



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 985 943 265
Organisasjonsform: Aksjeselskap
Foretaksnavn: SVARTISEN HOLDING AS
Forretningsadresse: c/o Gram Hambro & Garman
Rådhusgata 5B
0151 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Timo Patana
Dato for fastsettelse av årsregnskapet: 02.03.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 10.08.2022



Resultatregnskap

Beløp i: EUR	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Personell costs		15 693	16 659
Other operating expenses		164 151	104 812
Sum kostnader		179 844	121 471
Driftsresultat		-179 844	-121 471
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		2 034 395	6 436 487
Inntekt på andre investeringer		2 010 525	3 577 770
Renteinntekt fra foretak i samme konsern		1 214 460	1 380 799
Annen finansinntekt		333 949	21 402
Sum finansinntekter		5 593 329	11 416 458
Annen finanskostnad		2 796 070	3 377 272
Sum finanskostnader		2 796 070	3 377 272
Netto finans		2 797 259	8 039 186
Ordinært resultat før skattekostnad		2 617 415	7 917 715
Skattekostnad på ordinært resultat		-2 149 874	1 317 237
Ordinært resultat etter skattekostnad		4 767 289	6 600 478
Årsresultat		4 767 289	6 600 478
Overføringer og disponeringer			
Ordinært utbytte		4 000 000	6 000 000
Overføringer til/fra annen egenkapital		767 288	600 478
Sum overføringer og disponeringer		4 767 288	6 600 478



Balanse

Beløp i: EUR	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		2 450 990	2 450 990
Goodwill		2 578 381	415 692
Sum immaterielle eiendeler		5 029 371	2 866 682
Finansielle anleggsmidler			
Investering i datterselskap		87 214 198	87 214 198
Lån til foretak i samme konsern		39 606 998	43 106 998
Andre fordringer		162 463 023	162 463 023
Sum finansielle anleggsmidler		289 284 219	292 784 219
Sum anleggsmidler		294 313 590	295 650 901
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		2 332 990	6 556 652
Sum fordringer		2 332 990	6 556 652
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		5 585 536	1 403 498
Sum bankinnskudd, kontanter og lignende		5 585 536	1 403 498
Sum omløpsmidler		7 918 526	7 960 150
SUM EIENDELER		302 232 116	303 611 051

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: EUR	Note	2020	2019
Selskapskapital		12 287 837	12 287 837
Overkurs		55 845 834	55 845 834
Sum innskutt egenkapital		68 133 671	68 133 671
Opptjent egenkapital			
Annen egenkapital		3 678 392	2 911 104
Sum opptjent egenkapital		3 678 392	2 911 104
Sum egenkapital		71 812 063	71 044 775
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		226 000 000	216 090 651
Øvrig langsiktig gjeld			10 106 286
Sum annen langsiktig gjeld		226 000 000	226 196 937
Sum langsiktig gjeld		226 000 000	226 196 937
Kortsiktig gjeld			
Leverandørgjeld		4 912	2 881
Skyldige offentlige avgifter		1 142	1 458
Utbytte		4 000 000	6 000 000
Annen kortsiktig gjeld		414 000	365 000
Sum kortsiktig gjeld		4 420 054	6 369 339
Sum gjeld		230 420 054	232 566 276
SUM EGENKAPITAL OG GJELD		302 232 117	303 611 051



Konsernets resultatregnskap

Beløp i: EUR	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Sales	9,10	13 091 981	22 742 864
Sum inntekter		13 091 981	22 742 864
Kostnader			
Personell costs	7	82 956	81 756
Depreciations	2,3	3 921 141	3 921 815
Other operating expenses	7,8,9	4 273 989	6 353 011
Sum kostnader		8 278 086	10 356 582
Driftsresultat		4 813 895	12 386 282
Finansinntekter og finanskostnader			
Investments Hafslund	8	2 010 525	3 577 770
Financial income	8	938 009	25 067
Sum finansinntekter		2 948 534	3 602 837
Financial expenses	8	3 703 881	3 818 548
Sum finanskostnader		3 703 881	3 818 548
Netto finans		-755 347	-215 711
Ordinært resultat før skattekostnad		4 058 548	12 170 571
Tax om ordinary income	6	-4 570 967	8 422 205
Ordinært resultat etter skattekostnad		8 629 515	3 748 366
Årsresultat		8 629 515	3 748 366
Overføringer og disponeringer			
Ordinært utbytte		4 000 000	6 000 000
Overføringer til/fra annen egenkapital		4 629 516	-2 251 634
Sum overføringer og disponeringer		8 629 516	3 748 366



