



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	984 616 155
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SMÅKRAFT AS
Forretningsadresse:	Solheimsgaten 15 5058 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Tone Kirkhus Aarø
Dato for fastsettelse av årsregnskapet:	30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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

Brønnøysundregistrene, 01.08.2023



Resultatregnskap

Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		30 643 000	8 985 000
Urealisert verdiendring sikringskontrakter		-33 396 000	9 698 000
Realisert tap sikringskontrakter		-19 524 000	8 712 000
Annen driftsinntekt		2 586 000	438 000
Sum inntekter	9	-19 691 000	27 833 000
Kostnader			
Lønn og tilhørende kostnader	10	3 011 000	2 643 000
Av- og nedskrivninger av anleggsmidler og immaterielle eiendeler	15, 17	8 514 000	7 840 000
Annen driftskostnad	11	11 093 000	10 047 000
Sum kostnader		22 618 000	20 530 000
Driftsresultat		-42 309 000	7 303 000
Finansinntekter og finanskostnader			
Annen renteinntekt	14	19 982 000	3 885 000
Sum finansinntekter		19 982 000	3 885 000
Annen rentekostnad	14	5 945 000	17 978 000
Sum finanskostnader		5 945 000	17 978 000
Netto finans		14 037 000	-14 093 000
Ordinært resultat før skattekostnad		-28 272 000	-6 790 000
Skattekostnad på ordinært resultat	23	-6 237 000	-1 457 000
Ordinært resultat etter skattekostnad		-22 035 000	-5 333 000
Årsresultat		-22 035 000	-5 333 000
Presentasjon valutaeffekt		10 430 000	-11 436 000
Sum resultatkomponenter for IFRS-foretak		10 430 000	-11 436 000
Totalresultat		-11 605 000	-16 769 000



Balanse

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	23	14 569 000	7 844 000
Goodwill	15	2 735 000	2 609 000
Annen immaterielle eiendeler	15	17 632 000	14 770 000
Sum immaterielle eiendeler		34 936 000	25 223 000
Varige driftsmidler			
Tomter, bygninger og utstyr	17	220 399 000	237 395 000
Sum varige driftsmidler		220 399 000	237 395 000
Finansielle anleggsmidler			
Investering i datterselskap	5, 19	276 738 000	111 190 000
Lån til foretak i samme konsern	21	64 524 000	45 795 000
Investeringer i tilknyttet selskap	18	1 251 000	1 194 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	20, 21	3 856 000	4 892 000
Andre langsiktige fordringer	20	5 819 000	5 089 000
Sum finansielle anleggsmidler		352 188 000	168 160 000
Sum anleggsmidler		607 523 000	430 778 000
Omløpsmidler			
Varer			
Inventar		69 000	67 000
Inventar EL-sertifikater	12	130 000	146 000
Sum varer		199 000	213 000
Fordringer			
Kundefordringer	13, 21	5 395 000	1 288 000
Andre fordringer		521 000	2 959 000
Sum fordringer		5 916 000	4 247 000
Investeringer			
Derivater	13	1 482 000	8 077 000
Sum investeringer		1 482 000	8 077 000



Balanse

Beløp i: EUR	Note	2021	2020
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		15 963 000	9 576 000
Sum bankinnskudd, kontanter og lignende		15 963 000	9 576 000
Sum omløpsmidler		23 560 000	22 113 000
SUM EIENDELER		631 083 000	452 891 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	22	20 039 000	16 706 000
Overkurs		247 533 000	188 722 000
Annen innskutt egenkapital		74 159 000	0
Sum innskutt egenkapital		341 731 000	205 428 000
Opptjent egenkapital			
Opptjent egenkapital		-17 975 000	4 244 000
Sum opptjent egenkapital		-17 975 000	4 244 000
Sum egenkapital		323 756 000	209 672 000
Gjeld			
Langsiktig gjeld			
Leieforpliktelser		749 000	0
Sum avsetninger for forpliktelser		749 000	0
Annen langsiktig gjeld			
Langsiktig konserngjeld	13	256 570 000	49 912 000
Sum annen langsiktig gjeld		256 570 000	49 912 000
Sum langsiktig gjeld		257 319 000	49 912 000
Kortsiktig gjeld			
Leverandørgjeld		1 729 000	1 884 000
Skyldige offentlige avgifter		1 864 000	209 000



Balanse

Beløp i: EUR	Note	2021	2020
Utbytte		2 703 000	0
Derivater	13	27 768 000	490 000
Lån	13	7 004 000	187 176 000
Annen kortsiktig gjeld		8 940 000	3 548 000
Sum kortsiktig gjeld		50 008 000	193 307 000
 Sum gjeld		 307 327 000	 243 219 000
 SUM EGENKAPITAL OG GJELD		 631 083 000	 452 891 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		56 168 000	11 926 000
Urealisert verdiendring sikringskontrakter		-33 397 000	9 698 000
Realisert tap sikringskontrakter		-19 524 000	8 712 000
Annen driftsinntekt		2 720 000	805 000
Sum inntekter	10	5 967 000	31 141 000
Kostnader			
Lønnskostnad	11	3 088 000	2 686 000
Avskrivning på driftsmidler og immaterielle eiendeler	16, 18	15 561 000	11 454 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	16, 18	269 000	271 000
Annen driftskostnad	12	19 263 000	12 713 000
Sum kostnader		38 181 000	27 124 000
Driftsresultat		-32 214 000	4 017 000
Finansinntekter og finanskostnader			
Annen renteinntekt	15	19 788 000	3 062 000
Sum finansinntekter		19 788 000	3 062 000
Annen rentekostnad	15	7 712 000	20 066 000
Sum finanskostnader		7 712 000	20 066 000
Netto finans		12 076 000	-17 004 000
Ordinært resultat før skattekostnad		-20 138 000	-12 987 000
Skattekostnad på ordinært resultat	23	-3 974 000	-3 225 000
Ordinært resultat etter skattekostnad		-16 164 000	-9 762 000
Årsresultat		-16 164 000	-9 762 000
Presentasjon valutaeffekt		10 950 000	-11 732 000
Sum resultatkomponenter for IFRS-foretak		10 950 000	-11 732 000
Totalresultat		-5 214 000	-21 494 000



Konsernets balanse

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	23	7 311 000	3 200 000
Goodwill	16	7 924 000	7 605 000
Annen immaterielle eiendeler	16	155 062 000	77 775 000
Sum immaterielle eiendeler		170 297 000	88 580 000
Varige driftsmidler			
Tomter, bygninger og utstyr	18	479 919 000	384 341 000
Sum varige driftsmidler		479 919 000	384 341 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	19	2 058 000	1 526 000
Andre langsiktige fordringer	20, 27	11 110 000	10 382 000
Sum finansielle anleggsmidler		13 168 000	11 908 000
Sum anleggsmidler		663 384 000	484 829 000
Omløpsmidler			
Varer			
Inventar		150 000	67 000
Inventar EL-sertifikater	13	149 000	162 000
Sum varer		299 000	229 000
Fordringer			
Kundefordringer		936 000	1 334 000
Andre fordringer		1 154 000	3 526 000
Sum fordringer		2 090 000	4 860 000
Investeringer			
Derivater	14	1 492 000	8 083 000
Andre omløpsmidler		97 000	92 000
Sum investeringer		1 589 000	8 175 000
Bankinnskudd, kontanter og lignende			



Konsernets balanse

Beløp i: EUR	Note	2021	2020
Bankinnskudd, kontanter og lignende	24	44 438 000	19 870 000
Sum bankinnskudd, kontanter og lignende		44 438 000	19 870 000
Sum omløpsmidler		48 416 000	33 134 000
SUM EIENDELER		711 800 000	517 963 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	22	20 039 000	16 706 000
Overkurs		247 533 000	188 722 000
Ikke registrert kapitalforhøyelse		74 159 000	0
Sum innskutt egenkapital		341 731 000	205 428 000

Opptjent egenkapital

Opptjent egenkapital		-16 792 000	798 000
Sum opptjent egenkapital		-16 792 000	798 000

Minoritetsinteresser		14 270 000	11 796 000
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Sum egenkapital		339 209 000	218 022 000
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Gjeld

Langsiktig gjeld

Utsatt skatt	23	122 000	1 564 000
Leieforpliktelser		2 545 000	0
Sum avsetninger for forpliktelser		2 667 000	1 564 000

Annen langsiktig gjeld

Langsiktig konserngjeld	14	316 047 000	82 431 000
Derivater	14	99 000	287 000
Sum annen langsiktig gjeld		316 146 000	82 718 000

Sum langsiktig gjeld		318 813 000	84 282 000
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Kortsiktig gjeld



Konsernets balanse

Beløp i: EUR	Note	2021	2020
Leverandørgjeld		2 886 000	2 587 000
Betalbar skatt	23	1 506 000	0
Skyldige offentlige avgifter		2 842 000	229 000
Utbytte		2 703 000	0
Derivater	14	27 768 000	490 000
Lån	14	8 960 000	208 360 000
Annen kortsiktig gjeld		7 113 000	3 994 000
Sum kortsiktig gjeld		53 778 000	215 660 000
 Sum gjeld		 372 591 000	 299 942 000
 SUM EGENKAPITAL OG GJELD		 711 800 000	 517 964 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 837979

Enheten

Organisasjonsnummer: 984 616 155
Organisasjonsform: Aksjeselskap
Foretaksnavn: SMÅKRAFT AS
Forretningsadresse: Solheimsgaten 15
5058 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: IFRS
Benyttet ved utarbeidelsen av
årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tone Kirkhus Aarø
Dato for fastsettelse av årsregnskapet: 30.06.2022

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja
Ekstern autorisert regnskapsfører har i
løpet av regnskapsåret bistått ved den
løpende regnskapsføringen eller utført
andre tjenester for selskapet enn å
utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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, 09.08.2022

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 984 616 155
SMÅKRAFT AS

RESULTATREGNSKAP

Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		30 643 000	8 985 000
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Finansinntekter og finanskostnader			
Annen renteinntekt	14	19 982 000	3 885 000
Sum finansinntekter		19 982 000	3 885 000
Annen rentekostnad	14	5 945 000	17 978 000
Sum finanskostnader		5 945 000	17 978 000
Netto finans		14 037 000	-14 093 000
Ordinært resultat før skattekostnad			
Skattekostnad på ordinært resultat	23	-6 237 000	-1 457 000
Ordinært resultat etter skattekostnad		-22 035 000	-5 333 000
Årsresultat		-22 035 000	-5 333 000
Presentasjon valutaeffekt		10 430 000	-11 436 000
Sum resultatkomponenter for IFRS-foretak		10 430 000	-11 436 000
Totalresultat		-11 605 000	-16 769 000



Organisasjonsnr: 984 616 155
SMÅKRAFT AS

BALANSE

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	23	14 569 000	7 844 000
Goodwill	15	2 735 000	2 609 000
Annen immaterielle eiendeler	15	17 632 000	14 770 000
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Varige driftsmidler			
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Sum anleggsmidler		607 523 000	430 778 000
Omløpsmidler			
Varer			
Inventar		69 000	67 000
Inventar EL-sertifikater	12	130 000	146 000
Sum varer		199 000	213 000
Fordringer			
Kundefordringer	13, 21	5 395 000	1 288 000
Andre fordringer		521 000	2 959 000
Sum fordringer		5 916 000	4 247 000
Investeringer			
Derivater	13	1 482 000	8 077 000
Sum investeringer		1 482 000	8 077 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		15 963 000	9 576 000
Sum bankinnskudd, kontanter og lignende		15 963 000	9 576 000



Sum omløpsmidler		23 560 000	22 113 000
SUM EIENDELER		631 083 000	452 891 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	22	20 039 000	16 706 000
Overkurs		247 533 000	188 722 000
Annen innskutt egenkapital		74 159 000	0
Sum innskutt egenkapital		341 731 000	205 428 000
Opptjent egenkapital			
Opptjent egenkapital		-17 975 000	4 244 000
Sum opptjent egenkapital		-17 975 000	4 244 000
Sum egenkapital		323 756 000	209 672 000
Gjeld			
Langsiktig gjeld			
Leieforpliktelser		749 000	0
Sum avsetninger for forpliktelser		749 000	0
Annen langsiktig gjeld			
Langsiktig konserngjeld	13	256 570 000	49 912 000
Sum annen langsiktig gjeld		256 570 000	49 912 000
Sum langsiktig gjeld		257 319 000	49 912 000
Kortsiktig gjeld			
Leverandørgjeld		1 729 000	1 884 000
Skyldige offentlige avgifter		1 864 000	209 000
Utbytte		2 703 000	0
Derivater	13	27 768 000	490 000
Lån	13	7 004 000	187 176 000
Annen kortsiktig gjeld		8 940 000	3 548 000
Sum kortsiktig gjeld		50 008 000	193 307 000
Sum gjeld		307 327 000	243 219 000
SUM EGENKAPITAL OG GJELD		631 083 000	452 891 000



Organisasjonsnr: 984 616 155
SMÅKRAFT AS

KONSERNRESULTATREGNSKAP

Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		56 168 000	11 926 000
Urealisert verdiendring sikringskontrakter		-33 397 000	9 698 000
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Sum resultatkomponenter for IFRS-foretak		10 950 000	-11 732 000
Totalresultat		-5 214 000	-21 494 000



Organisasjonsnr: 984 616 155
SMÅKRAFT AS

KONSERNBALANSE

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	23	7 311 000	3 200 000
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Omløpsmidler			
Varer			
Inventar		150 000	67 000
Inventar EL-sertifikater	13	149 000	162 000
Sum varer		299 000	229 000
Fordringer			
Kundefordringer		936 000	1 334 000
Andre fordringer		1 154 000	3 526 000
Sum fordringer		2 090 000	4 860 000
Investeringer			
Derivater	14	1 492 000	8 083 000
Andre omløpsmidler		97 000	92 000
Sum investeringer		1 589 000	8 175 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	24	44 438 000	19 870 000
Sum bankinnskudd, kontanter og lignende		44 438 000	19 870 000
Sum omløpsmidler		48 416 000	33 134 000
SUM EIENDELER		711 800 000	517 963 000



BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	22	20 039 000	16 706 000
Overkurs		247 533 000	188 722 000
Ikke registrert kapitalforhøyelse		74 159 000	0
Sum innskutt egenkapital		341 731 000	205 428 000

Opptjent egenkapital

Opptjent egenkapital		-16 792 000	798 000
Sum opptjent egenkapital		-16 792 000	798 000

Minoritetsinteresser		14 270 000	11 796 000
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Sum egenkapital		339 209 000	218 022 000
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Gjeld

Langsiktig gjeld

Utsatt skatt	23	122 000	1 564 000
Leieforpliktelser		2 545 000	0
Sum avsetninger for forpliktelser		2 667 000	1 564 000

Annen langsiktig gjeld

Langsiktig konserngjeld	14	316 047 000	82 431 000
Derivater	14	99 000	287 000
Sum annen langsiktig gjeld		316 146 000	82 718 000

Sum langsiktig gjeld		318 813 000	84 282 000
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Kortsiktig gjeld

Leverandørgjeld		2 886 000	2 587 000
Betalbar skatt	23	1 506 000	0
Skyldige offentlige avgifter		2 842 000	229 000
Utbytte		2 703 000	0
Derivater	14	27 768 000	490 000
Lån	14	8 960 000	208 360 000
Annen kortsiktig gjeld		7 113 000	3 994 000
Sum kortsiktig gjeld		53 778 000	215 660 000

Sum gjeld		372 591 000	299 942 000
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SUM EGENKAPITAL OG GJELD		711 800 000	517 964 000
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Organisasjonsnr: 984 616 155
SMÅKRAFT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
10

Antall årsverk i regnskapsåret
25.00

Sum	Beløp
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Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.
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Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets
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Samlet beløp - foretak i samme konsern	Årets	Fjorårets
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Samlet beløp - foretak i samme konsern	Årets	Fjorårets
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Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets
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Pantstillelse	Beløp
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Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.
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Organisasjonsnr: 984 616 155
SMÅKRAFT AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
11

Antall årsverk i regnskapsåret
26.00

Sum	Beløp
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Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.
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Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets
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Samlet beløp - foretak i samme konsern	Årets	Fjorårets
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Samlet beløp - foretak i samme konsern	Årets	Fjorårets
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Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets
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Pantstillelse	Beløp
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Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.
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To the General Meeting of Småkraft AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Småkraft AS (the Company), which comprise the statement of financial position as at 31 December 2021, the statement of profit and loss, statements of changes in equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Småkraft AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the statements of income and other comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in

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



Independent Auditor's Report - Småkraft AS



accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 1 November 2017 for the accounting year 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The company's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or events that qualified as new Key Audit Matters. Our areas of focus are therefore unchanged from the previous year.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Valuation of power plants and waterfall rights</i>	We obtained management's model for impairments and assessed whether it contained the key elements required. We challenged management's assessment of the indications of a need for impairment or reversal of any previous impairments for these assets. In order to consider management's use of key assumptions in the impairment model we compared the applied future prices for power and power certificates to comparable price information from independent sources. We found that the prices corresponded to the information from independent sources. We reviewed volume used in the valuation report against actual historical production volume and expected production capability. We compared future cost level used in the impairment model to historical costs and discussed material differences with management. We discussed the principles for assessment of future maintenance requirements and cost estimates with management and compared these to historical levels and estimates provided from independent sources. Our tests show that management's cost estimate is supported by reliable documentation. We compared calculated market values in the valuation report to historical transaction prices of comparable power plants obtained from independent sources in the market and found a reasonable resemblance. We reviewed the applied discount rate by comparing the

(2)

Independent Auditor's Report - Småkraft AS



to the group's note 18 to the financial statements dealing with property, plant and equipment, note 16 intangible assets, note 3 important accounting estimates and judgements and note 17 impairment testing.

applied assumptions to data from relevant internal and external sources. We found the discount rate to be within an acceptable interval. We tested whether the models used to determine recoverable amount make mathematical calculations as assumed without finding material errors.

We also reviewed the information in note 3, 16, 17 and 18 regarding the impairment assessment of power plants and found that it provided appropriate information in accordance with accounting regulations.

