



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Greta Veum Ramse
Dato for fastsettelse av årsregnskapet:	16.06.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 01.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	292 751 673	316 812 497
Annen driftsinntekt	2, 3	2 555 441	2 415 428
Sum inntekter		295 307 113	319 227 925
Kostnader			
Varekostnad		218 816 737	224 834 839
Lønnskostnad	4	150 604 697	155 495 053
Avskrivning på driftsmidler	5, 6	18 774 683	20 587 312
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5, 6	2 848 603	18 010
Annen driftskostnad	4, 6	75 917 431	55 950 793
Sum kostnader		466 962 151	456 886 008
Driftsresultat		-171 655 038	-137 658 082
Finansinntekter og finanskostnader			
Annen renteinntekt		1 219 618	209 927
Annen finansinntekt		28 601 610	14 364 982
Sum finansinntekter		29 821 228	14 574 909
Nedskr. på investering i datter- og tilknyttet selskap	8		555
Rentekostnad til foretak i samme konsern		293 055	341 100
Annen rentekostnad	9	8 259 726	4 370 937
Annen finanskostnad		35 210 491	16 453 318
Sum finanskostnader		43 763 272	21 165 909
Netto finans		-13 942 044	-6 591 001
Ordinært resultat før skattekostnad		-185 597 082	-144 249 083
Skattekostnad på resultat	10	-132 159 222	29 671
Ordinært resultat etter skattekostnad		-53 437 860	-144 278 754
Årsresultat		-53 437 860	-144 278 754
Årsresultat etter minoritetsinteresser		-53 437 860	-144 278 754



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Totalresultat		-53 437 860	-144 278 754
Overføringer og disponeringer			
Udekket tap		-53 437 860	
Avsatt til annen egenkapital			-144 278 754
Sum overføringer og disponeringer		-53 437 860	-144 278 754



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	5	23 749 917	26 392 989
Konsesjoner, patenter o.l.	5	1 697 218	966 506
Utsatt skattefordel	10	132 159 222	
Goodwill	5		13 819 587
Sum immaterielle eiendeler		157 606 357	41 179 082
Varige driftsmidler			
Maskiner og anlegg	6	279 596	366 832
Driftsløsøre, inventar o.a. utstyr	6	3 813 014	3 629 004
Sum varige driftsmidler		4 092 610	3 995 837
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	8	6 873 643	6 873 643
Andre langsiktige fordringer		252 148	249 148
Sum finansielle anleggsmidler		7 125 790	7 122 790
Sum anleggsmidler		168 824 757	52 297 709
Omløpsmidler			
Varer			
Sum varer	11	3 551 832	2 135 372
Fordringer			
Kundefordringer	3	51 119 653	61 124 345
Konsernfordring, konsernkonto	3	1 220 009	841 884
Andre kortsiktige fordringer		8 175 086	5 003 170
Opptjent, ikke fakturert inntekt	12	38 790 332	55 839 850
Krav på innbetaling av selskapskapital	3		
Sum fordringer		99 305 079	122 809 249
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	13	4 422 718	2 006 262
Sum bankinnskudd, kontanter og lignende		4 422 718	2 006 262



Balanse

Beløp i: NOK	Note	2022	2021
Sum omløpsmidler		107 279 630	126 950 884
SUM EIENDELER		276 104 387	179 248 593
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	14, 15	2 718 308	1 759 808
Beholdning av egne aksjer	15		
Overkurs	14		
Annen innskutt egenkapital	14	30 000 000	25 000 000
Sum innskutt egenkapital		32 718 308	26 759 808
Opptjent egenkapital			
Annen egenkapital	14	-111 519 878	-127 541 878
Sum opptjent egenkapital		-111 519 878	-127 541 878
Sum egenkapital		-78 801 570	-100 782 070
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4	3 430 467	
Utsatt skatt	10		
Sum avsetninger for forpliktelser		3 430 467	
Annen langsiktig gjeld			
Obligasjonslån	9		
Gjeld til kredittinstitusjoner	9	53 000 000	53 000 000
Sum annen langsiktig gjeld		53 000 000	53 000 000
Sum langsiktig gjeld		56 430 467	53 000 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	9	53 193 791	31 157 501
Leverandørgjeld	3	48 781 955	47 871 763
Betalbar skatt	10		



Balanse

Beløp i: NOK	Note	2022	2021
Skyldig offentlige avgifter		15 179 598	29 244 579
Kortsiktig konserngjeld	3	22 197 936	21 618 489
Avsatte prosjektkostnader	12	103 553 948	45 326 232
Fakturert, ikke opptjent inntekt	12	19 324 886	17 281 947
Derivater vurdert til balansedagens verdi	7	931 950	588 464
Annen kortsiktig gjeld	12	35 311 425	33 941 687
Sum kortsiktig gjeld		298 475 490	227 030 663
Sum gjeld		354 905 957	280 030 663
SUM EGENKAPITAL OG GJELD		276 104 387	179 248 593
POSTER UTENOM BALANSEN			
Pantstillelser	9		