Konsernets balanse

Beløp i: EUR	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Offtake rights	2	116 868 995	120 419 458
Utsatt skattefordel	6		
Sum immaterielle eiendeler		116 868 995	120 419 458
Varige driftsmidler			
Plant and equipment	3	11 743 194	12 113 873
Sum varige driftsmidler		11 743 194	12 113 873
Finansielle anleggsmidler			
Other investments	9,11	162 463 023	162 463 023
Natural resource tax	6	752 667	
Sum finansielle anleggsmidler		163 215 690	162 463 023
Sum anleggsmidler		291 827 879	294 996 354
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables		26 613	2 496 663
Other receivables		311 607	204 719
Sum fordringer		338 220	2 701 382
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		11 314 485	14 111 899
Sum bankinnskudd, kontanter og lignende		11 314 485	14 111 899
Sum omløpsmidler		11 652 705	16 813 281
SUM EIENDELER		303 480 584	311 809 635

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: EUR	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	1	12 287 837	12 287 837
Overkurs	1	55 845 834	55 845 834
Sum innskutt egenkapital		68 133 671	68 133 671
Opptjent egenkapital			
Annen egenkapital	1	4 650 942	21 426
Sum opptjent egenkapital		4 650 942	21 426
Sum egenkapital		72 784 613	68 155 097
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	1 210 934	3 488 744
Sum avsetninger for forpliktelser		1 210 934	3 488 744
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	226 000 000	216 090 651
Øvrig langsiktig gjeld			10 106 286
Sum annen langsiktig gjeld		226 000 000	226 196 937
Sum langsiktig gjeld		227 210 934	229 685 681
Kortsiktig gjeld			
Leverandørgjeld		139 245	442 450
Betalbar skatt	6	-1 553 305	6 980 898
Skyldige offentlige avgifter		5 859	6 203
Utbytte	1	4 000 000	6 000 000
Annen kortsiktig gjeld		893 239	539 306
Sum kortsiktig gjeld		3 485 038	13 968 857
Sum gjeld		230 695 972	243 654 538
SUM EGENKAPITAL OG GJELD		303 480 585	311 809 635



Directors' Report 2020

Svartisen Holding AS

Svartisen Holding AS (founded the 12th of August, 2003), is owned by three Finnish regional energy companies/co-operatives Vantaan Energia Oy, Oy Turku Energia – Åbo Energi Ab and Keskusosuuskunta Oulun Seudun Sähkö. Svartisen Holding AS was originally established for the purpose of acquiring 100 per cent of the shares in Eastern Norge Svartisen AS (ENS) from TXU Europe Group Plc and for owning the acquired shares.

In 2018 (12th June 2018), Svartisen Holding AS acquired 10 per cent of the shares in the capital of the company Hafslund Produksjon Holding AS (HPH). HPH is a hydropower producer in Norway owning several hydropower plants in the Glomma rivers system through its subsidiaries.

Production

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

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

During the year 2020, the electricity production for Counterparties under the swap agreement was 42,3 GWh, which is about 590 GWh less than 2019. The production was about 7 percent of the long-term average yearly water inflow.

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

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

HPH is a holding company owning hydropower productions assets, and there is no direct production related activity between SH and HPH.

Organization

Svartisen Holding AS is a company, which has a part-time Managing Director based in Finland. The company has an office in Oslo. The management of the company is administered together with the subsidiary Eastern Norge Svartisen AS in Norway with the assistance from parent



companies based in Finland together with service providers like Azets Insight AS and the law firm Gram, Hambro & Garman.

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

Environment

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

Equal status

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

Sales

The Financial Statements for 2020 show no operating revenues for Svartisen Holding AS. Svartisen Holding Group had a sales of 13.092 million EUR. It is about 42,5% less than in the year before.