Other Information

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

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

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

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

(3)



Independent Auditor's Report - Småkraft AS



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 or the Group'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 and the Group'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 and the Group 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

(4)



Independent Auditor's Report - Småkraft AS



We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name Småkraftas-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 22 March 2022

PricewaterhouseCoopers AS

Pål Bakke

State Authorised Public Accountant

(This document is signed electronically)



Revisjonsberetning

Signers:

Name	Method	Date
Bakke, Pål	BANKID_MOBILE	2022-03-23 08:00

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.



kraft®



*Intake Årvik power plant
Photo: Småkraft*



WHAT WE DO



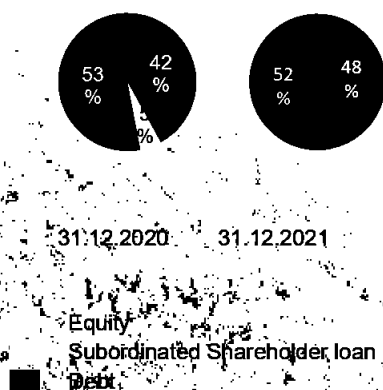
Småkraft is a producer of renewable energy. Our fleet of 161 hydropower plants is spread all across Norway, and delivers a mean annual production capacity of 1,7 TWh, making Småkraft Europe's largest owner and operator within its niche.

Small-scale hydropower borrows water which naturally flow in the river and utilizes the topography of the landscape to produce renewable and sustainable electricity. A minimum water level is maintained in the original river and the water used to produce electricity is returned once it passes through the turbine. The electricity grid transports and distributes our electricity out to consumers.

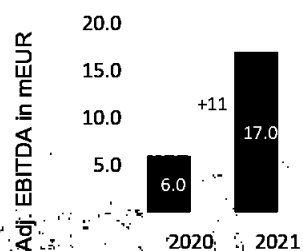
The values created are shared with our stakeholders including owners, creditors & debt investors, local landowners, local municipalities, local societies and society in general. For more than 15 years, Småkraft has invested heavily in the generation of new renewable energy for the Nordic and European power markets. Our contribution to one of the biggest challenges of our time, the transformation to a renewable and sustainable society powered by renewable energy, is to continue our commitment to grow.



Stable and strong equity ratios, as growth financed by equity and issuance of second green bond

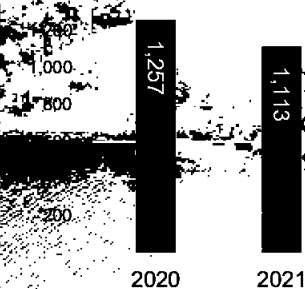


Adj. EBITDA increased by 183% due to higher power prices and increased capacity



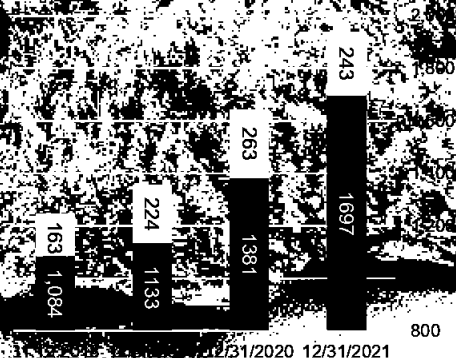
*Adj. EBITDA = operating profit + impairments + depreciations + unrealized hedge gain or loss

Low precipitation decreased production in 2021 compared to 2020 despite higher capacity



Net production delivered on the grid, excluding grid losses, consumption, and bilateral agreements.

% capacity growth in 2021



Signed contracts for new powerplants (GWh)
Current production capacity (GWh)

HIGHLIGHTS 2021



Renewable Power Production

Weak hydrology and low precipitation reduced production in 2021. In total Småkraft produced 1133 GWh renewable energy compared to 1257 GWh in 2020 despite growth in the portfolio in 2021.



Sustainability

Småkraft has achieved the highest score and is Sector leader in the annual Global ESG Benchmark (GRESB) sustainability assessment within its peer group. GRESB assessment are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments.

During the reporting period, Småkraft experienced no material Health, Safety and Environmental-(HSE) incident.



Market update

Fueled by strong CO₂- and gas prices, new inter-connectors and weak hydrology, the average monthly spot prices in the Nordics increased from 11 EUR/ MWh in 2020 to 62 EUR/ MWh. In December monthly spot price increased to all time high of 147 EUR/MWh.

Limited interconnector capacity from the Northern parts to the Southern parts also gave significant price differences between the Nordic price areas. The strongest price area had an average monthly spot price of more than 75 EUR/ MWh, while the weakest one had 41 EUR/ MWh. The difference between the price zones has never been higher.



Company Objectives

During 2021, Småkraft has acquired and developed in total 34 powerplants of in total 316 GWh. 12 of the powerplants with a capacity of 43 GWh were acquired in Sweden. Småkraft's entry into Sweden extends Småkraft's ambitious and successful strategy in the consolidation of small hydro operations.

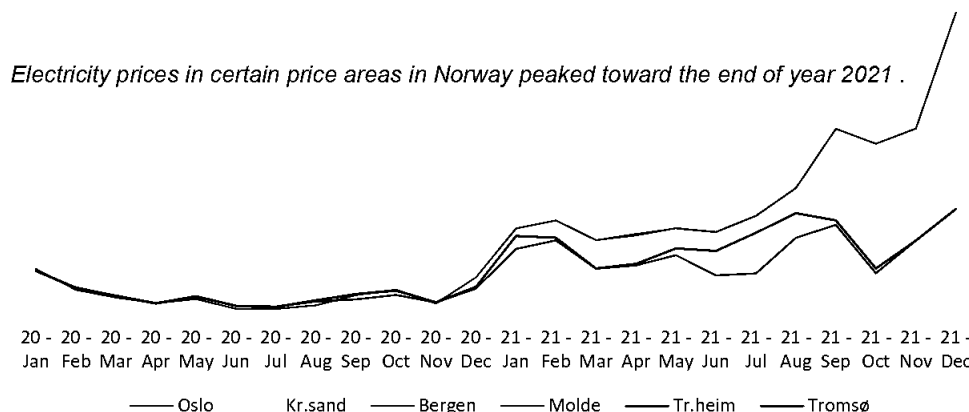
LETTER FROM THE CEO



Improved financial performance despite a dry year

While 2020 was a particularly mild and wet year with low energy prices in Norway, 2021 started out dry, and during the spring the reservoir filling decreased. The energy prices normalized during the spring, especially in the southern parts of Norway.

Historically there have been low regional price differences between the prize zones, but gradually these differences increased. From September the prize level peaked, and in parallel the production improved especially in October and November.



Utilizing the price increase to improve our financial performance

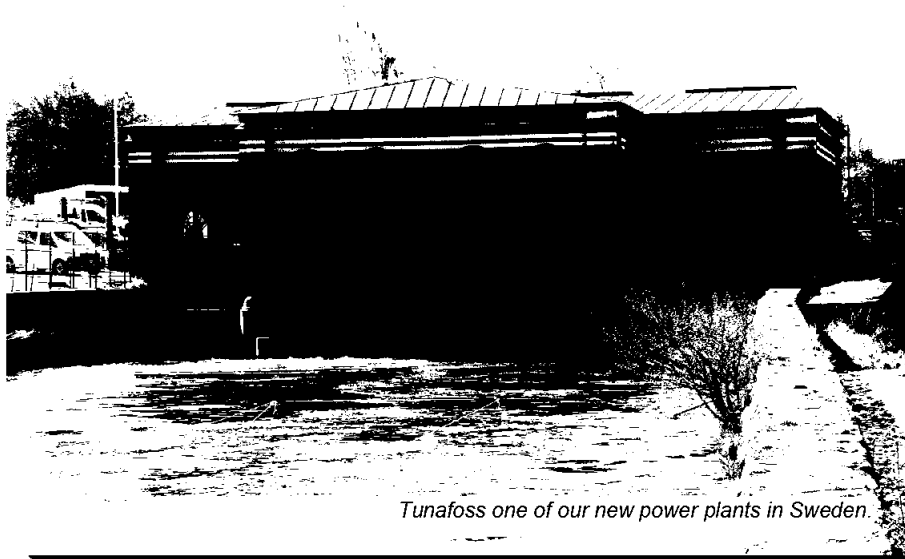
The global shift towards renewable energy and consensus from the analytics, indicate that Norway needs to generate an additional 50TWh renewable energy by 2050, further substantiating the strong potential for Småkraft. In 2021 the EBITDA level improved by 177% from 2020, but it was still somewhat limited by the pre-sold part of our production. Compared to last year this demonstrates that our business exhibit volatility both in production and power prices, but that our financial set-up through geographical diversification, landowner risk sharing, and financial instruments contributes to reduced volatility, even though both 2020 and 2021 have been extreme years.

2TWh production by 2022 and beyond

In 2021, Småkraft acquired and built a total of 34 power plants with a total production capacity of 317GWh. This is enough energy to supply 20 000 households a year (assuming average consumption of ~16.000 kWh/p.a), and represents a growth of 23% from the previous year. With a total production capacity of 1698 GWh, this solidifies our positions as Europe's largest operator of river power plants.

Having close to 200GWh of new power plants under constructions, our ambition of having a production capacity of 2TWh within the end of 2022 is now within reach.

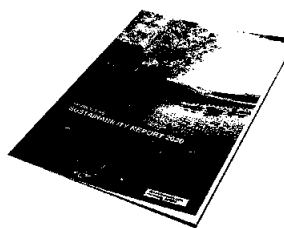
2021 was also the year where we in Småkraft expanded our reach by acquiring our first two portfolios in Sweden. This unlocks additional potential for growth, and we strongly believe that our operational model, with a high degree of automation and remote control of the plants, can contribute to sustainable business in Sweden in the coming years.



Tunafoss one of our new power plants in Sweden.

Sustainable growth

Småkraft has since 2017 worked systematically on improving the sustainability of our operations, documenting our performance through yearly evaluation by the international organization GRESB, rating the performance of more than 2000 companies every year within real estate and infrastructure. We are proud that we in 2021 were awarded as the sector leader, where leadership, reporting and risk management were areas where we differentiate most from our peers.



Our sustainability report is available at <https://www.smaakraft.no/>

Terje Vedeler

CEO Terje Vedeler

REPORT FROM THE BOARD OF THE DIRECTORS

Nature of the business

Established in 2002, Småkraft AS is a power company, which invests, develops, and operates small-scale, hydropower plants in cooperation with local landowners.

The Board of Directors is of the opinion that the Directors Report for 2021 is a fair representation of the company's equity and debt, financial situation, and result.

"Småkraft AS" refers to the parent company Småkraft AS, and "Småkraft Group" refers to the consolidated group of companies controlled by Småkraft AS. Småkraft is located in Bergen, Norway, with local offices in Harstad, Flatanger, Lillestrøm, Sandnes, Oslo and Uppsala, and the Group employs 26 people. Småkraft's business is in Norway and Sweden.

Continued operations

It is hereby confirmed that the conditions for going concern are met. The company is in a healthy position, economically and financially.

Operating Power Plants

By year end of 2021, Småkraft had 161 operating hydropower plants (128 at year end 2020), with a total accumulated production capacity of 1 697 GWh (1 381).

Results, financing, and liquidity (2020 numbers) – Småkraft Group

The Småkraft Group produced 1 133 GWh of green energy in 2020 (1257 GWh). The portfolio of power plants has increased considerable during 2020 and 2021, but weak hydrology and low precipitation reduced the total production by 11% from 2020 to 2021. The weak hydrology combined with new interconnectors and strong gas prices contributed to record high power prices in 2021.

Power revenues excluding hedging came in at 55 mEUR (7,6), at an average price excluding hedging of 50,8 EUR/ MWh (6,3 EUR/ MWh).

Småkraft has a long-term hedge strategy and ¼ of its production is sold on forward contracts three to five years ahead. According to IFRS, these future hedge contracts (to be realized in the years to come) are recognised in the Financial Statements at market value at year end. However, production and revenue are not recognised before the date of production. Thus, the operating income includes unrealized hedge costs with no cash effect in 2021. In total Småkraft had a realized loss on energy derivatives of -19,5 mEUR (8,7), and an unrealized value change of -33,4 mEUR (9,7). Average price including hedging was 33,2 EUR/ MWh (13,6).

Småkraft Groups' total operating costs increased 40% to 38,1 mEUR (27,1). Water right costs and transmission costs increased in line with increased revenue. New powerplants in 2020 and during 2021 add to operating expenses, payroll, and property tax.

The Group's operating profit is negative before depreciations and impairments, with an EBITDA of -16,4 mEUR (15,7). Småkraft uses alternative performance indicators such as adjusted EBITDA to show underlying operational results in a better way. Adjusting for unrealized value change on energy derivatives, adjusted EBITDA increased with 183% from 6 mEUR to 17 mEUR.

Mainly because of the hedging effects mentioned above, the result after taxes in the Småkraft Group shows a loss of -16,1 mEUR (-9,7). Total comprehensive income for the year was -5,2 mEUR (-21,5).

Småkraft Group has a strong net cash flow from operations in 2021 of 20,8 mEUR (1,5). Net cash flow from investment activities is -115 mEUR (-55,6), and net cash flow from financing activities is 117,4 mEUR (26,6). In 2021 Småkraft Group paid out a dividend of 18,6 mEUR (15,9) to the owners. In total the Group's bank deposit increased from 19,9 mEUR to 44,4 mEUR.

The Småkraft Group has an equity share of 48,0% (42%).

Investments in power plants equals 116,3 mEUR in 2021 (65,6). The Småkraft Group has financed these investments by capital increases, a new green bond issue and loans in acquired subsidiaries.

To the best knowledge of the Board of Directors, no significant events with impact on the financial results has taken place subsequently to year end.

Results, financing, and liquidity (2020 numbers) – Småkraft AS

The parent company, Småkraft AS, has at the end of 2021, 83 operating powerplants. Småkraft AS' total energy production was 574 GWh in 2021 (786).

Power revenue excluding hedges came in at 29,7 mEUR (5,2). The total operating income decreased to -19,7 mEUR(27,8), because of hedge effects. The operating income includes a significant realized hedge loss of -19,5m EUR and unrealized hedge loss of -33,4 mEUR. Småkraft AS total operating costs were 22,6 (20,5), giving an operating profit of -42,3 (7,3).

The total comprehensive income landed at mEUR -11,6 (-16,7).

Småkraft AS has an equity share of 51,0% (46%).

Risks

Risk management is important for the value creation and is an integral part of the business activity in Småkraft Group AS.

The company's result will be influenced by changes in power & el-certificate prices, climate change and changes in currency exchange rates & interest levels.

Significant volume, price, and foreign currency exchange risks are associated with the production and sale of electric power. Only a few of the Småkraft AS power plants have reservoirs, and unregulated power production is more exposed to fluctuations than other production of electric power.

Around 1/4 of the expected mean production has been hedged with fixed price contracts for power and el-certificate revenues over the next 4 to 5 years. These contracts are in EUR. To reduce the cash effect of currency exchange rates, the Småkraft Group is financed by currency loans in EUR. Changes in the fair value of the EUR loan will offset the changes in the fair value in the hedge. The company does not use hedge accounting, and as a result, these effects are not shown in the financial statements. That exposes the operating result to changes in the currency exchange rates.

Småkraft Group has several interest rate swaps to reduce the risk related to interest rate changes.

The company is exposed to operational risks, such as failure of the power producing equipment or other vital equipment. To limit these risks, the Småkraft Group has well-established procedures and emergency preparedness plans. All power plants are insured, and the production is covered by interruptions insurance. Significant emphasis has been put at managing the HSE risks in the company.

Regulatory risks include changes in tax and fee schemes for producers of electrical power.

Småkraft may also be affected by changing climate, and the company has initiated several measures to identify potential risks and opportunities. Evaluation of new acquisition and development opportunities are assessed in light of expected changes in hydrology. During detailed planning of new plants, we now assess how climate change can affect the design criteria for new installations, both in form of increased run-of, but also the safety of installations in relation to extreme weather.

Future development

The forward prices in the energy market indicates that power prices will remain high in 2022. The market expects stable low prices for electricity prices. The production is expected to increase in line with full year production from power plants acquired in 2021 and new plants coming on stream in 2022. The Småkraft Group pursues a growth strategy and intends to invest further in new production capacity over the next years.

Work environment and personnel

Småkraft AS seeks to be an attractive employer focused on employee retention and maintaining a good working environment. We believe that diversity of background, interests and knowledge is important to form the most varied and best possible competencies to solve the tasks we face. Any form of racism or discrimination is unacceptable in Småkraft.

Småkraft has not recorded any lost time incidents to personnel over the last 36 months at the end of 2021.

Småkraft has an internal control system, which focuses on the operation of power plants. The system sets the requirements for own employees, subcontractors, and entrepreneurs with regards to health, safety, and environment.

Key figures	2021	2020	2019	2018
Full time employees at year end	26	20	20	19
Sick leave	1,5%	1.3%	3,9%	0,9%
Lost time injuries	0	0	1	1

The Småkraft Group is committed to provide equal opportunities for men and women. The company acknowledges that women are under-represented in the company, as well as in the industry. The power sector in general, and specifically the small-scale hydropower sector, has over time been dominated by men. Småkraft has an ambition to work against this imbalance, and we encourage women to apply for positions with the company. We do not practice allocation by gender quotas when recruiting new employees but have received application from highly qualified female applicants. Two out of five new employees in Småkraft in 2021 are female. In total, 20% of Småkraft's full time employees and one out of four in Småkraft's top management are female. The Board has five Directors, out of which three are men. The chairman is a woman.

Environment

The company's main activity is based on hydropower, which is a clean, environmentally friendly, and renewable source of energy.

The construction of hydroelectric power plants could affect the environment in the surrounding area. Småkraft AS' power plants take advantage of natural river conditions to produce power in the most effective way, and with the least intervention. These small-scale hydro plants affect the environment less than larger hydropower projects.

No new projects are in the pipeline with out-of-norm environmental effects.

Corporate governance

Småkraft adheres to the Norwegian Code of Practice for Corporate Governance (NUES) within the framework established by the company's organization and ownership. Småkraft is subject to



reporting requirements relating to corporate governance according to Section 3-3b of the Accounting Act. See separate Corporate Governance Report for more information about corporate governance, including corporate audit, internal control of financial reporting and the work of the Board of Director.

Our corporate governance statement is available at <https://www.smaakraft.no/>

See also our ESG policy at <https://www.smaakraft.no/>

Board liability Insurance

Småkraft has a board liability insurance for CEO, management, and all board members.

Covid 19- effects

The Covid 19 pandemic has had limited effect on Småkraft's operations. Travel restrictions have at times reduced mobility among qualified personnel and technical equipment necessary to operate or construct power plants. We have been able to mitigate most restrictions well within the infection control measures without significant negative impact on operations.

