Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	993 594 806
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	AGUA IMARA AS
Forretningsadresse:	Askekroken 11 0277 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Roger H. Pettersen
Dato for fastsettelse av årsregnskapet:	29.06.2023

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, 13.08.2024

Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		**0**	**0**
Kostnader			
Lønnskostnad		6 000	-25 000
Avskrivning på varige driftsmidler og immaterielle eiendeler			9 000
Annen driftskostnad		164 000	228 000
Sum kostnader		**170 000**	**212 000**
Driftsresultat		**-170 000**	**-212 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		157 000	74 000
Annen finansinntekt		11 000	47 000
Sum finansinntekter		**168 000**	**121 000**
Annen finanskostnad		26 000	100 000
Sum finanskostnader		**26 000**	**100 000**
Netto finans		**142 000**	**21 000**
Ordinært resultat før skattekostnad		**-28 000**	**-191 000**
Ordinært resultat etter skattekostnad		**-28 000**	**-191 000**
Årsresultat		**-28 000**	**-191 000**
Årsresultat etter minoritetsinteresser		**-28 000**	**-245 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-28 000	-245 000
Sum overføringer og disponeringer		**-28 000**	**-245 000**

Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		**0**	**0**
Varige driftsmidler			
Sum varige driftsmidler		**0**	**0**
Finansielle anleggsmidler			
Investering i datterselskap		80 000 000	80 000 000
Sum finansielle anleggsmidler		**80 000 000**	**80 000 000**
Sum anleggsmidler		**80 000 000**	**80 000 000**
Omløpsmidler			
Varer			
Sum varer		**0**	**0**
Fordringer			
Andre fordringer		48 000	55 000
Konsernfordringer		17 000	3 095 000
Sum fordringer		**65 000**	**3 150 000**
Investeringer			
Sum investeringer		**0**	**0**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		8 493 000	15 811 000
Sum bankinnskudd, kontanter og lignende		**8 493 000**	**15 811 000**
Sum omløpsmidler		**8 558 000**	**18 961 000**
SUM EIENDELER		**88 558 000**	**98 961 000**

BALANSE - EGENKAPITAL OG GJELD

Balanse

Beløp i: USD	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Selskapskapital		198 458 000	198 458 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		**198 458 000**	**198 458 000**
Opptjent egenkapital			
Udekket tap		109 957 000	99 930 000
Sum opptjent egenkapital		**-109 957 000**	**-99 930 000**
Sum egenkapital		**88 501 000**	**98 528 000**
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		**0**	**0**
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		**0**	**0**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		54 000	50 000
Skyldige offentlige avgifter		2 000	
Annen kortsiktig gjeld			382 000
Sum kortsiktig gjeld		**56 000**	**432 000**
Sum gjeld		**56 000**	**432 000**
SUM EGENKAPITAL OG GJELD		**88 557 000**	**98 960 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		51 660 000	49 889 000
Annen driftsinntekt		1 017 000	473 000
Sum inntekter		**52 677 000**	**50 362 000**
Kostnader			
Varekostnad		6 288 000	7 418 000
Lønnskostnad		3 738 000	3 386 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		8 261 000	8 210 000
Annen driftskostnad		6 328 000	3 734 000
Sum kostnader		**24 615 000**	**22 748 000**
Driftsresultat		**28 062 000**	**27 614 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		2 037 000	1 148 000
Annen finansinntekt		93 000	2 936 000
Sum finansinntekter		**2 130 000**	**4 084 000**
Annen rentekostnad		6 198 000	8 278 000
Annen finanskostnad		9 164 000	356 000
Sum finanskostnader		**15 362 000**	**8 634 000**
Netto finans		**-13 232 000**	**-4 550 000**
Ordinært resultat før skattekostnad		**14 830 000**	**23 064 000**
Skattekostnad på ordinært resultat		-2 083 000	7 401 000
Ordinært resultat etter skattekostnad		**16 913 000**	**15 663 000**
Årsresultat		**16 913 000**	**15 663 000**
Minoritetsinteresser		8 307 000	8 189 000
Årsresultat etter minoritetsinteresser		**8 607 000**	**7 472 000**
Andre resultatkomponenter for IFRS-foretak		661 000	4 274 000

Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
Sum resultatkomponenter for IFRS-foretak		661 000	4 274 000
Totalresultat		**17 574 000**	**19 936 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		17 574 000	19 938 000
Sum overføringer og disponeringer		**17 574 000**	**19 938 000**

Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		20 203 000	20 203 000
Utsatt skattefordel		381 000	600 000
Sum immaterielle eiendeler		**20 584 000**	**20 803 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		6 909 000	6 909 000
Maskiner og anlegg		220 544 000	228 094 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		3 654 000	1 197 000
Sum varige driftsmidler		**231 107 000**	**236 200 000**
Finansielle anleggsmidler			
Sum finansielle anleggsmidler		**0**	**0**
Sum anleggsmidler		**251 691 000**	**257 003 000**
Omløpsmidler			
Varer			
Varer		431 000	340 000
Sum varer		**431 000**	**340 000**
Fordringer			
Kundefordringer		12 484 000	32 298 000
Andre fordringer		4 372 000	2 009 000
Sum fordringer		**16 856 000**	**34 307 000**
Investeringer			
Sum investeringer		**0**	**0**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		41 381 000	33 609 000
Sum bankinnskudd, kontanter og lignende		**41 381 000**	**33 609 000**

Konsernets balanse

Beløp i: USD	Note	2022	2021
Sum omløpsmidler		**58 668 000**	**68 256 000**
SUM EIENDELER		**310 359 000**	**325 259 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		19 790 000	19 790 000
Overkurs		178 668 000	178 668 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		**198 458 000**	**198 458 000**
Opptjent egenkapital			
Udekket tap		96 114 000	94 946 000
Minoritetsinteresser		52 221 000	48 380 000
Sum opptjent egenkapital		**-43 893 000**	**-46 566 000**
Sum egenkapital		**154 565 000**	**151 892 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt		11 032 000	9 767 000
Andre avsetninger for forpliktelser			4 408 000
Sum avsetninger for forpliktelser		**11 032 000**	**14 175 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		96 000 000	87 329 000
Sum annen langsiktig gjeld		**96 000 000**	**87 329 000**
Sum langsiktig gjeld		**107 032 000**	**101 504 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		10 000 000	10 928 000
Leverandørgjeld		1 292 000	2 740 000
Betalbar skatt		1 000	9 583 000
Skyldige offentlige avgifter		20 000	1 490 000
Annen kortsiktig gjeld		37 449 000	47 121 000

Konsernets balanse

Beløp i: USD	Note	2022	2021
Sum kortsiktig gjeld		**48 762 000**	**71 862 000**
Sum gjeld		**155 794 000**	**173 366 000**
SUM EGENKAPITAL OG GJELD		**310 359 000**	**325 258 000**
POSTER UTENOM BALANSEN			
Pantstillelser		106 000 000	98 257 000

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	16.01.2013	07.02.2013
Telefon	Deres referanse	Vår referanse
22078139	Kristian Haneberg	2013/54952

AGUA IMARA AS
Postboks 200 Lilleaker
0216 OSLO

Att: Kristian Haneberg

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Agua Imara AS, org. nr. 993 594 806

Det vises til deres brev av 16. januar 2013 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Agua Imara AS.

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

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn
Agua Imara AS er eiet med 51 % av Statkraft Norfund Power Invest AS (SN Power) som igjen er eiet av Statkraft og Norfund. Øvrige eiere er BKK AS, Trønder Energis AS og Statens Investeringsfond for Næringsvirksomhet i Utviklingsland (Norfund). Agua Imara AS er konsolidert som datterselskap i Statkraft gjennom SN Powers eierandel. Selskapets mål er å bli en ledende vannkraftprodusent i Afrika og Sentral Amerika. Den operative virksomheten forgår i datterselskaper, felleskontrollerte virksomheter og tilknyttede selskaper utenfor Norge. Selskapet har ingen operativ virksomhet i Norge. Selskapets arbeidsspråk er engelsk. Konsernet opererer i sektorer, der engelsk er det klart dominerende språket. Alle sentrale aktører og samarbeidspartnere 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 mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60

"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 særlig vekt på at eierkretsen er begrenset. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. All operativ virksomhet foregår i utlandet. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of Agua Imara AS

INDEPENDENT AUDITOR'S REPORT

Opinion

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

- The financial statements of the parent company Agua Imara AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Agua Imara AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity 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,
- 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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.

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 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.

Deloitte.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group 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.

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 and 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.

Deloitte.

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.

Oslo, 28 June 2023
Deloitte AS

Stian Jilg-Scherven
State Authorised Public Accountant

PENN3O

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Stian Jilg-Scherven
State Authorised Public Accountant (Norway)
Serial number: 9578-5999-4-1167624
IP: 217.173.xxx.xxx
2023-06-28 12:29:04 UTC

bank ID

Penneo document key: AWF80-8NNT8-W6YAA-JS86V-S3EU4-ZUXDE

AGUA IMARA

Agua Imara
Annual Report 2022
AGUA IMARA GROUP
AGUA IMARA AS

[redacted]

Agua Imara Group

Board of Directors’ Report 2022

Board of Directors' Report 2022

Agua Imara AS (the Company) is a wholly owned subsidiary of Norfund. The Company's business is to develop, build, acquire, own, and operate sustainable hydropower plants in Africa and Latin America on commercial terms.

The Company is co-located with Scatec in Oslo, with its Singaporean subsidiary Agua Imara ACA Pte. Ltd. (Agua Imara ACA) located in Amsterdam, The Netherlands. Agua Imara ACA has 100% owned subsidiaries in Panama (SN Power Panama SA) and Zambia (SN Power ACA (Zambia) Ltd.).

Agua Imara ACA's two operating subsidiaries are Lunsemfwa Hydro Power Company Ltd. (LHPC) in Zambia where its ownership share is 51%, and Fountain Hydro Power Corporation (FHPC) in Panama where its ownership share is 50.1%

1. Market and Regulatory Update

The international prices for LNG started to increase during the autumn of 2021. However, following the Russian invasion of Ukraine in February 2022, prices for all fossil fuels increased dramatically. This impacted the spot prices in Panama, particularly during the second half of the year when prices remained high despite record hydrology during the third consecutive la Niña year.

Spot prices during peaking hours in the Southern African Power Pool (SAPP) started to increase as ESKOM was struggling to meet demand in South Africa. LHPC started test trading on SAPP through minor deliveries during peak hours from the Mulungushi plant. This could be an important revenue source for LHPC going forward.