Commentary to the Annual Accounts

Svartisen Holding Group's operational expenses were as expected during the year 2020. However, the negative tax effect increases the group level profit significantly in 2020.

The normal income of the company consists of the interest of the intra group loan and revenues from the subsidiary Eastern Norge Svartisen AS.

A dividend or group contribution totalling 1.586.828 EUR (after taxes) is expected from Eastern Norge Svartisen AS in 2020. Eastern Norge Svartisen AS has a net profit of 5.857 million EUR. The profitability was exceptional due to the effect of negative tax effect arising from changes in ground interest taxation principles .

Hafslund Produksjon Holding AS distributed a dividend of 22.1 million NOK. The dividend was lower than expected and due to the electricity market situation.

Financing

A refinancing took place in March. The remaining loans to Nordea Bank Finland and Vantaan Energia were paid back, and new loan agreements were made with OP Bank. The loans were 226 million EUR at the end of the year.

The Company has with Nordea Bank Finland Plc interest rate hedging agreements covering the facility amount of 120 million EUR. The amount consists of four separate agreements that are gradually decreasing. There are also interest rate hedging agreements covering the amount of 125 million EUR with OP Bank, three different agreements gradually increasing to replace the decreasing Nordea coverage. At the end of 2020 the active agreement coverage is 155 million EUR.



According to the repayment schedules, there were no repayments scheduled for 2020 for the refinanced loan with OP Bank.

Going Concern Assumption

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

Future Development

ENS has the Electricity SWAP agreement with Svartisen Holding AS Counterparties. Due to the SWAP agreement ENS is not exposed to financial risks related to the water volume and the power market price during the agreement period. The company is exposed to risks related to production costs, the technical availability of the plant and the exchange rate. During the years 2021-2023, yearly revenues will be higher than in 2020.

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

The Group is exposed to the financial risk bound to exchange and interest rates. The Group controls this risk through different precaution actions in the derivative market.

ENS dividends are expected to continue at a relatively low level. The financial income from the intra group loan is anticipated to be at the same level as 2020. Interest costs of the bank loans are expected to be at the same level as in the year 2020. During the year, the company expects operational costs to remain in line with previous years.

Allocation of net profit

Svartisen Holding AS reported a net profit of 4.767 million EUR. The board proposes to distribute dividends of 4 million EUR. Svartisen Holding Group reported a net profit of 8.630 million EUR and other equity as of 31st December 2020 is 4.651 million EUR.

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

Svartisen Holding AS

Oslo, the 16th of February 2021

Jukka Toivonen
Chairman of the Board

Timo Honkanen
Board Member

Risto Kantola
Board Member

Timo Patana
Managing Director



Financial Statements 2020

Svartisen Holding AS

Org. Nr 985 943 265

Utarbeidet av Azets Insight AS





Svartisen Holding AS			Svartisen Holding Group		
2020	2019	Amount in EUR	Notes	2020	2019
Revenue					
-	0	Sales	9,10	13 091 981	22 742 864
-	0	Other income			0
-	0	Revenue		13 091 981	22 742 864
Operating expenses					
-	0	Depreciations and amortizations	2,3	3 921 141	3 921 815
15 693	16 659	Personell costs	7	82 956	81 756
164 151	104 812	Other operating expenses	7,8,9	4 273 989	6 353 011
179 844	121 471	Total operating expenses		8 278 086	10 356 582
(179 844)	-121 471	Profit (loss) from operating activities		4 813 895	12 386 282
FINANCIAL INCOME AND EXPENSES					
5 593 329	11 416 458	Financial income	8	2 948 534	3 602 837
2 796 070	3 377 272	Financial expenses	8	3 703 881	3 818 548
2 797 258	8 039 186	Net financials		-755 347	-215 711
2 617 414	7 917 715	Operating result before tax		4 058 549	12 170 571
(2 149 874)	1 317 237	Taxes on ordinary income	6	-4 570 967	8 422 205
4 767 288	6 600 478	Net profit (loss) for the year		8 629 516	3 748 366
Information on disposals:					
(4 000 000)	-6 000 000	Dividends to shareholders		-4 000 000	-6 000 000
(767 288)	-600 478	Transferred to other equity		-4 629 516	0
0		Transferred from other equity		0	2 251 634
-4 767 288	-6 600 478	Total disposable		-8 629 516	-3 748 366



