



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 980 251 160
Organisasjonsform: Aksjeselskap
Foretaksnavn: EASTERN NORGE SVARTISEN AS
Forretningsadresse: c/o Angell Advokatfirma AS
v/John Steen Holm
Tollbugata 8
8006 BODØ

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: Timo Patana
Dato for fastsettelse av årsregnskapet: 16.02.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 23.07.2022



Resultatregnskap

Beløp i: EUR	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	8,9	13 091 981	22 742 864
Sum inntekter		13 091 981	22 742 864
Kostnader			
Lønnskostnad	6	67 262	65 097
Avskrivning på varige driftsmidler og immaterielle eiendeler	2,3	3 397 863	3 398 537
Annen driftskostnad	6,8	4 109 838	6 248 199
Sum kostnader		7 574 963	9 711 833
Driftsresultat		5 517 018	13 031 031
Finansinntekter og finanskostnader			
Annen finansinntekt	7	604 061	3 665
Sum finansinntekter		604 061	3 665
Annen finanskostnad	7	2 122 271	1 822 075
Sum finanskostnader		2 122 271	1 822 075
Netto finans		-1 518 210	-1 818 410
Ordinært resultat før skattekostnad		3 998 808	11 212 621
Skattekostnad på ordinært resultat	5	-1 858 405	8 636 116
Ordinært resultat etter skattekostnad		5 857 213	2 576 505
Årsresultat		5 857 213	2 576 505
Overføringer og disponeringer			
Konsernbidrag		1 586 828	5 020 460
Overføringer til/fra annen egenkapital		4 270 385	-2 443 955
Sum overføringer og disponeringer		5 857 213	2 576 505



Balanse

Beløp i: EUR	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	2	99 644 837	102 672 022
Sum immaterielle eiendeler		99 644 837	102 672 022
Varige driftsmidler			
Maskiner og anlegg	3	11 743 194	12 113 873
Sum varige driftsmidler		11 743 194	12 113 873
Finansielle anleggsmidler			
Andre fordringer	5	752 667	
Sum finansielle anleggsmidler		752 667	
Sum anleggsmidler		112 140 698	114 785 895
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		26 613	2 496 663
Andre fordringer		13 011	84 554
Sum fordringer		39 624	2 581 217
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		5 728 949	12 708 401
Sum bankinnskudd, kontanter og lignende		5 728 949	12 708 401
Sum omløpsmidler		5 768 573	15 289 618
SUM EIENDELER		117 909 271	130 075 513

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: EUR	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Selskapskapital	1	22 011 200	22 011 200
Overkurs	1	48 096 563	48 096 563
Sum innskutt egenkapital		70 107 763	70 107 763
Opptjent egenkapital			
Annen egenkapital	1	7 095 132	2 824 747
Sum opptjent egenkapital		7 095 132	2 824 747
Sum egenkapital		77 202 895	72 932 510
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	4	39 606 998	43 106 998
Sum annen langsiktig gjeld		39 606 998	43 106 998
Sum langsiktig gjeld		39 606 998	43 106 998
Kortsiktig gjeld			
Leverandørgjeld		134 333	439 569
Betalbar skatt	5	-1 553 305	6 980 898
Skyldige offentlige avgifter		4 717	4 745
Kortsiktig konserngjeld	4	2 034 395	6 436 487
Annen kortsiktig gjeld		479 239	174 306
Sum kortsiktig gjeld		1 099 379	14 036 005
Sum gjeld		40 706 377	57 143 003
SUM EGENKAPITAL OG GJELD		117 909 272	130 075 513



Statsautoriserte revisorer
Ernst & Young AS

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Et du INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Eastern Norge Svartisen AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Eastern Norge Svartisen AS, which comprise the balance sheet as at 31 December 2020, the income statement, and statements 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements 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 and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 the 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 law, regulations and generally accepted auditing principles in Norway, including 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, 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 fair presentation.

We communicate with those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.



Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 22 February 2021
ERNST & YOUNG AS

Andreas Lie
State Authorised Public Accountant (Norway)



Financial Statements 2020

Eastern Norge Svartisen AS

Org. Nr 980 251 160

Utarbeidet av Azets Insight AS





INCOME STATEMENT 01.01 - 31.12

Eastern Norge Svartisen AS

Amount in EUR	Notes	2020	2019
Revenue			
Sales	8,9	13 091 981	22 742 864
Revenue		13 091 981	22 742 864
Operating expenses			
Personell costs	6	67 262	65 097
Depreciation and amortization	2, 3	3 397 863	3 398 537
Other operating expenses	6, 8	4 109 838	6 248 199
Total operating expenses		7 574 964	9 711 833
Profit from operating activities		5 517 017	13 031 031

FINANCIAL INCOME AND EXPENSES

Financial income	7	604 061	3 665
Financial expenses	7	2 122 271	1 822 075
Net financial expenses		-1 518 210	-1 818 410
Operating result before tax		3 998 807	11 212 621
Taxes on ordinary income	5	-1 858 405	8 636 116
Net profit (loss) for the year		5 857 213	2 576 505

Information on allocations:

Transferred to/from other equity		4 270 385	-2 443 955
Group contribution after taxes		1 586 828	5 020 460
Dividend		0	0
Total allocated		5 857 213	2 576 505



ASSETS 31.12

Eastern Norge Svartisen AS

Amount in EUR	Note	2020	2019
Non current assets			
Intangible fixed assets			
Off take rights	2	99 644 837	102 672 022
Deferred income tax asset	5		
Total intangible fixed assets		99 644 837	102 672 022
Tangible fixed assets			
Equipment	3	11 743 194	12 113 873
Total tangible fixed assets		11 743 194	12 113 873
Financial assets			
Natural resources tax	5	752 667	-
Total financial fixed assets		752 667	-
Total non current assets		112 140 699	114 785 895
CURRENT ASSETS			
Debtors			
Accounts receivables		26 613	2 496 663
Other receivables		13 011	84 554
Total receivables		39 624	2 581 217
Cash and cash equivalents		5 728 949	12 708 401
Total current assets		5 768 573	15 289 618
TOTAL ASSETS		117 909 272	130 075 513



EQUITY AND LIABILITIES 31.12

Eastern Norge Svartisen AS

Amount in EUR	Note	2020	2019
EQUITY			
Owners equity			
Share capital	1	22 011 200	22 011 200
Share premium	1	48 096 563	48 096 563
Total owners equity		70 107 763	70 107 763
Retained earnings			
Other equity	1	7 095 132	2 824 747
Total accumulated profits		7 095 132	2 824 747
Total equity		77 202 895	72 932 510
LIABILITIES			
Other non current liabilities			
Liabilities to financial institutions			
Liabilities to group companies	4	39 606 998	43 106 998
Total other non current liabilities		39 606 998	43 106 998
Current liabilities			
Group contribution	4	2 034 395	6 436 487
Trade creditors		134 333	439 569
Tax payable	5	-1 553 305	6 980 898
Public duties payable		4 717	4 745
Other current liabilities		479 239	174 306
Total current liabilities		1 099 379	14 036 005
Total Liabilities		40 706 377	57 143 003
TOTAL EQUITY AND LIABILITIES		117 909 272	130 075 513