2. Projects and operations 2022

Zambia

Agua Imara owns a 51% share in LHPC in Zambia. LHPC owns and operates two hydropower plants with a combined capacity of 56 MW. The 2021/2022 rainy season was below normal leading to production stops towards the end of the year.

The national generation and distribution company of Zambia is in financial distress. Consequently, the off taker has not been able to pay for the electricity delivered by LHPC in previous years. ZESCO has paid according to the agreed repayment plan throughout 2021, and as a result the risk related to the overdue accounts receivable from costumers is reducing. As of 31 December 2022, the total outstanding balance amounted to USD 7,9 million. During 2022 LHPC has only sold electricity to the Copperbelt Energy Corporation (CEC) on regular payment terms.

LHPC also owns Muchinga Power Company (MPC) in Zambia. MPC has a study license to develop a hydropower plant with a potential capacity of 150-250 MW downstream of the existing Lunsemfwa power plant.

Panama

Agua Imara participates in two joint ventures in Panama, Fountain Hydro Power Corporation (FHPC) and Hidro Burica SA (Burica). Agua Imara holds a 50.1% ownership share in both companies.

A local bond issue in Panama was successfully concluded on 11 March 2022, which reduced the financial cost substantially. Combined with a record hydrology for 2022 this produced the best result in FHPC' history.

Burica is developing a 63 MW run of river hydropower plant immediately downstream of Bajo Frio. The approval was given in June 2016. Given uncertainties on the timing of the next long term PPA auction in Panama, an impairment of USD 8.0 million (Agua Imara share) was recognized in 2020, and the project remains fully impaired in 2022.

3. The Financial Statements

International Financial Reporting Standards (IFRS)

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Agua Imara Group's presentation currency is USD.

Auditors
The appointed auditors are Deloitte AS, who have examined and vetted the financial statements.

Agua Imara Group
The Net profit for 2022 is USD 16.9 million.

Consolidated statement of profit or loss and other comprehensive income for the year	2022	2021
Revenue	52.7	50.4
Earnings before interest, taxes, amortization and depreciation	36.3	35.8
Income from investments in joint ventures	-	-
Operating Expenses	-24.6	-22.7
Net Financial Items	-13.2	-4.6
NET PROFIT FOR THE YEAR	**16.9**	**15.7**

Consolidated statement of cash flows for the year ended 31 December	2022	2021
Cash and cash equivalents	41.4	33.6
Net cash flow from operating activities	18.0	27.2
Net cash flow to investing activities	-3.1	-0.0
Net cash flow to financing activities	-7.2	-17.9

Balance Sheet at December 31	2022	2021
Total assets	310.4	325.3
Equity as a percentage of total debt and equity	49.8%	46.7%

The increase of the Group's revenues in 2022 is mainly due to higher generation in Panama than the previous year. This is also reflected in higher net cash flow from operating activities, and has enabled the Group to pay dividends to its shareholders in 2022.

Agua Imara AS

Figures in USD million

Statement of profit or loss and other comprehensive income for the year	2022	2021
Operating Profit	-0.170	-0.213
Net Financial Items	0.141	-0.033
Operating Expenses	-0.164	-0.229
NET PROFIT FOR THE YEAR	**-0.028**	**-0.245**

Cash flow statement	2022	2021
Cash and cash equivalents	8.492	15.810
Net cash flow from operating activities	2.683	4.619
Net cash flow to investing activities	-	-
Net cash flow from financing activities	-10.000	-

Balance Sheet at 31 December	2022	2021
Total assets	88.6	99.0
Equity as a percentage of total debt and equity	99.94%	99.56%

The decrease in the company's operational expenses for 2022 is mainly due to less use of legal assistance.

Allocation of this year's net profit and continued operations

Agua Imara AS' Board of Directors has suggested that this year's net profit is allocated as follows:

Net loss 2022	USD 0.28 million
Transferred from other equity	USD 0.28 million

The Board confirms that the company is in a situation of going concern.

It is the Board's opinion that the annual accounts give a true and fair view of Agua Imara Group's financial results in 2022 and the Group's financial situation as of 31 December 2022. According to the Norwegian Accounting Act, the Board confirms that the Annual Accounts have been prepared based on the Group as a going concern.

4. Organization

Employees 2022 (2021)
Agua Imara's consolidated companies had 82 employees at the end of 2022 (84). Of these, 54 (56) worked in Zambia, and 28 (28) in Panama.

Agua Imara AS had no employees in 2022.

At the end of the year, one of the three (33%) board members in Agua Imara AS were female. 17% of Agua Imara's workforce is female. To ensure that Agua Imara does not discriminate on grounds of gender, religion, ethnic background, physical challenges or otherwise, appropriate procedures are in place concerning selection to jobs, promotions to higher positions, transfers, and redundancies. Procedures entail transparent recruitment processes whereby job opportunities are made available to the public through advertisements. Employment decisions are made in cooperation between at least two managers and the HR function to ensure compliance with statutory regulations and internal guidelines.

Health, safety, and security
Agua Imara AS's goal is to meet high international health, safety and environmental (HSE) standards in all its activities. No major incidents were reported in 2022. The HSE processes and procedures in Zambia have been considerably strengthened after the fatality in 2021 and a new HSE manager has been hired.

Compliance and integrity
Compliance to policies and procedures is a priority in the organization. During 2022 there has been no reports of employee on integrity, or misconduct, in Agua Imara or its joint ventures.

Agua Imara keeps a strong focus on anti-corruption. The Company's policy on reporting of concerns is focusing on a transparent, open line to report possible irregularities, and at the same time protecting the integrity of the whistleblower (reporter).

No misconduct or integrity incidents have been reported in 2022.

5. Environmental and Social Governance

During 2022, there was no record of serious violations of Agua Imara's environmental standards for emissions or other serious environmental risks.

Agua Imara is committed to comply with international environmental and social standards set by the International Finance Corporation (IFC) and the UN Global Compact. The standards are integrated into the company's "Group Corporate Social Responsibility and Environmental Policy and Procedures" and into the Company's project management tool.

6. Risk Management

The Risk Management process shall be an integral part and a continuous effort in all business activities in Agua Imara. Agua Imara shall establish a clear assignment of Risk Management responsibilities at all levels to ensure timely identification and response to changes in risk exposures. All managers at all levels are responsible for Risk Management within their areas whether organized geographically, functionally or by value chain.

Important risk exposures for Agua Imara are related to climate, hydrology, market, political and regulatory environment, construction, health and safety, finance markets and corruption. have made it possible to continue operation and business development with focus on people's health and well-being.

In some countries in which Agua Imara operates, exposure to political and regulatory risk is considered higher than normal. All markets are closely monitored in this regard and mitigation measures such as political risk insurance is evaluated and acquired if necessary.

The company manages the financial risks associated with foreign currencies, interest rates and liquidity primarily by using currency forward contracts and interest rate swap agreements.

Through the maximization of dividends, repayment of shareholder loans, share issues and refinancing operations of the operative project companies, the capital structure is optimized to maximize the Group's value and reinvestment capability.

The individual projects are financed with limited recourse Project Financing which means that lenders are not entitled to recourse against the parent or sister companies. In some cases, capped parent company guarantees will still have to be issued in order to cover risks that cannot be allocated to lenders, typically construction-related risks.

7. Priorities for Agua Imara for 2023

Agua Imara will continue to optimize the existing assets to achieve long term financial performance. We will improve our HSE performance, work against corruption and follow international standards when developing our projects. We are dedicating resources to further understand the markets in which we operate and the possibilities which floating solar and sale of ancillary services represent in our plants.

The Company will continue focusing on securing payment of the outstanding accounts receivable in LHPC in Zambia and repaying shareholder loans in FHPC, following the successful refinancing.

Oslo, 28 June 2023

Judith Barbara Barany Halasz Director	Øystein Øyehaug Chair	Michael John McWilliams Director

Kristian Haneberg
Chief Executive Officer

Agua Imara
Annual Report 2022
AGUA IMARA GROUP
AGUA IMARA AS

Agua Imara Group

Financial Statements 2022

Agua Imara Group

Consolidated statement of profit or loss and other comprehensive income for the year

Figures in USD 1,000	NOTE	2022	2021
OPERATING REVENUES AND EXPENSES			
Sales revenues	9	52 678	50 362
Energy purchase and other costs related to power sales	9	-6 288	-7 418
Salary and personnel costs	10, 18	-3 738	-3 384
Depreciation, amortization and impairment	13, 14	-8 261	-8 210
Other operating costs	11	-6 328	-3 731
Income from investments in associated companies and joint ventures	8	-	-
Earnings before financial items and tax		**28 063**	**27 616**
FINANCIAL INCOME AND EXPENSES			
Financial income	12	2 130	4 084
Financial expenses	12	-15 362	-8 635
Net financial items		**-13 232**	**-4 551**
Profit before tax		**14 831**	**23 065**
This year's tax expense	19	2 083	-7 401
NET PROFIT FOR THE YEAR		**16 914**	**15 664**
Attributable to:			
Equity holders of the parent		8 607	7 475
Non-controlling interests share of profit		8 307	8 189
NET PROFIT FOR THE YEAR		**16 914**	**15 664**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that may be reclassified subsequently to profit or loss			
Net gain (loss) on hedging instruments	15	887	4 093
Currency translation differences		-227	181
Total items that may be reclassified subsequently to profit or loss		**660**	**4 274**
Other comprehensive income for the year, net of tax		**660**	**4 274**
Total comprehensive income for the year, net of tax		**17 574**	**19 938**
Attributable to:			
Equity holders of the parent		8 832	9 707
Non-controlling interests		8 742	10 231
Total comprehensive income for the year, net of tax		**17 574**	**19 938**

Agua Imara Group

Balance Sheet at December 31

Figures in USD 1,000	NOTE	2022	2021
ASSETS			
Deferred tax asset	19	381	600
Property, plant and equipment	13	251 311	256 404
Total non-current assets		**251 692**	**257 004**
Spare parts		434	340
Receivables	17	16 856	34 307
Bank deposits, cash and cash equivalents	22	41 381	33 609
Total current assets		**58 671**	**68 256**
TOTAL ASSETS		**310 363**	**325 260**
EQUITY AND LIABILITIES			
Paid-in capital	23	198 458	198 458
Other equity		-96 114	-94 946
Non-controlling interests		52 221	48 379
Total Equity		**154 565**	**151 891**
Pension commitments	18	-	-
Deferred tax	19	11 032	9 767
Non-current financial instruments (derivatives) - liability	16	-	4 408
Interest-bearing long term debt	20	96 000	87 329
Total long-term liabilities		**107 032**	**101 504**
Current portion long term debt	20	10 000	10 928
Tax payable		1	9 583
Other current liabilities	20,21	38 765	51 354
Total current liabilities		**48 766**	**71 865**
TOTAL EQUITY AND LIABILITIES		**310 363**	**325 260**

