



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	984 663 889
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	STATKRAFT IH INVEST AS
Forretningsadresse:	Lilleakerveien 6 0283 OSLO

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jan Erik Felle
Dato for fastsettelse av årsregnskapet:	31.03.2021

### 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, 26.06.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Payroll and related costs	2		
Other operating expenses	2, 3	491 000	852 000
<b>Sum kostnader</b>		<b>491 000</b>	<b>852 000</b>
<b>Driftsresultat</b>		<b>-491 000</b>	<b>-852 000</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries and associated companies	4		
Annen renteinntekt	4		
Financial income	4	10 720 000	5 640 000
<b>Sum finansinntekter</b>		<b>10 720 000</b>	<b>5 640 000</b>
Write-downs of financial assets	4	169 000 000	
Annen rentekostnad	4		
Financial expenses	4	179 000	557 000
<b>Sum finanskostnader</b>		<b>169 179 000</b>	<b>557 000</b>
<b>Netto finans</b>		<b>-158 459 000</b>	<b>5 083 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-158 950 000</b>	<b>4 231 000</b>
Tax expense	5	2 211 000	946 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-161 161 000</b>	<b>3 284 000</b>
<b>Årsresultat</b>		<b>-161 161 000</b>	<b>3 284 000</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-161 161 000</b>	<b>3 284 000</b>
<b>Totalresultat</b>		<b>-161 161 000</b>	<b>3 284 000</b>
<b>Overføringer og disponeringer</b>			
Transferred from share premium account	7		
Ordinært utbytte	7		
Transferred to retained earnings	7		
Transferred from other equity		-161 161 000	3 284 000



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Sum overføringer og disponeringer		-161 161 000	3 284 000



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5	33 000	45 000
<b>Sum immaterielle eiendeler</b>		<b>33 000</b>	<b>45 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	8	16 110 314 000	16 049 235 000
Investering i annet foretak i samme konsern	8		
Investeringer i tilknyttet selskap	8		
<b>Sum finansielle anleggsmidler</b>		<b>16 110 314 000</b>	<b>16 049 235 000</b>
<b>Sum anleggsmidler</b>		<b>16 110 348 000</b>	<b>16 049 280 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Intra-group receivables	6	25 215 000	135 670 000
Other short-term receivables	6	21 000	37 000
<b>Sum fordringer</b>		<b>25 236 000</b>	<b>135 707 000</b>
Derivatives	6		
Cash and bank deposits			
<b>Sum omløpsmidler</b>		<b>25 236 000</b>	<b>135 707 000</b>
<b>SUM EIENDELER</b>		<b>16 135 584 000</b>	<b>16 184 987 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Paid-in capital	7, 9	470 308 000	438 954 000
Overkurs	7	11 410 665 000	11 330 939 000
<b>Sum innskutt egenkapital</b>		<b>11 880 973 000</b>	<b>11 769 893 000</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>Opptjent egenkapital</b>			
Retained earnings	7	4 252 412 000	4 413 573 000
<b>Sum opptjent egenkapital</b>		<b>4 252 412 000</b>	<b>4 413 573 000</b>
<b>Sum egenkapital</b>		<b>16 133 385 000</b>	<b>16 183 466 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5		
Other provisions	10		
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	6		5 000
Tax payable	5	2 199 000	1 342 000
Other current liabilities	6		174 000
Derivatives	6		
<b>Sum kortsiktig gjeld</b>		<b>2 199 000</b>	<b>1 522 000</b>
<b>Sum gjeld</b>		<b>2 199 000</b>	<b>1 522 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>16 135 584 000</b>	<b>16 184 987 000</b>



Skattedirektoratet

Saksbehandler  
Rune Tystad

Deres dato  
12.02.2013

Vår dato  
13.02.2013

Telefon  
977 59 464

Deres referanse  
Lars Rønneberg

Vår referanse  
2013/101466

STATKRAFT NORFUND POWER INVEST AS  
Postboks 200 Lilleaker  
0216 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Statkraft Norfund Power Invest AS, org.nr. 984 663 889

— Vi viser til deres brev først oversendt i e-post av 18. desember 2012 og senere i e-post av 7. februar 2013. Dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Statkraft Norfund Power Invest AS (SN Power).

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Statkraft Norfund Power Invest 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

SN Power er eiet med 60 % av Statkraft AS og 40 % av Statens Investeringsfond for Næringsvirksomhet i Utviklingsland (Norfund) og har således en svært begrenset eierkrets. Begge aksjonærene er profesjonelle investorer. SN Power er ikke børsnotert, verken med egenkapital eller gjeld. Som datterselskap inngår SN Powers årsregnskap i årsregnskapet til Statkraft AS. Statkraft AS utarbeider årsregnskapet på norsk. 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:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som*

Postadresse  
Postboks 9200 Grønland  
0134 Oslo  
For elektronisk henvendelse se [www.skatteetaten.no](http://www.skatteetaten.no)

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr. 996250318

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



*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

Inger Johanne Stolt-Nielsen

underdirektør

Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Rune Tystad



# Annual Report 2020 Statkraft IH Invest AS

**Board of directors' report**  
**Profit and loss statement**  
**Balance sheet**  
**Cash flow statement**  
**Notes**  
**Auditor's report**

**Org.no.: 984 663 889**



## Board of Directors' report 2020 Statkraft IH Invest AS

### Operations and location

Statkraft IH Invest AS (SKIHI) was established in 2002, and is owned by the Norwegian state entity Statkraft AS. SKIHI's business strategy is to develop, build, acquire, own and operate sustainable hydropower projects in emerging markets on commercial terms. The Company's mission is to become a leading hydropower company in emerging markets, contributing to economic growth and sustainable development.