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Oslo, February 16th 2021

Jukka Ilmari Toivonen
Chairman of the Board

Timo Honkanen
Board member

Timo Patana
Managing director

Risto Kantola
Board member



CASH FLOW STATEMENT

01.01 - 31.12

Eastern Norge Svartisen AS

Amount in EUR	2020	2019
Cash flow from operating activities		
Net result before taxes	3 998 807	11 212 622
Paid tax	-6 980 898	-5 922 003
Depreciation	3 397 863	3 398 537
Changes in account receivables and trade creditors	2 164 814	-2 016 934
Changes in other accruals	376 449	-799 937
Net cash flow from operating activities	2 957 036	5 872 286
Cash flow from investing activities		
Purchase of tangible fixed assets	-1	-4
Net cash flow from investing activities	-1	-4
Cash flow from financing activities		
Group contribution	-6 436 487	0
Paid dividends	0	0
New long term debt	0	0
Repayment of long term debt	-3 500 000	-6 209 000
Net cash flow from financing activities	-9 936 487	-6 209 000
Net change in cash and cash equivalents	-6 979 452	-336 718
Cash and cash equivalents at 01.01	12 708 401	13 045 119
Cash and cash equivalents at 31.12	5 728 949	12 708 401



Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act and generally accepted accounting principles.

Sales revenue

Sales revenues are recognized at the time of delivery. Loss or income on financial hedging instruments are classified as sales revenue and is recognized at the time of delivery for the secured power. Unrealized gain / losses related to hedging instruments is not reflected the financial statements.

Classification of items in the Balance Sheet

Net current assets and short term liabilities include items due less than one year from draw-down and items tied to the operating cycle. Other entries are classified as fixed assets and long term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, but is written down to fair value if the reduction is considered permanent. Long term debt are recognized at nominal value. 1st year of settlements do not reclassify as short term dept.

Account receivables

Account receivables and other current receivables are recorded in the balance sheet at cost less provisions for doubtful receivables. Provisions for doubtful receivables are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Monetary items in foreign exchange

Foreign currency transactions are recorded at transaction rate, while balance sheet items are recorded at year-end exchange rates.

Prepaid off-take rights

In 1998 Eastern Norge Svartisen AS entered into an agreement with Nordland Fylkeskommune and AS Nordlandskraft regarding off take rights of power from Svartisen powerstation. Currently the offtake right applies to 87 per cent of Fylkeskommunen's 30 per cent share in Svartisen powerstation. The contract covers a period of 55 years, with 33 years remaining. Eastern Norge Svartisen has to cover investment- and administration costs for their share of production in the plant as long as the agreement is in force. The company amortize the prepaid off take rights linearly over the lifetime.

Equipment

Equipment is capitalized and depreciated over the estimated useful economic life. Maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net fair value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between balance sheet values for accounting purposes and taxation purposes and taxation loss carried forward, at the year end. Temporary differences that can be offset is netted in the balance sheet. Deferred tax assets are recorded in the balance sheet to the extent it is highly probable that the tax assets will be utilized.



Ground interest tax

Ground interest is taxed by a rate of 37%. The taxation is based on hourly spot prices with deductions of operating cost. The company is allowed a minimum level of Ground Interest Income (Free Income) based on depreciated investment costs. Each powerstation is a taxable unit. Negative ground income is paid in the settlement with the income year according to the Tax Payment Act.

Natural resource tax

Natural resource tax is an income independent tax. It is estimated on the basis of average annual production the last 7 years. The tax rate is currently 1,3 øre/kwh. Natural resource tax can be deducted from income tax. It can also be deferred and it is therefore normally not considered as a tax-expense. Deferred natural resource is classified as a financial fixed asset.

Cash flow

The cash flow statement is made by indirect method. The cash flow statement contains cash, cash equivalents and other short term, liquied investments.

Functional and presentation currency.

Eastern Norge Svartisen AS has its financing agreements and sale revenues in EUR. As a result it was determined that the functional currency was EUR. Due to this, Eastern Norge Svartisen AS changed also its presentation currency to EUR.

Note 1 Owners equity

Amount in EUR

	Issued capital	Shared premium reserve	Other equity	Total equity
Owners equity 01.01	22 011 200	48 096 563	2 824 747	72 932 510
Profit for the year	0	0	5 857 213	5 857 213
Group contribution	0	0	-1 586 828	-1 586 828
Dividend payments	0	0	0	0
Owners equity 31.12.	22 011 200	48 096 563	7 095 132	77 202 895

Share capital

	Number of shares	Nominal value	Share capital
Ordinary shares	2 000 000	100	200 000 000 NOK 22 011 200 EUR

All the shares are owned by Svartisen Holding AS which have office in Oslo. Final accounts will be delivered from the accountant Azets Insight AS, avd. Trondheim on request.