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 563864

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Brønnøysundregistrene, 10.07.2023



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AKER SOLUTIONS HYDROPOWER AS

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Organisasjonsnr: 996 968 480
AKER SOLUTIONS HYDROPOWER AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
138.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Skatteetaten

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

RAINPOWER HOLDING AS
Postboks 144
2027 KJELLER

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

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

Skattedirektoratet gir på bakgrunn av en konkret vurdering Rainpower Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

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

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk.*

Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

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

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



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

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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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Annual Report 2022
Aker Solutions Hydropower AS

Optimizes the value of sustainable hydropower energy



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Board of Directors' Report 2022

About Aker Solutions Hydropower

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

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

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

2022 Operational Summary

The year was impacted by low activity in markets in previous years and a challenging existing portfolio.

Going into 2022, Aker Solutions Hydropower had an order backlog of 327 MNOK. This included a portfolio of electro-mechanical projects, especially a suite of compact hydro and control system projects that proved to be challenging. The operational focus throughout the year has been to secure capacity and competence to complete these compact hydro projects and other ongoing hydro projects. Among the projects within Greenfield, Refurbishment/Upgrade and International projects the company experienced some challenges in project execution phase. Still focus on strengthening the risk management and legal focus in tender and project execution.

Aker Solutions Hydropower completed a M&A – process resulting in being fully owned by Aker Solutions in the first quarter of 2022. During 2022 there were several changes in the executive management team in the company and the company was integrated into a Segment within Aker Solutions in order to create synergies and grow the business further. This resulted in an extensive management focus with new strategy to explore the synergies with Aker Solutions and Benestad.

Strategic Outlook

There are three main elements in the company strategy: 1) Turnaround of existing business to secure profitability and healthy operations based on existing products and operations. 2) Transformation to become future technology provider for hydropower and renewable energy production. This includes possible synergies with partners, such as Aker Solutions, other companies within the Aker eco-system, and outside companies/resource pools, and further development of the product and competence portfolio, specifically focusing on control systems and digitalization. 3) Digital, including new business models. This requires following up the defined digital strategy and acquisition of necessary competence and capacity through M&As / partnerships.

- 1 -

Aker Solutions Hydropower

2022



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Market

The COVID 19 pandemic has slowed down our markets for the past three years, but 2022 showed promising market trends and order income. Our customers' maintenance and upgrade backlogs have increased during this period of low investment activity, and it is expected that we will see increased market activity going forward.

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

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

Becoming an integrated part with Aker Solutions will provide a further strategic business development possibilities with a close integration with Tranby Manufacturing site and Controls Solutions department.

Financial Performance

Aker Solutions Hydropower AS presents its financial statement in accordance with Norwegian Accounting Act as of 31 December 2022 and generally accepted accounting principles.

Operating revenue of 2022 was NOK 295.3 million compared to NOK 319.2 million in 2021, representing a 7% decrease.

Earnings before interests, depreciations and taxes (EBITDA) ended at NOK -150.0 million (negative numbers representing a loss) compared with NOK -117.1 million in 2021.

Depreciation, amortization and Impairment in 2022 amounted to NOK 21.6 million (2021: NOK 20.6). EBIT was NOK -171.7 million in 2022, compared with NOK -137.7 million in 2021.

Net financial items were NOK -13.9 million in 2022 (2021: NOK -6.6 million). The loss before tax was NOK -185.6 million compared with NOK -144.3 million in 2021.

Total equity was NOK -78.8 million at the end of 2022, compared with NOK -100.8 million at the end of 2021, corresponding to an equity ratio of -28.5%, up from -56.2% a year earlier.

Profit allocation:

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

Retained earnings:	-53.4 million
Total allocated:	-53.4 million

Cashflow

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

Net cash from operating activities was negative in 2022, by NOK -93.6 million, compared with NOK -210.6 million in 2021. Net cash flow from investing activities totalling NOK -6.0 million, compared with NOK -4.4 million in 2021. Investment in technology development and IT amounted to NOK 5.2 million, compared with NOK 3.7 million a year earlier. Cash flow from financing activities of NOK 102.0 million in 2022 (2021: NOK 215.2 million).



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Going concern assumption

The Company's financial projections used in its going-concern evaluation are based on assumptions about the future, including those related to future contract awards, contract pricing, execution of projects and the availability of funding. All though Aker Solutions Hydropower has experienced some challenging years the past years, with by low activity in markets and a challenging existing portfolio, our customers have years of maintenance and upgrade backlogs. The company is expecting to see the market picking up pace again. The high electricity prices experienced during 2022, as well as the increased public and political focus on the matter of electricity prices, further strengthens this assumption.