SKIHI is located in Oslo, Lilleakerveien 6.

The company and subsidiaries are consolidated in Statkraft Group Financial Statements.

### Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

### Comments the financial statements

SKIHI has an operating loss of TNOK -491 in 2020, compared to an operating loss of TNOK -852 in 2019. The company does not have any employees as these were transferred to Statkraft AS and SN Power AS during the reorganization with closing 6th June 2014.

Net financial items amounted to MNOK -158 compared to MNOK 5 in 2019, mainly to a write-down of the investment in Statkraft Brasil AS of MNOK -169 in 2020. Net profit for the financial year is MNOK -161 (2019: MNOK 3).

Net financial items consist of net realized currency gain (MNOK 10), write-down of the investment in Statkraft Brasil AS (MNOK -169), and net intra-group interest income (MNOK 1).

The Board has proposed the following allocation of the profit for the financial year of SKIHI:

	MNOK
Transferred from retained earnings	161 161
Total allocations	-161 161

The company's total assets at year-end amounted to MNOK 16 136 compared to MNOK 16 185 at the previous year-end. The company had an equity ratio of 99,9 % as at 31.12.2020 compared to 99,9 % as at 31.12.2019. The company's equity ratio is considered acceptable by the company's management.



Significant changes to the balance sheet, compared to 2019, are:

Current assets decreased from MNOK 136 to MNOK 25 mainly due to a decrease in liquidity presented as intra-group receivables (cash pool) following capital increases in Statkraft Brasil AS.

SKIHI has issued various guarantees on behalf of subsidiaries, associated companies and joint ventures in order to secure funding for completion of construction projects.

In the Board's opinion the financial statements give a true and fair view of the financial position as at 31 December 2020 of the company SKIHI, and the financial performance and cash flows for 2020.

### **Financial risk**

SKIHI is mainly financed by equity, and the company's assets mainly consist of intra-group receivables and investments in subsidiaries. Future income will be in form of dividend from subsidiaries.

The majority of the company's liquidity is part of a cash pool arrangement within the Statkraft Group and is presented as receivables in the balance sheet.

The company's financial risk is continuously being assessed by the Board of Directors. The Board of Directors considers the financial risk to be low.

### **Work environment, equal opportunities and discrimination**

There are no employees in the company and therefore now working environment. The Board of Directors consists of two men and one woman.

### **External environment**

The company's operations do not result in pollution or spillage harmful to the external environment.

### **Covid-19**

The board is closely monitoring the development of the pandemic and is evaluating the potential consequences of the operations and value of the company's investments.

### **Contingencies and disputes**

On 13 July 2015, Statkraft acquired a controlling interest in the Brazilian company Desenvix Energias Renováveis S.A., which subsequently changed name to Statkraft Energias Renováveis (SKER). Over the past years, Brazil has experienced several severe corruption cases. On this background, Statkraft initiated an internal investigation related to the subsidiary acquired in 2015. Based on the investigation, the company has contacted Brazilian authorities. It is at this stage not possible to predict the final outcome.

The Brazilian Federal Prosecutor has been investigating potential crimes committed by representatives of the four main pension funds in Brazil and representatives of companies in which the pension funds invested, as well as any other individual who may have been involved in the alleged scheme, related to historical investments made by the pension funds, including FUNCEF, which invested in Desenvix (now SKER) in 2009 and 2010, and now owns 18.7% of SKER. The Prosecutor has concluded the investigation in relation to FUNCEF and filed the criminal lawsuit against the individuals, including the shareholders of Jackson and former officers of FUNCEF. In August 2017, the Federal Judge in charge of the criminal investigation issued a resolution stating that no information had been found relating SKER with the alleged illicit activities and therefore decided to release guarantees and other precautionary measures imposed on SKER. Additionally, a civil lawsuit has been filed against the pension funds and companies and individuals related to the pension fund's investments, including SKER. It is at this stage not possible to predict if the outcome of the case could have potential negative effects on SKER.



Oslo, 31 March 2021

The board of directors of Statkraft IH Invest AS

.....  
Kjersti Rønningen  
Chairman of the board

.....  
Simen Bræin  
Board member

.....  
Tron Engebretsen  
Board member

.....  
Jan Erik Felle  
General Manager



## Profit and loss statement

Statkraft IH Invest AS

Amounts in NOK thousand

	Note	2020	2019
<b>Operating expenses</b>			
Other operating expenses	2, 3	-491	-852
<b>Total operating expenses</b>		<u>-491</u>	<u>-852</u>
<b>Operating profit</b>		<u>-491</u>	<u>-852</u>
<b>Financial income and expenses</b>			
Financial income	4	10 720	5 640
Write-downs of financial assets	4	-169 000	0
Financial expenses	4	-179	-557
<b>Net financial items</b>		<u>-158 459</u>	<u>5 083</u>
<b>Profit before tax</b>		<u>-158 950</u>	<u>4 231</u>
Tax expense	5	-2 211	-946
<b>Profit for the year</b>		<u>-161 161</u>	<u>3 284</u>
<b>Appropriation of profit for the year and equity transfers</b>			
Transferred from other equity		161 161	-3 284
<b>Net appropriation of profit for the year and equity transfer</b>		<u>-161 161</u>	<u>3 284</u>