Subsequent events

After year end, Småkraft has increased the portfolio of powerplants with 34,4 GWh in Norway and 53,7 GWh in Sweden. The total number of powerplants in the Småkraft portfolio is 196 in March 2022.

Bergen, Norway, 22 March 2022

The Board of Directors

Småkraft AS

Annette Beate Wacknitz Malm Justad
Chairman of the board

Claudia Ahnert
Member of the Board

Joakim Johnsen
Member of the Board

Oldrik Nicolaas Frits Verloop
Member of the board

Christian Heidfeld
Member of the board

Terje Vedeler
Managing Director



ANNUAL ACCOUNTS AND NOTES SMÅKRAFT GROUP

Consolidated Statement of Income and Consolidated Statement of Other Comprehensive Income.

<i>Amounts in EUR thousand</i>	<i>Note</i>	12 months ended 31.12.2021	12 months ended 31.12.2020
Revenue		56,168	11,926
Unrealized value change on energy derivatives		-33,397	9,698
Realized value change on energy derivatives		-19,524	8,712
Other operating income		2,721	805
Total operating income	10	5,967	31,141
Payroll and related costs	11	3,088	2,686
Depreciation and impairment of fixed assets and intangible assets	17,18	15,830	11,725
Other operating expenses	12	19,263	12,713
Total operating expenses		38,181	27,124
Operating profit/(loss)		-32,214	4,017
Financial income	15	19,788	3,061
Financial expenses	15	-7,712	-20,066
Net financial items		12,076	-17,004
Profit/(loss) before tax		-20,138	-12,987
Tax expense (income)	23	3,974	3,225
Profit (loss)		-16,164	-9,762
Profit/(loss) is attributable to:			
Equity holders of the parent company		-16,619	-9,186
Non-controlling interests		456	-576
Other comprehensive income:			
Presentation currency effects		10,950	-11,732
Total other comprehensive income		10,950	-11,732
Total comprehensive income for the year		-5,214	-21,494
Total comprehensive income is attributable to:			
Equity holders of the parent company		-6,272	-20,764
Non-controlling interests		1,059	-730



Consolidated Statement of Financial Position.

<i>Amounts in EUR thousand</i>	<i>Note</i>	31.12.2021	31.12.2020
Goodwill	16	7,924	7,605
Intangible Assets	16	155,062	77,775
Property, plants and equipment	18	479,919	384,341
Deferred tax assets	23	7,311	3,200
Investments, recognised under the eq.method	19	2,058	1,526
Long-term receivables	20.27	11,110	10,382
Total non-current assets		663,384	484,829
Current assets			
Inventory		150	67
Inventory EL certificates	13	149	162
Trade receivables		936	1,334
Other receivables		1,154	3,526
Derivatives	14	1,492	8,083
Other current assets		97	92
Cash and Cash equivalents	24	44,438	19,870
Total current assets		48,415	33,135
Total assets		711,800	517,964



Shareholders equity

Amounts in EUR thousand	Note	31.12.2021	31.12.2020
Share capital	22	20,039	16,706
Not registered capital increase		74,159	-
Share-premium reserve		247,533	188,722
Retained earnings		-16,792	798
Total shareholders equity		324,940	206,226

Minority interests		14,270	11,796
Total equity		339,209	218,022

Non-current liabilities

Deferred tax liability	23	122	1,564
Borrowings	14	316,047	82,431
Lease liability		2,545	-
Derivatives	14	99	287
Total non-current liabilities		318,813	84,282

Current liabilities

Accounts payable		2,886	2,587
Taxes payable	23	1,506	-
Public duties payable		2,842	229
Dividends		2,703	-
Derivatives	14	27,768	490
Borrowings	14	8,960	208,360
Other current liabilities		7,112	3,993
Total current liabilities		53,777	215,660

Total liabilities		372,590	299,942
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Total equity and liabilities		711,800	517,964
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Bergen, Norway, 22 March 2022
The Board of Directors
Småkraft AS

Member of the Board
Claudia Ahnert

Chairman of the Board
Annette Malm-Justad

Member of the Board
Joakim Johnsen

Member of the Board
Oldrik Verloop

Member of the Board
Christian Heidfeld

Managing Director 14
Terje Vedeler



Consolidated Statement of changes in Equity

	Share capital	Share premium	Not registered capital increase	Retained earnings	Total share-holders equity	Non-controlling interests	Total equity
<i>Amounts in EUR thousand</i>							
Equity at 31.12.2019	16,221	131,452	45,202	11,085	203,960	5,372	209,332
Net profit				-9,186	-9,186	-576	-9,762
Currency presentation effect	-945	-9,294	-472	-867	-11,578	-154	-11,732
Total comprehensive income for the period	-945	-9 294	-472	-10,053	-20,764	-730	-21,494
Capital increase previous period registered current period	502	44,228	-44,730		0		
Capital increase current period	928	22,336			23,264		23,264
Capital increase current period not registered					0	7,265	7,265
Minority in acquired subsidiaries					0		
Dividend						-112	-112
Other changes				-235	-235		-235
Equity at 31.12.2020	16,706	188,722	0	798	206,226	11,796	218,022
Net profit				-16,619	-16,619	456	-16,164
Currency presentation effect	829	9,785		-267	10,347	603	10,950
Total comprehensive income for the period	829	9,785		-16,886	-6,272	1,059	-5,214
Capital increase current period	2,504	70,750			73,255		73,255
Minority in acquired subsidiary					0	1,415	1,415
Capital increase current period not registered			74,159		74,159		74,159
Dividend		-21,724			-21,724		-21,724
Other changes				-704	-704		-704
Equity at 31.12.2021	20,039	247,533	74,159	-16,792	324,940	14,269	339,209



Consolidated statement of cash flow

<i>Amounts in EUR thousand</i>		12 months ended 31.12.2021	12 months ended 31.12.2020
Cash Flow from operations			
Profit (-loss) before tax		-20,138	-12,987
Taxes paid for the period		-	-1,132
Depreciation, amortization, impairment	16,18	15,830	11,725
Change in unrealized currency gains/losses	15	-12,918	13,181
Change in unrealized derivatives	14	33,443	-10,683
Change in inventory		-58	851
Change in working capital		4,647	558
Net cash flow from operations		20,806	1,513
Cash flow from investment activities			
Outflows due to purchases of fixed assets		-15,146	-25,638
Outflows due to investments in subsidiaries	5	-101,183	-39,984
Outflows due to investments in others		-	-1,119
Outflows from loans to others		-	-91
Inflows from loans to others		1,249	11,211
Net cash flow from investment activities		-115,080	-55,620
Cash flow from financing activities			
Capital increases		145,561	23,172
Dividend payments		-18,692	-15,969
Inflows from loan raising	14	56,449	24,416
Outflows from loan payments	14	-65,843	-5,003
Net Cash Flow from financing activities		117,475	26,616
Currency translation effects		1,367	-3,610
Net change in bank deposits and cash		23,201	-27,491
Bank deposits and cash at beginning of period		19,870	50,971
Bank deposits and cash at end of period		44,438	19,870



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1. General information.

The Småkraft group comprises Småkraft AS and the consolidated subsidiaries (Småkraft Group or the Group). Småkraft is located in Bergen, Norway, with local offices in Harstad, Flatanger, Lillestrøm, Sandnes, Oslo and Uppsala, and the Group employs 26 people. Småkraft's business is in Norway and Sweden. Småkraft is a supplier of renewable energy based on small scale hydro power plants.

The group consist of Småkraft AS and 42 fully or partly owned subsidiaries at year end 2021. Småkraft's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU and further requirements in Norwegian Accounting Law (Regnskapsloven).

The statement of comprehensive income, statement of financial position, statement of equity, statement of cash flow and notes provide comparable information in respect of the previous period. The financial statements have been prepared on a historical cost basis, except for certain assets, liabilities, and financial instruments, which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Presentation and classification of items in the financial statements is consistent for the periods presented. Application of the accounting policies by the subsidiaries has been changed where necessary, to ensure consistency with the Group's accounting policies.

The functional currency of Småkraft AS is the Norwegian krone (NOK). The Group's accounts are presented in EUR. Småkraft AS presents the financial statement in EUR, as the main revenue is noted in EUR, its debt is mainly in EUR, and its owners are EUR-based.

2. General accounting policies.

Basis of Consolidation

The consolidated financial statements are comprised of the financial statements of the parent company Småkraft AS and its subsidiaries. Subsidiaries are all entities (including structured entities) over which Småkraft Group has control. Småkraft Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Subsidiaries are no longer consolidated from the date when control ceases.

Profits and losses resulting from intercompany transactions have been eliminated, as well as unrealised gains on transactions between group companies. Unrealised losses are eliminated, unless the transaction provides evidence of an impairment of the transferred asset.

Investments in joint ventures

Joint ventures are companies or entities where Småkraft AS has joint control with one or several other investors. In a joint venture company, decisions related to relevant activities must be unanimous between participants who have joint control. The Group's share of the companies' profit/loss after tax, adjusted for amortization of excess value and any deviations from the accounting policies, are presented on a separate line in the consolidated income statement. Investments in joint ventures are recognised in the consolidated accounts using the equity method and presented as a non-current asset.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Equity-accounted investments are reviewed each period to determine whether there is any objective evidence that the net investment is impaired.

Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration is measured at the fair value of any transferred assets, liabilities or issued equity instruments. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are recognised in the balance sheet.

If the consideration transferred (including any non-controlling interests and the fair value of previous assets) exceeds the fair value of identifiable net assets acquired, this is recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase gain.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Foreign currency translation

Functional and presentation currency

All entities of the Group have NOK as its functional currency. The subsidiaries in the group are consolidated into the functional currency of the parent (NOK) and then translated to the presentation currency, EUR. The currency differences arising in the translation to the presentation currency are presented in Other Comprehensive Incomes. Also, in the statement of equity the translation difference is included in retained earnings. All amounts are rounded to the nearest EUR thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss. Småkraft uses currency exchange rates from Norges Bank.

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The company has determined that the board of directors is collectively the chief operating decision maker.

The Group has only one segment: power supply. Småkraft produces renewable energy and sells electricity, el-certs and guarantees of origin on the Nordic power market.

The segment information is reported in accordance with the reporting to board of directors (chief operating decision makers), and is consistent with financial information used for assessing performance and allocating resources. EBITDA is defined as segment profit or loss (please see page 30 of this report for definitions of Alternative Performance Measures including EBITDA).

Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation. Land is not depreciated. Historical cost includes expenditures that are directly attributable to the acquisition of the item.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Periodic maintenance is capitalised and depreciated over the period until next maintenance. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate costs over their estimated useful lives. The assets' residual values and useful lives are reviewed annually and adjusted if appropriate. Gains and losses on disposals are determined by comparing actual proceeds with the carrying amount. Gains and losses on disposal are included in profit or loss.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Costs relating to intangible assets, including goodwill, are recognised in the statement of financial position when it is probable that the asset will generate future economic benefits and the costs can be measured reliably.

Intangible assets with an indefinite useful life, such as goodwill and water rights owned are not amortised but are instead tested annually for impairment.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of the impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Leases

The Group's main lease type of agreements are related to water rights. The rights are considered intangible assets. Småkraft has elected to not recognise these types of agreements under IFRS 16 leases. The accounting treatment of the different water right lease agreements are described below:

Water right lease agreements

Småkraft enters into water right lease agreements with landowners, which entitles the company to utilize the water in the rivers. The agreement typically has a period varying from 40 to 75 years, starting when the power plant is put into commercial operation.

When Småkraft has a commitment to pay rent to the land owners, we account for this as a regular cost as the commitment arises. Such commitment arises, when:

1. *Gross agreement/ revenue-based agreement:* Småkraft pays landowner a percentage of the annual power plant revenue. Upon expiration of the agreement the landowners have the right to purchase the power plant with all rights and technical installations at a price based on certain specific conditions.

Småkraft accounts for this land lease when the relevant power plant generates revenue, upon which this land lease bases.

2. *Fixed amount- agreement:* Småkraft pays landowner a fixed annual amount. Upon expiration of the agreement the landowner has the right to purchase the powerplant with all rights and technical installations at a price based on certain specific conditions.



Småkraft accounts for this land lease monthly based upon the agreed yearly payment.

3. *Profit share agreement:* Småkraft shares the yearly powerplant- profit with the land owner. Upon expiration of the agreement the landowners have the right to purchase the power plant with all rights and technical installations based on certain specific conditions.

Småkraft accounts for this land lease type by calculating the actual profit for each individual power plant on a monthly basis. Småkraft then calculates the exact share of the profit, that the landowners have the right to receive. If Småkraft is in a position, where land lease should be paid to landowners, Småkraft accounts for the estimated payment as a cost.

In the case that Småkraft has a profit share lease agreement, where there (still) is an accumulated loss on the powerplant, Småkraft has the right to offset all accumulated losses before paying out land lease rent to the landowners. This will represent a future benefit for the company, that Småkraft does not recognise as an asset. This asset will be off- balance. Any positive or negative changes in these off- balance items, will not be recognised in Småkrafts books. In some instances, Småkraft may pay out loans or minimum payments to landowners. These loans are interest bearing loans and will be recognised as normal loans in the Group's Financial Statements.

Other leases

Further, the Småkraft Group has some lease related to office rental of which the following principles applies:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease, i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Estimates and Judgment when calculating Land lease:

Land lease calculations are estimates based on the current revenue and costs related to the specific companies. While being estimates, there is minimal judgment involved in these estimates, as they are technical calculations with low complexity based upon the relevant input. Furthermore, most of the input is objective, as the revenue and most of the costs are known at the time of the estimate.

Financial instruments

Financial instruments are recognised in the financial statements when the Group becomes party to contractual conditions relating to the financial instrument. Financial assets and financial liabilities are classified based on the type and purpose for holding the instruments at fair value, amortised cost or as a designated hedge accounting instrument (e.g. derivatives used for hedging financial risks).

Financial assets

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will be recorded in profit or loss. Financial assets recognised at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the financial instruments at fair value through profit or loss, including interest and

dividends, are recognised in the income statement. Derivatives are always measured at fair value through profit or loss.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts receivables and accrued revenue

Accounts receivable are measured at initial recognition at fair value. Accounts receivable are held with the objective to collect the contractual cash flows and therefore are subsequently measured at amortised cost using the effective interest method. For the purposes of impairment, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the date of initial recognition of the receivables.

Financial liabilities

The Group classifies all financial liabilities at amortised cost, except for derivatives which are at fair value and financial guarantees (see below).

Accounts payables and other financial payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of period which are unpaid. They are recognised at fair value. Småkraft does not subsequently measure at amortised cost using the effective interest method, as the difference is insignificant. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence

that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Taxes

Group companies that are engaged in energy generation in Norway are subject to the special rules for taxation of energy companies. The Group's tax expense therefore includes, in addition to ordinary income tax, natural resource tax and resource rent tax for those plants exceeding 10,000 KVA, currently only the Holmen power plant.

Income taxes

Income tax is calculated in accordance with ordinary tax rules and by applying the adopted tax rate. The tax expense in the statement of comprehensive income comprises taxes payable and changes in deferred tax liabilities and deferred tax assets. Taxes payable are calculated on the basis of the taxable income for the year. Deferred tax liabilities and deferred tax assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward. From 2020 and onward, Småkraft uses the initial recognition exemption for the tax effect on temporary differences relating to purchase of power plants. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Tax related to items recognised in other comprehensive income is also recognised in other comprehensive income, while tax related to equity transactions is recognised in equity.

Natural resource tax

Natural resource tax is a profit-independent tax that is calculated on the basis of the individual power plant's average output over the past seven years. Natural resources tax consists of NOK 0.01 per kilowatt hour (KWh) to the municipality and NOK 0.002 per kwh to the county. Income tax can be offset against the natural resource tax paid. Any natural resource tax that exceeds income tax can be carried forward with interest to subsequent years, and is recognised as prepaid tax.

Resource rent tax

Resource rent tax is a profit-dependent tax levied on the net resource rent revenue generated by each power plant. Resource rent tax is calculated with 47,4% of the resource rent income for each power plant. Negative resource rent tax is carried forward against future positive resource rent tax interest. Negative resource rent tax is included in the deferred tax asset, together with temporary differences regarding the power plant. Deferred tax assets related to negative resource rent tax and temporary tax differences are capitalised if it is probable that the power plant has resource rent income within a time limit of 15 years, and is settled against future payable resource rent tax. Deferred tax liabilities/deferred tax assets related to resource rent tax is calculated with a tax rate of 47,4%.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Contributed equity

Ordinary shares are classified as equity. Issuance of new shares are recognised when paid, based upon the decision by the General Meeting. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**Adoption of new and revised standards**

Based on revised IFRS 3 Business Combinations definitions of purchase of entities and assets, Småkraft decided to change the accounting treatment of purchase of single purpose companies with power plants from "business combinations" to "purchase of assets". The definition of "business" in IFRS 3 Business Combinations changed with effect from 1.1.2020. Småkraft has therefore made a new assessment of the accounting treatment of additions of new power plants through purchase of companies. It has been concluded that such purchases normally have the characteristics of being "purchase of assets" rather than business combinations. This new conclusion is considered for all purchases from 01.01.2020 and onwards, except from Andvik Holding AS with its subsidiary Svartdalen Kraft AS, which is, because of its nature, treated as business combination.

Other amendments listed below have not had any impact on the amounts recognised in prior periods and are not expected to significantly affect the future periods.

- Definition of Material – amendments to IAS 1 and IAS 8
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting
- Covid-19-Related Rent Concessions – amendments to IFRS 16

Standards and amendments issued but not yet effective

Changes in IAS 1 with regards to classification of short term and long-term debt will not have significant effects on Småkraft AS' Financial Statements.



3. Key accounting estimates and judgements

Introduction

The use of reasonable estimates and judgements is a critical element in preparing the financial statements. Due to the level of uncertainties inherent in Småkraft's business activities, management must make certain estimates and judgements that effect the application of accounting policies, results of operations, cash flows and financial position as reported in the financial statements.

Areas of significant estimates

Impairment testing of fixed assets and intangible assets

One of the key assumptions used by management in making business decisions is Småkraft's long term price forecasts for power.

Småkraft updates its long- term price forecasts continuously, based on market developments.

