has not been granted any loans or provided any security to members of the board of directors or the CEO. None of the persons in those positions are entitled to any severance pay.

The auditor fee in 2022 was EUR 15 437.

Note 6 - Transactions with related parties (EUR)

Parent company (Hyfe Wind 4 AS)	2022	2021
Long term borrowings	4 200 000	18 721 540
Interest expenses	1 027 501	1 129 042
Receivable	187 488	0
Management fee	15 000	15 000

Note 7 - Tax

Basis for payable tax:	2022	2021
Profit before tax	23 581 740	3 578 194
Change in temporary differences	(18 966 293)	(19 626 706)
Interest expenses non-deducted previous years	(1 252 051)	139 531
Permanent differences/adjustments	(6 597 885)	6 969 339
This year's tax loss	**(3 234 489)**	**(8 939 642)**

Deferred tax:	**2022**	**2021**
Fixed assets	62 058 139	45 611 487
Non-deductible interest expenses (carried forward)	0	(1 317 963)
Provisions	(1 457 183)	(1 811 181)
Loss brought forward	(47 819 907)	(46 906 398)
Temporary differences - net	**12 781 049**	**(4 424 055)**
Deferred tax - carried (+) / not carried (-) in balance sheet	2 811 831	(973 292)

The company maintains - on a transaction basis - a ledger in both EUR and NOK. The taxable income/loss is calculated on the basis of the NOK-ledger. The net profit/loss is adjusted for the currency gain or loss on the monetary items. Applying this approach gives - in accordance with guidelines and principles accepted by the Norwegian Tax Administration - an accurate computation of the taxable income/loss. Using EUR as bookkeeping currency shall not have any impact on the taxable loss/profit. Norsk Vind Skinansfjellet AS is in compliance with this requirement.

The figures shown in the table above (taxable loss and net temporary differences) represents the EUR-values of the figures reported in the tax declaration.

Note 8 - Change in equity

	Share capital	Other equity	Total
Equity as of 01.01.2022	38 203	(5 703 475)	(5 665 272)
Result		20 769 909	20 769 909
Equity as of 31.12.2022	**38 203**	**15 066 434**	**15 104 637**

Note 9 - Collaterals

Fixed assets and accounts receivables - with a total booked value of EUR 129 013 379 - has been pledged as security for a loan with a nominal value equivalent of EUR 131 556 600 of 31 December. The parent company has pledged the shares in Norsk Vind Skinansfjellet AS as security for the same loan.

Note 10 - Share capital and shareholders

The share capital of the company is NOK 400.000. There has been issued 400.000 shares - each with a face value of NOK 1. All shares are owned by Hyfe Wind 2 AS.

Shareholder	Shares	Ownership
Hyfe Wind 2 AS	100 000	100%
Total	**100 000**	

Note 11 - Provisions

There has been made a provision for expected costs related to the decommissioning of the wind farm when the license period expires. The recognized provision, EUR 1 457 183, represents the net present value of the estimated expenses.

Note 12 - Receivables and liabilities, intergroup balances

The company has no receivables due for payment more than one year after the end of the reporting period.

It has been granted a long-term loan of EUR 4 200 000 by the parent company. The corresponding balance as of 31 December 2021 was respectively EUR 18 721 540. The loan is due for repayment on 31 December 2042, and no installment shall be paid before the final maturity. Accrued interest on the loan referred totals EUR 252 700, and this provision is included in "Other short-term liabilities".

Borrowings from external lenders as of 31 December 2022 total EUR 131 556 600. The corresponding balance as of 31 December 2021 was respectively EUR 134 640 800. According to the agreement made with the lenders, MEUR 112,2. of the principal amount shall be repaid more than five years after the reporting period - that means from 2028 until 2042.