### Balance sheet

Statkraft IH Invest AS

Amounts in NOK thousand

<b>Assets</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Non-current assets</b>			
Deferred tax assets	5	33	45
<b>Total intangible assets</b>		<b>33</b>	<b>45</b>
<b>Financial non-current assets</b>			
Investments in subsidiaries	8	16 110 314	16 049 235
<b>Total financial non-current assets</b>		<b>16 110 314</b>	<b>16 049 235</b>
<b>Total non-current assets</b>		<b>16 110 348</b>	<b>16 049 280</b>
<b>Current assets</b>			
<b>Receivables</b>			
Intra-group receivables	6	25 215	135 670
Other short-term receivables	6	21	37
<b>Total receivables</b>		<b>25 236</b>	<b>135 707</b>
<b>Total current assets</b>		<b>25 236</b>	<b>135 707</b>
<b>Total assets</b>		<b>16 135 584</b>	<b>16 184 987</b>



## Balance sheet

Statkraft IH Invest AS

Amounts in NOK thousand

Shareholders equity and liabilities	Note	2020	2019
<b>Shareholders equity</b>			
Paid-in capital	7, 9	470 308	438 954
Share premium account	7	11 410 665	11 330 939
<b>Total paid-in capital</b>		<b>11 880 973</b>	<b>11 769 893</b>
<b>Retained earnings</b>			
Retained earnings	7	4 252 412	4 413 573
<b>Total retained earnings</b>		<b>4 252 412</b>	<b>4 413 573</b>
<b>Total shareholders equity</b>		<b>16 133 385</b>	<b>16 183 466</b>
<b>Liabilities</b>			
<b>Provisions for liabilities and charges</b>			
<b>Current debt</b>			
Intra-group liabilities	6	0	5
Tax payable	5	2 199	1 342
Other current liabilities	6	0	174
<b>Total current liabilities</b>		<b>2 199</b>	<b>1 522</b>
<b>Total liabilities</b>		<b>2 199</b>	<b>1 522</b>
<b>Total shareholders equity and liabilities</b>		<b>16 135 584</b>	<b>16 184 987</b>

Oslo, 31.03.2021

The board of Statkraft IH Invest AS

\_\_\_\_\_  
Kjersti Rønningen  
Chairman of the board

\_\_\_\_\_  
Simen Bræin  
Member of the board

\_\_\_\_\_  
Tron Engebretsen  
Member of the board

\_\_\_\_\_  
Jan Erik Felle  
General Manager



## Cash flow statement

Statkraft IH Invest AS

Amounts in NOK thousand

	2020	2019
<b>Cash flow from operations:</b>		
Profit / (loss) before taxation	-158 950	4 231
Writw-downs investment in subsidiaries	169 000	0
Unrealized currency losses / (gains)	0	1 878
Paid taxes	-1 342	-18 047
Change in intra group accounts	-5	17 463
Change in other current assets and liabilities	-158	-1 636
<b>Net cash flow from operations</b>	<b>8 545</b>	<b>3 890</b>
<b>Cash flow from investment activities:</b>		
Investments in subsidiaries	-230 080	-1 096 390
<b>Net cash flow from investment activities</b>	<b>-230 080</b>	<b>-1 096 390</b>
<b>Cash flow from financing activities:</b>		
Inflow due to capital increase	111 080	817 969
Change in cash pool*	110 455	274 531
Outflow due to dividend payments to shareholders and group contribution	0	-1 822 685
<b>Net cash flow from financing activities</b>	<b>221 535</b>	<b>-730 185</b>
Net change in bank deposits, cash and equivalents	0	0
Bank deposits, cash and equivalents at 1 January	0	0
<b>Bank deposits, cash and equivalents at 31 December</b>	<b>0</b>	<b>0</b>

\* Statkraft IH Invest AS is part of a cash pool scheme in Statkraft AS. Cash and cash equivalents are classified as intercompany receivables.



## Note 1 Accounting policies

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. The accounting policies are described below.

In accordance with the Norwegian Accounting Act § 3-7 on exemption from the duty to prepare group accounts for the parent company of a subgroup, Consolidated financial statements are not prepared. The company is consolidated in Statkraft AS and financial statements for Statkraft AS can be found at [www.statkraft.com](http://www.statkraft.com).

The financial statements consists of the income statement balance sheet, cash flow statement and notes to the financial statements.

### Currency

The Company's functional currency is NOK, Monetary items held in foreign currency is converted to NOK using the exchange rate at year end. Currency effects are included as financial income and financial expense, were transactions in foreign currency is converted to NOK using the exchange rate at the date of transaction.

### 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 extend that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

### 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 he recoverable amount. Previously recognized impairments loss is reversed only if there have been changes in the estimates used to determine the recoverable amount. Dividends from subsidiaries are recognized when earned.

### Tangible fixed assets and intangible assets

Tangible fixed assets and intangible assets are measured at cost less accumulated depreciation and write-downs. 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 written down 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. Write-downs are reversed if the basis for the write-down is no longer present.

Research costs are expensed as incurred. Development costs related to project development are capitalised only if future economic benefits from the development of an intangible asset is probable. Development costs will often be capitalised when a construction project is more probable than not. Tis may occur before the formal investment decision has been made.

### Trade receivables

Trade receivables are measured at the recoverable amount. Provisions are made for bad debts.



## **Income taxes**

The tax expense is calculated from the profit (loss) before tax and comprises the current taxes and the change in deferred taxes. Deferred tax assets and liabilities are calculated in accordance with the liability method without discounting and provided for all differences between the carrying amount in the balance sheet and tax base of assets and liabilities, and for tax losses carried forward. Deferred tax assets are recognized on the balance sheet only when it is probable that the benefit can be utilized through future taxable profits.