Substantial efforts have been focused on project execution improvement measures. Strong focus on both sales and project execution will continue in 2023.

In 2022 the management and the Board of Directors supported by Aker Solutions initiated several actions to improve the liquidity and the financial situation to strengthen the going concern assessment. The outcome of these actions and processes is positive and the financial balance and financial situation have been substantially strengthened.

- Aker Solutions contributed with NOK 80 million in capital injections during 2022.
- NOK 80 million capital injection in first quarter of 2023
- In May 2023, Aker Solutions entered into an agreement whereby Aker Solutions pays NOK 55 million for SEB and Eksfin to cancel senior debt and a drawdown facility of a total of NOK 108 million, as well as the subordinated debt and release all pledges in Aker Solutions Hydropower

Based on the overall assessment, the Board of Director's assessment is that the conditions for continued operations have been complied with, and the accounts have been presented under this assumption. In accordance with the Norwegian Accounting Act section 3-3a, the Board of Directors confirms that the annual accounts are prepared in accordance with the going-concern assumption.

Health, Safety, Security, and Environment

Employees

Arnt:

At the end of 2022 the Aker Solutions Hydropower power AS had 142 employees.

Around half of the technical employees are engineers, with a MScs or a PhD. Almost all of the operatives at the workshop are skilled workers within the areas of metalwork, welding, NDT and machining. Other employees work in finance, administration and technical functions.

Health, safety, and environment

Aker Solutions Hydropower operates a health, safety and environment (HSE) policy based on ISO 14001:2004 and OHSAS 18001 adapted to the local working conditions. The company's workshop in Sørumsand is certified to the same standards. A handbook has been produced combining quality assurance and health, safety and the environment on the grounds that it is not possible to achieve effective quality assurance without good working conditions and a sound environment.

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

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

Key environmental objectives

- To deliver environmentally friendly products and services to our clients
- To comply with all legislation and regulations applicable to our operations
- To avoid all damage to natural resources
- To secure efficient utilisation of the resources at the company's production facilities and installation locations

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Aker Solutions Hydropower

2022



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- To focus on preventative measures and continual improvement in our work on nature conservation

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

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

Aker Solutions Hydropower AS strives to continuously improve its HSE performance. Significant importance is attached to the risk assessment of work assignments and facilities. Two lost-time injuries were recorded in 2022 (2021: Two lost-time injury). The company accords a high priority to following up sickness absence. Overall sickness absence in the company in 2022 amounted to 1.6 percent, same as the year before. The company's short-term absence (1–16 days) amounted to 0.6 percent, while long-term absence (more than 16 days) comprised 1.6 percent. Employee health and safety are among the most important factors for well-being, profitability and competitiveness. Consequently, Aker Solutions Hydropower has drawn up plans and objectives for its HSE work intended to make the company the industry-leader in this field. Regular audits are carried out and there is high HSE awareness among all employees.

Equality

1 October 2022, Aker Solutions Hydropower became a part of and merged into the interim organization Power Solution. At the end of 2022, 8 percent of the company's workforce were women and four women were part of the different management teams. There is no discrimination between female and male employees in any context.

The business has performed an ARP according to the Equality- and discrimination law §26, to disclose any discrimination between genders relating to salary, maternity leave, temporary work and part time work.

There are some minor differences in salary between women and men in three of the six categories/levels of positions. The differences have been analysed, and no discrimination where found. There are other reasons than discrimination to cause these differences, f.ex seniority, level of higher education and experience.

We have no non-volunteer temporary or part time employees.

All employees (women and men) in maternity leave have the same rights as other employees, and are not discriminated in any way.

Directors & officers liability insurance

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

The Transparency Act

Aker Solutions will publish a statement of due diligence assessment in accordance with the Transparency Act on its web site www.akersolutions.com under Reports before June 30th 2023.



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Risk and Risk Management

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

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

Operational risk

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

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

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

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

Financial risk

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

Aker Solutions Hydropower operates in a number of countries. The contracts are primarily denominated in NOK, SEK, EUR and USD. Foreign exchange fluctuations could impact earnings in NOK for foreign projects. The company endeavours to ensure that purchases and sales within each project are made in the same currency, which will reduce the risk associated with exchange rate fluctuations. The company also has a multi-currency corporate cash-pooling scheme, which helps to equalise foreign exchange risk. Due to foreign exchange rate



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

The company's credit risk is deemed low due to established client relations and pledged guarantees. The interest-bearing liabilities are subject to variable interest rates, and any change in interest rates would affect net interest expenses/income. The liquidity reserves, comprising the loan facility and cash and cash equivalents, are monitored on an ongoing basis by reference to the expected cash flow. Major Norwegian clients are not subject to credit checks on entering into contracts. Credit checks are performed on smaller clients and new clients using Dun & Bradstreet's credit rating system.