ASSETS 31.12

Svartisen Holding AS		Svartisen Holding Group			
EUR		EUR		EUR	
2020	2019	Amount in EUR	Notes	2020	2019
Non current assets					
Intangible tangible assets					
2 578 381	415 692	Deferred income tax asset	6	0	
0	0	Offtake rights	2	116 868 995	120 419 458
2 578 381	415 692	Total intangible fixed assets		116 868 995	120 419 458
Tangible fixed assets					
0	0	Plant and equipment	3	11 743 194	12 113 873
0	0	Total tangible assets		11 743 194	12 113 873
Financial assets					
		Natural resource tax	6	752 667	0
39 606 998	43 106 998	Loans to Group companies	5	0	0
89 665 188	89 665 188	Investments in subsidiaries	4	0	0
162 463 023	162 463 023	Other investments	9, 11	162 463 023	162 463 023
291 735 209	295 235 209	Total financial assets		163 215 691	162 463 023
294 313 590	295 650 901	Total non current assets		291 827 880	294 996 354
CURRENT ASSETS					
Debtors					
0	0	Accounts receivables		26 613	2 496 663
2 034 395	6 436 487	Receivables from subsidiaries	5	0	0
298 595	120 165	Other receivables		311 607	204 719
2 332 990	6 556 652	Total receivables		338 220	2 701 382
5 585 536	1 403 498	Cash and cash equivalents		11 314 485	14 111 899
7 918 527	7 960 150	Total current assets		11 652 705	16 813 281
302 232 117	303 611 051	TOTAL ASSETS		303 480 585	311 809 635



EQUITY AND LIABILITIES 31.12

Svartisen Holding AS		Svartisen Holding Group	
EUR	EUR	Notes	EUR
2020	2019		2020
EQUITY			
Owners equity			
12 287 837	12 287 837	1	12 287 837
55 845 834	55 845 834	1	55 845 834
68 133 671	68 133 671		68 133 671
Retained earnings			
3 678 392	2 911 104	1	4 650 942
3 678 392	2 911 104		4 650 942
71 812 063	71 044 775		72 784 613
LIABILITIES			
Long term liabilities			
226 000 000	216 090 651	9	226 000 000
0	10 106 286	9	0
0	0	6	1 210 934
226 000 000	226 196 937		227 210 934
Current liabilities			
4 912	2 881		139 245
0	0	6	-1 553 305
1 142	1 458		5 859
4 000 000	6 000 000	1	4 000 000
414 000	365 000		893 239
4 420 054	6 369 339		3 485 038
230 420 054	232 566 276		230 695 972
302 232 117	303 611 050		303 480 585

Oslo, February 16th 2021

Jukka Toivonen
Chairman of the Board

Timo Honkanen
Board member

Risto Kantola
Board member

Timo Patana
Managing Director



Svartisen Holding AS			Svartisen Holding Group	
2020	2019	Amount in EUR	2020	2019
Cash flow from operating activities				
2 617 414	7 917 716	Profit before taxes	4 058 549	12 170 571
-12 815	0	Tax payable	-6 993 713	-5 922 003
0	0	Depreciation	3 921 141	3 921 815
2 031	0	Changes in account receivables and trade creditors	2 166 845	-2 017 017
0	0	Currency effect	0	0
4 272 345	-6 045 140	Changes in other accruals	246 702	-408 590
6 878 975	1 872 491	Net cash flow from operating activities	3 399 524	7 744 776
Cash flow from investing activities				
0	0	Purchase of other investments	0	0
0	0	Purchased equipment	-1	-4
3 500 000	6 209 000	Loan to group companies	0	0
3 500 000	6 209 000	Net cash flow from investing activities	-1	-4
Cash flow from financing activities				
-6 000 000	-4 000 000	Paid dividends	-6 000 000	-4 000 000
0	0	Currency effect on long time debt	0	0
0	0	Equity contribution	0	0
226 000 000	0	New loan	226 000 000	0
-226 196 937	-4 894 882	Repayment of debt	-226 196 937	-4 894 882
-6 196 937	-8 894 882	Net cash flow from financing activities	-6 196 937	-8 894 882
4 182 038	-813 390	Net change in cash and cash equivalents	-2 797 414	-1 150 110
1 403 498	2 216 888	Cash and cash equivalents at 01.01	14 111 899	15 262 009
5 585 536	1 403 498	Cash and cash equivalents at 31.12	11 314 485	14 111 899