Note 2 Intangible assets

Amount in EUR

Off take rights	2020	2019
Acquisition cost at 01.01	166 699 283	166 699 283
Purchase intangible fixed assets	0	0
Disposals intangible fixed assets	0	0
Acquisition cost 31.12	166 699 283	166 699 283
Accumulated amortization at 31.12	67 054 446	64 027 262
Net carrying amount at 31.12	99 644 838	102 672 022
Amortization for the year	3 027 185	3 027 185
Depreciation period	55 year	55 year



Note 3 Tangible fixed assets

Amount in EUR

Equipment	2020	2019
Acquisition cost at 01.01.	16 016 640	16 016 636
Purchase	0	4
Acquisition cost 31.12.	16 016 640	16 016 640
Accumulated depreciation 31.12.	4 273 445	3 902 767
Net carrying amount at 31.12.	11 743 195	12 113 873
Depreciation for the year	370 678	371 352
Depreciation operating equipment	3 years	3 years
Depreciation new and renovated turbine	40 years	40 years

Note 4 Intercompany balance group company and associate

Amount in EUR

	2020	2019
Short term debt on Svartisen Holding	-2 034 395	-6 436 487
Loan from Svartisen Holding	-39 606 998	-43 106 998
Total	-41 641 393	-49 543 485

The loan was converted from NOK to EUR at 01.01.2017. The loan can be terminated by Svartisen Holding AS. If the loan is terminated it must be redeemed within 10 workdays. No such termination is done as of today. Svartisen Holding has also committed them selfs not to claim termination in 2021. Part of the loan, not exceeding 10% of the loan, might be repaid during 2021 subject to the equity situation in Eastern Norge Svartisen AS. The agreement prevents Eastern Norge Svartisen to mortgage assets. The creditor can claim pledge. The interest rate on the loan is 3 % from 08.03.2017.



Note 5 Income taxes

Amount in EUR

Tax expenses	2020	2019
Income Tax payable	0	1 187 692
Use of not capitalized losses carried forward	0	0
Tax effect on group contribution	447 567	1 416 027
Changes in prior years taxes	0	36
Currency effect	0	0
Ground interest tax payable	-2 305 972	6 022 245
Change in natural resource tax carried forward	0	239 155
Natural resource tax payable	752 667	949 978
Natural resource tax deductible from income tax	-752 667	-1 179 017
Total income tax expense	-1 858 405	8 636 116

Tax base estimation

Profit before tax	3 998 807	11 212 622
Currency effect	-1 970 156	622 759
Permanent differences	5 743	-292
Group contribution	-2 034 395	-6 436 487
Changes in losses carried forward	0	0
Changes in temporary differences	0	0
Tax base	0	5 398 602

Temporary differences outlined

Provisions	0	0
Loss carried forward	0	0
Total	0	0

Balance sheet items

Calculated income taxes	0	1 187 692
Deduction paid natural resource taxes		-1 179 017
Calculated natural resource tax	752 667	949 978
Ground interest tax payable	-2 305 972	6 022 245
This year tax payable in the balance sheet	-1 553 305	6 980 898

Deferred income tax asset (liability) nominal value	0	0
Not capitalized tax assets	0	0
Deferred tax assets in the balance sheet	0	0

Deductable natural resource tax in the balance sh	0	0
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Effective tax rate

	2020	2019
Expected income taxes, statutory		
Tax rate 22%	879 738	2 466 777
Permanent differences (22%)	1 264	-64
Currency effect	-433 434	137 007
Ground interest tax payable	-2 305 972	6 022 245
Changes in prior years taxes	0	36
Currency effec nat.rec tax forwarded	0	10 115
Income tax expense	-1 858 405	8 636 116

Effective tax rate in %	-46,5 %	77,0 %
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Note 6 Fees

Amount in EUR

There are no employees in the company

Management remuneration	Board of Directors	Managing director
Salary	0	34 200
Committee fee	28 350	0
Employers' contribution	2 240	2 702
Total	30 590	36 902

There are no agreements about servance pay to the management. The Company is not included in mandatory occupational pension.