Oslo, 28 June 2023

Judith Barbara Barany Halasz Director	Øystein Øyehaug Chair	Michael John McWilliams Director

Kristian Haneberg
Chief Executive Officer

Agua Imara Group

Consolidated Statement of Changes in Equity for the year ended 31 December

	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Paid-in capital			Other equity				
Figures in USD 1,000	Share capital	Share premium	Approved not registered capital	Retained earnings	Translation reserve	Hedging reserve		
At 1 January 2021	**18 506**	**167 407**	**12 545**	**-101 739**	**-411**	**-2 503**	**45 988**	**139 793**
Transactions with shareholders								
Issue of share capital - contribution in kind 1)	1 284	11 261	-12 545	-	-	-	-	-
Dividends	-	-		-	-	-	-7 840	-7 840
Transactions with shareholders	**1 284**	**11 261**	**-12 545**	**-**	**-**	**-**	**-7 840**	**-7 840**
Other comprehensive income for the year, net of tax								
Net gain/losses on hedging instruments	-	-	-	-	-	2 051	2 042	4 093
Currency translation differences	-	-	-	-	181	-	-	181
Other comprehensive income for the year, net	**-**	**-**	**-**	**-**	**181**	**2 051**	**2 042**	**4 274**
Recognized through Profit and Loss								
Profit for the year	-	-	-	7 475	-	-	8 189	15 664
Recognized through Profit and Loss	**-**	**-**	**-**	**7 475**	**-**	**-**	**8 189**	**15 664**
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**7 475**	**181**	**2 051**	**10 231**	**19 938**
At 31 December 2021	**19 790**	**178 668**	**-**	**-94 264**	**-230**	**-452**	**48 379**	**151 891**
Transactions with shareholders								
Issue of share capital - contribution in kind 1)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-10 000	-	-	-4 900	-14 900
Transactions with shareholders	**-**	**-**	**-**	**-10 000**	**-**	**-**	**-4 900**	**-14 900**
Other comprehensive income for the year, net of tax								
Net gain/losses on hedging instruments	-	-	-	-	-	452	435	887
Currency translation differences	-	-	-	-	-227	-	-	-227
Other comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**-227**	**452**	**435**	**660**
Recognized through Profit and Loss								
Profit for the year	-	-	-	8 607	-	-	8 307	16 914
Recognized through Profit and Loss	**-**	**-**	**-**	**8 607**	**-**	**-**	**8 307**	**16 914**
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**8 607**	**-227**	**452**	**8 742**	**17 574**
At 31 December 2022	**19 790**	**178 668**	**-**	**-95 657**	**-457**	**-**	**52 221**	**154 565**

Agua Imara Group

Consolidated statement of cash flows for the year ended 31 December

Figures in USD 1,000	NOTE	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		14 831	23 065
Tax paid for the period		-6 015	-12 169
Depreciation, amortization and impairment	13, 14	8 261	8 210
Gain(-)/loss from sale of fixed assets		-38	-
Income from investments in associated companies and joint ventures	8	-	-
Effect of exchange rate changes (agio/disagio)		-241	-1 460
Change in pension commitment		-	-437
Change in receivables and other current liabilities		1 247	9 990
Net cash flow from operating activities		**18 045**	**27 199**
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in tangible and intangible fixed assets	13, 14	-3 216	-27
Proceeds from sale of fixed assets		86	-
Net cash flow to investing activities		**-3 130**	**-27**
CASH FLOW FROM FINANCING ACTIVITIES			
New long-term debt	20	106 000	-
Repayment of loans	20	-98 257	-10 077
Payment of dividend	EQ	-14 900	-7 840
Net cash flow to financing activities		**-7 157**	**-17 917**
Effect of exchange rate changes on cash and cash equivalents		**14**	**-5**
Net change in cash and cash equivalents		7 772	9 250
Cash and cash equivalents at 1 January		33 609	24 359
Cash and cash equivalents at 31 December		**41 381**	**33 609**

Interest expense of USD 4.6 million (USD 6.7 million) is included in profit before tax and therefore presented as cash flow from operating activities.

AGUA IMARA

Agua Imara Group

Notes to the financial statements

Note 1 – General information

Agua Imara AS (the Company), including subsidiaries (Agua Imara or the Group), is an international renewable energy company with projects and operations in Sub-Sahara Africa and Latin America. The Company invests on commercial terms and is committed to social and environmental sustainability throughout the business. The Company's headquarter is in Oslo.

The consolidated financial statements of Agua Imara for the year 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 29 June 2023.

The principal activities of the Group and the nature of the Group's operations are set out in note 9.

The financial statements are presented in USD and are rounded to nearest thousand, unless otherwise stated. Foreign operations are included in accordance with the policies set out in note 3.

Capital management

The primary objective of the Group's capital management is to optimize the use of equity to maximize shareholder value. The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust debt exposure, dividend payments to shareholders, return capital to shareholders or issue new shares. The Group's policy is to use project financing in all investments and in the long run to keep the gearing ratio in operating companies above 50%. The gearing ratio is defined as interest bearing debt divided by Total equity and liabilities.

Note 2 – New and standards and interpretations

There are no new standards, not yet adopted, expected to have material effect for the Group in 2022.

Note 3 – Significant accounting policies

Basis for accounting

The consolidated financial statements for the Group have been prepared in accordance with the International Financial Reporting Standard (IFRS) as adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for value in use in IAS 36 Impairment of Assets.

The principal accounting policies adopted are set out below. These policies have been applied consistently to all reporting, unless otherwise stated.

AGUA IMARA

Basis for consolidation

The consolidated financial statements comprise the financial statements of the parent company Agua Imara AS and its controlling interests in other companies as of 31 December 2022.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2022. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries
Subsidiaries are all entities controlled by the Group. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The amount of the consideration which exceeds the fair value of net identifiable assets is recorded as goodwill and tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Non-controlling interest
Non-controlling interest is the share of profit and equity that is not held by the majority owners. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Investments in associated companies and joint ventures
Shares in companies where the Group exercises a significant, but not controlling influence, and shares in companies with joint control are accounted for under the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's share of the companies' net post-tax total comprehensive income adjusted for the amortization of any excess fair value is shown on a separate line in the consolidated income statement.

The investments are shown in the consolidated balance sheet as non-current assets, recognized initially at the value which equals the historical cost price including directly attributable transaction costs and adjusted thereafter for the accumulated share of post-tax total comprehensive income adjusted for the amortization of any excess fair values, for dividends received and for possible exchange rate adjustments during the period of ownership. Any conversion differences are recorded directly against equity.

The consolidated financial statement includes the Group's share of profit or loss from the date on which significant influence is attained and until such influence ceases. If the Group's share of losses of an associate or a joint venture equals or exceeds the interest in the associate or joint venture, the Group discontinues recognizing its

AGUA IMARA

share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The interest in an associate or a joint venture is the carrying amount of the investment under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture. Such items may include long-term shareholder loans that are subordinated and unsecured.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses resulting from intra-group transactions, are eliminated. Unrealized gains arising from transactions with associated companies and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Foreign operations
Each entity in the Group determines its own functional currency based on local operations, and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's presentation currency (USD) at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to USD at the average of monthly rates for the reporting year.

Foreign exchange differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent to the extent that the translation difference is allocated to non-controlling interest.

Revenue recognition

Revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when the customer obtains control of that asset. Goods and services are assets when they are received and used by the customer. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. When a performance obligation is satisfied, revenue is recognized with the amount of the transaction price that is allocated that performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, value added tax). Revenue arising from contracts with group companies (consolidated entities are eliminated in line with the consolidation policy of the group.

The Group recognizes revenue from the following major sources:

(a) *Power sales*
Revenues from power sales and transmission are recognized as income on the basis of actual units of electricity sold and the applicable tariff rates under the terms of the power purchase agreements.

(b) *Rendering of services*
Revenue from transfer of services to a customer is recognized in the profit and loss statement when the customer receives the service.

(c) *Dividend income*
Dividend income is recognized when the shareholder's right to receive payment has been established, normally when approved by the General Meeting.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the income statement in the period in which they are incurred.

AGUA IMARA

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants related to projects recognized in the balance sheet are presented as deferred income and recognized as income along with the depreciation of the corresponding asset.

Emission rights

The Group will in some cases receive emission rights through the production of environmentally friendly energy and sell these rights to a third party. Such rights are considered grants and are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the rights will be received. This is generally achieved once energy is produced. Emission rights are recognized as intangible assets. They are recognized at cost if separately acquired and if received free of charge from the government, they are recognized at cost (nil) as allowed by IAS 20.23.

Financial instruments

Generally
Financial assets and liabilities are recognized in the Group's statements of financial position when the Group becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Principles for designation of financial instruments to different categories of instruments
Below is a description of the guidelines applied by the Group for the designation of financial instruments to different categories of financial instruments in cases where an instrument can qualify for recognition under more than one category.

- *Instruments at fair value through profit or loss*

Derivatives must always be assessed under the category "fair value through profit or loss". Financial contracts regarding purchase or sale of energy should always be considered as derivative financial instruments. Physical contracts regarding purchase and sale of energy entered into as authorized by trading or settled financially are considered as if they were financial instruments and have to be measured at fair value. Physical contracts regarding purchase and sale of entered into according to authorization related to own requirements or provision for own production, are normally not covered by IFRS 9 as long as the contracts do not contain written options in terms of volume flexibility.

- *Financial instruments included in hedge accounting*

Identification of financial instruments designated as a hedge instrument or a hedge object in a hedge account is based on the intention of the acquisition of the financial instrument. If financial instruments are acquired with the intention to obtain an economic hedge effect, a closer consideration of the possibilities to document a hedge account will be made.