Accounting Principles

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

Basis for consolidation

The consolidated accounts comprise the parent company Svartisen Holding AS and the subsidiary Eastern Norge Svartisen AS. The consolidated accounts are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated from the consolidated accounts. The consolidated accounts are prepared based on common accounting principles for both parent and subsidiary. The shares in Eastern Norge Svartisen AS was acquired December 29th 2003.

Acquired subsidiaries are reported in the annual accounts on the basis of the parent company's acquisition cost. The acquisition cost is identified by attributing fair values to the separable net assets acquired. Surplus value or values below the fair value of separable net assets are reported in the balance sheet as goodwill or negative goodwill. Goodwill is amortized based on the straight line method over its expected useful economic life.

Subsidiaries

Subsidiaries are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Sales revenue

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

Classification of items in the Balance Sheet

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

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

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

Account receivables

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

Monetary items in foreign exchange

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



Prepaid off take rights

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

Equipment

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

Income tax

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

Ground interest tax

Ground interest is taxed by a rate of 37%. The taxation is based on hourly spot prices with deductions of operating cost. The company is allowed a minimum level of Ground Interest Income (Free Income). Each powerstation is a taxable unit. Negative ground income can be deferred and be deducted from positive ground rent income in the future.

Natural resource tax

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

Cash flow

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

Functional and presentation currency.

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



Note 1 Owners equity

Amount in EUR

Svartisen Holding AS

	Issued capital	Share premium	Other equity	Total - equity
Owners equity 01.01	12 287 837	55 845 834	2 911 104	71 044 775
Equity contribution	0	0		0
Profit for the year	0	0	4 767 288	4 767 288
Dividend	0	0	-4 000 000	-4 000 000
Owners equity 31.12.	12 287 837	55 845 834	3 678 392	71 812 063

Owners Equity NOK 111 691 896

Svartisen Holding Group

	Issued capital	Share premium	Other equity	Total - equity
Owners equity 01.01	12 287 837	55 845 834	21 426	68 155 097
Equity contribution	0	0	0	0
Profit for the year	0	0	8 629 517	8 629 517
Dividend	0	0	-4 000 000	-4 000 000
Owners equity 31.12.	12 287 837	55 845 834	4 650 943	72 784 614

Share capital	Number of shares	Nominal value	Share capital
Ordinary shares	110 586 036	1,01	111 691 896 NOK 12 287 837 EUR

Shareholders at 31.12:

	Shares	Ownership share	Voting rights
Vantaan Energia	54 883 850	49,6 %	49,6 %
Turku Energia	38 417 589	34,7 %	34,7 %
Oulun Seudun Sähkö	17 284 597	15,6 %	15,6 %
Total	110 586 036	100,0 %	100,0 %

Note 2 Intangible assets

Amount in EUR

Svartisen Holding Group

Off take rights	2020	2019
Acquisition cost 1.1.	177 708 199	177 708 199
Additions	0	0
Disposals	0	0
Acquisition cost 31.12	177 708 199	177 708 199
Accumulated amortization at 31.12	60 839 204	57 288 741
Net carrying amount at 31.12	116 868 995	120 419 458
Amortization for the year	3 550 463	3 550 463
Amortization period	50 years	50 years



Note 3 Tangible assets

Amount in EUR

Svartisen Holding Group

Equipment	2020	2019
Acquisition cost 1.1	16 016 640	16 016 636
Additions	0	4
Disposals	0	0
Acquisition cost 31.12	16 016 640	16 016 640
Accumulated depreciation 31.12	4 273 444	3 902 767
Net carrying amount at 31.12	11 743 196	12 113 873
Depreciation for the year	370 677	371 352

Both parent and group uses straight line depreciation method for all fixed assets. The economic lifetime is estimated to 3 years for ordinary equipment. For the new turbine and the renovated turbine the lifetime is estimated to 40 years.