There are specific financial covenants related to the external borrowings, e.g. a minimum level of "Debt service cover ratio". All covenant requirements are as per latest calculation date fulfilled.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
21.01.2019	30.11.2018	Henning Stokke
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	Terje Standal	90478867
Org.nr	Vår referanse	Postadresse
974761076	2019/5229102	Postboks 9200 Grønland 0134 OSLO

PROGRESSO AS
Postboks 454
6903 Florø

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 30. november 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- Hyfe Wind AS 916 259 654
- Hyfe Wind 2 AS 916 155 425
- Hyfe Wind 3 AS 919 554 312
- Hyfe Wind 4 AS 919 554 320
- Norsk Vind Egersund AS 994 583 085
- Bjerkreim Vind AS 988 034 347
- Norsk Vind Skinansfjellet AS 991 492 305
- Norsk Vind Gravdal AS 998 472 555
- SG Infrastructure AS 919 932 430

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at 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
Fra søknaden gjengis:

> *Alle selskapa tilhøyrer ein struktur/konsern med det tyskregistrerte selskapet Hyfe Holding GmbH som det ultimate morselskapet. Dei fire første selskapa som er lista opp, er holdingselskap i den norske strukturen. Hyfe Wind AS eig samtlege aksjar i Norsk Vind Egersund AS, Hyfe Wind 4 AS eig Bjerkreim Vind AS og Hyfe Wind 2 AS eig Norsk Vind Skinansfjellet AS. Norsk Vind Gravdal AS og SG Infrastructure AS (siste selskap indirekte gjennom dei to førstnemnte). Hyfe Wind 3 AS er p.t. eit "sovande" selskap.*
>
> *Aktiviteten til konsernet er knytta til utbygging og drift av vindkraftanlegg. Vindparken til Norsk Vind Energi AS er i drift, medan dei øvrige operative selskapa har anlegg under utbygging.*

Årsaka til at ein ønskjer å utarbeide årsrekneskapen på engelsk er at

• To tyske statsborgarar – Katrin Oechtering og Alexandra Von Bernstorff – representerer styret i alle dei aktuelle selskapa. Ingen av desse beherskar norsk.

• Den daglege aktiviteten til selskapa vert i stor grad styrt og administrert frå Tyskland. Det er ingen tilsette i dei norske selskapa. Det tyske selskapet som administerer aktiviteten i Norge (Luxcara - heimeside: www.luxcara.de) er involvert i investeringar innan fornybar energi i fleire andre europeiske land og nyttar engelsk som arbeidsspråk.

• Selskapa er finansierte av utanlandske bankar, låneinstitusjonar og fond - heimehøyrande i Tyskland, Østerike, Luxemburg og Sverige. Det er ytt finansiering tilsvarande motverdien av ca 2,9 mrd NOK. Det er ingen norske kredittføretak som har engasjement med konsernet.

• I samband med utbygginga er dei største kontraktene gjort med utanlanske aktørar som leverer turbinanlegg, og større norske entreprenørforetak som t.d. Veidekke AS og Stangeland AS som leverer infrastrukturanlegg.

Dei momenta som er nemnte ovanfor, skulle alle tale for at det er av betydeleg verdi for søkarane og dei vikigaste brukarane av rekneskapen at dispensasjon vert innvilga.

Eg kan ikkje sjå at det er brukarar av rekneskapen som blir negativt berørte av at dispensasjon vert innvilga. Som allereie kommentert er det t.d. ikkje tilsette i selskapa, og det er ingen norske låneinstitusjonar involvert i finansieringa. Alle viktige leverandørar som søkarane handlar med, vil enten sterkt føretrekke at rekneskapen vert utarbeidd på engelsk eller ikkje ha problem med å forstå ei engelsk utgåve av årsrekneskapen.

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 selskapenes eierkrets er begrenset, og at selskapenes ultimate morselskap er utenlandsk. Selskapene opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Deloitte.

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NO-4032 Stavanger
Norway

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To the General Meeting of Norsk Vind Skinansfjellet AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Norsk Vind Skinansfjellet AS (the Company), which comprise the balance sheet as at 31 December 2022, 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, and**
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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 (management) is 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.