Fair value measurement of energy derivatives

Significant estimates are applied in the valuation of the Group's long term power purchase and power sales contracts. The fair value estimate is based on the amounts for which the assets or liabilities could be exchanged at the relevant transaction date on the reporting period end. To the extent possible, the assumptions and inputs used, take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions do often not exist. In such cases Småkraft's management is required to make market based assumptions, see note 14.

4. Subsequent events.

After year end, Småkraft has increased the portfolio of Powerplants. On 5th of January Småkraft finalized the acquisition of Stampaelva, Senneset and Engesetelva, adding 34,4 GWh to our portfolio in Norway. In February Småkraft acquired 32 power plants with in total 53,7 Gwh in Sweden. The powerplants were acquired by the newly established Småkraft AB. Småkraft AB is 100% owned by Småkraft AS.



5. Purchase of subsidiaries

Amounts in EUR thousand	2021	2020
Acquisition cost	101,183	39,984
Deferred tax	113	99
Intangible Assets	71,672	34,568
Interest goodwill	-	1,424
Fixed Assets	74,448	37,153
Short term receivables	2,475	651
Minorities	-1,417	-7,265
Interest bearing liabilities, non-current	-42,161	-23,798
Deferred tax	-	-2,098
Other inters-free liabilities	-3,947	-751
Total	101,183	39,984

Acquisitions 2021:

Company	Purchase date	Voting rights/ share-holding acquired through the acquisition
Rk. Kraftverk AS*	2/5/2021	100%
Soks Kraftverk AS*	2/5/2021	100%
Veiåni Minikraftverk AS*	2/5/2021	100%
Joka Kraft AS*	2/5/2021	100%
Kaldåga Småkraftverk AS	2/26/2021	100%
Salvasskardelva Kraft AS	2/26/2021	100%
Veiski Kraft AS*	2/26/2021	100%
Harstveitbekken Kraft AS*	3/4/2021	100%
Åsedøla Kraft AS	3/26/2021	100%
Skinvik Kraftverk AS	4/7/2021	100%
Råssåfoss Kraft AS	4/19/2021	100%
Straume Kraftverk AS	4/30/2021	100%
Kråkenes Kraft AS**	6/10/2021	100%
Strømfallet Småkraft AB	6/16/2021	90.1 %
Støldalselva Kraftverk AS	7/6/2021	100%
Skyggelva Kraft AS	8/31/2021	100%
Deveggåe Kraft AS	8/31/2021	100%
Byrkjelo Kraftverk AS	9/7/2021	100%
Sagåna Kraft AS	9/30/2021	100%
Strømfallet AB***	10/1/2021	90.1 %
Strømfallet Tunafor AS***	10/1/2021	90.1 %
Streamgate North AB***	10/1/2021	90.1 %
Russvik Kraft AS	11/1/2021	100%
Hugla Kraft AS	12/1/2021	100%

* The companies merged with Småkraft Green Bond 2 AS and deleted during second half 2021.

** The company merged with Andvik Holding and deleted during second half 2021.

*** Owned 100% by Strømfallet Småkraft AB. Hence indirectly owned 90.1% by Småkraft AS.



Acquisitions 2020:

Company	Purchase date	Voting rights/ share-holding acquired through the acquisition
Tesjolo Kraftverk AS	1/31/2020	100%
Andvik Holding AS/Svartdalen AS	4/30/2020	100%
Løkkebø Kraftverk AS	7/1/2020	100%
Ytre Kandal Kraft AS	7/9/2020	51%
Valdra Kraftverk AS	10/6/2020	100%
Kvamselva Kraftverk AS	10/7/2020	100%
Gryta Kraft AS	11/27/2020	100%
Venna Kraft AS	11/27/2020	100%
Bordalselva Kraftverk AS	11/30/2020	100%
Skræi & Skrede Kraft AS	12/2/2020	100%
Foldsæ Bergsøi	12/9/2020	100%
Fivelandselva Kraft AS	12/18/2020	100%
Gosland Kraft AS	12/22/2020	66%
Svartefoss Invest AS	12/22/2020	100%
Holsen Kraft Nordøla AS	12/22/2020	100%
Fossåa 1 K AS	12/31/2020	66%

* Småkraft AS purchased 100% of Andvik Holding AS which owned 55.2% of Svartdalen Kraft AS per 30.04.2020. At 31.12.2020, Småkraft AS purchase the 44% ownership in Svartdalen Kraft AS. Hence Småkraft AS controls both Andvik Holding AS and Svartdalen Kraft AS 100%.

Subsidiaries as of 31.12.2021:

Group companies	Date of acquisition/Establishment	Registered office	Ownership share	Voting share
Småkraft AS		Bergen		
Holmen Kraft AS	2016	Bergen	100%	100%
Follsja Kraft AS	2016	Notodden	82%	82%
Muoidejohka Kraft AS	2010	Beirum	60%	60%
Reinli Kraft AS	2005	Sør-Aurdal	51%	51%
Jorda Kraft AS	2012	Nord-Fron	51%	51%
Sigdestad Kraftverk AS	2018	Oslo	52%	52%
Småkraft Green Bond 1 AS	2018	Bergen	100%	100%
Gulen Kraft AS	2019	Bergen	100%	100%
Nordåna og Dalaåna AS	2019	Bergen	100%	100%
Tesjolo Kraftverk AS	2020	Bergen	100%	100%
Andvik Holding AS	2020	Bergen	100%	100%
Ytre Kandal Kraft AS	2020	Sandane	51%	51%
Gosland Kraft AS	2020	Voss	66%	66%
Gryta Kraft AS	2020	Bergen	100%	100%
Svartefoss Invest AS	2020	Bergen	100%	100%
Foldsæ Bergsøi AS	2020	Bergen	100%	100%
Holsen Kraft Nordøla AS	2020	Bergen	100%	100%
Fossåa 1 K AS	2020	Sør-Fron	66%	66%
Rysna Småkraftverk AS	2020	Bergen	100%	100%
Tokheim Kraft AS	2020	Bergen	100%	100%
Småkraft Green Bond 2 AS	2020	Bergen	100%	100%
Byrkjelo Kraftverk AS	2021	Bergen	100%	100%
Råssafoss Kraft AS	2021	Bergen	100%	100%
Straume Kraftverk AS	2021	Bergen	100%	100%
Skjeggelva Kraft AS	2021	Bergen	100%	100%
Støldalselva Kraftverk AS	2021	Bergen	100%	100%
Salvasskardelva Kraft AS	2021	Bergen	100%	100%
Skinvik Kraftverk AS	2021	Bergen	100%	100%
Åsedøla Kraft AS	2021	Bergen	100%	100%
Aurora Bygg og Anlegg AS	2021	Bergen	100%	100%
Deveggåle Kraft AS	2021	Bergen	100%	100%
Strømfallet Småkraft AB	2021	Uppsala	90.1%	100%
Russvik Kraft AS	2021	Narvik	100%	100%
Hugla Kraft AS	2021	Vik i Sogn	100%	100%
Småkraft Green Bond 1 AS		Bergen	100%	100%
Kvemna Kraft AS	2013	Lærdal	66%	66%
Saksenvik Kraft AS	2016	Bergen	96%	96%
Småkraft Green Bond 2 AS		Bergen	100%	100%
Salvasskardelva Kraft AS	2021	Bergen	100%	100%
Sagåna Kraft AS	2021	Bergen	100%	100%
Strømfallet Småkraft AB		Uppsala	90.1%	100%
Strømfallet AB	2021	Uppsala	100%	100%
Strømfallet Tunafors AB	2021	Uppsala	100%	100%
Streamgate North AB	2021	Uppsala	100%	100%



6. Management of capital structure.

The main aims of the Group's management of its capital is to maintain a reasonable balance between the company's debt and total assets. The Group has a long- term investment horizon, with contractual arrangements and investments that will last for decades. The reasonable balance between debt and total assets is thus set based upon the expectations towards short- term and long- term price expectations.

Overview of capital included in management of capital structure

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Interest-bearing liabilities, non-current	316,047	82,431
Interest-bearing liabilities, current	8,960	208,360
Cash and cash equivalents, excluding	44,438	19,870
Net interest- bearing liabilities	280,569	270,921

Småkraft has several debt covenants, which include:

- Equity ratio shall exceed 30%.
- Net debt over EBITDA shall not exceed certain levels.
- Debt service coverage shall not fall below certain levels.
- Liquidity shall exceed interest payments next six months.

7. Market risk

Risk and risk management of financial instruments

Småkraft is engaged in activities that entail risk in many areas and has a unified approach to the Group's market risks. The Group's risk management policy is based upon assuming the right risk based on the Group's ability and willingness to take risks, expertise, financial strength and development plans. The purpose of risk management is to identify threats and opportunities for the Group, and to manage the overall risk level to provide reasonable assurance that the Group's objectives will be met. In Småkraft, market risk will primarily relate to prices of energy and commodities, interest rates and foreign currency. The following section contains a more detailed description of the various types of market risks, and how these are managed.

Description of market risk related to prices on energy and commodities

Småkraft is exposed to significant market risk in relation to the generation and trading of power. Revenues from power generation are exposed to volume and power price risk. Småkraft manages market risk in the energy markets by trading physical and financial instruments in the Nordic Market. Risk management in energy trading in Småkraft focuses on residual market exposure after considering land lease contracts and minority interests. In general, Småkraft enters standard fixed price contracts where Småkraft agrees to sell a certain production volume at an agreed price in the future. Around 1/4 of the expected annual production capacity for the next four to five years have such contracts to reduce the residual risk after land lease and minority interests. Småkraft has set risk-limits within which trading activities are allowed. Both realized cash effects and unrealized non- cash effects from trading are presented as a part of other operating income in the profit and loss statement.

Description of foreign exchange and interest rate risk

Småkraft incurs currency risks in the form of transaction risk, mainly in connection with energy sales revenue and investments. Balance sheet risk is related to debt in NOK and EUR.

Småkraft settlement currency at the Nordic power exchange Nord Pool is EUR and NOK, and all power contracts traded in the Nordic power exchange Nasdaq are denominated in EUR. In addition, most of Småkrafts power purchase agreements in Norway and all power purchase and sales abroad are denominated in EUR. The objective of Småkraft's hedging is to secure the EUR value of future cash flows exposed to changes in foreign currency rates. Economic hedging is partly achieved by using debt in EUR- currencies as hedging instruments. Few of these hedging relationships hedge accounting is not applied.

Småkrafts interest rate exposure is related to its debt portfolio. The management of interest rate risk is based on a balance between keeping interest cost low over time and contributing to stabilize the Group's cash flows with regards to interest rate changes.

8. Credit risk and liquidity risk.

Credit risk is the risk that Småkraft incurs losses due to the failure of counterparties to honor their financial obligations. Småkraft is facing credit risk when entering transactions with financial institutions. Credit risk against financial institutions arises from cash or current account, deposit, investment of interest-bearing securities, derivative transactions and incoming guarantees. Småkraft also assumes credit risk when providing loans to associates and joint ventures. In addition, Småkraft assumes credit risk in connection with physical sales contracts. The total risk of counterparties not being able to meet their obligations is low. Historically, Småkrafts credit losses have been limited.

All of Småkrafts main counterparties with regards to revenue settlement and hedging activities are rated as Investment Grade by well- known rating agencies within the 12 months.

9. Alternative Performance Measures (APM).

EBITDA is defined as operating profit (-loss) + depreciation of fixed assets and intangible assets + impairment of fixed assets and intangible assets. This APM is widely used by analysts comparing Norwegian Hydropower companies. Småkraft uses this APM to visualize performance over time irrespective of price. This APM is included as new APM during 2020.

Adjusted EBITDA is defined as operating profit (-loss) + depreciation of fixed assets and intangible assets + impairment of fixed assets and intangible assets – unrealized value change on energy derivatives. Småkraft uses this APM to measure performance from operational activities. Unrealized value on energy derivatives is deducted in the adjusted figures as the value change on these derivatives usually be negatively correlated to value changes in future power production that is not recognised, thus creating an accounting mismatch that is not alleviated through hedge accounting. Adjusted EBITDA should not be considered as an alternative to operating profit/loss and profit/loss before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is adjusted EBITDA underlying an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

EBIT is defined as operating profit/ loss. This is an APM used to measure performance from operational activities and compare against similar companies in the same sector.

Adjusted EBIT is an APM used to measure performance from operational activities, excluding unrealized hedge effects. Småkraft sets up this APM, as some of its peers are using hedge accounting, which excludes unrealized hedge effects.

ROACE is operating profit/loss divided by capital employed. Capital employed is total assets excluding current liabilities. Småkraft uses this APM to measure performance and compare against similar companies in the same sector.

TEUR	2021	2020
Operating profit (loss)	-32,214	4,017
+ Depreciation of fixed assets and intangible	15,561	11,454
+ Impairment of fixed assets and intangible a	269	271
EBITDA	-16,384	15,742
- Unrealised value change on energy derivati	33,397	-9,698
Adjusted EBITDA	17,013	6,044

TEUR	2021	2020
Operating profit (loss)	-32,214	4,017
EBIT	-32,214	4,017
+ Impairment of fixed assets and intangible as	269	271
- Unrealised value change on energy derivati	33,397	-9,698
Adjusted EBIT	1,452	-5,410

TEUR	2021	2020
EBIT	-32,214	4,017
Average capital employed	480,163	296,572
ROACE	-6.7 %	1.4 %

TEUR	2021	2020
Adjusted EBIT	1,452	-5,410
Average capital employed	480,163	296,572
Adjusted ROACE	0.3 %	-1.8 %

	Year-end 2021	Year-end 2020
Equity ratio	48%	42%
Equity ratio including shareholder loan	48%	47%

10. Revenues and other income

Sale of electric energy

The revenues originate from the generation of hydropower. With regards to revenue recognition, the production per powerplant is measured per hour and allocated the hourly spot price for the specific price region. Småkraft sells its product electricity to Nordpool via a broker. Every day the broker report to Nordpool the expected production the next 24 hours. Every second week Småkraft receives cash settlement from Nordpool via the broker. Småkraft considers Nordpool as the customer according to the definition in IFRS 15.

Electricity-certificates (EL-certificates)

The EL certificate scheme is a market-based support scheme. In this system, producers of renewable electricity receive one certificate per MWh of electricity they produce for a period of up to 15 years. When EL-certificates are generated they are measured at fair value and recognised as a government grant within "Other operating income" and inventory. Upon subsequent sales of the certificates, the sales price is recognised within "Revenues". Inventory of EL-certificates are measured at fair value with adjustments to "Other operating income". Småkraft sells el- certs and guarantees of origin via multiple brokers.

Power and currency derivatives

Småkraft uses financial hedging contracts and currency futures to hedge future revenue. The Group does not apply hedge accounting for the hedging of power revenues. Realised and unrealised changes in value related to these derivatives are recognised as Other operating income. See also Note 144 Financial instruments.

<i>Amounts in EUR thousand</i>	2021	2020
Power revenue	55,036	7,602
Elcertificates	858	3,892
Guarantees of origin	273	432
Revenues	56,168	11,926
Other operating revenues	1,936	206
Unrealized value change on energy derivatives	-33,397	9,698
Realized gains and losses on energyderivatives	-19,524	8,712
Public grants, Elcertificates	785	599
Other operating income	-50,200	19,215
Total operating income	5,967	31,141



11. Payroll costs, number of employees, loans to employees, etc.

<i>Amounts in EUR thousand</i>	2021	2020
Wages and salaries	1,908	1,778
Payroll tax	495	357
Pension costs	690	482
Other benefits	-5	68
Sum	3,088	2,686

Number of full-time employees	26	20
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Managing Director's remuneration

<i>Amounts in EUR thousand</i>	2021	2020
Salaries	189	159
Pensions	15	13
Other benefits	42	3
Sum	246	175

The company has not issued any loans or guarantees in favour of the CEO, directors or shareholders. The Board of Directors do not receive any remuneration for its positions as Board Members. One of the Board Members has a consultant agreement based upon a fixed monthly retainer and hourly based compensation based.

Fees paid to external auditors

<i>Amounts in EUR thousand</i>	2021	2020
Statutory audit	215	94
Tax counselling	42	22
Other assurance services	34	15
Sum	291	131

Pension

The Group has an established pension scheme that is classified as a defined contribution plan. The pension scheme is in line with the requirements of the law. Contributions to the defined contribution schemes are recognised in the consolidated statement of profit and loss in the period in which the contribution amounts are earned by the employees. The defined contributions plan does not commit Småkraft beyond the amounts contributed.

12. Other operating expenses

<i>Amounts in EUR thousand</i>	2021	2020
Water rights costs	4,850	920
El-certs costs	922	3,892
Transmission costs	3,575	1,403
Property tax and licence fees	2,492	1,921
Telecommunications	72	53
Rent and related expenses	395	137
Transport	10	26
Travel expenses	191	171
Purchase of various services	4,169	2,524
IT expenses	473	221
Repair/maintenance regarding equipment, machines etc.	646	484
Consultant services	519	412
Other operating expenses	950	549
Other operating expenses	19,263	12,713



Purchase of various services consist of external accounting, audit, legal, transactions and operational services.

13. EI certificates inventory

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
El-certificates at fair value	149	162

The holding of received electricity certificates in the power generation business is presented as inventory in the statement of financial position and is measured at fair market value at the end of the reporting period.

14. Financial instruments.

This note provides information about the group's financial instruments.

<i>Amounts in EUR thousand</i>	2021	2020
Ingoing balance	290,790	247,194
Repayments/ downpayments:	-65,843	-5,003
New debt	56,449	24,416
Debt from purchased subsidiaries	42,161	23,798
Currency exchange rate changes	1,449	385
Outgoing balance	325,007	290,790

Borrowings

<i>Amounts in EUR thousand</i>			
Lenders	Currency	12/31/2021	12/31/2020
Banks	NOK	43,892	213,898
Banks	EUR	182,724	2,662
Convertible debt from owners	EUR	-	25,000
Bond debt1	EUR	50,000	-
Bond debt2	EUR	50,000	50,000
Agent commission SEB/Nordea	NOK	-1,609	-769
Total		325,007	290,791
Total long term debt		316,047	82,431
Total short term debt		8,960	208,360

Total borrowings of kEUR 325 007 consists out of kEUR 316 047 borrowings included in total non-current liabilities and kEUR 8 960 included in total current liabilities, please see maturity profiles in table.