## **Cash flow statement**

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

## **Contingencies and disputes**

On 13 July 2015, Statkraft acquired a controlling interest in the Brazilian company Desenvix Energias Renováveis S.A., which subsequently changed name to Statkraft Energias Renováveis (SKER). Over the past years, Brazil has experienced several severe corruption cases. On this background, Statkraft initiated an internal investigation related to the subsidiary acquired in 2015. Based on the investigation, the company has contacted Brazilian authorities. It is at this stage not possible to predict the final outcome.

The Brazilian Federal Prosecutor has been investigating potential crimes committed by representatives of the four main pension funds in Brazil and representatives of companies in which the pension funds invested, as well as any other individual who may have been involved in the alleged scheme, related to historical investments made by the pension funds, including FUNCEF, which invested in Desenvix (now SKER) in 2009 and 2010, and now owns 18.7% of SKER. The Prosecutor has concluded the investigation in relation to FUNCEF and filed the criminal lawsuit against the individuals, including the shareholders of Jackson and former officers of FUNCEF. In August 2017, the Federal Judge in charge of the criminal investigation issued a resolution stating that no information had been found relating SKER with the alleged illicit activities and therefore decided to release guarantees and other precautionary measures imposed on SKER. Additionally, a civil lawsuit has been filed against the pension funds and companies and individuals related to the pension fund's investments, including SKER. It is at this stage not possible to predict if the outcome of the case could have potential negative effects on SKER.



## Note 2 Employee benefit expenses, management remuneration and audit fee

Amounts in NOK thousand

<b>Auditor</b>	<b>2020</b>	<b>2019</b>
Statutory audit	-685	-541
Other assurance services	0	-29
<b>Total fees to auditors</b>	<b>-685</b>	<b>-570</b>

## Note 3 Other operating expenses

Amounts in NOK thousand

	<b>2020</b>	<b>2019</b>
Group services	-151	-161
External services	-340	-689
Leasing costs	0	0
Other expenses	0	-2
<b>Total other operating expenses</b>	<b>-491</b>	<b>-852</b>

## Note 4 Financial items

Amount in NOK thousand

<b>Income/expenses from subsidiaries and associated companies</b>	<b>2020</b>	<b>2019</b>
Write-down of investment in subsidiaries 1)	-169 000	0
<b>Income/expenses from subsidiaries and associated companies</b>	<b>-169 000</b>	<b>0</b>
<b>Financial income</b>	<b>2020</b>	<b>2019</b>
Interest income, intra-group	756	4 802
Net realised and unrealised currency gain	9 964	838
<b>Financial income</b>	<b>10 720</b>	<b>5 640</b>
<b>Financial expenses</b>	<b>2020</b>	<b>2019</b>
Interest expenses, intra-group	-172	-486
Interest expenses other	-7	-71
<b>Financial expenses</b>	<b>-179</b>	<b>-557</b>
<b>Net Financial items</b>	<b>-158 459</b>	<b>5 083</b>

1) The company's investment in Statkraft Brasil AS has in 2020 been written down with TNOK 169 000 based on an updated valuation of the underlying assets i Statkraft Brasil AS.



## Note 5 Income tax expense

Amounts in NOK thousand

	2020	2019
<b>This year's tax expense</b>		
Entered tax on ordinary profit/loss:		
Tax on this year's profit/loss	-2 199	-1 342
Changes in deferred tax	-12	396
<b>Tax expense on ordinary profit/loss</b>	<b>-2 211</b>	<b>-946</b>
Taxable income:		
<b>Ordinary profit/loss before tax</b>	<b>-158 950</b>	<b>4 231</b>
Permanent differences	169 000	71
Changes temporary differences	-55	1 800
<b>Taxable income</b>	<b>9 995</b>	<b>6 101</b>
Payable tax in the balance:		
Tax on this year's profit/loss	2 199	1 342
<b>Total payable tax in the balance</b>	<b>2 199</b>	<b>1 342</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2020	2019	Difference
Tangible fixed assets	-152	-207	-55
<b>Basis for calculation of deferred tax</b>	<b>-152</b>	<b>-207</b>	<b>-55</b>
<b>Deferred tax (22 % / 22 %)</b>	<b>-33</b>	<b>-45</b>	<b>-12</b>



## Note 6 Current assets and liabilities

Amounts in NOK thousand

### Current assets

<b>Intra group receivables</b>	<b>2020</b>	<b>2019</b>
Accrued interest	0	0
Short term loans on group companies	0	0
Group cash pooling receivables	25 215	135 670
<b>Total intra group receivables</b>	<b>25 215</b>	<b>135 670</b>

<b>External receivables</b>	<b>2020</b>	<b>2019</b>
Value added tax	21	27
Other receivables	0	10
<b>Total external receivables</b>	<b>21</b>	<b>37</b>

<b>Total receivables</b>	<b>25 236</b>	<b>135 707</b>
--------------------------	---------------	----------------

### Current liabilities

<b>Intra group current liabilities</b>	<b>2020</b>	<b>2019</b>
Accounts payable	0	5
<b>Total intra group current liabilities</b>	<b>0</b>	<b>5</b>

<b>External current liabilities</b>	<b>2020</b>	<b>2019</b>
Accounts payable	0	174
Tax payable	2 199	1 342
<b>Total external current liabilities</b>	<b>2 199</b>	<b>1 516</b>

<b>Total current liabilities</b>	<b>2 199</b>	<b>1 522</b>
----------------------------------	--------------	--------------