Auditor	2020	2019
Auditing fee	13 032	5 953
Tax assistance	0	0

The amounts are excl. VAT

Note 7 Items consisting of consolidated amounts

Amount in EUR

Finance Income	2020	2019
Currency gain	0	0
Other interest income	604 061	3 665
Total finance income	604 061	3 665

Finance Costs	2020	2018
Interest expense from group companies	1 214 459	1 380 799
Other interest expenses	78 319	60 246
Currency loss	829 489	381 030
Total finance costs	2 122 267	1 822 075

Note 8 Long term powersalesagreement

Eastern Norge Svartisen AS sells its production to Statkraft in the spot market. They have entered into a contract with owners Vantaan Energia Oy, Turku Energia Oy and Oulun Seudun Sähkö who purchases production until 2027 to a fixed price. Deviation between fixed and market price is settled financially with owners.

Market value for this SWAP is 31.12.2020 EUR -233 700

Yearly income attached to the agreement will be:

Year	000 EUR
Yearly 2018 - 2027	12 540

In addition to the SWAP, Vantaan Energia OY, Turku Energia Oy and Oulun Seudun Sähkö has agreed to each year compensate the payable tax (from ground interest and income tax) that Eastern Norge Svartisen AS is obliged to pay under Norwegian Tax regulations, as part of their purchase cost for electricity from Eastern Norge Svartisen AS



Note 9 Forward contracts

Eastern Norge Svarisen AS purchased NOK forwards of 50 mNOK to hedge operating costs in the period 2018 - 2022.

Current market value is EUR -823 121.



Directors' Report 2020

Eastern Norge Svartisen AS

Eastern Norge Svartisen AS (hereinafter ENS) was founded on 12 October 1998. On 29 December 2003, ENS became a wholly owned subsidiary of Svartisen Holding AS.

In 1998, ENS entered into an agreement with Nordland Fylkeskommune and AS Nordlandskraft regarding offtake rights of power from the Svartisen power plant. Currently the offtake right applies to 87 per cent of Fylkeskommune's 30 per cent share in the Svartisen power plant. The contract covers 55 years with 32 years currently remaining.

As a part of the administration process of TXU Europe Group plc and as a result of an international tender process, a Finnish consortium consisting of Vantaan Energia Oy, Oy Turku Energia – Åbo Energi Ab and Keskusosuuskunta Oulun Seudun Sähkö acquired the entire share capital of ENS on 29 December 2003 through a Norwegian holding company Svartisen Holding AS. Svartisen Holding AS was established for the purposes of conducting the share purchase transaction.

Organization

ENS is a company, which has a part-time Managing Director based in Finland. The management of the company is organized with the assistance from the parent company Svartisen Holding AS and outside service providers like Power-Deriva Oy, Azets Insight AS and the law firm Gram, Hambro & Garman. ENS has an office in Bodo.

The Board of Directors on 2020 has been: Mr. Jukka Toivonen (Chairman), Mr. Timo Honkanen and Mr. Risto Kantola. Mr Timo Patana has been the Managing Director during the year 2020.

Environment

ENS does not pollute the external environment beyond what is normal for this type of activity.

Equal status

Although the Company endeavours to avoid the gender discrimination, as of 31 December 2020 the Board consists of three men and no woman. There are no plans currently to increase the number of women.

Production

ENS has made a long-term lease agreement which gives ENS a right to use 26,1 % of the Svartisen's power plant's electricity production capacity. Vantaan Energia, Turku Energia and Oulun Seudun Sähkö (hereinafter as Counterparties) have right to nominate power from the power plant as mentioned above.