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

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
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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 27 April 2023
Deloitte

Else Høyland Joranger

Else Høyland Joranger
State Authorised Public Accountant

NORSK VIND SKINANSFJELLET AS

DIRECTORS' REPORT 2022

Nature of the business and location
The business location is at Professor Olav Hanssens vei 7A, Stavanger.

The company operates two wind farms, one located in the municipality of Bjerkreim and one located in the municipality of Hå. The company has built 33 turbines for the production of renewable electric energy, and 2022 is the 3rd year of ordinary operation of the wind farm.

Continued operation
In accordance with the Norwegian Accounting Act article 3-3a, we confirm that the assumption of continued operation is the basis for the annual accounts.

See comments below under "Other financial issues".

Research and development
The company did not carry out any R&D activities in 2022.

Working environment and equal rights
Norsk Vind Skinansfjellet AS has no employees, and issues related to the working environment and equal rights are not considered relevant.

Social Responsibility pursuant to the Accounting Act § 3-3c
The report on the commitments to the Transparency Act (Åpenhetsloven) will be published on https://luxcara.com/sfdr/projects within June 30, 2023.

Environmental matters
The construction and operation of the wind farm is carried out in full compliance with the terms stated in licenses granted by Norwegian authorities. It is furthermore the assessment of the board of directors that a company like Norsk Vind Skinansfjellet AS contributes positively to a sustainable environment. Increased production of renewable energy is paramount with respect to reducing carbon emissions, and thus considered one of the key strategies to avoid dangerous climate changes.

Operational and financial risk
Norsk Vind Skinansfjellet AS has risk exposures related to, e.g. changes in market prices for electric energy, low utilization of the production capacity due to wind conditions, currency fluctuations, changes in interest rates and potential debt default.

Several strategies have been implemented to reduce the risk exposures listed above. Energy is sold on long term contracts to reduce the market risk. All revenues are earned in the same currency as the company has obtained its long term financing (EUR), and the currency risk is thus – in a long term perspective – minimized. Long term loans are granted on favorable conditions for repayment, and interest swap agreements are being used to reduce the effect of changes in interest rates.

Norsk Vind Skinansfjellet has taken out an insurance policy to cover the directors' liability.

Explanations to the accounts
The operating profit has increased from MEUR 9,27 in 2021 to MEUR 28,46 in 2022. Increased revenues and better profitability is explained by substantially higher production and better prices in 2022 compared to the preceding year.

For the reporting period, the company obtained a cashflow of MEUR 6,45, and the total liquid reserves were increased from MEUR 18,33 to MEUR 24,78 during 2022. The company is still in a good liquidity position.

Other financial and operational issues
Financial information is well communicated to our lenders, and there is currently no risk of any debt default due to covenants in loan agreements.

The equity ratio is low as of 31 December 2022, but the board of directors expects a material improvment of the equity during the remaining period of operation.

From 1 July 2022 the production tax of 1 øre per kWh was introduced. As of 1 January 2023 the tax will increase to 2 øre per kWh. This new tax requirement will reduce the EBITDA respectively.

As of 1 January 2023, the high price contribution tax was introduced, taxing all merchant revenues generated at a power price above 700 NOK/MWh ("threshold") with a tax rate at 23%. The company's PPA (Power Purchase Agreement) with its customer has a fixed price that covers 75% of the production. The fixed price is below the threshold. 25% of the production is sold on the spot market. Therefore, whether the company is below or above the threshold depends on the spot market prices. Since introduction of the high price contribution tax the company was below the threshold.

In 2023 it is also proposed to introduce a natural resource tax of 1,3 øre per kWh. In addition, there is proposed a resource rent tax, where the base is the spot price in the market. For PPA's signed before 28 September 2022, it is the price in the PPA that would be the base for the calculation. The company's PPA was signed before this date, hence it is the PPA price that will be used in the calculation.

Distribution of result
The board of directors proposes that the profit for 2022, MEUR 20,77, is transferred to other equity (MEUR 15,07) and uncovered losses (MEUR 5,70).
.

Stavanger 25.04.2023

Dr. Alexandra von Bernstorff
Chairman of the board

Per Ove Skorpen
CEO