## Note 7 Equity

Amounts in NOK thousand

	Share capital	Share premium	Other equity	Total
<b>Equity 01.01.2020</b>	<b>438 954</b>	<b>11 330 939</b>	<b>4 413 573</b>	<b>16 183 466</b>
Increase of Share capital	31 354	79 726	0	111 080
Result for the period	0	0	-161 161	-161 161
<b>Equity 31.12.2020</b>	<b>470 308</b>	<b>11 410 665</b>	<b>4 252 412</b>	<b>16 133 385</b>



## Note 8 Subsidiaries

Amounts in NOK thousand

	Date of establ.	Business office	Voting share	Ownership share	Book value 31.12.2020
<b>Investments in subsidiaries</b>					
Statkraft IH Holding AS	27 May 2003	Oslo	100%	100%	11 928 336
Statkraft Brasil AS	18 November 2009	Oslo	100%	100%	4 181 979
<b>Total</b>					<b>16 110 314</b>

Shares in subsidiaries are recorded in accordance with the cost method in the balance sheet of Statkraft IH Invest AS.

	Currency	Equity according to last annual accounts 1)	Profit for the year according to last annual accounts 1)
Statkraft IH Holding AS	NOK	14 079 183	-83 128
Statkraft Brasil AS	NOK	4 228 236	-168 610

1) Profit and equity are preliminary figures per 31.12.2020

## Note 9 Shareholder information

Amounts in NOK

	Number of shares	Value per share	Book value
Shares	31 353 854	15	470 307 810

Shareholders 31 December 2020:

	Number of shares	Owner share	Voting share
Statkraft AS	31 353 854	100 %	100 %

## Note 10 Guarantees, cash and cash equivalents

### Guarantees:

Statkraft IH Invest AS has, on behalf of its subsidiaries, issued guarantees for a total amount of TUSD 19,044 at 31 December 2020

The company's liquidity is part of a cashpool arrangement within the Statkraft Group and are presented as a receivable in the balance sheet.

## Note 11 Events after balance sheet date

There have been no significant subsequent events.



# Deloitte.

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Til generalforsamlingen i Statkraft IH Invest AS

UAVHENGIG REVISORS BERETNING

## Uttalelse om revisjonen av årsregnskapet

### Konklusjon

Vi har revidert Statkraft IH Invest AS' årsregnskap som viser et underskudd på kr 161.160.763. Årsregnskapet består av balanse per 31. desember 2020, resultatregnskap for regnskapsåret avsluttet per denne datoen og noteopplysninger til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes

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Organisasjonsnummer: 980 211 282

Penneo Dokumentnøkkel: 0YMEZ-2KVTI-YTMIUB-UGWGF-WOK8-XEDWU



## Deloitte.

side 2

Uavhengig revisors beretning -  
Statkraft IH Invest AS

utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.

- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimaterne og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi oppklarer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med dem som har overordnet ansvar for styring og kontroll blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

### **Uttalelse om andre lovmessige krav**

#### ***Konklusjon om årsberetningen***

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til resultatdisponering er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

#### ***Konklusjon om registrering og dokumentasjon***

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 31. mars 2021  
Deloitte AS

Stian Jilg-Scherven  
statsautorisert revisor

Penneo Dokumentnøkkel: OYMEZ-2KXTE-YTMBUB-UGWGF-WOK8-XEDWU



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## Stian Jilg-Scherven

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# Annual Report 2020 Statkraft IH Invest AS

**Board of directors' report**  
**Profit and loss statement**  
**Balance sheet**  
**Cash flow statement**  
**Notes**  
**Auditor's report**

**Org.no.: 984 663 889**



## Board of Directors' report 2020 Statkraft IH Invest AS

### Operations and location

Statkraft IH Invest AS (SKIHI) was established in 2002, and is owned by the Norwegian state entity Statkraft AS. SKIHI's business strategy is to develop, build, acquire, own and operate sustainable hydropower projects in emerging markets on commercial terms. The Company's mission is to become a leading hydropower company in emerging markets, contributing to economic growth and sustainable development.

SKIHI is located in Oslo, Lilleakerveien 6.

The company and subsidiaries are consolidated in Statkraft Group Financial Statements.

### Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

### Comments the financial statements

SKIHI has an operating loss of TNOK -491 in 2020, compared to an operating loss of TNOK -852 in 2019. The company does not have any employees as these were transferred to Statkraft AS and SN Power AS during the reorganization with closing 6th June 2014.

Net financial items amounted to MNOK -158 compared to MNOK 5 in 2019, mainly to a write-down of the investment in Statkraft Brasil AS of MNOK -169 in 2020. Net profit for the financial year is MNOK -161 (2019: MNOK 3).

Net financial items consist of net realized currency gain (MNOK 10), write-down of the investment in Statkraft Brasil AS (MNOK -169), and net intra-group interest income (MNOK 1).

The Board has proposed the following allocation of the profit for the financial year of SKIHI:

	MNOK
Transferred from retained earnings	161,161
Total allocations	-161,161

The company's total assets at year-end amounted to MNOK 16,136 compared to MNOK 16,185 at the previous year-end. The company had an equity ratio of 99,9 % as at 31.12.2020 compared to 99,9 % as at 31.12.2019. The company's equity ratio is considered acceptable by the company's management.



Significant changes to the balance sheet, compared to 2019, are:

Current assets decreased from MNOK 136 to MNOK 25 mainly due to a decrease in liquidity presented as intra-group receivables (cash pool) following capital increases in Statkraft Brasil AS.

SKIHI has issued various guarantees on behalf of subsidiaries, associated companies and joint ventures in order to secure funding for completion of construction projects.