There is an agreement, a SWAP Contract (hereinafter as ESC), between ENS and Counterparties. The ESC effectively fixes the payment that ENS receives and the Counterparties pay. Under the ESC the Counterparties receive a payment based on a floating price and a time-varying quantity of electricity from the Svartisen's power plant by each Counterparty. The ESC was originally in effect until 31.12.2022 and has been extended until 31.12.2027. The ESC has been amended 2019 and onwards to compensate the effect of the Ground Interest Tax by Counterparties.

During the year 2020, the electricity production for the buyers under the long-term swap agreement was 42,3 GWh, which is about 590 GWh less than in 2020. The production was about 7 percent of the long-term average yearly water inflow.

Besides annual service periods, there was one major unavailability for a limited period of time. The Generator G2 was unavailable 27.7.2020-25.9.2020. The unavailability had no effect on the production, as price levels at the time were extremely low.

The water inflow was 691 GWh which is above the long-term average 570 GWh. The water level in the reservoir increased. At the end of 2020, ENS's share of the energy content in the reservoir was 829 GWh, which is 578 GWh more than at the end of 2019. ENS's share of the total capacity of the reservoir is 1311 GWh. ENS's share of the concession power sales was 53 GWh.

Sales

The Financial Statements for 2020 show sales of 13.092 million EUR. It is about 42,5 % less than in the year before. Due to very low amount of production there was no taxable income in Ground Interest Taxation.

Commentary to the Annual Accounts

During the year 2020 operating expenses were as expected and on the same level as 2019. Changes in the Ground interest tax mechanism increased the profitability essentially.

The net profit was 5.857 million EUR which is 3.280 million EUR higher than the profit in 2019. The net cash flow for 2020 was 2.957 million EUR.

Financing

As a part of the acquisition of the ENS shares in 2003, a refinancing took place. The earlier long-term bond financing was repaid in full in the connection with the closing of the share purchase transaction with an intra group loan provided by Svartisen Holding AS and by using accumulated cash reserves in ENS accounts.

The repayment of the intragroup loan will be determined annually based on actual annual revenues and accrued expenses. There was a repayment of 3.500 million EUR during the year 2020 and at the end of the year the loan was 39.606.998 EUR.

Most of the company's sales revenues are in EUR. The operating expenses are approximately 50 million NOK annually. The Company can eliminate most of the currency exchange changes by



using FX forward. The Company has done FX forward NOK by the total amount of 50 million NOK until year 2022.

Going Concern Assumption

In the view of the reviewed anticipated cash flows of the Company, the directors are satisfied that it will have access to sufficient cash resources to meet with its obligations as they fall due. In accordance with the provisions of the Norwegian Accounting Act, the company confirms that the accounts have been prepared on the going concern assumption.

Future Development

ENS has the Electricity SWAP agreement with Svartisen Holding AS Counterparties. Due to the SWAP agreement ENS is not exposed to financial risks related to the water volume and the power market price during the agreement period. The company is exposed to risks related to production costs, the technical availability of the plant and the exchange rate. During the years 2021-2023, yearly revenues will be in the range of about 15 - 25 million EUR.

The power production in year 2021 is estimated to be more than in 2020. The operational costs are expected to be approximately at the same level as during the year 2020.

Allocation of the net profit

Eastern Norge Svartisen AS reported a net profit of 5.857 million EUR. The board proposes to give a group contribution of 1.586.828 EUR. The company has other equity of 7.095 million EUR as of 31 December 2020.

After the end of the financial period, no essential changes have taken place in the financial position of the Company. The Board of Directors is of the opinion that the proposed distribution of the profit does not endanger the liquidity of the company.