- *Presentation of derivatives in profit and loss and in the balance sheet*

Derivatives not related to hedging are presented on separate lines in the balance sheet under assets and liabilities, respectively. Derivatives with positive and negative fair value, respectively, are presented gross in the balance sheet as long as no legal rights to set off different contracts exist, and such rights to offset will be applied in the current cash settlement following the contracts. In the latter case, the particular contract will be presented net in the balance sheet. In the income statement, changes in fair value of derivatives not classified as hedge accounting are classified as financial items. Value changes in energy derivatives are presented under revenue, while value changes in financial derivatives are presented under financial items.

AGUA IMARA

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Currently, Agua Imara Group has no financial assets.

Loans and receivables
Loans and receivables are initially recognized at fair value including any directly attributable transaction costs. In subsequent periods, loans and receivables are measured at amortized cost using the effective interest method, so that the effective interest rate is equalized over the term of the instrument.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Impairment of financial assets
The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through OCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.
The Group always recognizes lifetime ECL for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix based on the individual company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.
For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk
The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

AGUA IMARA

Financial liabilities

Financial liabilities are initially recognized at fair value including transaction costs. In subsequent periods, financial liabilities are measured at amortized cost using the effective interest method so that the effective interest rate is equalized over the term of the instrument.

Agua Imara Group has the following financial liabilities: see note 20 and 21 of the financial statements.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'other gains and losses' line item in profit or loss (note 12) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.
The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit and loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Income tax

Income tax expenses comprises current and deferred tax. It is recognized in the profit and loss except to the extent that it related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income of loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable or receivables is the best estimate of the tax amount expected to be paid to or received from the tax authorities in each country. The tax rates and laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. Current tax also includes any withholding or other taxes arising from dividends.

Deferred tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the date of the reporting date. Deferred tax assets and deferred tax liabilities are offset within the same legal tax subject and jurisdiction.

Current/non-current

An asset or liability is classified as current when it is expected to be realized or settled, is intended for sale or consumption within the Group's normal operating cycle, is held primarily for the purpose of being traded, or is expected to be realized or settled within twelve months after the balance sheet date.

AGUA IMARA

The presentation of financial instruments in current and non-current items respectively, is made according to general guidelines for such classification. For long-term debt, the first-year installment is classified as a short-term item.

Intangible assets

Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortized.

Road and land rights
Road and land rights are recognized at historic cost less accumulated amortization and any accumulated impairment losses.

Development costs relating to construction projects
Development costs are capitalized only if the expenditure can be measured reliably, the project is technically and commercially feasible, future economic benefits from the development of the construction project are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs will often be capitalized when a construction project is more likely to happen than not. This may occur before the formal investment decision has been made.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost, including expenses incurred in completing the asset for use, less accumulated depreciation and any accumulated impairments. Borrowing costs for significant investments are capitalized. Expenses accrued after the asset has been taken into use, such as maintenance costs, are taken to profit or loss, while other expenses expected to generate economic benefits are recognized in the balance sheet.

Water rights are not depreciated if no right of reversion exists and if the value is deemed to be perpetual. Time limited rights are depreciated over the license period. Water rights acquired in a separate transaction are measured initially at cost. Water rights acquired in a business combination are measured at fair value based on the estimated excess earnings of the acquired power plant. The excess earnings are the difference between the after-tax operating cash flow and the required cost of invested capital on all other assets used to generate those cash flows. These contributory assets include property, plant and equipment, other identifiable intangible assets and net working capital for the power plant. The allowance made for the cost of such capital is based on the value of such assets and a required rate of return reflecting the risks of the particular assets.

Depreciation is made on a straight-line basis over the useful life of the asset. Useful life is assessed on an individual basis and there might be variations within the group based on given local conditions or license periods.

AGUA IMARA

The normal useful lives for different groups of assets are presented in the table below:

Land	**Eternal**
Water rights	**License period**
Plants and machinery	
Rock-fill dams, concrete dams	75
Tunnel systems	75
Rock rooms/chambers	75
Mechanical machine installations	40
Remaining technical machine parts	15
Generator	40
Transformer	40
Switchgear (high voltage)	35
Control gear	15
Electro technical auxiliary gear	15
System control center	15
Telecommunication circuit	10
Administration building	50
Power plant - Building structure	75
Other buildings related to operation	50
Buildings: Technical installations	30
Buildings: Tele- and automatics	10-20
Fixtures and fittings, vehicles, other equipment	
Office- and computer equipment	3
Furniture and fixtures	5
Means of transport	10

Each part of a fixed asset that is significant to the total cost of the item will be depreciated separately. Residual value is taken into account when calculating the annual depreciation. Land is not subject to depreciation. Periodic maintenance is capitalized with depreciation over the time period until the next maintenance is expected to be carried out. Estimated useful life, depreciation method and remaining value are reviewed annually.

When assets are sold or disposed of, the capitalized value is derecognized, and any loss or gain is taken to profit or loss. If new components are capitalized, the components that were replaced are removed and any remaining recognized value is recorded as a loss.

Impairment of non-financial assets

The carrying amount of *property, plants and equipment and intangible assets* are reviewed on a quarterly basis to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life and goodwill are not amortized but tested for impairment at each reporting period.
For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use and that are largely independent of the cash inflows of other assets or cash flow generating units.

The recoverable amount of an asset or cash generating unit is the greater of its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash flow generating unit.

An impairment loss is recognized if the carrying amount of an asset or cash flow generating unit exceeds its recoverable amount. Impairment losses are recognized in profit and loss. They are allocated first to reduce the

AGUA IMARA

carrying amounts of goodwill allocated to the cash flow generating unit, and then to reduce the carrying amount of the other assets in the cash flow generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciations or amortization, if no impairment loss had been recognized. Such reversal is recognized in profit or loss.

Investments in associated companies and joint ventures are tested for impairment when there are indicators of possible loss in value. An impairment loss is recognized if the recoverable amount, estimated as the higher of the fair value less cost to sell or value in use, is below the carrying amount.

Trade and other receivables

Trade receivables are initially recognized at transaction price in accordance with IFRS9. Subsequent measurement of the asset is performed as described in note 17. Any difference between the transaction cost and the subsequent measured amount is recognized as an impairment loss.

Cash and cash equivalents

Cash and cash equivalents include bank deposits, other short-term liquid investments and bank overdrafts. Cash and cash equivalents are recognized at current values. Restricted deposits, which include tax deductions from employee payroll, are included in cash and cash equivalents.

Equity

Share capital is stated at the nominal value of the shares that have been issued.

Retained earnings and the hedging reserve include current and prior period results as disclosed in the income statement and consolidated statement of other comprehensive income.

The effects of foreign currency translation are included as a separate component of equity.

Dividends are reclassified to short term liabilities when approved by the General Meeting. A corresponding amount is recognized directly to equity.

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation (legal or self-imposed) as a result of a past event, it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made.

Provisions are recognized using the best estimate of the expenses required to settle the existing obligation at the balance sheet date. If significant, the time value of money is taken into account when calculating the size of the provision.

Contingent assets and liabilities are not recorded in the financial statements.

Pensions

Defined contribution plans
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity without further obligations after the contribution has been made. Expenses related to defined contribution plans are classified as salary and personnel costs.

Defined benefit plans
A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive upon retirement, normally set as a share of the employee's salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments

AGUA IMARA

for previously unrecognized actuarial gains or losses and past service costs. The present value of the defined benefit obligation at the balance sheet date is determined by discounting the estimated future cash outflow using a risk-free interest rate. The obligation is calculated annually by an independent actuary using the linear accrual method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Changes in the defined benefit obligations due to changes in pension plans are taken directly through income statement over the vesting period.

Net pension assets for over-funded plans are recognized at fair value and classified as long-term assets. Net pension obligations for under-funded plans and non-funded plans covered by operations are classified as long-term liabilities.

Net pension costs for the period are included in salary and personnel costs and consist of the sum of accrued pension cost for the period, including social security costs and interest costs on the estimated obligation less the estimated return on the pension's fund.

Cash Flow Statement

The cash flow statement is prepared using the indirect method which reconciles the change in cash and cash equivalents to the profit before tax for the year. Cash flows are divided into cash flows from operating, investing and financing activities.

Dividends paid to shareholders and non-controlling interests are presented under financing activities.

Note 4 – Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3 above, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the effect is recognized in both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Price forecast for power
A key assumption used by management in making business decisions is management's price forecasts for power and the related market developments. In addition, these assumptions are critical input for management related to financial statement processes such as:

- Allocation of fair value in business combinations
- Valuation of contracts related to purchase and sale of energy
- Impairment testing of property, plant and equipment, intangible assets and equity accounted investments

The Group performs an update of its price forecasts and the related expected market developments in the geographical areas where it operates, annually. The update provides basis for both strategic decisions as well as the management's expectation for future prices and revenue streams associated with the assets. The annual update is the output of a continuous process of monitoring, interpreting and analyzing global as well as local trends, market fluctuations and drivers that ultimately could affect future markets and revenues. A fundamental approach is applied to analyze the markets.

AGUA IMARA

Such analysis includes among others;

- Cost levels of competing technologies and fuels
- Future energy balances
- Political regulations
- Technological developments to reduce emissions of climate gases

The process is headed and run by a team of experts across the organization. The main results are benchmarked to external references and major deviations are explained. The process aims to ensure consistency and arrive at a balanced view of both the markets and the future power prices.

Useful life of tangible and intangible fixed assets
Depreciation is based on management estimates of the useful lives of the assets and their residual values. Estimates may change due to changes in scrap value, technological development, environmental and other conditions. Management reviews the future useful lives of each component and the residual value annually, taking into account the above-mentioned factors.

Provisions and contingent liabilities
IAS 37 defines when to recognize a provision in the financial statements. Management must make estimates and use judgment in determining the expected probability of an outflow of resources and a reliable estimate of the amount.

Contracts related to purchase and sale of energy
Contracts related to purchase and sale of energy that meets the definition of financial instruments, are valued at fair value through profit and loss. The calculation of fair value on such contracts implies in most cases use of a wide range of estimates, of which the determination of future price curves in the market are the most significant.

Significant increase in credit risk
As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

Impairment testing
Agua Imara has significant investments in fixed assets, associated companies and joint ventures. These assets are tested for possible impairment where indications of loss of value are present. Such indicators might be changes in market prices on energy or capital, shift in production capacity or climatic factors or other economic and legal circumstances. In the short-term Agua Imara is exposed to energy market prices in Zambia and Panama. Calculating the recoverable amount requires a series of estimates concerning future cash flows, of which price curves, hydrology and discount rates are the most significant. Refer to note 13 for impairment assessment.