In the Board's opinion the financial statements give a true and fair view of the financial position as at 31 December 2020 of the company SKIHI, and the financial performance and cash flows for 2020.

### **Financial risk**

SKIHI is mainly financed by equity, and the company's assets mainly consist of intra-group receivables and investments in subsidiaries. Future income will be in form of dividend from subsidiaries.

The majority of the company's liquidity is part of a cash pool arrangement within the Statkraft Group and is presented as receivables in the balance sheet.

The company's financial risk is continuously being assessed by the Board of Directors. The Board of Directors considers the financial risk to be low.

### **Work environment, equal opportunities and discrimination**

There are no employees in the company and therefore now working environment. The Board of Directors consists of two men and one woman.

### **External environment**

The company's operations do not result in pollution or spillage harmful to the external environment.

### **Covid-19**

The board is closely monitoring the development of the pandemic and is evaluating the potential consequences of the operations and value of the company's investments.

### **Contingencies and disputes**

On 13 July 2015, Statkraft acquired a controlling interest in the Brazilian company Desenvix Energias Renováveis S.A., which subsequently changed name to Statkraft Energias Renováveis (SKER). Over the past years, Brazil has experienced several severe corruption cases. On this background, Statkraft initiated an internal investigation related to the subsidiary acquired in 2015. Based on the investigation, the company has contacted Brazilian authorities. It is at this stage not possible to predict the final outcome.

The Brazilian Federal Prosecutor has been investigating potential crimes committed by representatives of the four main pension funds in Brazil and representatives of companies in which the pension funds invested, as well as any other individual who may have been involved in the alleged scheme, related to historical investments made by the pension funds, including FUNCEF, which invested in Desenvix (now SKER) in 2009 and 2010, and now owns 18.7% of SKER. The Prosecutor has concluded the investigation in relation to FUNCEF and filed the criminal lawsuit against the individuals, including the shareholders of Jackson and former officers of FUNCEF. In August 2017, the Federal Judge in charge of the criminal investigation issued a resolution stating that no information had been found relating SKER with the alleged illicit activities and therefore decided to release guarantees and other precautionary measures imposed on SKER. Additionally, a civil lawsuit has been filed against the pension funds and companies and individuals related to the pension fund's investments, including SKER. It is at this stage not possible to predict if the outcome of the case could have potential negative effects on SKER.



Oslo, 31 March 2021

The board of directors of Statkraft IH Invest AS

Kjersti Rønningen  
Chairman of the board

Simen Bræin  
Board member

Tron Engebretsen  
Board member

Jan Erik Felle  
General Manager



## Profit and loss statement

Statkraft IH Invest AS

Amounts in NOK thousand

	Note	2020	2019
<b>Operating expenses</b>			
Other operating expenses	2, 3	-491	-852
<b>Total operating expenses</b>		<u>-491</u>	<u>-852</u>
<b>Operating profit</b>		<u>-491</u>	<u>-852</u>
<b>Financial income and expenses</b>			
Financial income	4	10,720	5,640
Write-downs of financial assets	4	-169,000	0
Financial expenses	4	-179	-557
<b>Net financial items</b>		<u>-158,459</u>	<u>5,083</u>
<b>Profit before tax</b>		<u>-158,950</u>	<u>4,231</u>
Tax expense	5	-2,211	-946
<b>Profit for the year</b>		<u>-161,161</u>	<u>3,284</u>
<b>Appropriation of profit for the year and equity transfers</b>			
Transferred from other equity		161,161	-3,284
<b>Net appropriation of profit for the year and equity transfer</b>		<u>-161,161</u>	<u>3,284</u>



### Balance sheet

Statkraft IH Invest AS

Amounts in NOK thousand

<b>Assets</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Non-current assets</b>			
Deferred tax assets	5	33	45
<b>Total intangible assets</b>		<b>33</b>	<b>45</b>
<b>Financial non-current assets</b>			
Investments in subsidiaries	8	16,110,314	16,049,235
<b>Total financial non-current assets</b>		<b>16,110,314</b>	<b>16,049,235</b>
<b>Total non-current assets</b>		<b>16,110,348</b>	<b>16,049,280</b>
<b>Current assets</b>			
<b>Receivables</b>			
Intra-group receivables	6	25,215	135,670
Other short-term receivables	6	21	37
<b>Total receivables</b>		<b>25,236</b>	<b>135,707</b>
<b>Total current assets</b>		<b>25,236</b>	<b>135,707</b>
<b>Total assets</b>		<b>16,135,584</b>	<b>16,184,987</b>



## Balance sheet

Statkraft IH Invest AS


Amounts in NOK thousand

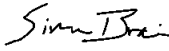
Shareholders equity and liabilities	Note	2020	2019
<b>Shareholders equity</b>			
Paid-in capital	7, 9	470,308	438,954
Share premium account	7	11,410,665	11,330,939
<b>Total paid-in capital</b>		<b>11,880,973</b>	<b>11,769,893</b>
<b>Retained earnings</b>			
Retained earnings	7	4,252,412	4,413,573
<b>Total retained earnings</b>		<b>4,252,412</b>	<b>4,413,573</b>
<b>Total shareholders equity</b>		<b>16,133,385</b>	<b>16,183,466</b>
<b>Liabilities</b>			
<b>Provisions for liabilities and charges</b>			
<b>Current debt</b>			
Intra-group liabilities	6	0	5
Tax payable	5	2,199	1,342
Other current liabilities	6	0	174
<b>Total current liabilities</b>		<b>2,199</b>	<b>1,522</b>
<b>Total liabilities</b>		<b>2,199</b>	<b>1,522</b>
<b>Total shareholders equity and liabilities</b>		<b>16,135,584</b>	<b>16,184,987</b>