Subsequent Events

A total of NOK 80 million in capital injection from Aker Solutions was received in January and March 2023.

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

No other material events to report since 31 Dec 2022.

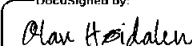
The Board of Directors of Aker Solutions Hydropower AS, June 14th 2023

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Egil Bøyum
Chairman

DocuSigned by:

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Geir Arild Solvang
Board Member

DocuSigned by:

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Olav Høidalen
Board Member

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Truls Edvardsen Aarones
Board Member

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Jo Kjetil Krabbe
CEO



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INCOME STATEMENT

NOK 1,000	NOTE	2022	2021
Sales revenue	2	292 752	316 812
Other operating revenue	2,3	2 555	2 415
Total operating revenue		295 307	319 228
Cost of sales		218 817	224 835
Personnel expenses	4	150 605	155 495
Depreciation and amortization	5,6	18 775	20 587
Impairment	5,6	2 849	18
Other operating expenses	4,6	75 917	55 951
Total operating expenses		466 962	456 886
Operating profit		-171 655	-137 658
Other interest income		1 220	210
Other financial income	7	28 602	14 365
Write-down on investments in subsidiaries	8	-	1
Interest cost to subsidiaries		293	341
Other interest expenses	9	8 260	4 371
Other financial expenses	7	35 210	16 453
Net financial items		-13 942	-6 591
Loss before taxes		-185 597	-144 249
Income tax expense	10	-132 159	30
Profit/(loss) for the period		-53 438	-144 279
Transfers and allocations			
To/from equity		-53 438	-144 279
Total transfers and allocations		-53 438	-144 279

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Aker Solutions Hydropower AS - Annual financial statements 2022



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BALANCE SHEET


NOK 1,000	NOTE	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Research and development	5	23 750	26 393
Other intangible assets	5	1 697	967
Deferred tax asset	4	132 159	-
Goodwill	5	-	13 820
Property, plant and equipment	6	4 093	3 996
Investments in group companies	8	6 874	6 874
Other non-current receivables		252	249
Total non-current assets		168 825	52 298
Current assets			
Inventories	11	3 552	2 135
Customer contract assets	12	38 790	55 840
Trade receivables	3	51 120	61 124
Intercompany receivables	3	1 220	842
Other receivables		8 175	5 003
Cash and cash equivalents	13	4 423	2 006
Total current assets		107 280	126 951
TOTAL ASSETS		276 104	179 249

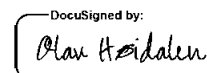


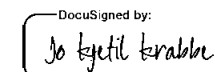
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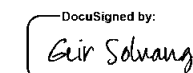
NOK 1,000	NOTE	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Share capital	14,15	2 718	1 760
Non-registered share capital	14	30 000	25 000
Retained earnings	14	-111 520	-127 542
Total equity		-78 802	-100 782
Non-current liabilities			
Pension liability	4	3 430	-
Non-current borrowings	9	53 000	53 000
Total non-current liabilities		56 430	53 000
Current liabilities			
Current borrowings	9	53 194	31 158
Trade payable	3	48 782	47 872
Accrued public duties		15 180	29 245
Prepayments from customers	12	19 325	17 282
Customer contract liabilities	12	103 554	45 326
Intercompany payables	3	22 198	21 618
Derivative financial instruments	7	932	588
Other current liabilities	12	35 311	33 942
Total current liabilities		298 475	227 031
Total liabilities		354 906	280 031
TOTAL EQUITY AND LIABILITIES		276 104	179 249

The Board of Directors of Aker Solutions Hydropower AS, June 14th 2023

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Egil Bøyum
Chairman

DocuSigned by:

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Olav Høidalen
Board Member

DocuSigned by:

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Jo Kjetil Krabbø
CEO

DocuSigned by:

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Geir Arild Solvang
Board Member

DocuSigned by:

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Truls Edvardsen Aarønes
Board Member