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Development costs
Development costs are recognized in the balance sheet when it is probable that these will result in future economic benefits. Establishing such probability involves extensive use of judgement based on previous results and experience.

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 5 - Business Combinations

Agua Imara Group was not involved in business combinations in 2022.

Note 6 - Market risk, credit risk and liquidity risk

Agua Imara Group's strategic goals and ambitions as well as the geographical and cultural diversity in the countries of operation, makes it important to continuously evaluate risk factors at all levels. Agua Imara Group's core business is in regions that are, or have been, politically and financially unstable. The company has a risk management framework in place, including policy, structure, methodology, skills, knowledge, culture and tools/system support. This framework is applied to projects in all life cycles; to new developments, projects under construction and acquisitions, as well as for operating entities.

Market risk
Market risk is defined as the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Agua Imara Group is mainly exposed to market risk on financial instruments related to currency, interest rate and energy prices.

Currency risk
Agua Imara Group's presentation currency is US dollars (USD), and the functional currency of each subsidiary is determined on the basis of an evaluation of it's primary economic environment. The functional currency of each group company is:
- USD: Panama, Norway, Zambia (operating company) and The Netherlands
- ZMW: Zambia (holding company)

Agua Imara Group is exposed to currency risk mainly from investments in and dividends from subsidiaries, associated companies and joint ventures. Companies with USD as functional currency are in many cases exposed to currency risk from local currency since a portion of the operating costs typically will be denominated in local currency. Currency risk will materialize when group companies with different functional currencies are converted to USD.

Agua Imara Group makes use of currency swaps and forward contracts to hedge all or part of the currency exposure related to new investments and other significant cash flows in foreign currency. Dividends are usually not hedged due to the short time from declaration to payment relative to the time horizon of the investment. The management and monitoring of foreign exchange exposure is regulated by the Group Treasury Policy, and the entity with foreign currency risk is responsible for compliance.

Currency risk	Currency	Increase/ decrease in currency rate	Effect on profit before tax (TUSD)
2022	NOK	10 %	**+ 8**
	NOK	-10 %	**- 8**
2021	NOK	10 %	**+ 9**
	NOK	-10 %	**- 9**
2022	EUR	10 %	**+ 1**
	EUR	-10 %	**- 1**
2021	EUR	10 %	**+ 18**
	EUR	-10 %	**- 18**
2022	ZMW	10 %	**+ 21**
	ZMW	-10 %	**- 21**
2021	ZMW	10 %	**+ 183**
	ZMW	-10 %	**- 183**

The analysis also includes associated companies which are accounted for using the equity method. The amount reflected is Agua Imara's share after tax.

Interest rate risk
Agua Imara Group is exposed to interest rate risk through external debt financing in subsidiaries, associated companies and joint ventures. In addition, there is an indirect interest rate exposure through inputs in valuations. Interest rate exposure related to the subsidiaries, associated companies and joint venture's debt financing is secured through interest rate swaps for a significant period of the loans. Agua Imara's ambition for the Group's interest risk is to minimize interest expenses, reduce fluctuations, and limit changes in the value of the Group's net debt. The Group's total debt exposed to floating interest rates, amounts to USD 34 million.

The following table shows the sensitivity of financial instruments to a reasonable possible change in interest rate for the Group, with all other variables held constant:

Interest rate risk exposure	Increase/ decrease in interest rate	Effect on profit before tax (TUSD)
2022	+1%	**+ 212**
	-1%	**- 212**
2021	+1%	**- 421**
	-1%	**+ 559**

The analysis also includes associated companies which are accounted for using the equity method. The amount reflected is Agua Imara's share after tax.

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022
Figures in USD 1,000

Note 6 - Market risk, credit risk and liquidity risk (cont.)

Credit risk

Credit risk is defined as the risk of a party to a financial instrument inflicting a financial loss on Agua Imara by not fulfilling its obligation. Maximum credit risk exposure is:

	2022	2021
Cash and cash equivalents	41 381	33 609
Short term receivables	16 856	34 307
Total	**58 237**	**67 916**

Credit risk related to account receivables and other receivables in Agua Imara is limited by the fact that customers and counterparts are in different markets and in many cases are governmental institutions. On the other hand, customers are few and large and the Group operates in emerging markets where counterparty risk might be assessed to be high. Handling of potential credit risk on receivables is primarily made through credit checks, the establishment of bank guarantees and parent company guarantees in addition to the ongoing monitoring of counterparts.

To mitigate credit risk related to cash and cash equivalents, Agua Imara has a finance policy that regulates the maximum exposure per counterpart. The ageing of account receivables is presented below, with provision made for losses on receivables. Refer to Note 17 more details on receivables and for assessment of provision for impaired accounts receivables.

	Current receivables	1-30 days	31-60 days	61-90 days	>90 days	Impaired*	Total receivables
Receivable balance at 31.12	4 372	9 251	3 488	116	1 006	-1 377	16 856
Net accounts receivable balance at 31 December	**4 372**	**9 251**	**3 488**	**116**	**1 006**	**-1 377**	**16 856**

** Refer to note 17 for further details*

Liquidity risk

Liquidity risk is defined as the risk that Agua Imara will encounter difficulties in meeting obligations associated with financial liabilities. Agua Imara had USD 18 million in positive cash flow from operations in 2022 (27.2 in 2021).

Agua Imara AS's financing is based on equity. Both construction projects and operational activities in the Group are financed on the basis of non-recourse project financing.

The following table sets out the installment profile by maturity of the Group's financial commitments. Under the current circumstances the financial commitments are expected to be covered by the cash flow from operations:

	2023	2024	2025	2026	2027	After 2026	Total
Instalments related to fixed interest rate loans							
External loans in subsidiaries	10 000	4 000	4 000	4 000	4 000	80 000	106 000
Interest payments							
Calculated interest payments	4 612	5 570	5 461	5 513	5 363	23 765	50 284
Total liabilities	**14 612**	**9 570**	**9 461**	**9 513**	**9 363**	**103 765**	**156 284**
Credit risk exposure							
Restricted cash	6 000	-	-	-	-	-	6 000
Bank deposits, cash and cash equivalents	35 381	-	-	-	-	-	35 381
Total assets	**41 381**	**-**	**-**	**-**	**-**	**-**	**41 381**
Net	**26 769**	**-9 570**	**-9 461**	**-9 513**	**-9 363**	**-103 765**	**-114 903**

Note 7 - Subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Date of establ./ acquisition	Business office	Parent company	Voting share	Owner share
Agua Imara AS	13 January 2009	Oslo, Norway	Norfund	100.0%	100.0%
Agua Imara ACA Pte. Ltd.	25 September 2009	Amsterdam, Netherlands	Agua Imara AS	100.0%	100.0%
SN Power ACA (Zambia) Ltd.	19 August 2015	Lusaka, Zambia	Agua Imara ACA Pte. Ltd.	100.0%	100.0%
SN Power Panama SA	19 February 2015	Panama City, Panama	Agua Imara ACA Pte. Ltd.	100.0%	100.0%
Fountain Hydropower Corporation	4 October 2010	Panama City, Panama	Agua Imara ACA Pte. Ltd.	50.1%	50.1%
Lunsemfwa Hydro Power Company Ltd.	1 April 2011	Kabwe, Zambia	Agua Imara ACA Pte. Ltd.	51.0%	51.0%
Muchinga Power Company Ltd.	20 September 2012	Kabwe, Zambia	Lunsemfwa Hydro Power Company Ltd.	100.0%	100.0%

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022
Figures in USD 1,000

Note 8 - Associated companies and joint ventures

The following associated companies and joint ventures are included in the consolidated financial statements:

Company	Date of establ./ acquisition	Business office	Owning company	Voting share	Owner share
Hidro Burica SA	21 February 2012	Panama City, Panama	Agua Imara ACA Pte. Ltd.	50.00 %	50.10 %

Book value of associated companies and joint ventures

Company	Book value 31 Dec 2021	Additions/ disposals	Share of profit/loss	Dividends	Foreign currency translation difference	Gain/Loss on Cash Flow hedges Associates	Book value 31 Dec 2022
Burica Hydropower SA	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

1) The difference between amount in this table and the table with financial information from associated companies and joint ventures is related to Group effects which are not included in the table below. Group effects consist of excess values and amortization of these.

Impairment of Hidro Burica SA (Burica)
Agua Imara AS, through its subsidiary Agua Imara ACA Pte. Ltd., in February 2012 entered into Hidro Burica S.A. with a shareholding of 50.1% alongside its Panamanian partner Credicorp/Regency Group. The purpose of the company is to develop the 63 MW Burica hydropower plant. The project is in early construction phase and was temporarily put on hold due to licencing issues in 2015/16. The investment decision is currently pending due to the lack of public auctions for long term Power Purchase Agreements (PPAs). Agua Imara currently values the Burica project at USD 0 and consequently an additional impairment of USD 8.3 million (SN Power share) was recognized in 2020. This is assuming that it is not foreseeable when the authorities in Panama may announce their next long term PPA auction, and there thus is a need to explore alternatives to developing this project.

Financial information from associated companies and joint ventures (100% basis)

Company	Country	Assets	Liabilities	Revenue	Net profit
Burica Hydropower SA	Panama	-	-	-	-

Note 9 - Sales revenues and cost of sales

By business area	2022	2021
Power sales	51 661	49 889
Services	979	473
Gain on disposal of assets	38	-
Total	**52 678**	**50 362**

By geographical market	2022	2021
Latin America	31 002	24 863
Africa	21 676	25 499
Total	**52 678**	**50 362**

Cost of sales	2022	2021
Purchase of electric power	-1 681	-1 754
Transmission costs	-4 607	-5 664
Total	**-6 288**	**-7 418**

Note 10 - Employee benefit expenses, management remuneration and audit fee

Salary and personnel costs	2022	2021
Salary expenses	-2 989	-2 808
Social security costs	-237	-187
Pension costs (note 20)	-163	-121
Other personnel costs	-349	-268
Total salary and personnel costs	**-3 738**	**-3 384**

The average number of man-years	2022	2021
Agua Imara consolidated companies	82	85

Both in 2021 and 2022 Agua Imara has been managed under a service level agreement with Scatec ASA. No senior employees are employed by the company.

Directors' fees in Agua Imara in 2022
The Board of Directors of Agua Imara AS consists of three members. The Directors received a total remuneration of NOK 428 thousand (USD 44,5 thousand) in 2022, paid by the company's shareholder. NOK 168 thousand (USD 17 thousand) is related to 2021.