Banks - EUR- loan

The primary facility is a Nordea/SEB/DNB facility amounting to 158mEUR per 31.12.21. The facility was refinanced in June 2021. The loan is EUR denominated, and interests are determined every 6 months, as EURIBOR plus a margin, with a repayment period of 40 years. There have been one ordinary instalments in 2021 on the refinanced facility. Before refinancing there were one ordinary instalment in 2021, and two in 2020. The new facility has a maturity in 2024. Both Småkraft AS and the banks will have options to extend this loan with further two years. It is a requirement that the loans

are hedged against interest rate changes and changes in the power- and el-cert prices. The loan has first lien security in most of the power plants in Småkraft AS.

Banks – NOK -loan

In total there are 18 NOK- based loans in subsidiaries. These loans have typically repayment profiles over 30 years. They mature at different dates shown in the maturity table above. Interests are determined every three months, as NIBOR + margin. All these loans have security in the power plants in the respective subsidiary.

Bond debt 1

The EUR bond loan was established in 2018 and has a five-year maturity. The average annualized borrowing rate in 2019 was around 1,5% the same for 2020. The bond loan of EUR 50 million is secured by a mortgage on 8 of the Group's hydropower plants and a mortgage on shares in companies that own another three power plants. Mortgages, insurance, and bank accounts are linked to the same power plants. Furthermore, the shares in all the subsidiaries of Småkraft Green Bond 1 AS and a bank account in Småkraft AS have been pledged. There are special conditions attached to the bond loan, where, among other things, (i) Småkraft Green Bond 1 AS or any of its subsidiaries shall not provide or maintain a mortgage or other form of security in assets or assets, and (ii) book equity in the total Småkraft Group must be at least 30% of the total capital.

Bond debt 2

The EUR bond loan was established in 2021 and has a five-year maturity. The coupon rate is 1,875%. The bond loan of EUR 50 million is secured by a mortgage on 24 of the Group's hydropower plants. Mortgages and insurance are linked to the same power plants. Furthermore, the shares and bank accounts in all the subsidiaries of Småkraft Green Bond 2 AS and a bank account in Småkraft Green Bond 2 AS have been pledged. There are special conditions attached to the bond loan, where, among other things, (i) Småkraft Green Bond 2 AS or any of its subsidiaries shall not provide or maintain a mortgage or other form of security in assets or assets, and (ii) book equity in the total Småkraft Group must be at least 30% of the total capital.

Maturity profile for financial liabilities

The tables show undiscounted cash flows for each interval and shows only payments of principal:

2021

<i>Amounts in EUR thousand</i>	31.12.2021	1 year	2 years	3 years	4 years	5 years
Total	325 007	18 069	14 105	213 306	3 910	70 984

2020

<i>Amounts in EUR thousand</i>	31.12.2020	1 year	2 years	3 years	4 years	5 years
Total	290 791	211 435	5 839	60 891	2 196	1 302

Derivatives

The Group has derivatives related to the hedging of income from future power production, interests in connection with interest bearing debt and currency volatility between EUR and NOK.

The table below shows the financial position and profit and loss accounts for the derivatives:



31.12.2021	31.12.2021 Assets		31.12.2021 Liabilities		12 months ended 31.12.2021 P&L
	Long term	Short term	Long term	Short term	
Over FVPL - Interest rates swaps	-	226	99	-	569
Over FVPL - Currency derivatives	-	1 237	-	-	-307
Over FVPL - Power derivatives	-	30	-	27 768	-52 921
Sum derivatives	-	1 492	99	27 768	-52 659

31.12.2020	31.12.2020 Assets		31.12.2020 Liabilities		12 months ended 31.12.2020 P&L
	Long term	Short term	Long term	Short term	
Over FVPL - Interest rates swaps	-	-	287	144	182
Over FVPL - Currency derivatives	-	1 823	-	346	-1 057
Over FVPL - Power derivatives	-	6 260	-	-	18 410
Sum derivatives	-	8 083	287	490	17 535

All the derivatives are valued at fair value at level 2 in accordance to the fair value hierarchy: "Fair value is based on data inputs other than quoted prices included in Level 1, which are observable for the asset, either directly or indirectly".

15. Financial result

Financial income

<i>Amounts in EUR thousand</i>	2021	2020
Income from investments in associates	450	325
Agio on borrowings in foreign currency	12,918	-
Unrealized non-cash effect on interest swaps	569	182
Other financial income and agio	5,850	2,555
Total	19,788	3,061

Financial expenses

<i>Amounts in EUR thousand</i>	2021	2020
Interest expenses	6,541	4,907
Disagio on borrowings in foreign currency	-	13,181
Unrealized non-cash effect on foreign exchange	-	1,057
Unrealized non-cash effect on interest swaps	307	-
Other financial expenses and disagio	864	921
Total	7,712	20,066

16. Intangible assets.

<i>Amounts in EUR thousand</i>	Water right	Goodwill	Intangible assets	Totalt
Cost at 1 January 2020	3,274	6,587	43,034	52,895
Additions 2020	1,026	1,409	35,184	37,619
Cost at 31 December 2020	4,300	7,996	78,218	90,514
Additions 2021	0	0	74,563	74,563
Cost at 31 December 2021	4,300	7,996	152,781	165,077
Acc. depreciations at 1 January 2020	-	-	-1,676	-1,676
Amortisation charge 2020	0	0	-943	-943
Amortisation charge 2020	-	-	-2,619	-2,619
Effect of currency movements 2020	-188	-391	-1,937	-2,516
Balance at 31 December 2020	4,112	7,605	73,662	85,379
Amortisation charge 2021	0	-47	-2,297	-2,344
Acc depreciations at 31 Dec. 2021	-	-47	-4,917	-4,963
Effect of currency movements 2021	199	366	4,824	5,389
Balance at 31 December 2021	4,311	7,924	150,752	162,987

17. Impairment testing

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Småkraft typically tests for impairment at least in Q3 each year.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash generating unit

Power plants that are located in the same watercourse and jointly managed are in Småkraft regarded as a single cash-generating unit. However impairment tests for 2021 are carried out by calculating the present value of future cash flows from each powerplant, which are then tested against associated carrying amounts.

Budget

The impairment tests carried out for 2021 are based on the budget for 2022 and up to a 100 year period prior to setting the terminal value. If the power plant has a terminal clause in the land lease agreement, the period of time up until the date of the clause is used. The power prices used in the forecast are a mix between the actual power prices traded in the Nordic power market for the first year and power curves from three independent power consultancies for the entire remaining time period. Småkraft uses longer than 5 years forecast- periods, because the nature of our business is long- term with land- lease periods ranging from 40 to 100 years.

Discount rate

The applied discount rate is based on the company's cost of capital, which in turn is based on a weighted average return requirement for equity and loan capital. The return on equity requirement is estimated using the capital asset pricing model (CAPM). The return on loan capital requirement is estimated based on the long-term risk-free interest rate plus a credit margin derived from Småkrafts marginal long-term interest rate. The discount rate is adjusted for the expected debt-to-assets ratio

and business risk for the individual cash-generating unit. A discount rate around 5 per cent has been applied for the various cash-generating units.

Sensitivity

The Group has carried out sensitivity analyses examining the consequences of changes in various assumptions for the recoverable amount on some of the power plants. For all of the CGUs with goodwill, the difference between the carrying amounts and the recoverable amounts are significant. The recoverable amount is particularly sensitive to changes in long-term power prices and changes in the discount rate. The sensitivities vary among the CGUs, but all CGUs with goodwill have significant headroom. For the CGU with lowest difference between recoverable amount, the following sensitivities apply. If the long-term power price curve increases with 10%, the fair value of the typical CGU increases with approximately 13,4%, while it decreases with approximately 13,4% with 10% price reduction. If the discount rate increases with 0,1%- point, the fair value of the typical CGU decreases with approximately 2,4%, while it increases with approximately 2,5% with similar discount rate reduction. The vast majority of CGUs (>95%) with goodwill have significantly more than 15% headroom between recognised amounts and recoverable amounts.

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18. Property, plant and equipment

Amounts in EUR thousand	Buildings	Power plants	Transmission installation	Inlet and waterway	Access facility contribution	Investment	Vehicles	Fixtures and fittings
Cost at 1 January 2020	22,159	158,410	16,274	174,428	24,148	7,648	223	731
Additions, purchased, reallocations 2020	156	17,499	173	6,002	2,090	649	29	10
Cost at 31 Desember 2020	22,315	175,909	16,447	180,431	26,238	8,297	253	741
Additions, purchased, reallocations 2021	7,094	35,425	-131	60,828	3,203	4,067	205	3,492
Cost at 31 Desember 2021	29,409	211,334	16,316	241,259	29,442	12,364	458	4,233
Accu. depreciations at 1 January 2020	-4,408	-26,870	-3,208	-20,957	-3,539	-604	-119	-467
Reclassifications	-	-1,581	-	-	-	-	-	-
Depreciation charge 2020	-519	-4,874	-425	-3,647	-566	-212	-22	-84
Impairment charge 2020	-	-271	-	-	-	-	-	-
Accu. depreciations at 31 Dec. 2020	-4,926	-33,596	-3,633	-24,604	-4,105	-816	-141	-551
Effect of currency movements	-905	-6,688	-661	-7,662	-1,047	-350	-5	-14
Balance at 31 December 2020	16,484	135,625	12,152	148,164	21,086	7,131	106	176
Depreciation charge 2021	-536	-6,238	-448	-4,668	-622	-293	-34	-193
Impairment charge 2021	-	-269	-	-	-	-	-	-
Acc. depreciations at 31 Dec. 2021	-5,463	-40,103	-4,082	-29,272	-4,727	-1,109	-175	-743
Effect of currency movements	910	7,047	575	8,132	1,062	410	8	67
Balance at 31 December 2021	23,951	171,589	12,148	212,456	24,730	11,315	285	3,542
Accumulated impairment charge 31 Desember 2021	0	-882	0	-354	0	0	0	0
Percentage	2.50%	1,2-20%	1,25 - 2,85%	1,25 - 2,5%	1,25 - 2,5%	2,12 - 2,5%	12.50%	20.00%
Economic life	40	5-75	35 - 80	40 - 80	40 - 80	40 - 47	8	5
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line

Amounts in EUR thousand	Plant under construction	Land	Leased assets	Total
Cost at 1 January 2020	8,465	483	352	413,322
Additions, purchased, reallocations 2020	35,053	4	0	61,665
Cost at 31 Desember 2020	43,518	487	352	474,987
Additions, purchased, reallocations 2021	-26,187	302	905	89,204
Cost at 31 Desember 2021	17,331	789	1,257	564,191
Accumulated depreciation and impairment at 1 January 2020	-2,729	-	-178	-63,080
Reclassifications	1,581	-	-	0
Depreciation charge 2020	-	-	-163	-10,512
Impairment charge 2020	-	-	-	-271
Accu. depreciations at 31 Dec. 2020	-1,148	-	-341	-73,862
Effect of currency movements	586	-25	-11	-16,785
Balance at 31 December 2020	42,955	462	-0	384,341
Depreciation charge 2021	0	0	-185	-13,217
Impairment charge 2021	-	-	-	-269
Accumulated depreciation and impairment at 31 Dec. 2021	-1,148	-	-526	-87,349
Effect of currency movements	1,609	29	13	19,861
Balance at 31 December 2021	18,377	792	733	479,919
Accumulated impairment charge 31 Desember 2021	0	0	0	-1,236
Depreciation leased assets	-	-	5	-



19. Associated companies

Associated company	Date of acquisition	Registered office	Ownership share	Voting rights
Luster Småkraft AS	2005	Gaupne	50%	50%
Rullestad & Skromme AS	2006	Etne	35%	35%

Småkraft AS owns 50% of Luster Småkraft AS. The remaining 50% is owned by Luster Energi AS. Per end of 2020, the company successfully constructed the 3 small- scale hydro power plants: Kvåle, Holen and Vanndøla. Combined they have a normalized annual production of about 50 GWh.

Småkraft AS owns 35% of Rullestad & Skromme AS, and 65% of this company is owned by local landowners. The company is established to build small scale hydropower in Rullestad and Skromme, Etne, Hordaland. The company has water rights in 4 different projects in the area, with a possible annual production up to approximately 77 GWh. There are no employees in the company.

	Luster Småkraft AS	Rullestad & Skromme AS	Total
<i>Amounts in EUR thousand</i>			
Companies are recorded using the equity method			
Acquisition cost	51	4	55
Share of equity at the time of aquisition	51	4	55
Excess over book value	-	-	-
Closing balance at 31 December 2019	51	0	51
Investments current year	1,119	0	1,119
Share of prior years net income	442	0	442
Share of current year net income	-117	0	-117
Effect of currency movements	31	0	31
Closing balance at 31 December 2020	1,526	-	1,526
Investments current year	0	0	0
Share of current year net income	450	0	450
Effect of currency movements	82	0	82
Closing balance at 31 December 2021	2,058	-	2,058



20. Receivables; amounts due after more than one year

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Loans to associates:		
Loans to associates - Luster Småkraft AS	801	764
Loans to associates - R&S Energi AS	943	899
Loans to associates - Utbygging Holding AS	2,112	3,228
Provisions for loss on loans to associates	-886	-845
Other receivables:		
Deposit rent	116	100
Prepaid water right lease	6,953	5,949
Other long term receivables	1,070	287
Total	11,110	10,382

The bank has pledged security in operating equipment and accounts receivable, in addition to first priority to the power plant and related water lease agreements.

Please see note 27 for further details about prepaid water right lease.



21. Related party transaction and balance items.

Småkraft and its subsidiaries and associates have sought to do transactions on commercial terms. The companies also have business transactions regarding the corporate account. These are shown in the table below.

Transactions and balance items between Småkraft AS and its subsidiaries are eliminated in the consolidation and are hence not presented under "Group" in this note.

Luster Småkraft AS og Rullestad & Skromme AS are associated companies (note 19). The individuals stated in note 11 are also related parties of Småkraft AS. Apart from the transactions specified in this note and note 11, there are no significant related party transactions or balance items.

Transaction / transaction group	Related accounting line	2021	2020
Joint ventures			
Interest bearing loans	Receivables	1,744	1,663
Total		1,744	1,663
Joint ventures			
Purchase of services from related party	Other operating cost	7	11
Total		7	11
Sales of various goods and services	Other operating revenu	13	83
Total		13	83
Interest bearing loans	Receivables	2,112	3,228
Total		2,112	3,228

22. Ownership structure

Ownership structure 31.12.2021	Number	Nominal amount	Voting share	Ownership share
Aquila GAM Fund GmbH & Co. Geschlossene Investmentkommanditgesellschaft	716,227	50	16.2 %	16.2 %
Aquila Capital European Hydropower Fund S.A.	999,538	50	22.6 %	22.6 %
ACEH Norway 1 B.V.	2,039,616	50	46.1 %	46.1 %
ACEH Norway 2 B.V.	668,438	50	15.1 %	15.1 %
Sum	4,423,819	50	100%	100%

The share capital amounts to EUR 20 039 thousand at 31.12.2021.



23. Taxes

Reconciliation of nominal tax rate and effective tax rate	2021	2020
Profit before tax	-20,138	-12,987
Tax rate, percent	22%	22%
Expected tax expense	-4,430	-2,857
Effect on taxes of		
Permanent differences	62	38
Taxes on resource rent payable	1,098	-236
Deferred resource rent tax	-28	-19
Changes related to deferred tax on off-balance sheet items	-820	-202
Other changes	149	51
Tax expense	-3,974	-3,225
Effective tax rate	20%	25%
Taxes payable in the balance sheet	2021	2020
Receivable tax at deficit from 2020	0	-265
Income tax payable	377	0
Taxes on ground rent payable/receivable	1,118	-241
Natural resource tax payable	76	62
Used natural resource tax	-65	0
Taxes payable in the balance sheet	1,506	-445
Specification of temporary differences and deferred tax	2021	2020
Fixed assets	144,196	76,414
Current assets/current liabilities	-997	-18
Interest deduction carry forward	-1,398	-1,334
Unrealized derivatives	-24,788	7,587
Other differences	1,751	761
Temporary differences	118,765	83,410
Losses carried forward	-53,118	-59,270
Differences not affecting deferred tax	-98,284	-31,082
Basis for deferred tax	-32,638	-6,941
Tax rate	22%	22%
Net deferred tax benefit (-)/liability (+) in the balance sheet, ordi	-7,180	-1,527
Off-balance sheet deferred tax benefits	0	17
Deferred tax benefit	-7,180	-1,510

Temporary differences that arise from the initial recognition of goodwill and assets which is not a business combination is not recognised as a deferred tax liability.



Specification of deferred taxes on ground rent	2021	2020
Fixed assets	-24	42
Sum	-24	42
Tax rate	47%	37%
Deferred ground rent tax	-9	16
Natural resource rent tax carried forward	0	-141
Net deferred tax benefit (-)/liability (+) in the balance sheet, all t:	-7,189	-1,636

Presentation	2021	2020
Deferred tax benefit	7,311	3,200
Deferred tax	122	1,564
Net	7,189	1,636

24. Cash and cash equivalents

The company has established a bank guarantee for the payment of tax. Bank deposits, cash etc. does not include restricted tax deduction funds as of 31.12.2021.

25. Secured borrowings and guarantees.

Secured borrowings etc.

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Borrowings from financial institutions and bondholders	326,616	291,560
Agent commission	-1,609	-769
Total	325,007	290,791

Carrying amount of pledged assets

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Operating equipment	1,135	95
Accounts receivable	310	15
Power plants and related water lease agreements	452,695	205,701
Total	454,140	205,811

The bank and bondholders have pledged security in operating equipment, bank accounts and accounts receivable, in addition to 1. priority pledge in the power plants and related water lease agreements.

Småkraft AS has provided a bank guarantee as a security for the payment of tax deduction. According to the shareholders agreement with Luster Småkraft AS, Småkraft AS is obligated to make capital available to Luster Småkraft AS.

26. Concessions.

As of 31.12.2021, Småkraft AS has concessions for additional 14 power plants with a total annual production of approximately 201 GWh.



27. Water and lease agreements.

As part of several of the net- agreements, Småkraft offers interest bearing loans and/ or minimum payments in the first years of the land- lease agreements. Net agreements typically have deficits the first years. Småkraft offers interest bearing loans/ minimum payments to offer more stable payouts to the landowners, while simultaneously not amending the balance in the land lease agreement between landowner and company.