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STATEMENT OF CASH FLOWS

NOK 1,000	2022	2021
Cash flow from operating activities		
Profit before income tax	-185 597	-144 249
Taxes paid	-	-30
Depreciation	18 775	20 587
Write-down of long-term financial assets	2 849	18
Change in inventories	-1 416	88
Net change in customer contract assets and liabilities	77 320	770
Change in trade and other receivables	10 005	-12 792
Change in trade payable and other payables	910	-70 844
Translation differences	-943	-2 021
Other accruals and prepayment	-15 533	-2 098
Net cash generated from operating activities	-93 632	-210 570
Cash flows from investing activities		
Purchase of property, plant and equipment	-1 077	-632
Payments for capitalized development	-4 911	-3 732
Net cash used in investing activities	-5 988	-4 364
Cash flows from financing activities		
Proceeds from borrowings	-	48 500
Net change in overdraft facilities	22 036	25 217
Proceeds from issue of share capital	80 000	150 000
Dividends paid	-	-8 500
Net cash used in financing activities	102 036	215 217
Net change in cash and cash equivalents	2 416	284
Cash and cash equivalents at the beginning of the period	2 006	1
Correction opening balance due to merger	-	1 722
Net change in cash and cash equivalents	2 416	284
Cash and cash equivalents in the balance sheet as of year end	4 423	2 006



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Accounting policies

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

Classification

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

Depreciation of property, plant and equipment

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

Intangible assets

Expenses for intangible assets, including expenses for research and development, are capitalized to the extent that the criteria for capitalization are met.

Operating revenues and expenses

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

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

Inventory

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

Receivables

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

Foreign currencies

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

Derivatives

Derivatives are recognised in the balance sheet at fair value at the time the derivative contract is entered into, and subsequently on an ongoing basis at fair value. Changes in fair value of derivatives that do not qualify for hedge accounting, and are recognised in income under financial items as a change in the fair value of financial assets and derivatives. The category includes foreign exchange contracts.

Pension

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

Leases

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

Tax expense and deferred tax

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

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



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Subsidiaries and associates

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

Statement of cash flows

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

Liabilities

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



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Notes to the financial statements

Note 1 Foreign branch

Aker Solutions Hydropower AS's branch in Mozambique has been consolidated in the accounts for 2022.

Capitalized assets and liabilities in the branch are consolidated in the accounts with value as of 31.12.2022, and are converted to NOK at the exchange rate as of 31.12.2022.

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

Translation differences are entered directly against other equity since the translation has only been performed to obtain the correct presentation currency. Accumulated translation difference is stated in note 14 Equity.

Note 2 Sales revenue

Distribution by business areas:

	2022	2021
Revenue from customer contracts	292 752	316 812
Other income	2 555	2 415
Total	295 307	319 228

Geographical distribution:

	2022	2021
Norway	234 512	273 089
Nordic	3 199	10 979
Europe	5 695	8 977
North America	1 763	1 242
Central America	3 226	1 299
South America	37 961	18 018
Africa	7 715	5 415
Oceania	232	-
Asia	1 004	210
Total	295 307	319 228

Note 3 Intragroup transactions and balances

Sale of goods and services to related parties:

	2022	2021
Group companies	3 702	2 852
Total	3 702	2 852

Purchase of goods and services from related parties:

	2022	2021
Goods	32 821	30 432
Services	11 419	3 323
Total	44 240	33 755



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Balance sheet items relating to transactions with related parties:

	Accounts receivable		Other receivables / Group receivables	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Group companies	422	923	1 220	842
Total	422	923	1 220	842

	Accounts payable		Other current liabilities / group cash pool	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Related parties	1 314	1 670	-	-
Group companies	23 987	23 369	22 198	21 618
Group contribution	-	-	-	-
Total	25 301	25 039	22 198	21 618

Note 4 Personnel expenses

	2022	2021
Salary	123 621	128 300
Social security contribution	18 663	19 289
Pension cost	6 245	5 784
Other employee benefits	2 076	2 046
Personnel expenses	150 605	155 419

Total number of FTEs as of December 31	138	129
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Remuneration paid to the CEO

	2022	2021
Salary	2 500	3 318
Pension cost	68	76
Other employee benefits	4	6
Total benefits	2 572	3 400

No loans have been extended to and no security has been pledged on behalf of the CEO, Chairman of the Board or other related parties. No single loan/security comprises more than 5 per cent of the company's equity.

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

Pension

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

The company operates a defined-contribution scheme. Premiums recognised as an expense totalled NOK 4.449 million for 2022 (2021: NOK 3.973 million). At year-end, 154 employees are covered by the pension scheme.

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



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Defined benefit plans:

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

The defined benefit obligation is calculated separately for each plan by discounting the estimated amount of future benefit that employees have earned in the current and prior periods. Any change of the defined benefit obligation as a result of change of assumptions (actuarial gains and losses) are recognized immediately in other equity. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement. When the benefits of a plan are changed, settled or when a plan is curtailed, the change relating to past service or the gain or loss on curtailment or settlement is recognized immediately in the income statement.

In previous years, the company did not have the required information to estimate the pension obligation from these defined benefits. Aker Solutions Hydropower therefore accounted for the plan as if they were defined contribution plans. In 2022, the company managed to reliably estimate the total pension liability. The change was recognized in equity as correction prior year.