Note 4 Investment in subsidiaries

Amount in EUR

Company	Acquisition date	Location	Share ownership	Voting rights
Eastern Norge Svartisen AS	29.12.03	Bodø	100 %	100 %

Company	Share capital	Number of shares	Total face value	Book value
Eastern Norge Svartisen AS	22 011 200	2 000 000	22 011 200	89 665 189

Note 5 Intercompany balance group company and associate

Amount in EUR

Svartisen Holding AS	2020	2019
Loan to Eastern Norge Svartisen	39 606 998	43 106 998
Short term receivables from Eastern Norge Svartisen	2 034 395	6 436 487
Total	41 641 393	49 543 485

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



Note 6 Income taxes

Amount in EUR

	Svartisen Holding AS		Svartisen Holding Group	
	2020	2019	2020	2019
Income tax expenses				
Income taxes payable	0	0	0	1 187 692
Changes in prior years taxes	12 815	0	12 815	
Change in deferred taxes	-2 162 689	1 317 237	-2 277 810	1 202 116
Currency effect	0			
Ground interest tax payable	0		-2 305 972	6 022 245
Change in natural resource tax carried forward	0		0	239 155
Payable natural resource tax	0	0	752 667	949 978
Natural resources tax deductible from income tax	0	0	-752 667	-1 179 017
Total income tax expense	-2 149 874	1 317 237	-4 570 967	8 422 169
Tax base estimation				
Profit before tax	2 617 414	7 917 716	4 058 549	12 170 571
Permanent differences	-2 047 313	-3 441 240	-2 041 570	(3 441 532)
Currency effect	-10 448 973	1 569 922	-12 419 128	2 192 681
Changes in temporary differences	1 060 561	354 320	1 583 838	877 598
Loss carried forward	8 818 310	-6 400 718	8 818 310	-6 400 718
Tax base	0	0	-1	5 398 600
Payable income tax 22%	0	0	0	1 187 692
Deduction of paid and forwarded natural resource tax	0	0		-1 179 017
Natural resource tax payable	0	0	752 667	949 978
Ground interest tax payable			-2 305 972	6 022 245
This years payable tax in the balance sheet	0	0	-1 553 305	6 980 898
Temporary differences outlined				
Off-take right	0	0	17 224 158	17 747 436
Incoming from allocated dividends	0	0	0	0
Losses carried forward	-11 719 914	-1 997 010	-11 719 914	-1 997 010
Accrued terminated currency swaps	0	107 501	0	107 501
Total	-11 719 914	-1 889 509	5 504 244	15 857 927
Balance sheet items				
Calculated income tax	0	0	0	1 187 692
Deduction of paid natural resource tax	0	0	0	-1 179 017
Payable natural resource tax	0	0	752 667	949 978
Ground interest tax payable	0	0	-2 305 972	6 022 245
Payable income tax of the year in balance sheet	0	0	-1 553 305	6 980 898
Deferred taxes in the balance sheet	-2 578 381	-415 692	1 210 934	3 488 744
Deductable natural resource tax in the balance sheet	0	0	0	0
Effective tax rate				
Expected income taxes, statutory tax rate 22%	575 831	1 741 897	892 881	2 677 526
Effect of permanent differences 22%	-450 409	-757 073	-449 145	-757 137
Changes in prior years taxes	12 815		12 815	
Currency effect	-2 288 111	332 412	-2 721 545	479 572
Ground interest tax payable			-2 305 972	6 022 245
Effect of changes in tax rate	0	0	0	0
Income tax expense	-2 149 874	1 317 236	-4 570 967	8 422 206
Effective tax rate in %	-82,1 %	16,6 %	-112,6 %	69,2 %



Note 7 Fees

Svartisen Holding AS

Amount in EUR

The company have no employees.