Eastern Norge Svartisen AS

Oslo, 16th of February 2021

Jukka Toivonen
Chairman of the Board

Timo Honkanen
Board Member

Risto Kantola
Board Member

Timo Patana
Managing Director

**SIGNATURES****ALLEKIRJOITUKSET****UNDERSKRIFTER****SIGNATURER****UNDERSKRIFTER**

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Dette dokument indeholder 3 sider før denne side

Detta dokument innehåller 3 sidor före denna sida

RISTO SAKARI KANTOLA

7dee7d67-a85a-497b-b8eb-e70aa513bd05 - 2021-02-17 13:46:52 UTC +02:00
BankID / MobileID - eefec1c4-ea3b-4df1-9ee9-820799213981 - FI

TIMO TEUVO PATANA

b04ff164-f9d8-400c-a67d-00c07de17023 - 2021-02-17 13:44:42 UTC +02:00
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TIMO KALEVI HONKANEN

397dc4b3-31c1-4ddd-9377-5406d44ef75a - 2021-02-17 14:19:03 UTC +02:00
BankID / MobileID - 1c079678-9f95-47f5-9add-ba548855a8e9 - FI

JUKKA TOIVONEN

4e543acc-11b1-4472-a44b-0bd99f933650 - 2021-02-19 15:57:06 UTC +02:00
BankID / MobileID - eaaaacbb0-9000-4aa4-923f-8b114f4922ce - FI

authority to sign
representative
custodial

asemavaltuus
nimenkirjoitusoikeus
huoltaja/edunvalvoja

ställningsfullmakt
firmateckningsrätt
förvaltare

autoritet til å signere
representant
foresatte/verge

myndighed til at underskrive
repræsentant
frihedsberøvende

Electronically signed / Sähköisesti allekirjoitettu / Elektroniskt signerats / Elektronisk signert / Elektronisk underskrevet
<https://sign.visma.net/fi/document-check/12a9b475-c421-4a4c-89bf-fea0158921d9>

VISMA Sign
www.vismasign.com



Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 23.11.2010	Vår dato 16.12.2010
Telefon 22077325	Deres referanse Suzanne Amundsen	Vår referanse 2010/1220039

Ernst & Young AS
Oslo Atrium, Postboks 20
0051 Oslo

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk

Det vises til deres brev av 23. november 2010 hvor det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskap:

- Svartisen Holding AS Org. nr: 985 943 265
- Eastern Norge Svartisen AS Org. nr: 980 251 160

Bakgrunn:

Fra deres brev gjengis:

"Svartisen Holding AS er et holdingselskap med forretningsadresse i Oslo, som er eid av eid av tre finske kommunale kraftselskaper. Selskapet eier 100 % av aksjene i Eastern Norge Svartisen AS.

Eastern Norge Svartisen AS er et kraftselskap med forretningsadresse i Bodø som eier en uttaksrett ved Svartisen kraftverk. Eastern Norge Svartisen har solgt sin fremtidige kraftproduksjon de nærmeste årene.

Kraftbransjen har et sterkt innslag av internasjonale aktører, der samtlige behersker engelsk. Begge selskapene har finsk daglig leder og samtlige styremedlemmer er også finske. Ingen av disse personene snakker norsk og det er engelsk og finsk som blir benyttet som arbeidsspråk.

Det er heller ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk, siden selskapenes bankforbindelser etterspør all informasjon på engelsk eller finsk.

Da den norske versjonen kun utarbeides for å tilfredsstille regnskapsloven, anses nytten ikke å forsvare kostnaden, det søkes derfor om dispensasjon."

Skattedirektoratets vurdering og konklusjon

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."

Postadresse Postboks 9200 Grønland 0134 Oslo skattedirektoratet@skatteetaten.no	Besøksadresse Fredrik Selmers vei 4 Org. nr: 974761076	Sentralbord 800 80 000 Telefaks 22 17 08 60
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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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

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

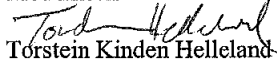
Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjonen som skal vurderes ved en dispensasjonssøknad. Selv om de norske selskapene har vesentlige inntekter i Norge, er selve driftsaktivitetene begrenset hva angår ansatte og antall transaksjoner. Selskapets eiere, styre og daglige ledelse snakker ikke norsk. Selskapene er finansiert fra utlandet.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland

seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Hoelstad