Movement in the pension obligation for defined benefit plan:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2022	2021	2022	2021	2022	2021
Balance as of January 1	-	-	-	-	-	-
Current service and administration cost	-	-	-	-	-	-
Interest cost (income)	111	-	-	-	111	-
Included in income statement	111	-	-	-	111	-
Actuarial loss (gain) arising from financial assumptions	-	-	-	-	-	-
Return on plan assets	-	-	-	-	-	-
Changes in asset ceiling	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustments	-	-	-	-	-	-
Remeasurements loss (gain) included in OCI	-	-	-	-	-	-
Contributions paid into the plan	-	-	-	-	-	-
Benefits paid by the plan	-	319	-	-	-	319
Other significant events	3 639	-	-	-	3 639	-
Other	3 320	-	-	-	3 320	-
Balance as of December 31	3 430	-	-	-	3 430	-
Represented by:						
Net funded liability	-	-	-	-	-	-
Net unfunded liability	3 430	-	-	-	3 430	-
Balance as of December 31	3 430	-	-	-	3 430	-



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Actuarial Assumptions:

	2022	2021
Discount rate	3,00 %	N/A
Asset return	N/A	N/A
Salary progression	3,50 %	N/A
Pension indexation funded plans ¹⁾	0,00 %	N/A
Mortality table	K2013	N/A
Life expectancy at age 65 for pensioners, males	22,70	N/A
Life expectancy at age 65 for pensioners, females	26,00	N/A

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

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

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

Auditor's remuneration

	2022	2021
Audit fee	1 177	1 002
Tax services	-	-
Other assurance services	59	48
Other non-audit services	-	10
Total	1 236	1 059

Note 5 Intangible assets

	Goodwill	Capitalized development	Other	Total
Cost at 31 December 2021	227 301	90 855	4 641	322 796
Additions and transfers		3 836	1 075	4 911
Disposal at cost		-7 023		-7 023
Cost at 31 December 2022	227 301	87 668	5 715	320 684
Accumulated amortization and impairment losses at 31 December 2021	213 481	64 462	3 674	281 617
Disposal at cost		-7 023		-7 023
Amortisation and impairments for the year	13 820	6 479	344	20 643
Accumulated amortization and impairment losses at 31 December 2022	227 301	63 918	4 018	295 237
Carrying amount at 31 December 2022	-	23 750	1 697	25 447
Estimated useful lives (years)	15 years	10-15 years	3-10 years	
Depreciation plan	Linear	Linear	Linear	



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Goodwill arose from the following acquisitions;

- acquisition of a business related to GE's hydropower department at Kjeller
- Rainpower Norge AS
- Rainpower Technology AS
- Hymatek Controls AS

Goodwill is amortized over 15 years. Depreciation plan over more than 5 years is based on the long-term nature of what has been purchased. The technology in the acquired business is expected to have a useful life of at least 10 years.

Note 6 Property, plant and equipment

	Plant and machinery	Fixtures and fittings	Sum
Cost at 31 December 2021	36 025	15 138	51 163
Additions and transfers	777	301	1 077
Disposal at cost	-	-2 958	-2 958
Cost at 31 December 2022	36 802	12 481	49 283
Accumulated depreciation and impairment losses at 31 December 2021	34 136	13 031	47 167
Depreciation	376	605	981
Accumulated depreciation and impairment disposed assets	-	-2 958	-2 958
Accumulated depreciation and impairment losses at 31 December 2022	34 512	10 678	45 190
Carrying amount at 31 December 2022	2 290	1 803	4 093
Estimated useful lives (years)		3-15 years	
Depreciation plan		Linear	

Note 7 Foreign currency

For the financial year, NOK 28.6 million in exchange gains and NOK 34.6 million in foreign exchange losses have been recognised. The respective comparative figures for 2021 were NOK 14.4 million in foreign exchange gains and NOK 10.3 million in foreign exchange losses.

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk in multiple currencies. The main currencies to which the company is exposed are EUR, USD, SEK and CNY. Foreign exchange risk attaches to future commercial transactions, long-term construction contracts and recognised assets and liabilities.

Management has prepared guidelines instructing company to manage foreign exchange risk relating to the company's functional currencies. The company is required to consider hedging all foreign exchange risk through the central finance department. In order to manage foreign exchange risk on future commercial transactions and recognised assets and liabilities, the company uses forward exchange contracts entered into with external bank.



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Derivatives

Derivatives are recognised in the balance sheet at fair value at the time the derivative contract is entered into, and subsequently on an ongoing basis at fair value. Changes in fair value of derivatives that do not qualify for hedge accounting, and are recognised in income under financial items as a change in the fair value of financial assets and derivatives.

The table below provides a breakdown of the company's derivatives that will be settled gross, classified by maturity structure. Classification is based on contractual maturity.