Audit fee, Agua Imara Group	2022	2021
Statutory audit	98	65
Tax services	9	3
Other services	3	20
Total fees to auditors	**109**	**89**

Deloitte is the auditor of the Agua Imara Group, and audit fees presented in the table above cover what is paid to Deloitte.

Total fees related to consolidated companies not audited by Deloitte amounts to USD 140 thousand (USD 140 thousand in 2021), whereof USD 82 thousand (USD 107 thousand in 2021) for statutory audit, USD 29 thousand (USD 28 thousand in 2021) for tax services and USD 28 thousand for non-audit services provided (USD 5 thousand in 2021).

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 11 - Other operating expenses

	2022	2021
External services providers	-2 582	-2 217
Repairs and maintenance	-1 742	-1 209
Insurance expenses	-1 259	-1 153
Fees, licenses, etc.	-795	-521
Leasing of premises, office equipment and company cars	-574	-516
Impairment of receivables 1)	2 658	2 967
Other expenses	-2 034	-1 082
Total other operating expenses	**-6 328**	**-3 731**

1) See note 17 regarding the overdue accounts receivables in Lunsemfwa Hydropower Company Ltd. (LHPC) and related impairment charges.

Note 12 - Financial income and expenses

Financial income	**IFRS 9 category**	**2022**	**2021**
Interest income bank	Amortized cost	2 038	1 148
Realized currency gain	Fair value through profit or loss	-	-11
Unrealised currency gain	Fair value through profit or loss	93	2 947
Other financial income	Amortized cost	-	-
Financial income		**2 130**	**4 084**

Financial expenses		**2022**	**2021**
Interest expenses loans	Amortized cost	-4 579	-6 683
Realized currency loss	Fair value through profit or loss	-54	-
Unrealised currency loss	Fair value through profit or loss	-8 870	-127
Other financial expenses	Amortized cost	-1 859	-1 825
Financial expenses		**-15 362**	**-8 635**
Net financial items		**-13 232**	**-4 551**

Note 13 - Property, plant and equipment

	Land	Water rights	Plants and machinery	PP&E under construction	Fixtures and fittings, vehicles, other equipment	Total
Book value 1 January 2021	**6 909**	**20 204**	**235 352**	**1 384**	**742**	**264 591**
Additions	-	-	18	-360	369	27
Reclassification	-	-	784	-784	-	-
Depreciation for the year	-	-	-7 720	-240	-250	-8 210
Impairment for the year	-	-	-	-	-	-
Exchange differences for the year	-	-	-	-	-4	-4
Book value 31 December 2021	**6 909**	**20 204**	**228 434**	**-**	**857**	**256 404**
Acquisition cost 31 December 2021	**6 909**	**94 123**	**308 020**	**771**	**3 043**	**412 866**
Accumulated depreciation	-	-	-62 063	-334	-2 191	-64 588
Accumulated impairment losses	-	-73 919	-17 524	-437	-	-91 880
Accumulated exchange differences	-	-	1	-	5	6
Book value 31 December 2021	**6 909**	**20 204**	**228 434**	**-**	**857**	**256 404**
Book value 1 January 2022	**6 909**	**20 204**	**228 434**	**-**	**857**	**256 404**
Additions	-	-	68	2 462	686	3 216
Reclassification	-	-	-		-	-
Disposals at book value	-	-	-	-	-48	-48
Depreciation for the year	-	-	-7 956	-	-305	-8 261
Exchange differences for the year	-	-	-	-	-	-
Book value 31 December 2022	**6 909**	**20 204**	**220 546**	**2 462**	**1 190**	**251 311**
Acquisition cost 31 December 2022	**6 909**	**94 123**	**308 088**	**3 233**	**3 223**	**415 576**
Accumulated depreciation	-	-	-70 019	-334	-2 038	-72 391
Accumulated impairment losses	-	-73 919	-17 524	-437	-	-91 880
Accumulated exchange differences	-	-	1	-	5	6
Book value 31 December 2022	**6 909**	**20 204**	**220 546**	**2 462**	**1 190**	**251 311**

Assessment of impairment of tangible and intangible assets

The carrying amount of water rights relates to LHPC which became part of the group in 2011. The water rights are granted for an indefinite period of time and as such not amortized. Agua Imara assesses the risk of impairment of the water rights regularly and tests the value in use on an annual basis. The valuation includes normalized hydrology based on historical average and prices in accordance with the current power purchase agreement which has a term of 15 years (starting from 2018).

Based on uncertainty related to hydrology, generation volumes, power prices, and costumer related matters the recoverable amount for the water rights have been impaired by USD 69.6 million during 2020 together with USD 5.1 million of goodwill. For the impairment testing as of 31 December 2022 a cost of capital of 27% and hydrology levels at median level percentile 75 (P75) have been applied.

Sensitivity analysis of impairment testing

The recoverable amount related to the Zambian operations is sensitive to changes in critical assumptions, and sensitivity testing has been performed as follows:

- A 10 % negative change in hydrology / water inflow would increase the impairment charge by USD 2.6 million.
- A increase in the discount rate by 10% to 37% would increase the impairment charge by USD 3.9 million.

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022
Figures in USD 1,000

Note 14 - Intangible assets

	Goodwill	Project development	Power Purchase Contracts	Total
Book value 1 January 2021	-	-	-	-
Amortization for the year	-	-	-	-
Impairment losses	-	-	-	-
Book value 31 December 2021	-	-	-	-
Acquisition cost 31 December 2021	5 105	9 842	4 643	19 590
Accumulated amortization	-	-9 842	-4 643	-14 485
Accumulated impairment losses	-5 105	-	-	-5 105
Book value 31 December 2021	-	-	-	-
Book value 1 January 2022	-	-	-	-
Book value 31 December 2021	-	-	-	-
Acquisition cost 31 December 2022	5 105	9 319	4 643	19 067
Accumulated amortization	-	-9 319	-4 643	-13 962
Accumulated impairment losses	-5 105	-	-	-5 105
Book value 31 December 2022	-	-	-	-

Refer to Note 13 above for assessment of impairment of goodwill as this is also related to LHPC.

Project development
Project development costs are capitalized only if future economic benefits from the development of an intangible asset is probable. Development costs will be capitalized as part of the construction cost of the plant and depreciation will start when the asset is put into operation.

Muchinga Power Company (MPC) in Zambia was completely written down in 2016 due to uncertainties related to water rights.

Note 15 - Derivatives

Derivatives - non current liabilities	2022	2021
Interest rate derivatives	-	4 408
Total non-current derivatives	-	4 408
Net Interest rate derivatives	-	-4 408
Total net derivatives	-	-4 408

Fair value of derivatives
The estimated fair value of financial instruments has been determined using relevant market information and valuation methods. The fair value of interest rate swaps and currency swaps is determined by discounting expected future cash flows to present values using observed market interest rates and exchange rates, while the valuation of forward exchange contracts is based on the observed exchange rates, of which forward exchange rates are derived. Estimated present values are tested for reasonableness against calculations made by the counterparties in the contracts (market-to-market).

Market interest rate curves are assumed for discounting derivatives. Market interest rate curves are calculated based on the published swap rates from major financial institutions and credit spreads are added to the market yield curve in cases where credit risk is relevant. Fair value measurements can be classified by using a fair value hierarchy that reflects the significance of the inputs used in the preparation of the measurements.
The fair value hierarchy has the following levels:

Level 1: Non-adjusted quoted prices in active markets for identical assets or liabilities.
Level 2: Other than the quoted prices included in Level 1 that are observable for the asset or liability either directly as prices, or indirectly derived from prices.
Level 3: Data for the asset or liability is not based on observable market data.

	Interest derivatives Level 2	TOTAL
Derivatives 1 January 2022	-4 408	-4 408
Derivatives 31 December 2022	-	-
Change in fair value for derivatives	4 408	4 408
Changes in fair value recognized in other equity	4 408	4 408
Change in fair value for derivatives	4 408	4 408
Changes in fair value recognized in other equity	4 408	4 408
Recognized in other equity	4 408	4 408

Hedge accounting

Agua Imara has previously held interest rate swaps in Fountain Hydropower Corporation which were settled as part of a refinancing in 2022. All contracts qualify for hedge accounting of future cash flows, and changes in fair value are recorded against equity until the payment is settled. Other hedging instruments that do not meet hedge accounting requirements are recorded at fair value over profit and loss statement.

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 16 - Fair value of financial instruments

Fair value of financial instruments

The estimated fair value of financial instruments has been determined using the relevant market information and valuation methods. There are no identified financial instruments where the carrying value differs significantly from fair value. The carrying value of cash and cash equivalents is the best estimate of fair value. Loans are valued at amortized cost.

Financial assets valued at amortized cost	Book value	Fair value
Short term receivables	16 856	16 856
Cash and cash equivalents (note 22)	41 381	41 381
Total financial assets at amoritized cost	**58 237**	**58 237**
Financial liabilities valued at amortized cost		
Interest-bearing long term debt	96 000	96 000
Current portion long term debt	10 000	10 000
Other current liabilities	37 473	37 473
Accounts payable	1 292	1 292
Income taxes payable	1	1
Total financial liabilities valued at amortized cost	**144 766**	**144 766**

Note 17 - Receivables

	2022	2021
Accounts receivable	13 861	36 360
Prepayments to suppliers	2 374	935
Income tax receivable	691	280
Provisions for impaired receivables (in accordance with IFRS 9) *1)*	-1 377	-4 062
Other current receivables	1 307	794
Total receivables	**16 856**	34 307

Provisions for loss on receivables

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated taking into account the following factors; past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.
The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

1) Overdue accounts receivables in Lunsemfwa Hydropower Company Ltd. (LHPC)

In the years 2015-2017, a period with severe drought, Zambia imported electricity from neighbouring countries at high prices without passing on the increased cost of power purchases to the end-users. This has led the off-taker into financial distress and as a consequence the customer has only been able to pay for part of the electricity delivered. The Zambian government has continued its efforts on finding a solution for the country's economic situation and Agua Imara is still of the opinion that the outstanding nominal balance and any future energy sales will be settled in full. As of 31 December 2022 the total outstanding balance was significantly reduced compared to previous years. Consequently, and based on the principles in IFRS 9 a reversal of the impairment of receivables of approximately USD 2.7 million has been recognized as of 31 December 2022. The remaining provision of approximately USD 1.4 million is to account for the expected loss on receivables which is mostly linked to the time value of money. The remaining outstanding amount is settled in 2023 and the provision is reversed. See note 6 regarding the credit risk and receivables overdue overview.