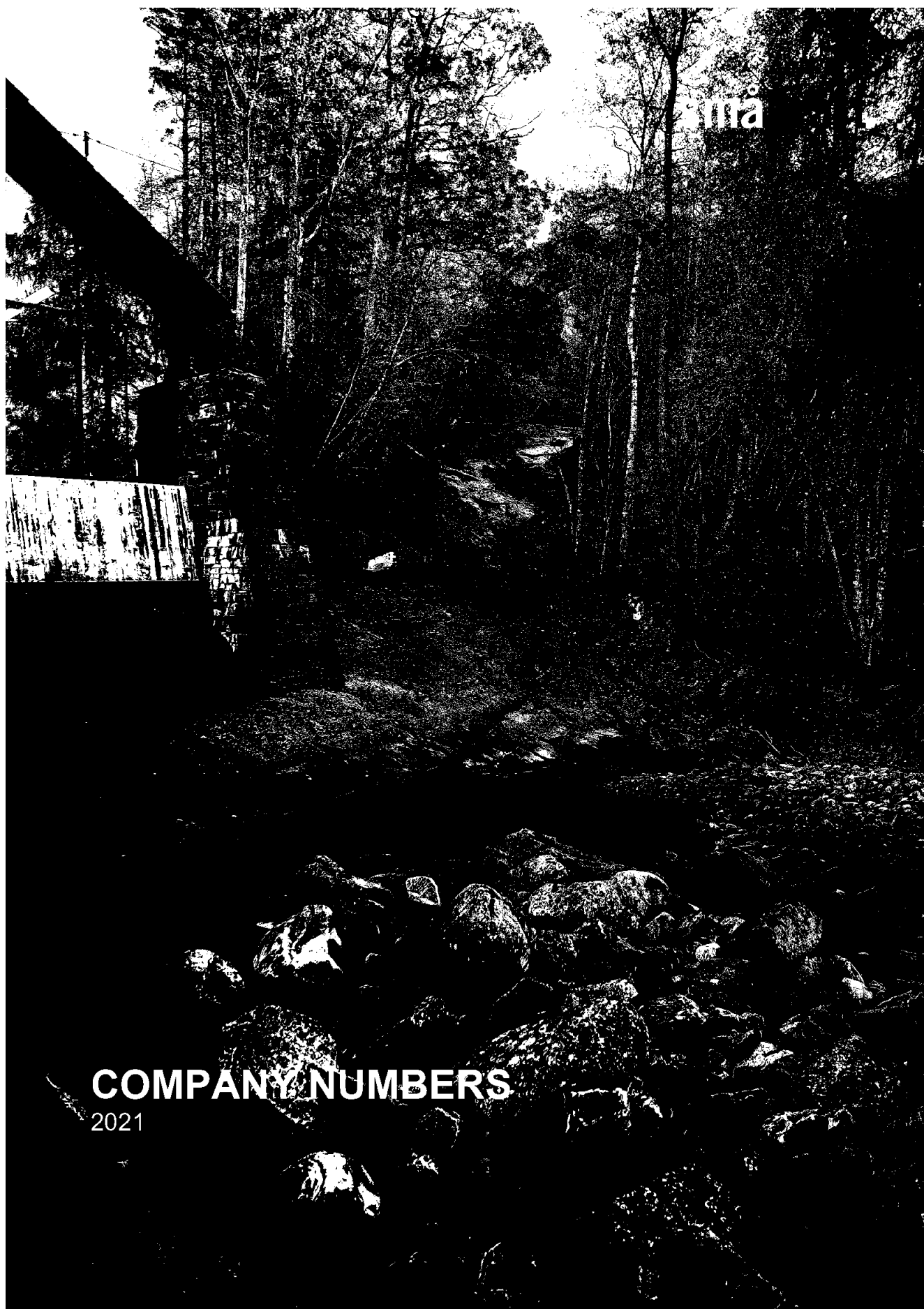
The loans are normally interest-bearing loans. The minimum payments are interest bearing payments to the landowners that will be offset against future land lease profits.

Loans from Småkraft AS to landowners:

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Loans to landowners	1 010	931
Minimum payments to landowners	5 943	5 018
Total	6 953	5 949

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2021
Receivables towards landowners, off balance	27,979	24,290
Total	27,979	24,290

When net- agreements have deficit, Småkraft AS finances the landowner share of the deficit. Småkraft AS accrues a receivable against the landowners, against which future profits will offset. This is an asset to Småkraft, that according to IFRS is off balance. It represents a future benefit for the company.



COMPANY NUMBERS
2021



ANNUAL ACCOUNTS AND NOTES SMÅKRAFT AS

STATEMENT OF PROFIT AND LOSS

<i>Amounts in EUR thousand</i>	<i>Note</i>	12 months ended 31.12.2021	12 months ended 31.12.2020
Revenue		30,643	8,985
Unrealized value change on energy derivatives		-33,396	9,698
Realized value change on energy derivatives		-19,524	8,712
Other operating income		2,585	438
Total operating income	9	-19,691	27,833
Payroll and related costs	10	3,011	2,643
Depreciation and impairment of fixed assets ar	15.17	8,514	7,840
Other operating expenses	11	11,093	10,047
Total operating expenses		22,618	20,530
Operating profit/(loss)		-42,309	7,303
Financial income	14	19,982	3,885
Financial expenses	14	-5,945	-17,978
Net financial items		14,036	-14,092
Profit/(loss) before tax		-28,273	-6,789
Tax expenses	23	6,238	1,456
Profit (loss)		-22,035	-5,333
Profit/(loss) is attributable to:			
Equity holders of the parent company		-22,035	-5,333
Other comprehensive income:			
Presentation currency effects		10,430	-11,435
Total other comprehensive income		10,430	-11,435
Total comprehensive income for the year		-11,605	-16,768



STATEMENT OF FINANCIAL POSITION

Non - current assets

<i>Amounts in EUR thousand</i>	<i>Note</i>	31.12.2021	31.12.2020
Goodwill	15	2,735	2,609
Intangible Assets	15	17,632	14,770
Property, plants and equipment	17	220,399	237,395
Deferred tax assets	23	14,569	7,844
Investments in subsidiaries	5.19	276,738	111,190
Loans to subsidiaries	21	64,524	45,795
Loans to associates	20.21	3,856	4,892
Investments in associates	18	1,251	1,194
Long-term receivables	20	5,819	5,089
Total non-current assets		607,523	430,778

Current assets

Inventory		69	67
Inventory EL certificates	12	130	146
Trade receivables	13.21	5,395	1,288
Other receivables		521	2,959
Derivatives	13	1,482	8,077
Cash and Cash equivalents		15,963	9,576
Total current assets		23,560	22,113
Total assets		631,084	452,891



Shareholders equity

Amounts in EUR thousand		31.12.2021	31.12.2020
Share capital	22	20,039	16,706
Other equity		74,159	-
Share-premium reserve		247,533	188,722
Retained earnings		-17,975	4,244
Total shareholders equity		323,757	209,672

Total equity		323,757	209,672
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Non-current liabilities

Borrowings	13	256,570	49,912
Lease liability		749	-
Total non-current liabilities		257,320	49,912

Current liabilities

Accounts payable		1,729	1,884
Public duties payable		1,864	209
Dividends		2,703	-
Derivatives	13	27,768	490
Borrowings	13	7,003	187,176
Other current liabilities		8,940	3,548
Total current liabilities		50,008	193,307

Total liabilities		307,327	243,219
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Total equity and liabilities		631,084	452,891
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Bergen, Norway, 22. March 2022
The Board of Directors
Småkraft AS

Member of the Board
Claudia Ahnert

Chairman of the Board
Annette Malm-Justad

Member of the Board
Joakim Johnsen

Member of the Board
Oldrik Verloop

Member of the Board
Christian Heidfeld

Managing Director
Terje Vedeler



STATEMENT OF CHANGES IN EQUITY

<i>Amounts in EUR thousand</i>	Share capital	Share premium	Not registered capital increase	Retained earnings	Total share- holders equity
Equity at 31.12.2019	16,221	131,452	45,202	10,300	203,175
Net profit				-5,333	-5,333
Currency presentation effect	-945	-9,294	-472	-724	-11,435
Total comprehensive income for the period	-945	-9,294	-472	-6,057	-16,768
Capital increase previous period registered current pe	502	44,228	-44,730		0
Capital increase current period	928	22,336			23,264
Equity at 31.12.2020	16,706	188,722	0	4,244	209,672
Net profit				-22,035	-22,035
Currency presentation effect	829	9,785	-	-184	10,430
Total comprehensive income for the period	829	9,785	-	-22,219	-11,605
Capital increase current period	2,504	70,750			73,255
Capital increase current period not registered			74,159		74,159
Dividend		-21,724			-21,724
Equity at 31.12.2021	20,039	247,533	74,159	-17,975	323,756



STATEMENT OF CASHFLOW

		12 months ended	12 months ended
<i>Amounts in EUR thousand</i>	<i>Note</i>	31.12.2021	31.12.2020
Cash Flow from operations			
Profit (-loss) before taxation		-28,273	-6,789
Depreciation, amortization, impairment	15.17	8,514	7,840
Change in unrealized currency gains/losses	14	-11,794	12,017
Change in unrealized derivatives	13	35,118	-10,713
Change in inventory		24	808
Change in working capital		3,855	1,479
Net cash flow from operations		7,443	4,642
Cash flow from investment activities			
Outflows due to purchases of fixed assets and intangibles		-58,576	-24,958
Outflows due to investments in subsidiaries		-81,517	-33,762
Outflows due to investments in others		-	-1,119
Outflows from loans to others		-20,544	-19,304
Inflows from loans to others		5,558	19,285
Net cash flow from investment activities		-155,080	-59,859
Cash flow from financing activities			
Capital increases		124,213	23,172
Dividend payments		2,656	-15,857
Inflows from loan raising	13	55,701	24,416
Outflows from loan payments	13	-29,111	-4,277
Net Cash Flow from financing activities		153,459	27,453
Currency translation effects		564	-3,001
Net change in bank deposits and cash		5,822	-27,764
Bank deposits and cash at beginning of period		9,576	40,340
Bank deposits and cash at end of period		15,963	9,576

Notes to the accounts, Småkraft AS**Note 1: General information**

Småkraft (the Company) is located in Bergen, Norway, with local offices in Harstad, Sandnes, Lillestrøm, Flatanger and Oslo, and employs 25 people. All of Småkrafts business is in Norway. Småkraft is a supplier of renewable energy based on small scale hydro power plants.

The statement of comprehensive income, statement of financial position, statement of equity, statement of cash flow and notes provide comparable information in respect of the previous period. The financial statements have been prepared on a historical cost basis except for certain assets, liabilities and financial instruments which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Presentation and classification of items in the financial statements is consistent for the periods presented.

Note 2: General accounting policies**Foreign currency translation**Functional and presentation currency

The functional currency of Småkraft AS is the Norwegian krone (NOK). The Company accounts are presented in EUR. Småkraft AS presents the financial statement in EUR, as the main revenue is noted in EUR, its debt is mainly in EUR and its owners are EUR-based.

The currency differences arising in the translation to the presentation currency are presented in Other Comprehensive Incomes. Also, in the statement of equity the translation difference is included in retained earnings. All amounts are rounded to the nearest EUR thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss. Småkraft uses currency exchange rates from Norges Bank.

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The company has determined that the board of directors is collectively the chief operating decision maker.

The Company has only one segment: Power supply. Småkraft produces renewable energy and sells electricity, el- certs and guarantees of origin on the Nordic power market.

The segment information is reported in accordance with the reporting to board of directors (chief operating decision makers), and is consistent with financial information used for assessing performance and allocating resources. EBITDA is defined as segment profit or loss (please see page 30 of this report for definitions of Alternative Performance Measures including EBITDA).

Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation. Land is not depreciated. Historical cost includes expenditures that are directly attributable to the acquisition of the item.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Periodic maintenance is capitalised and depreciated over the period until next maintenance. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate costs over their estimated useful lives. The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate. Gains and losses on disposals are determined by comparing actual proceeds with the carrying amount. Gains and losses on disposal are included in profit or loss.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Costs relating to intangible assets, including goodwill, are recognised in the statement of financial position when it is probable that the asset will generate future economic benefits and the costs can be measured reliably.

Intangible assets with an indefinite useful life, such as goodwill and water rights owned are not amortised but are instead tested annually for impairment.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of the impairment testing. The allocation is made to those cash-generating units or the Companies of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Leases

The Company's main lease type of agreements are related to water rights. The rights are considered intangible assets. Småkraft has elected to not recognise these types of agreements under IFRS 16 leases. The accounting treatment of the different water right lease agreements are described below:

Water right lease agreements

Småkraft enters into water right lease agreements with landowners, which entitles the company to utilize the water in the rivers. The agreement typically has a period varying from 40 to 75 years, starting when the power plant is put into commercial operation.

When Småkraft has a commitment to pay rent to the land owners, we account for this as a regular cost as the commitment arises. Such commitment arises, when:

4. *Gross agreement/ revenue-based agreement:* Småkraft pays landowner a percentage of the annual power plant revenue. Upon expiration of the agreement the landowners have the right to purchase the power plant with all rights and technical installations at a price based on certain specific conditions.

Småkraft accounts for this land lease when the relevant power plant generates revenue, upon which this land lease bases.

5. *Fixed amount- agreement:* Småkraft pays landowner a fixed annual amount. Upon expiration of the agreement the landowner has the right to purchase the powerplant with all rights and technical installations at a price based on certain specific conditions.

Småkraft accounts for this land lease monthly based upon the agreed yearly payment.

6. *Profit share agreement:* Småkraft shares the yearly powerplant- profit with the land owner. Upon expiration of the agreement the landowners have the right to purchase the power plant with all rights and technical installations based on certain specific conditions.

Småkraft accounts for this land lease type by calculating the actual profit for each individual power plant on a monthly basis. Småkraft then calculates the exact share of the profit, that the landowners have the right to receive. If Småkraft is in a position, where land lease should be paid to landowners, Småkraft accounts for the estimated payment as a cost.

In the case that Småkraft has a profit share lease agreement, where there (still) is an accumulated loss on the powerplant, Småkraft has the right to offset all accumulated losses before paying out land lease rent to the landowners. This will represent a future benefit for the company, that Småkraft does not recognise as an asset. This asset will be off- balance. Any positive or negative changes in these off- balance items, will not be recognised in Småkrafts books. In some instances, Småkraft may pay out loans or minimum payments to landowners. These loans are interest bearing loans and will be recognised as normal loans in the Company's Financial Statements.

Other leases

Further, Småkraft has some lease related to office rental of which the following principles applies:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease, i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Estimates and Judgment when calculating Land lease:

Land lease calculations are estimates based on the current revenue and costs related to the specific companies. While being estimates, there is minimal judgment involved in these estimates, as they are technical calculations with low complexity based upon the relevant input. Furthermore, most of the input is objective, as the revenue and most of the costs are known at the time of the estimate.

Financial instruments

Financial instruments are recognised in the financial statements when the Company becomes party to contractual conditions relating to the financial instrument. Financial assets and financial liabilities are classified based on the type and purpose for holding the instruments at fair value, amortised cost or as a designated hedge accounting instrument (e.g. derivatives used for hedging financial risks).

Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will be recorded in profit or loss. Financial assets recognised at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the financial instruments at fair value through profit or loss, including interest and dividends, are recognised in the income statement. Derivatives are always measured at fair value through profit or loss.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these

financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts receivables and accrued revenue

Accounts receivable are measured at initial recognition at fair value. Accounts receivable are held with the objective to collect the contractual cash flows and therefore are subsequently measured at amortised cost using the effective interest method. For the purposes of impairment, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the date of initial recognition of the receivables.

Financial liabilities

The Company classifies all financial liabilities at amortised cost, except for derivatives which are at fair value and financial guarantees (see below).

Accounts payables and other financial payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of period which are unpaid. They are recognised at fair value. Småkraft does not subsequently measure at amortised cost using the effective interest method, as the difference is insignificant. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any



noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Taxes

Income taxes

Income tax is calculated in accordance with ordinary tax rules and by applying the adopted tax rate. The tax expense in the statement of comprehensive income comprises taxes payable and changes in deferred tax liabilities and deferred tax assets. Taxes payable are calculated on the basis of the taxable income for the year. Deferred tax liabilities and deferred tax assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward. From 2020 and onward, Småkraft uses the initial recognition exemption for the tax effect on temporary differences relating to purchase of power plants.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Tax related to items recognised in other comprehensive income is also recognised in other comprehensive income, while tax related to equity transactions is recognised in equity.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Contributed equity

Ordinary shares are classified as equity. Issuance of new shares are recognised when paid, based upon the decision by the General Meeting. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Adoption of new and revised standards

The Company has applied the following standards and amendments for the first time for the reporting period commencing 01.01.2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting
- Covid-19-Related Rent Concessions – amendments to IFRS 16

None of the amendments listed above have had any impact on the amounts recognised in prior periods and are not expected to significantly affect the future periods.

Standards and amendments issued but not yet effective

Changes in IAS 1 with regards to classification of short term and long-term debt will not have significant effects on Småkraft AS' Financial Statements.

Note 3: Key accounting estimates and judgements

Introduction

The use of reasonable estimates and judgements is a critical element in preparing the financial statements. Due to the level of uncertainties inherent in Småkrafts business activities, management must make certain estimates and judgements that effect the application of accounting policies, results of operations, cash flows and financial position as reported in the financial statements.

Areas of significant estimates

Impairment testing of fixed assets and intangible assets

One of the key assumptions used by management in making business decisions is Småkrafts long term price forecasts for power.

Småkraft updates its long- term price forecasts continuously, based on market developments.

Fair value measurement of energy derivatives

Significant estimates are applied in the valuation of the Group's long term power purchase and power sales contracts. The fair value estimate is based on the amounts for which the assets or liabilities could be exchanged at the relevant transaction date on the reporting period end. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions do often not exist. In such cases Småkrafts management is required to make market-based assumptions, see note 14.

Note 4: Subsequent events

After year end, Småkraft has increased the portfolio of Powerplants. On 5th of January Småkraft finalized the acquisition of Stampaelva, Senneset and Engesetelva, adding 34,4 GWh to our portfolio in Norway. In February Småkraft acquired 32 power plants with in total 53,7 Gwh in Sweden. The powerplants were acquired by the newly established Småkraft AB. Småkraft AB is 100% owned by Småkraft AS.

Note 5: Management of capital structure

The main aim of the Company's management of its capital is to maintain a reasonable balance between the Company's debt and total assets. The Company has a long- term investment horizon, with contractual arrangements and investments that will last for decades. The reasonable balance between debt and total assets is thus set based upon the expectations towards short- term and long-term price expectations.