NOK 1,000	< 1 year	1-2 years	2-5 years	More than 5 years
31 December 2022				
Forward foreign exchange contracts - held for trading purposes				
Outflow	9 737	-	-	-
Inflow	8 805	-	-	-
31 December 2021				
Forward foreign exchange contracts - held for trading purposes				
Outflow	80 878	-	-	-
Inflow	80 290	-	-	-

Derivatives are related to the foreign currencies EUR, USD and CNY. Derivatives are recognised in the balance sheet at fair value at the time the derivative contract is entered into, and subsequently on an ongoing basis at fair value. Changes in fair value of derivatives that do not qualify for hedge accounting are recognised in income under financial items as a change in the fair value of financial assets and derivatives. The category includes foreign exchange contracts. The amounts in the table are non-discounted cash flows. Balances that mature within 12 months equate to the carrying amounts due to the fact that the effect of discounting is immaterial.

Note 8 Investments

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

Note 9 Pledged assets and guarantees etc.

The total exposure, including bank loans, with the company's main bank is secured against mortgages on operating equipment, inventories and a factoring agreement. Security has also been pledged on the shares in subsidiaries.

The company has an overdraft facility of NOK 55 million. As of 31 December 2022, the company has drawn a total of NOK 53.2 million on the credit facility.

None of the company's long-term liabilities mature later than in five years.

Debts secured by mortgage	31.12.2022	31.12.2021
Non-current borrowings	-53 000	-53 000
Current borrowings	-53 194	-31 158
Total	-106 194	-84 158

Charged interest in 2022 is equivalent to NOK 5.6 million.



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Aker Solutions Hydropower is often required to provide advance payment, performance and warranty guarantees in connection with construction activities. These guarantees are issued under the guarantee facility established by Aker Solutions ASA. Outstanding advance payment, performance and warranty guarantees are mainly issued in relation to construction contracts entered into with project companies. Total guarantees as per 31.12.2022 was NOK 155.5 million.

Note 10 Tax

Income tax expense	2022	2021
Current income tax	-	30
Change in deferred tax	-132 159	-
Income tax	-132 159	30
Taxable income		
Income (loss) before taxes	-185 597	-144 249
Permanent differences	-3 960	106
Change in temporary differences	70 470	60 812
Cut-off interest deduction	7 333	4 502 ^{*)}
Taxable income	-111 754	-78 830
Tax payable in the balance sheet:		
Payable taxes current year result	-	-
Total tax payable in the balance sheet	-	-
Reconciliation of tax expense:		
Income (loss) before taxes	-185 597	-144 249
Expected income taxes at statutory tax rate	-40 831	-31 735
Non-deductible expenses	-871	23
Paid withholding tax	-	30
Unrecognized and unused tax losses and deductible temporary differences	-	31 712
Previous unrecognised tax loss	-90 457	-
Tax law changes	-	-
Total	-132 159	30
Effective tax rate	71,21 %	-0,02 %

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

	31.12.2022	31.12.2021	Change
Property, plant and equipment	-20 903	-7 563	13 339
Projects under construction	45 154	57 384	12 229
Inventory	-243	-243	-
Receivables	-1 038	-1 199	-162
Gain/loss account	4 410	5 513	1 103
Provisions	-70 719	-30 189	40 530
Pension liability	-3 430	-	3 430
Total	-46 769	23 701	70 470
Tax loss carry forward	-542 120	-430 366	111 754
Cut-off interest deduction	-11 835	-4 502	7 333
Unrec. and unused tax losses and ded. temporary diff.	-	411 167	411 167
Basis for deferred tax	-600 724	-0	600 724
Deferred tax	-132 159	-0	132 159

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



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Due to the uncertainty of the company's ability to fully utilize tax benefits within a reasonably short period of time, the deferred tax asset was not recognised in previous years. In 2022, the company was acquired by Aker Solutions, and was integrated into a segment within Aker Solutions in order to create synergies and grow the business further. Together with Aker Solutions and Benestad, the company's new strategy is to become a future technology provider for hydropower and renewable energy production. Aker Solutions Hydropower has forecasted an increase in order intake and revenue and is expecting a positive result in the years to come. In addition, being fully owned by Aker Solutions, the company is able to take advantage of group contributions within the Norwegian tax group.

Thereof we expect of the net amount of MNOK 132.2 basis for deferred taxes to be fully utilized within 3-5 years.

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

Note 11 Inventories

	31.12.2022	31.12.2021
Materials	50	50
Self-produced finished goods	3 502	2 085
Total	3 552	2 135
Inventories assessed at cost price	3 795	2 378
Provisions for obsolescence	-243	-243

Note 12 Construction contracts

Accrued contract revenue in the income statement for the period amounted to NOK 292.8 million (2021: NOK 316.8 million).