Note 18 - Pensions and other long-term employee benefits

Agua Imara comply with Norwegian regulations on mandatory pension. Expenses related to the defined contribution plan in Agua Imara consolidated entities were USD 163 thousand in 2022 (USD 121 thousand in 2021).

Note 19 - Tax

Tax expense	2022	2021
Taxes payable	-552	-12 945
Taxes payable, adjustments regarding prior year[1)]	4 120	-
Change in deferred tax	-1 485	5 544
Tax expense	**2 083**	**-7 401**

Tax expense	2022	2021
Profit before tax	14 831	23 065
Expected tax expense at 22%, the nominal rate of tax in Norway	-3 263	-5 074
Effect on taxes of:		
Different tax rates for subsidiaries operating in other tax jurisdictions	-1 058	-2 862
Income from associated companies	-	-
Withholding tax paid on dividends received	-255	-800
Changes in temporary differences and unused tax losses not recognised as deferred taxes	-6	-804
Effect of change in tax rate	1 460	-
Permanent differences caused by the functional currency being different from the tax currency	1 882	2 348
Other permanent differences, net	3 323	-208
This year's tax expense	**2 083**	**-7 401**
Tax rate	14.0%	-32.1%

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022

Figures in USD 1,000

The Group's result is generated by companies with operations in countries which are subject to standard rates of tax that range from 22% to 35%. The Group pays withholding tax on dividends received from certain countries. To the extent that the withholding tax paid is not recoverable, it will be accounted for and disclosed as a tax expense for the group.

1) "Taxes payable, adjustments regarding prior year" mainly consist of reduced tax payments due to currency effects in companies with other functional currency in which the tax is settled.

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 19 - Tax (cont.)

Specification of the tax effects of temporary differences	1 January 2021	Recognized in profit and loss	Recognized in equity	Company acquisitions/ sales	Translation differences	31 December 2022
Property, plant and equipment	-9 767	-553	-	-	-	-10 320
Tax losses carried forward	600	-219	-	-	-	381
Other		-712			1	-711
Total net deferred tax liability/(asset)	**-9 167**	**-1 485**	**-**	**-**	**1**	**-10 651**
Deferred tax asset	600	-219	-	-	-	381
Deferred tax	-9 767	-1 266	-	-	1	-11 032
Total deferred tax in balance sheet	**-9 167**	**-1 485**	**-**	**-**	**1**	**-10 651**

Temporary differences including tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	2022	2021
Property, plant and equipment	1	8
Other current receivables/liabilities	-1	381
Tax losses carried forward	2 468	13 135
Temporary differences including tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	**2 468**	13 524

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available in the same tax jurisdictions as these items and against which the Group can use these benefits.

Note 20 - Borrowings

Secured borrowing at amortised cost	2022	2021
Regular loans in subsidiaries	-	98 257
Corporate bonds	106 000	-
Total debt	**106 000**	**98 257**
First year's installment long term debt	-10 000	-10 928
Interest-bearing long term debt	**96 000**	**87 329**
Average interest rate	5.25 %	4.3%

Issuance of Corporate bonds
Fountain Hydro Power Corp has refinanced its debt by issuing securities of corporate bonds in nominative form for a total nominal value of up to one hundred ten million US dollars.

Pledged as security and restricted funds
Agua Imara uses non-recourse debt in the project companies to fund investments and capital expenditures for the construction and acquisition of power plants. This debt is secured by the shares in the project company, the physical assets, the contracts, and the cash flows of the related project company. The risk is limited to the respective project company and is without recourse to the parent company.

The terms and conditions of the non-recourse debt within the Agua Imara Group include certain financial and non-financial covenants. These covenants are limited to the activities in the project companies and vary among the companies. The covenants may include, but are not limited to, the maintenance of certain reserves, minimum levels of working capital, limitations on incurring additional debt and share retention.

The book value of pledged assets/shares in the Group amounts to USD 189 million and the underlying commitment amounts to USD 106 million.

Note 21 - Specification of other current liabilities

	2022	2021
Payables to shareholders	35 777	43 730
Accounts payable	1 292	2 740
Public taxes payable	20	1 489
Accrued interest	479	1 539
Accrued salary and vacation expense	432	551
Accrued costs and deferred revenue	114	157
Other current liabilities	651	1 148
Total other current liabilities	**38 765**	**51 354**

Note 22 - Bank deposits, cash and cash equivalents

	2022	2021
Bank deposits, cash and cash equivalents	35 381	27 110
Restricted cash	6 000	6 499
Total bank deposits, cash and cash equivalents	**41 381**	**33 609**

Agua Imara Group

Notes to the consolidated financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 23 - Share capital, shareholder information and dividend

	Share Capital	Share Premium	Approved not registered capital	Paid in capital
Paid-in equity 1 January 2022	19 790	178 668	-	198 458
Issue of share capital - Contribution in kind	-	-	-	-
Paid-in equity 31 December 2022	**19 790**	**178 668**	**-**	**198 458**

Shareholders in Agua Imara AS as at 31 December 2022	Share capital NOK	Number of shares	Owner and voting share
Norfund	122 590	11 144 573	100 %
Total	**122 590**	**11 144 573**	**100 %**

All issued shares have equal voting rights and are equally entitled to dividend. No dividend will be paid out for 2022.

Note 24 - Transactions with related parties

The Agua Imara Group have not carried out any related party transaction with entites outside the group during 2022. Balances and transactions between consolidated companies are eliminated in the consolidated accounts and are not shown in this note 24.

Agua Imara's Management and the Board of Directors of Agua Imara AS are related parties. Agua Imara is owned by Norfund and therefore indirectly owned by the Norwegian government. There are no identified significant transactions and balances with the Norwegian government or companies controlled by the Norwegian government.

Any transactions with related parties are carried out as part of the ordinary operations and at arm's length prices. There are no identified significant transactions and balances with related parties.

Note 25 - Events after the balance sheet date

There are no significant events after the balance sheet date.

AGUA IMARA

Agua Imara
Annual Report 2022
AGUA IMARA GROUP
AGUA IMARA AS

Agua Imara AS

Financial Statements 2022

Agua Imara AS

Statement of profit or loss and other comprehensive income for the year

Figures in USD 1,000	NOTE	2022	2021
OPERATING REVENUES AND EXPENSES			
Sales revenues	2,11	-	-
Salary and personnel costs	14	-6	25
Amortization	6	-	-9
Other operating costs	4	-164	-229
Earnings before financial items and tax		**-170**	**-213**
FINANCIAL INCOME AND EXPENSES			
Financial income	5	168	121
Financial expenses	5	-26	-153
Net financial items		**141**	**-33**
Profit(-Loss) before tax		**-28**	**-245**
This year's tax expense	7	-	-
NET PROFIT FOR THE YEAR		**-28**	**-245**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that will not be reclassified to profit or loss			
Pensions	14	-	-
Total items that will not be reclassified to profit or loss		**-**	**-**
Other comprehensive income for the year, net of tax		**-28**	**-245**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**-28**	**-245**

Agua Imara AS

Balance Sheet at 31 December

Figures in USD 1,000	NOTE	2022	2021
ASSETS			
Tangible assets	6	-	-
Investment in subsidiaries	8	80 000	80 000
Total non-current assets		**80 000**	**80 000**
Receivables	12	65	3 150
Cash and cash equivalents	9	8 492	15 810
Total current assets		**8 557**	**18 960**
TOTAL ASSETS		**88 557**	**98 960**
EQUITY AND LIABILITIES			
Share capital and share premium	10	198 458	198 458
Approved not registred capital	10	-	-
Other equity	10	-109 957	-99 929
Total equity		**88 501**	**98 529**
Pension commitments	14	-	-
Total long-term liabilities		**-**	**-**
Current liabilities	13	57	431
Total current liabilities		**57**	**431**
TOTAL EQUITY AND LIABILITIES		**88 558**	**98 960**

Oslo, 28 June 2023

Judith Barbara Barany Halaz
Director

Øystein Øyehaug
Chair

Michael John McWilliams
Director

Kristian Haneberg
Chief Executive Officer

Agua Imara AS

Statement of Changes in Equity for the year ended 31 December

Figures in USD 1,000	NOTE	Share capital	Share premium	Approved not registred capital	Other equity	Total equity
At 31 December 2020		**18 506**	**167 407**	**12 545**	**-99 684**	**98 774**
Transactions with shareholders						
Issue of share capital - Contribution in kind 1)		1 284	11 261	-12 545		-
Transactions with shareholders		**1 284**	**11 261**	**-12 545**	**-**	**-**
Other comprehensive income for the year, net of tax						
Pensions		-	-		-	-
Other comprehensive income for the year, net of tax		**-**	**-**		**-**	**-**
Recognized through Profit and Loss						
Profit for the year		-	-		-245	-245
Recognized through Profit and Loss		**-**	**-**		**-245**	**-245**
Total comprehensive income for the year, net of tax		**-**	**-**		**-245**	**-245**
At 31 December 2021		**19 790**	**178 668**	**-**	**-99 929**	**98 529**
Transactions with shareholders						
Dividends					-10 000	-10 000
Transactions with shareholders		**-**	**-**	**-**	**-10 000**	**-10 000**
Recognized through Profit and Loss						
Profit for the year		-	-		-28	-28
Recognized through Profit and Loss		**-**	**-**		**-28**	**-28**
Total comprehensive income for the year, net of tax		**-**	**-**		**-28**	**-28**
At 31 December 2022		**19 790**	**178 668**	**-**	**-109 957**	**88 501**

1) The capital increase was approved on 17 December 2020 and registered in the Norwegian company registry on 27 January 2021.

Agua Imara AS

Cash flow statement

Figures in USD 1,000	NOTE	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		-28	-245
Amortization	6	-	9
Impairment of financial assets	8	-	-
Change in other receivables		7	-1
Change in accounts payable		4	-1
Change in intra-group accounts	12, 13	3 078	4 913
Change in other current assets and liabilities	12, 13	-378	-56
Net cash flow from operational activities		**2 683**	**4 619**
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in subsidiaries	8	-	-
Net cash flow to investment activities		**-**	**-**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividens		-10 000	-
Net cash flow from financing activities		**-10 000**	**-**
Effect of exchange rate changes on cash and cash equivalents		**-1**	**2**
Net change in cash and cash equivalents		-7 318	4 621
Cash and cash equivalents at 1 January		15 810	11 189
Cash and cash equivalents at 31 December	9	**8 492**	**15 810**

AGUA IMARA

Agua Imara AS

Notes to the financial statements

Note 1 – Summary of significant accounting principles

Summary of significant accounting policies
The financial statements have been presented in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act § 3-9. The financial statements consist of the statement of income and other comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements.