Management remuneration	Board of Directors	Managing director
Salary	0	7 800
Committee fee	6 000	0
Employers' contribution	846	1 100
Total	6 846	8 900

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

Auditor	Svartisen Holding AS		Svartisen Holding group	
	2020	2019	2020	2019
Auditing fee	5 422	8 401	18 453	14 354
Tax assistance	0	0	0	0

The amounts are excl. VAT

Note 8 Items consisting of consolidated amounts

Amount in EUR

Finance Income	Svartisen Holding AS		Svartisen Holding Group	
	2020	2019	2020	2019
Dividends received from subsidiaries	0	0	0	0
Group contribution from subsidiaries	0	6 436 487	0	0
Interest income from group companies	1 214 460	1 380 799	0	0
Other interest income	819	2 511	1 327	6 176
Other finance income (Dividends)	2 010 525	0	2 010 525	3 577 770
Currency Gain	333 128	18 891	936 650	18 891
Total finance income	3 558 932	7 838 688	2 948 502	3 602 837

Finance Costs	Svartisen Holding AS		Svartisen Holding Group	
	2020	2019	2020	2019
Other interest expenses	2 520 578	3 377 272	2 598 869	3 437 518
Currency Loss	275 492	0	1 104 981	381 030
Total finance costs	2 796 070	3 377 272	3 703 850	3 818 548



Note 9 Long term liabilities - Financial market risk

Svartisen Holding

Liabilities to financial institutions consists of EUR 226 000 000 from OP Corporate Bank, Helsinki. Due to converting of operational currency from NOK to EUR the company is no longer exposed to currency exchange risk. Currency swap contracts were therefore terminated in 2017.

Amount in 1000	Svartisen Holding AS		Svartisen Holding Group	
		Instalment MEUR	Instalment MEUR	
	Total	226 000	226 000	
	2021	3 500	3 500	
	2022	3 500	3 500	
	2023	3 500	3 500	
	2024	3 500	3 500	
	2025	212 000	212 000	
	After 2025	0	0	
	Total	226 000	226 000	
	Average interest inclusive interest and swaps:	1,30 %	1,30 %	

Interest rate risk

The above mentioned facility has a floating interest rate. Under conditions of the loan agreements at least 50 % of total facility amount must be hedged against interest rate fluctuations by using interest rate swaps. The loans with Nordea contains covenants that require the company party to meet 18 % equity of total balance. The company is compliant with these requirements as of 31.12.2020.

Additional requirement is that the debt service cover ratio shall at all times not be less than 1,2.

The calculated debt service cover ratio is per 31.12.2020 2,66.

	Svartisen Holding AS		Svartisen Holding Group	
	2020	2019	2020	2019
Secured debts	226 000 000	219 110 651	226 000 000	219 110 651
Pledged assets:				
Shares in Hafslund Production Holding AS	162 463 023	162 463 023	162 463 023	162 463 023
Total	162 463 023	162 463 023	162 463 023	162 463 023

The company has as of December 31st 2020 the following hedge instruments;

Product	Notional	Interest Rate	MV (EUR)	Maturity date
Interest-swap EUR	25 000	0,210 %	-285	04.04.2022
Interest-swap EUR	25 000	0,459 %	-877	03.04.2024
Interest-swap EUR	35 000	0,552 %	-484	28.06.2023
Interest-swap EUR	35 000	0,267 %	-47	28.06.2021
Interest-swap EUR	35 000	0,162 %	-1 608	25.06.2029
Interest-swap EUR	45 000	0,250 %	-1 870	13.03.2040
Interest-swap EUR	45 000	0,228 %	-2 142	13.03.2045
Total			-7 313	



Long term powersalesagreement

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

Market value for this SWAP is 31.12.2020 EUR -233 700

Yearly income according to the agreement will be:

Year	000 EUR
Yearly 2018 - 2027	12 540

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

Note 10 Forward Contracts

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

Current market value is EUR -823 121

Note 11 Investments

Amount in 1000	Share	Aquisition Cost	Book value
Hafslund Produksjon Holding AS	10 %	162 463	162 463
Total		162 463	162 463



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Svartisen Holding AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Svartisen Holding AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020, the income statement, statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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



Opinion on registration and documentation

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

Oslo, 22 February 2021
ERNST & YOUNG AS

Andreas Lie
State Authorised Public Accountant (Norway)