Book values for construction contracts:

	31.12.2022	31.12.2021
Construction contracts in progress, asset	38 790	55 840
Construction contracts in progress, liability	-122 879	-62 608
Net construction work in progress	-84 089	-6 768

The amount mentioned above is composed of the following:

Accumulated income on contracts	1 030 495	1 198 426
Accumulated contract income invoiced	-1 011 030	-1 159 868
Provisions for incurred project costs	-40 570	-22 850
Provisions loss-making contracts	-62 984	-22 476
Net construction work in progress	-84 089	-6 768

Advance payments from customers related to work not yet carried out	-19 325	-17 282
Service- / warranty provision	-7 040	-7 713

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

Issued bank guarantees relating to construction contracts totalled NOK 155.5 million (2021: NOK 119.1 million).



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Special events and disputes

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

Note 13 Restricted funds

Restricted bank deposits

	31.12.2022	31.12.2021
Employees tax deduction, deposited in a separate bank acct	2 140	1 744

Note 14 Equity

	Share capital	Share premium	Non-reg. cap issue	Retained earnings	Hybrid capital	Total
Equity 01.01.2022	1 760	-	25 000	-240 207	112 665	-100 782
Correction prior year *	-	-	-	-3 639	-	-3 639
Capital increase	959	-	5 000	74 042	-	80 000
Translation differences	-	-	-	-943	-	-943
Loss for the year	-	-	-	-53 438	-	-53 438
Equity 31.12.2022	2 718	-	30 000	-224 185	112 665	-78 802

* With reference to Note 4, paragraph "Defined benefit plans"

At the end of the year, the company's equity was lost, and the board has a duty to act, cf. the Limited Liability Companies Act § 3-5. For more informations see Note 17.

Note 15 Shareholders

As of 31 December 2022, Aker Solutions Hydropower AS's share capital amounted to NOK 3,226,808 including non-registered shares, each share with a nominal value of NOK 0.01.

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

Share capital of Aker Solutions Hydropower AS as of 31 December 2022 comprised the following:

	Number of shares	Nominal value	Carrying amount
A-shares	220 850 000	0,01	2 209
B-shares	50 980 773	0,01	510
Total	271 830 773		2 718
Non-registered shares	50 850 000	0,01	509
Total	322 680 773		3 227

Carrying amount in NOK 1,000



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Ownership structure

The shareholders as of 31 December 2022 were:

	A-shares	Share holdings	Voting rights
AH Åtte AS	271 700 000	100,0 %	100,0 %
Total	271 700 000	100,0 %	100,0 %

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

Changed ownership

On 10 May 2022 Aker Solutions AS acquired AH Åtte AS and Aker Solutions Hydropower AS from Aker Horizons AS. The acquisition builds on Aker Solutions AS' growth strategy and will further strengthen its offering within renewables. Aker Solutions AS sees strong industrial synergies in further developing Aker Solutions Hydropower AS into an innovative hydropower technology company to optimize hydropower developments and operations.

Note 16 Subsequent events

A total of NOK 80 million in capital injection from Aker Solutions was received in January and March 2023.

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

No other material events to report since 31 Dec 2022.

Note 17 Going concern

The Company's financial projections used in its going-concern evaluation are based on assumptions about the future, including those related to future contract awards, contract pricing, execution of projects and the availability of funding. All though Aker Solutions Hydropower has experienced some challenging years the past years, with by low activity in markets and a challenging existing portfolio, our customers have years of maintenance and upgrade backlogs. The company is expecting to see the market picking up pace again. The high electricity prices experienced during 2022, as well as the increased public and political focus on the matter of electricity prices, further strengthens this assumption.

Substantial efforts have been focused on project execution improvement measures. Strong focus on both sales and project execution will continue in 2023.

In 2022 the management and the Board of Directors supported by Aker Solutions initiated several actions to improve the liquidity and the financial situation to strengthen the going concern assessment. The outcome of these actions and processes is positive and the financial balance and financial situation have been substantially strengthened.

- Aker Solutions contributed with NOK 80 million in capital injections during 2022.
- NOK 80 million capital injection in first quarter of 2023
- In May 2023, Aker Solutions entered into an agreement whereby Aker Solutions pays NOK 55 million for SEB and Eksfin to cancel senior debt and a drawdown facility of a total of NOK 108 million, as well as the subordinated debt and release all pledges in Aker Solutions Hydropower



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Based on the overall assessment, the Board of Director's assessment is that the conditions for continued operations have been complied with, and the accounts have been presented under this assumption. In accordance with the Norwegian Accounting Act section 3-3a, the Board of Directors confirms that the annual accounts are prepared in accordance with the going concern assumption.



To the General Meeting of Aker Solutions Hydropower AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Aker Solutions Hydropower AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 14 June 2023

PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

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