<i>Amounts in EUR thousand</i>	12/31/2021	12/31/2020
Interest-bearing liabilities, non-current	256,570	82,431
Interest-bearing liabilities, current	7,003	208,360
Cash and cash equivalents, excluding restricted	15,963	19,870
Net interest- bearing liabilities	247,611	270,921

Småkraft has several debt covenants, which include:

- Equity ratio shall exceed 30%.
- Net debt over EBITDA shall not exceed certain levels.
- Debt service coverage shall not fall below certain levels.
- Liquidity shall exceed interest payments next six months.

Note 6: Market risk

Risk and risk management of financial instruments

Småkraft is engaged in activities that entail risk in many areas and has a unified approach to the Company's market risks. The risk management policy is based upon assuming the right risk based on the ability and willingness to take risks, expertise, financial strength, and development plans. The purpose of risk management is to identify threats and opportunities, and to manage the overall risk

level to provide reasonable assurance that the Company's objectives will be met. In Småkraft, market risk will primarily relate to prices of energy and commodities, interest rates and foreign currency. The following section contains a more detailed description of the various types of market risk, and how these are managed.

Description of market risk related to prices on energy and commodities

Småkraft is exposed to significant market risk in relation to the generation and trading of power. Revenues from power generation are exposed to volume and power price risk. Småkraft manages market risk in the energy markets by trading physical and financial instruments in the Nordic Market. Risk management in energy trading in Småkraft focuses on residual market exposure after considering land lease contracts and minority interests. In general, Småkraft enters standard fixed price contracts where Småkraft agrees to sell a certain production volume at an agreed price in the future. Around 1/4 of the expected annual production capacity for the next four to five years have such contracts to reduce the residual risk after land lease and minority interests. Småkraft has set risk-limits within which trading activities are allowed.

Both realized cash effects and unrealized non-cash effects from trading are presented as a part of other revenue in the profit and loss statement.

Description of foreign exchange and interest rate risk

Småkraft incurs currency risks in the form of transaction risk, mainly in connection with energy sales revenue and investments. Balance sheet risk is related to debt in NOK and EUR.

Småkraft settlement currency at the Nordic power exchange Nord Pool is EUR and NOK, and all power contracts traded in the Nordic power exchange Nasdaq are denominated in EUR. In addition, most of Småkrafts power purchase agreements in Norway and all power purchase and sales abroad are denominated in EUR. The objective of Småkrafts hedging is to secure the EUR value of future cash flows exposed to changes in foreign currency rates. Economic hedging is partly achieved by using debt in EUR-currencies as hedging instruments. Few of these hedging relationships fulfil the requirements of hedge accounting.

Småkrafts interest rate exposure is related to its debt portfolio. The management of interest rate risk is based on a balance between keeping interest cost low over time and contributing to stabilize the Company's cash flows with regards to interest rate changes.

Note 7: Credit Risk and Liquidity risk

Credit risk is the risk that Småkraft incurs losses due to the failure of counterparties to honor their financial obligations. Småkraft is facing credit risk when entering transactions with financial institutions. Credit risk against financial institutions arises from cash or current account, deposit, investment of interest-bearing securities, derivative transactions, and incoming guarantees. Småkraft also assumes credit risk when providing loans to associates and joint ventures. In addition, Småkraft assumes credit risk in connection with physical sales contracts. The total risk of counterparties not being able to meet their obligations is low. Historically, Småkrafts credit losses have been limited.

Note 8: Alternative Performance Measures

EBITDA is defined as operating profit (-loss) + depreciation of fixed assets and intangible assets + impairment of fixed assets and intangible assets. This APM is widely used by analysts comparing Norwegian Hydropower companies. Småkraft uses this APM to visualize performance over time irrespective of price. This APM was included as new APM during 2020.

Adjusted EBITDA is defined as operating profit (-loss) + depreciation of fixed assets and intangible assets + impairment of fixed assets and intangible assets – unrealized value change on energy derivatives. Småkraft uses this APM to measure performance from operational activities. Unrealized value on energy derivatives is deducted in the adjusted figures as the value change on these derivatives usually be negatively correlated to value changes in future power production that is not recognised, thus creating an accounting mismatch that is not alleviated through hedge accounting. Adjusted EBITDA should not be considered as an alternative to operating profit/loss and profit/loss before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is adjusted EBITDA underlying an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

EBIT is defined as operating profit/ loss. This is an APM used to measure performance from operational activities and compare against similar companies in the same sector.

Adjusted EBIT is an APM used to measure performance from operational activities, excluding unrealized hedge effects. Småkraft sets up this APM, as some of its peers are using hedge accounting, which excludes unrealized hedge effects.

ROACE is operating profit/loss divided by capital employed. Capital employed is total assets excluding current liabilities. Småkraft uses this APM to measure performance and compare against similar companies in the same sector.



TEUR	2021	2020
Operating profit (loss)	-42,309	7,303
+ Depreciation of fixed assets and intangible	8,245	7,569
+ Impairment of fixed assets and intangible a	269	271
EBITDA	-33,795	15,143
- Unrealised value change on energy derivati	33,396	-9,698
Adjusted EBITDA	-399	5,445

TEUR	2021	2020
Operating profit (loss)	-42,309	7,303
EBIT	-42,309	7,303
+ Impairment of fixed assets and intangible as	269	271
- Unrealised value change on energy derivati	33,396	-9,698
Adjusted EBIT	-8,644	-2,124

TEUR	2021	2020
EBIT	-42,309	7,303
Average capital employed	420,330	275,212
ROACE	-10.1 %	2.7 %

TEUR	2021	2020
Adjusted EBIT	-8,644	-2,124
Average capital employed	420,330	275,212
Adjusted ROACE	-2.1 %	-0.8 %

	Year-end 2021	Year- end 2020
Equity ratio	51%	46%
Equity ratio including shareholder loan	51%	52%



Note 9 – Operating revenues

<i>Amounts in EUR thousand</i>	2021	2020
Power revenue	29,748	5,173
Elcertificates	797	3,555
Guarantees of origin	138	258
Revenues	30,683	8,985
Other operating revenues	1,830	118
Unrealized value change on energy derivatives	-33,396	9,698
Realized gains and losses on energy derivatives	-19,524	8,712
Public grants, Elcertificates	716	319
Other operating income	-50,374	18,848
Total operating income	-19,691	27,833

Note 10 - Payroll costs, number of employees, loans to employees, etc.

<i>Amounts in EUR thousand</i>	2021	2020
Wages and salaries	1,854	1,739
Payroll tax	481	354
Pension costs	682	482
Other benefits	-5	68
Sum	3,011	2,643

Number of full-time employees as of 31.12	25	20
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<i>Amounts in EUR thousand</i>	2021	2020
Salaries	189	159
Pensions	15	13
Other benefits	42	3
Sum	246	175

The numbers relate to the current CEO during 2020 and 2021, Terje Vedeler. The CEO's pension is included in the company's pension scheme.

The company has not issued any loans or guarantees in favour of the CEO, directors, or shareholders. The Board of Directors do not receive any remuneration for its positions as Board Members. One of the Board Members has a consultant agreement based upon a fixed monthly retainer and hourly based compensation based.

Fees paid to external auditors

<i>Amounts in EUR thousand</i>	2021	2020
Statutory audit	112	50
Tax counselling	16	9
Other assurance services	12	14
Sum	139	72



Pension

Småkraft has an established pension scheme that is classified as a defined contribution plan. The pension scheme is in line with the requirements of the law. Contributions to the defined contribution schemes are recognised in the consolidated statement of profit and loss in the period in which the contribution amounts are earned by the employees. The defined contributions plan does not commit Småkraft beyond the amounts contributed.

Note 11: Other operating expenses

<i>Amounts in EUR thousand</i>	2021	2020
Water rights costs	1,940	296
El-certs costs	797	3,555
Transmission costs	1,914	1,071
Property tax and licence fees	1,418	1,230
Telecommunications	60	48
Rent and related expenses	230	123
Transport	6	26
Travel expenses	163	171
Purchase of various services	2,051	1,889
IT expenses	376	194
Repair/maintenance regarding equipment, macl	377	418
Consultant services	497	405
Other operating expenses	1,263	620
Other operating expenses	11,093	10,047

Purchase of various services consist of external accounting, audit, legal, transactions and operational services.

Note 12: El certificates

The holding of received electricity certificates in the power generation business is presented as inventory in the statement of financial position and is measured at fair market value at the end of the reporting period.

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
El-certificates at fair value	130	146



Note 13: Financial instruments

This note provides information about the company's financial instruments:

Borrowings

Amounts in EUR thousand

Lenders	Currency	12/31/2021	12/31/2020
Group companies	NOK	3,679	-
Banks	NOK	3,504	478
Banks	EUR	158,000	162,380
Convertible debt from owners	EUR	-	25,000
Bond debt1	EUR	50,000	-
Bond debt2	EUR	50,000	50,000
Group companies	NOK	-1,609	-769
Total		263,574	237,089
Total long term debt		256,570	49,912
Total short term debt		7,003	187,176

Maturity profile for borrowings

2021

Amounts in EUR thousand	12/31/2021	1 year	2 years	3 years	4 years	5 years
Total	263,574	10,322	7,249	203,095	1,128	50,406

2020

Amounts in EUR thousand	12/31/2020	1 year	2 years	3 years	4 years	5 years
Total	237,089	187,176	-147	49,965	42	53

Changes in borrowings

Amounts in EUR thousand	2021	2020
Ingoing balance	237,088	216,227
Repayments/ downpayments	-29,111	-4,277
New debt	55,701	24,416
Currency exchange rate changes	-105	723
Outgoing balance	263,574	237,088



Derivatives

The Company has derivatives related to the hedging of income from future power production, as well as interest rate swaps in connection with interest bearing debt.

For the period 2022- 2025, Småkraft AS has hedged part of the estimated production against price fluctuations. Fair value calculations are based on available year- end market prices, and future price-curve estimates in cases where there are no official closing prices.

The Company has entered financial currency swaps from EUR to NOK. The Company has entered these contracts to make sure that the future capital increases in EUR will fully cover future acquisitions in NOK.

The Company does not apply hedge accounting for contracts for power hedging or for currency swaps, meaning that unrealised changes in value are recognised through the profit or loss and presented on the line 'Other operating revenue' and Financial income/expenses respectively.

12/31/2021	12/31/2021 Assets		12/31/2021 Liabilities		12 months ended 31.12.2021 P&L
	Long term	Short term	Long term	Short term	P&L
Over FVPL - Interest rates swaps	-	226	-	-	370
Over FVPL - Currency derivatives	-	1,237	-	-	-307
Over FVPL - Power derivatives	-	20	-	27,768	-52,920
Sum derivatives	-	1,482	-	27,768	-52,856

12/31/2020	12/31/2020 Assets		12/31/2020 Liabilities		12 months ended 31.12.2020 P&L
	Long term	Short term	Long term	Short term	P&L
Over FVPL - Interest rates swaps	-	-	-	144	213
Over FVPL - Currency derivatives	-	1,823	-	346	-1,057
Over FVPL - Power derivatives	-	6,254	-	-	18,410
Sum derivatives	-	8,077	-	490	17,566

All the derivatives are valued at fair value at level 2 in accordance to the fair value hierarchy: "Fair value is based on data inputs other than quoted prices included in Level 1, which are observable for the asset, either directly or indirectly".

Note 14: Financial result

Financial income

Amounts in EUR thousand	2021	2020
Income from investments in associates	-	122
Interest income from subsidiaries	2,065	1,024
Agio on borrowings in foreign currency	11,794	-
Unrealized non-cash effect on interest swaps	370	213
Other financial income and agio	5,752	2,527
Total	19,982	3,885

Financial expenses

<i>Amounts in EUR thousand</i>	2021	2020
Interest expenses paid to subsidiaries	92	
Interest expenses	4,665	3,884
Disagio on borrowings in foreign currency	-	12,017
Unrealized non-cash effect on foreign exchange	-	1,057
Unrealized non-cash effect on interest swaps	307	-
Other financial expenses and disagio	882	1,020
Total	5,945	17,978

Note 15: Intangible assets

<i>Amounts in EUR thousand</i>	Water right	Goodwill	Intangible assets	Total
Cost at 31 December 2019	3,274	3,072	10,679	17,024
Additions 2020	1,026	0	1,493	2,519
Cost at 31 December 2020	4,300	3,072	12,172	19,543
Additions 2021	0	0	2,436	2,436
Cost at 31 December 2021	4,300	3,072	14,608	21,979
Acc. depreciations at 31 Dec. 2019	-	-246	-395	-641
Amortisation charge 2020	0	0	-188	-188
Amortisation charge 2020	-	-246	-582	-829
Effect of currency movements 2020	-187	-216	-932	-1,335
Balance at 31 December 2020	4,113	2,609	10,657	17,379
Amortisation charge 2021	0	0	-324	-324
Acc depreciations at 31 Dec. 2021	-	-246	-906	-1,153
Effect of currency movements 2021	198	126	551	875
Balance at 31 December 2021	4,311	2,735	13,321	20,367

The company's goodwill comes from historical acquisitions of new power plant companies and mainly arises because deferred tax is valued at nominal amounts whereas discounted amounts are reflected in the purchase amount. The difference between deferred tax valued at nominal and discounted amounts is recognised as goodwill.

Note 16: Impairment testing

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Småkraft typically tests for impairment at least in Q3 each year.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash generating unit

Power plants that are located in the same watercourse and jointly managed are regarded as a single cash-generating unit. Impairment tests are carried out by calculating the present value of future cash flows from each powerplant, which are then tested against associated carrying amounts.

Budget

The impairment tests carried out for 2021 are based on the budget for 2022 and up to a 100 year period prior to setting the terminal value. If the power plant has a terminal clause in the land lease agreement, the period of time up until the date of the clause is used. The power prices used in the forecast are a mix between the actual power prices traded in the Nordic power market for the first years and power curves from three independent power consultancies for the entire remaining time period. Småkraft uses longer than 5 years forecast- periods, because the nature of our business is long- term with land- lease periods ranging from 40 to 100 years.

2.6

Discount rate

The applied discount rate is based on the company's cost of capital, which in turn is based on a weighted average return requirement for equity and loan capital. The return on equity requirement is estimated using the capital asset pricing model (CAPM). The return on loan capital requirement is estimated based on the long-term risk-free interest rate plus a credit margin derived from Småkrafts marginal long-term interest rate. The discount rate is adjusted for the expected debt-to-assets ratio and business risk for the individual cash-generating unit. A discount rate around 5 per cent has been applied for the various cash-generating units.

Sensitivity

The Company has carried out sensitivity analyses examining the consequences of changes in various assumptions for the recoverable amount on some of the power plants. For all of the CGUs with goodwill, the difference between the carrying amounts and the recoverable amounts are significant. The recoverable amount is particularly sensitive to changes in long- term power prices and changes in the discount rate. The sensitivities vary among the CGUs, but all CGUs with goodwill have significant headroom. For the CGU with lowest difference between recoverable amount, the following sensitivities apply. If the long-term power price curve increases with 10%, the fair value of the typical CGU increases with approximately 13,4%, while it decreases with approximately 13,4% with 10% price reduction. If the discount rate increases with 0,1%- point, the fair value of the typical CGU decreases with approximately 2,4%, while it increases with approximately 2,5% with similar discount rate reduction. The vast majority of CGUs (>95%) with goodwill have significantly more than 15% headroom between recognised amounts and recoverable amounts.



Note 17: Property, plant and equipment

Amounts in EUR thousand	Buildings	Power plants	Transmission installation	Inlet and waterway	Access facility	Investment contribution	Vehicles	Fixtures and fittings
Cost at 1 January 2020	20,013	115,290	13,928	107,748	17,460	1,775	223	670
Additions, purchased, reallocations 2020	0	834	0	954	17	0	20	4
Cost at 31 December 2020	20,013	116,124	13,928	108,702	17,477	1,775	244	674
Additions, purchased, reallocations 2021	0	1,340	0	1,817	23	95	215	802
Cost at 31 December 2021	20,013	117,463	13,928	110,518	17,500	1,870	458	1,475
Accu. depreciations at 1 January 2020	-4,183	-22,042	-2,888	-16,889	-2,809	-187	-119	-439
Reclassifications								
Depreciation charge 2020	-464	-3,464	-362	-2,393	-394	-45	-22	-74
Impairment charge 2020		271						
Accu. depreciations at 31 Dec. 2020	-4,646	-25,777	-3,751	-19,282	-3,202	-232	-141	-514
Effect of currency movements	-796	-4,702	-555	-4,561	-738	-79	-5	-12
Balance at 31 December 2020	14,571	85,644	10,122	84,858	13,537	1,464	97	147
Depreciation charge 2021	-489	-3,707	382	-2,542	-415	-48	-34	-119
Impairment charge 2021		-269						
Acc. depreciations at 31 Dec. 2021	-5,135	-29,753	-3,632	-21,825	-3,617	-280	-175	-633
Effect of currency movements	694	4,260	481	4,449	646	71	8	19
Balance at 31 December 2021	14,775	87,267	10,221	88,581	13,790	1,583	285	849
Accumulated impairment charge 31 December 2021	0	-1,215	0	-371	0	0	0	0
Percentage	2.50%	1,2-20%	1,25 - 2,85%	1,25 - 2,5%	1,25 - 2,5%	2,12 - 2,5%	12.50%	20.00%
Economic life	40	5-75	35-80	40-80	40-80	40-47	8	5
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line

Amounts in EUR thousand	Plant under construction	Land	Leased assets	Total
Cost at 1 January 2020	6,432	479	503	284,520
Additions, purchased, reallocations 2020	20,611	0	0	22,439
Cost at 31 December 2020	27,042	479	503	306,959
Additions, purchased, reallocations 2021	-25,863	0	758	-20,815
Cost at 31 December 2021	1,179	478	1,261	286,145
Accu. depreciations at 1 January 2020	-759	-	-328	-50,645
Reclassifications				0
Depreciation charge 2020	-	-	-163	-7,382
Impairment charge 2020				-271
Accu. depreciations at 31 Dec. 2020	-759	-	-491	-58,297
Effect of currency movements	217	-24	-11	-11,268
Balance at 31 December 2020	26,500	455	0	237,395
Depreciation charge 2021	0	0	-185	-7,921
Impairment charge 2021				-269
Accumulated depreciation and impairment at 31 Dec. 2021	-759	-	-676	-66,487
Effect of currency movements	1,199	22	159	12,008
Balance at 31 December 2021	1,836	476	733	220,399
Accumulated impairment charge 31 December 2021	0	0	0	-1,586

Plants under construction are assets that we currently develop and plan to invest in constructions of future power plants or upgrades of existing power plants.