Oslo, 31.03.2021

The board of Statkraft IH Invest AS

  
Kjersti Rønningen  
Chairman of the board

  
Tron Engbrethsen  
Member of the board

  
Simen Bræin  
Member of the board

  
Jan Erik Felle  
General Manager



## Cash flow statement

Statkraft IH Invest AS

Amounts in NOK thousand

	2020	2019
<b>Cash flow from operations:</b>		
Profit / (loss) before taxation	-158,950	4,231
Writw-downs investment in subsidiaries	169,000	0
Unrealized currency losses / (gains)	0	1,878
Paid taxes	-1,342	-18,047
Change in intra group accounts	-5	17,463
Change in other current assets and liabilities	-158	-1,636
<b>Net cash flow from operations</b>	<b>8,545</b>	<b>3,890</b>
<b>Cash flow from investment activities:</b>		
Investments in subsidiaries	-230,080	-1,096,390
<b>Net cash flow from investment activities</b>	<b>-230,080</b>	<b>-1,096,390</b>
<b>Cash flow from financing activities:</b>		
Inflow due to capital increase	111,080	817,969
Change in cash pool*	110,455	274,531
Outflow due to dividend payments to shareholders and group contribution	0	-1,822,685
<b>Net cash flow from financing activities</b>	<b>221,535</b>	<b>-730,185</b>
Net change in bank deposits, cash and equivalents	0	0
Bank deposits, cash and equivalents at 1 January	0	0
<b>Bank deposits, cash and equivalents at 31 December</b>	<b>0</b>	<b>0</b>

\* Statkraft IH Invest AS is part of a cash pool scheme in Statkraft AS. Cash and cash equivalents are classified as intercompany receivables.



## Note 1 Accounting policies

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. The accounting policies are described below.

In accordance with the Norwegian Accounting Act § 3-7 on exemption from the duty to prepare group accounts for the parent company of a subgroup, Consolidated financial statements are not prepared. The company is consolidated in Statkraft AS and financial statements for Statkraft AS can be found at [www.statkraft.com](http://www.statkraft.com).

The financial statements consists of the income statement balance sheet, cash flow statement and notes to the financial statements.

### Currency

The Company's functional currency is NOK, Monetary items held in foreign currency is converted to NOK using the exchange rate at year end. Currency effects are included as financial income and financial expense, were transactions in foreign currency is converted to NOK using the exchange rate at the date of transaction.

### 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 extend that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

### 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 he recoverable amount. Previously recognized impairments loss is reversed only if there have been changes in the estimates used to determine the recoverable amount. Dividends from subsidiaries are recognized when earned.

### Tangible fixed assets and intangible assets

Tangible fixed assets and intangible assets are measured at cost less accumulated depreciation and write-downs. 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 written down 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. Write-downs are reversed if the basis for the write-down is no longer present.

Research costs are expensed as incurred. Development costs related to project development are capitalised only if future economic benefits from the development of an intangible asset is probable. Development costs will often be capitalised when a construction project is more probable than not. Tis may occur before the formal investment decision has been made.

### Trade receivables

Trade receivables are measured at the recoverable amount. Provisions are made for bad debts.



## **Income taxes**

The tax expense is calculated from the profit (loss) before tax and comprises the current taxes and the change in deferred taxes. Deferred tax assets and liabilities are calculated in accordance with the liability method without discounting and provided for all differences between the carrying amount in the balance sheet and tax base of assets and liabilities, and for tax losses carried forward. Deferred tax assets are recognized on the balance sheet only when it is probable that the benefit can be utilized through future taxable profits.

## **Cash flow statement**

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

## **Contingencies and disputes**

On 13 July 2015, Statkraft acquired a controlling interest in the Brazilian company Desenvix Energias Renováveis S.A., which subsequently changed name to Statkraft Energias Renováveis (SKER). Over the past years, Brazil has experienced several severe corruption cases. On this background, Statkraft initiated an internal investigation related to the subsidiary acquired in 2015. Based on the investigation, the company has contacted Brazilian authorities. It is at this stage not possible to predict the final outcome.

The Brazilian Federal Prosecutor has been investigating potential crimes committed by representatives of the four main pension funds in Brazil and representatives of companies in which the pension funds invested, as well as any other individual who may have been involved in the alleged scheme, related to historical investments made by the pension funds, including FUNCEF, which invested in Desenvix (now SKER) in 2009 and 2010, and now owns 18.7% of SKER. The Prosecutor has concluded the investigation in relation to FUNCEF and filed the criminal lawsuit against the individuals, including the shareholders of Jackson and former officers of FUNCEF. In August 2017, the Federal Judge in charge of the criminal investigation issued a resolution stating that no information had been found relating SKER with the alleged illicit activities and therefore decided to release guarantees and other precautionary measures imposed on SKER. Additionally, a civil lawsuit has been filed against the pension funds and companies and individuals related to the pension fund's investments, including SKER. It is at this stage not possible to predict if the outcome of the case could have potential negative effects on SKER.