The financial statements give a true and fair view of the financial position, the financial performance and the cash flows for the year.

Classification
Assets and liabilities related to the normal operating cycle are classified as current assets and current liabilities. Receivables and liabilities not related to the normal operating cycle are classified as current if they are of a short-term nature, normally due within one year. Shares and other investments not intended for continued use or ownership are classified as current assets. Other assets are classified as fixed assets and other liabilities as long-term liabilities.

Revenue recognition
Sales of services are recognized as income when rendered. Other operating revenues are recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Foreign currency
Functional currency for the company is USD. Foreign currency monetary items are translated at the closing rate at the date of the balance sheet. Foreign currency gains and losses are reported in the income statement under the line items financial income or financial expenses.

Investments
Investments in subsidiaries are accounted for using the cost method. The investments are initially measured at the acquisition price of the shares. When it is assumed that the fair value of investments is lower than its carrying amount, the asset is written down to the recoverable amount. Previously recognized impairment loss is reversed only if there have been changes in the estimates used to determine the recoverable amount. Dividend income is recognized when the shareholder's right to receive payment has been established, normally when approved by the General Meeting.

If an appropriation exceeds the proportion of retained profit after acquisition, the excess amount represents a repayment of invested capital, and the appropriation is deducted from the value of the investment in the balance sheet.

Tangible fixed assets and intangible assets
Tangible fixed assets and intangible assets are measured at cost less accumulated depreciation and impairment. Tangible fixed assets and intangible assets with limited useful lives are depreciated over the expected useful life of the assets. Tangible fixed assets and intangible assets are impaired if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Impairment is reversed if the basis for the impairment is no longer present.

Research costs are expensed as incurred. Development costs are capitalized only if the expenditure can be measured reliably, the project is technically and commercially feasible, future economic benefits from the development of the construction project are probable, and the Group intends to and has sufficient resources to complete

AGUA IMARA

development and to use or sell the asset. Development costs will often be capitalized when a construction project is more likely to happen than not. This may occur before the formal investment decision has been made.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Trade receivables
Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

Income taxes
Income tax expenses comprises current and deferred tax. It is recognized in the profit and loss except to the extent that it related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income of loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable or receivables is the best estimate of the tax amount expected to be paid to or received from the tax authorities in each country. The tax rates and laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. Current tax also includes any withholding or other taxes arising from dividends.

According to an interpretation from the Ministry of Finance, the taxable income is calculated in NOK as functional currency as opposed to USD in the financial statements.

Deferred tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the date of the reporting date. Deferred tax assets and deferred tax liabilities are offset within the same legal tax subject and jurisdiction.

AGUA IMARA

Pension cost

Defined contribution plans

A defined contribution plan is a pension plan under which a company pays fixed contributions into a separate entity without further obligations after the contribution has been made. Expenses related to defined contribution plans are classified as salary and personnel costs.

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive upon retirement, normally set as a share of the employee's salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for previously unrecognized actuarial gains or losses and past service costs. The present value of the defined benefit obligation at the balance sheet date is determined by discounting the estimated future cash outflow using a risk-free interest rate. The obligation is calculated annually by an independent actuary using the linear accrual method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Changes in the defined benefit obligations due to changes in pension plans are taken directly through income statement over the vesting period.

Net pension assets for over-funded plans are recognized at fair value and classified as long-term assets. Net pension obligations for under-funded plans and non-funded plans covered by operations are classified as long-term liabilities.

Net pension costs for the period are included in salary and personnel costs and consist of the sum of accrued pension cost for the period, including social security costs and interest costs on the estimated obligation less the estimated return on the pension's fund.

Cash flow statement

The cash flow statement is prepared using the indirect method which reconciles the change in cash and cash equivalents to the profit before tax for the year. Cash flows are divided into cash flows from operating, investing and financing activities.

Cash and cash equivalents include bank deposits, other short-term liquid investments and bank overdrafts. Cash and cash equivalents are recognized at current values. Restricted deposits, which include tax deductions from employee payroll, are included in cash and cash equivalents.

Agua Imara AS

Notes to the financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 2 - Sales revenues

By business area	2022	2021
Services	0	0
Total	**0**	**0**

Note 3 - Audit fee

Auditor	2022	2021
Statutory audit	-83	-58
Tax services	-2	0
Non-audit services	-3	-20
Total fees to auditors	**-87**	**-78**

Note 4 - Other operating expenses

Other operating expenses	2022	2021
External services related to accounting	-145	-216
IT expenses (hardware and software)	-13	-4
Other expenses	-6	-9
Total other operating expenses	**-164**	**-229**

Note 5 - Financial items

Financial income	IFRS 9 category	2022	2021
Interest income bank	Amortized cost	150	17
Realized currency gain	Fair value through profit and loss	0	0
Unrealized currency gain	Fair value through profit and loss	11	47
Other financial income	Amortized cost	7	57
Financial income		**168**	**121**
Financial expenses		**2022**	**2021**
Other interest expenses	Amortized cost	0	0
Realized currency loss	Fair value through profit and loss	-2	0
Unrealized currency loss	Fair value through profit and loss	-25	-70
Impairment of financial assets	Amortized cost	0	0
Other financial expenses	Amortized cost	0	-83
Financial expenses		**-26**	**-153**
Net financial items		**141**	**-33**

Note 6 - Fixed Assets

Tangible assets	Office equipment	Total
Acquisition cost 1 January 2022	369	**369**
Acquisition cost 31 December 2022	**369**	**369**
Accumulated depreciation at 31 December 2022	-369	**-369**
Book value 31 December 2022	**0**	**0**
Depreciation for the year	0	**0**
Estimated economic life	3-10 years	
Depreciation method	Linear	

Agua Imara AS

Notes to the financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 7 - Tax

Tax expense	2022	2021
Taxes payable	0	0
Change in deferred tax	0	0
Tax expense	**0**	**0**

Tax expense	2022	2021
Profit before tax	-28	-245
Expected tax expense at the nominal rate of 22 % (2020: 22%), the nominal rate of tax in Norway	-6	-54
Effect on taxes of:		
Changes in temporary differences and unused tax losses not recognized as deferred taxes	244	-65
Permanent differences caused by the functional currency being different from the tax currency	-238	119
Other permanent differences, net	0	0
This year's tax expense	**0**	**0**
Tax rate	0 %	0 %

Temporary differences and tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	2022	2021
Property, plant and equipment	1	8
Other current receivables/liabilities	-1	381
Tax losses carried forward	2 468	13 135
Temporary differences and tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	**2 468**	**13 524**

Deferred tax asset (DTA) not recognized in the balance sheet is related to tax losses carried forward and temporary differences. DTA is recognized on the basis of an expectation of a future taxable profit. The nature of Agua Imara AS' operations imply that future profits will not primarily be taxable. The benefits of deferred tax accordingly cannot be justified in the foreseeable future and have not been recognized in the company's balance sheet.

Note 8 - Subsidiaries

Company	Date of establ.	Business office	Country of registration	Main operations	Parent company	Voting share	Ownership share
Agua Imara ACA Pte. Ltd.	25 September 2009	The Netherlands	Singapore	Investments	Agua Imara AS	100.00 %	100.00 %

Book value of investment in subsidiary	2022	2021
Agua Imara ACA Pte. Ltd.	80 000	80 000
Total	**80 000**	**80 000**

Agua Imara AS

Notes to the financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 9 - Bank deposits, cash and cash equivalents

Specification of cash and cash equivalents	2022	2021
Cash and bank deposits	8 492	15 810
Total cash and cash equivalents	**8 492**	**15 810**

Note 10 - Share capital, shareholder information and dividend

	Share Capital	Share Premium	Paid-in capital
Paid-in equity 1 January 2022	19 790	178 668	198 458
Issue of share capital - Contribution in kind	0	0	0
Paid-in equity 31 December 2022	**19 790**	**178 668**	**198 458**

The nominal value per share is NOK 10. The total number of issued shares are 11,144,573. All issued shares are voting shares and equally entitled to dividend.

Shareholders in Agua Imara AS at 31 December 2022	Number of shares	Face value	Ownership share	Voting share
Norfund	11 144 573	NOK 10	100 %	100 %
Total	**11 144 573**		**100 %**	**100 %**

No ordinary dividend will be paid out for 2022.

Note 11- Transactions with related parties

All subsidiaries, associated companies and joint ventures are related parties of Agua Imara AS, as referred to in note 22 of the Group financial statements. Agua Imara's Board of Directors are also related parties. Agua Imara is directly owned by the Norwegian government. There are no identified significant transactions and balances with the Norwegian government or companies controlled by the Norwegian government, other than the ones listed in this note 11 and note 3.

All transactions with related parties have been carried out as part of the ordinary operations and at arm's length prices. There are no identified significant transactions with related parties other than the ones listed in this note 11 and note 3.

The profit & loss sheet includes the following amounts resulting from transactions with related parties

Transaction type	Related party	2022	2021
Sales revenue	Agua Imara ACA Pte. Ltd.	0	0
Sales revenue	**Total**	**0**	**0**
Other financial income	Agua Imara ACA Pte. Ltd.	6	57
Other financial income	**Total**	**6**	**57**

The balance sheet includes the following amounts resulting from transactions with related parties		2022	2021
Receivables	Agua Imara ACA Pte. Ltd.	17	3 095
Receivables	**Total**	**17**	**3 095**

Agua Imara AS

Notes to the financial statements for the year ended 31 December 2022

Figures in USD 1,000

Note 12 - Receivables

	2022	2021
Intra-group receivables	17	3 095
Other current receivables	48	55
Total receivables	**65**	**3 150**

Note 13 - Other current liabilities

	2022	2021
Accounts payable	54	50
Public taxes payable	-12	0
Other current liabilities	15	381
Total other current liabilities	**57**	**431**

Note 14 - Pensions

The company does not have any employees. One former employee had a defined benefit pension plan that was agreed to be settled by a one-off settlement payment. The liability to the former employee is booked as other current liabilities as of 31 December 2021 and was settled at the same amount in 2022.

Note 15 - Events after the balance sheet date

No events have occurred after the balance sheet date.