Note 18: Associated companies

Associated company	Date of acquisition	Registered office	Ownership share	Voting rights
Luster Småkraft AS	2005	Gaupne	50%	50%
Rullestad & Skromme AS	2006	Etne	35%	35%

Småkraft AS owns 50% of Luster Småkraft AS. The remaining 50% is owned by Luster Energi AS. Per end of 2020, the company successfully constructed the 3 small- scale hydro power plants: Kvåle, Holen and Vannløla. Combined they have a normalized annual production of about 50 GWh. Småkraft AS operates power plants.

Småkraft AS owns 35% of Rullestad & Skromme AS, and 65% of this company is owned by local landowners. The company is established to build small scale hydropower in Rullestad and Skromme, Etne, Hordaland. The company has water rights in 4 different projects in the area, with a possible annual production up to approximately 77 GWh. There are no employees in the company.

Note 19: Subsidiaries

Group companies	Date of acquisition/Establishment	Registered office	Ownership share	Voting share
Småkraft AS		Bergen		
Holmen Kraft AS	2016	Bergen	100 %	100 %
Follsjø Kraft AS	2016	Notodden	82 %	82 %
Muiovejohka Kraft AS	2010	Beim	60 %	60 %
Reinli Kraft AS	2005	Sør-Aurdal	51 %	51 %
Jorda Kraft AS	2012	Nord-Fron	51 %	51 %
Sigdestad Kraftverk AS	2018	Oslo	52 %	52 %
Småkraft Green Bond 1 AS	2018	Bergen	100 %	100 %
Gulen Kraft AS	2019	Bergen	100 %	100 %
Nordåna og Daleåna AS	2019	Bergen	100 %	100 %
Tesjolo Kraftverk AS	2020	Bergen	100 %	100 %
Andvik Holding AS	2020	Bergen	100 %	100 %
Ytre Kandal Kraft AS	2020	Sandane	51 %	51 %
Goslend Kraft AS	2020	Voss	66 %	66 %
Gryta Kraft AS	2020	Bergen	100 %	100 %
Svartefoss Invest AS	2020	Bergen	100 %	100 %
Foldsø Bergsøi AS	2020	Bergen	100 %	100 %
Holsen Kraft Nordøla AS	2020	Bergen	100 %	100 %
Fossåa 1 K AS	2020	Sør-Fron	66 %	66 %
Rysna Småkraftverk AS	2020	Bergen	100 %	100 %
Tokheim Kraft AS	2020	Bergen	100 %	100 %
Småkraft Green Bond 2 AS	2020	Bergen	100 %	100 %
Byrkjelo Kraftverk AS	2021	Bergen	100 %	100 %
Råssafoss Kraft AS	2021	Bergen	100 %	100 %
Straume Kraftverk AS	2021	Bergen	100 %	100 %
Skyggelva Kraft AS	2021	Bergen	100 %	100 %
Støldalselva Kraftverk AS	2021	Bergen	100 %	100 %
Salvasskardelva Kraft AS	2021	Bergen	100 %	100 %
Skinvik Kraftverk AS	2021	Bergen	100 %	100 %
Åsedøla Kraft AS	2021	Bergen	100 %	100 %
Aurora Bygg og Anlegg AS	2021	Bergen	100 %	100 %
Deveggåe Kraft AS	2021	Bergen	100 %	100 %
Strømfallet Småkraft AB	2021	Uppsala	90 %	100 %
Russvik Kraft AS	2021	Narvik	100 %	100 %
Hugle Kraft AS	2021	Vik i Sogn	100 %	100 %
Småkraft Green Bond 1 AS		Bergen	100 %	100 %
Kvernma Kraft AS	2013	Lærdal	66 %	66 %
Sakservik Kraft AS	2016	Bergen	96 %	96 %
Småkraft Green Bond 2 AS		Bergen	100 %	100 %
Salvasskardelva Kraft AS	2021	Bergen	100 %	100 %
Sagåna Kraft AS	2021	Bergen	100 %	100 %
Strømfallet Småkraft AB		Uppsala	90,1 %	100 %
Strømfallet AB	2021	Uppsala	100 %	100 %
Strømfallet Tunefors AB	2021	Uppsala	100 %	100 %
Streamgate North AB	2021	Uppsala	100 %	100 %



Note 20: Receivables; amounts due after more than one year

<i>Amounts in EUR thousand</i>	12/31/2021	12/31/2020
Loans to associates:		
Loans to associates - Luster Småkraft AS	801	764
Loans to associates - R&S Energi AS	943	899
Loans to associates - Utbygging Holding AS	2,112	3,228
Provisions for loss on loans to associates	-904	-862
Other receivables:		0
Deposit rent	114	100
Prepaid water right lease	6,609	5,750
Other long term receivables	0	101
Total	9,676	9,980

Note 21: Related party transaction and balance items.

Småkraft and its subsidiaries and associates have sought to do transactions on commercial terms. The companies also have business transactions regarding the corporate account. These are shown in the table below.

Transaction / transaction group	Related accounting line	2021	2020
Joint ventures			
Interest bearing loans	Receivables	1,744	1,663
Total		1,744	1,663
Joint ventures			
Purchase of services from related party	Other operating cost	7	11
Total		7	11
Sales of various goods and services	Other operating revenue	13	83
Total		13	83
Interest bearing loans	Receivables	2,112	3,228
Total		2,112	3,228

Luster Småkraft AS og Rullestad & Skromme AS are associated companies (note 18). The individuals stated in note 11 are also related parties of Småkraft AS. Apart from the transactions specified in this note and note 11, there are no significant related party transactions or balance items.



Short-term Receivables

	Relationship to the counterparty	Short tem receivables	
Counterpart		2021	2020
Nordåna og Dalaåna Kraft AS	Subsidiary	833	0
Småkraft Green Bond 2 AS	Subsidiary	416	0
Rysna Småkraftverk AS	Subsidiary	248	0
Muoidejohka Kraft AS	Subsidiary	154	132
Reinli Kraft AS	Subsidiary	142	126
Størsdalselva Kraftverk AS	Subsidiary	137	0
Småkraft Green Bond 1 AS	Subsidiary	79	24
Other	Subsidiary	217	44
Short term receivables, group companies (incl. in trade receivables)		2,227	327

Long-term Loans

	Relationship to the counterpart	Long tem Receivables	
Counterpart		2021	2020
Småkraft Green Bond 1 AS	Subsidiary	17,824	16,936
Småkraft Green Bond 2 AS	Subsidiary	16,849	-
Russvik Kraft AS	Subsidiary	8,818	-
Størsdalselva Kraftverk AS	Subsidiary	7,695	-
Muoidejohka Kraft AS	Subsidiary	4,949	4,844
Tesgjolo Kraft AS	Subsidiary	2,700	2,500
Gosland Kraft AS	Subsidiary	1,201	-
Reinli Kraft AS	Subsidiary	991	1,069
Skinvik Kraftverk AS	Subsidiary	892	-
Foldsæ Bergsål AS	Subsidiary	555	-
Nordåna og Dalaåna Kraft AS	Subsidiary	461	430
Aurora Bygg og Anlegg AS	Subsidiary	446	-
Gryta Kraft AS	Subsidiary	400	-
Deveggåe Kraft AS	Subsidiary	316	-
Svartefoss Invest AS	Subsidiary	210	-
Holsen Kraft Nordøla AS	Subsidiary	160	-
Holmen Kraft AS	Subsidiary	-	96
Løkkebø Kraftverk AS	Subsidiary	-	2,674
Røfsdalskraft AS	Subsidiary	-	6,781
Fivelandselva Kraft AS	Subsidiary	-	3,699
Bordalselva Kraftverk AS	Subsidiary	-	2,388
Spilling Kraft AS	Subsidiary	-	1,172
Andvik Holding Kraft AS	Subsidiary	-	651
Svartdalen Kraft AS	Subsidiary	-	134
Valdra Kraftverk AS	Subsidiary	-	2,417
Other		56	5
Loans to subsidiaries		64,524	45,795
Luster Småkraft AS	Associated company	801	764
Rullestad og Skromme Energi AS	Associated company	943	899
Utbygging Holding AS	Associated	2,112	3,228
Loans to associates		3,856	4,892
Sum		68,380	50,687



Note 22: Share capital and shareholder information

Ownership structure 31.12.2021	Number	Nominal amount	Voting share	Ownership share
Aquila GAM Fund GmbH & Co. Geschlossene Investmentkommanditgesellschaft	716,227	50	16.2 %	16.2 %
Aquila Capital European Hydropower Fund S.A.	999,538	50	22.6 %	22.6 %
ACEH Norway 1 B.V.	2,039,616	50	46.1 %	46.1 %
ACEH Norway 2 B.V.	668,438	50	15.1 %	15.1 %
Sum	4,423,819	50	100%	100%

Note 23: Taxes

Amounts in EUR thousand

The tax expense in the income statement	2021	2020
Change in deferred income tax	-6,238	-1,456
Tax expense in the income statement	-6,238	-1,456

Reconciliation of nominal tax rate and effective tax rate	2021	2020
Profit before tax	-28,273	-6,789
Tax rate, percent	22%	22%

Expected tax expense	-6,220	-1,494
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Effect on taxes of		
Permanent differences	48	37
Changes related to deferred tax on off-balance sheet items	-28	0
Other changes	-38	0
Tax expense	-6,238	-1,457

Effective tax rate	22%	21%
	2021	2020

Taxes payable in the balance sheet	-	-
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Specification of temporary differences and deferred tax	2021	2020
Fixed assets	8,631	9,745
Interest deduction carry forward	-1,398	-1,334
Group contributions	-3,366	0
Unrealized derivatives	-24,677	8,359
Other differences	-105	-4
Temporary differences	-20,915	16,766
Losses carried forward	-42,847	-50,070
Differences not affecting deferred tax	-2,462	-2,349
Basis for deferred tax	-66,224	-35,653
Tax rate	22%	22%
Net deferred tax benefit (-)/liability (+) in the balance sheet, or	-14,569	-7,844
Deferred tax benefit	-14,569	-7,844



Presentation	2021	2020
Deferred tax benefit	14,569	7,844
Deferred tax	0	0
Net	14,569	7,844

Differences not affecting deferred tax relates to goodwill in connection with former acquisitions and subsequent mergers with Småkraft AS.

Deferred tax benefit is recognised as Småkraft expects to come in tax position over the next years.

Note 24: Cash and cash equivalents

Bank deposits, cash etc. does not include restricted tax deduction funds as of 31.12.2021.

The company has established a bank guarantee for the payment of tax.

Note 25: Secured borrowings and guarantees

Amounts in EUR thousand	31.12.2021	31.12.2020
Borrowings from financial institutions	265,183	162,858
Agent commission	-1,609	-769
Total	263,574	162,089

Carrying amount of pledged assets

Amounts in EUR thousand	31.12.2021	31.12.2020
Operating equipment	1,135	244
Accounts receivable	544	962
Power plants and related water lease agreements	368,921	198,273
Total	370,600	199,479

The bank and bond holders have pledged security in operating equipment, bank accounts and accounts receivable, in addition to 1. priority pledge in the power plants and related water lease agreements.

The bank has pledged security in the shares in Småkraft AS and Småkraft AS' shares in Reinli Kraft AS and Muoidejohka Kraft AS.

Småkraft AS has provided a bank guarantee as a security for the payment of tax deduction.

Småkraft AS has a deposit regarding rent in a restricted bank account amounting to kEUR 29.

According to the shareholders agreement with Luster Småkraft AS, Småkraft AS is obligated to make capital available to Luster Småkraft AS.

There is a conditional waiver of debt from the bank amounting to kEUR 500, related to whether Knutfoss AS makes a profit over the next 2 years. Based on current projections, it is considered likely that the debt will be settled.



Note 26: Concessions

As of 31.12.2021, Småkraft AS has concessions for additional 14 power plant with a total annual production of approximately 201 GWh.

Note 27 Water land lease agreements

As part of several of the net- agreements, Småkraft offers interest bearing loans and/ or minimum payments in the first years of the land- lease agreements. Net agreements typically have deficits the first years. Småkraft offers interest bearing loans/ minimum payments to offer more stable payouts to the landowners, while simultaneously not amending the balance in the land lease agreement between landowner and company.

The loans are normally interest-bearing loans. The minimum payments are interest bearing payments to the landowners that will be offset against future land lease profits.

Loans from Småkraft AS to landowners:

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Loans to landowners	1 010	931
Minimum payments to landowners	5 943	4 819
Total	6 953	5 750

<i>Amounts in EUR thousand</i>	31.12.2021	31.12.2020
Receivables towards landowners, off balance	25 807	22 923
Total	25 807	22 923

When net- agreements have deficit, Småkraft AS finances the landowner share of the deficit. Småkraft AS accrues a receivable against the landowners, against which future profits will offset. This is an asset to Småkraft, that according to IFRS is off balance. It represents a future benefit for the company.



RESPONSIBILITY STATEMENT

In the best judgement of the Board and the CEO, annual the financial statements for 2021 have been prepared in accordance with current applicable accounting standards, and the information in the financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and the group taken as a whole. In the best judgement of the Board and the CEO the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the parent company and the group, together with a description of the principal risks and uncertainties facing the parent company and the group.

Annette Beate Wacknitz Malm Justad
Chairman of the board

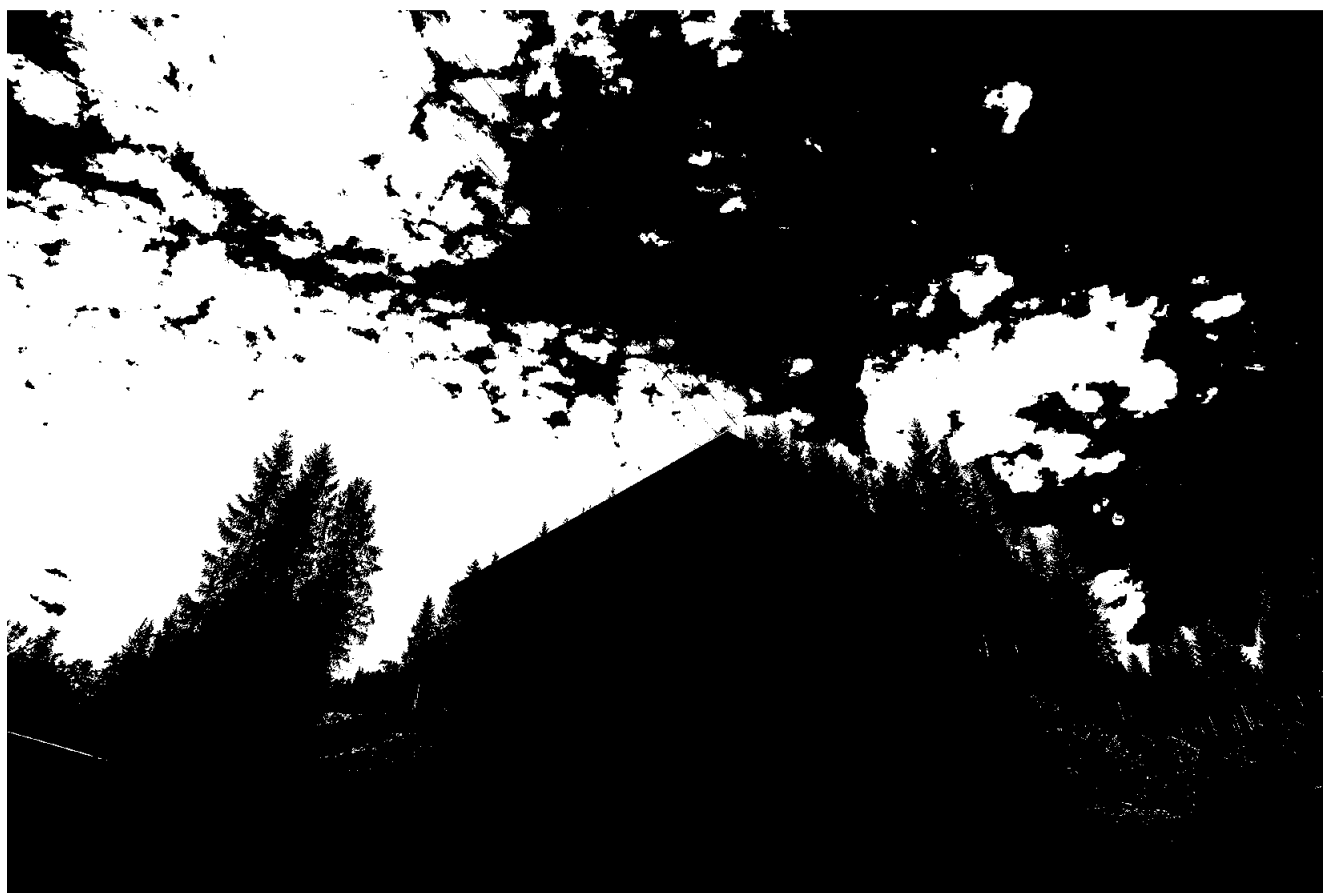
Claudia Ahnert
Member of the Board

Joakim Johnsen
Member of the Board

Oldrik Nicolaas Frits Verloop
Member of the board

Christian Heidfeld
Member of the board

Terje Vedeler
Managing Director



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Skatteetaten

Vår dato
09.03.2020

Din/Deres dato
12.02.2020

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

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Telefon
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Org.nr
974761076

Vår referanse
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SMÅKRAFT AS
Postboks 2389, Solheimsviken
5824 BERGEN

Att. Erik Røysem Sterud

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Småkraft AS, org.nr. 984 616 155

Vi viser til deres brev av 12. februar 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Småkraft AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Småkraft AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Småkraft AS er eid av et tre forskjellige internasjonale infrastrukturfond. Selskapet er Norges største eier og drifter av små kraftverk og selger fornybar strøm til strømbørsen Nordpool. Selskapet har i 2019 utstedt et grønt obligasjonslån som er notert på Oslo Børs. Ingen av investorene i lånet er p.t. norske.

Skattekontorets 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 mv., er det utført 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 skattekontorets 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 skattekontoret lagt særlig vekt på at selskapet er eid av internasjonale infrastrukturfond. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waailorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.