## Note 2 Employee benefit expenses, management remuneration and audit fee

Amounts in NOK thousand

<b>Auditor</b>	<b>2020</b>	<b>2019</b>
Statutory audit	-685	-541
Other assurance services	0	-29
<b>Total fees to auditors</b>	<b>-685</b>	<b>-570</b>

## Note 3 Other operating expenses

Amounts in NOK thousand

	<b>2020</b>	<b>2019</b>
Group services	-151	-161
External services	-340	-689
Leasing costs	0	0
Other expenses	0	-2
<b>Total other operating expenses</b>	<b>-491</b>	<b>-852</b>

## Note 4 Financial items

Amount in NOK thousand

<b>Income/expenses from subsidiaries and associated companies</b>	<b>2020</b>	<b>2019</b>
Write-down of investment in subsidiaries 1)	-169,000	0
<b>Income/expenses from subsidiaries and associated companies</b>	<b>-169,000</b>	<b>0</b>
<b>Financial income</b>	<b>2020</b>	<b>2019</b>
Interest income, intra-group	756	4,802
Net realised and unrealised currency gain	9,964	838
<b>Financial income</b>	<b>10,720</b>	<b>5,640</b>
<b>Financial expenses</b>	<b>2020</b>	<b>2019</b>
Interest expenses, intra-group	-172	-486
Interest expenses other	-7	-71
<b>Financial expenses</b>	<b>-179</b>	<b>-557</b>
<b>Net Financial items</b>	<b>-158,459</b>	<b>5,083</b>

1) The company's investment in Statkraft Brasil AS has in 2020 been written down with TNOK 169 000 based on an updated valuation of the underlying assets i Statkraft Brasil AS.



## Note 5 Income tax expense

Amounts in NOK thousand

	2020	2019
<b>This year's tax expense</b>		
Entered tax on ordinary profit/loss:		
Tax on this year's profit/loss	-2,199	-1,342
Changes in deferred tax	-12	396
<b>Tax expense on ordinary profit/loss</b>	<b>-2,211</b>	<b>-946</b>
Taxable income:		
<b>Ordinary profit/loss before tax</b>	<b>-158,950</b>	<b>4,231</b>
Permanent differences	169,000	71
Changes temporary differences	-55	1,800
<b>Taxable income</b>	<b>9,995</b>	<b>6,101</b>
Payable tax in the balance:		
Tax on this year's profit/loss	2,199	1,342
<b>Total payable tax in the balance</b>	<b>2,199</b>	<b>1,342</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2020	2019	Difference
Tangible fixed assets	-152	-207	-55
<b>Basis for calculation of deferred tax</b>	<b>-152</b>	<b>-207</b>	<b>-55</b>
<b>Deferred tax (22 % / 22 %)</b>	<b>-33</b>	<b>-45</b>	<b>-12</b>



## Note 6 Current assets and liabilities

Amounts in NOK thousand

### Current assets

<b>Intra group receivables</b>	<b>2020</b>	<b>2019</b>
Accrued interest	0	0
Short term loans on group companies	0	0
Group cash pooling receivables	25,215	135,670
<b>Total intra group receivables</b>	<b>25,215</b>	<b>135,670</b>

<b>External receivables</b>	<b>2020</b>	<b>2019</b>
Value added tax	21	27
Other receivables	0	10
<b>Total external receivables</b>	<b>21</b>	<b>37</b>

<b>Total receivables</b>	<b>25,236</b>	<b>135,707</b>
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### Current liabilities

<b>Intra group current liabilities</b>	<b>2020</b>	<b>2019</b>
Accounts payable	0	5
<b>Total intra group current liabilities</b>	<b>0</b>	<b>5</b>

<b>External current liabilities</b>	<b>2020</b>	<b>2019</b>
Accounts payable	0	174
Tax payable	2,199	1,342
<b>Total external current liabilities</b>	<b>2,199</b>	<b>1,516</b>

<b>Total current liabilities</b>	<b>2,199</b>	<b>1,522</b>
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## Note 7 Equity

Amounts in NOK thousand

	Share capital	Share premium	Other equity	Total
<b>Equity 01.01.2020</b>	<b>438,954</b>	<b>11,330,939</b>	<b>4,413,573</b>	<b>16,183,466</b>
Increase of Share capital	31,354	79,726	0	111,080
Result for the period	0	0	-161,161	-161,161
<b>Equity 31.12.2020</b>	<b>470,308</b>	<b>11,410,665</b>	<b>4,252,412</b>	<b>16,133,385</b>



## Note 8 Subsidiaries

Amounts in NOK thousand

	Date of establ.	Business office	Voting share	Ownership share	Book value 31.12.2020
<b>Investments in subsidiaries</b>					
Statkraft IH Holding AS	27 May 2003	Oslo	100%	100%	11,928,336
Statkraft Brasil AS	18 November 2009	Oslo	100%	100%	4,181,979
<b>Total</b>					<b>16,110,314</b>

Shares in subsidiaries are recorded in accordance with the cost method in the balance sheet of Statkraft IH Invest AS.

	Currency	Equity according to last annual accounts 1)	Profit for the year according to last annual accounts 1)
Statkraft IH Holding AS	NOK	14,079,183	-83,128
Statkraft Brasil AS	NOK	4,228,236	-168,610

1) Profit and equity are preliminary figures per 31.12.2020

## Note 9 Shareholder information

Amounts in NOK

	Number of shares	Value per share	Book value
Shares	31,353,854	15	470,307,810

Shareholders 31 December 2020:

	Number of shares	Owner share	Voting share
Statkraft AS	31,353,854	100 %	100 %

## Note 10 Guarantees, cash and cash equivalents

### Guarantees:

Statkraft IH Invest AS has, on behalf of its subsidiaries, issued guarantees for a total amount of TUSD 19,044 at 31 December 2020

The company's liquidity is part of a cashpool arrangement within the Statkraft Group and are presented as a receivable in the balance sheet.

## Note 11 Events after balance sheet date

There have been no significant subsequent events.